



**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.