THE COMMONWEALTH OF VIRGINIA

THE VISITORS OF JAMES MADISON UNIVERSITY

 Volume LII No. 4

**Minutes of the Meeting of June 3, 2016**

The Visitors of James Madison University met on Friday, June 3, 2016 in the Festival Conference and Student Center Board Room on the campus of James Madison University. Mr. Mike Thomas, Rector, called the meeting to order at 1:08 pm.

**PRESENT:**

Battle, Mike

Bolling, William

Coleman, Warren

Evans-Grevious, Vanessa

Funkhouser, Joseph

Grass, Jeff

Gray, Matthew

Hutchinson, Lucy

Jankowski, Marie

Rexrode, David

Rice, Edward

Thomas, Mike, Rector

Welburn, Craig

Okafor, Adaoma Student Member 2016-17

Harper, Donna, Secretary

**ABSENT:**

Johnson, Deborah

Rothenberger, John

**ALSO PRESENT:**

Alger, Jonathan, President

Benson, A. Jerry, Provost and Senior Vice President for Academic Affairs

King, Charles, Senior Vice President for Administration and Finance

Langridge, Nick, Vice President for University Advancement

Warner, Mark, Senior Vice President for Student Affairs and University Planning

Wyatt, Bill, Senior Director of Communications & University Spokesperson

Burnett, Audrey, Speaker, Faculty Senate

Wheeler, Susan University Counsel

The Rector welcomed Ms. Adaoma Okafor, the new student member to the board and Dr. Audrey Burnett, the new Speaker for the Faculty Senate.

**APPROVAL OF MINUTES**

On motion of Mr. Funkhouser, seconded by Mrs. Evans-Grevious, the minutes of the April 8, 2016 meeting were approved.

**COMMITTEE REPORTS**

**Advancement Committee**

Mr. Warren Coleman, presented the report of the Advancement Committee. The minutes of the April 8, 2016 meeting were approved. (Attachment A)

Mr. Coleman reported on the following topics from the committee meeting:

1. Mr. Jeff Gilligan, Associate Vice President for Development, reported that fundraising is currently trending 13% ahead of last year with Annual Giving up 11% over last fiscal year;
2. Mr. David Biancamano, Associate Athletic Director, reported Duke Club giving is also trending well;
3. Dr. Nick Langridge, Vice President for Advancement recognized Mr. Steve Smith, Associate Vice President, on his retirement and described a new organizational restructuring;
4. Ms. Sheila Smith, Assistant Vice President for Campaign Management, provided an update on campaign planning activities;
5. Mrs. Cannie Campbell, Director for Corporate & Foundation Giving, Association and Mr. John Meck, Associate Director for Corporate & Foundation Giving, reported on the activities of the office; and
6. Mr. Andy Perrine, Associate Vice President for Communications and Marketing, described the Request for Proposal process to engage a marketing and branding agency.

On motion of Mr. Coleman, seconded by Mr. Battle, the Advancement report was accepted.

**Athletics Committee**

Mr. Mike Battle, Chair, presented the report of the Athletics Committee. The minutes of the April 8, 2016 meeting were approved. (Attachment B)

Mr. Battle reported on the following topics from the committee meeting:

1. Mr. Jeff Bourne, Director of Athletics, recognized the head coaches for men’s golf, track & field, lacrosse and softball for NCAA post-season participation; also recognized JMU’s club sports such as the rugby team for reaching national level competition;
2. Dr. Roger Soenksen, Faculty Athletics Representative, summarized the academic challenges and opportunities working with student-athletes;
3. Mr. Geoff Polglase, Deputy Athletics Director, shared the measures adopted to integrate team-specific strategic plans with the department’s Engaged in Excellence Plan (strategic plan); and
4. Ms. Casey Carter, Associate Athletics Director, provided an overview of the student-athlete leadership development program.

On motion of Mr. Battle, seconded by Mr. Coleman, the Athletics report was accepted.

**Audit Committee**

Mr. Edward Rice, Chair, presented the report of the Audit Committee. The minutes of the April 8, 2016 meeting were approved. (Attachment C)

Mr. Rice reported on the following topics from the committee meeting:

1. Ms. LaToya Jordan, Director with the Auditor of Public Accounts, presented the results of the JMU financial audit for the year ended June 30, 2015;
2. Dr. Jerry Benson, Provost and Senior Vice President for Academic Affairs, Dr. David Jeffrey, Dean of the College of Arts and Letters, and Mr. Al Bartholet, Executive Director of WMRA, facilitated a discuss on the importance of public service functions of the university, and
3. Mrs. Rebecca Holmes, Director of Audit and Management Services presented the internal audit plan for 2016-17.

On motion of Mr. Rice, seconded by Mrs. Evans-Grevious, the Audit report was accepted.

**Education and Student Life**

Mrs. Vanessa Evans-Grevious, Chair, presented the report of the Education and Student Life Committee. The minutes from the April 8, 2016 meeting were approved. (Attachment D)

Mrs. Evans-Grevious reported on the following topics from the committee meeting:

1) Ms. Kristi Shackelford, Assistant Vice Provost, presented the recommended revisions to the Faculty Handbook. On motion of the chair, seconded by Mr. Rice, approved the revisions to the Faculty Handbook;

2) Dr. Sharon Lovell, Dean of the College of Health and Behavioral Studies and Dr. Jamie Frye, Director of Athletic Training Education, presented the first reading of a proposal to move from an undergraduate B.S. degree in Athletic Training to a graduate degree (M.S.);

3) Provost Benson delivered a brief summary presentation on the 16:1 students to faculty ratio that is used in budget preparation;

4) The Student Member to the Board presented her report;

5) Mr. Al Bartholet, Executive Director of WMRA, shared information on WMRA’s Community Advisory Council; and

6) Heard reports from the Student Government Association President and the Speaker of the Faculty Senate.

On motion of Mrs. Evans-Grevious seconded by Mr. Battle, the Education and Student Life report was accepted.

#### Finance and Physical Development Committee

The Honorable William Bolling, Chair, presented the report of the Finance and Physical Development Committee. The minutes from the April 8, 2016 meeting were approved. (Attachment E)

Mr. Bolling reported on the following from the committee meeting:

1. Mr. John Knight, Assistant Vice President for Finance, reviewed the quarterly financial report;
2. Mr. Knight presented an update on the University’s June 30, 2015 financial statement audit;
3. Mr. Knight presented three bond resolutions.

On motion of the chair, seconded by Mr. Battle, approved the following Dining Hall Replacement Bond Resolution:

WHEREAS, there have been passed by the General Assembly of Virginia and signed by the Governor acts entitled “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2016” (the “2016 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2015” (the “2015 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2014” (the “2014 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2013” (the “2013 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2012” (the “2012 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2011” (the “2011 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2010” (the “2010 Act”), “Commonwealth of Virginia Parking Facilities Bond Act of 2009” (the “2009 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2009” (the “2009 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2008” (the “2008 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2007” (the “2007 Act”), and “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2006” (the “2006 Act” and, together with the 2007 Act, 2008 Act, 2009 Acts, 2010 Act, 2011 Act, 2012 Act, 2013 Act, 2014 Act, 2015 Act and the 2016Act, the “Acts”);

 WHEREAS, pursuant to the Acts, the Treasury Board of the Commonwealth of Virginia (the “Treasury Board”) is authorized, by and with the consent of the Governor, to sell and issue bonds or bond anticipation notes of the Commonwealth of Virginia (the “Commonwealth”) for the purpose of providing funds, together with other available funds, for paying the cost of acquiring, constructing, renovating, enlarging, improving and equipping certain revenue-producing capital projects at certain institutions of higher learning of the Commonwealth and for paying issuance costs, reserve funds and other financing expenses (the “Financing Expenses”), all in accordance with the provisions of Section 9(c) of Article X of the Constitution of Virginia;

 WHEREAS, for **James Madison University** (the “Institution”), such revenue-producing capital projects include Dining Hall, Capital Outlay Project Number 18143 (each individually, a “Project” and, collectively, the “Projects”); and

 WHEREAS, the Treasury Board is proposing to sell and issue bonds or bond anticipation notes pursuant to the Acts for such revenue-producing capital projects, in one or more series;

 NOW, THEREFORE, BE IT RESOLVED BY THE RECTOR AND VISITORS OF JAMES MADISON UNIVERSITY:

 Section 1. The Board of Visitors of the Institution (the “Board”) requests the Treasury Board to sell and issue bonds (the “Bonds”) or bond anticipation notes (“BANs”) in an aggregate principal amount not to exceed $80,736,705 to finance all or a portion of the costs of each Project plus Financing Expenses (for each individual Project, the “Individual Project Bonds” or “Individual Project Notes” and, collectively, the “Individual Project Borrowing” and for all Projects, the “Project Bonds” or “Project Notes” and, collectively, the “Project Borrowings”). The Individual Project Borrowings will be identified by amount by the State Treasurer upon issuance of any Bonds or BANs.

 Section 2. With respect to each Project, the Board (a) covenants to fix, revise, charge and collect a fee and other rates, fees and charges, for or in connection with the use, occupation and services of such Project and (b) pledges such rates, fees and charges remaining after payment of (i) the expenses of operating such Project and (ii) the expenses related to all other activities funded by the fee (“Individual Project Net Revenues”) to the payment of the principal of, premium, if any, and interest on the Individual Project Borrowing relating thereto. The Board further covenants that it will fix, revise, charge and collect such rates, fees and charges in such amounts so that Individual Project Net Revenues will at all times be sufficient to pay, when due, the principal of, premium, if any, and interest on the related Individual Project Borrowing and on any other obligations secured by such Individual Project Net Revenues (such payments collectively the “Required Payments”). Each Individual Project Borrowing shall be secured on a parity with other obligations secured by the Individual Project Net Revenues relating to such Individual Project Borrowing (other than any obligations secured by a prior right in Individual Project Net Revenues). Any Individual Project Net Revenues pledged herein in excess of the Required Payments for an Individual Project Borrowing may be used by the Institution for any other lawful purpose.

 Section 3. It is hereby found, determined and declared that, based upon responsible engineering and economic estimates and advice of appropriate officials of the Institution, as shown on the Financial Feasibility [Study/Studies] attached hereto as Exhibit[s] A [\_\_], with respect to each Project, the anticipated Individual Project Net Revenues pledged herein will be sufficient to pay the Required Payments for such Project so long as the aggregate amount of net debt service on the Individual Project Borrowing for such Project actually payable in any bond year does not exceed the amounts assumed in the Financial Feasibility Study relating thereto.

 Section 4. The Board covenants that the Institution will furnish the Treasury Board its general purpose financial statements, within 30 days of their issuance and receipt, audited by a firm of certified public accountants or the Auditor of Public Accounts which shall include a schedule of revenues and expenditures for auxiliary enterprise systems. If Individual Project Net Revenues for any Project are insufficient to pay Required Payments for such Project during such period, the Institution shall provide evidence of a plan to generate Individual Project Net Revenues for such Project sufficient to make such Required Payments in the future.

 Section 5. The Board covenants that so long as any of the Project Notes are outstanding, the Institution will pay to the State Treasurer, not less than 30 days before each interest payment date, an amount estimated by the State Treasurer to be due and payable on such date as interest on the Project Notes. The Board covenants that so long as any of the Project Bonds are outstanding, the Institution will pay to the State Treasurer, not less than 30 days before each interest or principal payment date, the amount certified by the State Treasurer to be due and payable on such date as principal of, premium, if any, and interest on the Project Bonds.

 Section 6. The Board covenants that the Institution will pay from time to time its proportionate share of all expenses incurred in connection with the sale and issuance of any series of Bonds that includes Project Bonds or Project Notes and all expenses thereafter incurred in connection with the Bonds, including without limitation the expense of calculating any rebate to the United States of the earnings derived from the investment of gross proceeds of the Bonds, all as certified by the State Treasurer to the Institution.

 Section 7. The Board covenants that the Institution will not take or omit to take any action the taking or omission of which will cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, including regulations issued pursuant thereto (the “Code”), or otherwise cause interest on the Bonds to be includable in the gross income of the owners thereof for federal income tax purposes under existing laws. Without limiting the generality of the foregoing, the Institution will pay from time to time its proportional share of any rebate to the United States of the earnings derived from the investment of the gross proceeds of the Bonds.

 Section 8. The Board covenants that the Institution will proceed with due diligence to undertake and complete the Projects and that the Institution will spend all of the available proceeds derived from the sale of the Project Borrowings for costs associated with the Projects and appropriated for the Projects by the General Assembly.

 Section 9. The Board covenants that the Institution will not permit the proceeds of each Individual Project Borrowing to be used in any manner that would result in (a) 5% or more of such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, (b) 5% or more of such proceeds being used with respect to any output facility within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code. The Institution need not comply with such covenants if the Institution obtains the written approval of the State Treasurer and an opinion of nationally recognized bond counsel acceptable to the Treasury Board that such covenants need not be complied with to prevent the interest on the Bonds from being includable in the gross income of the owners thereof for federal income tax purposes.

 Section 10. The Board covenants that for so long as any of the Bonds are outstanding the Institution will not enter into any operating lease, management contract or similar agreement with any person or entity, other than a state or local governmental unit, for all or any portion of any of the Projects without first obtaining the written approval of the State Treasurer and an opinion of nationally recognized bond counsel acceptable to the Treasury Board that entering into such agreement will not cause the interest on the Bonds to be included in the gross income of the owners thereof for federal income tax purposes.

 Section 11. The Board covenants that for so long as any of the Bonds are outstanding, the Institution will not sell or dispose of all or any part of any of the Projects without first obtaining the written approval of the State Treasurer and an opinion of nationally recognized bond counsel acceptable to the Treasury Board that such sale or disposition will not cause interest on the Bonds to be included in the gross income of the owners thereof for federal income tax purposes.

 Section 12. The officers of the Institution are authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the sale and issuance of the Bonds.

 Section 13. The Board acknowledges that the Treasury Board will rely on the representations and covenants set forth herein in issuing the Bonds, that such covenants are critical to the security for the Bonds and the exclusion of the interest on the Bonds from the gross income of the owners thereof for federal income tax purposes, that the Board will not repeal, revoke, rescind or amend any of such covenants without first obtaining the written approval of the Treasury Board, and that such covenants will be binding upon the Board so long as any of the Bonds are outstanding.

 Section 14. This resolution shall take effect immediately.

 The undersigned Secretary of the Board of Visitors of James Madison University does hereby certify that the foregoing is a true and correct copy of a resolution adopted at a meeting of the Board of Visitors of James Madison University duly convened and held on June 3, 2016 at which a quorum was present and voting, and that such resolution is now in full force and effect.

1. On motion of the chair, seconded by Mr. Coleman, approved the following USB Annex Bond Resolution:

**WHEREAS**, pursuant to and in furtherance of Chapter 3.2, Title 23 of the Code of Virginia of 1950, as amended (the “Act”), the Virginia College Building Authority (the “Authority”) developed a program (the “Program”) to purchase debt instruments issued by public institutions of higher education in the Commonwealth of Virginia (“Participating Institutions” and each a “Participating Institution”) to finance or refinance projects of capital improvement (“Capital Projects” and each a “Capital Project”) included in a bill passed by a majority of each house of the General Assembly of Virginia (the “General Assembly”);

**WHEREAS**, under the Program the Authority from time to time issues its Educational Facilities Revenue Bonds (Public Higher Education Financing Program) (“Pooled Bonds”) to finance the purchase or refunding of debt instruments issued by Participating Institutions to finance or refinance Capital Projects;

**WHEREAS**, if a Participating Institution desires to finance or refinance a Capital Project through the Program it must enter into a loan agreement with the Authority, under which: (i) the Participating Institution will issue its promissory note pursuant to Chapter 3, Title 23 of the Code of Virginia of 1950, as amended, to evidence a loan to it by the Authority; (ii) the Authority will agree to issue Pooled Bonds and use proceeds thereof to purchase the promissory note; (iii) the Participating Institution will agree to use proceeds of Pooled Bonds, loaned to it and received in exchange for its promissory note, to finance or refinance the Capital Project and to not take actions that may jeopardize any federal tax-exempt status of interest on Pooled Bonds allocable to financing or refinancing the Capital Project; and (iv) the Participating Institution will agree to make payments under the promissory note in sums sufficient to pay, together with certain administrative and arbitrage rebate payments, the principal of, premium, if any, and interest due on such Pooled Bonds;

**WHEREAS**, the Board of Visitors (the “Board”) of ***JAMES MADISON UNIVERSITY*** (the “Institution”) from time to time desires to finance or refinance Capital Projects for the Institution as a Participating Institution under the Program, and now proposes that the Institution issue its promissory note or notes (collectively, the “Note”) to be sold to the Authority in accordance with a loan agreement or loan agreements between the Institution and the Authority (collectively, the “Loan Agreement”), under which proceeds of Pooled Bonds will be loaned to and received by the Institution in exchange for the Note, to finance or refinance costs of the following Capital Projects authorized for bond financing by the General Assembly: the ***USB ANNEX***  (Project Code 18135) (collectively, the “Project”); and

**WHEREAS** the Board desires to designate certain Institution officers (i) delegated the authority to approve the forms of and to execute and deliver the Loan Agreement, the Note and any amendments thereto, and any other documents necessary or desirable in connection with financing or refinancing costs of the Project through and participation in the Program; and (ii) responsible for monitoring post-issuance compliance with covenants of the Institution related to maintaining any federal tax-exempt status of interest on Pooled Bonds.

**NOW, THEREFORE, BE IT RESOLVED** **BY THE BOARD:**

**Section 1.** The Project is hereby designated to be undertaken and financed or refinanced by the Authority and, accordingly, the ***SENIOR VICE PRESIDENT FOR ADMINISTRATION & FINANCE AND THE ASSISTANT VICE PRESIDENT FOR FINANCE*** (the “Authorized Officers”) are each hereby delegated and invested with full power and authority to approve the forms of the Loan Agreement, the Note and any amendments thereto (in connection with any refunding of Pooled Bonds financing or refinancing the Project or otherwise), and any pledge to the payment of the Note and any amendment thereto of total gross university sponsored overhead, unrestricted endowment income, tuition and fees, indirect cost recoveries, auxiliary enterprise revenues, general and nongeneral fund appropriations and other revenues not required by law or previous binding contract to be devoted to some other purpose, restricted by a gift instrument for another purpose or excluded from such pledge as provided in the Loan Agreement, subject to the provisions of Section 3 hereof.

**Section 2.** Subject to the provisions of Section 3 hereof, the Authorized Officers are each hereby delegated and invested with full power and authority to execute, deliver and issue, on behalf of the Institution, (a) the Loan Agreement, the Note and any amendments thereto (in connection with any refunding of Pooled Bonds financing or refinancing the Project or otherwise), with approval of such documents in accordance with Section 1 hereof evidenced conclusively by the execution and delivery of the respective document, and (b) any other documents, instruments or certificates as may be deemed necessary or desirable to finance or refinance costs of the Project through and participate in the Program, and to further carry out the purposes and intent of this resolution. The Authorized Officers are authorized and directed to take such steps and deliver such certificates in connection with delivery of the Note, and any amendment thereto, as may be required under any existing obligations, including bond resolutions relating to any outstanding general revenue pledge bonds, and to notify Virginia Department of Treasury representatives serving as Authority staff at least 60 days in advance of a pledge of any amounts pledged to the payment of the Note in accordance with Section 1 hereof to, or as security for, the payment of any other Institution obligations issued or entered into after the date hereof for so long as the Note and any amendments thereto remain outstanding.

**Section 3.** The authorizations given above as to the approval, execution, delivery and issuance of the Loan Agreement, the Note and any amendments thereto (in connection with any refunding of Pooled Bonds financing or refinancing the Project or otherwise) are subject to the following parameters: (a) the principal amount to be paid under the Note allocable to any component of the Project, together with the principal amount of any other indebtedness with respect to such component, shall not be greater than the amount authorized for such component by the General Assembly plus amounts needed to fund issuance costs, original issue discount, other financing (including without limitation refunding) expenses and any other increase permitted by law; (b) the aggregate principal amount of the Note shall in no event exceed $***5,000,000*** as the same may be so increased; (c) the aggregate interest rate payable under the Note shall not exceed a “true” or “Canadian” interest cost more than 50 basis points higher than the interest rate for “AA” rated securities with comparable maturities, as reported by Thomson Municipal Market Data (MMD) or another comparable service or index, as of the date that the interest rates are determined, taking into account any original issue discount or premium; (d) the weighted average maturity of the principal payments due under the Note shall not exceed 20 years after the original issue date of the Note; (e) the last principal payment date under the Note shall not extend beyond the reasonably expected weighted economic life of the Project; and (f) subject to the foregoing, the actual amount, interest rates, principal maturities, and date of the Note shall be approved by an Authorized Officer, as evidenced by the execution thereof.

**Section 4.** The Board acknowledges that if there is a failure to make, as and when due, any payment of the principal of, premium, if any, and interest on any promissory note issued by the Institution as a Participating Institution to the Authority under the Program, including without limitation the Note and any amendments thereto, the State Comptroller is authorized under the Program and Section 23-30.29:3 of the Code of Virginia of 1950, as amended, to charge against appropriations available to the Institution all future payments of principal of, premium, if any, and interest on such promissory note when due and payable and to make such payments to the Authority or its designee, so as to ensure that no future default will occur on such promissory note.

**Section 5.** The Board agrees that if the Authority determines the Institution as a Participating Institution shall be subject to continuing disclosure obligations under Rule 15c2-12 of the federal Securities and Exchange Commission with respect to any Pooled Bonds, (a) an Authorized Officer shall, and is hereby authorized and directed to, enter into a continuing disclosure undertaking in form and substance reasonably satisfactory to the Authority, and (b) the Institution will comply with the provisions and disclosure obligations contained therein.

**Section 6.** The Board designates the ***ASSISTANT VICE PRESIDENT FOR FINANCE*** to be responsible for implementing procedures to monitor post-issuance compliance with covenants in any loan agreement between the Institution as a Participating Institution and the Authority, including the Loan Agreement and any amendments thereto, related to maintaining tax-exempt status for federal income tax purposes of interest on any Pooled Bonds, including without limitation monitoring the use of any portion of all Capital Projects for the Institution financed or refinanced with such Pooled Bonds and compliance with any applicable federal income tax remedial action requirements in connection with certain changes in such use. Such officer shall review such post-issuance compliance at least annually for so long as such Pooled Bonds remain outstanding.

**Section 7.** This resolution shall take effect immediately upon its adoption.

1. On motion of the chair, seconded by Mr. Rice, approved the following Bond Expense Reimbursement Resolution for the USB annex:

**WHEREAS,** JAMES MADISON UNIVERSITY (the “Institution”) has undertaken the construction of its USB Annex (the “Project”); and

**WHEREAS,** The Institution has made or will make expenditures (the “Expenditures”) in connection with the Project; and

**WHEREAS,** The Institution may determine that the funds advanced and to be advanced to pay Expenditures will be reimbursed to the Institution from the proceeds of one or more obligations to be issued by or on behalf of the Institution (the “Indebtedness”).

### NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF VISITORS OF THE INSTITUTION:

### 1. The Board of Visitors of the Institution hereby adopts this declaration of official intent under Treasury Regulations Section 1.150-2 and declares that the Institution intends to reimburse itself, in accordance with such Section 1.150-2, with the proceeds of Indebtedness for Expenditures made on, after or within 60 days prior to the date of the adoption of this Resolution with respect to the Project, except that Expenditures made more than 60 days prior to the date hereof may be reimbursed as to certain *de* *minimis* or preliminary expenditures described in Treasury Regulations Section 1.150-2(f) and as to other expenditures permitted under applicable Treasury Regulations.

### 2. The maximum principal amount of Indebtedness expected to be issued for the Project is $5,000,000.

### 3. This Resolution shall take effect immediately upon its adoption.

1. On motion of the chair, seconded by Mr. Funkhouser, approved two easements to the City of Harrisonburg on Martin Luther King, Jr. Way.
2. Mr. Rick Larson, Assistant Vice President for Human Resources, Training and Performance, reported that Human Resources will develop processes and reports to ensure compliance with the Joint Legislative Review and Audit Commission’s recommendations on spans and layers;
3. Mr. King, Ms. Towana Moore, Associate Vice President for Business Services, and Mr. Knight presented on the benefits of the pilot program for additional autonomy approved by the 2016 General Assembly for finance and capital outlay. On motion of the chair, seconded by Mr. Coleman, approved the following Level 2.5 Authority resolutions for capital outlay and finance:

**WHEREAS**, the 2005 Session of the General Assembly enacted Chapters 933

and 945, Acts of Assembly, known as the Restructured Higher Education Financial and Administrative Operations Act (“the Act”), now codified at Chapter 4.10 of Title 23, Sections 23-38.88, *et seq*., of the Code of Virginia (1950), as amended; and

**WHEREAS**, the 2008 Session of the General Assembly enacted Chapters 824 and 829, Acts of the Assembly to amend and reenact § 23-38.90 of the Code of Virginia relating to operational authority for public institutions of higher education in informational technology, procurement, and capital projects excluding leases of real property, and which allows the University to enter into a memoranda of understanding for additional operating authority in two, but no more than two, of these three areas; and

**WHEREAS**, the 2016, Session of the General Assembly enacted Chapters 824 and 829, Acts of the Assembly to amend and reenact § 23-38.90 of the Code of Virginia relating to a five year pilot program for James Madison University and George Mason University to exercise additional financial and administrative authority over financial operations as follows: (1) Accountability and Delegation of Authority; (2) Financial Management and Reporting System; (3) Financial Management Policies; (4) Financial Resource Retention and Management; (5) Accounts Receivable Management and Collection; and (6) Disbursement Management,

**NOW, THEREFORE, BE IT RESOLVED** **BY THE BOARD OF JAMES MADISON UNIVERSITY** that the Board attests to the ability of James Madison University (The University) to manage successfully its administrative and financial operations with regard to the additional financial authority in its areas outlined in § 23-38.90 of the Code of Virginia.

**BE IT FURTHER RESOLVED,**  that the President, Senior Vice President for Administration and Finance and the Assistant Vice President for Finance are granted full authority and responsibility for implementation and management of the additional financial and administrative authorities.

**WHEREAS,** the 2005 Session of the General Assembly enacted Chapters 933 and 945, Acts of Assembly, known as the Restructured Higher Education Financial and Administrative Operations Act (the “Act”), now codified at Chapter 4.10 of Title 23, Sections 23-38.88, et seq., of the Code of Virginia (1950), as amended; and

**WHEREAS,** the 2008 Session of the General Assembly enacted Chapters 824 and 829, Acts of Assembly to amend and reenact Section 23-38.90 of the Code of Virginia relating to operational authority for public institutions of higher education in information technology, procurement, and capital projects excluding leases of real property, and which allows the University to enter into a memoranda of understanding for additional operating authority in two, but no more than two, of these three areas; and

**WHEREAS,** on June 4, 2009, the University and the Commonwealth of Virginia entered into original memoranda of understanding with the appropriate Cabinet Secretary or Secretaries, as designated by the Governor, granting appropriate operational authority for the functional areas of information technology and procurement, for a period of three years, and then, on April 13, 2012, renewed those memoranda and grants of authority for an additional five years; and

**WHEREAS,** the 2016 Session of the General Assembly enacted Section 4-9.02 of the 2016-2018 biennial budget which provides that the University is authorized, for a period of five years, to exercise additional financial and administrative authority as set out in each of the three functional areas of information technology, procurement and capital projects as set forth and subject to all the conditions in §§ 2.0, 3.0 and 4.0 of the second enactment of Chapters 824 and 829 of the 2008 Acts of Assembly; and

**WHEREAS,** the University desires to exercise and implement this grant of additional operational authority;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF VISITORS OF JAMES MADISON UNIVERSITY** that the Board directs and authorizes the President of the University and its Senior Vice President for Administration and Finance to take all actions deemed by them to be necessary or advisable to facilitate this undertaking.

**BE IT FURTHER RESOLVED,** that the President and Senior Vice President are granted full authority and responsibility for management of the capital projects functions of the University and to ensure the University’s compliance with the terms and conditions of this grant of additional financial and administrative authority.

1. Mr. King presented the proposed 2016-17 budget.

On motion of Mr. Bolling, seconded by Mrs. Evans-Grevious, the Finance and Physical Development report was accepted.

**PRESIDENT’S REPORT**

Mr. Alger presented information on the following: (Attachment H)

1) May Commencement saw 3,280 undergraduates and 593 graduate students complete their degrees;

2) Four JMU faculty named as Fulbright Scholars: Dr. Maureen Shanahan, Art History; Dr. Louise Temple, ISAT; Dr. Lincoln Gray, Communication Sciences and Disorders; and Dr. Matt Lee, Psychology; Rachel Palkovitz named a student Fulbright research scholarship winner;

3) Dr. Kristen St. John named a Fellow of the Geological Society of America and Anna Nordseth was named a Udall Scholar;

4) Recognized Dr. David Brakke who is retiring as the Dean of the College of Science and Mathematics;

5) A team of JMU students from Occupational Therapy, Engineering and Social Work participated in the 2nd Annual Hack-a-Thon competition in Richmond winning the $10,000 grand prize;

6) JMU Destination Imagination teams participated in the 2016 Global Finals winning Gold, Silver and Bronze;

7) The 3rd Madison Trust event was held with participants hearing 10 pitches;

8) JMU will be participating in the Virginia Compact on Year of Service hiring three recent graduates to serve as Engagement Fellows;

9) The 14th annual JMU on the Hill reception will be hosted by the Political Science department, the College of Arts and Letters, Research and Scholarship and the JMU Politicos;

10) The 2016 Global Senior Managers’ Course in Explosive Remnants of War and Mine Action, sponsored by the Center for International Stabilization and Recovery is currently taking place;

11) The 2016 total donor count for the fiscal year is 20,186-an all-time high for the university;

12) JMU alumni were asked to participate in the Gallup survey looking at such measures of well-being, financial security, social relationships, life purpose, community connectedness and physical health;

13) The JMU Softball team achieved the most wins in program history and hosted the program’s first Super Regional appearance; Men’s golf, Ryan Cole, finished second overall at the NCAA regional to become the first JMU golfer to qualify for the NCAA Championship; Track & Field sent four student-athletes to the NCAA competition; Lacross earned an at-large bid to the NCAA Championship; 18 student-athletes were named to the President’s List, including 10 with a 4.0 semester gpa and another 66 achieved Dean’s List for the spring semester; and

14) Shared an article on faculty diversity efforts.

**VALLEY SCHOLARS**

Mrs. Donna Harper, Vice President for Access and Enrollment Management and Mr. Shaun Mooney, Director of the Valley Scholars presented information on the program and its impact. (Attachment I)

**2016-17 PROPOSED BUDGET**

Mr. Charles King, Senior Vice President for Administration and Finance presented the cost issues to be addressed in the proposed budget for 2016-17. On motion of Mr. Bollling, seconded by Mr. Funkhouser, the budget was approved.

**NOMINATING COMMITTEE**

Mr. Joseph Funkhouser, Chair of the Nominating Committee presented the slate of officers for 2016-17:

Rector – Vanessa Evans-Grevious

Vice Rector – Warren Coleman

Secretary – Donna Harper

On motion of the chair, seconded Mr. Rexrode, approved the slate.

Rector Thomas then called for the board to move into Closed Session. Mrs. Evans-Grevious made the following motion:

“I move the Board go into closed session to discuss the following matters: 1) pursuant to Virginia Code Section 2.2-3711 A-1, to discuss personnel matters involving promotions, retirements, hiring, resignations, salary adjustments, and status changes of various faculty members, administrators and appointees, as well as the award of tenure to faculty members;

2) pursuant to Section 2.2-3711-A-3 of the Code of Virginia to discuss the acquisition/disposal of real property; 3) pursuant to Section 2.2-3711 A-7 of the Code of Virginia to consult with legal counsel and be briefed by staff members/consultants pertaining to litigation.”

The motion was seconded by Mr. Coleman and the Board moved into closed session.

Following the closed session, Mr. Thomas then stated the following:

**During the closed session, the board discussed only matters lawfully**

 **exempted from open meeting requirements and only those types of matters**

 **identified in the motion for the closed session.**

**RECORDED VOTE: the following is an affirmative recorded, member by**

 **member vote:**

Battle, Mike

Bolling, William

Coleman, Warren

Evans-Grevious, Vanessa

Funkhouser, Joseph

Grass, Jeff

Gray, Matthew

Hutchinson, Lucy

Jankowski, Marie

Rice, Edward

Rothenberger, John

Thomas, Mike

Welburn, Craig

Mr. Thomas then asked if there were any motions to come forward.

On motion of Mrs. Evans-Grevious, seconded by Mr. Rice, approved the personnel action report.

On motion of Mr. Bolling, seconded by Mr. Coleman, approved the purchase at 1260 Hillcrest Drive at a purchase price of $310,000.

On motion of Mr. Bolling, seconded by Mr. Rexrode, approved the purchase at 705 Hickory Hill Drive at a purchase price of $315,000.

**ADJOURNMENT**

There being no further business, on motion of Mrs. Evans-Grevious, seconded by Mr. Coleman, the Board voted to adjourn. The meeting was adjourned at 3:37 pm.

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 Mike Thomas, Rector

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Donna L. Harper, Secretary