

**MEETING OF THE BOARD OF TRUSTEES
OCTOBER 25, 2014**

**UNIVERSITY OF THE VIRGIN ISLANDS
GREAT HALL, NORTH WEST WING
ALBERT A. SHEEN 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 August through December 2015. The committee was provided with an update on enrollment; accreditation; new personnel; community outreach; and student and faculty achievements.

AUDIT COMMITTEE.....Ms. Gwen Norton

Internal Audits

The Internal Auditors of Ernst & Young staff members Stephanie Casanova, Alex Rodriguez, and Viviana Gonzalez were present at the meeting. Stephanie Casanova and Alex Rodriguez provided an update to the audit plan and reported that as of this date, the audit was on schedule and that there were no issues or exceptions due to the submission of information.

Ms. Casanova indicated that there would be some critical items due by February 14, 2015. Muriel Smith, Controller, confirmed that those items were being prepared and should be submitted to the auditors on or before the due date. Members of the Committee were pleased with the progress of remaining on schedule with the Audit Plan and were hopeful that progress stays on schedule so the University can meet its reporting deadlines.. The members also expresses thanks He stated he is hopeful that progress stays on schedule so the University can meet its reporting deadlines. He stated he is happy with the progress. This was affirmed by Trustee Nugent Hill and thanks were expressed to members of Ernst and Young and University management for their hard work. Alex Rodriguez stated he would keep the Audit Committee updated as progress is made.

Albert Sheen 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 September 2014 through December 2014. Projects highlighted were:

- Melvin Evans Center Facility Maintenance -- completed December 2014.
- Renovation Project – Music & Art Classrooms – all interior renovations completed, project completion scheduled for May 2015.
- Installation of Automatic Temperature Control Systems & Technical Staff Development -- completed December 2014
- 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 completion scheduled for February 1, 2015

Energy Management Report

Photovoltaic Project

The photovoltaic power generation project has been temporarily suspended to allow for the integration of a battery-storage system. Data loggers were installed on each campus' main WAPA meters in strategic places to determine the energy usage during the course of the day. The data collected was analyzed and shared with battery-storage firms. Once a feasible proposal is received, the information would be integrated into the design and the submission of revised applications for construction permits should occur late January or early February 2015. Chairman Moorhead expressed the concern that the photovoltaic power generation project, which was scheduled to be in operation in October and then was delayed until the first quarter of this year, has been delayed again.

Grants

The University is still awaiting approval notification regarding its \$500,000 grant application. The funding would procure the necessary equipment and the supporting software to establish an Electric Power Grid Security Control Center (Control Center) for research and education on the Next Generation Survivable Electric Energy Systems (SEES). Once approved, the project team will use the funding as a first step towards setting up a similar living laboratory at UVI for research and education. The University would continue to explore and apply for additional grants as they become available.

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. Students would be involved in simulating the construction of the labs by wiring etc., which would be integrated into outreach, workforce development and the University's regular curriculum. The North American Board of Certified Energy Practitioners (NABCEP) certification is scheduled for the week of January 26, 2015. Expected commencement date is March 2015.

1000W Metal Halide Lighting Retrofit for the Sport & Fitness Center

This project is tabled while further research is being conducted.

Energy Consumption Analysis

The St Thomas Campus energy savings remain relatively consistent. As anticipated, the Albert A. Sheen campus realized noticeable double digits increase in savings due to concerted efforts of better control with the air conditioning units. Additionally, the Evans Center now runs on one chiller which has increased savings considerably. It was reported that from October 2014 through December 2014, UVI continued to experience increased savings on the AAS campus, consistent with the STT Campus. For 2015, it is anticipated that UVI would experience a 16% – 17% savings which would be approximately \$650,000 - \$700,000 annually. The goal for 2015 is to have a 50% reduction in the dependence on fossil fuel, which could increase to even 60-65% reduction.

St. Thomas Campus Report

The following is a status report regarding projects on the St. Thomas Campus:

- Center for Student Success (CSS) Renovation -- completed November 2014
- Classroom Administration Building AC Chiller Replacement –scheduled completion, January 2015
- Dining Pavilion Renovations – scheduled completion, January 2015
- Penha House Minor Renovations -- scheduled completion, January 2015

Capital Projects, St. Thomas Campus

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

Status of Medical Facilities Development

President Hall, who was in Tampa FL, reported that the architects for the medical school facilities (i.e., the classroom building on the St. Thomas Campus and the Simulation Center on the Albert A. Sheen Campus on St. Croix) were meeting on a weekly basis and locations were identified for the medical facilities. A site above the tennis court on the STT Campus was identified for the classroom building because of easy accessibility. However, it's still under review because of the proximity to the tennis courts. On the Albert A Sheen Campus, a site was identified for the Simulation Center across from the RTPark, on the east side of Palm Drive, north of the Kiosk.

The cost of the Simulation Center is estimated at \$8M and the cost of the classroom building is estimated at \$11M. Relative to the Simulation Center, a creative design has been selected, and the facility would be modeled after the University of South Florida (USF) Center for Advanced

Medical Learning and Simulation (CAMLS). The design of both facilities is moving forward. Once the architects are comfortable with the drawings, they would be shared with the Buildings and Grounds Committee for comments and reaction. Both buildings will be very attractive and similar in design, which proves to be quite challenging. Parking is being investigated; however, the Albert A. Sheen Campus is less challenging as opposed to the St. Thomas Campus.

President Hall further reported that, at UVI's invitation, a contingent of officials from the Virgin Islands is in Tampa, FL, with UVI officials, to visit and discuss the workings and economic impact of the CAMLS medical facilities at USF, Tampa. The following persons are expected participated in the visit to CAMLS:

Government of the U.S. Virgin Islands:

Mr. Edgar Bengoa, Treasurer, STX Chamber of Commerce, President's Designee
Dr. Mavis Matthew, Chief Medical Officer, Juan Luis Hospital, CEO's Designee
Mr. Duane Howell, Territorial Assistant Commissioner, Dept. of Health, Governor's Designee
Senator Nereida Rivera-O'Reilly
Senator Novelle E. Francis, Jr.
Senator Kurt Vialet
Senator Neville James, President, 31st Legislature

University of the Virgin Islands:

Dr. David Hall, President
Dr. Benjamin Sachs, UVI School of Medicine (UVISOM) Interim Dean
Ms. Shirley Lake-King, VP & CFO/Co-Chair UVISOM Facilities Design Committee
Ms. Nereida Washington, Director of Campus Operations, UVISOM Facilities Design Committee
Dr. Sarah Cunningham, UVISOM Project Manager

Chairman Moorhead commended President Hall for inviting the Senators to participate in the visit to CAMLS, which he believes would answer their questions and concerns regarding the proposed Simulation Center.

President Hall informed the Committee that meetings have been held concerning a planned loan from the U.S. Department of Education HBCU Loan program to fund construction of the medical school facilities. Once the loan documents are obtained, a meeting with the Executive Committee of the Board would be requested.

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

Status Report on Annual Fund

Total contributions to date for fiscal year 2014 (Oct 1, 2014 – January 29, 2015) \$426,698.00

The Interim Vice President of Institutional Advancement, Mr. Mitchell Neaves, provided a brief summary of the contributions received in FY2015 and a comprehensive overview of the status of the Capital Campaign. The University has secured 59% of the \$25M Capital Campaign goal that was established by the UVI Board of Trustees. President Hall updated the Committee on his progress securing external funding for the UVI Medical School.

Eco-Research and Industrial Development Park

President Hall provided to the Executive Committee an update report and additional information based on outcomes from the presentations made at the Special Meeting of the Board held on September 11, 2014 and the Regular Meeting of the Board held on October 25, 2014. The Executive Committee directed UVI Legal Counsel to continue discussions with the entities regarding the matter.

A. Update on Local Government Appropriation – Fiscal Year 2015

As of January 29, 2015, the University received a total of \$7,388,217.72, in allotments from the V.I. Government for Fiscal Year 2015. This represents approximately 75 % of the amount of \$9,850,956.96 requested by the University through January 2015. The University is awaiting the release of January 2015 allotment of \$2,462,739.24.

B. Review of Budget to Actual Performance through December 31, 2014

a. Review of Unrestricted Operating Budget to Actual Performance through December 31, 2014

Total actual revenues through the period ended December 31, 2014 was \$16,949,874 representing 105.4% of the budgeted amount of \$16,079,837. Actual expenditures and transfers of \$11,201,104 were less than the amount budgeted of \$11,521,414. Total actual revenues and total actual expenditures were \$16,255,280 and \$10,664,992, respectively, for the same period last year. Total revenues increased by 4.3% from last year and total expenditures increased by 5%.

It should be noted that the expenditures for Research and Public Service exceeded the budget by 31.1% and 35.2%, respectively, due to the employee bonus payments which were allocated by category.

b. Review of Restricted Current Funds Expenditures through December 31, 2014

For the period October 1, 2014 through December 31, 2014, the University's restricted current funds performed as follows:

Category	Budgeted Revenues	Actual Expenditures	Variance
<i>Federal Grants</i>	\$23,539,961	\$ 2,150,435	\$21,389,526
<i>Local Grants and Contracts</i>	- 517,690	383,771	-901,461
<i>VI Legislature</i>	2,092,824	177,797	1,915,027
<i>Private Grants and Contracts</i>	882,740	211,907	670,833
<i>Other</i>	2,568,927	589,620	1,979,307
Total	\$28,566,762	\$3,513,530	\$25,053,232

At December 31, 2014, Local Grants and Contracts revenues were (\$517,690) as a result of cost overruns in prior year activities for the AES and CES Grant Programs. Those programs were carrying deficits due to expenditures exceeding budgeted amounts and a reduction in the University's match (AES) in prior periods.

Action Plan

To prevent further cost overruns in the future, the Accounting Office will return all requests for payment when funding is not available. In addition, a Budget Deficit Policy will be developed, relative to sponsored programs, and finally, fiscal grant management training will be provided to the appropriate staff to ensure adherence.

C. Review of CELL Budget to Actual Performance through December 31, 2014

CELL's online revenues continue to be profitable. The blended learning initiatives have enhanced enrollment and revenues. Corporate training initiatives bring greater profit margins and plans are in place to aggressively expand this line of business. In summary, CELL is on a good pathway for a profitable year. The unrestricted fund has an operating balance of \$94,596 as of December 31, 2014.

D. Review of Budget to Actual Performance as of September 30, 2014

a. Review of Unrestricted Operating Budget to Actual Performance as of September 30, 2014

Total actual revenues through the period ended September 30, 2014 was \$46,345,505 representing 97.4% of the budgeted amount of \$47,603,452. Actual expenditures and transfers of \$48,943,475 were more than the amount budgeted of \$47,836,766. Total actual revenues and total actual expenditures were \$44,284,776 and \$47,280,343, respectively, for the same period last year. Overall annual expenditures increased by 3.5%.

E. Review of Reichhold Center Budget to Actual Performance through December 31, 2014

Reichhold Center is reporting a net operating surplus of \$25,719 as of December 31, 2014. 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 ticket sales, 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 December 31, 2014

The first quarter of Fiscal Year 2015 experienced an increase in the proposals and grant activities at the University. In the first quarter, the Office of Sponsored Programs (OSP) submitted 21 proposals for a total of \$4,214,565 and received 17 awards totaling \$1,878,519 compared to 6 proposals totaling \$1,073,385 and 7 awards totaling \$1,421,779 for the same period in FY 2014.

G. Quasi-Endowment Fund Status Report

The University's endowment funds, which are Commonfund, totaled \$10,314,839 as of the November 30, 2014, a decrease of \$427,381 compared to the quarter ended September 30, 2014.

H. Audit Status – 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 audit is currently underway with an expected completion date of March 31, 2015. Currently, the auditors have expressed that they are pleased with the progress thus far and they have not communicated any problems or concerns.

I. FY 2015 Operating Budget

An update on current year funding was discussed.

J. Medical School Finances

An update on regarding the Medical School finances was discussed.

GOVERNANCE COMMITTEE.....Mrs. Jennifer Nugent-Hill

A. Research of students and faculty eligibility criteria and terms at other public institutions

This item was tabled until the next meeting.

B. Research the history of adding staff representation to the Board of Trustees

This item was tabled until the next meeting.

C. Recruitment and Nomination Process for New Trustees

Ms. Gail Steele provided a report on members of the Board of Trustees whose terms has expired. Based on the Title 17 in the V.I. Code, Trustees, who are appointed by the Governor, serve until the appointment and confirmation of their successors, regardless of whether their terms have expired. Four Trustees' terms expired in December 2014; they are:

- Chairman Henry Smock
- Trustee Patricia Steele
- Trustee Edward Thomas
- Trustee Sinclair Wilkinson

Trustee Steele expressed that she wishes not to extend her membership on the Board. Trustee Steele indicated that her son loved his UVI experience and expressed kudos to the UVI administration. Trustee Thomas has also expressed that he will not extend his membership on the Board.

Two Trustees' terms will be expiring in March 2015; they are:

- Trustee Carol Fulp
- Trustee Luz Suarez de Highfield

Trustee Highfield submitted her formal letter of resignation, which included possible replacements. Trustees with Ex-officio status are replaced immediately after the Governor has confirmed his appointments.

The Commissioner of Education, who is an ex-officio member of the Board, is replaced upon appointment of a new commissioner by the Governor. Hence, Dr. Sharon McCollum replaced Donna Frett-Gregory. Attorney Nandi Sékou replaced Oswin Sewer on the Board by virtue of her election replacing him as the chair of the Board of Education.

PLANNING COMMITTEE.....Mr. Sinclair Wilkinson

A. Key Performance Indicators/Pathways to Greatness

The Committee received a report that was prepared in preparation for the March Board of Trustees Meeting. The report focused on a Modern and Safe Environment which provided crime statistics as reported from the CLERY Report, UVI Goes Green highlighting energy cost savings, Organization and Human Development with an emphasis on staff diversity and employee persistence rate, Financial Indicators, Research Indicators, and Development.

B. Risk Assessment

The Committee received a report on the 11 new risks identified by the administration. For the benefit of new committee members, a brief presentation about the background and definition of the University's risks as well as the analysis, evaluation and identification of high-level risks and management of those risks was shared during the executive session.