

**MEETING OF THE BOARD OF TRUSTEES**

**June 6, 2015**

**UNIVERSITY OF THE VIRGIN ISLANDS  
ADMINISTRATION AND CONFERENCE CENTER, FIRST FLOOR  
ST. THOMAS CAMPUS  
9:00 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 2015. Enhanced recruitment efforts have led to an increase in the number of new freshman applications; accepted new freshmen students; and new freshmen students accepting UVI’s offer of enrollment. Other activities and initiatives that were highlighted in the report included updates on the development of the PhD program; new minors and certificates; global and graduate program development; the Master Professor Program update; WOW Customer service activities; and student and faculty achievements.

**AUDIT COMMITTEE.....Ms. Gwen Norton**

**A. Presentation by Ernst & Young**

Representatives from Ernst & Young provided a summary of the FY 2014 Financial Statement highlighting the Report of Independent Auditors giving their unqualified opinion. Also discussed was the Statement of Revenues, Expenses and Changes in Net Position showing an operating loss, a decrease of net position, and an increase of the components. In addition, they discussed the Statement of Cash Flow which is how the University converts accrual basis of accounting into cash. And lastly they discussed the effects of the GASB 65 and what to expect.

**B. Presentation by the Mako Group**

Representatives from the Mako Group provided a summary of their report of the IT Risk Assessment completed on behalf of the Internal Auditor. They discussed the risk assessment identifying areas of risk and providing an audit plan based on their findings.

**C. External Audits**

The Internal Auditor reported on the FY 2014 Financial Statement Audit and A-133 Single Audit. E&Y has been contracted to complete the FY 2015 Financial Statement Audit at the same price as the 2014 Financial Statement Audit. The A-133 Single Audit is in-process and they are on schedule for June 30, 2015.

## **D. Audit Activity**

The Internal Auditor presented a report of the Cooperative Extension Service Grants audit and IT Risk Assessment. The CES audit resulted in all recommendations being accepted by management. The IT Risk Assessment will continue being a working document for purpose of planning future IT audit activity.

## **E. Investigations**

The Internal Auditor reported on a suspected data breach incident reported by the Texas Workforce Commission to President Hall.

## **F. Hotline**

The Internal Auditor reported on four hotline cases that were received and closed during this reporting period. One was substantiated and three were unsubstantiated.

## **G. Inquiries**

The Internal Auditor reported that he is now tracking inquiries received by his office and a report was included. All inquiries were addressed and closed.

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

### **A. Albert A. Sheen (AAS) Campus Project Report**

The Albert A. Sheen Campus report addressed the progress of five (5) projects on that campus which covered upgrades, maintenance and repairs to facilities during the period January 2015 through April 2015. Projects highlighted were:

- Student Center & the Great Hall -- facility maintenance, repairs and painting – completion scheduled for June 30, 2015
- Campus Signage for Buildings – scheduled completion June 30, 2015.
- Outdoor Lighting Maintenance & Solar Street Lights -- all non-solar lights were replaced and Purchase Order for Solar Lights is being processed -- project completion scheduled for June 30, 2015
- Northwest Wing Guttering Repairs – project completed February 2015
- Work Order Software Request system -- Installed December 2014 became fully functional January 2015

#### Compliance Activity – AAS Campus

- Disposed of hazardous waste and recycled approximately 1,500 electronic devices
- Inspected chemical and waste storage areas and compliance requirements were resolved by maintenance staff
- VI Fire Service conducted annual inspection of commercial facilities
- Annual Hazard Communication training was conducted for all custodial staff

### **B. St. Thomas Campus Projects Report:**

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

- Center for Student Success (CSS) Renovation -- completed
- Classroom Administration Building AC Chiller Replacement – substantial completion

- Dining Pavilion Renovations – scheduled completion May 2015.
- Penha House Minor Renovations – completed - Radio station to be relocated

Capital Projects, St. Thomas Campus

- Center for Marine and Environmental Studies Upgrade and Addition Project -- in progress – scheduled completion, revised March 2015
- Reichhold Center Renovations:
  - A. Roof Repairs -- project completed December 2014
  - B. ADA Accessibility and Code Compliance – scheduled completion, revised May 2015
  - C. Electrical Infrastructure Upgrade -- scheduled completion, revised April 2015
  - D. Exterior Siding Sealing and Replacement-- scheduled completion, revised May 2015

**C. Energy Management Report**

**Photovoltaic Project**

Veriown, the innovation and operations arm of NGP, selected an energy storage company and approved the battery storage component of the project. Sizing and finalization of the energy storage system were determined and the battery system will be placed on the AAS Campus due to excess and more potential for energy to be stored in the system. It’s estimated an additional 4-- 5 hours of energy stored would be available for use in the evening. UVI is awaiting permits from DPNR which is expected in approximately two – four weeks. Construction date is estimated for October 2015.

Caribbean Green Technology Center (CGTC) Events:

Veriown has completed the designs for fixed labs, which will be erected on each campus. The labs will include displays for post mount, flat roof mount, and sloped roof mount

**Environmental Compliance Report:**

- A chemical hygiene manual has been developed for employees’ use and continuous training for employees would be ongoing in an effort to train all employees in safety and compliance.
- Disposal of electronic waste items has been ongoing. However, some of the electronic waste was salvaged for repairs and to be reused at UVI. Many useable parts have been garnered for future use.

**Status of Medical Facilities Development:**

The UVI facilities team has been meeting weekly with the medical school architects to review the plans and designs for the classroom building and the simulation center. There have been slight delays but also assurances that the project would be on-time. A site visit from LCME is pending for early June 2015 and it is anticipated that signage would have already been installed and work would be in progress during the visit.

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

**Status Report on Annual Fund**

Total contributions to date for fiscal year 2014 (Oct 1, 2014 – April 28, 2015)      \$630,000.00

The Vice President of Institutional Advancement, Mr. Mitchell Neaves, provided a brief summary of the contributions received in FY2015 and a Capital Campaign status update. President Hall apprized the Committee of his progress securing external funding for the UVI Medical School and provided an update concerning the Liaison Committee on Medical Education (LCME) accreditation process.

**FINANCE AND BUDGET COMMITTEE.....Mr. Edward E. Thomas**

**A. Update on the Local Government Appropriation – Fiscal Year 2015**

On February 25, 2015, the University received a memorandum from the Office of Management and Budget indicating an allotment reduction for Fiscal Year 2015 of \$886,662. However, there was a discrepancy in the calculation and OMB was notified to clarify the information. The University then received a revised notice on March 3, 2015, from OMB stating the reduction is actually \$1,477,703.

This represents a 5% reduction in our current allotment of \$29,554,053 and reduces our allotment level to \$28,076,350.

President Hall updated the Committee that the University reached out to the Governor to withdraw or reduce the reduction. The University will now face a budget reduction of approximately \$554,053.

As of May 28, 2015, the University has received a total of \$19,406,609, in allotments from the VI Government for Fiscal Year 2015. The May allotment is included in the total stated.

**B (a) Review of Unrestricted Operating Budget to Actual Performance through March 31, 2015**

Total actual revenues through the period ended March 31, 2015 were \$27,975,147 representing 100.1% of the budgeted amount of \$27,950,615. Actual expenditures and transfers of \$26,316,904 exceeded the amount budgeted of \$24,915,344 as shown in the Operating Expenditure Summary. Total actual revenues and total actual expenditures were \$25,019,846 and \$23,481,016, respectively, for the same period last year. Total revenues increased by 11.8% from last year and total expenditures increased by 12.1%.

**B. (b) Review of Actual to Actual Comparison to March 31, 2015 and 2014**

**C. Review of Restricted Current Funds through March 31, 2015**

For the period October 1, 2014 through March 31, 2015, the University’s restricted current funds performed as follows:

<b>Category</b>	<b>Budgeted Revenues</b>	<b>Actual Expenditures</b>	<b>Variance</b>
Federal Grants	\$23,804,643	\$8,443,143	\$15,361,500
Local Grants and Contracts	(\$189,345)	\$1,260,128	(\$1,449,473)
VI Legislature	\$2,092,824	\$747,352	\$1,345,472
Private Grants and Contracts	\$1,154,791	\$462,819	\$691,972
Other	\$2,537,691	\$2,001,690	\$536,001
<b>Total</b>	<b>\$29,400,604</b>	<b>\$12,915,132</b>	<b>\$16,485,472</b>

At March 31, 2015, Local Grants and Contracts revenues were (\$189,345) as a result of cost overruns in prior year activities for the AES and CES Grant Programs.

**D. Review of CELL Budget to Actual Performance through March 31, 2015**

CELL’s online programs are well positioned to extend CELL’s reach. Test Center capabilities are showing promise for increased revenue/enrollment. In summary, CELL is on a good pathway for a

profitable year. The unrestricted fund has a net operating position of \$7,472 as of March 31, 2015 as shown in the Revenue and Expenditure Summary.

#### **E. Reichhold Center Budget to Actual Performance through March 31, 2015**

Reichhold Center is reporting a net operating loss of (\$92,147) as of March 31, 2015. Revenues from facility/equipment rentals and stage bill advertising are below projections. This is attributed to the recent economic climate and a shift in the demographics in the territory. Revenues in excess of projections were realized in private grants/sponsorships, individual gifts, and concessions. The Center continues to experience challenges in performance expenditures in spite of efforts to minimize expenditures.

#### **F. Quarterly Grants and Contracts Report through March 31, 2015**

In the second quarter of FY2015, the Office of Sponsored Programs (OSP) submitted 13 proposals for a total of \$4,896,285 and received 19 awards totaling \$2,784,550 compared to 21 proposals totaling \$6,406,408 and 16 awards totaling \$1,778,300 for the same period in FY2014.

#### **G. Quasi-Endowment Fund Status Report through March 31, 2015**

The University's endowment funds, which are invested with Commonfund, totaled \$10,500,213 as of March 31, 2015, a decrease of \$239,773 compared to the quarter ended September 30, 2014. The University withdrew approximately \$700,000 in October 2014 to provide one-time employee bonus awards.

#### **H. Final Audit Report – Fiscal Year 2014**

The firm of Ernst and Young has been engaged to conduct the audit of financial statements and federal financial assistance programs (Single Audit) for the fiscal year ended September 30, 2014. The financial statement audit was completed with no findings and no material weakness. However, the audit firm provided recommendations for areas of improvement and staff is currently implementing those recommendations.

#### **I. Course Credit Overloads**

The Administration is proposing a tuition and fees policy statement that includes a statement for tuition rates for credit hour overloads. Currently, students who are enrolled with 16 or more credits pay the same tuition amount regardless of the number of credit hours. The Finance and Budget Committee voted to table this item.