# MEMORANDUM

TO: Board of Visitors Administration and Finance Committee

Robert M. Tata, Chair Larry R. Hill, Vice Chair Lisa B. Smith (ex-officio) Kay A. Kemper (ex-officio)

Yvonne T. Allmond Carlton F. Bennett Pamela C. Kirk Ross A. Mugler Donna L. Scassera

Ingrid Whitaker (Faculty Representative)

FROM: Greg DuBois

Vice President for Administration and Finance

DATE: April 9, 2019

SUBJECT: Meeting of the Committee, April 25, 2019

The Administration and Finance Committee will meet on Thursday, April 25, 2019, from 10:45 a.m.-Noon in Committee Room B (2205) of the Kate and John R. Broderick Dining Commons. Enclosed for your review are the agenda and supporting documents.

### I. ACTION ITEMS

- A. <u>Approval of Minutes</u> The minutes of the Administration and Finance Committee meeting held on December 6, 2018, will be presented for the Committee's approval.
- B. Resolution for Veterans Access, Choice and Accountability Act of 2014, as Amended by Public Law 114-315 and Title 38, U.S.C. Section 3679(c) Ms. Deb Swiecinski, Associate Vice President for Financial Services, will present the enclosed Resolution (pp. 3-4) in supportant Act as recently

VA Chapter 31 benefit recipients.

# RESOLUTION IN SUPPORT OF THE VETERANS ACCESS, CHOICE AND ACCOUNTABILITY ACT OF 2014, AS AMENDED BY PUBLIC LAW 114-315 AND TITLE 38, U.S.C. SECTION 3679(c)

WHEREAS, the Board of Visitors of Old Dominion University has the authority to set tuition and fee charges; and

WHEREAS, 38 U.S.C. 3679(c), the Veterans Access, Choice and Accountability Act of 2014 ("the Act") requires the U.S. Department of Veterans Affairs to disapprove programs of education for payment of benefits under the Post-9/11 GI Bill and Montgomery GI Bill-Active

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**NUMBER:** 1636

**TITLE:** Current Funds Portfolio

**APPROVED:** September 27, 1990

# **Purpose**

Earnings from current funds investments provide an important source of unrestricted revenue for the university. Funding for this program includes all current funds held by the university beyond

composite index cons

- 3. The portfolio shall be diversified between different sectors (government agencies and corporates) and different issues within each sector. No more than 35% of the portfolio shall be invested in commercial paper and no more than 5% of the portfolio shall be invested in commercial paper of any one issuing corporation.
- 4. Securities selection shall be governed by the following quality standards set forth in the Investment of Public Funds Act.:
  - a. Certificates of deposit and bank deposit notes of any Virginia bank rated A, A/B, or B by Keefe, Bruyette & Woods Bank Watch Bank/Thrift Ratings.
  - b. Commercial paper issued by domestic corporations having a credit rating of A1 by Standard and Poor's and P1 by Moody's. Dollar denominated commercial paper issued
  - c. by foreign issuers with a rating of A1 by Standard and Poor's and P1 by Moody's.
  - c. Corporate notes and bonds rated AA or better by Standard and Poor's or Moody's.
  - d. Bankers' Acceptances issued by any domestic bank rated B/C or better by Keefe, Bruyette & Woods and Bankers' Acceptances issued by internationa

#### POLICY REFERENCE

This policy replaces Board of Visitors policy number 1636 titled Cash Management Objectives and Policies for Institutional Funds.

# **Objective**

Provide a source of income through the investment of excess working capital.

# **General Policies**

- (1) All excess cash of the university shall be pooled for the purpose of investment.
- (2) All income accruing from the investment of pooled cash shall accrue to unrestricted current funds.
- (3) Cash shall be continuously invested until needed.

# **Policies Regarding Investments**

- (1) The investments shall be limited to the following types of money market instruments:
  - A. Certificate of deposit of savings and loan institutions and domestic banks;
  - B. Commercial paper of domestic corporations in the top two quality ratings of recognized credit services;
  - C. Government and agency issues backed by the full faith and credit of the U.S. Government;
  - D. Money market trusts consisting of high quality money market securities;
  - E. Other miscellaneous instruments such as repurchase agreements, master notes, bankers acceptances, and insured savings accounts.
- (2) Maturities shall be staggered, so as to meet the cash demands of the university.



# **Asset Allocation & Performance**

Quarterly Report for As of December 31, 2018

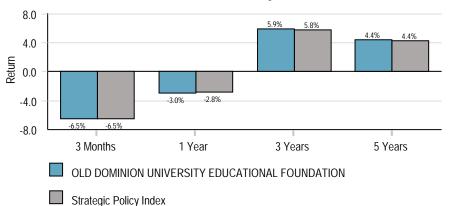
# Asset Allocation on December 31, 2018

	Actual \$	Actual (%)	Target (%)
US Equity	\$57,903,959	24.3	24.5
Non-US Equity	\$53,927,456	22.6	22.5
US Fixed Income	\$17,317,595	7.3	7.0
Non-US Fixed Income	\$11,649,793	4.9	5.0
Hedge Funds	\$33,901,735	14.2	15.0
Real Assets	\$24,716,268	10.4	10.0
Cash	\$2,050,204	0.9	1.0
Private Equity	\$36,682,814	15.4	15.0
Total	\$238,149,824	100.0	100.0

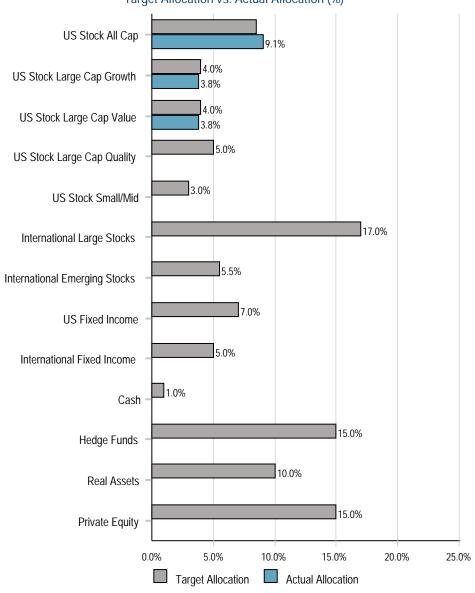
# Summary of Cash Flows

	Last Three Months	One Year
Beginning Market Value	\$251,778,176	\$245,011,249
Net Cash Flow	\$2,717,605	-\$64,222
Net Investment Change	-\$16,345,957	-\$6,797,203
Ending Market Value	\$238,149,824	\$238,149,824

# **Return Summary**



# Target Allocation vs. Actual Allocation (%)





# PROGRESS REPORT ON CAPITAL OUTLAY PROJECTS (As of April 25, 2019)

# PROJECTS UNDER DESIGN AND CONSTRUCTION

#### **HUGO OWENS HOUSE RESIDENCE HALL**

**General Project Information:** The Master Plan approved by the University's Board of Visitors establishes the need for additional student housing. As the campus becomes more residential, it becomes necessary to add and renovate or replace older housing stock in order to keep a marketable mix of residential alternatives. Using 9C bond proceeds and Housing Fund Balance, this project will construct two new residences halls currently authorized by the Commonwealth. The first of these will be a 470 bed, 157,890 square foot, residence hall named the Hugo A. Owen's House in honor of the University's first African-American rector.

Project Design: VMDO Architects

**Funding Source:** VCBA 9C Bonds and Housing Fund Balance

Project Budget: a) Construction: \$49,500,000

b) Architect/Engineer Fee: \$4,125,000
c) Project Inspection: \$475,000
d) Equipment: \$2,250,000
e) Construction Contingency: \$1,500,000
f) Other: \$4,650,000

Total Project Budget:

\$62,500,000

**Status:** The University selected VMDO Architects as the project design firm and work began in mid-January, 2017. DEB(Department of Engineering & Buildings) approved the final design drawings in March 2019. Site work and foundation construction started January 2019.

WM Jordan Company is the Construction Manager-at-Risk (CMaR) Contractor. The project is within budget and on schedule for a summer 2020 completion.

# LABORATORY SCIENCES BUILDING, PHASE I (NEW CHEMISTY BUILDING)

**General Project Information:** The Laboratory Sciences Building, Phase I (appropriated as the New Chemistry Building) will be a \$75,557,000, 110,500 gsf sciences facility. The building will house a number of laboratories, faculty offices, and departmental administrative and technical support areas of the College of Sciences. These include undergraduate teaching laboratories, both undergraduate and graduate research laboratories, dedicated research laboratories, and shared research laboratory support facilities for the Chemistry Department

#### RECONSTRUCT THE STADIUM AT FOREMAN FIELD

General Project Information: This \$67.5M, 312,418 gsf, 9D bond and institutionally funded project will demolish the existing 1930's era clamshell stadium (S.B. Ballard Stadium) at Foreman Field, while retaining the south end zone Gameday Building and parking garage completed in 2009, and the north end zone bleacher stands renovated at the same time. In place of the clamshell seating, the university proposes to erect new seating grandstands on the east and west sides of the stadium. As envisioned, these seating structures will have elevated concourses and the stadium will have new concession stands and code compliant toilet facilities. Press facilities and coaches' booths will be located on the top of the west seating bowl. The University anticipates demolition of the existing clamshells to begin in November 2018 at the end of the regular football

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#### CONSTRUCT HEALTH SCIENCES BUILDING - DETAILED PLANNING

General Project Information: In 2017 the Commonwealth approved the proposed New Health Sciences Building for detailed planning (35% design) to establish project program and budget. Once complete, the Commonwealth with review and evaluate the budget and design for final approval and appropriation of all project costs from the General Fund. The University has provided up to \$3M of institutional monies to complete detailed planning. The Commonwealth will reimburse this amount upon final authorization and funding of the project. DEB provided the figures shown below as estimated costs for a design-to-budget for the detailed planning effort.

The proposed Health Sciences facility is a 126,000 gsf, multi-story building of standard 40 year construction, built on a pile supported slab. We anticipate that, subject to initial project design review, the new building will be constructed on the northwest corner of 41st Street and Hampton Boulevard. The annunciated vision for the facility is to improve healthcare through Interprofessional collaboration. To that end, the project envisions a student centered "home base" for students with informal interactive learning areas and state of the art teaching/learning environments. It is anticipated, pending program deve.6 (i)21.3 (arpe ba)106 (i)13.4(t)-6.6devhat eha olding

### Renovate Practice Basketball Gymnasium as a Competition Women's Volleyball Facility

General Project Information: This \$3,420,000, 20,000 gsf, institutionally funded project will renovate the existing basketball practice gymnasium in the Jim Jarrett Athletic Administration Building as a competition volleyball facility. This facility is needed to support establishment of a Women's Volleyball team at Old Dominion University as part of the University's ongoing Title IX compliance efforts. Completion of the Mitchum Basketball Practice Facility in 2017 allowed both the Men's and Women's Basketball programs to relocate from the Jim Jarrett Building to Mitchum. freeing up the locker rooms, coaches offices, support space and practice gym to be used primarily for the new Volleyball program. While the project will refresh existing locker rooms, offices and support spaces, the bulk of the work is needed to make the existing practice gym a competition venue. In addition to outfitting the existing gym to support volleyball practice and competition, installing seating and toilet facilities to support over 500 spectators, the project will also include significant alterations to the building to provide code compliant paths of egress. The University's Title IX Compliance Plan anticipates hiring a coach in early 2019 and initiating competition play in the fall of 2020. Funding for this renovation will come from a Title IX Compliance Reserve Fund which the University has been building up over time in anticipation of initiating new women's sports programs. i.7 ()]tts i

# CONSTRUCT A STUDENT HEALTH AND WELLNESS ADDITION TO THE STUDENT RECREATION CENTER

**General Project Information:** This is a \$10,967,000, 17,500 GSF, Student Health and Wellness Addition to the north side of Student Recreation Center on the main campus. The project will relocate the existing Student Health Center from Webb University Center to this new facility.

Project Design: TBD

Funding Source: 9D Bonds

Project Budget: a) Construction: \$8,172,500

b) Architect/Engineer Fee: \$982,725
c) Project Inspection: \$183,838
d) Equipment \$490,350
e) Construction Contingency: \$336,900
f) Other: \$833,687

Total Project Budget:

\$11,000,000

**Status:** The University advertised for Architect/Engineering Services in April 2019 and intends on awarding Architectural/Engineering contract in July of 2019. Complete design in 2020 and complete construction by 2022.