

**MEETING OF THE BOARD OF TRUSTEES
June 20, 2020**

**UNIVERSITY OF THE VIRGIN ISLANDS
BY TELECONFERENCE
9:00A.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 2020. The report highlighted 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 though the COVID-19 pandemic imposed restrictions on face-to-face interactions between students and faculty, the university was able to transition to an online delivery within a short time. One hundred percent of classes are now online via Zoom or Blackboard.

AUDIT COMMITTEE.....Henry C. Smock

A. Update on Audited Financial Statements FY2019

The Committee received a report on the Audited Financial Statement for 2018. It included the Independents Auditors Report, Management's discussion and Analysis as well as the Financial Statements.

B. Request for Proposal for Annual Audit of the University's Financial Statements

The Committee received an update report on the status of the progress of the RFP for the Annual Audit of the University's Financial Statements.

BUILDINGS AND GROUNDS COMMITTEE.....Henry C. Smock

A. Campus Projects Update

a. Albert A. Sheen St. Croix Campus Reports

- i. Campus Projects Updates and Campus Restoration
 - 1. Library Flooring upgrade – 95% completed
 - 2. Hurricane Repairs – North West Wing Roof – 90% completed
 - 3. Deferred Maintenance – Fleet Replacement – 10% completed
 - 4. Childcare Facility Renovation (Phase I) 60% completed
 - 5. AES Tractor & Equipment Storage Structure - 56% completed
 - 6. Replacement of Pad Mounted Switchgears - 5% completed

ii. Medical School Simulation Center Construction Update

Site-work activities have resumed on the Simulation Center of the School of Medicine on the Albert A. Sheen Campus. Springboard coordinated with WAPA for the installation of the electrical transformer and the water connection in order to complete Phase 2. Work is still pending scheduling by WAPA. Overall, the core and shell phase of the Simulation Center project is 99% completed.

Grant funding in the amount of \$14.1 million was approved by the U.S. Economic Development Administration (EDA), in October 2019 for the Interior Build-Out of the Simulation Center. The grant total includes all equipment needed.

EDA approved Springline Architect, LLC as the architect and engineer (A&E) professional services firm for the Interior Build-Out of the Simulation Center, to maintain the integrity of the original design. The A&E services will include all updates to existing drawings for bidding, A&E construction administration as well as design management for the fixtures, furniture and equipment. The RFP is anticipated to be issued by May 30, 2020. Completion is scheduled for October 30, 2020.

iii. UVI RTPark Demolition and Reconstruction Project

Status Roof Repair: The installation of the edge metal and drains was completed. IRWPR anticipates completing the re-installation of the membrane of the base of the mill roof by May 30, 2020. The company-experienced delays in procuring materials and supplies due to the *COVID-19 Stay At Home* executive order, issued both in Puerto Rico and in the Virgin Islands. The project is 90% completed.

Status Reconstruction Process: The reconstruction project is approximately 95% completed. Activity completed during this period included the continued modernization of the elevator, repairs of the rooftop, AAON, air-conditioning units, installation of glass walls and windows, installation of the drop ceiling on the canopy roof, and exterior building painting.

Major outstanding items, which include repairs and maintenance of the generator system, inspection of the fume hoods in the science laboratories, and replacement of the stepping-stone entrance to the RTPark with a concrete walkway, are scheduled to be completed by June 15, 2020.

iv. College of Science & Mathematics Furniture Replacement Project:

The furniture project consists of the replacement of commercial furniture for 13 offices, 3 classrooms, common spaces and 3 laboratories. The furniture was destroyed during Hurricane Maria, September 20, 2017. The vendor, Draughting Shaft, experienced shipping delays of the furniture due to business closures associated with the COVID-19 pandemic. Upon receipt of shipment, projected for June 9, 2020, Draughting Shaft anticipates installing all furniture by no later than June 30, 2020.

b. St. Thomas Campus Reports

i. Update on FEMA Funding of Hurricane Damaged Facilities:

The restoration of the St. Thomas Campus following the devastation of Hurricanes Irma and Marie include 20 projects which are divided into two categories and are financed through the FEMA reimbursement program. The first being Section 404, named the Hazard Mitigation Grant Program, which provides protection for damaged facilities and to prevent further damages and the second category is Section 406, which provides public assistance to repair damaged areas of facilities including provision for mitigation measures.

The University continues to receive guidance from Mr. Udo Penther, a certified structural engineer. He was instrumental in assessing the facilities that did not suffer major structural damages and reviewing all mitigation proposals. Through the 404 program, the administration received a mitigation grant in the amount of \$4.1M to address the residence halls and the R.M Paiewonsky Library.

ii. Campus Projects Updates & Campus Restoration – Hurricane Repairs Update:

- Sports & Fitness Center seat replacement - Completed May 2020
- Sports & Fitness Center roof repairs -- Completed April 2020
- Sports & Fitness Center steel framing and metal sheathing – Completed April 2020
- Sports & Fitness Center generator replacement – In progress – scheduled completion June 2020
- Sports and Fitness Center – Ice machine replacement – Completed February 2020
- Security Vehicles (2) – Pending Procurement
- Physical Plant Maintenance Dump Truck – Pending delivery
- R.M. Paiewonsky Library repair projects – concrete & gutter repairs - Completed April 2020
- Music Suite Building Project – Completed April 2020
- Security Projects – replace of Security Gate – Scheduled completion June 2020
- Basketball & Tennis Court Projects – resurfacing project – Completed March 2020
- Tennis Court Lighting Upgrade – Completed April 2020
- Campus Restoration Project – Restroom repairs - Completed April 2020
- Campus Restoration Project – Interior & exterior painting – In progress –Scheduled completion – May 2020
- Reichhold Center project – Parking lot lighting – Completed May 2020
- Reichhold Center project – Roof Replacement -- Scheduled completion -- August 2020
- School of Business Project – Total renovation required - Scheduled completion -- December 2020
- Campus Signage – in progress - Scheduled completion – June 2020
- ADA Compliant Accessibility – (4) lifts – In progress – Scheduled completion - June 2020
- Exterior Painting & Staining of Campus buildings – 4 buildings completed -- 1 building is still in progress
- Asbestos Abatement in the CMES Annex -- In progress – Scheduled completion June 2020
- West Residence Hall – replacement and upgrade of the fire protection system and camera surveillance system -- In progress – Scheduled completion - June 2020

Architectural and Engineering (A&E) Services and Reports:

- President's Guest House – In progress – Scheduled completion - June 2020
- Faculty West #9 – In progress – Scheduled completion – June 2020
- Residence halls regarding mitigation projects – In progress – Scheduled completion – June 2020

iii. Medical School Classroom Building Update:

The Administration continues to evaluate the status of the project with the financial records supplied by Springboard as the mediation process continues. Within this reporting period, the administration has addressed 80% of the hurricane repair items which were funded with proceeds from the Builder's Risk Insurance. This project continues to move forward. Focus is now on finishes. A construction schedule is available which is adjusted as the work progresses. All subcontractors are the original and they continue to work with the University with one goal to successfully complete this project.

iv. Medical School Training and Research Center:

The University has successfully obtained a grant from the U.S. Economic Development Administration (EDA) of \$14 million for the completion and upgrade of the project. Caribbean Professional Consultants was contracted to define a comprehensive Scope of Work for the completion of the project. An RFP would be reviewed and approved by the EDA followed by the solicitation of a contractor/firm to be selected as a successful bidder for the completion of the facility. This project is presently in the Architecture and Engineering (A&E) phase. The administration is currently in ongoing negotiations with Springline Architects LLC. for the completion of the A&E services encompassing the total grant award, which will include the completion of the Medical Center and the proposed Research Annex facility.

B. Solar Energy Proposal Update:

The University remains committed to finding a meaningful solution to the administration's alternative energy challenges. Conversations are ongoing with WAPA regarding their proposal with respect to the installation of solar panels on the roofs of UVI buildings and possibly across the territory. Rates have gone down which is favorable for the institution at this time. The administration remains focused on this aspect of its strategy to reduce costs and increase revenues and will continue to pursue opportunities until a favorable solution is secured.

The Wind Turbine Project was no longer an option for the University primarily because of FAA regulations as it pertains to their policy. The policy requires that the installation of the Turbine system adheres to a three-mile radius away from the runway and high poles are a necessary part of the Wind Turbine Project. Those restrictions would definitely apply specifically to the STT Campus which is situated in close proximity to the airport. However, the Wind Turbine Project is being upgraded and continues to be in demand all over the world.

C. Update on Acquisition of West Bay Facility:

The administration along with Legal Counsel is still collaborating with the V.I. Port Authority regarding the land swap, which also involves the FAA. A positive outcome is anticipated as soon as possible. Additionally, the administration has engaged the services of an architect to redesign the lower level. Cabinet members, the architect and entities that would be occupying the facility were engaged in a very productive meeting, led by the Creativity Lab, which resulted in many creative ideas, giving life to the Research and Innovative Center.

As an outcome of the meeting, the architect would present an early draft of the redesign layout, based on the innovative ideas by May 2020. If acceptable, it would be shared with the team and an RFP would follow for the engagement of a contractor to commence work on the lower level.

Equipment and shelving are still to be disposed of and departments from both campuses, including outside entities have showed an interest in the equipment.

The facility is a two-story building, which includes a loft. The loft contained offices and its square footage was more than 1,000 sq ft. The building also included a basement. The Census Office which occupies the second floor has extended the lease from September 2020, due to COVID19; therefore, the building would be occupied longer than originally contracted.

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

Status Report on Annual Fund

Total contributions to date for fiscal year 2020 (October 1, 2019 – May 15, 2020)
\$1,334,650.84

Vice President Mitchell Neaves provided a detail on the contributions received to date in FY2020 and the impact the Corvid-19 pandemic is having on these efforts. Vice President Neaves also shared specific information captured through the Graduating Student Exit Survey administered for the Class of 2020. President David Hall led a discussion in Executive Session detailing his experiences securing a multi-million dollar major gift and the critical decisions that were made throughout the process of working with the prospective donors.

FINANCE AND BUDGET COMMITTEE.....Oran C. Roebuck

A. Update on the Local Government Appropriation – Fiscal Year 2020

The University's Fiscal Year 2020 local government appropriation was approved for \$33,629,059 as authorized by Act No. 8242 (Bill No. 33-0184). Thus, the University's monthly allotment request is \$2,802,309 from the Office of Management and Budget and the Department of Finance. The University was also appropriated a total of \$1,045,654 for programs in the Miscellaneous Section of the Government of the Virgin Islands' (GVI) Executive Budget and \$1M for the Medical School Debt Service and \$3M for the Higher Education Scholarship Program also known as the Free Tuition program from the Internal Revenue Matching Fund. This brings the total to \$38,674,713 of funds appropriated to the University for Fiscal Year 2020.

On April 23, 2020, the University received correspondence from the Office of Management and Budget advising of a reduction in allotments of \$3,363,039. Therefore the University's revised allotment total for FY2020 is \$35,311,674.

As of May 18, 2020, the University received a total of \$18,336,681.50 in allotments from the V.I. Government for Fiscal Year 2020. This represents 52% of the revised allotments of \$35,311,674 for the fiscal year. Currently, the university is awaiting the receipt of April and May 2020 allotments.

B. (a) Review of Unrestricted Operating Budget to Actual Performance through March 31, 2020

Total actual revenues through the period ended March 31, 2020 was \$24,816,894 representing 93% of the budgeted amount of \$26,618,204. Actual expenditures of \$23,754,460 represent approximately 93% of the amount budgeted of \$25,412,727. The University's Net Operating Position (NOP), which is the difference between year-to-date revenues and year-to-date expenditures at the end of March 2020, was \$1,062,434 as shown in Exhibit A on page 3.

Miscellaneous revenues, at 63% of budget, include the recovery of indirect cost from sponsored programs; the receipt of private gifts, grants, and contracts; and investment income from the endowment fund. The University did not meet budgeted revenue expectations for private grants and contracts, primarily because it had not yet requested its annual gift from the Foundation. It is anticipated that the revenues from this source might be impacted by the downturn in the financial markets as a result of the COVID-19 pandemic and so the question becomes when is the best time to drawdown the funds for the FUVI gift, which constitutes the major of revenues in this category.

We are also reviewing the impact of COVID-19 on our auxiliary enterprises to include housing, food services and bookstore operations. The reimbursement of housing, room and board and other fees to students during the Spring semester as a result of the pandemic impacted these units. However, the uncertainty of what the Fall semester would look like with respect to the number of students we would be able to house in the residence halls and provide meals for in the cafeteria also impacts the projections. So we are closely monitoring this situation and more than likely have to revisit the amounts budgeted for these units on both the revenues and expenditures sides of the equation. Due to the Governor's Executive Order to close all athletic and wellness facilities we also closed the Wellness Center on the St. Thomas campus which also impacted the revenues for this facility. We are currently reviewing our safety and sanitary protocol for the center to ensure compliance before re-opening which we hope to be in the very near future.

Additionally, under the CARES Act, we are eligible for assistance due to losses in revenues, so we hope to apply some of the funds received to the categories that experienced losses due to the pandemic.

With respect to expenditures, due to a number of vacant positions, some of our expenditure categories are below budget.

4. (b) Review of Unrestricted Operating Actual to Actual Performance through March 31, 2020

Total actual revenues and total actual expenditures were \$24,730,178 and \$21,965,842, respectively, for the period ended March 31, 2019. Total revenues decreased by approximately 1% from the prior year and total expenditures increased by 8% compared to the same period of the year before.

The highlights in the period to period comparison include:

Revenue Highlights

1. In the Miscellaneous Revenues category, a 28% decrease primarily due to the non-receipt of the funding from Private Grants and Contracts was realized.

Expenditure Highlights:

1. **Research** – The 21 percent increase in Research expenditures for the first six months of FY 20 is primarily due to the hiring of a new Director in the Office of Sponsored Programs, which was vacant during the first six months of FY 2019.
2. **Public Service** – The 26 percent decrease in Public Service expenditures for the first six months of FY 20 is primarily due to less executive, administrator, and professional staff salaries in the Office of the Vice

Provost and Eastern Caribbean Center, and less temporary professional salaries in Personal and Community Development.

3. **Academic Support** – The 31 percent increase in Academic Support expenditures for the first six months of FY 20 is primarily due to an additional \$100K in personnel costs to fill new and vacant positions for Libraries Administration, Academic Computing, and the Office of the Provost, as well as about \$63K charged to the Office of the Provost for Sports and Fitness related expenditures.
4. **Student Services** – The 18 percent increase in Student Services expenditures for the first six month of FY 20 is primarily due to \$150K in additional personnel costs.
5. **Student Aid** – The 20 percent decrease in Student Aid expenditures is due to less expenses for the college and institutional work study programs and grants to students.
6. **Auxiliary Enterprises** – The 42 percent increase in Auxiliary Enterprises expenditures is primarily due to the transition from a contracted food services vendor on the St. Thomas campus to an in-house food services operation with material expenditures for food service workers and the purchase of food products, along with an electricity expenditure, totaling about \$334K for the Sports and Fitness Center associated with rental activity, which expenditure is offset by revenue.
 7. **Transfers** – The Transfer amount represents the 50 percent matching requirement for incurred costs associated with AES/CES grant awards. The 62 percent increase in the match amount is a result of more incurred costs for AES/CES grants compared to the prior reporting period.

C. Review of Restricted Current Funds Expenditures through March 31, 2020

For the period October 1, 2019 through March 31, 2020, the University's restricted current funds performed as follows:

Category	October 1, 2019 Fund Balance	Revenues	Expenditures	March 31, 2020 Fund Balance
Federal Grants	\$2,824,316	\$23,816,960	\$11,026,344	\$15,614,932
Local Grants and Contracts	\$880,889	\$1,114,114	\$507,337	\$1,487,666
VI Legislature	\$5,181,632	\$4,521,396	\$1,837,858	\$7,865,170
Private Grants and Contracts	\$3,436,514	\$1,104,718	\$697,228	\$3,844,004
Other	-\$1,118,539	\$7,060,679	\$2,849,362	\$3,092,778
Total	\$11,204,812	\$37,617,867	\$16,918,129	\$31,904,550

D. Review of CELL Budget to Actual Performance through March 31, 2020

Among CELL's selected revenue generators for the reporting period are: OSHA 21D, Division of Personnel, Taxi Cab Commission, VI Fire Service, Department of Human Services, GVI Comprehensive Economic Development Study, GVI Tourism Master Plan and Department of Labor Cleaning Techniques for COVID-19. Some of the upcoming programs and events are: Anti-Money Laundering and Financial Crimes Training, Microsoft Excel Boot Camp Training and Computing for Seniors. Revenues totaling \$82,444 and expenditures totaling \$115,385 were generated in the Unrestricted Fund creating an operating deficit of -\$32,941. The restricted programs funded primarily through OSHA and VI Government performed positively during the reporting period resulting in a deficit of \$11,064. CELL is continuing to seek new and creative ways to generate revenues to end the fiscal year in a positive net operating position. A reduction in temporary staff in April will generate additional cost savings. CELL also plans to utilize additional OSHA funds for necessary repairs to the St. Thomas facility.

E. Review of Reichhold Center Budget to Actual Performance through March 31, 2020

The Reichhold Center for the Arts (RCA) is reporting revenues at and exceeding projections in the categories of Foundation grant, individual gifts (Reichhold Circle) and facility and equipment rentals for the reporting period. The Center applied for and was awarded a \$10,000 grant from the Virgin Islands Council on the Arts for the continuation of the Culture Pop-Up series and expenses associated with the restoration of the African Art collection. Revenues collected for facility and equipment rental were for production services rendered to the Sports and Fitness Center for the Dean’s List Reception.

Of the \$125,000 budgeted for the period, a total of \$128,451.82 was expended on salaries and benefits and direct expenditures. Currently there are five employees of which three are temporary and compensated on a “call as needed basis” for assistance with larger events and projects

The Net Operating Position for RCA for the period October 1, 2019 through March 31, 2020 is \$15,003.87.

F. Quarterly Report of Proposals Submitted and Awards Received through March 31, 2020

The Office of Sponsored Programs reports that **15** extramural proposals, requesting a total of \$12,879,317 were submitted to external agencies by UVI faculty/staff members during the second quarter of Fiscal Year 2020 and **9** extramural awards and incremental funding modifications, totaling \$2,584,917 were received during the same period. Compared to the corresponding period of the previous fiscal year, twenty-five (25) proposals, amounting to a decrease of 6, were submitted and the dollar volume of grants awarded also decreased by \$30,260,729. The University was awarded \$28,600,000 by the US Economic Development Administration (EDA) for the completion of the Medical Research and Training Center on the St. Thomas campus and the Medical Simulation Center on the Albert A Sheen St. Croix campus in the first quarter of FY2020.

G. Quasi-Endowment Fund Balance as of March 31, 2020

**Endowment Funds
Comparison Periods Ended March 3, 12020 and December 31, 2019**

Description	March 2020	December 2019	Variance
Seslia Title III Endowment	\$216,124.02	\$240,509.89	-\$24,385.87
Common Fund Term Endowment	\$345,823.66	\$416,900.94	-\$71,077.28
Common Fund National Guard Assistance	\$330,139.23	\$403,406.40	-\$73,267.17
Common Fund Veterans Tuition Assistance	\$624,751.35	\$750,881.37	-\$126,130.02
Common Fund Scholarship fund	\$150,224.87	\$180,685.09	-\$30,460.22
Common Fund Quasi Endowment	\$5,384,711.45	\$5,968,231.62	-\$583,520.17
Common Fund School of Medicine Endowment	\$21,438,623.62	\$25,890,770.81	-\$4,452,147.19
Common Fund Sustainability Fund I	\$7,331,979.38	\$7,235,636.08	\$96,343.30
Common Fund Sustainability Fund II	\$519,190.41	\$517,518.60	\$1,671.81
Common Fund TOPA Scholarship Endowment	\$1,854,169.57	\$2,227,822.72	-\$373,653.15
Total	\$38,195,737.56	\$43,832,363.52	-\$5,636,625.96

All variances represent losses on investments, primarily due to the economic downturn caused by the COVID-19 pandemic. The Common Fund monies invested in equity funds lost about 14.9%, and the Common Fund monies invested in bond funds lost about 4.6%.

H. Status of Audited Financial Statements for the year ended September 30, 2019

The audit of the University’s Financial Statements, Reports and Schedules required by the Uniform Guidance for the year ended September 30, 2019 commenced in November 2019. The University provided all requested items to the auditors prior to the COVID-19 pandemic interruptions, with the exception of the BASB-68 (Pension) and GASB 75 (Other Post-Employment Benefits – OPEB) entries and disclosures, which as of May 28, 2020 is pending receipt. After following up with the Department of Finance on the status of the reports, the University determined it was necessary to request, from the applicable UVI stakeholders, an extension of the established due dates for the submission of the audited 2019 financial statements.

I. COVID-19 Financial Update and Opportunities

The University was informed of the CARES Act Higher Education provisions that provide support to institutions of higher education to maintain operations and continue supporting students. The University successfully applied and was awarded funding through the applicable programs under the Act.

GOVERNANCE COMMITTEE.....Henry C. Smock

Update on Board Membership

Chairman will provide an update on the progress of the appointments of members to the UVI Board of Trustees.

PLANNING COMMITTEE.....Dr. John Quelch

UVINext Board Report: VIUCEDD

The Committee received the UVINext Board Report for all Units that were reviewed during AY 2019-2020. The Planning Committee is responsible for reviewing the Scores and Reports for Administrative Units. During this review cycle there was only one Unit for review, VIUCEDD.