

**APPROVED BY COMMITTEE – APRIL 21, 2016**

**OLD DOMINION UNIVERSITY  
BOARD OF VISITORS  
ADMINISTRATION AND FINANCE COMMITTEE  
December 3, 2015**

**MINUTES**

The Administration and Finance Committee of the Board of Visitors of Old Dominion University met on Thursday, December 3, 2015, 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  
Ronald C. Ripley (*ex-officio*)  
John F. Biagas (*ex-officio*)  
Yvonne T. Allmond  
Alton J. Harris  
Ross A. Mugler  
Donna L. Scassera  
William D. Sessoms, Jr.

Absent: Fred J. Whyte

Also present were:

Bruce Aird	Brenda Johnson
John R. Broderick	Elizabeth Kersey
Jon Cawley	Rick Massey
Leigh Comsudis	Donna Meeks
Traci Daniels	Harry Minium
Mary Deneen	Ellen Neufeldt
Dale Feltes	Melanie O'Dell
Giovanna Genard	September Sanderlin
Velvet Grant	Deb Swiecinski
Scott Harrison	
Etta Henry	

The Chair called the meeting to order at 9:07 a.m.

## I. ACTION ITEM

- A. **Approval of Minutes** – Mr. Mugler moved to approve the minutes of the September 24, 2015 meeting. Mr. Sessoms seconded the motion. The minutes were unanimously approved by all members present and voting. (*Allmond, Harris, Mugler, Ripley, Scassera, Sessoms*)

## II. PRESENTATIONS

- A. **Unaudited Financial Statements** – Ms. Mary Deneen, Assistant Vice President for Finance/University Controller, briefed the Committee on the Unaudited Financial Statements for the year ended June 30, 2015. Her presentation reviewed the statements of the University's net position; revenues, expenses and changes in net position, and cash flows.

The Committee was briefed on the requirement of Federal government regulations to report on the University's financial statement the total unfunded portion of the State Retirement System (VRS) attributable to Old Dominion's employees. Chief Operating Officer Harnage noted that the funding liability rests with the State, not the University and added that a few years ago the State reinstated the requirement that employees must contribute 5% of their salary towards the retirement program. He added that of the State's total unfunded pension liability in VRS is \$5.6 billion, of that total, \$154 million is attributed to potential expenses for Old Dominion University employees.

Mr. Harnage then added the administration focuses on the category of institutional support (where expenses are tied to running the University's administration) and he is proud to report that the University is only 6.6% of the total budget. That total budget is roughly \$500 million, which shows the success by the administration in managing Old Dominion's funds.

- B. **VRS/ORP Update** – Ms. September Sanderlin, Vice President for Human Resources, briefed the Committee on the proposed changes to the Virginia Retirement Systems' (VRS) Optional Retirement Program that will impact Old Dominion University employees. The VRS has selected a third-party administrator for the Operational Retirement Plan (ORP). TIAA-CREFF and Fidelity are being replaced by ICMA-RC as the third-party administrators and record keepers. This change by VRS will impact the choice of investment funds that participants have in their Operational Retirement Plan. VRS anticipates making changes to the ORP investment will provide increased flexibility of participants. However, there is concern among the faculty and faculty administrators regarding the way this has been handled, making the announcement without any specific details and not answering any questions. Vice President Sanderlin noted that there are approximately 1,400 faculty and faculty administrators at Old Dominion, and approximately 855 of them participate in the current Operating Retirement Plan. Four

State institutions (UVA, VT, VCU and GMU) have already opted out of this plan. There is concern that Level II schools might be prevented from opting out, noting that Old Dominion University is a Level II institution. She said that GMU is also Level II, but they opted out earlier and, therefore, will not be affected. There is a conference call this afternoon with the Council of Presidents and she will continue to look into this and keep the Board members informed. Vice President Sanderlin said the University will continue to investigate and review all options.

Chief Operating Office Harnage added that even those institutions wishing to opt out, must receive permission from VRS to do so.

- C. **Chief Operating Officer Report** – Mr. Harnage, on a personal note, thanked all who reached out to him during his recent health challenges. He said the support and encouragements meant a great deal to him and to his family and noted that the University's greatest strength is its people.

Chief Operating Office Harnage then reported on the Highway Signage for Old Dominion University. In the past, the University has not been successful in working with VDOT to improve the signage for directions to the University. With appreciation to President Broderick and the Secretary of Transportation, new signage will now be put up to help direct people to the Old Dominion University. Based on State and Federal strategy, the Green Highway signs will provide direction to the main campus and the Blue State, secondary, signs will provide directions to the higher education centers. The signs will be implemented in the near future.

Mr. Harnage highlighted some people at the University who do amazing things and have made outstanding contributions to the University. Some that he highlighted in his report include Rebecka Hall, Ruby Milteer, Chef Bob Patton, Todd McKeating, The Ted Constant Convocation Center, Vanessa Walker, Harry Smithson, Dwayne Young, Neil Cutler, Jimmy Patel, Todd Kergenski and Chad Peevy.

### 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.

The Chair asked what is the biggest difference building a building today as opposed to 50 years ago? Mr. Feltes responded that mainly the materials have changed, as well as fire safety issues and costs.

Mr. Mugler asked when the MagLev will be removed? Chief Operating Officer Harnage responded that they are looking into repurposing it with plans being estimated to begin a change next year.

- B. Investment Report** – Mr. Richard Massey, Associate Vice President for Foundations, briefed the Committee on the University’s investments and endowments.

Mr. Mugler moved to adjourn the meeting; Mr. Biagas seconded the motion and the meeting was adjourned at 10:25 AM.