

**MEETING OF THE BOARD OF TRUSTEES
June 4, 2016**

**UNIVERSITY OF THE VIRGIN ISLANDS
GREAT HALL, NORTHWEST WING
ALBERT A SHEEN CAMPUS
10:00 A.M.**

**DRAFT
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, 2016. The report highlighted new student outreach activities and the significant increase in new freshman acceptances compared to the same period last year; the development of new academic programs at various stages in the approval process; 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 responded to a number of inquiries from the committee regarding global and graduate initiatives in India; current status of the programs in St. Maarten; and the current status of the Maritime program. In regards to India, opportunities for short-term exchanges with institutions in India are being negotiated with the aim of providing UVI students with a more international experience.

To date, the programs in St. Maarten have been fairly successful but there are some issues that need to be addressed as the University continues to grow the programs. There are currently 24 students registered on St. Maarten: 13 graduate students and 11 undergraduate students.

In regards to the Maritime program, discussions were held and the curriculum from various partner institutions that offer an Associate degree in Maritime Studies was reviewed. A decision on the program is pending further review in the College of Science and Mathematics.

AUDIT COMMITTEE.....Attorney Henry Smock

A. Update from Ernst & Young

Representatives from Ernst and Young (EY) provided a brief update regarding the Audit of the Financial Statements. It was reported that the 2015 Financial Audit had been substantially completed with the exception of the implementation of GASB 68. They also provided an update regarding a time frame for completion of the component financial statements (Reichhold and FUVI) and the reason for the delay. It is expected they will be issued along with the University's financial statements within the upcoming weeks.

B. Audit Report

The internal Auditor presented a report on the status of the 2015 Financial Audit, an Audit Report on Gifts and Scholarships and an update on the status of Prior Audit Recommendations.

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

A. Campus Projects Update

Albert A. Sheen Campus Report

Two (2) projects, which covered equipment maintenance and replacement, were completed during the period January 1, 2016 through April 30, 2016.

- Grounds equipment replacement - lawnmower - completed March 2016.
- Equipment maintenance – generators updates - completed March 2016.

Compliance Activity Report Albert A. Sheen Campus, St Croix

During the months of January through April 2016, the former compliance officer on the Albert A. Sheen campus conducted a compliance assessment of the campus. A compliance calendar was created to enhance systematic processes and overall unit efficiencies.

The compilation of SDS is being conducted to comply with the new federal regulations guidelines, effective June 2016. Seven additional units on the campus are in the process of collecting the SDS and six other units are still to be trained regarding the new regulations.

ADA Compliance – Evans Center Elevator Repairs - completed January 19, 2016

St. Thomas Campus Report

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

- ACC Parking Lot Lighting Upgrade -- scheduled completion June 2016.
- Faculty West Ramp Repair -- scheduled completion May 2016.
- Gordon House/Health Services Renovations – scheduled completion September 2016
- Little Theatre Emergency Electrical Lighting Repair -- completed March 2016
- Residence Halls Roof Repair and Reseal – Phase I - completed September 2015/Phase II, scheduled completion May 2016.

Capital Projects, St. Thomas Campus

- Center for Marine and Environmental Studies Upgrade and Addition Project – Phases I and II completed; Phase III which includes the expansion and improvement of the existing dock, new boat launch slip, stairway and lighting -- still in progress – scheduled completion, June 2016
- Reichhold Center Renovations:
 - A. Sidewalks and Driveway Repairs - completed May 2016
 - B. Handrail Installation - completed May 2016
 - D. Exterior Siding Sealing and Replacement-- completed August 2015

B. Energy Management Report

The following energy management activities took place during the reporting period:

- The installation of a Leviton Energy Monitoring System is underway at the Sports & Fitness Center and data is expected to flow late May 2016..
- Three energy project reports were made available to the UVI staff; one for VIERS, the RTPark and the ACC Parking Lot.
- An energy efficiency and conservation report with recommendations for the Sports & Fitness Center Gym LED Lighting Retrofit Project was prepared and submitted.
- A Metrix software program would be engaged to evaluate the anomaly in the July 2015 energy consumption chart for the Albert A. Sheen campus.
- An Empowering Insular Communities Grant proposal was submitted to the Department of the Interior to perform facility modernization projects on campus with an expected funding of \$920,000.

C. Environmental Compliance Report

The updating of Safety Data Sheets on the UVI campuses is ongoing. The Reichhold Center and the Little Theatre are still to be completed.

Due to the closure of the UVI Print shop on the St. Thomas campus, the electrical equipment and unused consumer chemical supplies are being investigated for proper disposal, resale, or sealed bid options.

D. Status of Medical Facilities Development

Classroom Building – St. Thomas Campus

The Guarantee Maximum Pricing (GMP) for the classroom building was finally accepted on April 19, 2016. A check for project mobilization was issued to Springboard and they began excavation work May 2, 2016. Updates meetings are being held every Wednesday. The project management team is onboard and a management software is being utilized for sending updates as the project progresses. The project is within budget and an updated detailed schedule would be provided for the Committee.

Simulation Center – Albert A. Sheen St. Croix Campus

The earth change permit and the building permit were approved and received. Cost savings measures were explored relative to the square footage of the facility to stay within budget and a meeting is pending for the discussion of design layout and timeline for the construction of the Simulation Center.

E. Photovoltaic System Project

Based on a Notice of Default that was issued to Veriown for the commencement of the project, in good faith the company surveyed the premises and installed a fence within the notice period. However, the University administration does not consider a partial fence as representative of substantial commencement but as a necessary activity. A letter prepared by MMA Energy Capital, LLC (MMA) was received by Veriown indicating MMA's interest in providing financing in the amount of \$10m for the construction of the project. NGP has provided bridge funding that would allow Veriown to do some additional work. The bridge funding from NGP would be used

to begin work on St. Croix because less land clearance is needed on St. Croix. An updated schedule and term sheet are soon to be received and would be formally shared with the Buildings & Grounds Committee. The Notice of Default issued to Veriown is still in effect.

F. Status of Project to Upgrade Lighting of Courts in Sports & Fitness Center:

Since 2014 reports have been presented in search of a more efficient, better lighting system conversion for the UVI Sports and Fitness Center. Bids were presented and at that time prices were exorbitant. However, with the improvement of technology in LED and energy efficiency, better pricing became available. UVI is looking for a one-on-one replacement and has acquired a 34 HID 1000 metafill light bulbs proposal to replace the bulbs presently active in the facility. Other companies are being explored for better cost offerings which could result in a price in the vicinity of \$60,000 as opposed to 2014 figures previously quoted. This would be a tremendous costs savings for the University.

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

Status Report on Annual Fund

Total contributions to date for fiscal year 2014 (Oct 1, 2015 – May 6, 2016) \$444,055.75

The Vice President of Institutional Advancement, Mr. Mitchell Neaves, provided a brief summary of the contributions received in FY2016, development staff changes and the Capital Campaign. President Hall apprized the Committee of his progress securing external funding for the UVI Medical School, Innovation Centers and 13D Student Entrepreneurship Competition.

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

A. Approval of Miscellaneous Budget Requests submitted to the Office of Management and Budget on March 24, 2016 without approval of Finance and Budget Committee.

B. Update on the Local Government Appropriation – Fiscal Year 2016
The Committee received a written update on the Local Government Appropriation.

C. Unrestricted Budget Performance

a. Review of Budget to Actual Performance through March 31, 2016

Total actual revenues for the period ended March 31, 2016 were \$25,835,802, representing 99.6% of the budgeted amount of \$25,940,494; see Operating Revenue Summary on page 11. Actual expenditures, for the period ended March 31, 2016 were \$22,868,864 representing 92.2% of the budgeted amount of \$24,802,089; see Operating Expenditure Summary on page 13.

b. Review of Actual to Actual Comparison at March 31, 2016 to March 31, 2015

Total actual revenues for the periods ended March 31, 2016 and March 31, 2015 were \$25,835,802 and 28,159,467, respectively; see Operating Revenue Summary on page 16. Total actual expenditures for the periods ended March 31, 2016 and March 31, 2015 were \$22,868,864 and \$26,493,752 respectively; see Operating Expenditure Summary on page 19. Total revenues decreased by 8.3% from the previous year and total expenditures decreased by 13.7% from the previous year.

D. Review of Restricted Current Funds through March 31, 2016

For the period October 1, 2015 through March 31, 2016, the University's restricted current funds performed as follows:

**Summary of Restricted Current Funds
March 31, 2016**

| Category | Budgeted Revenues | Actual Expenditures | Variance |
|------------------------------|--------------------------|----------------------------|---------------------|
| Federal Grants | \$21,996,601 | \$8,310,953 | \$13,685,648 |
| Local Grants and Contracts | \$6,988,199 | \$1,095,437 | \$5,892,762 |
| VI Legislature | \$3,414,062 | \$889,260 | \$2,524,802 |
| Private Grants and Contracts | \$1,714,855 | \$702,899 | \$1,011,956 |
| Other | (201,305) | \$918,162 | (\$1,119,467) |
| Total | \$33,912,412 | \$11,916,711 | \$21,995,701 |

At March 31, 2016, the Restricted Current Funds revenues were \$33,912,412, expenditures were \$11,916,711, yielding a fund balance of \$21,995,701 for the second quarter of FY 2016.

E. Review of CELL Budget to Actual Performance through March 31, 2016

CELL's current net operating position is positive with expenses trending under budget. AHA Capabilities are showing promise to boost revenues. Corporate and Training Initiatives are moving toward approval and implementation. CELL should continue to aggressively seek new and creative opportunities to generate revenue and contain expenses. The unrestricted fund for CELL has a net operating position of \$41,631 as of March 31, 2016; see CELL Operating Statement on page 27.

F. Reichhold Center Budget to Actual Performance through March 31, 2015

Reichhold Center is reporting a net operating loss of (\$93,689) as of March 31, 2016. Revenues from Ticket Sales, Private Grants and Corporate Sponsorships, Facility and Equipment Rentals, and Stage bill Advertising are below projections. See Reichhold Center Operating Statement on page 28.

Revenues

Reichhold Center has six main revenue streams, in addition to the Foundation for the Reichhold Center for the Arts (FRCA), and they are: Ticket Sales, Grants and Corporate Sponsorships, Individual Gifts, Facility and Equipment Rentals, Stagebill Advertising Income, and Concessions. Finally, Miscellaneous Revenue is a smaller, irregular stream that represents income generated by food vendors, cushion rentals, and merchandise commissions.

RCA Foundation Appropriation

The \$250,000 received in the second quarter represents half of the annual grant awarded to Reichhold Center from the FRCA.

Ticket Sales

There were three season performances that fell below the 75% capacity projection: Arturo Sandoval, MOMIX, and Hover Space. The reduction is reflected in the shortfall in Ticket Sales.

Private Grants, Corporate Sponsorships and In-Kind Contributions

For the second quarter, revenues fell below projections. Reichhold Center staff will continue to identify support for individual performances for the remainder of the season.

Individual Gifts

Revenues exceeded projections during the second quarter and staff continues to solicit charitable contributions throughout the season.

Facility and Equipment Rentals

Revenues fell below projections during the second quarter as there were fewer opportunities for rentals. Three season performances occurred during this period. Hover Space specifically needed time for construction and installation due to the logistics involved in producing this particular show.

Concessions

Revenues exceeded projections during the second quarter. Factors that contributed to the increased revenues were: (1) hosting after-parties at the Center following a major concert; and (2) charging booth fees for couples or groups in the Sky Lounge area. The Center anticipates continued growth in this area.

Stagebill Advertising/Miscellaneous Income

Revenues fell below projections during the second quarter. Revenues in this category are generated from cushion rentals, online commissions, merchandise commissions, and Stagebill ads. Stagebill funding continues to be a challenge. We have shifted our efforts to seeking individual/small company event sponsorships which include a Stagebill ad as a benefit.

Expenditures

Expenditures in the following categories exceeded the budget:

Salaries and Fringe Benefits

Expenditures in this category exceeded the budget during the second quarter. This budget overrun was due to overtime wages associated with the Hover Space and Miss UVI productions. Although overtime is usually factored into all of our events, these two events were labor intensive and required staff to be on hand for prolonged periods of time. We currently have a very small core technical crew of three people who perform the work of fifteen people, from stage work to facility maintenance, on a daily basis. During this reporting period there were three major season events, along with other interim activities, and the Miss UVI Pageant. In addition, there were unexpected complications associated with the Hover Space

event, its installation requirements, and the Miss UVI pageant which required a scenic backdrop installation along with a lengthy rehearsal schedule. The overtime issue is not anticipated in the future quarters of this fiscal year.

G. Quarterly Grants and Contracts Report through March 31, 2016

In the second quarter of FY2016, the Office of Sponsored Programs (OSP) submitted 25 proposals for a total of \$18,005,203 and received 19 awards totaling \$3,118,665 compared to 35 proposals totaling \$9,289,010 and 35 awards totaling \$4,143,643 for the same period in FY2015. See Quarterly Grants and Contracts Report, at December 31, 2015, beginning on page 29.

H. Quasi-Endowment Fund Status Report through March 31, 2015

The University's endowment funds, which are invested with Commonfund, totaled \$10,204,514 as of March 31, 2016, a decrease of (\$295,699) compared to the quarter ended March 31, 2015 as shown in the Endowment Fund Schedule on page 30. The decrease is reflective of the withdrawal of \$55,659 as well as market fluctuations during the period.

I. FY 2015 Audit Status

The Committee received an update on the FY 2015 Audit.

J. UVI School of Medicine Finances

The Committee received a report on the Scholl of Medicine finances.

K. Status Report on Development of the Northeast Maritime Institute at UVI

The Committee received a status report on the Development of the Northeast Maritime Institute at UVI.