

OLD DOMINION UNIVERSITY
BOARD OF VISITORS
ADMINISTRATION AND FINANCE COMMITTEE
December 9, 2021
MINUTES

The Administration and Finance Committee of the Board of Visitors of Old Dominion University met at 4:30 p.m. on Thursday, December 9, 2021. The meeting was held in the Board Room in the Broderick Dining Commons on the Norfolk campus. Present from the Committee were:

R. Bruce Bradley (*ex-officio*), Acting Chair
Yvonne T. Allmond
Robert A. Broermann
Robert Corn
Ross Mugler
Armistead Williams, Jr.
Steve Hsiung (*Faculty Representative*)
Omotomilola Jegeda (*Student Representative*)

Also present:

Brian O. Hemphill	Casey Kohler
Bruce Aird	Maggie Libby
Leigh Comsudis	Donna Meeks
Morris Foster	Dave Robichaud
Giovanna Genard	September Sanderlin
Annie Gibson	Amanda Skaggs
Rhonda Harris	Don Stansberry
Etta Henry	Rob Wells
Todd Johnson	Allan Wilson

The Chair called the meeting to order at 4:30 p.m.

I. ACTION ITEMS

- A. Approval of Minutes – Mr. Mugler moved to approve the minutes of the September 14, 2021, meeting. Dr. Williams seconded the motion, and the minutes were unanimously approved by all members present and voting.

- B. Resolution to Authorize Sale of 9(d) Bonds** – Mr. Bruce Aird, University Budget Officer, briefed the Committee on relocating the existing Student Health Center and Health Counseling Services from Webb University center to a new facility. He presented a Resolution requesting the Committee authorization for the sale of the remaining \$5.2 million of 9(d) Bonds for the project (attached).

Mr. Mugler moved to approve the proposed Resolution as presented and Mr. Broermann seconded the motion. The motion was unanimously approved by all members present and voting.

In addition to the Resolution, Mr. Aird was requested to insert an update on the operating budget to describe where the University stands at this time. To highlight just a few things, Mr. Aird noted that the 2020 budget was built with conservative enrollment projection, but as a pleasant surprise, there was an increase in enrollment with a somewhat increase shift in an on-campus presence. With bringing the campus back to full, normal operations there will be a little bit of attrition for Spring Semester.

President Hemphill noted that fall enrollment has gone from 24,2000 to approximately 23,489, with a retention decrease dropping down to 72%.

Vice President Stansberry added that for the Fall Semester he is seeing students are taking less than 15 credit hours throughout the campus.

II. PRESENTATIONS

- A. Unaudited Financial Statements** – Ms. Mary Deneen, Assistant Vice President for Finance and University Controller, presented the Unaudited Financial Statements for the year ended June 30, 2021, covering the period between July 1, 2020, and June 30, 2021. She noted that the total assets and deferred outflows increased \$45.6 million, which is 4.4% higher than FY2020. Liabilities and deferred inflows decreased by \$9.1 million or 1.5% from FY2020 and total net position increased \$54.7 million to \$497.8 million in FY2021. These increases reflect the University’s continued investment in facilities and equipment, as well as prudent management of its fiscal resources.
- B. Executive Order Number 77** – Ms. Etta Henry, Director of Procurement Services, briefed the Committee on Executive Order Number 77, *Virginia Leading by Example to Reduce Plastic Pollution and Solid Waste*. She presented the University’s collaborative approach to addressing the plastic reduction requirements of the Executive Order, the visible impact that the campus community will see, and a brief overview of the University’s plastic reduction and recycling efforts.
- C. Vice President’s Report** – Interim Vice President Todd K. Johnson deferred his time for the standing reports.

III. STANDING REPORTS

- A. **Public Safety Update** – Ms. Rhonda Harris, Assistant Vice President for Public Safety, introduced Rob Wells, Director of Risk Management, to present the annual Enterprise Risk Management Response.
- B. **Capital Outlay Projects Status Report** – Mr. David Robichaud, Director of Design and Construction presented updates on current projects. He noted that the University was awarded two construction awards: 2021 Excellence in Construction Award from the Associated Builders and Contractors, and the 2021 Award of Merit Higher Education/Research from Engineering New Record magazine.
- C. **Investment Report** – Ms. Maggie Libby, Associate Vice President for Advancement - Foundations, presented the report.

There being no further business, the meeting was adjourned at 5:25 p.m.

**RESOLUTION OF THE BOARD OF VISITORS OF
OLD DOMINION UNIVERSITY
VIRGINIA COLLEGE BUILDING AUTHORITY FINANCING AUTHORIZATION**

WHEREAS, pursuant to and in furtherance of Chapter 12, Title 23.1 of the Code of Virginia of 1950, as amended (the “Act”), the Virginia College Building Authority (the “Authority”) developed a program (the “Program”) to purchase debt instruments issued by public institutions of higher education in the Commonwealth of Virginia (“Participating Institutions” and each a “Participating Institution”) to finance or refinance projects of capital improvement (“Capital Projects” and each a “Capital Project”) included in a bill passed by a majority of each house of the General Assembly of Virginia (the “General Assembly”);

WHEREAS, under the Program the Authority from time to time issues its Educational Facilities Revenue Bonds (Public Higher Education Financing Program) (“Pooled Bonds”) to finance the purchase or refunding of debt instruments issued by Participating Institutions to finance or refinance Capital Projects;

WHEREAS, if a Participating Institution desires to finance or refinance a Capital Project through the Program it must enter into a loan agreement with the Authority, under which: (i) the Participating Institution will issue its promissory note pursuant to Chapter 1208, Title 23.1 of the Code of Virginia of 1950, as amended, to evidence a loan to it by the Authority; (ii) the Authority will agree to issue Pooled Bonds and use proceeds thereof to purchase the promissory note; (iii) the Participating Institution will agree to use proceeds of Pooled Bonds, loaned to it and received in exchange for its promissory note, to finance or refinance the Capital Project and to not take actions that may jeopardize any federal tax-exempt status of interest on Pooled Bonds allocable to financing or refinancing the Capital Project; and (iv) the Participating Institution will agree to make payments under the promissory note in sums sufficient to pay, together with certain administrative and arbitrage rebate payments, the principal of, premium, if any, and interest due on such Pooled Bonds;

WHEREAS, the Board of Visitors (the “Board”) of OLD DOMINION UNIVERSITY (the “Institution”) from time to time desires to finance or refinance Capital Projects for the Institution as a Participating Institution under the Program, and now proposes that the Institution issue its promissory note or notes (collectively, the “Note”) to be sold to the Authority in accordance with a loan agreement or loan agreements between the Institution and the Authority (collectively, the “Loan Agreement”), under which proceeds of Pooled Bonds will be loaned to and received by the Institution in exchange for the Note, to finance or refinance costs of the following Capital Projects authorized for bond financing by the General Assembly: the STUDENT HEALTH AND WELLNESS ADDITION (Project Code 221-18407) (collectively, the “Project”); and

WHEREAS the Board desires to designate certain Institution officers (i) delegated the authority to approve the forms of and to execute and deliver the Loan Agreement, the Note and

any amendments thereto, and any other documents necessary or desirable in connection with financing or refinancing costs of the Project through and participation in the Program; and (ii) responsible for monitoring post-issuance compliance with covenants of the Institution related to maintaining any federal tax-exempt status of interest on Pooled Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD:

Section 1. The Project is hereby designated to be undertaken and financed or refinanced by the Authority and, accordingly, the *President and the Vice President for Administration and Finance* (the “Authorized Officers”) are each hereby delegated and invested with full power and authority to approve the forms of the Loan Agreement, the Note and any amendments thereto (in connection with any refunding of Pooled Bonds financing or refinancing the Project or otherwise), and any pledge to the payment of the Note and any amendment thereto of total gross university sponsored overhead, unrestricted endowment income, tuition and fees, indirect cost recoveries, auxiliary enterprise revenues, general and nongeneral fund appropriations and other revenues not required by law or previous binding contract to be devoted to some other purpose, restricted by a gift instrument for another purpose or excluded from such pledge as provided in the Loan Agreement, subject to the provisions of Section 3 hereof.

Section 2. Subject to the provisions of Section 3 hereof, the Authorized Officers are each hereby delegated and invested with full power and authority to execute, deliver and issue, on behalf of the Institution, (a) the Loan Agreement, the Note and any amendments thereto (in connection with any refunding of Pooled Bonds financing or refinancing the Project or otherwise), with approval of such documents in accordance with Section 1 hereof evidenced conclusively by the execution and delivery of the respective document, and (b) any other documents, instruments or certificates as may be deemed necessary or desirable to finance or refinance costs of the Project through and participate in the Program, and to further carry out the purposes and intent of this resolution. The Authorized Officers are authorized and directed to take such steps and deliver such certificates in connection with delivery of the Note, and any amendment thereto, as may be required under any existing obligations, including bond resolutions relating to any outstanding general revenue pledge bonds, and to notify Virginia Department of Treasury representatives serving as Authority staff at least 60 days in advance of a pledge of any amounts pledged to the payment of the Note in accordance with Section 1 hereof to, or as security for, the payment of any other Institution obligations issued or entered into after the date hereof for so long as the Note and any amendments thereto remain outstanding.

Section 3. The authorizations given above as to the approval, execution, delivery and issuance of the Loan Agreement, the Note and any amendments thereto (in connection with any refunding of Pooled Bonds financing or refinancing the Project or otherwise) are subject to the following parameters: (a) the principal amount to be paid under the Note allocable to any component of the Project, together with the principal amount of any other indebtedness with respect to such component, shall not be greater than the amount authorized for such component by the General Assembly plus amounts needed to fund issuance costs, original issue discount, other financing (including without limitation refunding) expenses and any other increase permitted by law; (b) the aggregate principal amount of the Note shall in no event exceed \$5,200,000 as the same may be so increased; (c) the aggregate interest rate payable (i) under a tax-exempt Note shall not exceed a “true” or “Canadian” interest cost more than 50 basis points higher than the interest

rate for “AA” rated securities with comparable maturities, as reported by Thomson Municipal Market Data (MMD) or another comparable service or index for tax-exempt yields, as of the date that the interest rates are determined, taking into account any original issue discount or premium and (ii) under a taxable Note shall not exceed a “true” or “Canadian” interest cost more than 50 basis points higher than the interest rate for “AA rated securities with comparable maturities, as reported by MMD or another comparable service or index for taxable yields, as of the date that the interest rates are determined; (d) the weighted average maturity of the principal payments due under the Note shall not exceed 20 years after the original issue date of the Note; (e) the last principal payment date under the Note shall not extend beyond the reasonably expected weighted economic life of the Project; and (f) subject to the foregoing, the actual amount, interest rates, principal maturities, and date of the Note shall be approved by an Authorized Officer, as evidenced by the execution thereof.

Section 4. The Board acknowledges that if there is a failure to make, as and when due, any payment of the principal of, premium, if any, and interest on any promissory note issued by the Institution as a Participating Institution to the Authority under the Program, including without limitation the Note and any amendments thereto, the State Comptroller is authorized under the Program and Section 23.1-1211 of the Code of Virginia of 1950, as amended, to charge against appropriations available to the Institution all future payments of principal of, premium, if any, and interest on such promissory note when due and payable and to make such payments to the Authority or its designee, so as to ensure that no future default will occur on such promissory note.

Section 5. The Board agrees that if the Authority determines the Institution as a Participating Institution shall be subject to continuing disclosure obligations under Rule 15c2-12 of the federal Securities and Exchange Commission with respect to any Pooled Bonds, (a) an Authorized Officer shall, and is hereby authorized and directed to, enter into a continuing disclosure undertaking in form and substance reasonably satisfactory to the Authority, and (b) the Institution will comply with the provisions and disclosure obligations contained therein.

Section 6. The Board designates the *Vice President for Administration and Finance* to be responsible for implementing procedures to monitor post-issuance compliance with covenants in any loan agreement between the Institution as a Participating Institution and the Authority, including the Loan Agreement and any amendments thereto, related to maintaining tax-exempt status for federal income tax purposes of interest on any Pooled Bonds, including without limitation monitoring the use of any portion of all Capital Projects for the Institution financed or refinanced with such Pooled Bonds and compliance with any applicable federal income tax remedial action requirements in connection with certain changes in such use. Such officer shall review such post-issuance compliance at least annually for so long as such Pooled Bonds remain outstanding.

Section 7. This resolution shall take effect immediately upon its adoption.

Adopted: December 9, 2021

