

OLD DOMINION UNIVERSITY
BOARD OF VISITORS
ADMINISTRATION AND FINANCE COMMITTEE
September 22, 2016

MINUTES

The Administration and Finance Committee of the Board of Visitors of Old Dominion University met on Thursday, September 22, 2016, at 9:00 a.m. in the Board of Visitors Room of the Webb University Center on the Norfolk campus. Present from the Board were:

Robert M. Tata, Chair
Fred J. Whyte, Vice Chair
Yvonne T. Allmond
Larry R. Hill
Alton J. Harris
Ross A. Mugler
Donna L. Scassera

Absent from the Board: William D. Sessoms, Jr.

Also present were:

Bruce Aird	Elizabeth Kersey
Leigh Comsudis	Maggie Libby Davis
Mary Deneen	Richard Massey
Dale Feltes	Donna Meeks
Giovanna Genard	Earl Nance
Velvet Grant	David Robichaud
Tiffany Hampton	September Sanderlin
David Harnage	Wood Selig
Scott Harrison	Deborah Swiecinski
Etta Henry	Rusty Waterfield
Martin Kaszubowski	

The Chair called the meeting to order at 9:03 a.m.

I. ACTION ITEMS

- A. **Approval of the Minutes** – Mr. Mugler moved to approve the minutes of the June 6, 2016 meeting. Ms. Allmond seconded the motion. The minutes were unanimously approved by all members present and voting. (*Allmond, Hill, Harris, Mugler, Scassera*)

- B. **Use of Construction Manager CM-At-Risk for Hugo A. Owens House** – Mr. Dale Feltes, Director of Design and Construction, briefed the Committee on the administration's proposal to use the CM-At-Risk approach for the construction of the Hugh A. Owens House. He informed the Committee that the University's RFP

generated 13 proposals and that the design contract is expected to be awarded by November.

The Chair asked how many people can be housed on campus now? Chief Operating Officer Harnage responded there are currently 4,500 beds and this new project will add 500 beds, which is working toward the Master Plan goal of 7,300 beds on campus.

Ms. Scassera asked about the process, noting that 13 bids seems like a large number. Mr. Feltes described the process, noting that all qualifications are carefully reviewed and ranked, noting that there are usually three (3) to five (5) firms most suitable and brought on campus for interviews. Chief Operating Officer Harnage added that the procurement process for professional services is prescribed by the State and that 13 is a normal number, adding that it provides better success when the design team and builders meeting together, which then saves time and money.

Ms. Allmond asked if only Virginia firms can be used? Mr. Feltes responded that they are only required to be licensed in Virginia; Mr. Harnage added that one major criteria is that they have experience with BCOM.

Mr. Hill asked if the CM-At-Risk is a typical method used? Mr. Feltes responded that it has been used over several years at ODU. Mr. Mugler suggested it would be help to go through the procurement process for the new members of the Committee. Mr. Harnage said the General Assembly and administration have just issued a new requirement for universities to have a policy and procedure to document what type of methodology will be used for different types of projects and noted that this new requirement could be shared at the December meeting.

Mr. Mugler moved to approve the use of the CM-At-Risk for this project and Mr. Hill seconded the motion. The motion was unanimously approved by all members present and voting. . (*Allmond, Hill, Harris, Mugler, Scassera*)

II. PRESENTATIONS

- A. **Debt Management Annual Report** – Ms. Deb Swiecinski, Associate Vice President for Financial Services, briefed the Committee on the University’s compliance with the Board’s Debt Management Policy. The University’s Fiscal Year 2015-2016 debt service expenses total is \$26,223,460. The debt service associated with this current debt represents a Debt Burden Ratio of 6.44% (annual debt service to total operating expenses). This debt burden ratio incorporates both the University’s 9(c) and 9(d) debt and the Real Estate Foundation’s debt supported by the University’s master lease for facilities, which includes housing, parking, the bookstore, and the President’s house. Ms. Swiecinski added that the debt service costs related to the University’s efforts to expand student housing and athletic facilities identified in the institution’s Strategic and Capital Plans will begin to increase as these projects are initiated in future years. The projected FY2017 debt is estimated at \$26,014,255 with a projected Debt Burden Ratio of 6.2% and complies with the Board of Visitor’s Debt Management Policy.

- B. Center for Enterprise Innovation Update** – Mr. Martin Kaszubowski, Executive Director of the Center for Enterprise Innovation (CEI), updated the Committee on the Center’s activities. The CEI encompasses a number of entrepreneurial support programs, including the Veterans’ Business Outreach Center, the Procurement Assistance Center, the Women’s Business Center, the Technology Applications Center, the Gov2Com Program, and the recently opened ODU Innovation Center – Norfolk is a hub for entrepreneurial activity and is located in Norfolk’s expanding downtown Innovation Corridor. The Innovation Center provides programming and space to help start-ups, freelancers, and service providers engage with the City’s increasingly robust entrepreneurial community.

Mr. Kaszubowski added as it grows its current programs, the CEI team is actively working to extend its relationships with local Economic Development offices in all the cities in Hampton Roads and has outlined a number of potential programs that can further extend Old Dominion University’s entrepreneurial activities in partnerships with the local cities.

- C. Fall Semester Opening** – a presentation was given by Mr. Rusty Waterfield, CIO and Associate Vice President for University Services, and Mr. David Harnage, Chief Operating Officer, on the opening of the Fall Semester. Mr. Harnage reported that the first six (6) days of sales in the Bookstore increased by \$130,989 over sales for the opening of the Fall Semester last year.

Mr. Mugler asked how sales could increase so much with many students now purchasing books on-line? Mr. Harnage responded that this increased amount is not only for book sales, but includes computing sales, clothing and other merchandise sold at the Bookstore.

Mr. Harnage noted that the new dining hall will open on October 12th and it is impressive. He added that there was a 4% increase in meal plans in Dining Services, in addition to revenue increases in retail locations. In Transportation and Parking Services, he informed the Committee that the student parking permit sales are down by 3% from last year, but parking meter revenue has increased by 3%. Safe Ride for the opening weekend and first week of classes shows a 71% increase in total picked up trips, with a total of picked up passengers increased by 7% for the same period.

Chief Operating Officer Harnage then added that the Ted Constant Convocation Center was ranked number one in mid-sized university arenas by Pollstar Magazine. The Center received the 2016 Facilities Prime Site Award by Facilities and Event Management Superbook, which is based on staffing aspects and physical aspects of the venue. The Webb University Center has a 4% increase in event totals and a 9% increase in visitor count for the opening of the Fall Semester over last year.

Mr. Waterfield briefed the Committee on the business services of the Fall Semester opening, providing statistics on the use and impact of technology systems and services. For the first three (3) weeks, the Help Desk received 6,113 requests, bandwidth utilization was sustained at 4.5 Gigabits per second, and over 13,000 unique mobile devices connected to the University wireless network.

Mr. Waterfield also shared information on the use of the University portal helping students follow a checklist to onboard for the start of the semester, check alerts

requiring specific actions on holds, account balance, and financial aid, and a new option to update their directory information with a preferred first name. From mid-August through the first few weeks of September, there were 546,000 log-ins to the portal.

- D. **Chief Operating Officer's Report** – In his report, Chief Operating Officer Harnage briefed the Committee on the Financial and Administrative Performance Standards. In accordance with the Higher Education Restructuring Act in the *Code of Virginia*, higher education institutions are required to meet eleven (11) education-related financial and administrative management measures. Institutions are expected to achieve all performance measures in order to be certified by the State Council of Higher Education (SCHEV). Mr. Harnage said SCHEV has notified the University that all eleven (11) standards were met and 100% compliance was achieved.

Mr. Harnage then reported on the JLARC Reporting Requirement that institutions provide an annual report on all institutional purchases, including small purchases, which are exceptions to the institutional policies for standardizing purchases. The target goal is 75% of the dollar value spend with term contracts. The FY2016 annual report shows \$63.3 million or 85.25% was purchased on standard term contracts.

Mr. Whyte asked there is a review of contracts? Mr. Harnage said yes, after a certain time the contracts are always re-bid.

He added that effective September 1st, the Roth 403(b) has been added to the University's supplemental retirement benefit options, which will allow employees to contribute after-tax dollars with the potential of tax-free withdrawal at retirement.

III. STANDING REPORTS

The Committee then received briefings on the following standing reports:

- A. **Capital Outlay Projects Status Report** – Mr. Dale Feltes, Director of Design and Construction, presented information updates on the University's projects.
- B. **Investment Report** – Mr. Richard Massey, Associate Vice President for Foundations, briefed the Committee on the University's investments and endowments.

Mr. Tata adjourned the meeting at 10:30 a.m.

