



VIRGINIA COMMONWEALTH UNIVERSITY

FINANCE, BUDGET AND INVESTMENT COMMITTEE

11:00 A.M.**

DECEMBER 8, 2017

JAMES BRANCH CABELL LIBRARY

901 PARK AVENUE – ROOM 303

RICHMOND, VIRGINIA

DRAFT

OPEN SESSION AGENDA

1. **CALL TO ORDER** **Mr. William Ginther, Chair**

2. **APPROVAL OF AGENDA**

3. **APPROVAL OF MINUTES** **Mr. William Ginther, Chair**
[\(September 14, 2017\)](#)

4. **ACTION ITEMS:**
 - a. **REQUEST FOR PROPOSALS** **Ms. Karol Kain Gray, Vice President for Finance and Budget**
 - i. *External Security Services*

 - b. **AMENDMENT TO SIX YEAR CAPITAL OUTLAY PLAN:** **Dr. Meredith Weiss, Vice President for Administration**
 - i. *Trani Life Sciences Roof and HVAC Replacement*

 - c. **ARCHITECT SELECTION AND /OR PROJECT PLANS:**
 - i. *Siegel Center Chiller Replacement*
 - ii. *West Hospital Eighth Floor Renovation*
 - iii. *MCV Campus Steam Line Installation*

 - d. **APPROVAL OF DEMOLITION:**
 - i. *Strauss Research Laboratory Building*
 - ii. *Virginia Treatment Center for Children*

5. **REPORT FROM VICE PRESIDENT FOR ADMINISTRATION** **Dr. Meredith Weiss, Vice President for Administration**
 - a. **MASTER SITE PLAN UPDATE**

**** The start time for the Board of Visitors meeting is approximate only. The meeting may begin either before or after the listed approximate start time as Board members are ready to proceed.**

6. REPORT FROM VICE PRESIDENT FOR FINANCE AND BUDGET

Ms. Karol Kain Gray, Vice President for Finance and Budget

- a. UNIVERSITY'S CASH POSITION
- b. STATE BUDGET UPDATE
- c. FY19 BUDGET DEVELOPMENT

7. TREASURER'S REPORT

Ms. Karol Kain Gray, Vice President for Finance and Budget

**8. MISCELLANEOUS REPORTS:
For Informational Purposes Only**

Mr. William Ginther, Chair

- a. Sources and Uses Funding FY18
- b. Revenue and Expense Summary
- c. VCU Health System and Financial Operations
- d. Capital Projects Update
- e. State Audit Report: Financial Opinion & Internal Controls Report
- f. Dashboards

9. CLOSED SESSION

Mr. William Ginther, Chair

Freedom of Information Act Section 2.2-3711 (A) (3),
Relating to the Acquisition or Disposition of Real Property
Adjacent to the Monroe Park Campus, and Section
2.2—3711 (A) (29), Relating to the negotiation and
award of a contract, prior to a contract being awarded.

10. RETURN TO OPEN SESSION

Mr. William Ginther, Chair

11. OTHER BUSINESS

Mr. William Ginther, Chair

12. ADJOURNMENT

Mr. William Ginther, Chair

**** The start time for the Board of Visitors meeting is approximate only. The meeting may begin either before or after the listed approximate start time as Board members are ready to proceed.**



**MEETING
OF THE
FINANCE, BUDGET AND INVESTMENT COMMITTEE
11:00 A.M.
SEPTEMBER 14, 2017
JAMES CABELL LIBRARY
901 PARK AVENUE, ROOM 303, RICHMOND, VIRGINIA**

MINUTES

DRAFT

COMMITTEE MEMBERS PRESENT

Mr. William Ginther, chair
Mr. Benson Dendy, vice chair
Mr. John Luke, Jr.
Mr. Keith Parker
Dr. Shantaram Talegaonkar

COMMITTEE MEMBER ABSENT

Mr. Alexander McMurtrie, Jr.
Ms. Jacquelyn Stone

BOARD MEMBERS PRESENT

Ms. Phoebe Hall, rector

OTHERS PRESENT

Dr. Michael Rao, President
Ms. Karol Kain Gray, Vice President for Finance and Budget
Dr. Meredith Weiss, Vice President of Administration

Staff and students from VCU and VCUHS

Members of the press

CALL TO ORDER

Mr. William Ginther, Chair of the Finance, Budget and Investment Committee, called the meeting to order at 11:04 a.m.

APPROVAL OF AGENDA

Mr. Ginther asked for a motion to approve the agenda for the September 14, 2017 meeting of the Finance, Budget and Investment Committee, as published. After motion duly made and seconded the agenda for the September 14, 2017 meeting of the Finance, Budget and Investment Committee (AICC) meeting was approved.

APPROVAL OF MINUTES

Mr. Ginther asked for a motion to approve the minutes of the May 12, 2017 meeting of the Finance, Budget and Investment Committee, as published. After motion duly made and seconded the Minutes of the May 12, 2017 were approved. A copy of the minutes can be found at on the VCU website at the following webpage
<http://www.president.vcu.edu/board/committeeminutes.html>.

ACTION ITEMS:

COMMITTEE CHARTER AND PLANNER

Ms. Gray presented the committee charter which is updated annually in keeping with the Board's Bylaws and current operational practices by changing the requirement to review the qualifications of committee members and staff and to review the work of the Fiscal Integrity and Stewardship Committee from "annually" to "as needed."

Mr. Ginther asked for a motion to approve the charter. After motion duly made and seconded the Finance Budget and Investment charter was approved.

FINANCIAL ASSUMPTIONS IN THE SIX YEAR PLAN

RESOLUTIONS

Ms. Gray reviewed three resolutions for financial purposes described as follows:

- 2015A General Revenue Pledge Bond – a revision to the \$27 million fund to include university-owned parking facilities located in or around campus. The original bond was adopted by the Board on May 8 and June 11, 2015.
- VCBA Bond - Virginia College Building Authority Debt Financing Resolution for \$10.8 million to construct the New Allied Health Professions Building. Debt service payments will be paid from a combination of the School of Allied Health Profession's ongoing tuition and fee revenues and increased enrollment.
- Administrative Fee for Endowments – a resolution authorizing VCU to charge an administrative fee to the Glasgow and Quasi Endowments. Currently, VCU administers the Glasgow true endowment as well as the \$90 million quasi-endowment. Foundations are currently assessing 100 basis points in administrative fees, with the exception of the School of Engineering foundation. The resolution includes a 100 basis point fee on

endowments administered by the University for the purpose of funding central finance and development budgets.

Mr. Ginther asked for a motion to approve all three resolutions. After motion duly made and seconded the Finance Budget and Investment Committee approved the resolutions.

ARCHITECT/ENGINEER SELECTIONS:

Dr. Weiss reviewed four architect selections as outlined below:

1. West Hospital Eighth Floor Renovation - KOP Architects, PC
2. West Main Street Parking Deck Restoration - Dunbar, Milby, Williams, Pittman & Vaughan
3. MCV Campus Steam Line Installation - Draper Aden, PC
4. Scott House Renovations – Glave Homes, PC

Mr. Ginther asked for a motion to approve the four selections as presented. After motion duly made and seconded, the Finance Budget and Investment Committee approved the architect selections.

AMENDMENT TO SIX YEAR CAPITAL PLAN

Dr. Weiss presented three amendments to the six year capital plan including the MCV Campus Steam Line Replacement, Engineering School including Project Plans, and the Energy Performance Contract.

Mr. Ginther asked for a motion to approve the charter. After motion duly made and seconded, the Finance Budget and Investment Committee approved all three amendments.

APPROVAL OF PROCUREMENT PROCEDURES

Dr. Weiss presented two changes two construction procedures that required committee approval. The Construction Management at Risk and the Design-Building Construction procurement procedures require revision based on new code regulations at the State.

Mr. Ginther asked for a motion to approve the charter. After motion duly made and seconded, the Finance Budget and Investment Committee approved the new procurement methods.

REPORT FROM VICE PRESIDENT OF ADMINISTRATION

Dr. Weiss presented an update on the University Master Site Planning process and the committee asked about having further updates on this project especially regarding the idea of a “front door” to the University as part of the suggested plan improvements. Mr. Ginther and other board members agreed that there needs to be new ideas regarding branding especially with the opening of the ICA Building as well as other campus entrances off of the interstates.

REPORT FROM VICE PRESIDENT OF FINANCE AND BUDGET

Ms. Gray provided an update on the new budget model reporting that the model is parallel reporting in FY2018 and that the Steering Committee approved allocation methods for E&G and Sponsored Research. The focus is now on reporting processes and infrastructure, and training for key personnel. Ms. Gray also presented the Treasurer's Report that was distributed to the Board for informational purposes.

REPORTS FOR INFORMATIONAL PURPOSES

Mr. Ginther noted that there were several reports provided to the committee for informational purposes, specifically, the Sources and Uses funding for FY18, the Revenue and Expense Summary as of June 30, 2017; the VCU Health System and Financial Operations as of June 30, 2017; Capital Projects Update; the Finance, Budget & Investment Committee Dashboards; Agency Risk Management and Internal Controls Standards Report; the Board of Visitors Fund Annual Report as of June 30, 2017, and the SWAM Report.

CLOSED SESSION

On motion made and seconded, the meeting of the Finance, Budget and Investment Committee convened into closed session pursuant to Sections 2.2-3711 (A) (3) of the Virginia Freedom of Information Act for the discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body.

RECONVENED SESSION

Following the closed session, the public was invited to return to the meeting. Mr. Ginther, Chair, called the meeting to order. On motion duly made and seconded the following resolution of certification was approved by a roll call vote:

Resolution of Certification

BE IT RESOLVED, that the joint meeting of the Finance, Budget and Audit Committee and the Board of Visitors of Virginia Commonwealth University certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under this chapter were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion by which the closed session was convened were heard, discussed or considered by the Committee of the Board.

<u>Vote</u>	<u>Ayes</u>	<u>Nays</u>
Mr. William Ginther, chair	X	
Mr. Benson Dendy, vice chair	X	
Mr. John Luke, Jr.	X	
Mr. Keith Parker	X	
Dr. Shantaram Talegaonkar	X	

All members responding affirmatively, the resolution of certification was unanimously adopted.

Mr. Ginther asked for a motion to recommend to the full Board approval of the real estate item discussed in closed session and to authorize the President and/or his to negotiate and execute a commercial lease on the terms discussed in closed session. After motion duly made and seconded, the Committee approved the motion.

ADJOURNMENT

There being no further business Mr. Ginther, Chair, adjourned the meeting at 12:14 p.m.

REQUEST FOR PROPOSALS
External Security Services
Term Contract

Item

VCU Police is seeking approval to solicit a Request for Proposals from private contractors for external security services to provide increased visibility through the strategic deployment of mobile security vehicles in a defined core campus of both campuses; special event security coverage; and post security services to various buildings. The anticipated annual contract amount is \$2.8 million.

Background

VCU has utilized external security services since the fall 2012 semester. The initial contract provided a high-visibility security presence on both Monroe Park and MCV Campuses with the addition of a mobile patrol (4 vehicles and 2 bicycles).

Based on responses to the annual Perception of Safety survey, VCU students, faculty and staff wanted to see a more visible presence of VCU's police and security. As a result, VCU Police expanded and established a new security model for its Academic Security function. In June 2014, contracted security services were expanded to include private security for fixed posts in academic buildings and for temporary event services.

The initial twelve departments utilizing post security (two libraries, Snead/East Hall, Sanger, Fine Arts, SOE West, Dance Center, Life Sciences, Business Services [two locations], Police, and Psychological Services) have grown to include School of Dentistry, School of Nursing, Residential Life & Housing (14 facilities), ICA, Cabell Library expanding to include post services for two 24/7 officers, and Business Services adding one more location.

The most recent five-year contract was awarded in May, 2013 and has no remaining renewal options. The current contract will expire on May 12, 2018.

Purpose

VCU Police wants to establish a contract with one or more firms to provide mobile, bike, post and/or special event security coverage.

Procurement

In an effort to contract with the most highly qualified and capable firm, an RFP will be issued.

Recommendation

Approve the competitive solicitation to establish an external security services term contract with one or more contractors, for an initial five-year term.

VIRGINIA COMMONWEALTH UNIVERSITY
Amendment to the 2016-2022 Six-Year Capital Plan
Trani Life Sciences Roof and HVAC Replacement

DESCRIPTION

This is a request to amend the University's 2016-2022 Six-Year Capital Plan to include the replacement of the building's major mechanical equipment and roof.

BACKGROUND

The Trani Life Sciences Building is a 132,415 square foot teaching and research lab facility constructed in 2000 to house the Department of Biology, the Center for Environmental Studies and the Office of the Vice Provost for Life Sciences. The facility includes classroom, teaching and research laboratory, animal and administrative space. Roof-mounted mechanical equipment are displaying signs of corrosion leading to roof leaks and damage to interior spaces. Steps taken by the University to alleviate the problems have been unsuccessful and the University's consultant recommends replacement of the mechanical equipment and the roof.

This project includes roof replacement and replacement of all major rooftop HVAC equipment, serving the main 4-story wing of the building. The HVAC system for the main building is served by six rooftop air handling units, a cooling tower and various rooftop exhaust fans. All of the rooftop units and roofing have reached the end of their serviceable life.

PURPOSE

Replacement of the rooftop mechanical equipment and roof system to provide an appropriate environment for the conduct of instructional and research activities and protect the University's investment in plant and equipment in the Trani Life Sciences Building.

OPERATING COST

No incremental increase in operating costs is anticipated.

RECOMMENDATION

Approve amendment of the 2016-2022 Six-Year Capital Plan to include the roof and mechanical equipment replacement on the Trani Life Sciences Building. The total estimated cost is \$6,000,000. The project will be funded with State General Funds if they are made available, or alternatively with University Funds if State funds are not available.

December 2017

VIRGINIA COMMONWEALTH UNIVERSITY
Architect/Engineer (A/E) Selection and Project Plans
Siegel Center Chiller Replacement

PROJECT: The purpose of the project is to provide a reliable cooling system for the Stuart C. Siegel Center by replacing the current chilled water system. The work includes structural framing to support the chiller assembly and cooling towers. A prefabricated, water-cooled chiller will be delivered to the site and installed over and adjacent to Siegel Center loading dock on the north side of the building.

Total Budget Not To Exceed.....\$3,500,000

SOURCE OF FUNDS: Short-term financing to be repaid with
Auxiliary Enterprise Funds.....\$3,500,000

OPERATING COSTS: Annual operating costs are not expected to change as a result of this renovation.

ARCHITECT/ENGINEER SELECTION: The University selected a firm from its pool of architectural and engineering firms chosen under the term contract selection process. The recommended firm is WSP Parsons Brinckerhoff Company (merged with CCRD), Richmond, Virginia. This firm was selected because of its extensive experience with VCU and in working on renovations of this type and magnitude. Comparable projects include:

1. Replacement for Air Handling Unit #4 at VCU's W.E. Singleton Center for the Performing Arts;
2. Upgrade of the VCU Health System's central generator plant;
and
3. A 1,000-Ton addition to the Winchester Medical Center Chilled Water Plant.

TIMETABLE:

Complete Planning	December 2017
Construction Starts	December 2017
Construction Complete	May 2018

RECOMMENDATION: Approve selection of WSP Parsons Brinckerhoff Company and project plans for the Siegel Center chiller replacement project.

December 2017

VIRGINIA COMMONWEALTH UNIVERSITY
Project Plans
West Hospital, Eighth Floor Renovations

PROJECT: This project supports the need of the newly created cardio oncology program within the Pauley Heart Center. The School of Medicine is funding the \$2,480,000 renovation of 8,200 gross square feet on the north and west wings of the eighth floor of West Hospital.

LOCATION: Renovation in West Hospital at 1200 East Broad Street, Richmond, Virginia.

PROJECT COSTS: Construction Budget \$1,640,000
Total Budget \$2,480,000

OPERATING COSTS: Annual operating costs are not expected to change as a result of this renovation.

FUND SOURCES: School of Medicine Funds \$2,480,000

TIMETABLE: Complete Planning September 2017
Construction Starts November 2017
Construction Complete March 2018

PROJECT DESIGN: The project consists of the complete renovation of the north and west wings of the eighth floor of West Hospital including portions of the lobby. The project will reconfigure space to create offices for informatics and research fellows, study recruiters, and trainees. It will also include an image reading room, a patient interview room, a conference room, and workstations for analysts. The project also includes replacement of old mechanical and electrical systems and related asbestos abatement.

RECOMMENDATION: Approve project plans for the West Hospital 8th Floor Renovations project.

December 2017

VIRGINIA COMMONWEALTH UNIVERSITY
Project Plans
MCV Campus Steam Line Installation

PROJECT: The purpose of the project is to provide steam for the new School of Allied Health Professions and to increase the capacity of the steam line for future buildings included in the university and the health system’s master plans.

LOCATION: MCV Campus, Duval and 10th St

PROJECT COSTS: Construction Budget\$3,500,000
Total Budget \$4,000,000

OPERATING COSTS: The annual operating cost for the new steam line is not expected to vary from the operating cost for the existing steam line.

FUND SOURCES: Auxiliary Enterprise Reserves..... \$4,000,000

TIMETABLE: Planning Completion December 2017
Construction Starts January 2018
Construction Completion September 2018

PROJECT DESIGN: Facilities Management’s assessment of proposed University and VCU Health System construction on the MCV Campus identified potential long-term deficiencies in the ability of the steam infrastructure to serve the northern area of the campus. The existing steam line serves the “N” Parking Deck, Larrick Student Center, Cabaniss Hall Dormitory, Biotech 1, Biotech Center and the new School of Allied Health Professions. A new steam line could serve the Adult Ambulatory Care Facility, Perkinson Building, Wood Building, Lyons Building, MCV Alumni House, Grant House and the Leigh House. The route for the steam line begins at the reducing station under the Martin Luther King Bridge and follows Duval Street around “N” Deck and branches to serve areas North and South of Leigh Street. The project will include approximately 7,300 linear feet of steam and condensate piping.

RECOMMENDATION: Approve project plans for the MCV Steam Line Installation project.

VIRGINIA COMMONWEALTH UNIVERSITY
Demolition Request
Strauss Research Lab Building

DESCRIPTION: This is a request for permission to demolish the existing Strauss Laboratory Building (built in 1961) located at 527 North 12th Street on the MCV Campus.

BACKGROUND: The VCU Health System is investigating the possibility of constructing an inpatient bed tower and parking deck on this site.

The site is not located within a historic district that is listed in or eligible for listing in the Virginia Landmarks Register and National Register of Historic Places. Based upon a review of project information provided to the Department of Historic Resources, they have no concerns with the buildings proposed for demolition.

The building has been unused for several years.

PURPOSE: This demolition will make way for possible redevelopment of the site as an inpatient bed tower and parking deck or other needs.

RECOMMENDATION: Approve the request to demolish the Strauss Laboratory Building.

VIRGINIA COMMONWEALTH UNIVERSITY
Demolition Request
Virginia Treatment Center for Children

DESCRIPTION: This is a request to demolish the Virginia Treatment Center for Children (VTCC) (built in 1962, with addition in 1982), located at 515 North 10th Street on the MCV Campus.

BACKGROUND: The 2014 Master Site Plan identified the site of the existing VTCC building for use by VCU Health System’s evolving needs. The VCU Health System plans to build an adult outpatient care facility and a patient/visitor parking deck.

The site is not located within a historic district that is listed in or eligible for listing in the Virginia Landmarks Register and National Register of Historic Places. Based upon a review of project information provided to the Department of Historic Resources, they have no concerns with the buildings proposed for demolition.

A new facility to house the Virginia Treatment Center for Children is being completed off Brook Road.

PURPOSE: This demolition will make way for redevelopment of the site as an adult outpatient care facility and a patient/visitor parking deck.

RECOMMENDATION: Approve the request to demolish the Virginia Treatment Center for Children building.



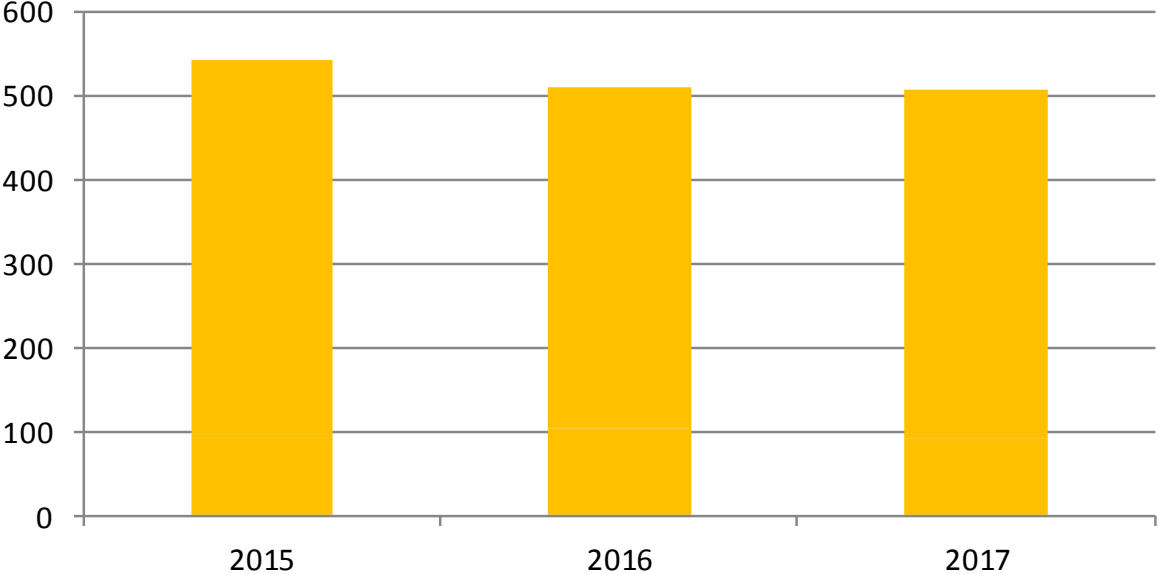
VCU Cash and Investments

Karol Kain Gray, VP for Finance and Budget

December 8, 2017

VCU Cash and Investments – Three Year Trend

(in Millions)



Moody's Liquidity Indicators

	VCU Estimated, Unaudited (FY17)	Public University Aa2 Median (FY16)
Monthly Liquidity (\$ millions)	\$411	\$547
Annual Liquidity (\$ millions)	\$417	\$563
Adjusted Cash Operating Expenses (\$ millions)	\$972	\$1,322
Monthly Days Cash on Hand (days)	154 days	151 days

Treasurer's Report As of September 30, 2017

Finance and Budget, Karol Kain Gray, December 8, 2017



VCU

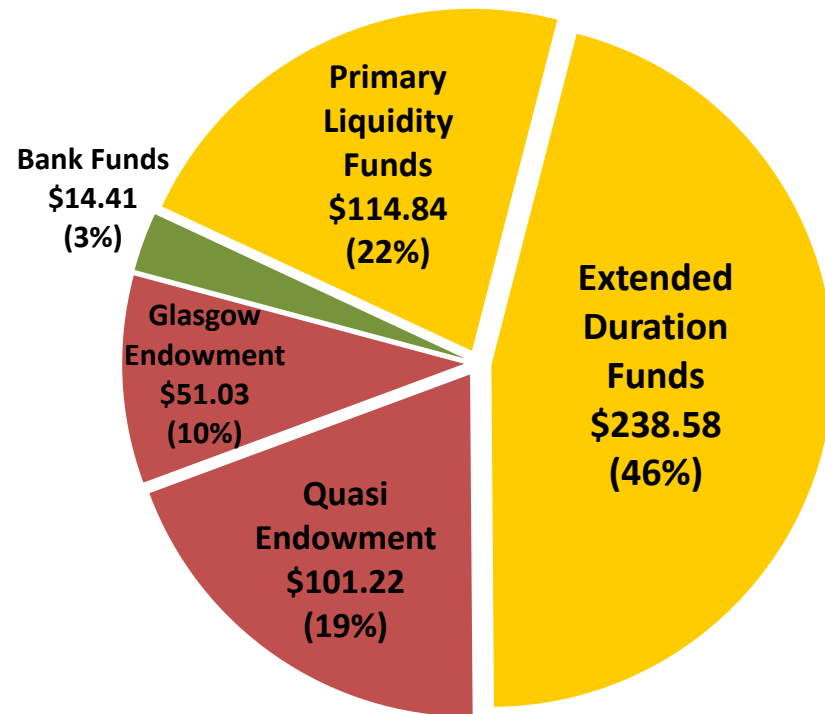
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TOTAL UNIVERSITY FUNDS OVERVIEW

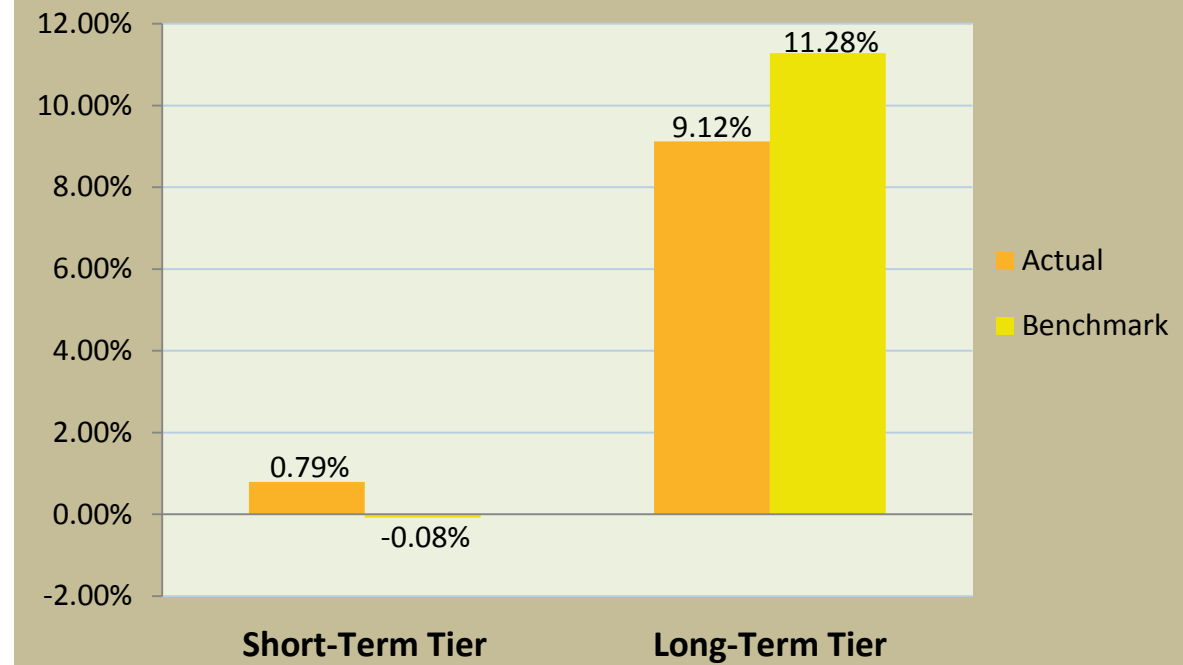
Total University Funds Overview for the Period Ending September 30, 2017

University Funds
Market Value (Millions)



**Total University Funds
\$520.08M**

1-Year Investment Funds Performance



SHORT-TERM TIER OVERVIEW

Short-Term Tier Performance (net of fees) for the Period Ending September 30, 2017

	Period Ending September 30, 2017							Inception	
	Current Market Value	Current Allocation	3 Mos	Cal YTD	1 Yr	3 Yrs	5 Yrs	Return	Since
Total Operating Funds	\$353,424,619	100.0%	0.34%	0.98%	0.79%	0.87%	0.76%	0.99%	Jun-09
<i>Short-Term Tier Composite</i>			<i>0.33%</i>	<i>0.75%</i>	<i>-0.08%</i>	<i>0.94%</i>	<i>0.60%</i>		
Primary Liquidity Funds (Payden & Rygel)	\$114,843,952	32.5%	0.22%	0.69%	0.81%	0.38%	0.29%	0.26%	Jun-09
<i>iMoneyNet MM All Taxable</i>			<i>0.16%</i>	<i>0.34%</i>	<i>0.37%</i>	<i>0.16%</i>	<i>0.10%</i>	<i>0.07%</i>	<i>Jun-09</i>
Extended Duration Funds (Merganser)	\$238,580,667	67.5%	0.33%	1.19%	0.82%	1.15%	0.97%	1.44%	Jun-09
<i>Blended Index</i>			<i>0.34%</i>	<i>1.02%</i>	<i>-0.08%</i>	<i>0.80%</i>	<i>0.73%</i>	<i>0.97%</i>	<i>Jun-09</i>
<i>BofA Merrill Lynch US Corp & Govt 1-3 year</i>			<i>0.34%</i>	<i>1.04%</i>	<i>0.65%</i>	<i>1.04%</i>	<i>0.94%</i>	<i>1.47%</i>	<i>Jun-09</i>

- Short-Term Tier Composite = Weighted Average of iMoneyNet MM All Taxable/BofA Merrill Lynch US Corp & Gov 1-3 Year
- iMoneyNet MM All Taxable
- Blended Index = Citi 6-Month T-Bill 07/31/2009 to 02/28/2010; BofA Merrill Lynch US Corp & Gov 1-3 Year AAA-A 03/31/2010 to 4/30/2016; BofA Merrill Lynch Treasury 1-5 Year 05/31/2010 to 3/31/2017; BofA Merrill Lynch US Corp & Gov 1-3 Year 04/30/2017 to present

LONG-TERM TIER OVERVIEW

Long-Term Tier Performance and Asset Allocation as of September 30, 2017

VCU Finance Long-Term Tier Asset Allocation for the Period Ending:		9/30/2017		VCU Strategic		Since		Since	
Asset Class	Market Value		Allocation	Qtr	1 Yr	3 Yr	6/30/2013	4/30/2012	
	(\$)	(%)	(%)	Return	Return	Return	Return	Return	
Equity									
VCIMCO Equity	\$	97,789,946	64.2%						
JP Morgan Equity	\$	419,739	0.3%						
Subtotal	\$	98,209,685	64.5%	65.0%	3.79%	17.11%	6.33%	7.94%	8.71%
<i>MSCI All Country World Index</i>					5.18%	18.65%	7.43%	9.81%	9.79%
Real Assets									
VCIMCO Real Assets	\$	752,794	0.5%						
JP Morgan Real Assets	\$	1,170,014	0.8%						
Subtotal	\$	1,922,808	1.3%	10.0%	-0.79%	-2.36%	3.71%	4.21%	2.35%
<i>MSCI ACWI Real Estate Index</i>					3.62%	6.41%	7.65%	7.23%	8.20%
Fixed Income and Cash									
VCIMCO Fixed Income and Cash	\$	52,007,915	34.1%						
JP Morgan Fixed Income and Cash	\$	232,970	0.2%						
Subtotal	\$	52,240,885	34.3%	25.0%	0.03%	-1.82%	0.14%	0.49%	1.05%
<i>Barclays US Aggregate Index</i>					0.85%	0.07%	2.71%	2.97%	2.38%
Total Investments									
VCIMCO - Total	\$	150,550,656	98.8%						
JP Morgan - Total	\$	1,822,722	1.2%						
Grand Total	\$	152,373,378	100.0%	100.0%	2.49%	9.12%	3.97%	5.07%	5.69%
<i>Composite Benchmark</i>					3.67%	11.28%	3.88%	4.81%	4.61%
Net Liabilities - VCIMCO Funds	\$	(126,327)							
Net Asset Value - Long-Term Tier	\$	152,247,050							
Net Asset Value - Ram Fund	\$	148,724,950							
Net Asset Value - Ram Private Assets Fund	\$	1,699,377	(est.)						
Net Asset Value - JP Morgan	\$	1,822,722							
Net Asset Value - Long-Term Tier	\$	152,247,050							

- \$49.39 of \$51.03 million of the Glasgow Endowment is transferred to VCIMCO with \$1.64 million remaining at JP Morgan, of which \$0.24 million should be received by June 2018 (hedge funds), and \$1.40 million by 2022 (private assets).
- \$101.04 of \$101.22 million of the Quasi Endowment is transferred to VCIMCO with \$0.18 million remaining at JP Morgan, all of which should be received by June 2018 (hedge funds).
- VCIMCO is currently in the process of hiring investment managers, and in the coming months the Long-Term Tier will consequently move closer to the Strategic Allocation targets above.

Composite Benchmark: 04/01/17 to current - 65% MSCI All Country World Index, 25% Barclays US Aggregate Index, 10% MSCI ACWI Real Estate Index. 05/01/2012 to 09/30/2017 - 30% MSCI All Country World Index, 40% HFRX Global Hedge Fund, 5% Bloomberg Commodities Index, 25% Barclays US Aggregate Index.

Note: The figures above are VCIMCO's best-effort estimates of the total blended returns at the aggregate and asset class levels which are unaudited and subject to change. The performance calculation is a blend of the Glasgow and Long-Term portfolio returns on a dollar weighted basis, as reported by the Ram Fund from May 1, 2016 through September 30, 2017 and by JP Morgan from May 1, 2012 through September 30, 2017.



Cash, Investments & Debt Weekly Monitoring Report As of November 24, 2017

To be distributed

**Weekly Monitoring Report
As of November 24, 2017**

Cash and Investments

	(in millions)	
	Quarter ended 9/30/2017	Week ended 11/24/2017
Bank Funds (Wells Fargo)	\$ 14.41	\$ 18.47
Primary Liquidity Fund (Payden & Rygel)	\$ 114.84	\$ 84.79
Extended Duration Fund (Merganser)	238.58	237.94
Total Short-Term Tier (VCIMCO)	<u>\$ 353.42</u>	<u>\$ 322.74</u>
Equity (Ram Fund + PA Fund)	\$ 65.46	\$ 65.57
Fixed Income & Cash (Ram Fund + PA Fund)	35.07	28.31
Real Assets (Ram Fund + PA Fund)	0.51	0.47
JP Morgan (Equity + Cash)	0.18	0.17
Total Long-Term Tier (VCIMCO)	<u>\$ 101.22</u>	<u>\$ 94.52</u>
Equity (Ram Fund + PA Fund)	\$ 32.21	\$ 32.04
Fixed Income & Cash (Ram Fund + PA Fund)	16.93	13.59
Real Assets (Ram Fund + PA Fund)	0.25	0.22
JP Morgan (Equity + Real Assets + Cash)	1.64	1.67
Total Glasgow Endowment (VCIMCO)	<u>\$ 51.03</u>	<u>\$ 47.53</u>
Total University Funds:	<u><u>\$ 520.08</u></u>	<u><u>\$ 483.25</u></u>
	Quarter ended	Week ended
Comparative Federal Interest Rate:	9/30/2017	11/24/2017
1-year	1.31	1.61
10-year	2.33	2.34

Debt

	Lastest Debt Report as of 6/30/2017	Week ended 11/24/2017
VCU Outstanding Debt:		
Outstanding Bonds	434,392,552	414,147,551
Capital Leases and Installment Obligations	5,986,503	5,986,503
	<u>\$ 440,379,055</u>	<u>\$ 420,134,054</u>
Debt Ratio:		
Audited Debt Ratio (as of 6/30/2016)	4.88%	
Estimated Unaudited Debt Ratio (as of 6/30/2017)	4.55%	
Swap Valuation:		As of
Mark-to-market		10/31/2017
		\$ 7,157,660

	(in millions)	
	As of 9/30/2017	Week ended 11/24/2017
VCU Line of Credit (PNC):		
Line of Credit Outstanding Balance ^A :	\$22.67	\$25.60
Available Balance:	<u>\$37.33</u>	<u>\$34.40</u>
	<u>\$60.00</u>	<u>\$60.00</u>
1 Month LIBOR:	1.23%	1.34%
Line of Credit Interest Rate ^B :	1.78%	1.89%

^A Projects Financed by Line of Credit:

Basketball Practice Facility	\$8.60	\$8.60
Allied Health Professions	\$10.80	\$10.80
School of Engineering Expansion	\$3.27	\$3.81
Institute for Contemporary Art (ICA)	<u>\$0.00</u>	<u>\$2.39</u>
	<u>\$22.67</u>	<u>\$25.60</u>

^B Taxable rate for Line of Credit is 1 month LIBOR plus 55 basis points.

Virginia Commonwealth University
FY 2017-2018 University Budget Plan
Sources and Uses Summary
(in thousands)

FY 2017-2018 Sources	Educational & General Programs	Sponsored Programs	Auxiliary Enterprises	University Funds	Student Financial Assistance	Other	Total University	Change from 2016-17 Budget Plan	
								Amount	Percent
State General Fund									
Direct Appropriations	\$ 170,040	\$ 14,013	\$ -	\$ -	\$ 30,063	\$ -	\$ 214,116	(5,689)	-2.6%
Central Transfers	3,997	-	-	-	-	-	\$ 3,997	47	1.2%
State General Fund	\$ 174,037	\$ 14,013	\$ -	\$ -	\$ 30,063	\$ -	\$ 218,113	\$ (5,642)	-2.5%
Nongeneral Funds									
Student Tuition and Fees	424,966	-	51,885	-	-	-	476,851	25,965	5.8%
Grants and Contracts	8,222	202,440	-	-	31,740	-	242,402	10,430	4.5%
Gifts and Investment Earnings	107	-	5,523	38,416	-	-	44,046	1,957	4.6%
Sales and Services	10,133	-	84,724	-	-	67,396	162,253	1,601	1.0%
Other Sources	305	-	6,035	4,243	-	-	10,583	(218)	-2.0%
Total Nongeneral Funds	443,733	202,440	148,167	42,659	31,740	67,396	936,135	39,735	4.4%
Total University Sources	\$ 617,770	\$ 216,453	\$ 148,167	\$ 42,659	\$ 61,803	\$ 67,396	\$ 1,154,248	\$ 34,093	3.0%
FY 2017-2018 Uses									
Instruction	\$ 315,926	\$ 10,560	\$ -	\$ 3,400	\$ -	\$ 40,069	\$ 369,955	\$ 8,637	2.4%
Research	12,836	189,594	-	9,413	-	-	211,843	5,109	2.5%
Public Service	4,820	449	-	1,801	-	-	7,070	(419)	-5.6%
Academic Support	95,384	4,044	-	10,411	-	-	109,839	(2,244)	-2.0%
Student Services	17,768	-	-	497	-	-	18,265	471	2.6%
Institutional Support	85,716	3,370	-	8,372	-	-	97,458	8,352	9.4%
Operation and Maintenance of Plant	56,503	5,617	-	1,042	-	1,000	64,162	2,116	3.4%
Scholarships and Fellowships	10,520	1,716	-	7,723	77,217	-	97,176	8,887	10.1%
Auxiliary Enterprises	-	-	137,543	-	-	-	137,543	2,692	2.0%
Other	-	-	-	-	-	25,927	25,927	1,126	4.5%
Subtotal Uses	599,473	215,350	137,543	42,659	77,217	66,996	1,139,238	34,727	3.1%
Transfers (in) out ⁽¹⁾	14,002	-	1,412	-	(15,414)	-	-	-	n/a
Addition to Reserves	-	-	5,960	-	-	400	6,360	(1,007)	-13.7%
Contingencies	4,295	1,103	3,252	-	-	-	8,650	373	4.5%
Subtotal Contingencies and Transfers	18,297	1,103	10,624	-	(15,414)	400	8,650	373	4.5%
Total University Uses	\$ 617,770	\$ 216,453	\$ 148,167	\$ 42,659	\$ 61,803	\$ 67,396	\$ 1,154,248	\$ 34,093	3.0%

(1) Per the state budget, nongeneral fund appropriation from E&G programs of \$11,002,320 and \$1,412,083 from Auxiliary Services was required to be transferred to Student Financial Assistance to more accurately reflect aid to students. An additional \$3,000,000 in additional need-based aid is added as part of the 2017-18 budget.

Virginia Commonwealth University - Revenue & Expenses

FY2018 Q1 Report

	FY 2018 Adopted Budget	FY 2017 Q1 Actuals	FY 2018 Q1 Actuals	Actuals \$ Variance	Actuals % Variance	FY 2017 Year- End Actuals
1 Revenues						
2 State General Funds	\$ 218,113	\$ 66,478	\$ 65,098	\$ (1,380)	-2.08%	\$ 220,146
3 Nongeneral Funds:						
Educational and General						
4 Tuition and Fees	476,851	225,118	230,871	\$ 5,753	2.56%	463,148
5 Grants and Contracts:						
6 Sponsored Programs	210,662	62,553	63,620	\$ 1,067	1.71%	230,309
7 Financial Aid	31,740	13,128	14,380	\$ 1,251	9.53%	31,064
8 Auxiliary Enterprises:	84,724	36,552	38,649	\$ 2,097	5.74%	89,394
9 VCUQ	40,069	5,728	9,162	\$ 3,434	59.95%	39,918
10 Gifts and Investment Income Sales and Services, Other	44,046	7,015	9,953	\$ 2,939	41.89%	48,862
11 Revenues	48,043	10,775	13,204	\$ 2,430	22.55%	51,725
Total Revenues	\$ 1,154,248	\$ 427,346	\$ 444,937	\$ 17,591	4.12%	\$ 1,174,565
12 Expenses						
Educational and General						
13 Expenses	\$ 617,770	\$ 157,617	\$ 160,584	\$ 2,967	1.88%	\$ 591,456
14 VCUQ	40,069	10,900	10,667	\$ (232)	-2.13%	39,498
15 Sponsored Programs	184,675	57,853	60,429	\$ 2,576	4.45%	201,388
16 FACR	31,778	13,353	9,867	\$ (3,486)	-26.11%	28,153
17 Auxiliary Enterprises	142,207	41,266	43,398	\$ 2,132	5.17%	137,695
18 University Funds	42,659	15,726	15,374	\$ (351)	-2.24%	51,726
19 Student Financial Assistance	61,803	35,290	37,896	\$ 2,606	7.38%	86,999
20 Hospital Services	26,927	6,107	6,662	\$ 555	9.09%	23,388
Total Expenses	\$ 1,147,888	\$ 338,111	\$ 344,878	\$ 6,767	2.00%	\$ 1,160,303



VCUHealth™

VCU Health System Authority

FY 2018 Financial Report for the
4 Months Ending October 31, 2017

VCUHS Consolidated Income Statement (\$ in thousands)

October 31, 2017 Year to Date (4 months)

Operating Excess of \$58.5M is \$37.0M over budget

	<i>Percent</i>	<i>Variance Projected</i>	FY 2018 Actual	FY 2018 Budget	FY 2017 Actual	<i>Variance Prior Year</i>	<i>Percent</i>
Operating Revenues							
Net patient service revenue	0.7%	\$ 4,183	\$ 587,800	\$ 583,617	\$ 523,009	\$ 64,791	12.4%
Contract revenue	-2.3%	(145)	6,245	6,390	5,887	358	6.1%
Premiums earned	-0.1%	(606)	407,439	408,045	350,833	56,606	16.1%
Other operating revenue	33.8%	1,650	6,529	4,879	8,095	(1,566)	-19.3%
Total Operating Revenues	0.5%	\$ 5,082	\$ 1,008,013	\$ 1,002,931	\$ 887,824	\$ 120,189	13.5%
Operating Expenses							
Salaries and wages	1.6%	\$ 5,241	\$ 317,748	\$ 322,989	\$ 291,524	\$ (26,224)	-9.0%
Benefits	5.5%	4,856	83,908	88,764	82,207	(1,701)	-2.1%
Medical claims expense	3.1%	10,594	336,750	347,344	306,116	(30,634)	-10.0%
Purchased services	-1.9%	(962)	52,183	51,221	43,142	(9,041)	-21.0%
Supplies	6.4%	5,878	85,674	91,552	81,133	(4,541)	-5.6%
Drugs	-10.4%	(5,229)	55,444	50,215	44,098	(11,346)	-25.7%
Interest expense	-2.7%	(219)	8,366	8,147	8,444	78	0.9%
Other expenses	14.7%	8,753	50,919	59,672	45,728	(5,191)	-11.4%
Provision for depreciation / amortization	3.5%	1,126	31,071	32,197	27,432	(3,639)	-13.3%
Total Operating Expenses	2.9%	\$ 30,038	\$ 1,022,063	\$ 1,052,101	\$ 929,824	\$ (92,239)	-9.9%
Operating Excess/(Loss) w/o Quality of Earn./ Supplemental Revenue		\$ 35,120	\$ (14,050)	\$ (49,170)	\$ (42,000)	\$ 27,950	
Quality of Earnings/Supplemental Revenue	2.6%	\$ 1,858	\$ 72,542	\$ 70,684	\$ 72,762	\$ 220	0.3%
Total Operating Excess/(Loss)		\$ 36,978	\$ 58,492	\$ 21,514	\$ 30,762	\$ 28,170	
<i>Operating Margin (%)</i>			<i>5.4%</i>	<i>2.0%</i>	<i>3.2%</i>		
Nonoperating revenues and expenses:							
Investment income	137.5%	\$ 26,822	\$ 46,323	\$ 19,501	\$ 26,159	\$ 20,164	77.1%
Other non-operating income(expense)incl. taxes	-97.4%	(10,793)	293	11,086	159	(134)	-84.3%
Donations and gifts		19	1,026	1,045	1,813	787	
Total Non-Operating Revenues and Expense		\$ 16,010	\$ 47,642	\$ 31,632	\$ 28,131	\$ 20,817	
Total Excess / (Loss)		\$ 52,988	\$ 106,134	\$ 53,146	\$ 58,893	\$ 47,241	
<i>Total Margin (%)</i>			<i>9.4%</i>	<i>4.8%</i>	<i>6.0%</i>		

VCUHS Balance Sheet (\$ in thousands)
October 31, 2017 Year To Date (4 months)

	<u>FY 2018 (4mox)</u>	<u>FY 2017 Audit</u>
ASSETS & DEFERRED OUTFLOWS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 449,883	\$ 328,503
Patient accounts receivable, less allowances for doubtful accounts and contractual adjustments	279,090	257,531
Other current assets	<u>180,874</u>	<u>230,769</u>
TOTAL CURRENT ASSETS	909,847	816,803
ASSETS WHOSE IS LIMITED & LT INVESTMENTS	1,535,644	1,494,366
TOTAL CAPITAL ASSETS	896,384	886,900
TOTAL OTHER ASSETS	26,657	25,803
TOTAL DEFERRED OUTFLOWS	<u>42,420</u>	<u>40,519</u>
TOTAL ASSETS & DEFERRED OUTFLOWS	<u>\$ 3,410,952</u>	<u>\$ 3,264,391</u>
LIABILITIES, DEFERRED INFLOWS & NET POSITION		
CURRENT LIABILITIES		
Current portion of long-term debt and capital leases	\$ 7,873	\$ 7,941
Trade accounts payable	207,817	170,457
Accrued salaries, wages, and fringe benefits, leave	129,669	115,032
Other current liabilities	<u>37,971</u>	<u>41,072</u>
TOTAL CURRENT LIABILITIES	383,330	334,502
OTHER LIABILITIES		
Long-term debt and capital leases, less current portion	506,669	510,941
Other liabilities	<u>150,987</u>	<u>153,461</u>
TOTAL LIABILITIES	1,040,986	998,904
TOTAL DEFERRED INFLOWS	9,038	10,466
TOTAL NET POSITION	<u>2,360,928</u>	<u>2,255,021</u>
TOTAL LIABILITIES, DEFERRED INFLOWS & NET POSITION	<u>\$ 3,410,952</u>	<u>\$ 3,264,391</u>

VCUHS Cash Flow (\$ in thousands)
October 31, 2017 Year To Date (4 months)

		FY 2018 <u>Actual</u>
Cash and Investments at the Beginning of the Year	\$	1,850.4
Sources of Cash:		
Total excess/(loss)	\$	106.2
Depreciation expense (non-cash transaction)		31.1
Accounts receivable/ settlements decrease		47.3
Decrease/increase in Due from/to affiliates		48.7
Increase in Accts Payable		-
Capital contribution MCVH		11.2
Increase in claims liability		9.2
Deferred income/settlements due third parties		-
Other working capital changes		10.5
Total Sources of Cash	\$	<u>264.2</u>
Uses of Cash:		
Acquisition and construction of capital assets	\$	(40.6)
Decrease in claims liability/Accts Payable		(7.0)
Settlements due to third parties/ AR increase		(24.9)
Contributions to Defined Benefit Plan		-
Transfer UHS / Hospital /Carolina Crescent/VCU		(1.8)
Increase/decrease in Due to/from affiliates		(44.4)
Intercompany note receivable - VPHP		(0.8)
Capital contribution - CMH		(17.5)
Other working capital changes		(1.3)
Principal payments on long term debt and capital leases		(6.8)
Total Uses of Cash	\$	<u>(145.1)</u>
Net Change in Cash for the Period	\$	<u>119.1</u>
Cash and Investments at the End of the Period	\$	<u>1,969.5</u>

VCUHS Key Ratios

October 31, 2017 Year-to-Date (4 months)

	Actual <u>FY 2018</u>	Audited <u>FY 2017</u>	S&P's Median <u>Benchmark</u>	Moody's Median <u>Benchmark</u>	<u>Trend</u>
LIQUIDITY RATIOS:					
Current	2.4	2.4		1.7	Favorable
Days in A/R	58.0	56.1	47.7	48.8	Unfavorable
Days Cash on Hand	244.0	240.0	220.4	234.2	Favorable
LEVERAGE RATIOS:					
Debt Service Coverage	11.4	10.0	4.6	6.9	Favorable
Long-Term Debt to Capitalization	22.2%	23.5%	30.1%	29.5%	Favorable
Interest Coverage	13.7	13.2		4.9	Favorable
PROFITABILITY RATIOS:					
Operating Margin	5.4%	5.9%	>3.3%	>3.7%	Favorable
Total Margin	9.4%	9.9%	>4.4%	>6.6%	Favorable

Virginia Commonwealth University
December 2017 Summary of Major Capital Projects

Project	Funding			Comments
	Amount	Source	Completion	
Completed Projects:				
Community Memorial Hospital (South Hill)	\$79,000,000	VCU Health Funds	Nov 2017	
Comprehensive Medical Center (South Hill)	\$16,000,000	VCU Health Funds	Nov 2017	
Rhoads Hall Restroom Renovation	\$4,615,300	University Housing	Summer 2016 - Ph I Summer 2017 - Ph II	
Construction Underway:				
Institute for Contemporary Art	\$33,805,718 Private Funding \$7,392,810 University Reserves \$41,198,528 Total		Dec 2017	A 40,890 SF facility located at the corner of Broad and Belvidere Streets. Project behind schedule but continues to track an opening in Spring 2018.
Sanger Hall Phase II Renovations	\$17,214,620 General Funds \$7,040,600 University-supported debt \$1,366,919 University Funds \$1,795,000 State-supported Debt \$27,417,139 Total		Oct 2015 (Part A only) Jan 2019 (all remaining phases)	The second phase of the floor by floor wet lab renovation of Sanger Hall. This phase will complete an additional 2 floors to the 4 already completed.
Raleigh Building Renovation	\$8,056,947 General Funds \$750,000 State-supported Debt \$119,168 University Funds \$8,926,115 Total		Dec 2017	Total renovation of the building to house the Wilder School.
Allied Health Professions Building	\$69,256,000 State Appropriation request \$275,549 Auxiliary Enterprise \$80,331,549 Total		Aug 2019	Consolidation of eleven Allied Health Programs in one building.
Planning Underway:				
Engineering Research Expansion	\$43,000,000 State-supported Debt \$49,000,000 University-Supported Debt \$92,000,000 Total		Fall 2020	Planning proceeding on schedule. The size will increase from 120,000 to 133,000 square feet and the cost from \$86,000,000 to \$90,500,000.
Other Projects of Interest:				
Virginia Treatment Center for Children	\$58,495,717 State Appropriation \$6,589,998 VCU Health Funds \$65,085,715 Total		Dec 2017	Replacement facility for the current VTCC located on the MCV Campus. Location on Brook Road campus. Contractor driven delays due to redesigned roofing system. The current substantial completion date is 21 December 2017.
Perioperative Suite Renovation	\$94,000,000 VCU Health Debt		Feb 2018	Renovation of 5th floor of Main Hospital and portions of adjacent buildings to provide 18 state of the art operating rooms and support areas. Phased for continuous operation.
On Schedule	Delay			



Key Performance Measures and Projects

Report of VCU Finance and Budget Performance Indicators – Fiscal Year-to-Date as of September 30, 2017

Measure	Metrics/Performance as of September 30, 2017	Comments
Investments	Investment Balances	<ul style="list-style-type: none"> ▪ See 9/30/17 Treasurer’s Report
	Investment Returns	<ul style="list-style-type: none"> ▪ See 9/30/17 Treasurer’s Report
Debt	Bond ratings	<ul style="list-style-type: none"> ▪ AA-/Aa2 (within Tier III requirement)
	Debt Ratio (FY17 Estimated Unaudited)	<ul style="list-style-type: none"> ▪ 4.55% (below 6.0% debt policy requirement and 7.0% Tier III requirement)
Revenues and Expenses	Performance vs. Budget	<ul style="list-style-type: none"> ▪ Budgeted annual revenue \$1,154 million ▪ Actual Q1 Results: \$445 million - 4% over last year Q1; ▪ Budgeted annual expense: \$1,148 million ▪ Actual Q1 Results: \$345 million – 2% over last year Q1.
Major Projects/Initiatives		Next Steps/Comments
VCIMCO		<ul style="list-style-type: none"> ▪ See VCIMCO’s presentation to the full BOV
University Budget Redesign		<ul style="list-style-type: none"> ▪ Met July 1 deadline for 2018 parallel reporting; Schools and administrative unit briefing completed. ▪ FY2019 budget development under new model to begin Fall, 2017.