THE COMMONWEALTH OF VIRGINIA

THE VISITORS OF JAMES MADISON UNIVERSITY

 Volume XXXXIV No. 3

**Minutes of the Meeting of April 11, 2014**

The Visitors of James Madison University met on Friday, April 11, 2014 in the Festival Conference and Student Center Board room on the campus of James Madison University. Mr. Joseph Funkhouser, Rector, called the meeting to order at 1:00 pm.

 **PRESENT:**

Bartee, Ken

Battle, Mike

Cuevas, Pablo

Devine, Ron

Fiorina, Carly

Forbes, Lois, Vice Rector

Funkhouser, Joseph, Rector

Gilliam, Leslie

Rainey, Don

Rexrode, David

Smith, Steve

Thomas, Mike

Mosser, Jacob, Student Member to the Board 2013-14

Harper, Donna, Secretary

**ABSENT:**

Allen, Susan

DuVal, Barry

Thompson, Fred

**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

Egle, Don, Public Relations

McGraw, David, Speaker, Faculty Senate

Jedlicka, Jake, President, Student Government Association

Wheeler, Susan University Counsel

Mr. Funkhouser recognized Mr. Jacob Mosser, Mr. David McGraw, and Mr. Jake Jedlicka for their year of service. Mr. Mosser introduced Mr. David Scala the newly elected student member to the board. The Rector also recognized and thanked Ms. Carly Fiorina for her presentation to the campus the previous Thursday afternoon.

**APPROVAL OF MINUTES**

On motion of Mrs. Forbes, seconded by Mrs. Gilliam, the minutes of the January 17, 2014 meeting were approved.

**COMMITTEE REPORTS**

**Advancement Committee**

Mrs. Leslie Gilliam, Chair, presented the report of the Advancement Committee. The minutes of the January 17, 2014 meeting were approved. (Attachment A)

Mrs. Gilliam reported on the following topics from the committee meeting:

1. Mr. Brian Frerking, Associate Athletic Director for Athletic Development, reported the Duke club has received $951,894 in contributions toward a $2.1M goal for FY14 and the Athletic Major Gifts has received $1,165,000 in pledges toward a $2.0M goal; Mr. Jeff Gilligan, Assistant Vice President for Development, reported $7.2M raised to date for FY14.
2. Mr. Steve Smith, Associate Vice President for Constituent Relations, provided additional information on the proposed Madison Trust;
3. Mr. Michael Sinkus, lead counsel from Marts & Lundy, presented the findings of their campaign planning study;
4. Mr. Nick Langridge, Vice President for Advancement, discussed strategies to optimize the talent and resource needs of University Advancement;
5. Mr. Alan Maynard reported on the Student Alumni association, a newly formed organization on campus charged with creating an enhancing the culture of philanthropy at JMU.

On motion of Mrs. Gilliam, seconded by Mrs. Fiorina, the Advancement report was accepted.

**Athletics Committee**

Mr. Ron Devine, Chair, presented the report of the Athletics Committee. The minutes of the January 17, 2014 meeting were approved. (Attachment B)

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

1. Kenny Brooks, Head Women’s Basketball Coach, Christy Morgan, Head Field Hockey Coach and Becky Benson, Head Diving Coach were introduced;
2. Mr. Jeff Bourne, Athletic Director, updated the committee on the status of sports currently in season;
3. Ms. Jennifer Phillips, Associate Athletic Director for Compliance and Senior Women Administrator, provided a summary of the 2012-13 Title IX review;
4. Mr. David Biancamano, Associate Athletic Director, reported that fundraising performance so far has fallen just below expectations but overall dollars are higher than comparable period last year; and
5. The chair encouraged board members to consider joining the Duke Club

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

**Education and Student Life**

Mrs. Lois Forbes, Chair, presented the report of the Education and Student Life Committee. The minutes from the January 17, 2014 meeting were approved. (Attachment C)

Mrs. Forbes reported on the following topics from the committee meeting:

1. On motion of Mrs. Forbes, seconded by Mr. Rainey, approved the Policy for Evaluation of Undergraduate Transfer Credits for Military Science as amended;
2. Dr. Fletcher Linder, Director of Interdisciplinary Studies, gave a presentation on an Independent Scholars major which will provide tailored curricula for high-achieving students whose academic goals are interdisciplinary;
3. Dr. Mary Gowan, Dean of the College of Business, explained the plan for implementation of differential tuition for the college; and
4. Heard reports from the Speaker of the Faculty Senate, Student Member to the Board, and the Student Government Association President.

On motion of Mrs. Forbes, seconded by Mrs. Fiorina, the Education and Student Life report was accepted.

#### Finance and Physical Development Committee

Mr. Ken Bartee, Chair, presented the report of the Finance and Physical Development Committee. The minutes from the January 17, 2014 meeting were approved. (Attachment D)

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

1. Mr. John Knight, Assistant Vice President for Finance, reviewed the financial report and indicated the University’s revenue and expenditures were appropriate for the period July 1, 2013 through February 28, 2014;
2. On motion of Mr. Bartee, seconded by Mr. Rainey, approved the following resolutions for domestic and international banking:

**WHEREAS,** James Madison University is required to routinely transact business with banks and other financial institutions; and

**WHEREAS,** these transactions include initiating and terminating accounts including credit card agreements, transferring funds, honoring drafts or checks, and managing investments; and

**WHEREAS,** these banking services are governed by Federal, State and University regulations, guidelines and contract laws; and

**WHEREAS,** these transactions with banks and financial institutions are within the realm of the duties appropriately assigned to and executed by the Senior Vice President for Administration and Finance and the Assistant Vice President for Finance; and

**WHEREAS,** it is necessary for the Senior Vice President for Administration and Finance or Assistant Vice President for Finance to appoint and delegate, from time to time, such persons to conduct these transactions on behalf of the University in accordance with the regulatory requirements; and

**WHEREAS,** these banks and financial institutions with whom the University transacts business routinely require a resolution of the Board of Visitors to attest that the Senior Vice President for Administration and Finance and the Assistant Vice President for Finance are authorized to effect these transactions on behalf of James Madison University.

**NOW THEREFORE, BE IT RESOLVED** by the Visitors of James Madison University that the Senior Vice President for Administration and Finance and the Assistant Vice President for Finance are hereby authorized to transact business with banks and other financial institutions, to include initiating and terminating accounts including credit card agreements, transferring funds, honoring drafts and checks, and managing investments on behalf of James Madison University in accordance with appropriate laws and regulations, and to appoint and delegate, from time to time, such persons who may conduct these transactions on behalf of the University in accordance with this resolution and regulatory requirements.

**WHEREAS,** James Madison University is required to routinely transact business with banks and other financial institutions; and

**WHEREAS,** these transactions include initiating and terminating accounts including credit card agreements, transferring funds, honoring drafts or checks, and managing investments; and

**WHEREAS,** these banking services are authorized for Wells Fargo – London office; and

**WHEREAS,** these transactions with banks and financial institutions are within the realm of the duties appropriately assigned to and executed by the Senior Vice President for Administration and Finance and the Assistant Vice President for Finance; and

**WHEREAS,** it is necessary for the Senior Vice President for Administration and Finance or Assistant Vice President for Finance to appoint and delegate, from time to time, such persons to conduct these transactions on behalf of the University in accordance with the regulatory requirements; and

**WHEREAS,** these banks and financial institutions with whom the University transacts business routinely require a resolution of the Board of Visitors to attest that the Senior Vice President for Administration and Finance and the Assistant Vice President for Finance are authorized to effect these transactions on behalf of James Madison University.

**NOW THEREFORE, BE IT RESOLVED** by the Visitors of James Madison University that the Senior Vice President for Administration and Finance and the Assistant Vice President for Finance are hereby authorized to transact business with banks and other financial institutions, to include initiating and terminating accounts including credit card agreements, transferring funds, honoring drafts and checks, and managing investments on behalf of James Madison University in accordance with appropriate laws and regulations, and to appoint and delegate, from time to time, such persons who may conduct these transactions on behalf of the University in accordance with this resolution and regulatory requirements.

1. On motion of Mr. Bartee, seconded by Mr. Devine, approved the following resolution for swap transactions:

**WHEREAS,** it is desirable that James Madison University, a nonprofit corporation (the “Corporation”) enter into derivative transactions to manage asset exposures or risks including rate swap transactions, basis swap, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options or any other similar transactions (including any option with respect to any of these transactions) in relation to assets or liabilities of the Corporation or those of its affiliates, (each, a “Swap Transaction”).

**NOW, THEREFORE, BE IT RESOLVED,** that each of the **Senior Vice President, Administration and Finance and the Assistant Vice President for Finance** (each an “Authorized Officer”), acting singly, be and hereby is, authorized in the name and on behalf of the Corporation to enter into, execute, deliver, purchase, confirm, amend, modify, sell, assign, transfer or otherwise acquire or dispose of forward rate transactions and foreign exchange transactions. Any additional Swap Transactions as defined above may be executed by the Senior Vice President for Administration and Finance or the Assistant Vice President for Finance as described above upon approval by the James Madison University Board of Visitors with Wells Fargo Bank, N.A. or any of its affiliates, and the signatures below, opposite the names and titles of the Authorized Officers, are their genuine signatures:

Name: Title:

Charles W. King, Jr. Senior Vice President for Administration & Finance

John F. Knight Assistant Vice President for Finance

**RESOLVED FURTHER**, that each agreement or document governing or evidencing the terms of any Swap Transaction or the taking of any such action by any Authorized Officer, including, without limitation, any and all master agreements, schedules, confirmations, supplements, annexes, exhibits or certificates, and any and all amendments or modifications thereto or restatements thereof (each such agreement or document, a “Swap Document”) be and hereby is, approved in such form and upon such terms as any Authorized Officer shall approve, such approval to be conclusively evidenced by the execution of said Swap Document by any Authorized Officer;

**RESOLVED FURTHER,** that, as security for the obligations of the Corporation arising under or in connection with any Swap Transaction or any Swap Document, including the taking of any such action, each Authorized Officer, acting singly, be and hereby is, authorized in the name and on behalf of the Corporation to grant a security interest in or lien on, transfer, pledge, mortgage or otherwise hypothecate to the Bank any real or personal property (including, without limitation, accounts and revenues) belonging to or under the control of the Corporation, and to execute and deliver to the Bank any and all security agreements and collateral documents (including, without limitation, credit support annexes, mortgages, indentures, deeds of trust, account control agreements and financing statements), and such other agreements and documents as the Bank may request in connection with such security or for the perfection thereof (each of the foregoing, a “Collateral Document”);

**RESOLVED FURTHER**, that each Collateral Document, including, without limitation, any and all schedules, supplements, annexes, exhibits or certificates, and any and all amendments or modifications thereto or restatements thereof, be and hereby is, approved in such form and upon such terms as any Authorized Officer shall approve, such approval to be conclusively evidenced by execution thereof by any Authorized Officer;

**RESOLVED FURTHER,** that all officers, employees, agents and advisors of the Corporation, acting singly, are authorized to execute and deliver in the name and on behalf of the Corporation such other related agreements, documents and certificates, and to take such other and further action, as may be necessary, advisable or appropriate to perform or carry out any Swap Transaction, Swap Document or Collateral Document or any of the actions referred to above, including documentation required for compliance with the Commodity Exchange Act; and

**RESOLVED FURTHER,** that all acts and actions authorized by any of the foregoing resolutions taken heretofore by any person authorized in such resolutions are hereby ratified, confirmed and approved.

1. On motion of Mr. Bartee, seconded by Mr. Battle, approved an easement to Columbia Gas for installation of a twenty-foot wide pas pipeline on the west side of Driver Drive;
2. On motion of Mr. Bartee, seconded by Mr. Devine, approved an easement to the City of Harrisonburg to relocate a power line on the west side of Reservoir Street;
3. Mr. Charles King, Senior Vice President for Administration and Finance, gave an update on the 2014 General Assembly session;
4. The Chair informed the board that tuition and fees would not be presented to the board since the General Assembly has not yet approved the 2014-16 biennial budget.

On motion of Mr. Bartee, seconded by Mr. Devine, the Finance and Physical Development report was accepted.

**PRESIDENT’S REPORT**

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

1. Thanked all the staff who helped the campus through the winter storms;
2. Shared definitions and examples of the key facets of Engagement as related to the Strategic Plan;
3. Recognized Dr. Jo-Anne van der Vat-Chromy, director of the Shenandoah Valley Children’s Choir and JMU professor who created opportunities to build bridges between local institutions, students, and choirs;
4. Recognized Joe Balsamo, the recipient of the Goldwater Scholarship;
5. Recognized Coach Kenny Brooks, Head Coach of the Women’s Basketball team, who introduced his coaches and players and their contributions to the team’s success this past season;
6. Dr. Jerry Benson, Provost and Senior Vice President for Academic Affairs, introduced Dr. Sharon Lovell, Dean of the College of Health and Behavioral Studies and Dr. Robert Kolvoord, Dean of the College of Integrated Science and Engineering and announced Dr. Yvonne Harris will be joining the university as the Vice Provost for Research and Scholarship.

**BRANDING PENETRATION**

Mr. Andy Perrine, Associate Vice President for Communications & Marketing, presented information explaining the branding statistics and strategies for the university. (Attachment F)

**GENERAL ASSEMBLY UPDATE**

Mr. Charles King, Senior Vice President for Administration and Finance presented the current state of the General Assembly, comparing the Senate and House budgets. (Attachment G)

Rector Funkhouser then called for the board to move into Closed Session. Mrs. Forbes 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. Devine and the Board moved into closed session.

Following the closed session, Mr. Funkhouser 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

Cuevas, Pablo

Devine, Ron

Fiorina, Carly

Funkhouser, Joseph

Gilliam, Leslie

Rainey, Donald

Rexrode, David

Smith, Steve

Thomas, Mike

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

On motion of Mr. Devine, seconded by Mr. Smith, approved the personnel action report.

On motion of Mr. Devine, seconded by Mr. Battle, approved the purchase at 705 Locust Hill Drive at a purchase price of $340,000.

On motion of Mr. Devine, seconded by Mr. Smith, approved the purchase at 900 Forest Hill Road at a purchase price of $370,000.

On motion of Mr. Devine, seconded by Mr. Thomas, approved the purchase at 901 Forest Hill Road at a purchase price of $265,000.

The Rector announced the Nominating Committee for the 2014-15 slate of officers:

Ron Devine, Chair, Susan Allen and Steve Smith.

**ADJOURNMENT**

There being no further business, on motion of Mr. Devine, seconded by Mr. Smith, the Board voted to adjourn. The meeting was adjourned at 5:09 pm.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Joseph Funkhouser, Rector

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Donna L. Harper, Secretary