

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS
COMMITTEE ON FACILITIES & FINANCE
12:30 P.M.; THURSDAY, SEPTEMBER 12, 2024
Gateway Dining & Events Center
(On the campus of Virginia State University)
(No Public Comment Scheduled)**

AGENDA

CALL TO ORDER.....Dr. Valerie K. Brown, Rector

ROLL CALL

INVOCATION (*Pastor Seth Ahmad-McQueen, Director of Campus Ministries*)

APPROVAL OF AGENDA

APPROVAL OF PREVIOUS MEETING MINUTES (if any)

- o April 25, 2024 Committee Meeting

PRESIDENT’S REMARKS Dr. Makola M. Abdullah

CLOSED SESSION

- VSU Real Estate Update

DIVISION OF FINANCE.....Mr. Kevin Davenport, Senior Vice President/CFO

REPORTS AND RECOMMENDATIONS

- Approval Items:
 - o Resolution Authorizing Demolition of Five Buildings
 - o Resolution Approving Revisions to the Campus Master Plan
 - o Resolution Authorizing Institutional Road Designations
 - o Resolution to Issue Bonds: Construct New Student Housing
- Information Items
 - o Finance & Facilities Overview
 - o Statement of Sources and Uses for Year Ending June 30, 2024
 - o Comparative Cash Reserves for the Year Ending June 30, 2024
 - o Capital Project Update for Year Ending March 31, 2024

OTHER

BUSINESS

ADJOURNMENT

**VIRGINIA STATE UNIVERSITY BOARD OF VISITORS
COMMITTEE ON FACILITIES & FINANCE
THURSDAY, SEPTEMBER 12, 2024**

CALL TO ORDER

Rector Valerie K. Brown presided at the Facilities and Finance Committee meeting due to a vacancy in the position of chair. The Rector called the meeting to order at approximately 1:20 p.m. in the Gateway Dining and Events Center on the Campus of Virginia State University.

ROLL CALL

A quorum was present.

COMMITTEE MEMBERS PRESENT:

Ms. Daphne Meeks
Mr. Thomas Cosgrove
Mr. Peter McPherson
Mr. Kishore Thota (absent)
General Dennis L. Via
Dr. Valerie Brown (Ex-Officio)

BOARD APPOINTEES:

Professor Tracy Jackson, Faculty Representative
Mr. Yousif Omer, Student Representative (absent)

OTHER MEMBERS PRESENT:

Mr. Victor Branch
Dr. Joseph Chase, Jr.
Dr. Robert Denton, Jr.
Dr. Harold Green, Jr.
Dr. Leonard Haynes, III
Mr. Edward Owens (virtual participation)
Ms. Verndell Robinson
Mr. Robert Thompson

Mr. Edward Owens participated electronically from South Boston, VA due to medical reasons.

ADMINISTRATION PRESENT:

Dr. Makola M. Abdullah, Present
Dr. Tia Minnis, Provost/Vice President for Academic and Student Affairs
Ms. Tonya S. Hall, Vice President for Advancement and External Engagement
Mr. Kevin Davenport, Senior Vice President for Finance & Administration/CFO
Ms. Shawri King-Casey, Vice President for Institutional Integrity & Compliance
Dr. Alexis Brooks-Walter, Vice President for Student Affairs/Enrollment Management
Dr. Annie C. Redd, Chief of Staff/Director, Board Operations & Relations

LEGAL COUNSEL:

Nathan Moberly

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INVOCATION

The Chair called Pastor Seth-Ahmad McQueen to deliver the invocation.

APPROVAL OF AGENDA

The committee approved the agenda by voice vote.

APPROVAL OF PREVIOUS MEETING MINUTES

The Committee approved the minutes from April 25, 2024, meeting by voice vote.

PRESIDENT'S REMARKS

Dr. Abdullah thanked everyone for their dedication and hard work at VSU.

REPORTS & RECOMMENDATIONS

The Rector called Mr. Davenport to deliver the financial report. Mr. Davenport opened by recognizing several staff members (Dr. Petway, Ms. Harris, and Mr. Houck). Mr. Davenport started the financial update with a slide summarizing the cash and reserve position of the university, adding additional context for the auxiliary reserves and drawdowns for the purchase of real estate. He then presented the investment balances, noting that with approximately \$100 million in holdings, VSU has a top 10 endowment among HBCUs.

Mr. Davenport presented a slide for the fiscal year ended June 30, 2024, showing the percentage of received revenue ("sources") versus the amount of budgeted revenue across various categories such as state support, auxiliary enterprises, tuition, and fees, sponsored research, local funds, and cares funds. He noted that the university received at least 100% of budgeted revenue for all major source categories. He also presented a similar slide showing the percentage of expenditures versus budget ("uses"), adding that the budget was balanced. He drew attention to the \$20 million in one-time expenditures to improve residence halls and campus infrastructure.

Dr. Abdullah thanked Mr. Davenport for his report, noting that over the last three years, the university received almost \$80 million in aid, which allowed for a considerable amount of one-time expenditures. He elaborated that because this aid money enabled a cash position that the university is not likely to have going forward, leadership has started conversations with faculty, staff, and students to look for ways to reduce spending across the institution. He gave the example of laundry services for students who were temporarily able to be covered by the institution over the last three years but have returned to being paid by students. He stated that, although the university is in one of its strongest financial positions, it will take some adjustment across campus.

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A Visitor asked for more information about the university's investments. Mr. Davenport outlined the allocation between three advisors (one for the Foundation and two for the university). He summarized the basic investment goals for each pool of funds, noting that a board-approved investment policy governs the funds' investment. Mr. Davenport added that the university's investment managers attend the board meeting once per year to give comprehensive updates on portfolio performance and answer questions from Visitors (and that these presentations will likely occur at the November meeting this year).

A Visitor asked how the movement and activity of the McKenzie Scott gift are reflected in the balances. Mr. Davenport noted that, upon receipt, the gift was recorded in the financial statements and subsequently invested. For this period's report, drawdowns to acquire real estate are reflected in the balance reduction, adding that he does expect some excess funds not needed for acquisition to be returned to the gift's account.

Mr. Davenport transitioned to the approval item section of his report, which include four resolutions: Resolution Authorizing Demolition of Five Buildings; Resolution Approving Revisions to the Campus Master Plan; Resolution Authorizing Institutional Road Designations; and Resolution to Issue Bonds: Construct New Student Housing. He highlighted five defunct buildings, noting that the estimated costs to repair them far exceed their value should they be repaired. He added that having this unusable space on campus is detrimental to state facilities' assessments and calculations. A Visitor asked if any of these buildings have historical significance. Mr. Davenport stated that none of these buildings in question have historical value and also looked to Ms. Barnett-Tyler, who confirmed that there would be no objections in the campus or alums communities.

Mr. Davenport moved to the next approval item relating to revisions to the Campus Master Plan. He clarified that this does not necessarily mean we are moving forward with the projects, only that they are added to the Campus Master Plan. He discussed projects, including the Center for Nutrition and Health Disparities, the Interdisciplinary STEM Building, renovating or replacing Singleton Hall, and renovating Williams Hall as a living/learning space.

Mr. Davenport then presented informational slides relating to the resolution for institutional road designations and the issuance of bonds to construct the new student housing project. A Visitor asked if students currently being housed via the university's various overflow options, including Richard Bland College (Petersburg VA), would save money by being able to relocate to campus through the construction of the new dormitory. Dr. Abdullah emphasized that university leadership has been very conscious about reducing student costs. Thus, when students were housed in temporary locations such as hotels, the university subsidized the difference between the regular dormitory rate and the market rate of overflow housing.

A Visitor asked for further information about the mechanics of state bonds. Mr. Davenport explained that the state treasury pools interest from public institutions in Virginia and goes to market on their behalf, utilizing the credit rating of the Commonwealth of Virginia. Dr. Abdullah added that VSU has no authority to market and issue bonds on its credit.

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A Visitor moved that unless there is an objection, the Committee takes up all four resolutions in a single block to be recommended to the full board for a vote. The Rector asked Dr. Redd for a roll call vote to present these resolutions to the full board for approval.

Dr. Abdullah stated introduced the Interim Chief Information Officer, Mr. Derrick Jennings, who has served at VSU for a number of years in other technology roles.

The Rector nominated Ms. Daphne Meeks as Chair of the Facilities and Finance Committee, noting her professional experience in Finance. The Rector noted that Ms. Meeks has also been nominated to serve as the Vice Chair for the Audit and Compliance Committee. However, the roles will complement each other and provide a holistic view of the university's financial health.

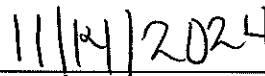
ADJOURNMENT:

With no further business, Rector Brown called for a motion to adjourn the meeting. The motion was received, and properly seconded, and the Committee voted by voice vote. The Rector adjourned the meeting at approximately 2:30 p.m.

APPROVED:



Chair



Date