



VIRGINIA COMMONWEALTH UNIVERSITY

FINANCE, BUDGET AND INVESTMENT COMMITTEE

11:00 A.M.**

**SEPTEMBER 14, 2018
JAMES BRANCH CABELL LIBRARY
901 PARK AVENUE – ROOM 303
RICHMOND, VIRGINIA**

DRAFT

OPEN SESSION AGENDA

- | | |
|--|--|
| 1. CALL TO ORDER | Mr. Benson Dendy, Chair |
| 2. APPROVAL OF AGENDA | Mr. Benson Dendy, Chair |
| 3. APPROVAL OF MINUTES
(May11, 2018) | Mr. Benson Dendy, Chair |
| 4. ACTION ITEMS: | |
| a. Committee Charter and Planner | Ms. Karol Kain Gray, Senior Vice
President and CFO |
| b. Financial Assumptions in the Six Year Plan | |
| c. Approval of Series 2018 VCU Revenue Bonds | |
| d. Project Plans | Dr. Meredith Weiss, Vice President
for Administration |
| i. Scott House Renovation | |
| ii. West Hospital Transplant Surgery Renovations | |
| FOR INFORMATION: | |
| 5. REPORT FROM VICE PRESIDENT FOR
ADMINISTRATION | Dr. Meredith Weiss, Vice President
for Administration |
| a. City Partnerships | |
| i. BRT Pulse | |
| ii. Monroe Park | |
| iii. Vision Zero | |
| b. Notification of Contract Awards | |
| i. D Deck Restoration | |
| ii. Siegel Center Chiller Replacement | |
| c. Master 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 SENIOR VICE PRESIDENT
AND CHIEF FINANCIAL OFFICER**

**Ms. Karol Kain Gray, Senior Vice
President and CFO**

- a. Investment Report (VCIMCO)
- b. Enrollment Update
- c. New Budget Model Update

7. TREASURER’S REPORT

**Ms. Karol Kain Gray, Senior Vice
President and CFO**

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

Mr. Benson Dendy, Chair

- a. Sources and Uses FY18/Revenue and Expense Summary as of
June 30, 2018
- b. VCU Health System and Financial Operations
as of June 30, 2018
- c. Capital Projects Update
- d. Dashboards
- e. Agency Risk Management and Internal Controls Standards (ARMICS)
- f. Board of Visitors Fund Annual Report as of June 30, 2018

9. OTHER BUSINESS

Mr. Benson Dendy, Chair

10. ADJOURNMENT

Mr. Benson Dendy, Chair

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**BOARD OF VISITORS
FINANCE, BUDGET AND INVESTMENT COMMITTEE
11:00 A.M.
MAY 11, 2018
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
Ms. Jacquelyn Stone
Dr. Shantaram Talegaonkar

COMMITTEE MEMBER ABSENT

Mr. Alexander McMurtrie, Jr.

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 11:03 a.m.

APPROVAL OF AGENDA

Mr. Ginther asked for a motion to approve the agenda for the May 11, 2018 meeting of the Finance, Budget and Investment Committee, as published. After motion duly made and seconded, the agenda for the Finance, Budget and Investment Committee meeting was approved.

APPROVAL OF MINUTES

Mr. Ginther asked for a motion to approve the minutes of the March 22, 2018 meeting of the Finance, Budget and Investment Committee, as published. After motion duly made and seconded the Minutes of the March 22, 2018 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:

Proposed FY2018-19 Tuition and Fees and University Budget Plan (Item 4a)

Ms. Karol Kain Gray, Vice President for Finance and Budget, explained the need to approve the proposed tuition rate for FY19 as well as the Education and General (E&G) and the all funds portions of the University Budget. As a follow-up to the March 21, 2018 Budget Retreat meeting, the Committee discussed the proposed budget and the associated tuition and fees rates.

After questions on unavoidable expenses and initiatives that will not be funded due to state budget cuts, Mr. Ginther asked for a motion to recommend approval to the full board the proposed FY2018-19 tuition and fees rate of 6.4% and the all funds university budget plan.

After motion duly made and seconded, the Finance Budget and Investment Committee approved the motion to recommend that the Board approve the proposed FY2018-19 Tuition and Fees and University Budget Plan . Please see: <https://budget.vcu.edu/media/budget-update/docs/FY2018-2019%20Budget%20Plan%20ADOPTED%20v2.pdf>

Amendments to the Six-Year Capital Outlay Plan:

- **Rice Center Research Facility** – A \$7.6 million single story building that will provide flexible research laboratories, space for research equipment, storage and office space for faculty, staff and student researchers. The project is funding from private gifts, life sciences funds and a university internal loan.
- **Johnson Hall & Shafer Court Dining Chiller** - This is a \$3 million additional cost (university funds) for an increased scope requirement to the approved STEM Class Laboratory Building project (currently \$76 million in General Fund). The Franklin Street Gym, Johnson Hall and the Shafer Court Dining Facility are served by a single chilled water plant which will be demolished. Therefore, a replacement chilled water plant must be constructed to serve the remaining two buildings: Johnson Hall and Shafer Court Dining Facility.

- **Siegel Center Chiller Replacement** - Request an increased budget from \$3.5 million to \$4 million for the previously approved Siegel Center Chiller Replacement project. The project is funded with athletic auxiliary funds.

Architect/Engineer and Project Plans Selections:

- **A/E Selection Rice Center Research Facility** – The firm of VIA Design Architects from Norfolk, Virginia has been selected to design this \$7.6 million facility.
- **Project Plans for Trani Life Sciences Building Roof Repair and Replacement** - This project will replace the rooftop mechanical system and the roof membrane on the Eugene P. and Lois E. Trani Center for Life Sciences totaling \$6 million. DJG, Inc. is the selected architect for the project.

Mr. Ginther asked for a motion to recommend that the Board approve the amendments to the six year capital outlay plan, the architect/engineer selection, and project plans as presented. After motion duly made and seconded, the Finance Budget and Investment Committee approved the motion to recommend that the Board approve the capital outlay amendments, the architect selections, and the project plans.

REPORT FROM VICE PRESIDENT OF ADMINISTRATION

Dr. Weiss provided an update on the Human Resources Redesign project reporting that 922 classified employees chose to enroll in the new HR plan. That is 41.5% of the number of classified employees with a choice. On July 1, about 2/3 of our non-faculty salaried workforce will be university employees and about 1/3 will remain classified employees. The Human Resources team continues to finalize related policies and plans for the new plan.

Dr. Weiss provided an update on the recommendations from Sightlines for sustaining a funding model recommending a funding target of \$28 million per year of capital investment to sustain existing spaces. Dr. Weiss reviewed the backlog of projects totaling \$127 million.

Dr. Weiss also reported the contract award to Nathan Contracting for restoration of the West Main Street Deck totaling \$1,960,766.

REPORT FROM VICE PRESIDENT OF FINANCE AND BUDGET

Ms. Gray provided an update on the new budget model advising that the Budget office team has been working with all the university major units and is ready to go live on July 1, 2018.

Ms. Gray also reviewed the Treasurer's Report that was distributed to the committee for informational purposes. Several committee members asked if VCIMCO could provide an investment update at the next meeting.

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 Quarterly Summary, the VCU Health System and Financial Operations; Capital Projects Update; the Finance, Budget & Investment Committee Dashboards, and, the Foundations financial statement summary including a summary of overall clean audit findings for each.

ADJOURNMENT

There being no further business Mr. Ginther, Chair, adjourned the meeting at 11:59 a.m.

VIRGINIA COMMONWEALTH UNIVERSITY BOARD OF VISITORS

FINANCE, BUDGET, AND INVESTMENT COMMITTEE CHARTER

I. PURPOSE

The primary purpose of the Finance, Budget, and Investment Committee (“Committee”) is to assist the Board of Visitors in fulfilling its objectives and fiduciary responsibilities related to applicable policy/ies and oversight of:

- University finances and investments
- University policies on debt management
- University facilities planning, design, construction and renovation.
- University purchase and divesture of land, including any easements.

The Committee is responsible for reviewing financial statements, budgets, debt, investments, cash management, six-year financial operating and capital plans, and make corresponding recommendations to the Board of Visitors all for the purpose of maintaining a sound fiscal standing. In addition and contributing to fiscal standing, the Committee is responsible for reviewing the University’s tuition and fee charges for each year. The Committee directly oversees the investment of the cash management pool and reviews the financial activities of any foundation or organization established to benefit the University, including foundations, partnerships, or other affiliated entities.

The Committee also approves selection of engineers and architects for University construction capital projects exceeding \$2 million, approves the renovation or replacement of outdated facilities and equipment, and approves project plans for construction projects exceeding \$2 million, approves the acquisition of all property, and the sale and demolition of property.

University management is responsible for day to day operation of the University within the established authorities, under the governance of the Committee.

II. COMPOSITION AND INDEPENDENCE

The Committee will be comprised of three or more Visitors. In addition to complying with the Commonwealth of Virginia’s Conflict of Interest laws and any University policies, each member must be free from any financial, family or other material personal relationship that, in the opinion of the Board or the Committee members, would impair their independence from management and the University. Committee members should also refrain from activities that a reasonable person would view as unethical or contrary to the institutional mission.

III. RESPONSIBILITIES

In performing its oversight responsibilities, the Committee shall:

A. **General:**

1. Adopt a formal written charter that specifies the Committee's scope of responsibility. The charter should be reviewed annually and updated as necessary.
2. Maintain minutes of open session meetings.
3. Report Committee actions to the Board of Visitors with such recommendations as the Committee may deem appropriate.
4. Consistent with state law, the Committee may meet in closed session (with or without members of senior management present) with the external auditors and/or the Vice President for Finance and Administration to discuss matters that the Committee or any of these groups believe should be discussed privately.
5. Become well acquainted with all of the information and pertinent facts under the purview of the Committee.
6. Implement best practices across the institution for financial management.
7. Ensure that the institution is operating efficiently, effectively and appropriately with regard to the use of public and other funds to support its stated mission.

B. **Financial Policy and Investments:**

1. Review recommendations of the Administration concerning new or revised financial policy and make appropriate recommendations to the Board of Visitors.
2. Review financial assumptions upon which budgets are based.
3. Review and recommend approval of the six-year financial plan and operating budget.
4. Review and recommend approval of the six-year capital outlay plan and capital outlay budget, and all amendments to the plan.
5. Review periodically and compare financial operating results with appropriate budgets and benchmarks.
6. Approve major design changes to the VCU Optional Retirement Plan.
7. Review annual financial statements and supporting schedules and report to the Board the results of that review.
8. Serve, with the advice of the Investment Advisory Subcommittee, as an investment committee and oversee University investment policies and activities including direct management of the University's cash investment pool and monitoring of the policies and activities of the University-related private foundations.
9. Review annually the BOV Fund.
10. Review quarterly the University Efficiencies.
11. Review quarterly the F&A Dashboard.

C. **Facilities Planning and Debt Management:**

1. Review and recommend approval of the master site plan.
2. Review and recommend approval of plans for new construction and major renovation projects in accordance with Board-approved procedures.
3. Review and recommend approval of the six year capital outlay program and amendments thereto.
4. Review and recommend to the Board all debt issuance and review debt management policies.
5. Review and recommend approval of property acquisition or disposition of real estate and other interests therein.
6. Consider such other matters relating to the maintenance and security of the University's buildings and grounds and the care and preservation of the University's furnishings and equipment as may warrant its consideration.

D. **Emergency Preparedness:**

1. Review and recommend approval of plans pertaining to emergency preparedness and campus security.

E. **Administration:**

1. Review and approve the Committee charter annually and any significant updates to the charter.
2. Review and approve the annual Committee work plan and any significant changes to the plan.
3. Review the qualifications of the Committee members, staff and the level of staffing by the institution as needed.
4. Review annually the Deficit Disclosure.
5. Annual Investment Conflict of Interest Disclosure Statement.
6. Review annually all Investment Policy Statements – specifically asset allocations.
7. Review reports of the Financial Integrity and Stewardship Committee as needed.
8. Review annually Agency Risk Management and Internal Control Standards (ARMICS)

F. **Tuition and Fees:**

1. Review and recommend tuition and fee charges if needed to provide guidance to the Board.

IV. **MEETINGS**

The Committee will meet at least four times annually. Additional meetings may occur more frequently as circumstances warrant. The Committee Chair should communicate with the Vice President of Finance and Administration prior to each Committee meeting to finalize the meeting agenda and review the matters to be discussed.

**Virginia Commonwealth University
Board of Visitors**

Finance, Budget, and Investment Committee Meeting Planner

A=Annually; Q=Quarterly; AN=As Necessary	Frequency			Planned Timing			
Q1, Q2, Q3, Q4 based on Fiscal Year (July – June)	A	Q	AN	Q1	Q2	Q3	Q4
				Sept	Dec	Feb	May
A. General							
1. Adopt a formal written charter that specifies the Committee’s scope of responsibility. The charter should be reviewed and updated as necessary.	X			X			
2. Maintain minutes of open session meetings.		X		X	X	X	X
3. Report Committee actions to the Board of Visitors with such recommendations as the Committee may deem appropriate.		X		X	X	X	X
4. Consistent with state law, the Committee may meet in closed session (with or without members of senior management present) with the external auditors and/or the Vice President for Finance and Administration to discuss matters that the Committee or any of these groups believe should be discussed privately.	X		X				X
5. Become well acquainted with all of the information and pertinent facts under the purview of the Committee.			X				
6. Implement best practices across the institution for financial management.			X				
7. Ensure that the institution is operating efficiently, effectively and appropriately with regard to the use of public and other funds to support its stated mission.			X				
B. Financial Policy and Investments							
1. Review recommendations of the Administration concerning new or revised financial policy and make appropriate recommendations to the Board of Visitors.			X				
2. Review financial assumptions upon which budgets are based.	X						X
3. Review and recommend approval of the six-year financial plan and operating budget.	X			X			
4. Review and recommend approval of the six-year capital outlay plan and capital outlay budget, and all amendments to the plan.	X		X				X
5. Review periodically and compare financial operating results with appropriate budgets and benchmarks.		X		X	X	X	X
6. Approve major design changes to the VCU Optional Retirement Plan			X				
7. Review annual financial statements and supporting schedules and report to the Board the results of that review.	X					X	
8. Serve, with the advice of the Investment Advisory Subcommittee, as an investment committee and oversee University investment policies and activities including direct management of the University's cash investment			X				

A=Annually; Q=Quarterly; AN=As Necessary	Frequency			Planned Timing			
Q1, Q2, Q3, Q4 based on Fiscal Year (July – June)	A	Q	AN	Q1	Q2	Q3	Q4
				Sept	Dec	Feb	May
pool and monitoring of the policies and activities of the University-related private foundations.							
9. Review the BOV Fund	X			X			
10. Review the University Efficiencies		X		X	X	X	X
11. Review the F&A Dashboard		X		X	X	X	X
C. Facilities Planning and Debt Management							
1. Review and recommend approval of the master site plan.			X				
2. Review and recommend approval of plans for new construction and major renovation projects in accordance with Board-approved procedures.		X		X	X	X	X
3. Review and recommend approval of the six year capital outlay program and amendments thereto.	X		X				X
4. Review and recommend to the Board all debt issuance and review debt management policies.	X		X		X		
5. Review and recommend approval of property acquisition or disposition of real estate and other interests therein.			X				
6. Consider such other matters relating to the maintenance and security of the University's buildings and grounds and the care and preservation of the University's furnishings and equipment as may warrant its consideration.			X				
D. Emergency Preparedness							
1. Review and recommend approval of plans pertaining to emergency preparedness and campus security			X				
E. Administration							
1. Review and approve the Committee charter and any significant updates to the charter.	X			X			
2. Review and approve the Committee work plan and any significant changes to the plan.	X			X			
3. Review the qualifications of the Committee members, staff and the level of staffing by the institution.			X				
4. Review the Deficit Disclosure.	X						X
5. Investment Conflict of Interest Disclosure Statement.	X						X
6. Review the Investment Policy Statements – Asset Allocation	X			X			
7. Review reports of the Financial Integrity and Stewardship Committee			X				
8. Review the Agency Risk Management and Internal Control Standards (ARMICS)	X			X			

A=Annually; Q=Quarterly; AN=As Necessary	Frequency			Planned Timing			
Q1, Q2, Q3, Q4 based on Fiscal Year (July – June)	A	Q	AN	Q1	Q2	Q3	Q4
				Sept	Dec	Feb	May
F. Tuition and Fees							
1. Review and recommend tuition and fee charges.	¹						X

¹ Annually in April a Special Meeting of the BOV may be held to discuss the Budget Plan and Proposed Tuition and Fees.

VIRGINIA COMMONWEALTH UNIVERSITY
BOARD OF VISITORS
FINANCE, BUEGET & INVESTMENT
COMMITTEE
September 14, 2018

Action Item
Approval of Virginia Commonwealth University's
2018 Six-Year Plan

Item:

Board of Visitors approval of Virginia Commonwealth University's 2018 Six-Year Plan as required by § 23-38.87:17 of the "*Preparing for the Top Jobs of the 21st Century: The Virginia Higher Education Opportunity Act of 2011*" (TJ21).

Background:

In response to the requirements outlined in § 23-38.87:17 of the "*Preparing for the Top Jobs of the 21st Century: The Virginia Higher Education Opportunity Act of 2011*" (TJ21) legislation, attached is a copy of Virginia Commonwealth University's 2018 amended Six-Year Plan submitted to the State Council of Higher Education for Virginia (SCHEV) by the stated deadline of July 1, 2018.

TJ21 established a mandate that the governing board of each public institution of higher education develop and adopt biennially and amend or affirm annually a six-year plan for their institution. The act requires the plans to be submitted to the State Council for Higher Education of Virginia (SCHEV) by July 1 of each odd-numbered year and also requires any amendments or affirmations to existing plans to be submitted by July 1 of each even-numbered year.

The instructions and template to complete the six-year plan, or the plan update, are usually provided by SCHEV in May, typically at the time of the May Board meeting. Due to this timeline and in accordance with SCHEV instructions, the University has historically submitted the plan, or update, to SCHEV by the July 1st deadline and then has presented it to the Board for approval at the next scheduled meeting which is usually held in September. Over the July and August months, State representatives review the plans submitted by each institution and then provide comments in early September for each institution to respond. The responses as well as the final board approved six-year plan is then due to SCHEV by October 1st. This process was once again followed for the 2018 Six Year Plan submission.

The strategies identified in the University's 2018 Six-Year Plan were developed collaboratively with each division through the annual budget development cycle. Building upon the strategic multi-year budget developed in the previous cycle, divisions reviewed their respective submissions and updated strategies to align with current priorities and objectives. The academic strategies related to programmatic growth were developed by the Provost through the respective academic unit.

The presented tuition and fee increases assume a proportionate share of general fund support for modeling purposes only. The funding of the proposed strategies are subject to change unless incremental general fund support is received. Additionally, approval of tuition and fees is the responsibility of the Board of Visitors and may be adjusted based upon factors such as incremental general fund support, legislative requirements, projected enrollment growth, and prioritization of strategies to implement.

Virginia Commonwealth University's 2018 Six-Year Plan was updated to reflect the status of existing strategies based on institutional priorities and legislative action during the 2018 General Assembly Session. Comments regarding the University's 2018 Six-Year Plan update are anticipated to be received by September 1, 2018. Once received the institution will need to respond to any questions and resubmit the final plan to SCHEV by October 1, 2018.

Action:

Virginia Commonwealth University Board of Visitors approval of the Virginia Commonwealth University 2018 Six-Year Plan.

Resolution

Approval of Virginia Commonwealth University's 2018 Six-Year Plan September 14, 2018

WHEREAS, the Higher Education Opportunity Act of 2011 became effective July 1, 2011, and requires each public institution of higher education in Virginia to develop and submit an institutional six-year plan; and

WHEREAS, § 23-38.87:17 of the Act requires, “*The governing board of each public institution of higher education shall develop and adopt biennially and amend or affirm annually a six-year plan for the institution and shall submit that plan to the Council (State Council of Higher Education for Virginia), the Governor, and the Chairs of the House Committee on Appropriations and the Senate Committee on Finance no later than July 1 of each odd-numbered year, and shall submit amendments to or an affirmation of that plan no later than July 1 of each even-numbered year or at any other time permitted by the Governor or General Assembly*”; and

WHEREAS, Virginia Commonwealth University prepared a six-year plan in accordance with the requirements of the Higher Education Opportunity Act of 2011 and guidelines provided by the State Council of Higher Education for Virginia; and

WHEREAS, the University submitted the six-year plan to the State Council of Higher Education for Virginia by the stated deadline of July 1, 2018 for the 2018 submission; and

WHEREAS, the 2018 Six-Year Plan must be approved by the Board of Visitors prior to the October 1 final submission;

THEREFORE, BE IT RESOLVED the Virginia Commonwealth University Board of Visitors approves the Virginia Commonwealth University 2018 Six-Year Plan as presented in the format provided by the State Council of Higher Education for Virginia; and

BE IT FURTHER RESOLVED, that the University is authorized to revise the 2018 Six-Year Plan as required by State officials for final submission by the stated deadline.

SCHEV Six Year Operating Plan Update

The Virginia Higher Education Opportunity Act of 2011 requires institutions to submit plans to SCHEV (State Council of Higher Education for Virginia) highlighting enrollment projections, academic strategies, and financial revenue projections.

- Plans are submitted at the beginning of the fiscal year (July). New plans are submitted every odd year for the next biennium; updates on alternate years.
- Figures are for planning purposes only and are not considered as binding on the Board of Visitors.

July 2018 Update Submission:

- Conservative enrollment growth from FY 2019 to FY 2025
- 4% increase in tuition for FY 2020
- Limited State support assumed:
 - Approximately ½ of state mandated salary increases for faculty and staff
 - Health-related initiatives
- \$6.7M in FY2019 will be reallocated to provide funding for Six Year Plan strategies

contracts, agreements, documents and certificates associated with the issuance of the bonds, provided that (i) the maximum aggregate par amount of all Bonds shall not exceed an aggregate amount of \$125 million (which includes a cushion above the \$113.509 million total expected project/refunding costs identified above to fund reserve funds, original issuance premiums/discounts, swap terminations, issuance costs, and other financing expenses); (ii) the average true interest cost of all series bearing interest at a tax-exempt fixed rate shall not exceed 5.5% per annum; (iii) the average true interest cost of all series bearing interest at a taxable fixed rate shall not exceed 6.0% per annum; and (iv) the final maturity of all bonds shall not exceed 40 years beyond the issuance date.

**RESOLUTION OF THE BOARD OF VISITORS OF
VIRGINIA COMMONWEALTH UNIVERSITY**

ADOPTED SEPTEMBER 14, 2018

Issuance of General Revenue Pledge Bonds

WHEREAS, Chapter 23, Title 23.1 of the Code of Virginia of 1950, as amended (the "Virginia Code"), establishes a public corporation under the name and style of Virginia Commonwealth University (the "University") which is governed by a Board of Visitors (the "Board"); and

WHEREAS, Title 23.1 of the Virginia Code classifies the University as an educational institution of the Commonwealth of Virginia; and

WHEREAS, by Chapter 10, Title 23.1 of the Virginia Code (as amended, the "Act"), the University entered into a management agreement with the Commonwealth of Virginia which was enacted as Chapter 594 of the 2008 Virginia Acts of Assembly, which, as amended, classifies the University as a public institution of higher education and empowers the University with the authority to undertake and implement the acquisition of any interest in land, including improvements on the acquired land at the time of acquisition, new construction, improvements or renovations and to borrow money and make, issue and sell bonds of the University for such purposes, including the refinancing of any such facilities; and

WHEREAS, the Act further authorizes the University to provide for the payment of the principal of and the interest on any bonds from any one or more of the following sources: (i) its revenues generally; (ii) income and revenues derived from the operation, sale, or lease of a particular project or projects, whether or not they are financed or refinanced from the proceeds of such bonds, notes, or other obligations; (iii) funds realized from the enforcement of security interests or other liens or obligations securing such bonds, notes, or other obligations; (iv) proceeds from the sale of bonds, notes, or other obligations; (v) payments under letters of credit, policies of municipal bond insurance, guarantees, or other credit enhancements; (vi) any reserve or sinking funds created to secure such payment; (vii) accounts receivable of the University; or (viii) other available funds of the University; and

WHEREAS, the University has developed plans to finance or refinance a series of projects, including some or all of the following:

(i) financing the acquisition, construction and equipping of one or more engineering research facilities;

(ii) refunding the University's note evidencing the University's obligations related to an existing line of credit, which financed the acquisition, construction, expansion, renovation and equipping of certain of the University's basketball practice facilities;

(iii) subject to approval by the affected University-related foundations, refunding all or a portion of the University's (a) General Revenue Pledge Refunding Bonds, Series 2012A, the

proceeds of which were used to refinance the costs associated with East Hall of the University's Engineering School and (b) General Revenue Pledge Refunding Bonds, Series 2012B, the proceeds of which were used to refinance the costs associated with Snead Hall of the University's School of Business;

(iv) financing all or a portion of the termination payments due from the University to Deutsche Bank AG or an affiliate in connection with the termination of two interest rate swaps associated with the Series 2012A and B Bonds (the "Swaps"); and

(v) financing, if and as needed, capitalized interest on the Bonds (as defined below), a debt service reserve fund for the Bonds, costs of issuance related to the issuance of the Bonds, working capital, routine capital expenditures for any of the foregoing described projects and other related costs (collectively (i) – (v), the "Plan of Finance").

WHEREAS, the Board has determined it desirable to authorize the University to terminate the Swaps and to issue its general revenue pledge bonds (the "Bonds") in a maximum principal amount not to exceed \$125,000,000 for purposes of undertaking the Plan of Finance, of which approximately \$60,000,000 is expected to be issued to refinance existing indebtedness and \$65,000,000 is expected to be issued for new projects; and

WHEREAS, the Board desires to provide for the reimbursement to the University of previously incurred costs associated with the Plan of Finance; and

WHEREAS, the Board desires to authorize certain officers of the University to approve the final forms and details of the Bonds, as set forth below; and

WHEREAS, the Board anticipates that the Bonds will be secured by a general revenue pledge of the University and not be in any way a debt of the Commonwealth of Virginia (the "Commonwealth") and shall not create or constitute any indebtedness or obligation of the Commonwealth, either legal, moral, or otherwise.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY:

RESOLVED, that the Board hereby authorizes and approves of the Plan of Finance and hereby authorizes the implementation of the Plan of Finance by authorizing the issuance of one or more series of Bonds to undertake the Plan of Finance and providing for the terms thereof, through the delivery of one or more bond resolutions in substantially the form utilized in previous issuances of general revenue pledge bonds by the University (each, a "Bond Resolution") with such changes and additions as may be approved by the Authorized Officers designated below consistent with prior practice of the University so that each Bond Resolution may reflect the final terms and conditions of the Bonds; and

RESOLVED FURTHER, that the President of the University, the Senior Vice President and Chief Financial Officer of the University and the Treasurer of the University (collectively, the "Authorized Officers") are authorized and directed to approve the final terms of each series of Bonds, including, without limitation, their original principal amounts and series, their maturity dates and amounts, redemption provisions, prices and interest rates and tax status of interest on

each series of bonds, provided that (i) the maximum aggregate par amount of all Bonds to be issued hereunder shall not exceed an aggregate amount of \$125,000,000; (ii) the average true interest cost of all series bearing interest at a tax-exempt fixed rate shall not exceed 5.5% per annum; (iii) the average true interest cost of all series bearing interest at a taxable fixed rate shall not exceed 6.0% per annum; and (iv) the final maturity of all bonds shall not exceed 40 years beyond issuance date; and

RESOLVED FURTHER, the Authorized Officers are each hereby authorized and directed to approve, negotiate, execute and deliver each Bond Resolution on behalf of the University; and

RESOLVED FURTHER, the officers and staff of the University are hereby authorized and directed to prepare an official statement (the "Official Statement") in preliminary and final forms, and the Authorized Officers are hereby authorized and directed to execute the Official Statement in final form; and

RESOLVED FURTHER, the Authorized Officers are each hereby authorized to take any and all actions necessary to terminate the Swaps, to execute any and all documents evidencing such termination, and to make any termination payments associated therewith; and

RESOLVED FURTHER, the Authorized Officers are each hereby authorized to negotiate, execute and deliver such other documents as such officer deems necessary or desirable to facilitate the issuance of the Bonds, including without limitation a continuing disclosure undertaking; and

RESOLVED FURTHER, that all officers of the University are authorized and directed to take all such further actions, including without limitation the designation of underwriters, paying agents, remarketing agents, solicitation agents, trustees, and liquidity providers for the bonds, and to execute all such instruments, agreements, documents, and certificates as they shall deem necessary or desirable to carry out the terms of the financing plans presented to this meeting, including without limitation any liquidity facilities, swap, swap terminations or other interest rate management agreements associated with the Bonds, and any agreements or modifications to existing agreements with the VCU School of Business Foundation or the VCU School of Engineering Foundation relating to the Bonds; and

RESOLVED FURTHER, pursuant to the Section 147(f) of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder, the University designates each of the Authorized Officers as a public hearing officer to hold any public hearings required in order to ensure the tax-exempt status of interest on all or a portion of any bonds of the University; and

RESOLVED FURTHER that all acts of all officers of the University which are in conformity with the purposes and intent of this Resolution and in carrying out the financing plans presented to this meeting are ratified, approved and affirmed; and

RESOLVED FURTHER that, upon approval, this action shall take effect immediately.

VIRGINIA COMMONWEALTH UNIVERSITY
Project Plans
Scott House Renovation

PROJECT: This project renovates the 1910 historic Scott House to create usable academic, office and meeting space.

LOCATION: 909 West Franklin Street, Richmond, Virginia

PROJECT COSTS: Construction Budget.....\$5,000,000
Total Budget\$7,000,000

FUND SOURCES: University Funds.....\$ 3,500,000
State Budget Funding\$ 3,500,000

TIMETABLE: Complete Planning December 2018
Construction Starts January 2019
Construction Complete December 2019

PROJECT DESIGN: The project consists of exterior work to repair the roof, masonry, windows and doors as well as interior work including new restrooms, a new HVAC system, electrical upgrades and restoration of the elevator.

RECOMMENDATION: Approve project plans for the Scott House Renovation.

VIRGINIA COMMONWEALTH UNIVERSITY
Project Plans
West Hospital Department of Transplant Surgery Renovations

PROJECT: Consolidate and modernize facilities to accommodate the School of Medicine’s Department of Transplant Surgery in West Hospital. The improvements involve renovations to portions of the 8th and 15th floors of West Hospital.

LOCATION: 1200 East Broad Street, Richmond, Virginia

PROJECT COSTS: Construction Budget.....\$1,190,000
Total Budget\$2,275,000

FUND SOURCES: School of Medicine Funds\$ 2,275,000

TIMETABLE: Complete Planning December 2018
Construction Starts February 2019
Construction Complete March 2020

PROJECT DESIGN: The project consists of renovations to the north and south wings and the elevator lobby of the fifteenth floor, totaling approximately 7,300 SF; and the east wing of the eighth floor totaling approximately 3,200 SF. The fifteenth floor work includes all new mechanical systems, lighting, and electrical systems, new ceilings, lights, and finishes. Renovated offices will be arranged to improve staff working conditions. A large conference room will serve the department. The eighth floor will receive minor partition changes, new flooring and wall finishes to provide improved educational spaces for the Trauma Education group.

RECOMMENDATION: Approve project plans for the West Hospital Department of Transplant Surgery Renovations.

VIRGINIA COMMONWEALTH UNIVERSITY
Notification of Contract Award
D Parking Deck Restoration – Corrosion Protection

PROJECT:

This project started in 2015 and will continue the restoration work for D Parking Deck on the MCV Campus. The project consists of concrete repairs to the existing concrete structure; pressure washing of exterior structure; treatment of top surfaces of the elevated decks at levels 2 through 7 with a migrating corrosion inhibitor; vehicular traffic bearing membrane on the top surfaces of all elevated decks at levels 2 through 7; elastomeric coating on exterior, and top of, precast concrete spandrel rail panels, exterior stair and elevator concrete walls; striping for new parking layout; new ADA signage; grout and seal cracks in existing concrete slab-on-grade; and possible post-tension cable repairs.

Total Budget.....\$3,102,225

SOURCE OF FUNDS:

University Debt.....\$3,102,225

CONTRACT AWARD:

Contracting Specialists, Inc., College Park, Maryland

VIRGINIA COMMONWEALTH UNIVERSITY
Notification of Contract Award
Siegel Center Chiller Replacement

PROJECT: This 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 the cooling towers. A prefabricated, water-cooled chiller has been purchased and scheduled to be delivered to the project site and installed in August 2018. Amendment to the Six-Year Capital Plan to increase project budget in May 2018 to \$4,000,000.00.

Total Budget.....\$3,622,665

SOURCE OF FUNDS:

Auxiliary Enterprise Funds.....\$3,622,655

CONTRACT AWARD:

Centennial Contractors Enterprises, Inc., Reston, Virginia

ONEVCU

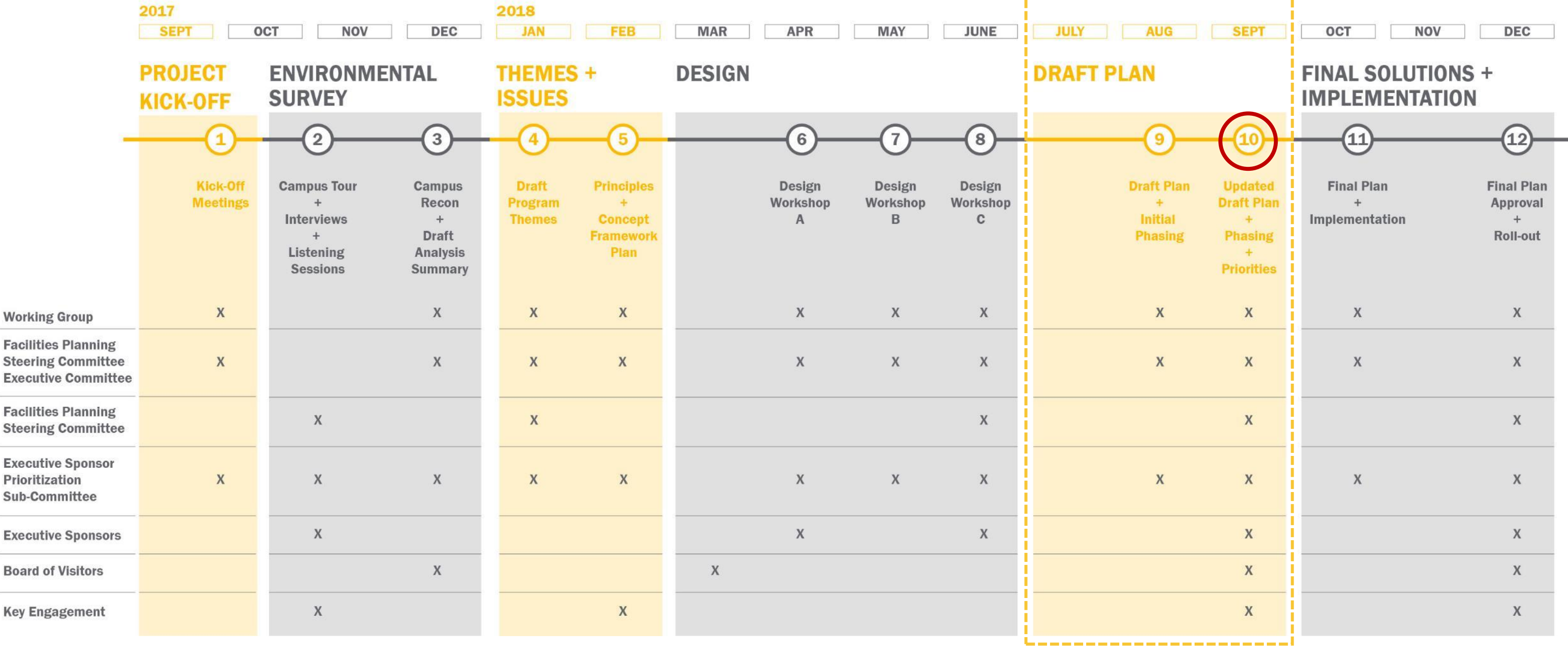
DRAFT MASTER PLAN

Master Plan for VCU

Draft Plan Discussion
Board of Visitors
September 14, 2018

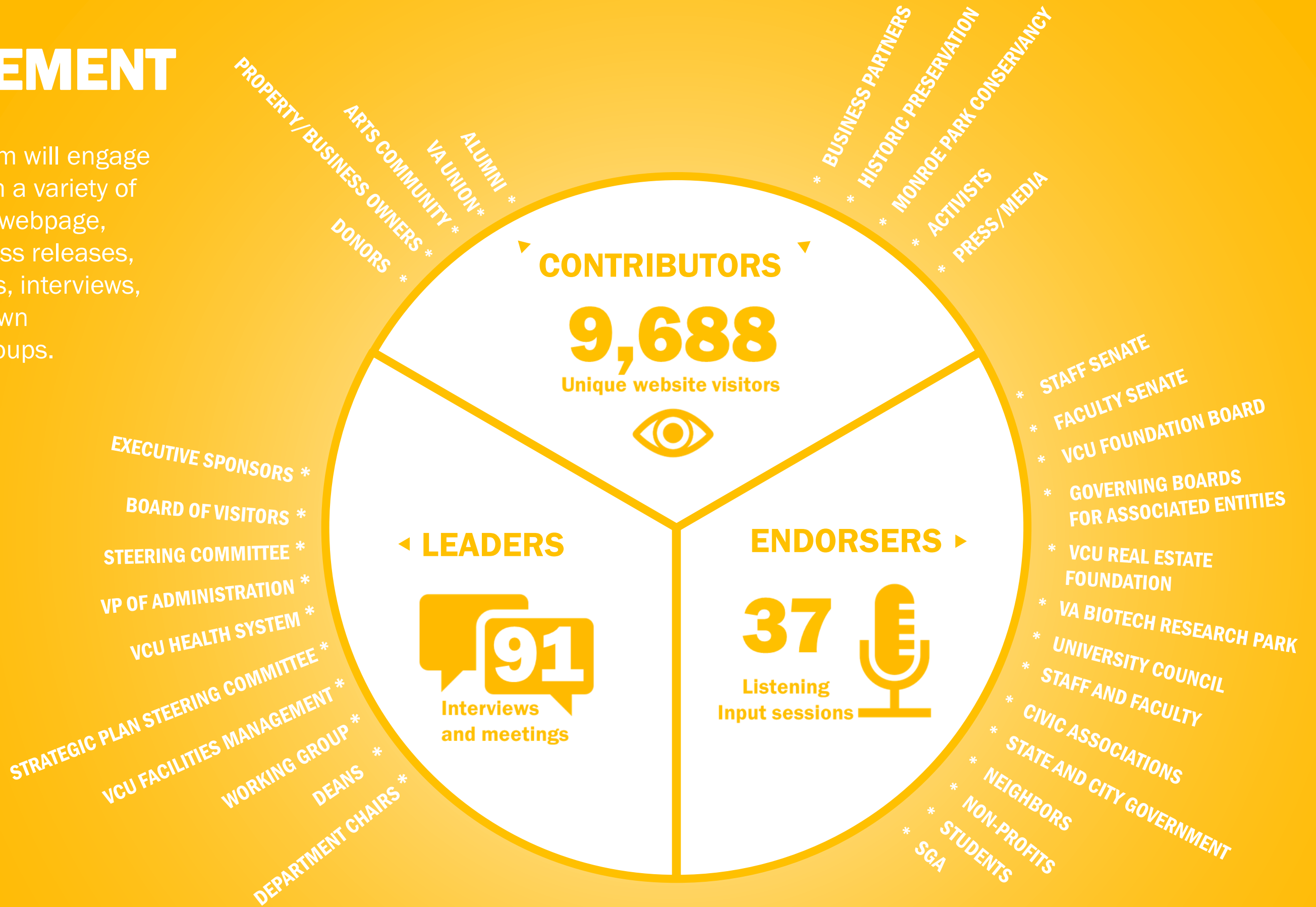
AYERS
SAINT
GROSS

Process



ENGAGEMENT

The planning team will engage stakeholders with a variety of tools including a webpage, social media, press releases, listening sessions, interviews, micro surveys, town halls and workgroups.



138 total meetings since kickoff in 10/2017 with over 850 individual participants engaged in the master plan process thus far

The Master Plan aligns the University and VCU Health System strategic plans with a common vision

Quest 2025: Together We Transform

Student Success

Diversity Driving Excellence

Urban and Regional Transformation

National Prominence



The VCU Health System Strategic Plan: Vision by Design

Education, Research, Innovation

Top Performance

Care for the Commonwealth

Working List of plans/studies to inform VCU Master Plan

VCU & VCUHS Studies, Plans and Reports completed or underway

- Health System Master Facilities Plan (2008)
- Campus Retail Planning and Demand Study (2012)
- Master Site Plan (2013)
- Campus Heritage Plan (2013)
- Student Housing Master Plan (2014)
- VCU Sustainability Plan (2015)
- Sightlines Facilities Condition Report (2015)
- Athletics Master Plan (2015)
- Health System Strategic and Master Facilities Plan (2016)
- Space Needs Analysis (2016)
- VCU Medical Campus Mobility Study (2016)
- West Hospital Preliminary Study (2016)
- VCU Health System Campus Beautification (2016)
- VCU Diversity and Inclusion Strategic Action Plan (2016)
- VCU's Impact on the Region: Talent, Innovation and Collaboration (2017)
- Central Chiller Plant study (2017)
- Parking Study, Phase 1 (2017)
- VCU Health System 10-year Capital Plan (2017)
- Selected Campus Gateways Plan (with Master of Urban and Regional Planning Program 2017)
- Six Year Capital Project Request (2017)
- Historic Building Survey (2017)
- Student Affairs Study (2017)
- Research Facility Study (2017)
- Health System Strategic and Master Facilities Plan (2017)
- VCU Libraries Off-Site Storage Study (2018)
- Parking & Transportation Study, Phase 2 (2018)
- Sightlines Facilities Condition Report (2018)
- Quest 2025 Strategic Plan (2018)
- Course Scheduling Assessment (2018)
- Classroom Utilization Study (2018)
- Retail Study Update (2018)
- West Hospital Study (2018)
- Student Housing Demand Study (2018)

Studies, Plans and Reports by others that impact VCU

- City of Richmond BRT Transit Oriented Development Plan
- City of Richmond Boulevard Development RFQ
- City of Richmond/VCU/Flying Squirrels stadium plans
- City of Richmond Bike Share plan
- City of Richmond Monroe Park Master Plan & Renovation Plan
- City of Richmond Bicycle Master Plan
- City of Richmond Franklin Street cycletrack plans
- City of Richmond Idlewood Roundabout plans
- City of Richmond Lunsford Substation capacity
- City of Richmond Master Plan update
- City of Richmond Riverfront Plan
- City of Richmond Public Art Plan
- Any City planning initiatives involving neighborhoods adjacent to VCU
- City of Richmond Slavery Museum/Shockoe Bottom plans
- Former Governor Wilder's Slavery Museum plans
- GRTC Transfer Center Plans at Existing location
- GRTC/VDOT Bus Rapid Transit (BRT) plan
- GRTC transfer center plans for W. Grace and N. Adams
- Virginia Biotechnology Research Park Master Plan
- Virginia Department of Transportation House Bill 2 plan
- Commonwealth of Virginia plans to renovate Old City Hall
- Commonwealth of Virginia plans for use of Governor Street
- Commonwealth of Virginia plans for the surface lot on Broad b/t 8th and 9th
- Commonwealth of Virginia plans for Capitol Square/General Assembly Buildings
- Any plans involving VDOT buildings around Broad & 14th

6 Guiding Principles to support Strategic Plans



Student Success

Ensure student success and well-being through high-quality and appropriate teaching, learning, study and living spaces.

Patient Experience

Design and develop spaces, facilities and amenities that allow for enhanced safety and patient experience in both inpatient and outpatient settings.

Program Synergies

Advance a culture of interdisciplinary collaboration and discovery by developing shared spaces that inspire community, partnerships, research, innovation, and creativity.

Placemaking

Celebrate and enhance VCU's unique urban setting and rich history.

Mobility and Safety

Promote a walkable, accessible, safe campus which is easy to navigate for the entire VCU community: students, patients, faculty, staff, alumni, neighbors, and visitors.

Unify the Campus

Strengthen the heart of each campus and the collective VCU identity through strategies that connect the campuses to each other and to the city of Richmond.

Student Success

Ensure student success and well-being through high-quality and appropriate teaching, learning, study, and living spaces.

Focus on:

- Modernizing student support spaces – commons, wellness, and residence halls
- Improving teaching, research and study spaces
- Renovating and repurposing buildings and sites for the highest and best use
- Strategically adding new buildings to meet program needs





Student Success

Draft Master Plan

UNDERGRADUATE HOUSING

STEM BUILDING

UNDERGRADUATE HOUSING

WELCOME CENTER

LIBRARY

CLASSROOMS & LABS

COMMONS

CARY STREET GYM

MONROE PARK

GRACE

FRANKLIN

MARSHALL BROAD

LEIGH

CLAY

LARRICK STUDENT CENTER

LIBRARY, CAFÉ, INTERDISCIPLINARY TEACHING/RESEARCH

INTERDISCIPLINARY RESEARCH

HUNTON STUDENT CENTER

STATE CAPITOL

STUDENT SUCCESS & ACADEMIC CORRIDOR

PUBLIC OPEN SPACE

CAMPUS MAIN STREET

ICONIC GREEN

+2,000
Additional Student Beds

New Commons

Study & Teaching space

STATS

Patient Experience

Design and develop spaces, facilities, and amenities that allow for enhanced safety and patient experience in both inpatient and outpatient settings.

Focus on:

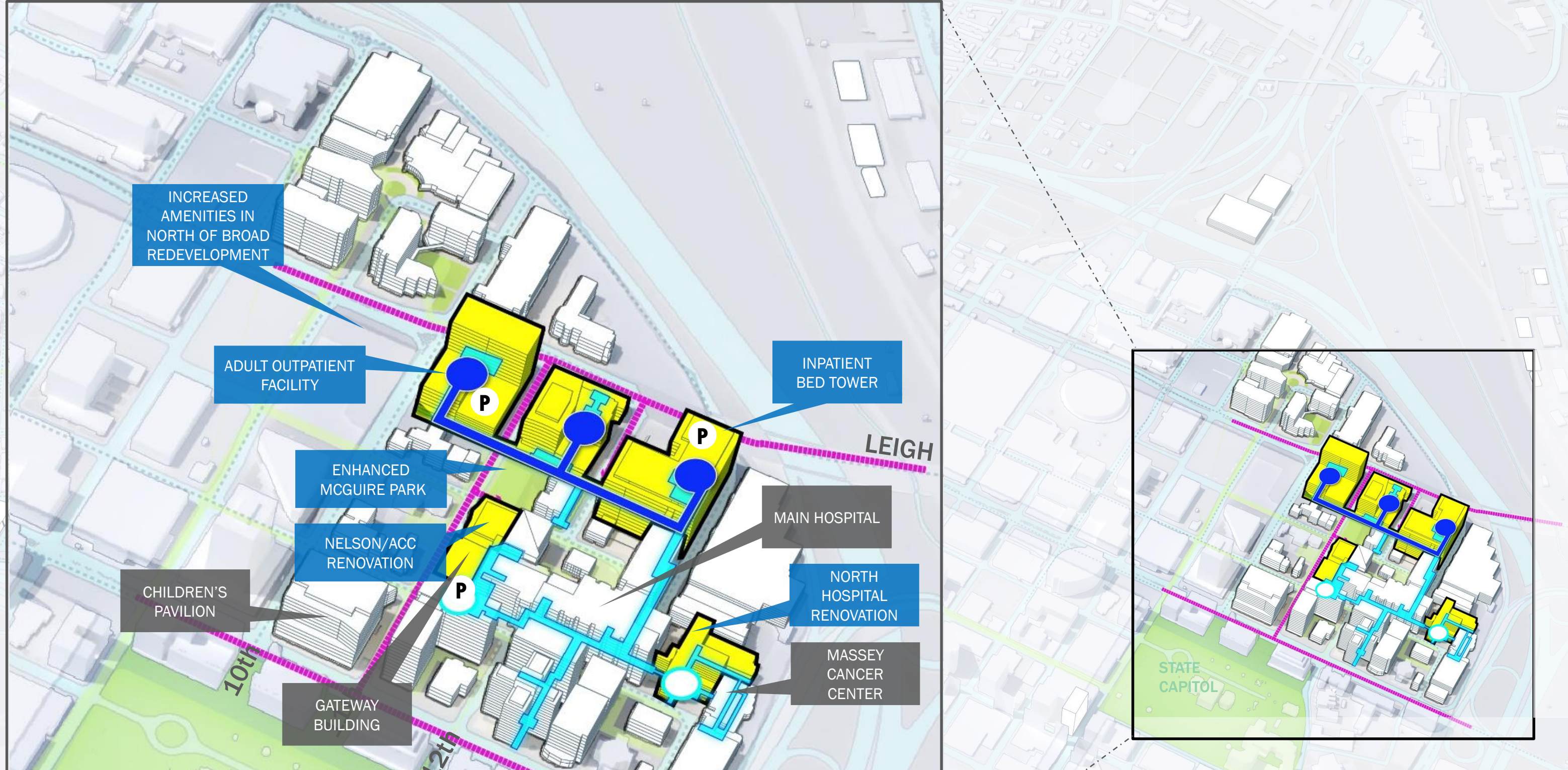
- Consolidating adult outpatient clinics
- Wayfinding and safety
- Perimeter Parking
- Privatizing inpatient rooms
- Back-fill of existing space





Patient Experience

Draft Master Plan



<p> VCU & HEALTH SYSTEM PROPOSED BUILDINGS/RENOVATIONS PRIMARILY CONTRIBUTING TO PATIENT EXPERIENCE</p> <p> PATIENT PARKING</p>	<p> PROPOSED INTERNAL CONNECTIONS</p> <p> PROPOSED BRIDGE CONNECTION</p> <p> PRIMARY VEHICULAR CIRCULATION</p>
---	--

Consolidated
adult outpatient services + point of service parking

100%
private inpatient rooms

Safety & Wayfinding
improved

Program Synergies

Advance a culture of interdisciplinary collaboration by developing shared spaces that inspire community, partnerships, research, innovation, and creativity.

Focus on:

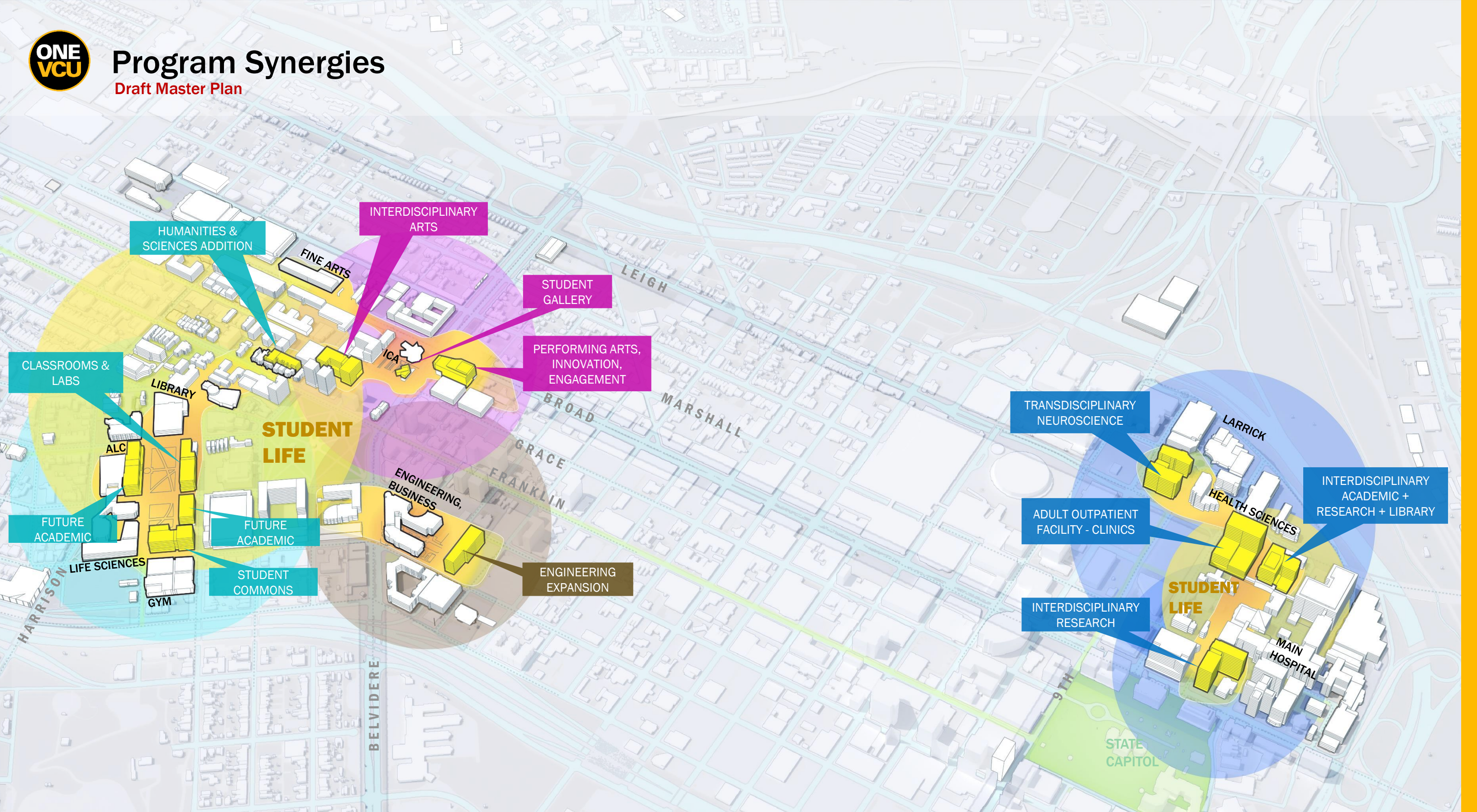
- Interdisciplinary facilities
- Relationship between teaching, research and clinical programs
- Improving adjacencies
- Infill development
- Partnership opportunities





Program Synergies

Draft Master Plan



 PROGRAM CLUSTERS

 VCU & HEALTH SYSTEM
PROPOSED BUILDINGS
PRIMARILY CONTRIBUTING
TO PROGRAM SYNERGIES

STATS

Integrated

Academics & Student Life

Inter- disciplinary

teaching & research facilities

Concentrates & Improves

activity and adjacencies

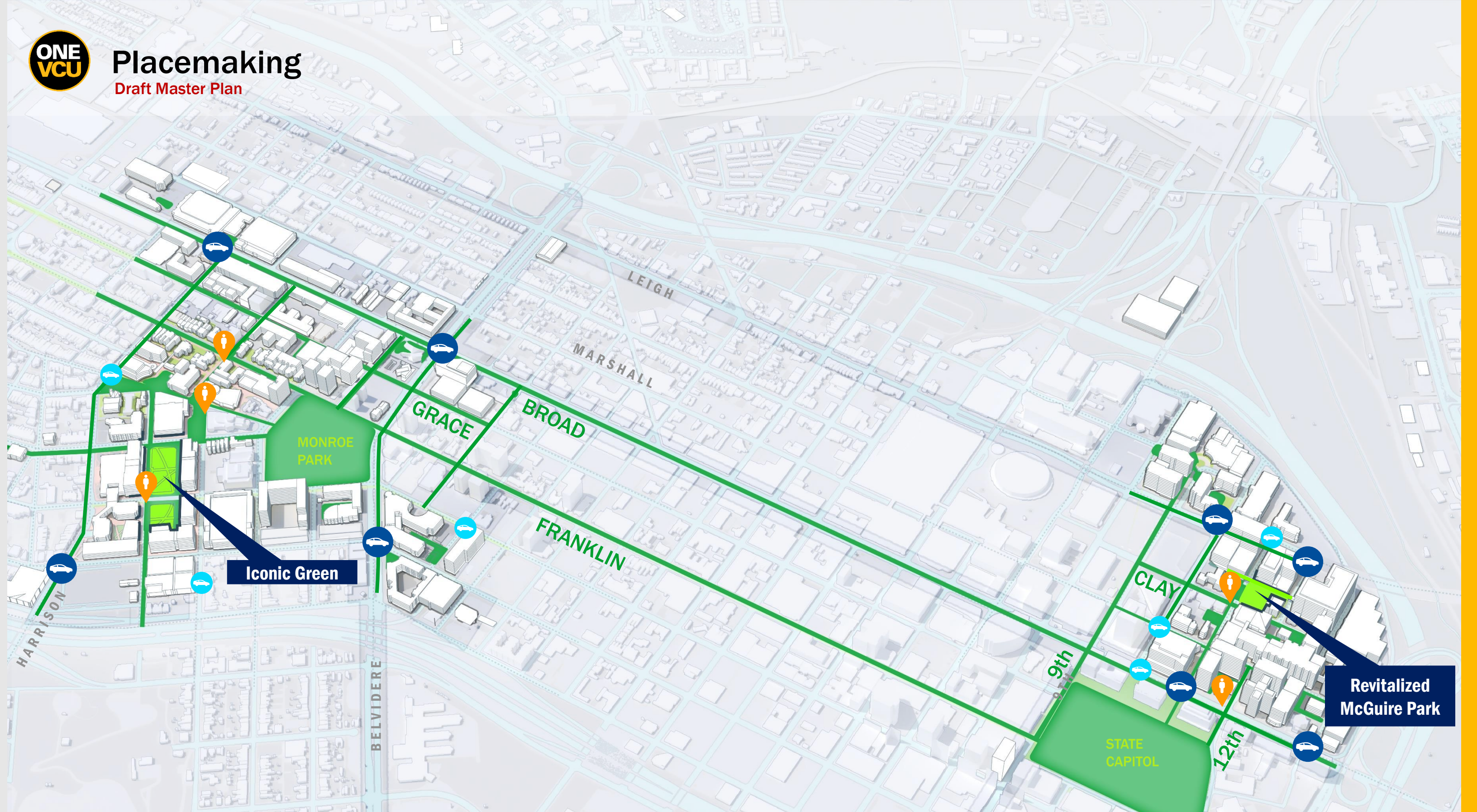
Placemaking

Celebrate and enhance VCU's unique urban setting and rich history.

Focus on:

- Front Doors and VCU identity
- Network of open spaces
- Optimizing green space
- Activating street corridors





— ENHANCED STREETSCAPE
■ ICONIC GREEN

- PRIMARY VEHICULAR FRONT DOOR
- SECONDARY VEHICULAR FRONT DOOR
- PEDESTRIAN/BIKE FRONT DOOR

STATS

+ 2
Iconic Greens

+ 16
Vehicular, Pedestrian/Bike Front Doors

+ 7,450
LSF of streetscape improvements

Mobility & Safety

Promote a walkable, accessible, safe campus which is easy to navigate for the entire VCU community: students, patients, faculty, staff, alumni, neighbors, and visitors.

Focus on:

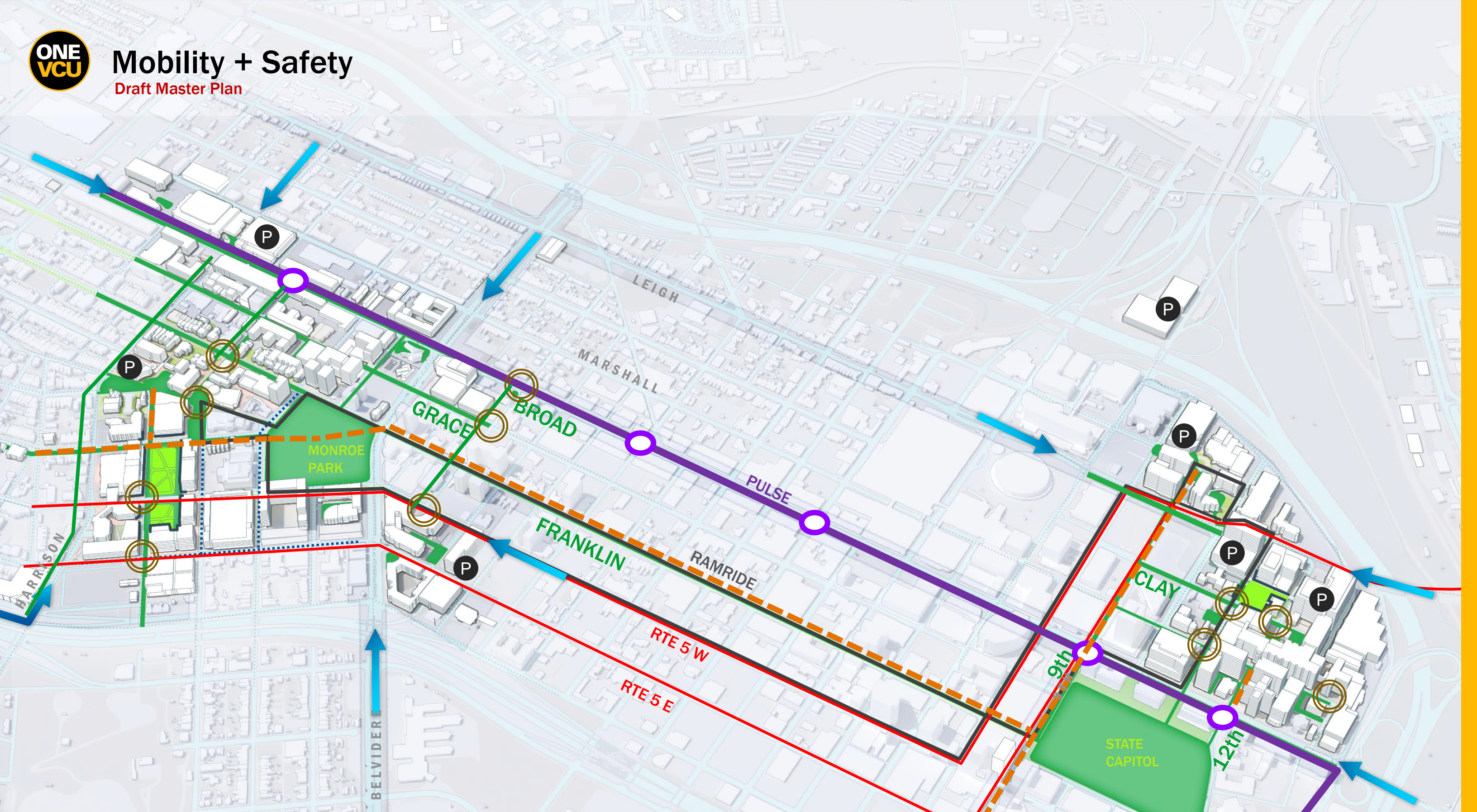
- Arrival experience
- Consistent and reliable transit
- Walkability
- Bike infrastructure
- Intersections and crosswalks
- Parking at the campus perimeter





Mobility + Safety

Draft Master Plan



— GRTC #5 ROUTE

— CAMPUS CONNECTOR ROUTE

— PULSE BRT ROUTE



PROPOSED PEDESTRIAN INTERSECTION IMPROVEMENTS



PROPOSED PARKING



PRIMARY ARRIVAL ROUTES

— DEDICATED BIKE ROUTE

— ENHANCED STREETSCAPE

STATS

+ 11
Intersection Improvements

Dedicated
bike lanes

Parking
at the perimeter

Unify the Campus

Strengthen the heart of each campus and the collective VCU identity through strategies that connect the campuses to each other and to the city of Richmond.

Focus on:

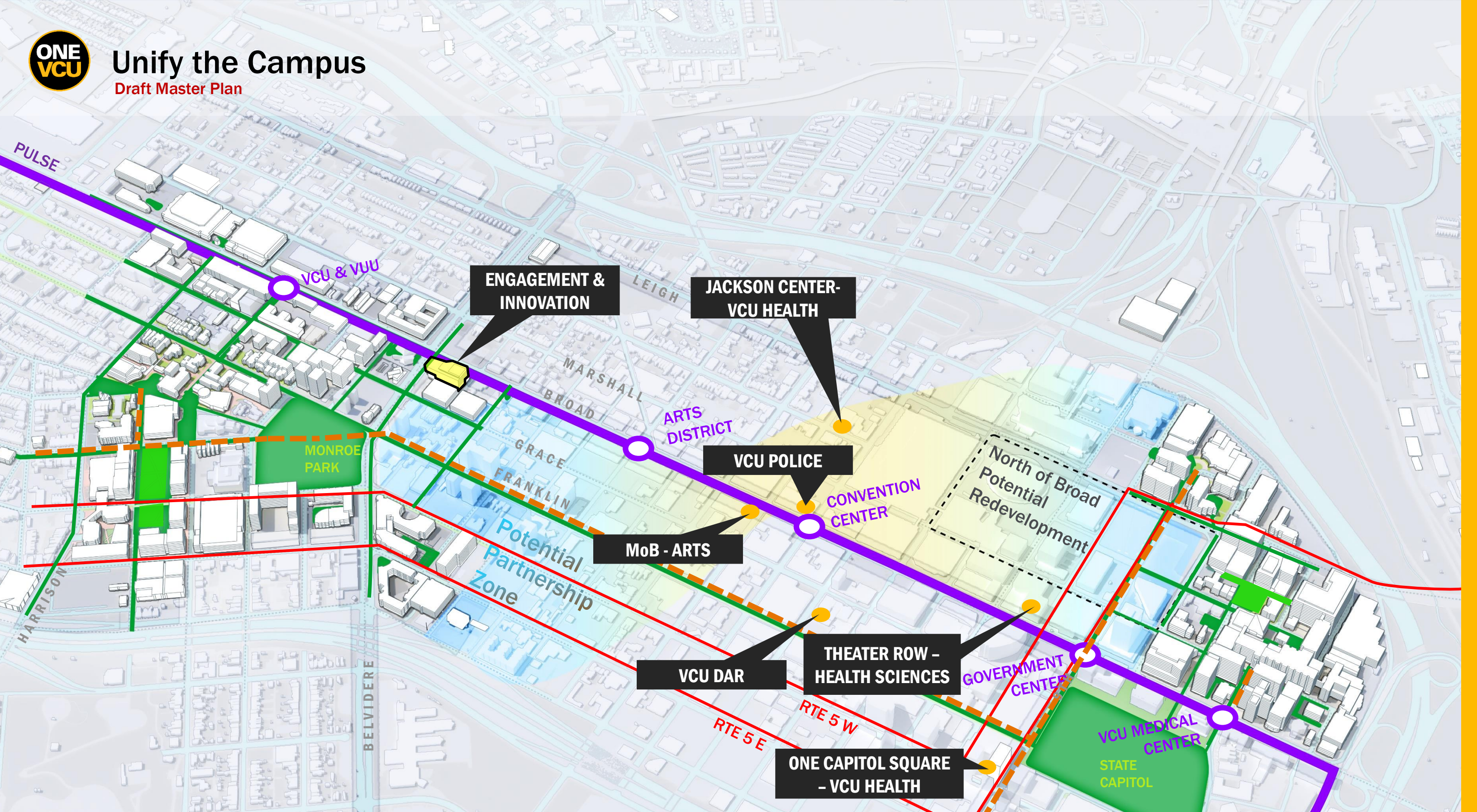
- Heart of each campus
- Partnership opportunities
- Addressing community needs
- Strategically locating programs between campuses
- Direct, timely, and reliable transit





Unify the Campus

Draft Master Plan



— ENHANCED STREETScape
■ ICONIC GREEN

— PULSE BRT ROUTE
— GRTC ROUTE 5
- - - DEDICATED BIKE ROUTE

STATS

Partner
with Pulse and GRTC

Locate
programs between campuses strategically

Capitalize
on partnership opportunities



The ONE VCU plan provides a long-term vision that informs near-term decisions and actions.

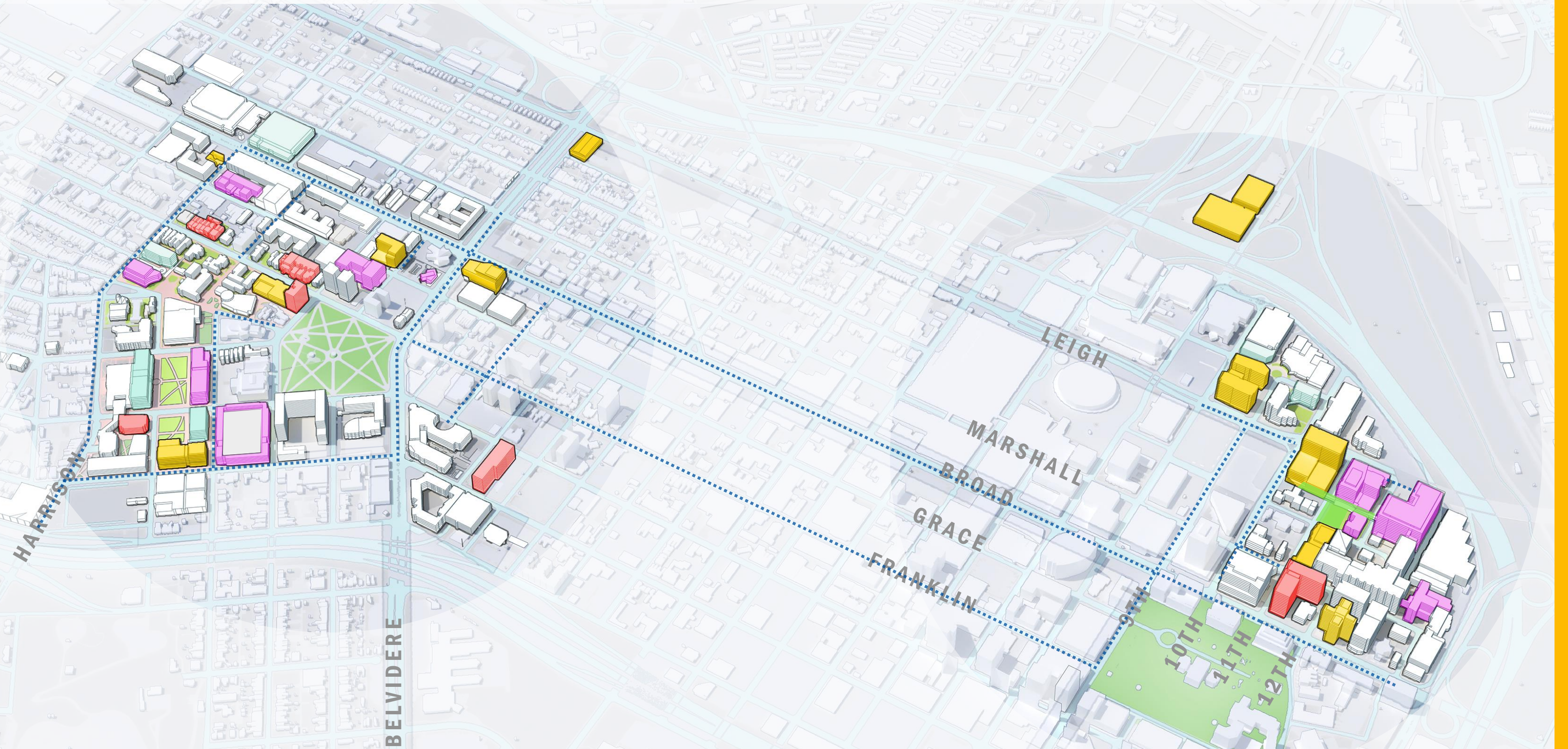
The 12-15 year plan prioritizes projects that:

- **Transform the Front Doors and first impression of VCU**
 - **Meet priority programmatic needs**
 - **Improve safety and mobility on campus**
 - **Enhance open space and streetscape quality**
 - **Address deferred maintenance**
 - **Provide swing space, hoteling space, and/or enable other projects to occur**
-



ONE VCU Draft Plan - Phased Plan

Draft Master Plan

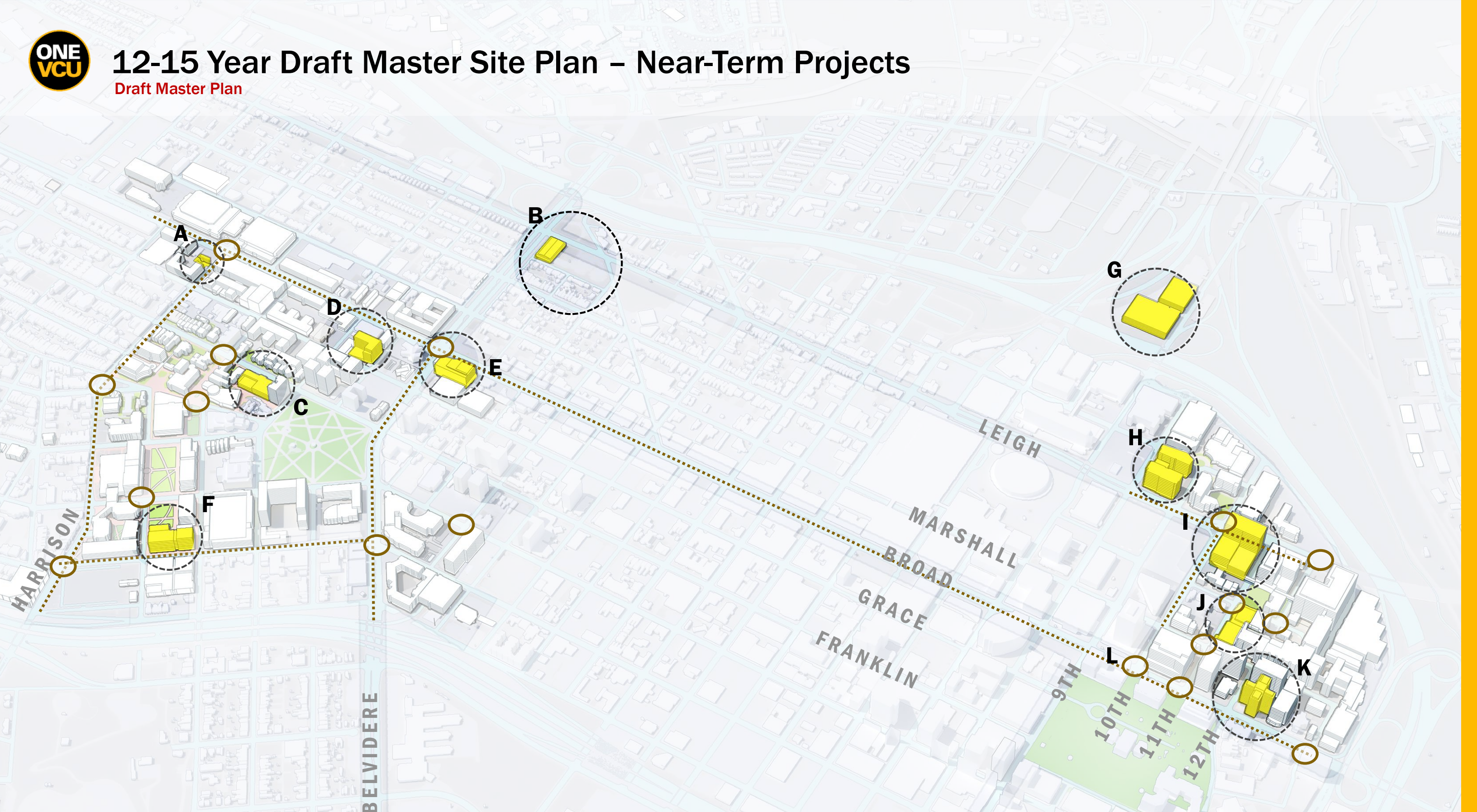


- PROPOSED - NEAR TERM
- PROPOSED - MID TERM
- PROPOSED - LONG TERM
- PROPOSED +15 YEAR (FUTURE CAPACITY)
- ⋯ STREETScape ENHANCEMENTS



12-15 Year Draft Master Site Plan – Near-Term Projects

Draft Master Plan



-  VCU & HEALTH SYSTEM PROPOSED NEAR-TERM BUILDINGS
-  FRONT DOORS
-  PRIORITY STREETScape ENHANCEMENTS

PROJECTS

- A. 534 N. Harrison Building Renovation
- B. Recreation Facilities
- C. STEM Building
- D. Undergraduate Housing - 700 W. Grace
- E. Performing Arts Innovation & Engagement

- F. Student Commons & Wellness
- G. I-Lot Parking Deck
- H. Transdisciplinary Neuroscience
- I. Adult Outpatient Facility
- J. Nelson Clinic/Ambulatory Critical Care Renovation

- K. West Hospital Renovation
- L. Front Doors (throughout campus)
- M. Athletics Village (off-campus)

Near-term Project Descriptions

A. 534 N. Harrison Building Renovation (~7,400 GSF)

- Near-term renovation of building for School of the Arts or other academic use

B. Recreation Facilities (~25,000 GSF)

- New recreation fields with potential for a new fieldhouse building to alleviate constraints at the Cary Street Gym and Larrick with court issues, group exercise space, and larger gathering space

C. STEM Building (~168,700 GSF)

- Program to include instructional wet and dry labs and classrooms for teaching chemistry, biology, physics, math, psychology & kinesiology – basic science instruction for university

D. Undergraduate Housing (~189,000 GSF)

- 700 W. Grace Street
- Housing for Honors students with active ground floor use

E. Performing Arts, Innovation & Engagement (~242,000 GSF)

- Consolidation of Performing Arts & Da Vinci Center programs plus needed growth
- Community engagement space for faculty, staff and students

F. Student Commons & Wellness (~255,200 GSF)

- Combined facility to include commons & wellness program
- Demolition of existing commons
- Backfill opportunity in existing wellness buildings

G. I-Lot Parking Deck

- 1,200 space garage with helipad
- Faculty, staff, student parking

H. Transdisciplinary Neuroscience (~395,000 GSF)

- New research facility housing transdisciplinary neuroscience research
- Will vacate research space across campus, primarily in Sanger and McGuire Annex
- Capacity to include near-term swing space to facilitate Wood/Lyons redevelopment; long-term research space

I. Adult Outpatient Facility & Parking Garage (AOF: ~603,000 GSF + Garage: ~425,850 GSF)

- Consolidation of adult outpatient clinics to improve environments, support clinical care models, and provide for team member integration/collaboration
- Includes parking

J. Nelson Clinic / Ambulatory Critical Care Renovation (~247,000 GSF)

- Renovation for Health Systems needs – Pauley Heart Center, swing space, landing space, offices, and other needs

K. West Hospital Renovation (~314,000 GSF)

- Study underway to determine program for the building.
- Options include:
 - VCU/Health System Offices
 - Non-VCU tenant offices
 - Housing

L. Front Doors (throughout campus)

- Implementation of fast-track priority – includes seat walls, pylons, intersection improvements, banners and enhanced streetscape
- Opportunity to create named plazas to establish and help fund Front Doors

M. Athletics Village (off-campus)

1. Tennis Center (6-8 Indoor + 12-16 Outdoor Courts)
 - The center will support the VCU men's and women's tennis programs; however, it will be designed to host other community programs and USTA sanctioned tennis tournaments.
2. Practice Fields (1 Artificial + 1 Natural Grass)
 - Fields would provide outdoor practice space for and men's and women's soccer and lacrosse.
3. Baseball Stadium (8-10K Person Stadium)
 - VCU and the Richmond Flying Squirrels plan to partner together to build a state-of-the art baseball stadium. It will support minor league and NCAA teams during the annual overlapping game schedule.
4. Field-house
 - The indoor space will provide protected indoor practice space for VCU athletic teams such as lacrosse, field hockey, men's and women's soccer, track & field and baseball.

Potential Demolition:

- Franklin Street Gym
- 700 West Grace Street Building
- BioTech 1 and BioTech Center
- Cabaniss Hall

Additional renovations to be determined based on programmatic needs



12-15 Year Draft Master Site Plan – Mid-Term Projects

Draft Master Plan



VCU & HEALTH SYSTEM
PROPOSED MID-TERM
BUILDINGS

NEW ICONIC CAMPUS
GREEN

PROJECTS

- A. Undergraduate Housing - 900 W. Grace
- B. Interdisciplinary Arts – Teaching
- C. Student Gallery
- D. Welcome Center + Admission + Alumni
- E. Iconic Green- The Quad

- F. Interdisciplinary Classroom and Lab Building
- G. Undergraduate Housing - W. Main Parking Deck Wrap
- H. Interdisciplinary Health Sciences Academic & Research
- I. Tompkins-McCaw Library Replacement
- J. McGuire Park Revitalization and Expansion

- K. McGuire Building Renovation to Offices
- L. Inpatient Bed Tower
- M. North Hospital Renovation

Mid-term Project Descriptions

A. Undergraduate Housing (~140,000 GSF)

- 900 W. Grace Street
- Active ground floor use
- Located along the student main street corridor
- Additional undergraduate housing to meet student demand

B. Interdisciplinary Arts –Teaching (~215,900 GSF)

- Accommodates pent up space need for the School of the Arts
- Improves adjacency between departments
- Replaces Pollak

C. Student Gallery (~20,000 GSF)

- Dedicated space to publicly exhibit student art
- Addresses need for more exhibit space

D. Welcome Center + Admission + Alumni (~110,000 GSF)

- Co-locates the Welcome Center, Admissions, and Alumni meeting space in a single building
- Building includes ~ 50 parking spaces and has capacity for additional program

E. Iconic Green- The Quad

- New green space in the heart of campus surrounded by the library, commons, and teaching and research space

F. Interdisciplinary Classrooms and Labs (~189,900 GSF)

- Replaces outdated teaching labs in Oliver Hall to meet needs of Humanities and Sciences
- Replacement space for Temple Hall

G. Undergraduate Housing - W. Main Parking Deck Wrap (~105,000 GSF)

- Improves character and frontage along an important campus corridor
- Housing adjacent to Monroe Park and the new Student Commons

H. Interdisciplinary Academic & Research Building (~316,000 GSF)

- Replacement of Dentistry program from Wood and Lyons (academic, office, research)
- Consolidation of Pharmacy (academic, office, research)
- Interprofessional Education space:
 - Flat-floored flexible room (200-400 people)
 - Social/Gathering/Café Hub
 - Simulation space
- Renovation of Smith Building by the Health System

I. Tompkins-McCaw Library Replacement (~97,000 GSF)

- 21st Century library that will include resources, study space, collaboration space, offices, etc.

J. McGuire Park Revitalization and Expansion

- New, re-named green space in the heart of campus
- Serves as a gathering place for students, faculty, staff, and patients

K. McGuire Building Renovation to Offices (~55,000 GSF)

- Office space planned for the Health System

L. Inpatient Bed Tower

- Privatize all inpatient rooms in the new tower resulting in 100% private inpatient rooms for all Health System facilities
- Includes parking

M. North Hospital Renovation (~180,000 GSF)

- Renovation for Health Systems needs

Potential Demolition/Divestment:

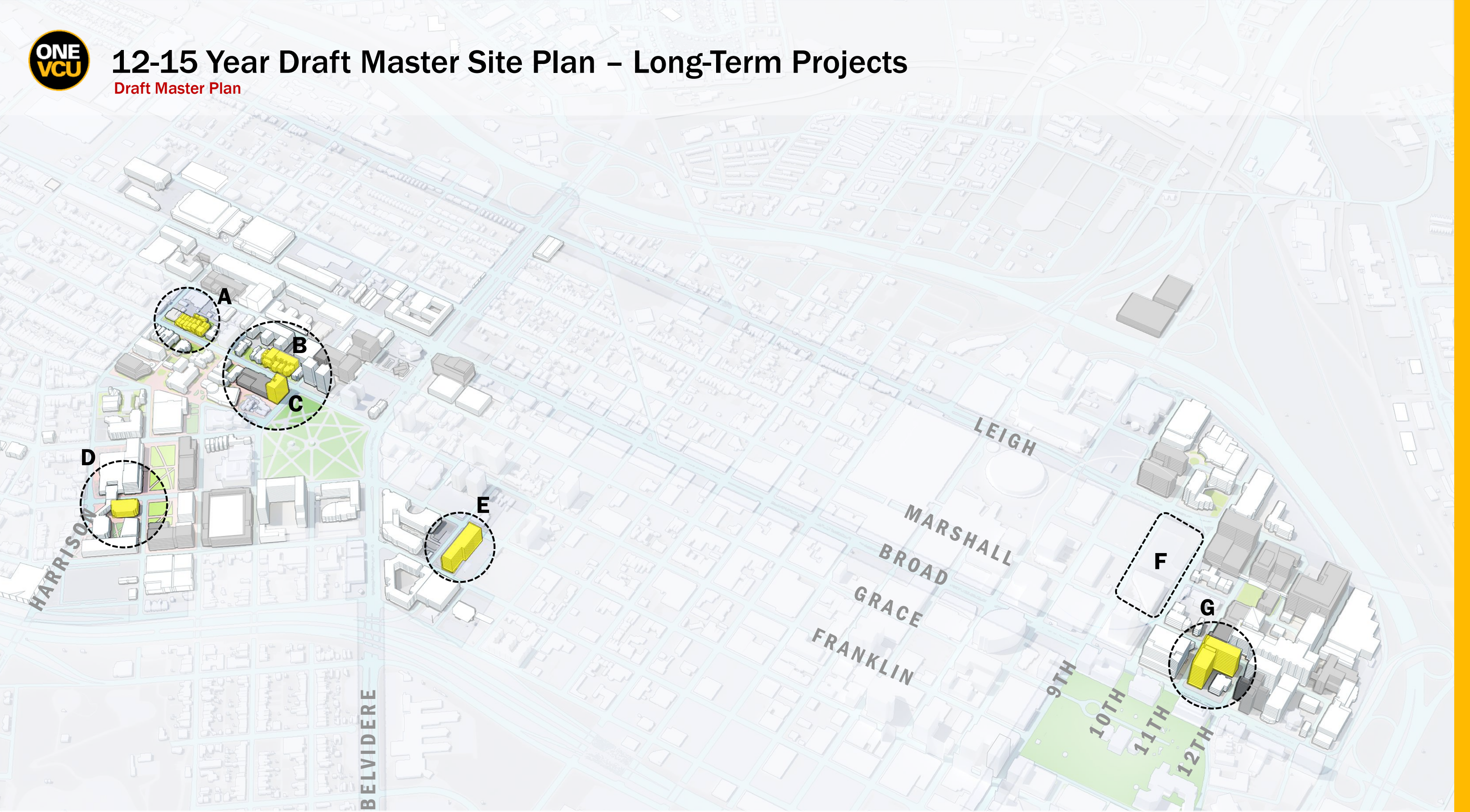
- Honors Residence Hall
- Student Commons
- Pollak Building
- Singleton Center
- Wood Memorial Building
- Lyons Dental Building
- McGuire Annex
- Thompkins-McCaw Library for Health Sciences
- Strauss Research Lab
- Dance and Choreography Building
- T. Edward Temple Building

Additional renovations to be determined based on programmatic needs



12-15 Year Draft Master Site Plan – Long-Term Projects

Draft Master Plan



VCU & HEALTH SYSTEM
PROPOSED LONG-TERM
BUILDINGS

OPEN SPACE

PROJECTS

- A. Franklin Street Renovation/Housing
- B. Renovation & Expansion for Humanities & Sciences
- C. Johnson Hall Conversion to Offices
- D. Oliver Hall Demolition (new building outside the 12-15 year plan)
- E. Engineering Expansion (likely outside of the 12-15 year plan)

- F. North of Broad Potential P3 Partnership Opportunity
- G. Sanger Hall Revitalization (likely outside of the 12-15 year plan)
- H. Undergraduate Housing – location TBD

Long-term Project Descriptions

A. Franklin Street Renovation/Housing

(~49,000 GSF)

- Exploring potential to convert some Franklin Street buildings back to housing for faculty or students
- Need to see if there is a market for that type of housing as well as feasibility/cost to renovate the buildings

B. Expansion for Humanities & Sciences

(~78,200 GSF)

- Additional space for psychology research
- Address space quality and accessibility issues

C. Johnson Hall Conversion to Offices

(~97,700 GSF)

- If Johnson Hall is no longer meeting the needs of Student Life and is not suited for classroom space, the building could be converted to faculty and administrative offices

D. Oliver Hall Demolition/Replacement

(~68,000 GSF)

- Opportunity to renovate Oliver Hall Science Wing for less intense use (classroom or office space)
- Could meet needs for School of Education, Life Sciences, and/or Social Work
- Other option is to demolish the Science Wing and build a new building – likely outside of 12-15 year plan

E. Engineering Expansion (~236,000 GSF)

- Interdisciplinary building where students and industry can come together
- May include studios, innovation space, dry labs, and computer science and electrical engineering programs
- Likely outside of the 12-15 year plan

F. North of Broad Potential P3 Partnership Opportunity

- Potential office space, retail, parking partnership

G. Sanger Revitalization – Research

(~420,000 GSF)

- Updated interdisciplinary research building on the Sanger Hall site
- Likely outside of the 12-15 year plan

H. Undergraduate Housing

- Active ground floor use
- Additional undergraduate housing to meet student demand and/or replace existing beds coming off-line

Potential Demolition:

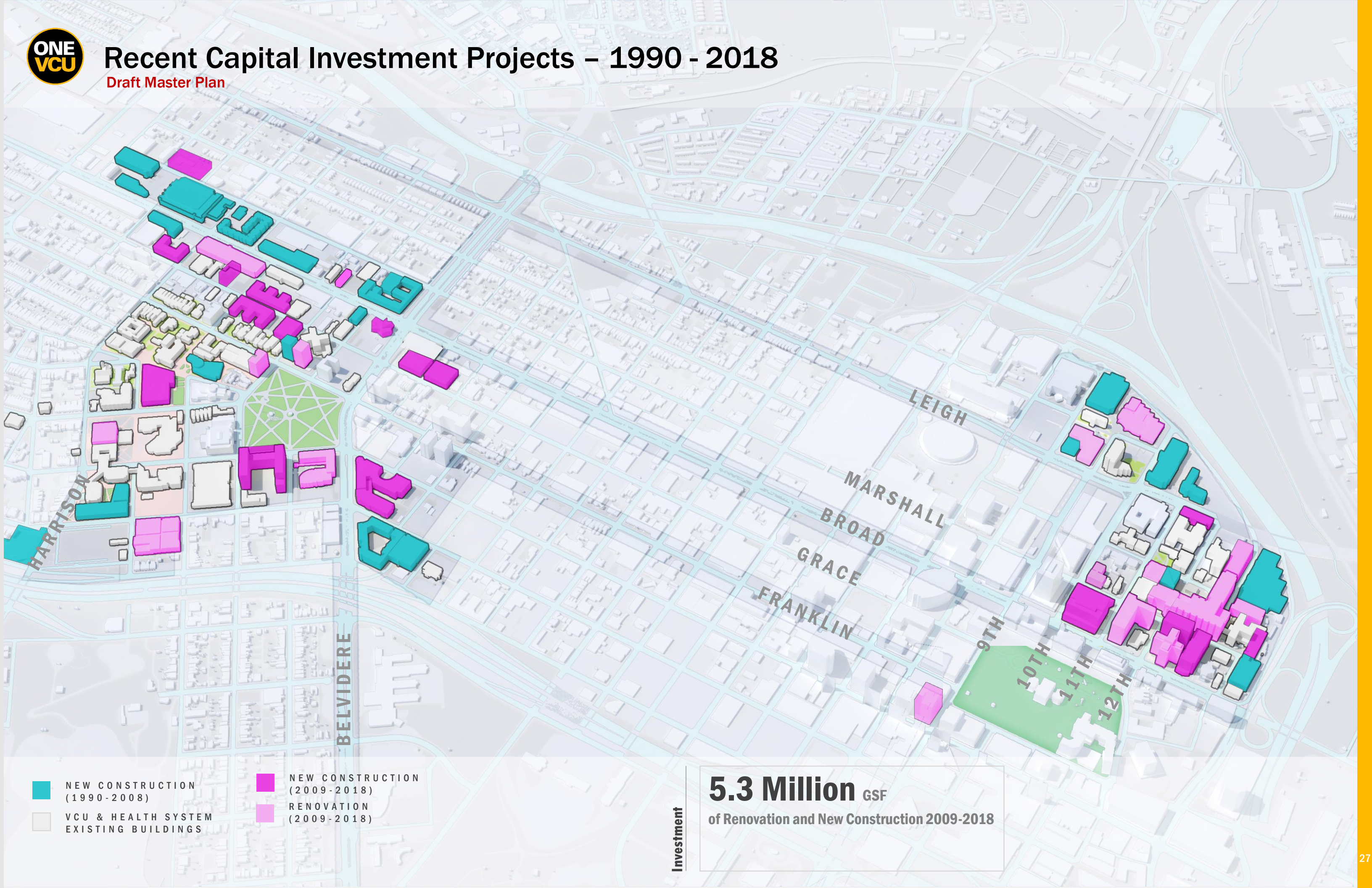
- Oliver Hall Science Wing

Additional renovations to be determined based on programmatic needs



Recent Capital Investment Projects – 1990 - 2018

Draft Master Plan



- NEW CONSTRUCTION (1990-2008)
- NEW CONSTRUCTION (2009-2018)
- VCU & HEALTH SYSTEM EXISTING BUILDINGS
- RENOVATION (2009-2018)

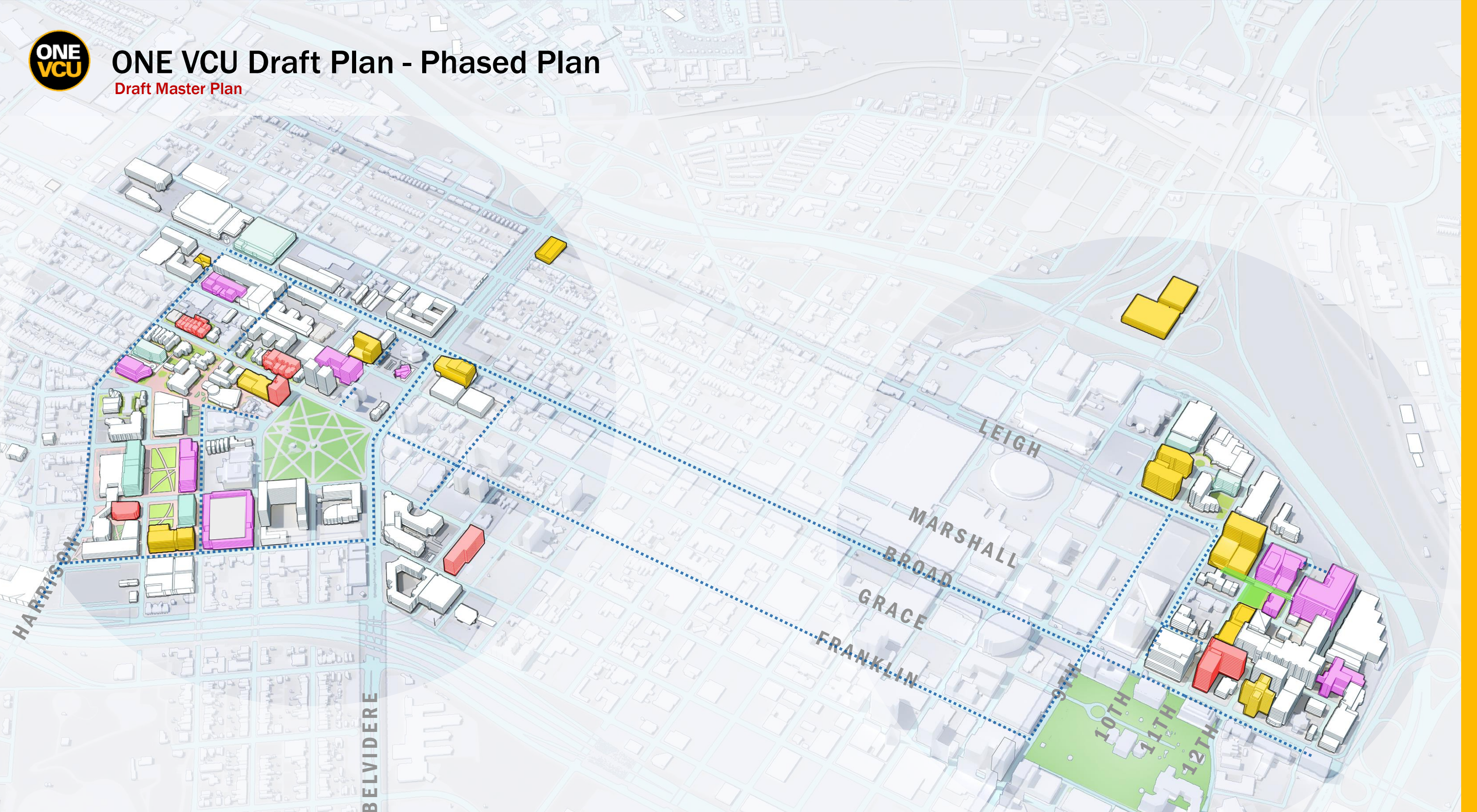
Investment

5.3 Million GSF
of Renovation and New Construction 2009-2018



ONE VCU Draft Plan - Phased Plan

Draft Master Plan



- PROPOSED - NEAR TERM
- PROPOSED - MID TERM
- PROPOSED - LONG TERM
- PROPOSED +15 YEAR (FUTURE CAPACITY)
- STREETSCAPE ENHANCEMENTS

Investment

Approximately **6+ Million** GSF
of Proposed Renovation and New Construction
for 12-15 years



Next Steps

1. VCU Stakeholder Review of Draft Plan
2. Public Review of Draft Plan:
9/17: 11-1 Kontos
9/17: 5-7 Commons
9/18: 11-1 Commons
3. Incorporate feedback from stakeholders and public review
4. Prioritize projects based on strategic goals, funding plan, and swing space requirements
5. December BOV adoption; BOD Informational Presentation
6. Final ONE VCU Plan delivered



**VCU Finance, Budget and Investment Committee
Meeting**

September 14, 2018



- VCIMCO started its operations on October 1, 2015 and began managing assets on May 1, 2016 with the launch of The Ram Fund, LP and separately managed accounts

- VCIMCO currently manages approximately \$1,216M of endowment and quasi-endowment assets from affiliated VCU entities (which includes \$32.2M of receivables from prior investment advisers)
 - VCU Health System \$909M (62.6% of total firm AUM)
 - **VCU Quasi \$99M (6.8%), established in 2017 at \$90M**
 - **VCU Glasgow \$50M (3.5%)**
 - VCU Foundation \$82M (5.7%)
 - College of Engineering Foundation \$76M (5.2%)
 - Community Memorial Hospital Foundation \$0.1M

- VCIMCO also manages approximately \$235M of VCU's short-term assets
 - **VCU (Short-Term) \$235M (16.2%)**



Board of Directors

- Steven Henderson* *Board Chair, Director of Investments at Spider Management Company*
- John Sherman, Jr. *Board Vice Chair, Former VCU Health System Finance Committee Chair*
- Carl F. Gattuso** *Chief Corporate Officer, VCU Health System*
- James P. Massie** *Investment Subcommittee Chair, VCU Health System*
- Charles Johnson*** *Partner, Private Advisors LLC, Retired*
- Lawrence Kochard*** *CIO, Makena Capital Management*
- J. Alfred Broaddus, Jr. *President, Federal Reserve Bank of Richmond, Retired*
- Kent Cox *Founding Member, Graystone Consulting*
- Palmer Garson *Managing Director, Silvercrest Asset Management Group*
- Nan Leake *Partner, Partners Group, Retired*
- Fred Tattersall *Chairman, 1607 Capital Partners*
- Jane Watkins *CEO, Virginia Credit Union, Retired*

Ex-Officio Members

- Karol Gray *VCU Vice President of Finance and Budget*
- Melinda Hancock *Chief Financial Officer of the VCU Health System*

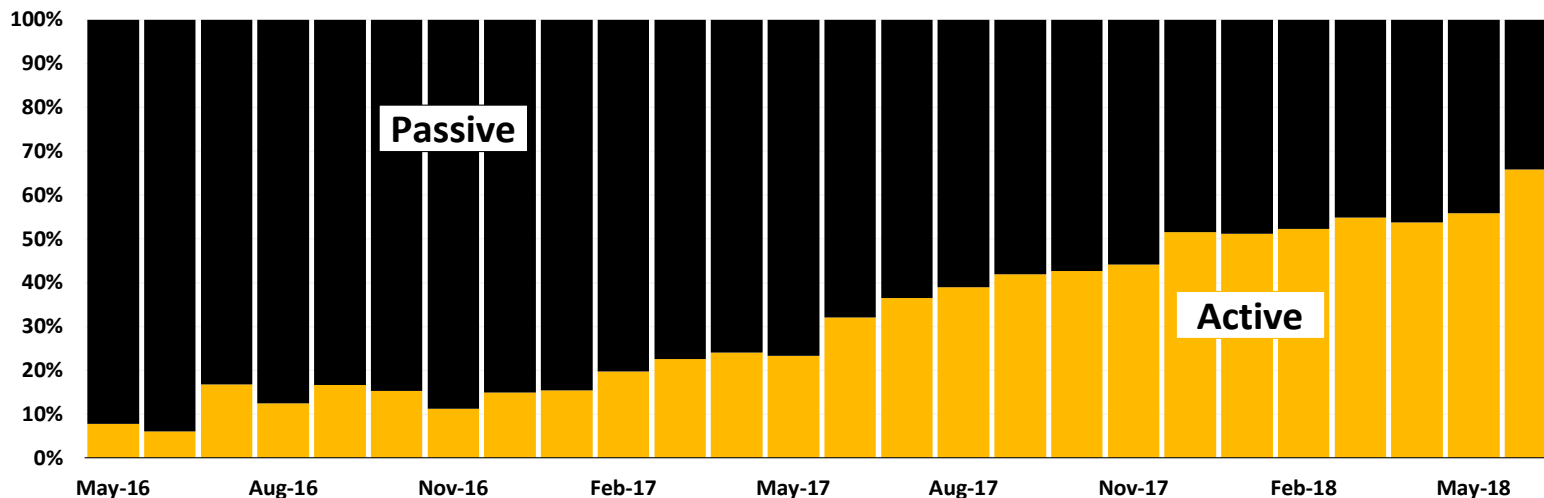
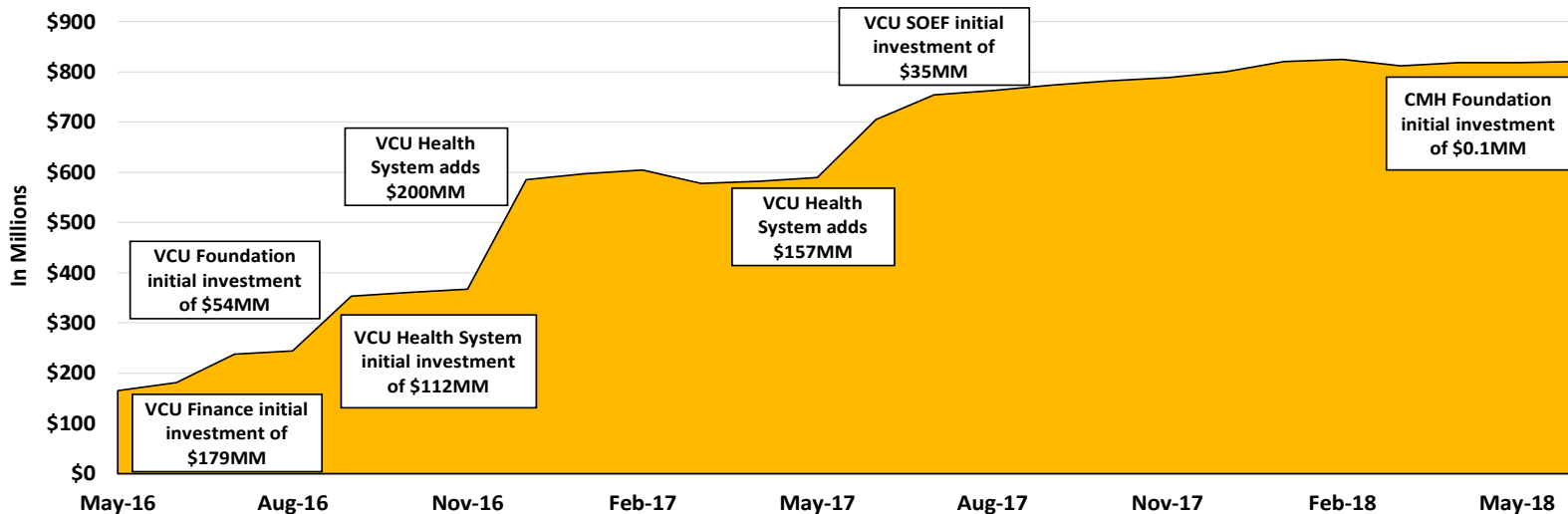
* VCU President Appointee

** VCU Health Appointee

*** VCU Appointee



VCIMCO Assets Under Management





Investment Holdings By Asset Class as of 6/30/2018		
VCU and Glasgow Endowment		
Account	Asset Class	Market Value¹
The Ram Fund, L.P.	Equity	\$93,613,639
	Real Assets	\$4,585,231
	Fixed Income and Cash ²	\$43,536,394
Subtotal:		\$141,735,264
The Ram Private Assets Fund, L.P.	Private Assets ³	\$3,213,917
Subtotal:		\$3,213,917
JP Morgan	Private Equity	\$1,597,865
Subtotal:		\$1,597,865
JP Morgan	JPMorgan Hedge Funds (Receivable)	\$321,388
Subtotal:		\$321,388
Cash In Transit to the Ram Fund ⁴	Cash	\$0
Subtotal:		\$0
Long Term Tier Total:		\$146,868,434
Merganser Capital Management ⁵	Short term Fixed Income	\$235,562,941
Short Term Tier Total:		\$235,562,941
VCU & Glasgow Total:		\$382,431,375

Notes:

¹ Market values are estimated based on information available at the time of reporting production. These market values are unaudited and subject to change

² Cash includes funds that are available for investing as of June 30, 2018

³ Private Equity in Ram Private Assets Fund include the net capital balance as of March 31, 2018 and additional capital calls from April 1, 2018 to June 30, 2018

⁴ Cash in Transit to the Ram Fund includes cash received in advance that will be reflected in the Ram Fund on July 1, 2018



VCU Quasi and Glasgow Endowment Total Assets in VCIMCO Funds

As of June 30, 2018			Returns		
Asset Class	AUM	%	Q2 2018	FYTD	Annualized Since Incep.
Equity					
Domestic	\$26,135,089	18.0%	2.5%	12.9%	15.2%
International	\$39,223,747	27.1%	-2.5%	2.9%	9.1%
Total Long	\$65,358,836	45.1%	-0.6%	6.9%	11.7%
Long/Short	\$28,254,802	19.5%	0.4%	3.0%	6.6%
Private Equity	\$3,213,917	2.2%	2.8%	10.9%	10.0%
Total Equity	\$96,827,555	66.8%	-0.2%	6.1%	10.8%
Credit & Absolute Return	\$22,895,030	15.8%	0.0%	-0.4%	2.2%
Real Assets	\$4,585,231	3.2%	10.9%	-1.7%	-0.3%
Treasuries & Cash	\$20,641,363	14.2%	-0.1%	-0.5%	-0.3%
Total (Gross)	\$144,949,179	100.0%	0.2%	4.4%	6.5%
Composite Benchmark			0.6%	7.9%	9.7%

Notes:

- 1) Performance is estimated. Trailing 3 Mo. returns may be lagged to show the most recently available quarterly return. Private Equity since inception returns may be lagged and begin on October 1, 2016.
- 2) Private Equity investments in RPAF include the net capital balance as of 3/31/18 and additional capital calls from April 1, 2018 to June 30, 2018



VCU Quasi and Glasgow Endowment Total Assets in VCIMCO Funds					
As of July 31, 2018			Returns		
Asset Class	AUM	%	Jul-18	FYTD	Annualized Since Incep.
Equity					
Domestic	\$30,777,061	20.9%	2.9%	2.9%	16.1%
International	\$39,349,650	26.8%	2.1%	2.1%	9.8%
Total Long	\$70,126,711	47.7%	2.4%	2.4%	12.5%
Long/Short	\$30,564,786	20.8%	-0.3%	-0.3%	6.4%
Private Equity	\$3,234,379	2.2%	NA	NA	9.4%
Total Equity	\$103,925,876	70.7%	1.7%	1.7%	11.4%
Credit & Absolute Return	\$23,005,797	15.6%	0.4%	0.4%	2.4%
Real Assets	\$4,867,275	3.3%	8.1%	8.1%	3.2%
Treasuries & Cash	\$15,284,633	10.4%	-0.1%	-0.1%	-0.3%
Total (Gross)	\$147,083,581	100.0%	1.4%	1.4%	7.0%
Composite Benchmark			2.1%	2.1%	10.3%

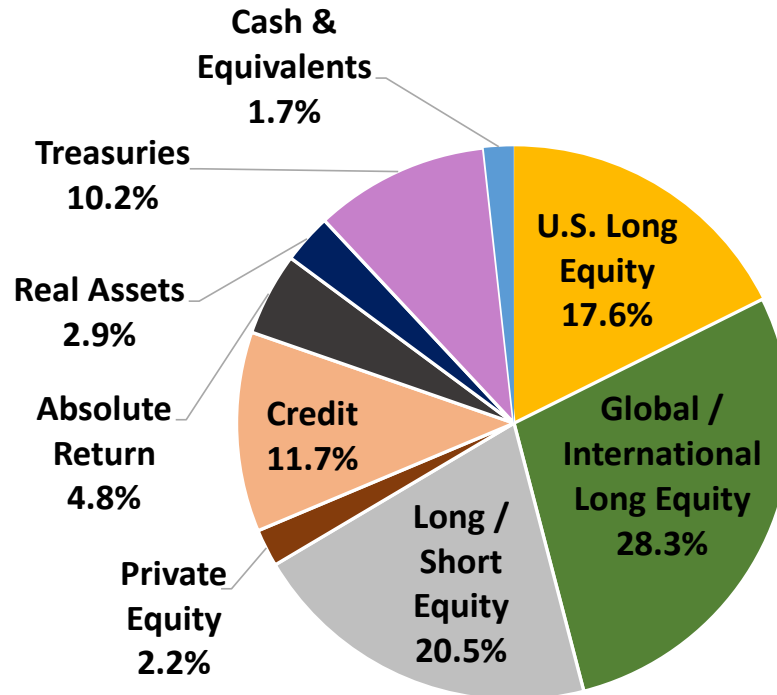
Notes:

- 1) Performance is estimated. Private Equity since inception returns may be lagged and begin on October 1, 2016.
- 2) Private Equity investments in RPAF include the net capital balance as of 3/31/18 and additional capital calls from April 1, 2018 to July 31, 2018.



Strategic Asset Allocation

June 30, 2018



VCIMCO uses the above strategic asset categorizations to monitor VCU Quasi and Glasgow investments.

University Budget Redesign Update

Finance, Budget, and Investment Committee

BudgetUpdate.vcu.edu

September 14, 2018

University Budget Redesign: Completed

- Parallel reporting year completed and model is finalized
- FY2019 budget development incorporated three year model
- Education & General Fund model is “live” in VCU financial system for FY2019
- All Schools Dean’s retreat on :
 - Growing Enrollment
 - Reducing Expenses
 - Reducing Subvention

Upcoming Actions

- Continued training and unit-specific modeling tools to be developed
- Planning for FY2020 budget process under the new model

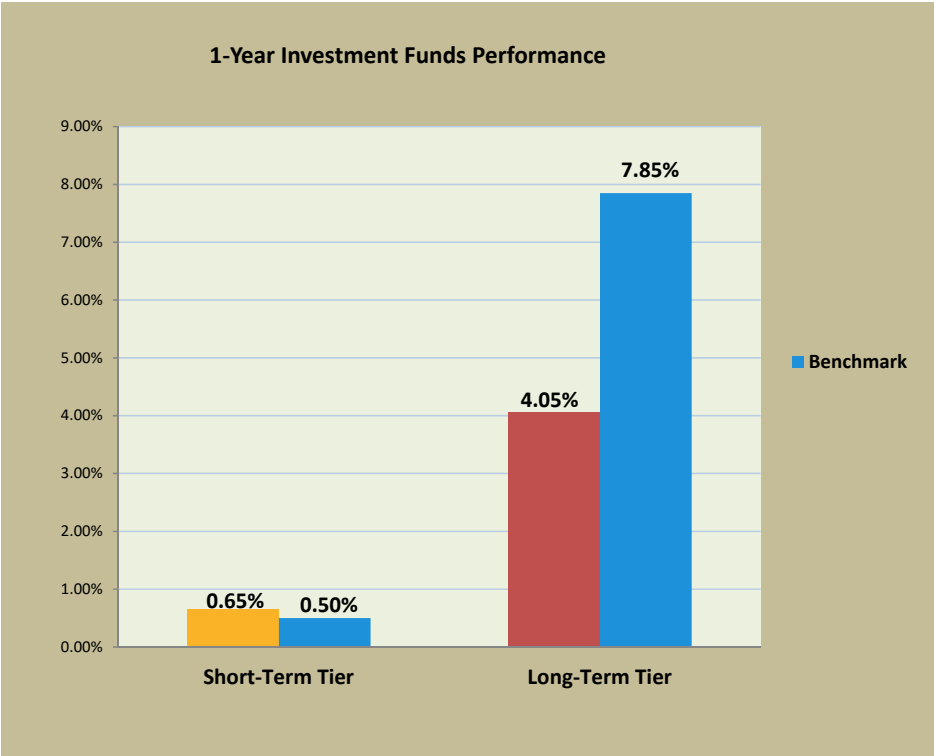
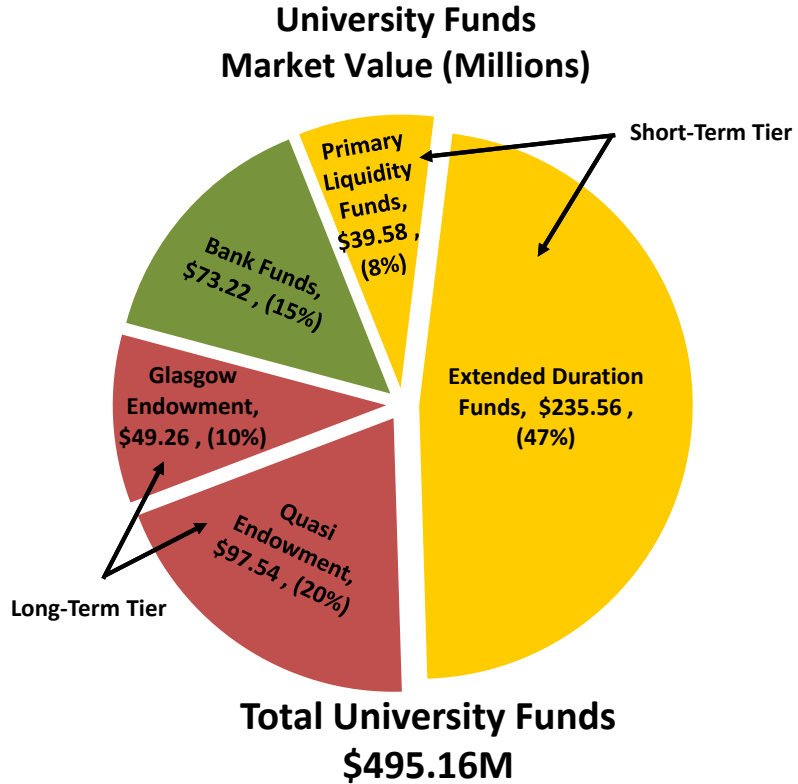
Treasurer's Report As of June 30, 2018

Finance and Budget, Karol Kain Gray, September 14, 2018



VCU

Total University Funds Overview for the Period Ending June 30, 2018



Short-Term & Long-Term Tier Performance and Asset Allocation as of June 30, 2018

Short-Term Tier		Market Value	Current Allocation		Qtr Return	1 Yr Return	3 Yrs Return	5 Yrs Return	Since July-09 Return
Primary Liquidity Funds (Payden & Rygel)		\$ 39,579,877	14.4%	Total Return	0.49%	1.21%	0.73%	0.45%	0.35%
<i>iMoneyNet MM All Taxable</i>					0.37%	1.04%	0.47%	0.29%	0.17%
				Price Return	0.03%	-0.19%	-0.14%	-0.11%	-0.20%
				Income Return	0.46%	1.40%	0.87%	0.56%	0.55%
Extended Duration Funds (Merganser)		\$ 235,562,941	85.6%	Total Return	0.40%	0.39%	0.90%	0.99%	1.32%
<i>BofA ML US Corp & Gov 1-3Yr Blended Index</i>					0.29%	0.26%	0.48%	0.68%	0.88%
				Price Return	-0.15%	-1.61%	-1.02%	-0.69%	-0.76%
				Income Return	0.55%	2.00%	1.92%	1.68%	2.08%
Total Short-Term Tier		\$ 275,142,818	100.0%		0.42%	0.65%	0.78%	0.83%	0.94%
<i>Short-Term Tier Composite</i>					0.31%	0.50%	0.70%	1.03%	1.39%
				Price Return	0.00%	-1.08%	-0.71%	-0.49%	-0.57%
				Income Return	0.42%	1.73%	1.49%	1.32%	1.51%
Long-Term Tier		Market Value	Current Allocation	VCU Strategic Allocation	Qtr Return	1 Yr Return	3 Yrs Return	5 Yrs Return	Since April-12 Return
Equity									
VCIMCO Equity		\$ 96,827,556	65.9%						
JP Morgan Equity		\$ 321,375	0.2%						
Subtotal		\$ 97,148,931	66.1%	65.0%	-0.39%	5.96%	5.18%	7.15%	7.98%
<i>MSCI All Country World Index</i>					0.72%	11.31%	8.78%	10.00%	10.06%
Real Assets									
VCIMCO Real Assets		\$ 4,585,231	3.1%						
JP Morgan Real Assets		\$ 1,107,436	0.8%						
Subtotal		\$ 5,692,667	3.9%	10.0%	5.42%	1.30%	4.45%	4.00%	2.39%
<i>MSCI ACWI Real Estate Index</i>					1.60%	6.16%	6.79%	6.65%	7.61%
Fixed Income and Cash									
VCIMCO Fixed Income and Cash		\$ 43,536,394	29.6%						
JP Morgan Fixed Income and Cash		\$ 490,441	0.3%						
Subtotal		\$ 44,026,835	30.0%	25.0%	-0.04%	0.11%	-0.06%	0.44%	0.93%
<i>Barclays US Aggregate Index</i>					-0.16%	-0.40%	1.72%	2.27%	1.88%
Total Long Term Tier									
VCIMCO - Total		\$ 144,949,181	98.7%						
JP Morgan - Total		\$ 1,919,252	1.3%						
Subtotal		\$ 146,868,433	100.0%	100.0%	0.15%	4.05%	3.17%	4.61%	5.23%
<i>Composite Benchmark</i>					0.59%	7.85%	4.89%	4.81%	4.63%
Net Liabilities - VCIMCO Funds		\$ (72,395)							
Net Asset Value - Long-Term Tier		\$ 146,796,038							
Total Short-Term Tier and Long-Term Tier		\$ 421,938,855							

Annual Statement of Compliance

- The VCU Investment Policy requires an annual report to the BOV showing compliance for both the Short – Term Tier and the Long – Term Tier.
- Pages 5 – 10 meet this annual requirement.

Short-Term Tier Policy Requirements

- VCU Investment Policy requires a quarterly report to the Board of Visitors, which includes at a minimum;
 - Investment performance (net of fees) for the Short-Term Tier versus the appropriate benchmarks **(see page 3)**;
 - Actual asset allocations **(see page 6)**;
 - Any investments that required management notification (such as credit downgrades or duration changes) **(None to Report)**; and
 - A statement from each investment manager certifying compliance with the Virginia Investment of Public Funds Act **(see page 8)**.
- The Policy also requires an annual report, which includes at a minimum;
 - A certificate showing compliance with the Investment Policy, specifically the Authorized Investments, diversification restrictions, duration, maturity and credit quality constraints **(see pages 6 & 7)**.

Authorized Investments, Diversification Restrictions and Credit Quality Constraints

Authorized Investments	Primary Liquidity Fund (Payden & Rygel)						Extended Duration Fund (Merganser)					
	Policy Max	Actual %	Minimum Rating	Actual Min Rating	Max Maturity	Actual Max Maturity	Policy Max	Actual %	Minimum Rating	Actual Min Rating	Max Maturity	Actual Max Maturity
Cash	100%	6%	n/a	n/a	n/a	n/a	100%	0%	n/a	n/a	n/a	n/a
U.S. Treasury and Agency Securities	100%	46%	n/a	n/a	n/a	2.5 years	100%	12%	n/a	AAA	n/a	2.67 years
Non-Negotiable Certificates of Deposit (CDs)	5%	0%	Fed insured and VSPDA collateralized	none invested	5 yrs	none invested	0%	0%	Fed insured and VSPDA collateralized	none invested	5 yrs	none invested
Negotiable CDs and/or Negotiable Bank Deposit Notes	20%	16%	A-1, P-1 for 1yr or less/AA-, Aa3 for over 1yr	A-1/P-1	5 yrs	325 days	20%	0%	A-1, P-1 for 1yr or less/AA-, Aa3 for over 1yr	none invested	5 yrs	none invested
Overnight/Open Treasury/Agency Repurchase Agreements	100%	0%	Treasury/Agency/GSE - collateralized	none invested	overnight	none invested	0%	0%	Treasury/Agency/GSE - collateralized	none invested	overnight	none invested
Overnight/Open non-Treasury/Agency Repurchase Agreements	50%	0%	GSE collateralized	none invested	overnight	none invested	0%	0%	GSE collateralized	none invested	overnight	none invested
Term Repurchase Agreements	20%	0%	>100% Treasury/Agency/GSE -	n/a	n/a	n/a	0%	0%	>100% Treasury/Agency/GSE -	none invested	n/a	none invested
Banker's Acceptances	40%	0%	A-1, P-1	n/a	n/a	n/a	0%	0%	A-1, P-1	none invested	n/a	none invested
Commercial Paper	35%	0%	A-1, P-1, F-1, D-1	none invested	< 270 days	none invested	0%	0%	A-1, P-1, F-1, D-1	none invested	< 270 days	none invested
Money Market Funds	35%	0%	AAA	n/a	n/a	n/a	10%	0%	AAA	none invested	n/a	none invested
Corporate Notes/Bonds	25%	24%	A-, A3	A- by two	n/a	4.0 years	40%	36%	A-, A3	A+	n/a	4.09 years
Municipal Securities	10%	8%	A-, A3	AA-/Aa3	n/a	1.8 years	10%	0%	A-, A3	none invested	n/a	none invested
Asset-Backed Securities	0%	0%	AAA	n/a	n/a	n/a	40%	39%	AAA	AAA	n/a	4.56 years
Combined Agency MBS, Agency/Private CMOs, CMBS, RMBS, P	0%	0%	AAA	n/a	n/a	n/a	50%	12%	AAA	AAA	n/a	4.77 years
Agency Mortgage-Backed Securities (MBS)	0%	0%	AAA	n/a	n/a	n/a	50%	3%	AAA	AAA	n/a	4.71 years
Agency CMOs (including PACs)	0%	0%	AAA	n/a	n/a	n/a	10%	1%	AAA	AAA	n/a	4.77 years
Commercial Mortgage-Backed Securities (CMBS)	0%	0%	AAA	n/a	n/a	n/a	10%	8%	AAA	AAA	n/a	4.38 years
Private Label Residential Mortgages (including CMOs & P	0%	0%	AAA	n/a	n/a	n/a	5%	0%	AAA	none invested	n/a	none invested
International Development Bank Obligations	0%	0%	AAA	n/a	5 yrs	n/a	5%	0%	AAA	none invested	5 yrs	none invested
		100%						100%				

Duration Constraints Comply with the Investment Policy

Fund	Policy Maximum Duration	Allowable Duration Deviation	Fund Duration
Primary Liquidity Fund	9 months	█ +10%	5.5 months
Extended Duration Fund		█	
Short Duration Portfolio	ML 1-3 Yr Govt/Corp (1.8 years)	+10%	1.7 years

Statements from investment managers certifying Compliance with the Virginia Investment of Public Funds Act

- Payden & Rygel (Primary Liquidity Fund Manager) has provided a statement attesting to compliance with the VCU Investment Policy and the Investment of Public Funds Act.



This letter certifies that, as of June 30, 2018, all investments in the VCU Primary Liquidity Fund were in compliance with the VCU Investment Policy, which we understand to be in compliance with the Virginia Investment of Public Funds Act. Holdings were within the allowable universe of investments.

- Merganser (Extended Duration Fund Manager) has provided a statement attesting to compliance with the VCU Investment Policy and the Investment of Public Funds Act.



This letter certifies that all investments in the VCU Extended Duration Fund were in compliance with the VCU Investment Policy and the Virginia Investment of Public Funds Act as of June 30, 2018.

Long-Term Tier Policy Requirements

- VCU Investment Policy requires a quarterly report to the Board of Visitors, which includes at a minimum;
 - Investment performance (net of fees) for the Long-Term Tier versus the appropriate benchmarks (**see page 3**); and
 - Actual asset allocations of the Long-Term Tier versus the Strategic Asset Allocations (**see page 10**).
- The Policy also requires an annual report, which includes at a minimum;
 - A report showing compliance with the Investment Policy (**see page 10**);
 - Status of investments that may require management attention (such as changes to the Strategic Asset Allocation). (**none to report**); and
 - Spending policy payouts and reinvestments for the Long-Term Tier:
 - For FY18 Glasgow distributed all of the \$2.18 million allowed under the spending policy and the Quasi Endowment distributed all of the \$4.05 million allowed under the spending policy.
 - Both Glasgow and the Quasi Endowment also paid out a 1% administrative fee of \$1.38 million total, which funded central University budgets.

Long-Term Tier Compliance Summary for the Period Ending June 30, 2018

	Strategic Asset Allocation				
	Market Value (est.)	Actual	Min	Target	Max
Equity	\$ 97,148,931	66.1%	40%	65%	70%
Real Assets	\$ 5,692,667	3.9%	0%	10%	20%
Fixed Income & Cash	\$ 44,026,835	30.0%	10%	25%	45%
Total Long-Term Tier	\$ 146,868,433	100.0%			

- The Strategic Asset Allocation targets and ranges are based on the revised VCU Investment Policy (approved on 03/22/17).
- As of 06/30/18 current asset allocations are in compliance with the approved ranges.

Note: The table above includes assets still held in custody by JPMorgan some of which will be transferred into The Ram Fund upon liquidation. These assets are not managed by VCIMCO but are included above at the request of VCU and for completeness of the Long-Term Tier.

Cash, Investments & Debt Weekly Monitoring Report as of September 7, 2018

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 Year-End Report

	FY 2018 Current Budget	FY 2017 Actuals	FY 2018 Actuals	Current Budget % Variance
1 Revenues				
2 State General Funds	\$ 175,114	\$ 175,716	\$ 175,231	0.07%
3 Nongeneral Funds:				
Educational and General				
4 Tuition and Fees	403,572	399,084	398,138	-1.35%
5 VCUQ	41,018	39,918	38,923	-5.11%
6 Sponsored Programs	210,662	230,309	221,093	4.95%
7 Financial Aid	101,469	86,401	103,415	1.92%
8 Auxiliary Enterprises:	150,647	147,355	147,070	-2.37%
9 Gifts and Investment Income	38,523	48,862	41,463	7.63%
Sales and Services, Other				
10 Revenues	48,043	46,824	56,672	17.96%
Total Revenues	\$ 1,169,047	\$ 1,174,468	\$ 1,182,006	1.11%
11 Expenses				
Educational and General				
12 Expenses	\$ 620,976	\$ 591,456	\$ 605,738	-2.45%
13 VCUQ	40,180	39,498	38,442	-4.33%
14 Sponsored Programs	184,675	201,387	193,959	5.03%
15 Student Financial Assistance	97,176	86,999	102,812	5.80%
16 FACR	31,778	28,153	36,227	14.00%
17 Auxiliary Enterprises	145,348	137,695	145,597	0.17%
18 University Funds	51,681	51,726	54,584	5.62%
19 Hospital Services	26,927	23,388	25,934	-3.69%
Total Expenses	\$ 1,198,742	\$ 1,160,302	\$ 1,203,293	0.38%

Virginia Commonwealth University
September 2018 Summary of Major Capital Projects

Project	Funding			Comments
	Amount	Source	Completion	
Completed Projects:				
Virginia Treatment Center for Children	\$58,495,717	State-Supported Debt	Apr 2018	Closing out project
	\$7,489,998	VCU Health Funds		
	\$65,985,715	Total		
Construction Underway:				
D Parking Deck Restoration (Corrosion)	\$3,102,225	University-Supported Debt	Aug 2019	
	\$3,102,225	Total		
Sanger Hall Phase II Renovations	\$17,214,620	General Funds	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. Issues with mechanical system will cause an eight week delay.
	\$7,040,600	University-Supported Debt		
	\$1,366,919	University Funds		
	\$1,795,000	State-Supported Debt		
	\$27,417,139	Total		
College of Health Professions	\$69,256,000	State-Supported Debt	Aug 2019	Consolidation of eleven Health Programs in one building. Construction completion is projected for April 2019 and occupancy in August 2019. Name of project changed from Allied Health Professions.
	\$10,800,000	University-Supported debt		
	\$275,549	Auxiliary Enterprise		
	\$80,331,549	Total		
Engineering Research Expansion	\$41,341,000	State-Supported Debt	Fall 2020	Construction started in June 2018.
	\$42,459,000	University-Supported Debt		
	\$10,300,000	General Funds		
	\$94,100,000	Total		
West Main St Deck Restoration	\$1,488,880		Dec 2018	
	\$1,488,880	Total		
Planning Underway:				
STEM Class Lab	\$76,000,000	State-Supported Debt		
	\$76,000,000			
Scott House Renovation	\$3,500,000	State-Supported Debt	Dec 2019	
	\$3,500,000	University-Supported Debt		
	\$7,000,000	Total		
North Branch Steam Line	\$4,000,000	Auxiliary Enterprise		Evaluating impact of the siting of the new inpatient towers.
	\$4,000,000	Total		
West Hospital, 8th Floor Reno (Cardio Oncology)	\$2,480,000	School of Medicine Funds		
	\$2,480,000	Total		
West Hospital Dept of Transplant Surgery Reno	\$2,275,000	School of Medicine Funds		
	\$2,275,000	Total		
Other Projects of Interest:				
On Schedule	Delay			



VCU

VIRGINIA COMMONWEALTH UNIVERSITY

Finance and Budget

Key Performance Measures and Projects

Report of VCU Finance and Budget Performance Indicators – Fiscal Year-to-Date as of June 30, 2018

Measure	Metrics/Performance as of June 30, 2018	Comments
Investments	Investment Balances	<ul style="list-style-type: none"> ▪ See 6/30/18 Treasurer’s Report
	Investment Returns	<ul style="list-style-type: none"> ▪ See 6/30/18 Treasurer’s Report
Debt	Bond ratings	<ul style="list-style-type: none"> ▪ AA-/Aa2 (within Tier III requirement)
	Debt Ratio	
	FY17 Audited	<ul style="list-style-type: none"> ▪ 4.55% (below 6% debt policy requirement And 7.0% Tier III requirement)
	FY18 (Estimated Unaudited)	<ul style="list-style-type: none"> ▪ 4.53% (below 6% debt policy requirement And 7.0% Tier III requirement)
Revenues and Expenses	Performance vs. Budget	<ul style="list-style-type: none"> ▪ Current Budget FY18 revenue \$1,169 million ▪ Actual Results: \$1,182 million - 1.11% over current budget;
		<ul style="list-style-type: none"> ▪ Current Budget FY18 expense: \$1,198 million ▪ Actual Results: \$1,203 million – 0.38% over current budget
Major Projects/Initiatives		Next Steps/Comments
VCIMCO		<ul style="list-style-type: none"> ▪ VCIMCO presenting to FBI at September 14th meeting
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.



VCU

VIRGINIA COMMONWEALTH UNIVERSITY

Finance and Budget

Key Performance Measures and Projects

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ARMICS

**Virginia Commonwealth University
Finance, Budget and Investment Committee
September 14, 2018**



VCU

Agency Risk Management and Internal Control Standards (ARMICS)

- ARMICS is a directive of the State Comptroller that mandates the implementation and annual assessment of agency internal controls to provide a reasonable assurance of the integrity of all fiscal processes
- Annual certification is done in September by the Senior Vice President/CFO and the President
 - Agency Level Internal Control Assessment
 - Process and Transaction Level Internal Control Assessment
 - Corrective Action Plan, if needed

ARMICS – Agency Level Assessment

VCU conducts the Agency Level Assessment through the Enterprise Risk Management (ERM) process

The ERM Steering Committee met to review the following identified risks in June and August of 2018:

- Institutional Compliance and Ethics Expertise
- Strategic Plan Change Management
- IT System Availability and Security
- Clinical Research Administration Processes
- Emergency Preparedness
- OEHS

The ERM Steering Committee will continue to evaluate and make recommendations on the risk appetite for the various risks

ARMICS – Process and Transaction Level Assessment

- All departments and central units are required to sign a certification statement:
 - Risk assessments are accurate and current
 - Internal controls are operating effectively
 - Testing of controls has been documented
- Departmental assessments are forwarded to the appropriate VP so they can sign the certification for their entire operation
 - VPs certify to the Senior Vice President/CFO and the President that their operations have met the process and transaction level requirements
- Controller's Office conducts random testing in departments and central units

Integrity of Fiscal Processes

- Integrity and accountability are core values of the university and the Controller's Office will continue its initiative to ensure that these values are understood and adhered to throughout the university community
- The mandatory fiscal training program, implemented in fiscal year 2012, continues to be a requirement for current users to retain (or, for future users, to obtain) access to the Banner Finance system
 - Training begins with a Fiscal Responsibilities and Internal Controls course and is followed by individual modules and testing depending on the level of Banner access the user needs – from full transaction access (budget entries, journal vouchers, cash receipt and encumbrance removals) to more limited access

Summary

- VCU will have met ARMICS requirements for FY 2018 through the following:
 - Completion of the certifications by the departments to the Vice Presidents by June 30, 2018
 - Random testing of internal controls by the Controller's office
 - Identification of agency level risks and current mitigation strategies
 - Final certification to the Department of Accounts on September 30, 2018
- ARMICS is an on-going process that is now supplemented with the ERM program

**Virginia Commonwealth University
Board of Visitors Fund Annual Report**

The Board of Visitors established a donor-advised, restricted fund known as the Board of Visitors (BOV) Fund at the May 2012 meeting. Direct contributions from members of the BOV or friends provide the monies for the fund. The monies in this fund shall only be used for scholarships, faculty and staff recognitions, and other projects, undertaking or expense which the BOV deems to be in the best interests of VCU.

BOV Fund
Year Ended June 30, 2018

Beginning Balance	\$40,350
Expenses	0
	<hr/>
Ending Balance	<u>\$40,350</u>