



**BOARD OF VISITORS
FINANCE, BUDGET AND INVESTMENT COMMITTEE
MARCH 21, 2022
MINUTES**

COMMITTEE MEMBERS PRESENT:

Mr. Stuart C. Seigel, chair
Mr. Peter Farrell
Mr. Todd P. Haymore, vice chair
Mr. Edward L. McCoy
Ms. Alexis Swann

COMMITTEE MEMBERS ABSENT:

Ms. Pamela El
Mr. Andrew Florance

OTHERS PRESENT:

Dr. Michael Rao, President
Ms. Karol Kain Gray, Senior Vice President for Finance and Budget and CFO
Dr. Meredith Weiss, Vice President of Administration
Staff and students from VCU and VCUHS
Members of the Press

CALL TO ORDER:

Mr. Stuart Seigel, Chair of the Finance, Budget and Investment Committee, called the meeting to order at 11:18 a.m.

APPROVAL OF MINUTES:

Mr. Siegel asked for a motion to approve the minutes of December 10, 2021 meeting of the Finance, Budget and Investment Committee, as published. After motion duly made and seconded, the minutes for the Finance, Budget and Investment Committee meeting of December 10, 2021 were approved.

OPEN SESSION ACTION ITEMS:

Mr. Siegel began at by asking Dr. Weiss to present the proposal to approve the selection of PSH+ as the architect for the Technology Operations Center. At its October 29, 2021 meeting, the VCU Board of Visitors approved an amendment to the university's 2020-2026 Six-Year Capital Plan to construct a facility that will serve as VCU's Technology Operations Center. The \$22,575,000, 28,000 square foot facility will be located at 707 West Broad Street adjacent to the Technology Administration Building. The new facility will replace technology operations currently taking place at the state-owned Pocahontas building which is the proposed site for the Virginia Supreme Court Building. The university reviewed qualifications and availability of each term architect/engineer and determined that PSH+, previously Price Simpson Harvey, was the best match for this project. The firm has experience with VCU and in working on projects of this scale and scope. Comparable projects include the Dominion Energy Innovative Technology

Center, the James Madison University Steam Plant, and Centra Health's Information Technology Center and Community Access Network Clinic. The total project cost is \$22,575,000. Approximately \$1.7 million will be architecture fees. It will be funded with university debt.

On motion duly made and seconded, the A/E selection for the Technology Operations Center was approved for recommendation of approval to the full board. A copy of this is attached hereto as ***Attachment A*** and is made a part hereof.

SENIOR VICE PRESIDENT'S REPORT FOR INFORMATION:

Mr. Siegel asked Ms. Gray to present her report on the following:

SWAM Update – Ms. Gray reviewed the proposed plan to increase spending in the SWAM categories from 7% currently to 15% by FY25. Ms. Gray also reported the dollars spent on diversity suppliers as well as the number of diversity supplies doing business with VCU.

FY21 Financial Statements Summary – Ms. Gray reviewed a summary of the FY21 Financials for which the university received an unmodified audit opinion. Investments and Endowments increased by \$142.2 million. Property, plant and equipment increased by \$18.9 million due to the construction of the STEM building and the School of Engineering Research expansion. Receivables increased by \$31.5 million and liabilities increased by \$35.2 million due to pension obligations. The University's net position increased by \$157.7 million due to gain on investments, capital projects, capital assets offset by lower debt, increased research funding and gains on quasi endowments for scholarships.

VICE PRESIDENT FOR ADMINISTRATION'S REPORT FOR INFORMATION:

Mr. Siegel asked Dr. Weiss to provide her ONEVCU Sustainability Report.

Dr. Weiss announced the development of the the first One VCU Sustainability Plan which will bring university and health system resources and exceptional expertise together to achieve VCU's mission more sustainably.. As a nationally prominent institution known for shaping and impacting human health, VCU plays a vital role in developing solutions to environmental challenges. Dr. Weiss provided an overview of recent accomplishments that the new plan will build upon. VCU was recently awarded a Gold STARS rating. AASHE's STARS is the most widely recognized framework in the world for publicly reporting a college or university's sustainability performance. While VCU has increased its square footage significantly over its 2008 baseline, through more efficient building design and better management, we have:

- Decreased energy use per square foot by 34%
- Reduced potable water use per unit of floor area by 58%
- Reduced the total waste generated per weighted campus user by 43%

- Currently has 21 buildings certified as LEED Silver or higher (1 platinum Inger and Walter Rice Education Center, 5 gold)
- Reduced medical waste by nearly 3 million pounds annually
- Reduced hazardous medication disposal by over 60%

VCU engaged Integral Group, an internationally renowned consulting firm with extensive experience in sustainability and carbon planning for organizations of VCU's scale and distinction. The plan is scheduled to be presented in Spring of 2023.

REPORTS FOR INFORMATIONAL PURPOSES:

Mr. Siegel noted that there were several reports for informational purposes, specifically, the Sources and Uses of Funding, Revenue and Expense Summary, VCU Health System and Financial Operations, Treasurer's Report, Capital Projects Update, Finance and Administration Dashboards, VCU intercollegiate Athletics Programs for the year ended June 30, 2021, and the FY21 Financial Statements and Internal Control Report.

A copy of the powerpoint presented is attached hereto as *Attachment B* and is made a part hereof.

ADJOURNMENT:

There being no further business, Mr. Siegel adjourned the meeting at 11:33 a.m.

ATTACHMENT A

Virginia Commonwealth University

Architect/Engineer Selection
VCU Technology Operations Center

Background

At its October 29, 2021 meeting, the VCU Board of Visitors approved an amendment to the university's 2020-2026 Six-Year Capital Plan to construct a facility that will serve as VCU's Technology Operations Center. The \$22,575,000, 28,000 square foot facility will be located at 707 West Broad Street adjacent to the Technology Administration Building.

The new facility will replace technology operations currently taking place at the state-owned Pocahontas building. In April 2021, the Commonwealth of Virginia informed the university that it must vacate the Pocahontas building by December 2023 to provide a site for the proposed Virginia Supreme Court Building. The new Technology Operations Center will serve as the primary data center and network operations hub for both campuses, as well as the telecommunications hub for VCU Health. As such, it will directly or indirectly support all of VCU's and much of VCU Health's critical operations.

Considerations

The Board of Visitors approves selection of engineers and architects for university capital projects exceeding \$5 million.

The university retains the services of architectural/engineering firms on five-year term contracts to provide professional services for construction and renovation projects, feasibility studies and planning initiatives. The university reviewed qualifications and availability of each term architect/engineer and determined that PSH+, previously Price Simpson Harvey, was the best match for this project. The firm has experience with VCU and in working on projects of this scale and scope. Comparable projects include the Dominion Energy Innovative Technology Center, the James Madison University Steam Plant, and Centra Health's Information Technology Center and Community Access Network Clinic.

Cost and funding source

The total project cost is \$22,575,000. Approximately \$1.7 million will be architecture fees. It will be funded with university debt.

Recommendation

Approve selection of PSH+ as the architect for the Technology Operations Center.

ATTACHMENT B

Board of Visitors

Finance Budget and Investment Committee
March 21, 2022



Agenda

Open Session

Call to Order

Approval of Minutes from December 10, 2021

Action Item: A/E Selection for Technology Operations Center

Architect and Engineer Selection

Technology Operations Center

Background

In October, the board approved an amendment to the Six-Year Capital Plan to construct a 28,000 square foot facility that will serve as the Technology Operations Center.

Considerations

The board approves selection of architects and engineers for university capital projects exceeding \$5 million. PSH+ was selected as the best match for this project.

Cost and funding source

The total project cost is \$22,575,000. Approximately \$1.7 million will be architecture fees. It will be funded with university debt.

Recommendation

Approve selection of PSH+ as the architect for the Technology Operations Center.

Conceptual rendering of the future Technology Operations Center at 707 West Broad Street adjacent to the Technology Administration Building.



Chair to motion for approval of all action item.

Report from Senior Vice President and CFO

- a. SWaM/Supplier Diversity Update
- b. FY21 Financial Statements

Virginia Commonwealth University Supplier Diversity Update

Karol Kain Gray, Senior Vice President & CFO

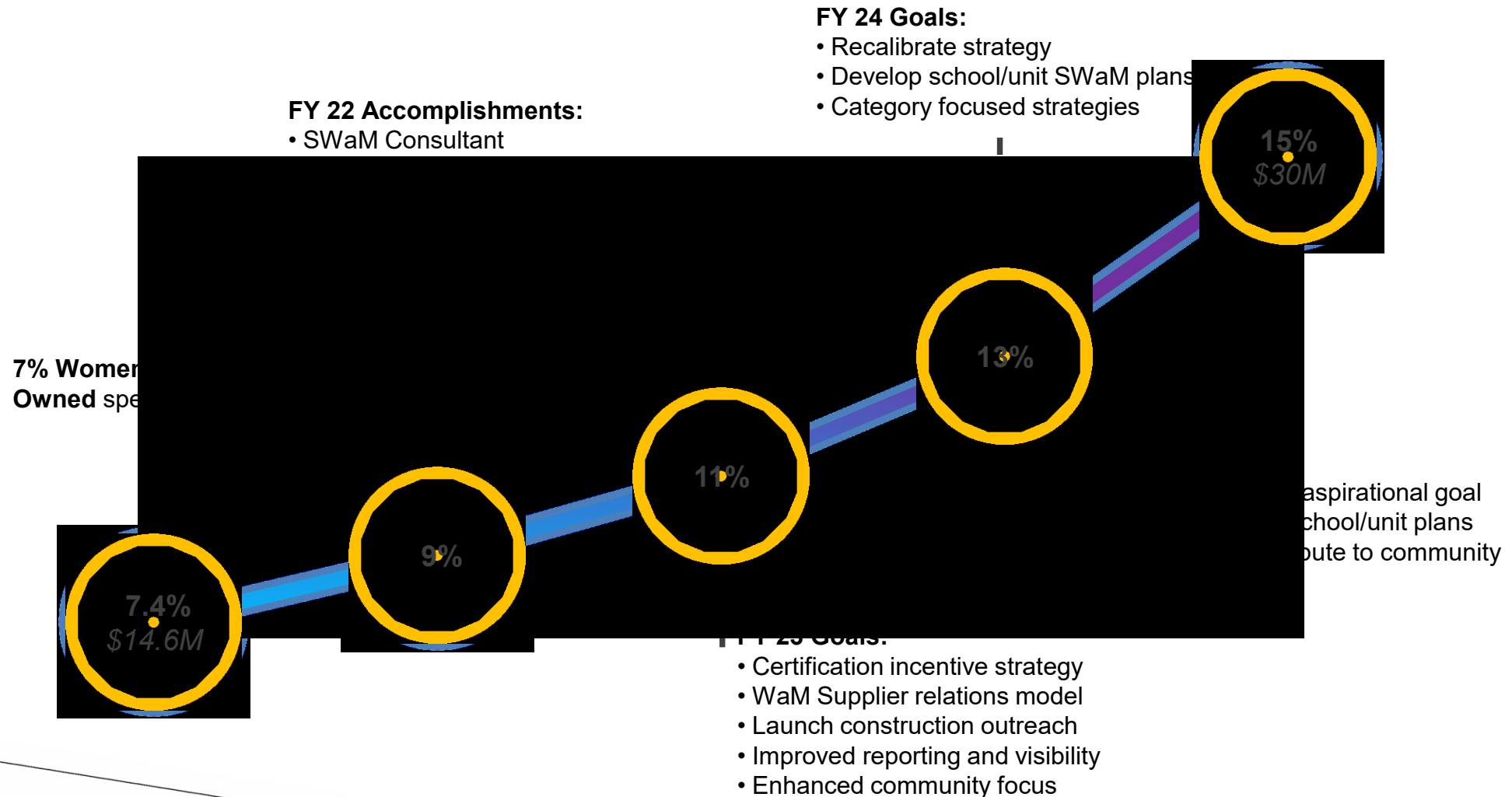
March 21, 2022



VCU

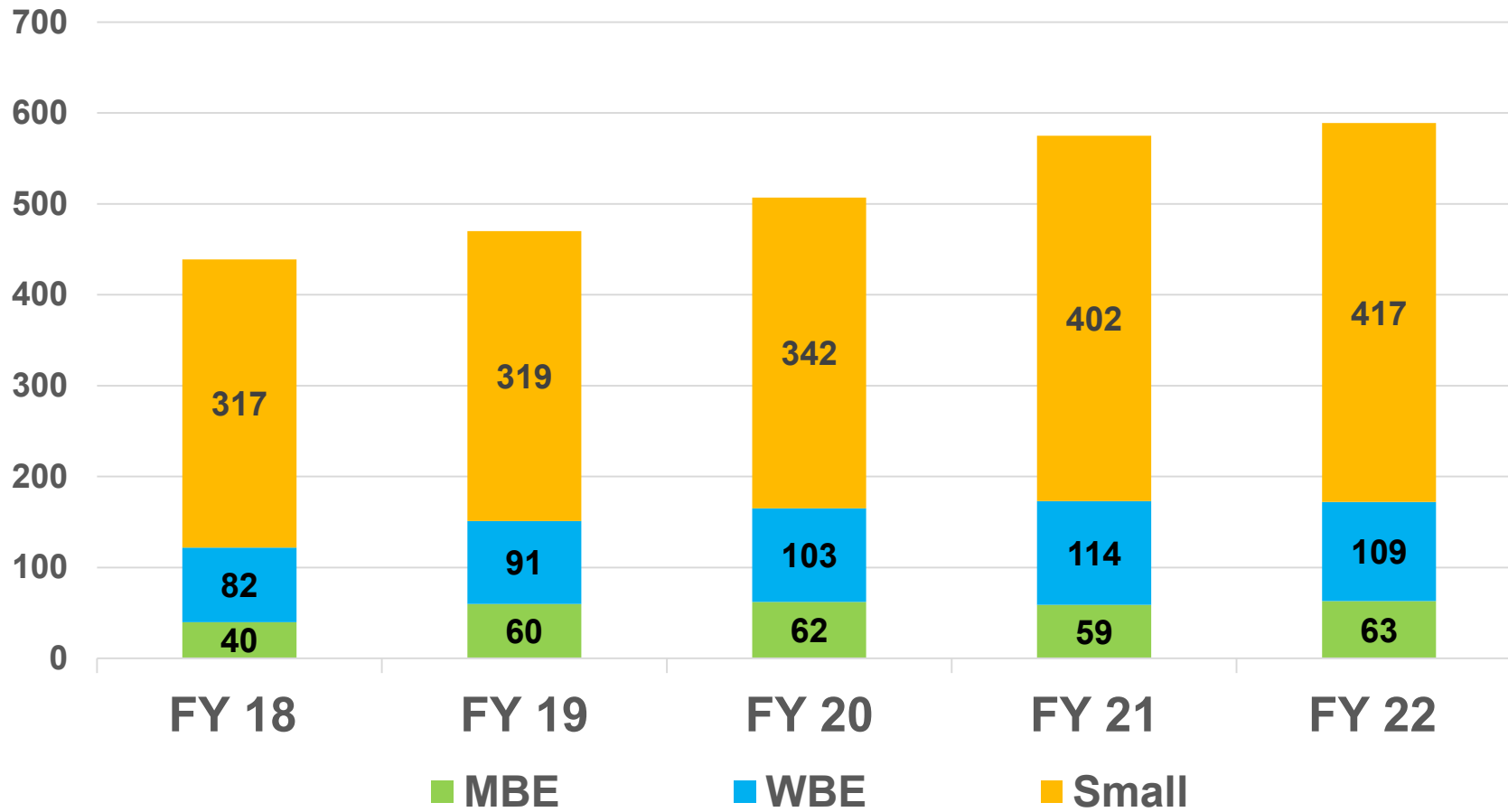
Women and Minority-Owned Supplier Enhancement

Intentional, Focused, Advance



DIVERSE SUPPLIERS RECEIVING ORDERS

Year-over-year comparison



Supplier Diversity Accomplishments

Fiscal Year 2022

- RealSource Supplier Diversity Showcase
 - Seven showcased SWaM catalogs (6 – WaM)
 - Partnered with HR to showcase Five WaM Coaching contracts
 - Encompass – MBE Grainger distributor potentially impacts MBE percentage long term
- Arts and Innovation Building has a target SWaM subcontracting goal of 65%
- Data and Technology Building award going to an MBE – 100% of \$17m budget

Virginia Commonwealth University FY21 Financial Statements

Karol Kain Gray, Senior Vice President & CFO

March 21, 2022



Financial Statement Summary

Virginia Commonwealth University
as of June 30, 2021
(in thousands)

| ASSETS | 6/30/2021 | 6/30/2020 | Change |
|---|--------------------|--------------------|-------------|
| Cash & Cash Equivalents | \$131,256 | \$130,868 | 0.3% |
| Investments & Endowments | \$505,995 | \$363,813 | 39.1% |
| Property, Plant and Equipment | \$1,236,646 | \$1,217,772 | 1.5% |
| Receivables & Other | \$378,876 | \$347,387 | 9.1% |
| Total Assets & Deferred Outflows | \$2,252,773 | \$2,059,840 | 9.4% |

| | | | |
|---|--------------------|--------------------|-------------|
| LIABILITIES | \$1,303,291 | \$1,268,090 | 2.8% |
| NET POSITION | \$949,482 | \$791,750 | 19.9% |
| Total Liabilities & Net Position | \$2,252,773 | \$2,059,840 | 9.4% |

| | | | |
|-----------------------------------|------------------|------------------|--------------|
| Net Position - beginning of year | \$791,750 | \$742,629 | 6.6% |
| REVENUES | \$1,357,619 | \$1,226,958 | 10.6% |
| EXPENSES | \$1,199,887 | \$1,177,837 | 1.9% |
| Net Position - end of year | \$949,482 | \$791,750 | 19.9% |

Report from Vice President for Administration

ONEVCU Sustainability Plan

Miscellaneous Reports – for information

- a. Sources and Uses Funding
- b. Revenue and Expense Summary
- c. VCU Health System and Financial Operations
- d. Treasurer's Report
- e. Capital Projects Update
- f. Dashboards
- g. VCU Intercollegiate Athletics Programs for the year ended June 30, 2021 (NCAA)
- h. FY21 Financial Statements and Internal Control Report

Other Business and Adjournment