

MEETING OF THE BOARD OF TRUSTEES

June 3, 2017

**UNIVERSITY OF THE VIRGIN ISLANDS
ADMINISTRATION AND CONFERENCE CENTER, FIRST FLOOR
ST. THOMAS CAMPUS
9:00 A.M.**

CONSENT AGENDA

ACADEMIC, RESEARCH, AND STUDENT AFFAIRS.....Dr. Yvonne E. L. Thraen

Provost’s Report

The Provost’s Report included an extensive update on the activities and initiatives in the Provost’s Component during the period of January through April, 2017. The report highlighted new student outreach activities; several public service and community outreach activities; and an extensive number of student and faculty achievements, including publications, presentations, and other scholarship activities.

The Provost reported that the Creative Leadership for Innovation and Change (CLIC) PhD recruitment for the second cohort is ongoing and has been fairly successful. The current cohort has a total of 50 students and it is expected that approximately 40 students will form the second cohort, which is scheduled to begin in Fall 2017.

AUDIT COMMITTEE.....Attorney Henry Smock

Update Reports

The Audit Committee received updates from the External Auditors, Ernst & Young regarding its financial statements and the Reichhold Center Foundation financial statements. The Committee also received and update report from the Internal Auditor on internal audit activity.

BUILDINGS AND GROUNDS COMMITTEE.....Mr. Alexander Moorhead

Albert A. Sheen Campus Project Report:

The AAS campus report covered two (2) Campus Projects and one (1) compliance issue.

Campus Projects

- Enhancement Project: Melvin Evans Center Railings – 80% completed
- Air-Conditioning: Air Handler Replacement – EVC 716 and NWW129-130, 70% completed

Compliance Activity Report

The Compliance Unit on the AAS Campus completed an internal inspection of BB102 (Radio Station WUVI) on March 17, 2017 relative to concerns about the environmental conditions in the facility. UVI team members conducted the internal inspection and discovered excessive moisture in the air. A 30-pint dehumidifier was purchased and installed to correct the problem. The dehumidifier along with a ventilation program and reduction of 24/7 air-conditioning usage was recommended and implemented to improve the humidity conditions.

In March 2017, a new compliance specialist was added to the Administration and Finance component on the AAS Campus. Ms. Jewel Cumberbatch is an environmental engineer and a graduate of the University's 3-2 engineering degree program. She is responsible for investigating complaints and concerns regarding workplace safety and health, while collaboratively working with department heads on the campus and the Director of Campus Operations to investigate discrepancies and implement corrective measures. Overall, the specialist will inspect units to confirm compliance with federal and local regulations and to ensure maximum safety for the institution.

UVI Medical School Simulation Center:

Site-work activities continue on the Simulation Center of the School of Medicine, including the excavation for the west side drainage swale. Due to heavy rains experienced since the end of March 2017, the project has experienced approximately 20 rain days as of April 19, 2017. Therefore, completion of the current phase of the work, which was expected to be completed by May 2017, was extended to early June 2017. Despite the inclement weather, weekly meetings are conducted, and no additional expenses were incurred thus far.

Deferred Maintenance Report

The Deferred Maintenance schedule includes a template for readers to better visualize and understand the deferred maintenance structure and the new template applies to the report for both campuses. Priority is given to life safety and other critical needs that are outlined on the template. Vehicles are listed on the report in the order of priority for replacement and will be replaced based on the availability of funds.

St. Thomas Campus Projects Report

The St. Thomas campus report addressed the status of the following projects:

- New project - Campus Road Improvement Project (Back road of Upper Campus) -- in progress.
- Etelman House Renovation and Repair Project -- completed January 2017.
- Paiewonsky Library Gutter and Fascia Replacement -- completed February 2017.
- Center for Marine Environmental Studies (CMES) AC Upgrade -- Scheduled completion September 2017.

Capital Projects, St. Thomas Campus

Medical School Classroom Building Update:

Work on the Classroom Building of the School of Medicine continues to move forward despite some setbacks resulting from problems between Springboard, LLC and JPK Construction, the subcontractor for the project. A Notice of Default was issued to JPK Construction by Springboard. This negatively impacted an already tight construction schedule, causing major concerns for the project.

The mechanical aspect of the Project continues to make significant progress. William R. Nash, the selected HVAC contractor, is moving forward, based on a specified Scope of Work as per contract. Hurricane Drain, plumbing and fire system contractor, and Riley Electric remain on the job making significant progress in preparation for the installation of the interior walls.

Blue Water Construction Company was contracted for the interior work of the building, which started the week of April 17, 2017, with the installation of metal studs for the interior walls of the facility. Additionally, the pouring of the final bond beam was expedited the week of April 17, 2017, for the next step of the steel roof structure installation. Once the foregoing tasks are completed, work will focus on the exterior shell of the facility. A new revised schedule, projecting the completion of the Project by October 2, 2017, was submitted by Springboard LLC. UVI continues to meet for updates on a bi-weekly basis with a goal to shorten the scheduled construction time.

Deferred Maintenance Report for St Thomas Campus FY 2017:

The Deferred Maintenance schedule for the St. Thomas campus includes quite a number of buildings in need of repairs to the interiors, structure, and/or replacement of systems. This includes the old residence halls, Faculty West, library infrastructure and Quarters B, just to mention a few. Despite financial challenges, work is steadily moving forward handling the needs that are most critical. Another area of concern is the replacement of the fire alarms in the residence halls, cafeteria, and other essential units, which are not connected to the security system on the campus. The Vehicle Replacement Schedule lists vehicles in the order of priority and current value. A number of vehicles need to be replaced and the cost of maintenance in some instances far exceed their value.

A. Energy Management Report:

RTPark Wind Turbine Status

The RTPark has a separate meter from the remainder of the AAS Campus. If the wind turbine produced at maximum, it would reduce the building's energy consumption by 20% thereby reducing the consumption electricity provided by WAPA to the building, the major portion of which is occupied by the College of Science & Mathematics. The wind turbine has not been in operation because of deficiencies in the roof-mounted solar panels, which is covered by the same net-metering permit as the wind turbine. The separation of the turbine from the solar panel on the net-metering permit issued by DPNR was found to be a complicated and expensive endeavor. However, the administration will reiterate to the RTPark Board the urgency to move forward with a resolution regarding the matter.

Energy Management Update:

Based on WAPA's recently increased electricity rate, it was estimated that the increased energy cost would have been approximately \$46,257.99. However, since the increase took effect, the actual increase in energy cost was \$24,106.27, between December 2016 and February 2017. Notwithstanding, energy related austerity measures have been compiled by the Energy Manager with the intent of reducing consumption and energy related expenditures.

Grants Update:

With the help of the Energy Manager, UVI submitted a grant proposal to the Department of the Interior, Office of Insular Affairs' Technical Assistance Program on March 1, 2017, to fund upgrading of exterior lighting and of the lights on the court in the SPORTS AND FITNESS CENTER on the STT Campus. The Empowering Insular Communities (EIC) Grant is another grant proposal in progress. If funded, it would provide a significant reduction in energy costs and would ensure furtherance of each of UVI's three energy goals: reduction of energy costs, reduction of carbon foot print, and providing academic opportunities. The deadline for the grant is May 10, 2017. The

Energy Manager will continuously seek out grant funding to support the Green Energy initiatives in the conservation plan.

DEVELOPMENT COMMITTEE.....Rev. Dr. Wesley S. Williams

Status Report on Annual Fund

Total contributions to date for fiscal year 2017 (Oct 1, 2016 – May 10, 2017) \$748,713

The Vice President for Institutional Advancement, Mr. Mitchell Neaves, provided a summary of the contributions received to date in FY2017 and a comprehensive overview of the status of the Campaign for UVI. The Campaign for UVI Committee met on May 3rd under the leadership of Co-Chairmen Angel Dawson and Dr. Alfred Heath. The Committee finalized the upcoming list of public and private announcement events schedule for May 2017 and Fall semester. President Hall updated the Committee on his progress securing external funding for the University and continued efforts with the UVI Medical School.

Update Report on Capital Campaign

The Development Committee received an update report on the Capital Campaign. The update included an update from the Campaign for UVI meeting, upcoming campaign events on May 23rd and May 24th on St. Thomas and St. Croix respectively. Members were also informed of an upcoming public event at the Reichhold Center for the Arts on August 24th.

FINANCE AND BUDGET COMMITTEE.....Mr. Alexander Moorhead

A. Update on the Local Government Appropriation – Fiscal Year 2017

As of April 21, 2017, the University has received a total of \$14,234,070 in allotments from the V.I. Government for Fiscal Year 2017. This represents 77% of the amount requested for the fiscal year. There is an outstanding balance of \$1,646,814 for March and \$2,646,814 for April allotments, as of April 21, 2017.

B. (a) Review of Unrestricted Operating Budget to Actual Performance through March 31, 2017

Total actual revenues through the period ended March 31, 2017 was \$27,553,314 representing 105% of the budgeted amount of \$26,242,731. Actual expenditures of \$24,016,781 represent 97.2% of the amount budgeted of \$24,720,719. The net operating position as of the month ended March 31, 2017 is \$3,536,533. During this reporting period we experienced a 15% increase over budget in tuition and fees due to an increase in the number of students registered for the fall and spring semesters.

C. (b) Review of Unrestricted Operating Actual to Actual Performance through March 31, 2017

Total actual revenues and total actual expenditures were \$24,460,802 and \$23,644,364, respectively, for the period ended March 31, 2016. Total revenues increased by 4.1% from last year and total expenditures increased by 1.6% compared to .

The highlights in the period to period comparison include:

- 5.9% increase in tuition and fees revenues primarily due to the increase in the Fall 2016 tuition rate and the start of the PhD program
- 5.3% increase in local government appropriations primarily due to the appropriation for the salary increases effective October 1, 2016
- 11.2% increase in Indirect Cost Recovery in FY2017
- 5.8% decrease in auxiliary enterprises revenues mainly due to the reduction in Reichhold Center ticket sales.

D. Review of Restricted Current Funds Expenditures through March 31, 2017

For the period October 1, 2016 through March 31, 2017, the University's restricted current funds performed as follows:

Category	October 1, 2016 Fund Balance	Revenues	Expenditures	March 31, 2017 Fund Balance
Federal Grants	\$330,191.86	\$21,443,182.12	\$8,461,326.53	\$13,312,047.45
Local Grants and Contracts	\$887,132.41	\$332,106.61	\$322,142.38	\$897,096.64
VI Legislature	\$865,586.22	\$2,858,230.50	\$870,145.00	\$2,853,671.72
Private Grants and Contracts	\$1,257,816.50	\$936,355.44	\$687,323.29	\$1,506,848.65
Other	(\$1,898,100.22)	\$575,160.35	\$342,233.78	(\$1,665,173.65)
Total	\$1,442,626.77	\$26,145,035.02	\$10,683,170.98	\$16,904,490.81

E. Review of CELL Budget to Actual Performance through March 31, 2017

During the reporting period CELL certified 158 individuals in Basic Life Support through the American Heart Association (AHA) Training Center, expanded the training to the BVI, increased the fees and secured 7 new instructors trained in advanced AHA programs. The Certified Clinical Medical Program commenced in March with 16 students and is expected to generate \$50K in revenues. CELL administered exams to 128 individuals in the testing center. Revenues totaling \$177,024 and expenditures totaling \$220,402 were generated in the Unrestricted Fund creating an operating deficit of (\$43,378). The restricted fund performed better with revenues of \$249,067, expenditures of \$282,763 and an operating surplus of \$15,303. CELL's combined net operating position was (\$28,075) as of March 31, 2017, which improved since December 31, 2016 through a combination of increased revenues and expenditure containment. CELL is continuing to seek new and creative ways to generate revenues to end the fiscal year in a positive net operating position.

F. Review of Reichhold Center Budget to Actual Performance through March 31, 2017

The Reichhold Center is reporting revenues at and exceeding projections in the categories of Foundation Grant and Stagebill Advertising, respectively, for the period ended March 31, 2017; however revenues from ticket sales and facility rentals are significantly below projections. This is attributed to three season performances that did not meet or achieve capacity projections for a number of reasons to include: Joey Alexander and Fred Hammond shows competing for the same demographic on the same night and bad weather affecting the Playing Ring show. The staff was successful in securing financial support from the Centennial Commission for the Playing Ring: Tea Meeting production and In De Yard student activity. This is an improvement from the last report as companies approached for sponsorships responded that they were experiencing hardships. Actual expenditures for the period were 94% of the amount budgeted. Salaries and fringe benefits were 107% of budget due to the unanticipated production management and services provided for the 32nd Legislature's Transfer Day Flag Ceremony on the Capital Grounds. The

other expenditure categories were either at or below projected levels. The Reichhold Center is reporting a net operating position of (\$247,669) as of March 31, 2017. Efforts are in place to arrive at a positive net operating position by the end of the fiscal year.

G. Quarterly Report of Proposals Submitted and Awards Received for the period January 1, 2017 through March 31, 2017

In the second quarter of fiscal year 2017, UVI submitted nineteen (19) proposals totaling \$15,641,850 and was awarded ten (10) grants totaling \$936,550. Compared to the corresponding quarter of the previous fiscal year, three (3) more proposals, amounting to an increase of \$5,780,909, were submitted and the dollar volume of grants awarded also increased by \$73,473.

H. Quasi-Endowment Fund Balance as of December 31, 2016

University of the Virgin Islands			
Endowment Funds			
Comparison Periods Ended March 31, 2017 and September 30, 2016			
Description	March 31, 2017	Sept. 30, 2016	Variance
Seslia Title III Endowment	\$ 224,679.64	\$ 222,725.00	\$1,511.00
CommonFund Term Endowment*	\$ 319,543.60	\$ 354,652.00	(\$35,108.40)
CommonFund National Guard Assistance	\$ 719,823.40	\$ 682,616.00	\$ 37,207.40
CommonFund Veterans Tuition Assistance**	\$ 404,353.64	\$ 879,504.00	(\$475,150.36)
CommonFund Scholarship fund*	\$ 138,760.33	\$ 227,430.00	(\$88,669.67)
CommonFund Quasi Endowment	\$ 8,411,931.77	\$ 8,039,531.00	\$372,400.77
CommonFund School of Medicine Endowment	\$ 22,959,898.39	\$ 22,449,678.39	\$510,220.00
Total	\$33,178,990.77	\$ 32,856,136.39	(\$322,854.38)
*Funds were withdrawn for scholarship awards.			
**During the month of December, as a result of delays in the receipt of allotments from the GVI, approximately \$500,000 was withdrawn to assist with cash flow challenges.			

I. Status of Audit for the year ended September 30, 2016

The University staff is working with the auditor, Ernst & Young, to ensure completion of the University's audited financial statement and A-133 report for the fiscal year ended September 30, 2016. The Audit was initially scheduled to be completed by March 31, 2017, however, the receipt and review of the GASB 68 information, relative to the GERS pension liability, was not received from GERS in a timely manner to meet the deadline. As a result, the University requested and received a sixty (60) day extension for the completion of the audited financial statements from the US Department of Education HBCU loan program. The auditors are currently working on the completion of the statements to meet the extended May 31, 2017 deadline. Both the Financial Audit and the Federal Grants and Contracts (A133) audit are substantially completed.

J. Update on Corrective Action Plan

The firm of Abney, Ramsey and Associates (ARAA) was contracted December 14, 2016, in response to an RFP, to assist with the assessment and training of the Accounting and Budget staff and the documentation of accounting and budget processes. ARAA visited with staff the week of January 9 2017 and issued a draft report on February 6, 2017. The budget manual was updated to include all modifications and monitoring processes and the revised document was posted on the university's website. The University completed 100% of the recommendations in the Corrective Action Plan.

PLANNING COMMITTEE.....Ms. Oran C. Bowry

Middle States Site Visit Team's Report

During the Executive Session, the Committee received a report on the Middle States Site Visit Team's Report. This report gave highlights of the Team's findings and commendations of all seven standards on which the University was being assessed.