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**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS
COMMITTEE ON FACILITIES & FINANCE
9:00 AM, FRIDAY, NOVEMBER 18, 2022
Gateway Dining & Events Center
(on the campus of Virginia State University)
(No Public Comment Period Scheduled)**

DRAFT AGENDA

CALL TO ORDER Mr. William Murray, Chair

ROLL CALL

INVOCATION (*Pastor Jasmyn Graham, Director of Campus Ministries*)

APPROVAL OF AGENDA

APPROVAL OF PREVIOUS MEETING MINUTES (if any)

- September 16, 2022 Committee Meeting

PRESIDENT'S REMARKS Dr. Makola M. Abdullah

REPORTS AND RECOMMENDATIONS

- Technology Services..... Mr. Maurion Edwards
Chief Information Officer
 - Information Items
 - Technology Services Update
- Division of Finance Mr. Kevin Davenport
Senior Vice President, Finance & Administration/CFO
 - Approval Items:
 - Resolution for Approval of Financing a Student Union Addition
 - Resolution for Approval of Establishing a Related Entity with the Virginia Gateway Region
 - Information Items:
 - Finance and Facilities Overview
 - Cash and Reserves for Quarter Ending September 30, 2022
 - Statement of Sources and Uses for Quarter Ending September 30, 2022
 - Proposed Tuition, Fees, Room and Board Rates for 2023-2024
 - Capital Project Update for Quarter Ending September 30, 2022
 - Investments Update: Ken Simon, President Consequent Capital Management, LLC
- CLOSED SESSION..... Mr. Kevin Davenport
 - Real Estate and VSU Economic Development Corporation

OTHER BUSINESS

ADJOURNMENT

All start and ending meeting times are approximate. Meetings may begin after the posted start time at the pleasure of the Board. The Board reserves the right to change its schedule as necessary.

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS
FACILITIES & FINANCE COMMITTEE
MEETING MINUTES
THURSDAY, NOVEMBER 17, 2022**

CALL TO ORDER

Mr. William Murray, Chair, called the Facilities and Finance Committee meeting to order at approximately 9:00 a.m. in the Gateway Dining and Events Center.

ROLL CALL

A quorum was present.

Committee Members Present:

Mr. William Murray, Chair
Mr. Michael Flemming
Mr. Victor Branch
Mr. Thomas Cosgrove (*absent*)
Mr. Wayne Turnage (*absent*)
Mr. Glenn Sessoms

Others Board Members Present:

Dr. Robert Denton, Jr.
Dr. Harold Green, Jr.
Dr. Leonard Githinji, Faculty Senate Representative

Administration Present:

Makola M. Abdullah, Ph.D., President
Dr. Donald Palm, Provost/Executive Vice President/
Kevin Davenport, Senior Vice President, Finance/Administration/CFO
Shawri King-Casey, Vice President for Institutional Integrity
Dr. Tia Minnis, Vice Provost, Academic Success, Planning & Inst. Eff.
Regina Barnett-Tyler, Assoc. Vice President, Student Success & Engagement
Dr. Gwendolyn Dandridge, AVP/Director, Communications
Adrian Petway, AVP, Budget Office
Maurion Edwards, CIO/Technology Services
Alexis Brooks-Walter, Vice President, Enrollment Management
Dr. Kawachi Clemmons, Provost Office, VP of Academic Affairs
Dr. Annie C. Redd, Chief of Staff/Director, Board Operations & Relations
Eldon Burton, AVP, Government Relations
Tanya Simmons, AVP/Director, Office of Human Resources
Jane Harris, AVP, Capital Outlay/Facilities
Derrick Scott, Dean, College of Natural and Health Science
Robert Phillips, Procurement
Dr. Omar Faison, VSU Research & Economic Dev.

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Administration Present, cont.

Legal Counsel Present:

Cynthia Norwood Marquez, Senior State Attorney General

Others Present:

Brenda Stitch-Finch, VSU Foundation

Keith Boswell, VGR

Karen Welch, Spider Management

Caroline Crawford, Spider Management

Kendra White, Compliance

Yourdonus James, Director, Conference Services

Debbie Jefferson, President's Office

Danette Johnson, President's Office

Marjorie Muse, President's Office

Benjamin Houck, Finance

Pastor Graham, Director of Campus Ministries

Franklin Antonio, Technology Services

Derrick Jennings, Technology Services

Dr. Kawachi Clemons, Office of Provost

Kendrick Mason, Government Relations

Joseph Lyons, Student, Success & Engagement

Franklin Johnson-Norwood, Institutional Advancement

William Sawyer, Institutional Advancement

INVOCATION

Chair William Murray invited Pastor Graham to offer the invocation.

APPROVAL OF AGENDA

The Chair called for the approval of the agenda. The Committee approved the agenda by voice vote.

PREVIOUS MEETING MINUTES

The Chair asked for a motion to approve previous meeting minutes. A visitor made the motion which was properly seconded. The Committee approved the previous meeting minutes by voice vote.

PRESIDENT'S REMARKS

President Abdullah thanked the Board for their service.

REPORTS AND RECOMMENDATIONS

Division of Technology Services

Mr. Edwards provided an update on Technology Services' efforts to meet the technology needs of the students, including SGA meetings, Wi-Fi updates, capital outlay projects, a newsletter, and a research network. He presented a summary of enhanced metrics that are now in place. He then presented some updates on key technology items relating to strategic planning, governance, risk management, intranet,

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and Human Resources. He highlighted increased collaboration aimed at making Technology Services more proactive with respect to possible Auditor of Public Accounts items.

Mr. Edwards gave an update on staffing, noting that hiring has been moving forward despite a tight market and some remaining vacancies. He then noted that Technology Services is currently working on process mapping between all departments, putting a focus on how systems are talking to each other. He listed Internal Audit and Research as two key departments that Technology Services is building partnerships with. He pointed out several key upgrades with respect to cybersecurity such as multi-factor authentication, upgraded infrastructure, increased resources for the security team, and evaluation of additional services.

Division of Facilities & Finance

Mr. Davenport introduced Ken Simon, principal owner of Consequent Capital Management, noting that Consequent will be managing the University's Title III endowment funds. Mr. Simon gave an overview of his professional background and some context for how he became involved in the investment management space. He outlined an overview of the services that Consequent will be providing to VSU, including investment policy development, building the University's investments portfolio, and ongoing monitoring of investments.

Mr. Simon highlighted his board experience serving in the University of Alabama system and also prior experience as board chair for his alma mater, the University of South Alabama. He noted that over and above the investment consulting piece there is a goal to foster collaboration and build talented scientists. He highlighted a goal to hire diverse investment managers and also spoke to the broader objectives of the Title III program.

Mr. Davenport presented the cash and reserve balances, discussing drivers for any major fluctuations versus the prior fiscal year. He noted that the overall cash position is extremely strong. He mentioned the monthly meetings which continue with Agency 234, stating that Dr. Corley has resumed leadership of Agency 234. He stated that these meetings have given him and Dr. Palm greater confidence in the compliance and timely spending in that area.

Mr. Davenport presented an update on CARES funds, noting that although VSU may be approved for a no-cost extension, there is a plan in place to spend these funds by June 30. A visitor asked a follow up question about the deadline for the expenditure of the CARES funds, asking Mr. Davenport if he was still proceeding under "worst case" scenario if an extension was not approved. Mr. Davenport confirmed that the plan is to spend the funds by June 30th. A visitor asked for clarification about the different buckets of CARES funds. The Chair requested an informational memo breaking down the various categories of CARES funds. Mr. Davenport discussed the various categories of CARES funds and what and how these various buckets can be applied. The visitor noted that several of his colleagues have been audited for proper use of COVID funds. Mr. Davenport noted that VSU has been audited on the use of these funds multiple times and is pleased that there were no findings.

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Mr. Davenport presented a breakdown of the various investment balances including endowment, Title III endowments, and the MacKenzie Scott funds.

Mr. Davenport thanked the Rector for working with the university to develop a more proficient format for the financial reports. He presented a summary of its sources and uses, noting major drivers, such as headcount enrollment and fees. He highlighted the strength in headcount enrollment, noting that it was the largest enrollment growth in three decades and the second straight year of strong enrollment growth. Mr. Davenport highlighted the VCAN program as a major driver of enrollment, noting that more students supported by this program elected to stay on campus than were budgeted. He noted that a lot of upper-class students had to move to one of three off-campus housing locations.

Mr. Davenport presented a breakdown of the additional \$22 million in E&G state support received and highlighted how these funds will help achieve the various components of the university's Strategic Plan. A visitor asked what is the savings incurred due to students not coming back to campus after Thanksgiving, as was done during COVID. Mr. Davenport replied that this has not been officially quantified, but would expect some savings to be there. Another visitor noted that this would present some savings to families as well in light of reduced travel.

Mr. Davenport presented a slide with the proposed tuition and fees rates for 2023-2024, highlighting that VSU is considering a 3% increase to room, board, and the comprehensive fee to address inflationary pressures and anticipated increased costs for utilities and security. He presented an overview of the vetting process and all the parties that are involved. The Chair suggested clarification that "no increase in tuition" will be provided. Mr. Davenport stated that Dr. Abdullah was able to secure an extra \$1 million in one-time funding from the state for security. Mr. Davenport then presented the breakdown of how the increase in fees and room and board would apply across the specific categories for in-state and out-of-state. A visitor asked to see the allocation of the comprehensive fee and also noted the importance of understanding where are our efficiencies.

Dr. Abdullah asked Mr. Davenport what the total comprehensive fee is and how much of that fee athletics represents. Mr. Davenport replied that he estimates athletics to be about half of the comprehensive fee, noting that student health services is another major component. The Chair summarized the take away that we should unpack the comprehensive fee in more detail, and also show how many different sports are supported. A visitor offered that it might be useful to pull a table from SCHEV's report that goes through the tuition and mandatory fees, noting that it would be useful in understanding the wide range of fees charged by other institutions.

Mr. Davenport presented a slide summarizing the proposed financing of the Student Union building. The Chair asked for a motion to recommend approval of the Resolution for Approval of Virginia College Building Authority Financing Authorization (Student Union addition). A motion was made and properly seconded; the Committee voted by voice vote. Mr. Davenport presented an update on the construction of the Academic Commons Building, the Admissions Building, the MT Carter Annex, and the renovation of Summerseat.

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CLOSED SESSION

The Chair called for a motion to enter a closed meeting for discussion or consideration of information subject to the exclusion in subdivision 3 of 2.2-3705.6 related to economic development pursuant to 2.2-3711(A) (39), specifically to consider area economic opportunities. The motion was made and properly seconded. The committee took a roll call vote. Additional persons in attendance were Cindy Norwood Marquez, Legal Counsel; President Makola Abdullah, Kevin Davenport, Benjamin Houck, Dr. Alexis Brooks-Walter, Shawri King-Casey, Tonya Hall, Jane Harris, Keith Boswell, Ajay Sujamani, and Dr. Annie C. Redd, Board Liaison.

Following discussion, the Chair requested a motion to enter open session. The motion was made and properly seconded. The committee voted by voice vote. In open session, the Chair read the certification statement: During its closed meeting, the committee discussed only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act, and only those public business matters identified in the motion convening the committee in closed session. The Chair requested a motion to certify the closed meeting. The motion was made and properly seconded. The committee voted by a roll call vote.

The Chair requested a motion to recommend approval of the Resolution to Establish a Related Entity with the Virginia Gateway Region. The motion was made and properly seconded. Mr. Victor Branch recused himself from voting because of a past affiliation with the Virginia Gateway Region Board. The committee voted and passed the motion by voice vote.

ADJOURNMENT

There being no further business, Chair Murray called for a motion to adjourn the meeting. The motion was received, properly seconded, and the committee voted by voice vote. The Chair adjourned the meeting at 10:52 a.m.

APPROVED:



Chair

2-10-23

Date