

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS
COMMITTEE ON FACILITIES & FINANCE
11:15 AM THURSDAY, NOVEMBER 20, 2025
Alfred W. Harris Academic Commons Bldg., 1st Floor
(on the campus of Virginia State University)
(No Public Comment Period Scheduled)**

AGENDA

CALL TO ORDER Ms. Daphne Meeks, Chair

ROLL CALL

INVOCATION

APPROVAL OF AGENDA

APPROVAL OF PREVIOUS MEETING MINUTES (if any)

- September 26, 2025 Committee Meeting

PRESIDENT'S REMARKS Dr. Makola M. Abdullah

REPORTS AND RECOMMENDATIONS

- Approval Items: (if any)
- Information Items Mr. Kevin Davenport
Vice President for Finance & Administration/CFO
 - Finance & Facilities Overview
 - Statement of Sources and Uses for Year Ending September 30, 2025
 - Comparative Cash Reserves for Year Ending September 30, 2025
 - Proposed Tuition & Fees for 2026-27
 - Capital Project Update for Quarter Ending September 30, 2025
 - Discussion of Bi-Annual Management Reports
 - Investment Advisor Update, Spider Management LLC Rebecca Fender, Caroline Crawford
 - Investment Advisor Update, Truist Bank Armond Reese, Mani Grant

CLOSED SESSION (if any)

OTHER BUSINESS

ADJOURNMENT

11.13.25

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS
COMMITTEE ON FACILITIES AND FINANCE
MEETING MINUTES
THURSDAY, NOVEMBER 20, 2025**

CALL TO ORDER

Ms. Daphne Meeks, Chair, called the Facilities and Finance Committee meeting to order at 9:04 am. The meeting was held at the Alfred W. Harris Academic Commons Bldg., 1st Floor, on the Campus of Virginia State University.

ROLL CALL

A quorum was present.

COMMITTEE MEMBERS PRESENT:

Ms. Daphne Meeks (Chair)

Mr. Thomas Cosgrove (Vice Chair)

Mr. M. Peter McPherson

General Dennis L. Via

Mr. Kishore Thota (*arrived @ 11:25 am*)

Mr. Victor K. Branch, Rector (ex officio)

BOARD APPOINTEES:

Dr. Kenneth Lewis, Faculty Representative

Mr. Marquise Mason, Student Representative

OTHER MEMBERS PRESENT:

Mr. Joseph A. F. Chase, Jr.

Dr. Robert Denton, Jr.

Dr. Harold Green, Jr.

Ms. Verndell Robinson Mr.

Robert Thompson

Mr. Jon Moore

Ms. Morenike Miles

Mr. M. Peter McPherson

Dr. Valerie K. Brown (*absent*)

ADMINISTRATION PRESENT:

Dr. Makola M. Abdullah, President

Dr. Tia Minnis, Provost/Vice President for Academic and Student Affairs

Mr. Kevin Davenport, Senior Vice President for Finance & Administration/CFO

Ms. Shawri King-Casey, Vice President for Institutional Integrity & Compliance

Dr. Willis W. Walter, Interim Vice President For Advancement and External Engagement

Dr. Alexis Brooks-Walter, Vice President for Student Affairs/Enrollment Management

Dr. Annie C. Redd, Chief of Staff/Director, Board Operations & Relations

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LEGAL COUNSEL:

Mr. Nathan Moberly(*arrived @ 1:07pm*)

APPROVAL OF AGENDA

The Committee approved the agenda by voice vote.

APPROVAL OF PREVIOUS MEETING MINUTES

The Committee approved the minutes from the meeting on September 12, 2025.

PRESIDENT'S REMARKS

Dr. Abdullah expressed appreciation to the Board for their continued service and commitment to Virginia State University (VSU). He provided an update regarding discussions surrounding Mr. Davenport's potential retirement. Dr. Abdullah reported that Mr. Davenport has agreed not to retire at this time fully. While the specifics of his future role are still being determined, Mr. Davenport has affirmed his intention to continue serving VSU in a meaningful capacity. Further details will be shared as plans are finalized.

REPORTS AND RECOMMENDATIONS

Investment Update: Management Presentation

Mr. Davenport invited Spider Management to present to the Board. Mr. McLean, representing Spider Management, expressed his enthusiasm regarding the announcement that Mr. Davenport intends to remain with Virginia State University. He noted that VSU was the first external client Spider Management partnered with in 2006, marking the beginning of a long-standing relationship.

Mr. McLean introduced Rebecca Fender and Karen Welch, highlighting that Ms. Welch has recently assumed the role of Chief Investment Officer (CIO) at Spider Management. He then provided a comprehensive overview of VSU's account performance, summarizing the earnings achieved over the university's 20-year partnership with Spider Management.

Ms. Welch emphasized the privilege of managing funds that support Virginia State University's essential mission of educating students. She presented an analysis of returns versus benchmarks across one-, three-, five-, and ten-year periods, noting that Spider Management has consistently delivered strong performance with lower risk compared to public markets.

Ms. Welch provided a summary of performance relative to peer institutions and detailed returns for various portfolio segments. She further elaborated on asset allocation strategies, highlighted the top investment managers, and discussed a curated list of the fifty most disruptive companies in artificial intelligence (AI). In this context, she outlined Spider Management's strategic exposure to the AI sector and its role in driving long-term growth.

A Visitor posed a four-part question addressing:

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1. Interest rate expectations and their impact on the fixed-income portfolio strategy.
2. Competition within private equity markets.
3. Planned allocation to real assets.
4. Fee structure.

In response, Mr. McLean emphasized that success in private equity requires partnering with top-tier managers, outlining Spider Management's approach and positioning to secure the best opportunities. Ms. Welch provided additional detail regarding anticipated allocations to real assets and offered insight into the targeted bond durations within the fixed-income portfolio, given the current interest rate environment. She concluded by addressing the trustee's question on fees, providing clarity on Spider Management's structure and practices.

Ms. Welch concluded her presentation by highlighting Spider Management's ongoing engagement with Virginia State University students. She noted that Spider has consistently hired an intern from VSU each year, employed a VSU alumnus in its accounting department, and maintained active involvement with the student-led investment group.

A Visitor expressed appreciation for Spider's commitment to student engagement. A Visitor further emphasized the importance of creating opportunities and providing exposure to students who may not have previously been aware of careers in the investment management industry.

Mr. Davenport invited Mr. Armond Reese of Truist Bank to present to the Board. Mr. Reese began by providing an update on major market drivers, noting that equities—particularly large-cap domestic equities—continue to lead overall performance. He addressed diversification strategies, highlighting allocations to mid- and small-cap equities.

Mr. Reese then discussed global trade dynamics, offering his firm's outlook on Europe and commenting on broader macroeconomic themes across Europe and Asia. He provided insight into the duration strategy for the fixed-income portion of the portfolio, considering current interest rate conditions. Additionally, Mr. Reese presented an overview of the portfolio's exposure to alternative investments and concluded by explaining the fee structure at both the advisor and manager levels.

Mr. Reese proceeded with a detailed analysis of his outlook on domestic equities, focusing on the rapid expansion of the technology sector. He emphasized that the "Magnificent Seven" companies exert significant influence over the entire S&P 500 index, serving as a primary driver of market performance.

To support the planned allocation strategy for technology holdings, Mr. Reese presented a comparison of price-to-earnings (P/E) ratio multiples from the late 1990s through the present, illustrating historical trends and current valuations. He concluded by addressing potential implications of tariff policies and their anticipated impact on portfolio positioning.

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A visitor posed the question: *“Given the recent run-up in the markets, what keeps you up at night?”*

Mr. Reese responded that his primary concern centers on the risk of a potential policy misstep by the Federal Reserve. He stated that maintaining current interest rates is, in his view, the appropriate course of action. Reflecting on prior rate cuts, Mr. Reese noted that the Fed has historically prioritized its primary mandate of promoting employment, sometimes at the expense of its secondary mandate to manage inflation. He cautioned that additional rate cuts could place the economy in a challenging position, underscoring the importance of a balanced approach to monetary policy.

Mr. Davenport presented the quarterly financial report, beginning with an overview of cash and reserve balances. He highlighted the major categories and key drivers influencing these balances and discussed the current position within the cash cycle, along with expectations for the remainder of the fiscal year.

He then reviewed investment balances, including those of the VSU Foundation, noting that the recent MacKenzie Scott gift is not yet reflected in these figures. In referencing the significant uses of the first Scott gift—such as land acquisition—Mr. Davenport stated that the new gift will increase total investments to approximately \$150 million.

Mr. Davenport continued his presentation with an overview of sources and uses, comparing budgeted figures to actual results. He expressed appreciation to Ms. Wilkins for her efforts in preparing the budget data for her second Board meeting. Mr. Davenport highlighted major categories of revenue sources, including state appropriations, auxiliary enterprises, tuition and fees, sponsored programs, and local contributions. He then provided an update on expenditures within the budgetary cycle for auxiliary services, instructional programs, and sponsored programs, noting that overall, the university remains on track for both sources and uses.

During the discussion, a visitor suggested that the Finance Committee receive written financial reports every quarter. A trustee posed several follow-up questions, confirming that the distribution rate for endowments remains in the 4–5% range.

Mr. Davenport presented several slides summarizing the process for setting the tuition and fee rates for the upcoming cycle, noting that his first slide is a jumping off point for trustees to request the type of information they would like to see with respect to the tuition and fee process going forward. The second slide summarized the timeframe of the decision process, starting from today’s introduction and outlining all the key dates along the way towards a final decision/approval in April 2026.

Dr. Abdullah highlighted the upcoming February public comment period as a key date, explaining that this meeting provides an opportunity for faculty, staff, and students to share comments and ask questions. He noted that the public comment period will coincide with the February Board meeting and will be followed by a final Board of Visitors vote approximately thirty days later. Dr. Abdullah emphasized that while an increase in tuition and fees is not guaranteed, it remains a possibility.

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In response to a visitor's question regarding whether previously discussed financial information will be considered in evaluating tuition and fee rates, Dr. Abdullah confirmed that all relevant factors will be considered. He added that historically, tuition increases have never exceeded 3% and reiterated that the Board's judgment will guide the final decision.

Mr. Davenport addressed challenges within Residence Life, particularly the condition of older dormitories, with specific mention of the University Apartments at Ettrick. He summarized improvements and efficiencies achieved during the year, including the consolidation of occupancy closer to campus, which eliminated the need for shuttle service.

A visitor provided feedback that the initial presentation slide effectively captured the key themes and topics. Another visitor suggested that campus security should be included as a consideration in the upcoming tuition and fee discussion cycle. In response to a question regarding the incidence of security-related issues, Dr. Abdullah noted that, aside from a recent incident, such issues have declined. He reaffirmed the university's commitment to continuously improving safety and security measures.

CLOSED SESSION

The Chair asked for a motion to enter closed session for the Discussion or consideration of personnel matters pursuant to 2.2-3711 (A)(3), specifically, "...Discussion or consideration of the acquisition of real property for a public purpose, or of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body, namely, physical expansion of the campus by acquisition of real property. The motion was made and properly seconded, and approved by roll call. The Committee went into closed session.

>>>CLOSED MEETING IS CONDUCTED<<<

The chair asked for a motion to return to open session; the motion was made, properly seconded, and approved by voice vote.

The Chair read a statement to certify that during closed session, 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 call vote. The Chair asked for a motion to return to an open session; the motion was approved by roll call vote, and the open meeting resumed.

ADJOURNMENT

There being no further business, the Chair 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 1:07 p.m.

APPROVED:

Chair

2/5/2026
Date