

**MEETING OF THE BOARD OF TRUSTEES
March 4, 2017**

**UNIVERSITY OF THE VIRGIN ISLANDS
GREAT HALL, NORTHWEST WING
ALBERT A SHEEN CAMPUS
10:00 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 August through December, 2016. 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 Dual Degree program is ongoing and has been fairly successful. Twenty-four high school students participated in Fall 2016.

AUDIT COMMITTEE.....Attorney Henry C. 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.....Mr. Alexander A. Moorhead

A. Albert A. Sheen Campus Project Report:

The AAS campus report covered three (3) Campus Projects and two (2) compliance issues.

Capital Projects

- Enhancement Project – Receiving/Mailroom (200 level) – Completed December 23, 2016
- Maintenance Project – Redesign Rain Drain by NWW Annex - Completed January 24, 2017
- Air-Conditioning: Building Automation System Maintenance – Completed January 12, 2017

Compliance Activity Report

I. Elevator Inspection

Diaz Elevator Solutions conducted the annual inspection of the elevators at both the Melvin Evans Center and the RTPark on November 15, 2016. The periodic requirement to conduct the loading test was recommended to be completed before the re-certification in November 2017. The load tests for the two (2) stops elevator at the RTPark requires a capacity of 3,500 lbs to be performed, the cab has a maximum of 21 passenger capability; the four (4) stops elevator at the Evans Center requires a test of 1,500 lbs., for its 10-passenger capacity. In addition, both elevators need to have the pit cleaned.

II. OSHA Housekeeping Standards for Maintenance Areas

During this period, October 2016 to January 2017, Physical Plant instituted a monthly OSHA day for Physical Plant department storage and work areas. This establishes and helps maintain good housekeeping practices in often neglected areas, thereby eliminating hazards and ensuring monthly reinforcement of safety guidelines and conditions needed in the workplace. Especially in storage areas, the monthly OSHA day has provided an opportunity to maintain neat and orderly storage areas while also enhancing the work environment.

B. St. Thomas Campus Projects Report

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

- Campus Street Lighting Upgrade -- Completed August 2016
- Campus Bus Shelters – Completed January 2017
- Classroom Administration Bus Shelter Renovation -- Completed January 2017
- Etelman House Renovation and Repair Project – Completed January 2017
- Main Campus Two Meg Generator – Completed September 2016
- Paiewonsky Library Gutter and Fascia Replacement -- In progress
- Center for Marine Environment Studies (CMES) AC Upgrade – Procurement process
- CMES Exterior Painting – Completed September 2016

Capital Project

- CMES Dock Expansion and Ramp Project – Completed September 2016

C. Energy Management Report:

The energy management report covered the following:

- Utility Rate Update
- Energy Consumption Analysis
- LED Lighting Upgrades
- Photovoltaic System Project

D. Status of School of Medicine Facilities Development:

UVI School of Medicine Classroom Building – St. Thomas Campus

Construction of the University of the Virgin Islands' School of Medicine Classroom Building started on May 2, 2016 and is scheduled to be completed September 2017. The project, though slightly off schedule, encountered some difficulties related to the site development which were eventually corrected. Slabs are poured, walls are being erected and the foundation and preparation work are completed. The classroom building is moving along steadily. The structural steel arrived on site the week of November 20th. Crane service started the same week with the placement of structural steel and joist in preparation for the second floor slab. The second-floor slab has been scheduled to be poured and will be completed by the end of January.

Although the project had some set-backs because of rock hammering and rain days, the time lost would be made up by the procurement of long lead time items for interior work. Submittals and RFI's have been submitted and approved for the purchase of the identified items. A number of strategic meetings between Springboard and the University's Project Management team has resulted in a plan to make up lost time. Springboard has presented a revised schedule and will continue to find further avenues as the job progresses. Weekly progress meetings are scheduled for Wednesdays at 9:00 a.m., with representatives from Springboard, the Bourne Group and the University.

UVI School of Medicine Simulation Center – AAS Campus

Springboard/Beck prepared construction drawings for the bidding review process. In addition, the majority of the selection for the interior finishes of the Simulation center was completed as of January 17, 2017. The materials match the School of Medicine Classroom Building on St. Thomas. Springboard also submitted the revised construction schedule, which includes site construction to be completed by December 29, 2017 and furniture, fixtures and equipment (FFE) finishes taking place by April 20, 2108.

The initial site-work mobilization is anticipated to begin on February 13, 2017. The mobilization payment for 10% of the construction cost and Notice to Proceed were issued. In response to a question posed by the Chair, the Administration stated that the project budget of \$8,000,000 stated in its report will be revised.

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

Status Report on Annual Fund

Total contributions to date for fiscal year 2017 (Oct 1, 2016 – January 13, 2017) \$465,955

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 is scheduled to meet on January 24th under the leadership of Co-Chairmen Angel Dawson and Dr. Alfred Heath. The Committee will finalize the upcoming list of public and private announcement events as well as accept recommendations for new membership. President Hall updated the Committee on his progress securing external funding for the University and continued efforts with the UVI Medical School.

GOVERNANCE COMMITTEE.....Ms. Jennifer Nugent-Hill

Update on Board Membership

The Chair reported that the Board of Education held its election on January 21, 2017. It was reported that Winona Hendricks was elected as the Chair of the Board of Education. She replaces Ms. Mary L. Moorhead. She also reported that letters of thanks were sent to the Ms. Moorhead from President Hall and Chairman Smock as well as welcome letters to Ms. Hendricks.

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

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

As of January 24, 2017, the University received a total of \$7,293,628 in allotments from the V.I. Government for Fiscal Year 2017. This represents 69% of the amount requested through January 2017. The outstanding balance of \$646,814 from the December 2016 allotment was received on January 30, 2017. The allotment outstanding as of January 30, 2017 is \$2,646,814, which represents the total allotment for January 2017.

B. (a)Review of Unrestricted Operating Budget to Actual Performance through December 31, 2016

Updated information will be provided.

(b) Review of Unrestricted Operating Actual to Actual Performance through December 31, 2016

Total actual revenues and total actual expenditures were \$13,391,743 and \$9,982,881, respectively, for the same period last year. Total revenues decreased by 11.9% from last year and total expenditures increased by 16.1%.

As an outcome of the BDO review, and beginning with the FY2017 first quarter report, there is an improvement in the way the University reports its revenues. The actual amount reflects revenues

which were earned for the period as opposed to revenues received during the period, which historically included revenues for the subsequent semester when students registered. Therefore the FY2017 first quarter tuition and fees revenues were 43.4% lower than the FY2016 first quarter revenues as previously reported.

C. Review of Restricted Current Funds Expenditures through December 31, 2016

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

Category	October 1, 2016 Fund Balance	Revenues	Expenditures	December 31, 2016 Fund Balance
Federal Grants	\$206,384.95	\$6,130,885.05	\$5,254,737.20	\$1,082,532.81
Local Grants and Contracts	\$879,733.30	\$156,135.30	\$173,904.44	\$861,964.16
VI Legislature	\$726,751.39	\$2,231,404.50	\$501,329.41	\$2,456,826.48
Private Grants and Contracts	\$1,274,284.02	\$158,795.03	\$615,163.07	\$817,915.98
Other	(\$1,131,807.66)	\$800,607.57	\$807,634.21	(\$1,138,834.30)
Total	\$1,955,346	\$9,477,827.46	\$7,352,768.33	\$4,080,405.13

D. Review of CELL Budget to Actual Performance through December 31, 2016

During the reporting period CELL certified 95 individuals in Basic Life Support through the American Heart Association Training Center, partnered with CERC (Caribbean Exploratory Research Center) on the effects of Climate Change on Health Disparities, administered exams to 128 individuals, and provided 19 Safety and Health consultations to businesses potentially avoiding enforcement penalties. CELL is looking forward to providing recurring training program for taxi drivers in collaboration with VI Tourism, working with the VI Police Department to train 160 personnel in customer service training, revising American Heart Association fees to increase profitability and developing a plan to extend CELL beyond the USVI. Through December 31, 2016 CELL's net operating position of (\$33,174.53) was a direct result of lower than budgeted revenues in the unrestricted program. Restricted revenues and expenditures were within budget. Efforts are in place to aggressively pursue new and creative ways to generate revenues and contain expenses.

E. Review of Reichhold Center Budget to Actual Performance through December 31, 2016

The Reichhold Center is reporting a net operating position of (\$15,859.75) as of December 31, 2016. Revenues from ticket sales, and facility rentals are below projections. This is attributed to three season performances that did not meet or achieve capacity projections for a number of reasons to include: Hurricane Matthew which affected the east coast resulting in a change in the date of the Brandy show; and competing events for the same demographic on the day of the Esperanza Spalding show. The staff was successful in securing financial support from various community-based corporations and foundations to launch the season. This is an improvement from the last report as companies approached for sponsorships responded that they were experiencing hardships. Revenues in excess of projections were realized in individual contributions, concessions and stage bill advertising categories. Actual expenditures for the period were 86% of the amount budget. Efforts are in place to arrive at a positive net operating position by the end of the fiscal year.

F. Quarterly Grants and Contracts Report through December 31, 2016

In the first quarter of fiscal year 2017, UVI submitted twelve (12) proposals totaling \$3,660,549 and was awarded eleven (11) grants totaling \$1,421,702. Compared to the corresponding quarter of the previous fiscal year, one less proposal, amounting to a decrease of \$4,886,212, was submitted and the dollar volume of grants awarded also decreased by \$1,211,785.

G. Quasi-Endowment Fund Balance as of December 31, 2016
(Presentation/Discussion)

University of the Virgin Islands			
Endowment Funds			
Comparison Periods Ended December 31, 2016 and September 30, 2016			
Description	31-Dec 2016	30-Sep 2016	Variance
Seslia Title III Endowment	\$ 224,236.00	\$ 222,725.00	\$ 1,511.00
CommonFund Term Endowment	\$ 356,795.91	\$ 354,652.00	\$ 2,143.91
CommonFund National Guard Assistance	\$ 686,568.47	\$ 682,616.00	\$ 3,952.47
CommonFund Veterans Tuition Assistance*	\$ 384,564.29	\$ 879,504.00	(\$ 494,939.71)
CommonFund Scholarship fund	\$ 228,499.96	\$ 227,430.00	\$ 1,069.96
CommonFund Quasi Endowment	\$ 8,060,448.16	\$ 8,039,531.00	\$ 20,917.16
CommonFund School of Medicine Endowment	\$ 22,610,886.49	\$ 22,449,678.39	\$ 161,208.10
Total	\$ 32,551,999.28	\$ 32,856,136.39	(\$ 304,137.11)
*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. The funds were deposited in a UVI account at Banco Popular de Puerto Rico (BPPR) which provides quicker access than CommonFund. As of February 2, 2017, those funds were still in the account at BPPR.			

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

The University contracted with the firm of Ernst and Young (EY) to prepare the audited financial statements for the year ended September 30, 2016 with a due date of March 31, 2017. EY commenced its work early-November 2016. Shortly thereafter the University received a request from the Department of Finance to submit its statements by February 28, 2017. However, since the University had already contracted for a March 31, 2017 completion date, the University negotiated a completion date of March 15, 2017 with EY, which was accepted by the Department of Finance. The University meets and receives weekly updates from EY and based on the progress is on schedule to meet the established due date.

I. 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 P-Card and Corporate card programs are currently being reviewed. The budget manual is being updated to include all modifications and monitoring processes. The revised document will be posted on the university's website. The University completed 75% of the recommendations in the Corrective Action Plan.