

**DRAFT - SUBJECT TO COMMITTEE APPROVAL**

**OLD DOMINION UNIVERSITY**

**Board of Visitors Executive Committee Meeting**

**Monday, 12 November 2001**

**MINUTES**

The Executive Committee of the Board of Visitors met on Monday, 12 November 2001, at 3:00 p.m. in the Elizabeth River Room of Webb University Center on the Norfolk campus. Present from the Executive Committee were:

Walter D. Kelley, Jr., Rector  
Elizabeth W. Atkinson  
Henry P. Bouffard  
Beverley B. Graeber  
Ronald J. A. Villanueva

Absent from the Executive Committee was:

Mary C. Haddad

Also present from the Board of Visitors were:

D. Michael Arendall, Jr.  
J. Jack W. Hilgers  
William M. Lechler

Also present were:

Roseann Runte, President  
Julie Adie  
John P. Broderick  
Dana D. Burnett  
Stephen Daniel  
Robert L. Fenning  
David R. Hager  
Donna W. Meeks  
Rita Woltz

**CALL TO ORDER AND CONVOCATION CENTER TOUR**

The Rector called the meeting to order at 3:05 p.m. The Committee's first order of business was a tour of the Convocation Center. The tour lasted approximately one hour and the meeting reconvened at 4:05 p.m.

## **APPROVAL OF MINUTES**

The Rector asked for approval of the minutes of the Executive Committee meeting of October 8, 2001. Upon a motion duly made by Mr. Lechler and seconded by Mr. Bouffard, the minutes were unanimously approved as distributed. (*Atkinson, Bouffard, Graeber, Hilgers, Lechler, Villanueva*)

## **RECTOR'S REPORT**

The Rector indicated that he had no report at this time.

## **PRESIDENT'S REPORT**

The Rector called on President Runte for her report. President Runte distributed a copy of a memorandum sent from Billie Reed, Executive Director of the Virginia Commercial Space Flight Authority, to the Authority's Board, announcing that the U.S. Congress passed a bill on November 8th directing NASA to spend an additional \$10,000,000 in existing funds for infrastructure improvements and technology upgrades at the Wallops Flight Facility to ensure that it remains a viable asset for the Commonwealth.

## **BUDGET BRIEFING**

Vice President Fenning briefed the Board on the University's biennial budget requests. He indicated that SCHEV's capital recommendations included funds for maintenance reserve projects; a catch-up package including equipment, renovations and improvements; and funds to establish a renovation trust fund. All of Old Dominion's capital projects included in the catch-up package received priority 1 status except for the Fine Arts Phase II project. These recommendations are subject to approval by the General Assembly and the Council of Presidents and Finance Advisory Committee are now in the process of prioritizing projects.

SCHEV's operating budget recommendations included funding for four of Old Dominion University's initiatives: faculty salary increases, base adequacy, student financial aid, and the higher education equipment trust fund.

Vice President Fenning indicated that SCHEV is also updating its master plan for higher education to include an enrollment capacity measure in light of expected large increases in enrollment at state institutions over the next several years. SCHEV concluded that all four-year public institutions except for Old Dominion University demonstrate a slight excess in capacity; Old Dominion shows a deficit. President Runte commented that this demonstrates that Old Dominion University is a good place in which to invest capital and operating dollars.

The Rector requested that this information be shared with the legislators.

### **REACCREDITATION BRIEFING**

Acting Provost David Hager and John P. Broderick, Acting Associate Vice President for Academic Affairs, briefed the Committee on the reaffirmation of accreditation process currently underway at the University. A summary of the process was distributed to committee members. The process began in the Summer of 1999 and involved over 250 university participants who conducted a self-study to judge the institution's compliance with 500 "must" and "should" statements. The institution must comply with each of these statements before reaccreditation is granted.

Dr. Broderick reviewed the six general criteria of the self-study. The self-study resulted in a report consisting of 104 subsections, each with its own compliance table, and supporting documentation that fills several file boxes. Ten recommendations and 60 suggestions were identified during the self-study process. These must be completed in order to receive reaccreditation.

Dr. Broderick stated that the visitation team, led by Dr. Charles Nash, will be at Old Dominion University the last four days of February, and will issue its report in April. Old Dominion will submit its response during the summer, and reaffirmation of accreditation will be granted in December, 2002.

Dr. Hager commented that he has no doubt Old Dominion University will receive reaccreditation. The process itself is extremely important, as the institution must be careful to follow the guidelines established by SACS. The report in its entirety is published on the University's web site.

In response to a question by Mr. Lecher, Dr., Hager indicated that this process takes place every ten years. President Runte commended Dr. Hager and Dr. Broderick on the hard work that this process entails. Mr. Villanueva requested that Board members receive copies of the report.

### **RESOLUTION REQUESTING CODE CHANGE**

Dr. Hilgers commented that during its review of the Bylaws, the Bylaws Review Committee discovered an anomaly regarding provisions for a quorum in that the enabling legislation in the *Code of Virginia* calls for only five members. The resolution presented recommends that the *Code* be revised to require that a majority of the Board be present to constitute a quorum. The following resolution, which was presented as a recommendation of the Bylaws Review Committee, was unanimously approved. (*Atkinson, Bouffard, Graeber, Hilgers, Lechler, Villanueva*)

**RESOLUTION REQUESTING CODE CHANGE**

WHEREAS, the *Code of Virginia* recognizes that the governance of its boards and commissions rests in the majority of each such board or commission, according to the Office of the Attorney General; and

WHEREAS, the *Code of Virginia* (§ 23049.14), regarding Old Dominion University, states, “The board of visitors is to consist of seventeen members...” not counting the student member who does not have voting privileges; and

WHEREAS, the *Code of Virginia* (§ 23-49.17), regarding Old Dominion University board of visitors, states, “Five members shall constitute a quorum.”; and

WHEREAS, the Old Dominion University board of visitors views a majority of the board to be nine voting members of seventeen in accordance with the *Code of Virginia* (§ 23-49.17).

NOW, THEREFORE, BE IT RESOLVED, that the board of visitors requests that the *Code of Virginia* (§ 23-49.17) be amended as follows: ~~“Five members shall constitute a quorum.”~~ **“A majority of voting members shall constitute a quorum.”**

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**RESOLUTION REGARDING UNRESTRICTED BOARD FUND**

Mr. Bouffard indicated that the Administration and Finance Committee is recommending the use of \$2 million from the Board Unrestricted Fund as security against a loan from BB&T for landscaping needs associated with the Convocation Center. The City of Norfolk will provide the funding but is prevented from guaranteeing the loan by its charter. Vice President Fenning commented that the Real Estate Foundation will be the borrowers and its board has already approved this transaction.

Mr. Fenning provided background information on the Unrestricted Board Fund. He stated that it was established by the Board of Visitors with unrestricted gifts in the mid-1970s in order to meet University needs as determined by the President. It was last used in the 1990s for land acquisition purposes, and has a current balance of \$4.8 million, \$600,000 of which committed to the purchase of property. If the Board approves its use for the purpose described within the resolution, the funds can be maintained in the unrestricted account until such time they are needed if the City fails to make a payment. Although the President was granted authority by the Board to expend funds for university purposes, the decision was made to bring this to the Committee for its endorsement given the circumstances.

The Rector expressed some concern, not with the use of the fund for the purposes described, but because he had heretofore not been aware that such a fund existed. President Runte reiterated that the use of these funds for this purpose is essential in order to keep the Convocation Center project

moving, but agreed that the Board should receive a briefing on the establishment and purpose of this fund. Vice President Fenning suggested that this and other endowment funds be reviewed with the Administration and Finance Committee at its meeting in December.

The following resolution was brought forth as a recommendation of the Administration and Finance Committee and was unanimously approved. (*Atkinson, Bouffard, Graeber, Hilgers, Kelley, Lechler, Villanueva*)

### **RESOLUTION REGARDING UNRESTRICTED BOARD FUND**

WHEREAS, Old Dominion University has financed and contracted for the construction of the Ted Constant Convocation Center (“Center”) and associated parking facilities as a part of the development of its initial phase of the University Village; and

WHEREAS, the City of Norfolk has committed to finance up to \$15,000,000 of utility and infrastructure improvements for the development of the University Village and has financed over \$7,000,000 of the improvements to date; and

WHEREAS, the City of Norfolk has included future, annual funding for the construction of University Village utility and infrastructure improvements through FY2006 in increments of \$1,595,000 per year subject to annual budget appropriations in its Capital Improvement Program and has acknowledged that these appropriations will be supported by the administration; and

WHEREAS, Infrastructure Package #5, consisting of street, sidewalks, traffic improvements, site lighting, and other infrastructure necessary to initiate operations of the Center, has been designed and bid and is awaiting award; and

WHEREAS, Norfolk Redevelopment & Housing Authority, the agency responsible for administering the design and construction of the University Village, requires written assurance of funds sufficient to award Infrastructure Package #5; and

WHEREAS, the Old Dominion University Real Estate Foundation has agreed by resolution to serve as borrower for the financing necessary to award Infrastructure Package #5; and

WHEREAS, BB&T has committed to provide the Old Dominion University Real Estate Foundation with a line-of-credit in a maximum principal amount of \$5,200,000 (“Loan”) for the development of land and infrastructure (Infrastructure Package #5) located in the University Village adjacent to the Old Dominion University Convocation Center and Convocation Center Parking facilities; and

WHEREAS, despite the commitment from the City of Norfolk, BB&T requires a stand-by guarantor and will accept the Unrestricted Board Fund as a stand-by guaranty of the Loan in the

event the City shall not fund the cost of the aforesaid infrastructure improvements for which the Loan is to be used. Such guarantee shall be to maintain an asset value of approximately \$2,000,000 in the Unrestricted Board Fund during the term of the Loan. In the event that the City of Norfolk does not fund one of its annual payments, the University will transfer the approximately \$2,000,000 into a pledged account. Further, if the Real Estate Foundation fails to make any payment of accrued interest or principal, BB&T will be able to use funds in the pledged account to make such payments; and

WHEREAS, pursuant to Board of Visitors Policy Number 1633 regarding the Quasi Endowment and Current Funds Reserve Portfolio Pool A and Pool B, approved September 27, 1990, and Policy Number 1635 regarding the Authority to Expend Quasi-Endowment Income for University Operations, approved April 4, 1986, and revised September 27, 1990, which provides that the President is authorized to use Quasi-Endowment (Unrestricted Board Fund) as collateral to secure loans; and

WHEREAS, the Unrestricted Board Fund Quarterly Statement as of September 30, 2001 shows an estimated endowment value of Four Million Eight Hundred Forty-Five Thousand and Four Hundred Eighty-Seven Dollars (\$4,845,487).

NOW, THEREFORE, BE IT RESOLVED, that the Board of Visitors of the Institution supports and endorses the decision of the President to pledge, subject to the conditions described above, the Unrestricted Board Fund of Old Dominion University as stand-by guarantor for the Loan.

This resolution shall take effect immediately upon its adoption.

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**BOARD RETREAT**

The Rector indicated that the Board will hold its annual retreat on January 10-11 in Richmond. The General Assembly convenes on January 9<sup>th</sup>, and the Board will host a legislative reception on January 10<sup>th</sup>. Board members also have the option to stay in Richmond Friday evening in order to attend the Governor's inauguration. Rooms have been reserved at The Berkeley Hotel for those who will be staying overnight, and the meetings will take place at the Troutman Sanders law firm in the Bank of America Building across the street. The tentative agenda includes a Board self-evaluation on Thursday afternoon and a review of the University's Mission and the Board Policies and Procedures on Friday. Vice Presidents should plan to attend on Friday only. President Runte suggested that Richmond area alumni be invited to the reception.

## **OLD/UNFINISHED BUSINESS**

The Rector asked if there was any old or unfinished business to come before the Committee. Dr. Hilgers indicated that the final draft of the Bylaws was to Board members sent on November 5<sup>th</sup> along with a notice that action will be taken at the December board meeting. The comment period for these revisions has passed. He hopes to have information to the Board soon related to suggested revisions to the Board's policies and procedures.

## **NEW BUSINESS**

Dr. Hilgers distributed a handout from SCHEV on the budget process calendar and indicated that this information will be incorporated into the policies and procedures.

Mr. Villanueva asked Vice President Burnett to comment on the recently revised Emergency Plan. Vice President Burnett stated that the Plan includes provisions for weather closings, fires, anthrax scares and other extraordinary crisis situations. Parts of this plan have already been in operation for quite some time (for example, inclement weather situations). He indicated that the Plan calls for the convening of the Emergency Response Team whenever a situation warrants it. The Plan will be shared with the Student Affairs Committee in December.

With no further business to be discussed, the meeting adjourned at 5:30 p.m.