



**BOARD OF VISITORS
FINANCE, BUDGET AND INVESTMENT COMMITTEE
9:20 A.M.
FEBRUARY 28, 2020
JAMES CABELL LIBRARY
901 PARK AVENUE, ROOM 311, RICHMOND, VIRGINIA**

MINUTES

COMMITTEE MEMBERS PRESENT

Mr. Todd Haymore, vice chair
Ms. Pamela El
Dr. Gopinath Jadhav
Mr. John Luke, Jr.
Mr. Richard Wagoner
Mr. Keith Parker, Rector

COMMITTEE MEMBERS ABSENT

Mr. Stuart Siegel
Ms. Alexis Swann

OTHERS PRESENT

Ms. Karol Kain Gray, Senior Vice President and CFO
Dr. Meredith Weiss, Vice President of Administration
Staff and students from VCU and VCUHS

CALL TO ORDER

Mr. Todd Haymore, Vice Chair of the Finance, Budget and Investment Committee, called the meeting to order at 9:21 a.m.

APPROVAL OF AGENDA

Mr. Haymore asked for a motion to approve the agenda for the February 28, 2020 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. Haymore asked for a motion to approve the minutes of the December 13, 2019 meeting of the Finance, Budget and Investment Committee, as published. After motion duly made and

seconded, the Minutes of the September 13, 2019 were approved. A copy of the minutes can be found on the VCU website at the following webpage <https://president.vcu.edu/board/minutes/>

OPEN SESSION INFORMATION ITEMS:

Mr. Haymore asked Dr. Weiss to present the following items:

4. **Notification of Contract Award for Professional Architectural/Engineering Term Contracts** – Facilities Management routinely retains the services of architectural/engineering firms to provide professional services for construction and renovation projects, feasibility studies and planning initiatives. VCU routinely retains these services on a five-year term contract. The new contract will contain 17 firms beginning in April 2020

5. REPORT FROM VICE PRESIDENT FOR ADMINISTRATION

Dr. Weiss provided her update on the ONE VCU Master Plan Website. The website goes beyond planning to implementation, showing:

- How projects move from the master plan to our campuses
- How projects are prioritized and funded
- How likely projects are to move forward
- How projects align with the strategic priorities of the university and health system
- How to provide input, and
- Other frequently asked questions

Mr. Haymore asked Ms. Gray to provide her Vice President's report.

REPORT FROM SENIOR VICE PRESIDENT AND CFO

Ms. Gray gave an update on the following (see attached ppt).

- SWAM update – Ms. Gray reviewed Procurement's efforts to improve small, women-owned and minority-owned businesses. Several committee members asked about the University's efforts to coach SWAM vendors and the need to track vendors through the system to ensure their success.
- Report on Debt Management - Ms. Gray reviewed the projected debt ratio and debt capacity including plan future issuances with the understanding that the debt ratio will not exceed 5%. Ms. Gray reviewed the central bank summary and the debt risk matrix showing the University is well-positioned with a good spread and adequate reserves for the bullet payment in 2048. Ms. Gray reported there were no tax-exempt debt compliance issues.
- FY2020 Budget Update – Ms. Gray shared the preliminary figures for Spring 2020 showing a gain of approximately \$800K with ongoing efforts to reduce budgets across

units including hiring deferrals, reduced spending on non-personnel as well as optimizing class sizes.

- FY2021 Budget Preview - Ms. Gray reviewed the state budget update from the Governor's, House and Senate positions as of this date. Ms. Gray also shared the VCU has the ambitious goal to increase out-of-state enrollment to 20% by 2025.
- Ms. Gray highlighted the University Budget Redesign goals met including more robust, consistent school and college data for planning and strategic financial assessment. The model continues to provide incentives for entrepreneurial activity and planning by schools and colleges while keeping assessment for central administrative costs at a not-to-exceed rate of 35%.
- The challenges faced with the New Budget Model are not unique to VCU as pointed out that the entire financial landscape of higher education has changed and continuous assessment and training is necessary to figure out a new way of doing business. Ms. Gray will expand upon this data and much more during the Board's budget workshop planned for April 2, 2020.

FOUNDATION ANNUAL REPORTS

Mr. Haymore noted the foundation reports provided for the committee's information. Specifically, they are VCU foundation; VCU Real Estate Foundation; MCV Foundation; VCU College of Engineering Foundation; VCU School of Business Foundation; VCU Intellectual Property; and, VCU Dentistry.

REPORTS FOR INFORMATIONAL PURPOSES

Mr Haymore noted that there were several reports for informational purposes, specifically, the Sources and Uses funding for FY20, the Revenue and Expense Quarterly Summary, the VCU Intercollegiate Athletics Programs Annual Report, the State Audit Report, the VCU Health System and Financial Operations; the Treasurer's Report, Capital Projects Update, Finance, Budget & Investment Committee Dashboards and the Enrollment Report.

ADJOURNMENT

There being no further business Mr. Haymore, Vice Chair, adjourned the meeting at 10:50 a.m.