

OLD DOMINION UNIVERSITY

**Board of Visitors Executive Committee Meeting
Monday, August 12, 2002**

MINUTES

The Executive Committee of the Board of Visitors met on Monday, August 12, 2002, at 3:00 p.m. in the Rectors' Room of Webb University Center on the Norfolk campus. Present from the Executive Committee were:

Walter D. Kelley, Jr., Rector
Beverly B. Graeber
Mary C. Haddad

Also present from the Board of Visitors were:

Kendra M. Croshaw
William M. Lechler
William E. Russell
Moody E. Stallings, Jr.

Also present were:

Roseann Runte, President
Robert Fenning
Jack Hilgers
William McMahan
Donna Meeks
Rita Woltz

CALL TO ORDER AND MOTION FOR CLOSED SESSION

The Rector called the meeting to order at 3:20 p.m. and welcomed new Board members Kendra Croshaw and Moody Stallings. He also welcomed former member Jack Hilgers, who he had invited to report on the results of the June 25th Bylaws Review Committee meeting.

The Rector recognized Vice Rector Graeber, who made the following motion: "Mr. Rector, I move that this meeting be recessed, and that we reconvene in Closed Session for the purpose of discussing actual litigation and specific legal matters requiring the provision of legal advice within the jurisdiction of the Board, specifically, two construction suits and one potential construction suit; one tort action and one potential tort action; one potential civil rights claim; one debt collections suit; and one employment matter as permitted by Subsection (A), Paragraph (7) of Section 2.2-3711 of the Code of Virginia." The motion was seconded by Ms. Haddad and unanimously approved by all members present and voting. *(Croshaw, Graeber, Haddad, Lechler, Russell, Stallings)*

RECONVENE IN OPEN SESSION AND FOIA CERTIFICATION

At the conclusion of the closed session, the meeting reconvened in open session, at which time the Rector called for the Freedom of Information Act certification of compliance that (1) only public business matters lawfully exempted from the open meeting requirements under the Freedom of Information Act were discussed and (2) only such public business matters as were identified in the motion by which the closed session was convened were heard, discussed or considered. The certification of compliance vote was six in favor and none opposed. *(Croshaw, Graeber, Haddad, Lechler, Russell, Stallings)*

APPROVAL OF MINUTES OF MARCH 18, 2002 EXECUTIVE COMMITTEE MEETING

Before calling for approval of the minutes, Rector Kelley indicated that there currently exists two vacant standing committee chairmanships for the Institutional Advancement and Student Advancement Committees. Whereupon, he appointed Mr. Lechler as the interim chairman of the Institutional Advancement Committee for purposes of this meeting only in order to satisfy the requirement for a quorum. The Rector then asked for approval of the minutes of the Executive Committee meeting held on March 18, 2002. Upon a motion made by Ms. Graeber and seconded by Mr. Lechler, the minutes were unanimously approved as distributed. *(Croshaw, Graeber, Haddad, Lechler, Russell, Stallings)*

RECTOR'S REPORT

The Rector reported on the recent appointment of Ms. Croshaw, Mr. Hixon, Mr. Maniyar, Mr. Mugler and Mr. Stallings to the Board, and indicated that orientation sessions for the new members were scheduled for this week.

REPORT OF THE BYLAWS REVIEW COMMITTEE

The Rector called on Dr. Hilgers, who chaired the last meeting of the Bylaws Review Committee on June 25th before the end of his term on the Board, to report on behalf of the Committee. Dr. Hilgers indicated that the meeting was attended by Board members Bouffard, Hilgers, and Lechler, student representative Arendall, and Vice Presidents Burnett, Fenning and Hager. He noted that the President and Vice Presidents have participated in most of the Committee's meetings.

The Committee reviewed the changes to the Bylaws distributed on May 14, which were not acted upon at the June meeting because the requisite number of Board members were not present. The Committee added wording to Section 2.02(d) to provide clarity and consistency in support of the name change of the Academic Advancement Committee to the Academic and Research Advancement Committee. The Committee also considered changes to Section 7.01(f) related to presidential evaluations as the result of issues raised at the June Board meeting. The remaining revisions are minor

Dr. Hilgers recommended on behalf of the Bylaws Review Committee for endorsement of these proposed revisions by the Executive Committee, with the exception of Section 7.01(f) which has not yet been formally reviewed by the President. The notice of these Bylaws revisions will be sent to the Board the following day in order to give the required 30 days' notice.

Ms. Haddad pointed out that some inconsistency remains in the document as to the wording of the Academic and Research Advancement Committee, noting that in some places it is referred to as Academic and Research Advancement Committee and in others as Academic Advancement and Research Committee. She suggested that those inconsistencies be corrected. Dr. Hilgers thanked Ms. Haddad for pointing these out and assured her that those will be corrected prior to mailing to the Board.

Ms. Haddad asked if a section had been included to permit a faculty representative to the Board, and Dr. Hilgers responded that it was not. She then asked if the section regarding advisors to the Board was new, and Dr. Hilgers responded that it was not.

A motion was made by Mr. Lechler that the Executive Committee endorse the proposed revisions to the Bylaws, with the corrections noted above by Ms. Haddad and with the exception of Section 7.01(f). The motion was seconded by Ms. Haddad and was unanimously approved by all members present and voting. *(Croshaw, Graeber, Haddad, Lechler, Russell, Stallings)*

A brief discussion followed about Section 7.01(f) wherein President Runte stated that there was no need for her to formally comment on this revision nor was there a need for the Bylaws Review Committee to meet again to discuss it. Whereupon, a motion was made by Mr. Lechler that the Executive Committee endorse the proposed revisions to Section 7.01(f) of the Bylaws. The motion was seconded by Ms. Haddad and unanimously approved by all members present and voting. *(Croshaw, Graeber, Haddad, Lechler, Russell, Stallings)*

The Committee next considered the proposed new Policy 1101, Board Governance. Dr. Hilgers commented that the revised policy sets forth the Board's authority and from where it is derived, and provides for regular reviews and briefings. The Bylaws Committee recommends endorsement by the Executive Committee. Mr. Lechler made a motion to endorse the revisions. The motion was seconded by Ms. Haddad and was unanimously approved by all members present and voting. *(Croshaw, Graeber, Haddad, Lechler, Russell, Stallings)*

Dr. Hilgers reviewed the proposed revisions to Policy 1102, Communications With the Board of Visitors. He stated that modifications were made to address concerns expressed at the last meeting, do not diminish the authority of the President, and in fact strengthen the Rector's and President's role in the handling of such matters. The first paragraph reflects recommendations made by the Blue Ribbon Commission on Higher Education, as does the first sentence in paragraph six. The remainder of paragraph six conforms with the Freedom of Information Act. A motion was made by Ms. Haddad that the Executive Committee endorse the proposed revisions. The motion was seconded by Mr. Lechler and was approved, with one opposing vote. *(Approved: Croshaw, Graeber, Haddad, Lechler, Stallings; Opposed: Russell)*

NOTE: Dr. Russell originally voted in favor of this policy revision. However, subsequent to the initial vote, Dr. Russell expressed his opposition to Policy 1102 and suggested that it first be endorsed by the administration. He commented that this policy moves the Board into administrative territory and sets a dangerous precedent for future Boards who may take a more aggressive role. Ms. Haddad stated that the Executive Committee, in endorsing these policies, is not approving them, but is merely endorsing the **process** of forwarding them to the Board of Visitors for discussion, debate and action. Following discussion, Dr. Russell requested that his vote be changed to reflect his opposition.

Dr. Hilgers reviewed the proposed revisions to Policy 1104, Representation to the Board of Visitors. He reminded the Committee that Paragraph 2 was approved by the Board at the June meeting but Paragraphs 1 and 3 were deferred for consideration at the September meeting in order to allow time for consideration of its impact. Ms. Haddad made a motion that the Executive Committee endorse the revisions. The motion was seconded by Ms. Graeber. Further discussion followed wherein Dr. Hilgers stated that the Bylaws Committee took into consideration other types of faculty representation by other public institutions in Virginia, and decided not to change the initial recommendation. The proposal was presented to, and endorsed by, the Faculty Senate. Dr. Russell asked if this policy was endorsed by the administration, to which Dr. Hilgers responded that the administration was involved in these discussions.

The Rector asked Dr. Hilgers to review the background of this policy for the new Board members. Dr. Hilgers explained that three years ago the legislature provided for a student representative to the Board. Subsequent legislation had been drafted for faculty representation that is not similar to the current legislation on student representation. The procedures for student representation are controlled by the Board. The proposed legislation dictated to the Boards how the faculty representative would be appointed, and did not limit the number of representatives. This is considered an abrogation of the Board's authority and a conflict of interests since the President hires and fires faculty members. As a result, a group lobbied against this and the legislation, while passed by the House during this last session, was killed in the Senate. Representatives from the various Boards of Visitors thought it would be better for the individual Boards to provide for faculty representation, either through Bylaws revisions or the adoption of policies and procedures, in order to thwart this being controlled by legislation. So far, six institutions have made such provisions.

The President added that, when this was brought up at the June Board meeting, some Board members opposed this policy on two grounds. Some opposed this because they felt that there should not be faculty on the Board, as it could result in a conflict of interests. Others were concerned about the number of days that they had been informed of this change and wanted more time for review and discussion.

Ms. Graeber called the question, whereupon the motion to endorse Policy 1104 was approved by majority vote, with one of abstention. (*Approved: Croshaw, Graeber, Lechler, Russell, Stallings; Abstained: Haddad*)

Dr. Hilgers presented new Policy 1107, Board of Visitors Meeting Scheduling and Procedures, which had not been distributed previously to the full Board because the section on the Board agendas needed to be refined. Most of the procedural material came from the old Board of Visitors Bylaws,

and was omitted from the current version of the Bylaws according to *Robert's Rules of Order, Newly Revised*. The Bylaws Review Committee requests that the Executive Committee and Board members present review this new policy and submit any comments to Mr. Lechler by August 21 before it is sent to all Board members. If no comments are received by August 21, the Committee will assume concurrence. The Bylaws Review Committee will meet again prior to the September meeting.

Ms. Graeber commented that she was pleased to see in the Bylaws that the Board must be given at least 15 days' notice of all policy revisions. Dr. Russell stated that the section on "Agenda Process" requiring that "alternative recommended courses of action" is problematic. Ms. Graeber therefore recommended that the section be revised to add, "where appropriate."

Policy 1109, Board of Visitors Recruitment, was developed in conjunction with the Office of the Secretary of Education and has the concurrence of the President and the Alumni Association. The Bylaws Review Committee requested that the Executive Committee and Board members present review this policy and provide comments to Mr. Lechler by August 21.

Finally, Policy 1610, Statement of Policies of the Internal Audit Department, was brought up in the Administration and Finance Committee during the June meeting, and was recommended for review by the Bylaws Review Committee. Vice President Fenning was asked to comment on the proposed policy revision. Mr. Fenning explained that a number of the revisions are necessary due to the changes to the Bylaws relating to the Internal Audit Department. A large impetus for the changes, however, are changes in the Internal Audit profession whereby internal auditors are now being asked to function in a way that would improve the overall efficiency of the organization. Minor revisions were made as the result of discussions at the June 14th Administration and Finance Committee. The Bylaws Committee recommended endorsement by the Executive Committee. A motion to endorse was made by Mr. Lechler and seconded by Ms. Croshaw. The motion was approved unanimously by all members present and voting. (*Croshaw, Graeber, Haddad, Lechler, Stallings*)

At the conclusion of these actions, Ms. Haddad requested of Mr. Kelley, as the new Chairman of the Bylaws Review Committee, that Bylaws revisions be made only on an annual basis, perhaps after the General Assembly session each year, rather than on a more frequent basis. Mr. Lechler indicated that the Bylaws Review Committee has been meeting regularly during the last year and a half to discuss and recommend changes to the Bylaws that were needed to conform to current practice. Now final adjustments are being made to the Bylaws and he foresees that the new Bylaws Review Committee will not have a lot of work to do from here on out. The Rector stated that Ms. Haddad's recommendation that this process be done annually would be taken into consideration and discussed at the next meeting of the Bylaws Review Committee.

Dr. Russell expressed his appreciation for all of the time and dedication that Dr. Hilgers and the Bylaws Review Committee put into this process. The Rector echoed Dr. Russell's accolades and indicated that, pursuant to Section 5.07 of the Bylaws, the Board may elect to have advisors to the Board who are not members of the Board. Mr. Kelley has asked Dr. Hilgers to serve as advisor and he has agreed to do so. This must be approved by the Board, and the Rector requested that the Executive Committee endorse Dr. Hilger's appointment as a non-Board member advisor. Ms.

Graeber so moved. The motion was seconded by Mr. Lechler and approved unanimously by all members present and voting. *(Croshaw, Graeber, Haddad, Lechler, Russell, Stallings)*

The Rector indicated that currently two vacancies exist on the Bylaws Review Committee and appointed Ms. Croshaw and Ms. Graeber to fill these vacancies.

Ms. Haddad requested that the Committee revisit Policy 1102. She expressed her concern that she made the initial motion to endorse but then abstained from voting, and therefore asked that her original motion be removed. Whereupon, Mr. Stallings made the motion that the Executive Committee endorse Policy 1104 and the motion was seconded by Mr. Lechler. Before calling for the vote, Ms. Haddad expressed concern about conflict of interests that may arise from having faculty representatives on certain committees. She also expressed her preference for having an open discussion on this issue by the Executive Committee rather than by the full Board at the meeting in September. Mr. Lechler commented that the Board must be allowed to discuss the issue before voting on it in September. The Rector reiterated that this issue may become legislated and so this proposed action is an attempt at a pre-emptive strike. In response to Ms. Graeber, Dr. Hilgers indicated that Mary Washington, Virginia Tech, Longwood, and William and Mary currently have provisions for faculty representation. Mr. Stallings commented that Ms. Haddad's concerns may already be addressed in Section 3.a. of the policy, which allows the Board to excuse the faculty representative at any time for any issue.

Ms. Graeber called the question. The motion to endorse was approved, with one of abstention. *(Approved: Croshaw, Graeber, Lechler, Stallings; Abstained: Haddad)*

REPORT OF THE PRESIDENTIAL EVALUATION COMMITTEE

The Rector called on Mr. Lechler for a report of the Presidential Evaluation Committee. Mr. Lechler indicated that the Committee met on June 14 and the meeting was attended by Ms. Atkinson, Ms. Woolsey and the Chair. The final evaluation forms were approved and were subsequently sent to all Board members for completion. As of today, 14 completed evaluations have been returned. Mr. Lechler recommended that a meeting be scheduled with the Rector, President and Chair to discuss and review compensation options, and followed by a meeting of the Committee prior to the September 13th Board meeting. The Chair also requested that the Rector appoint a member to the Committee to replace Ms. Atkinson.

The Rector said that he will work with Ellie to schedule a meeting for himself, President Runte and Mr. Lechler. He encouraged Board members who have not yet done so to turn in the completed evaluations.

REPORT ON VARIOUS CONSTRUCTION PROJECTS

The Rector called on Vice President Fenning for an update on current construction projects. Mr. Fenning reviewed the status of the Constant Convocation Center. The overall project is 98%

complete and substantial completion will occur in late August, leaving approximately 60 days between now and the opening on October 25th to complete the punch-list items and install the fixtures, furniture and equipment. Mr. Fenning complimented the architect and Steve Ballard and his company for their ability to deal with hundreds of subcontractors in order to keep this project on schedule.

The 1,400 car parking structure is 99% complete and will open for the Fall semester. The surface lot is also on track for opening for a Fall semester opening and will provide an additional 260 parking spaces. In addition, about 55 new spaces will be added near the Art Studio Building prior to the Fall semester. Mr. Fenning described how the University is working with the City on the Event Management Plan to maximize parking and traffic flow during events. In addition to the 1,400 car parking structure and the 260-car surface lot for VIP parking, two other parking locations will be used for major events - the parking deck at 43rd Street and Elkhorn Avenue and Lot 27 in front of the H&PE Building, with the Maglev serving as a shuttle.

Vice President Fenning reviewed the status of the Village infrastructure for which the University is receiving incremental funding from the City to complete. Currently the University is completing Bid Package #5 that includes the brick sidewalks from 41st to 47th Streets. The total project, including Main Street, will be completed in October. However, 41st, 45th and 47th Streets will be open to access parking by the start of the semester.

Mr. Fenning shared the new renderings of the planned student residences in the Village. These student residences will be located from 43rd Street to north of 47th Street and will be developed in two phases. The first phase consists of up to 475 beds and about 30,000 s.f. of street level retail. Construction will begin in October with a planned Fall, 2003 occupancy. Land assembly and development issues are currently being resolved. Phase II will complete the project, and in total the project will add an additional 1,000 beds to the campus to supplement the 2,400 beds that are currently available to students. Mr. Fenning indicated that the financing is being obtained by the Real Estate Foundation, who will be the owners of the property.

The infrastructure of the Maglev demonstration project is now underway and has received quite a bit of press. Station construction is 45% complete and track installation is 60% complete. The first propulsion test was done last week with the goal of running the train it back and forth from Webb Center on a continuous basis. Certification is necessary and may present some timing challenges, but the hope is still to have the system operational for public use late in September.

Construction bids were received on August 1st for the 80,000 s.f. Engineering and Computational Sciences Building. There was a low apparent bidder of the eight bids received, and the University is proceeding ahead with contracts and performance bonds. The project is being funded by as part of catch-up package under 9-D Bonds that are sold by the Commonwealth and supported by General Fund appropriations. It is hoped that construction will begin in late August or early September.

Constant Hall has been in use during the summer sessions and work on the punch list items will continue in order to fully utilize the building. Vice President Fenning advised the Committee on other smaller renovation projects to position the institution for the beginning of the Fall semester.

Mr. Fenning reviewed several new initiatives to enhance the quality of life for the students. These include a new Technology Store that will offer deep discounts for students who wish to purchase computers, a Cybercafe, and Starbucks Coffee, all to be located in the North Mall of Webb Center. Webb Center will also become a wireless environment in response to expressed student needs. Starbucks Coffee will also be located in the Batten Arts and Letters Building.

BUDGET REPORT

Vice President Fenning reported on the current budget situation and the steps the University is currently taking to mitigate the anticipated revenue shortfalls that are being reported from Richmond. He reported that the University began the fiscal year with an additional \$50,000 as the result of a cash "loan" made to the state to help with their cash shortage at the end of fiscal year 2002. The Department of Planning and Budget requested that the University close its fiscal year with a \$50,000 carry-over that was given to the State and returned to the University at the beginning of the current fiscal year.

The University also budgeted on the assumption of level enrollment, not only because of the uncertainty of the impact of the increased tuition and fees, but as a conscious effort to budget conservatively in anticipation of possible additional revenue shortfalls and budget reductions.

Currently, headcount enrollment is approximately 6% higher than last year at this time, and FTE enrollment is 5% higher than last year. The distribution of in-state vs. out-of-state, graduate vs. undergraduate will impact the actual tuition revenue realized from this increased enrollment.

In anticipation of significant shortfalls in state revenue collections, the University has complied with a request by the Secretary of Education to update its budget reduction plan, originally submitted last February, based upon new tuition and fee revenue. This information has been compiled and will be provided to the money committees later this week. On August 19 the Governor will announce the revised revenue forecast and it is expected that he will take action immediately based on the projected revenue shortfall. The Governor is permitted to reduce budgets by up to 15% without any action on the part of the General Assembly.

To prepare for the possibility of further budget reductions, the University has slowed down its discretionary spending. President Runte announced to the campus about two weeks ago a freeze on all equipment expenditures. A selective hiring freeze has also been implemented such that only critical recruitments have been allowed to continue. The University poised to take immediate action once directions are received from Richmond. And, while everyone agrees that additional reductions will take place, the question now is whether the cuts will be executed uniformly across agencies or will be differentiated for and among higher education agencies.

Ms. Haddad asked if the reductions might be geared toward the base adequacy model. President Runte responded that that is her hope, and indicated that she may be calling on the Board members to assist in making calls if the appropriate opportunity arises. She expressed her concern, however, that revenue derived from enrollment increases above that which was budgeted might get taken off

the top in order to make it appear as if the budget cuts are less. If that were to be done, institutions like Old Dominion University would be doubly hit because it would not only discourage initiative, but would penalize those institutions that accepted higher enrollments for the additional revenue in order to function. Therefore, it is being proposed that, should there be a cut, any additional funds that an institution received via tuition be counted as part of the whole, and not taken off the top, and that cuts be done according to the base adequacy model.

Ms. Graeber asked if all construction projects currently underway are already funded. President Runte indicated that they are all funded, and those funds are from different categories. The only exception may be the funds that were targeted for the Engineering and Computational Sciences Building, and Vice President Fenning assured the Committee that no contracts will be executed if the funds are determined not to be available.

PRESIDENT'S REPORT

The Rector called on President Runte for her report. President Runte commented that, in the interest of time, rather than reporting on each of the topics she had planned to address, she would instead send each member of the Board a written report. Her report will cover the following topics: political aspects of the budget cut, the CAA report, the Vision Statement, the Motto, the NIA Grant, the Tobacco Commission, and new Federal earmarks. She did mention that Old Dominion is now earmarked in the Federal budget, having received in January \$5.1million for Bioelectronics, and expecting to receive \$1 million for Troops to Nurses, \$1 million for the Community College Leadership program, \$2 million for Maglev, and \$5 million for systems assistance applications. So, for a University who had no Federal funds, we now have the potential for up to \$14 million in Federal grant funds.

Other topics in her report include the bond campaign (and she distributed pamphlets about the campaign), faculty grants, the State of the University Address, various scheduled openings, the Governor's Summit, the letter to *The Washington Post*, the financial campaign (in which \$8 million has already been raised during the silent portion of the campaign), the student survey, and the Campus Master Plan.

The Rector asked President Runte to comment letters in *The Washington Post*. President Runte stated that a letter to the editor from the former editor of the *Richmond Times Dispatch* recently appeared in *The Washington Post*. The writer named some universities in Virginia, including Old Dominion University, and claimed that these institutions do not accept as high quality students as others, further asserting that there is "no need to give plumbers degrees." Therefore, her claim was that these universities should not receive any funding from the State. President Runte submitted a rebuttal letter that was published in Friday's edition of *The Washington Post*. She will enclose both letters with her written report to the Board.

In reference to the Bond Referendum, Mr. Lechler asked for an explanation of why the bond bill will not result in increased taxes. President Runte explained that the bond bill will not raise taxes because the money to repay the debt is already included in the Commonwealth's ongoing education

budget. It should also be argued that, should we not get the bond bill, future costs will be borne by the taxpayers due to maintenance and repair costs for these aging buildings, loss of energy, etc.

President Runte announced that the State of the University address is scheduled for August 22nd at 11:00 a.m. She has invited the President of EVMS as well as one of our donors to attend.

OLD/UNFINISHED BUSINESS

The Rector asked if there was any old business to come before the Committee. There was none.

NEW BUSINESS

The Rector asked if there was any new business to come before the Committee. There was none.

With no further business to be discussed, the meeting was adjourned at 6:10 p.m.