THE COMMONWEALTH OF VIRGINIA

THE VISITORS OF JAMES MADISON UNIVERSITY

 Volume LI No. 4

**Minutes of the Meeting of June 5, 2015**

The Visitors of James Madison University met on Friday, June 5, 2015 in the Festival Conference and Student Center Board Room on the campus of James Madison University. Mr. Michael Thomas, Rector, called the meeting to order at 1:02 pm.

**PRESENT:**

Battle, Mike

Bolling, William

Coleman, Warren

Cuevas, Pablo

DuVal, Barry

Evans-Grevious, Vanessa

Funkhouser, Joseph

Gilliam, Leslie

Hutchinson, Lucy

Rainey, Don

Rexrode, David

Rice, Edward

Thomas, Michael, Rector

Thompson, Fred

Smith, Robert, Student Member 2015-16

Harper, Donna, Secretary

**ABSENT:**

None

**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, William, Interim Director of Communications & University Spokesperson

McGraw, David, Speaker, Faculty Senate

Knight, Jack, University Counsel

The Rector welcomed the new Student Member to the Board, Robby Smith.

**APPROVAL OF MINUTES**

On motion of Mrs. Evans-Grevious, seconded by Mr. Coleman, the minutes of the April 10, 2015 meeting were approved.

**COMMITTEE REPORTS**

**Advancement Committee**

Mrs. Leslie Gilliam, Chair, presented the report of the Advancement Committee. The minutes of the January 10, 2015 meeting were approved. (Attachment A)

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

1. Mr. David Biancamano, Associate Athletic Director, and Mr. Jeff Gilligan, Associate Vice President for Development gave updates on the Duke Club fundraising efforts to date and funds raised for Annual Giving, Individual Major Gifts, Organizational Gifts, and Planned Giving;
2. The Employee/Student Madison Giving campaign had 1,290 employees and 1,218 students contribute;
3. Dr. Nick Langridge, Vice President for Advancement and Ms. Sheila Smith, Assistant Vice President, updated the committee on the campaign efforts;
4. Advancing Madison is a comprehensive campaign newsletter prototype that will be part of the communications strategy; and
5. An update on the success of the Madison Trust was provided.

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

**Athletics Committee**

Mr. Mike Battle, Chair, presented the report of the Athletics Committee. The minutes of the April 10, 2015 meeting were approved. (Attachment B)

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

1. The following coaches were recognized for their post season play:

Becky Benson, Diving; Shelley Klaes-Bawcombe, Lacrosse, and Mickey Dean, Softball;

1. The search for the new baseball coach is underway;
2. Mr. Jeff Bourne, Athletic Director, shared information on the national issue of “cost of attendance”;
3. Dr. Roger Soenksen, Faculty Athletics Representative, provided an overview of his role;
4. Mr. Bourne introduced the Student-Athlete Leadership Development program currently being created;
5. Ms. Jennifer Phillips, Associate Athletic Director, discussed the summary of academic data and the correlation to the Athletic Strategic Plan;

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

**Audit Committee**

Mr. Fred Thompson, Chair, presented the report of the Audit Committee. The minutes of the April 10, 2015 meeting were approved. (Attachment C)

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

1. Representatives from the office of the Auditor of Public Accounts presented the results of the JMU financial audit for the year ended June 30, 2014;
2. Information was shared on the new pension reporting standards on financial statement liabilities and required disclosures; and
3. Ms. Rebecca Holmes, Director of Audit and Management Services, provided the committee with a draft internal audit plan for 2015-16.

On motion of Mr. Thompson, seconded by Mrs. Gilliam, 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 10, 2015 meeting were approved. (Attachment D)

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

1. The proposed revisions to the Faculty Handbook were presented;

On motion of Ms. Evans-Grevious, seconded by Mr. Battle, the proposed Faculty Handbook changes were approved.

1. Ms. Audrey Barnes, Assistant Professor and Coordinator of Industrial Design, presented the first reading to modify the existing emphasis in Industrial Design to a stand-along major; and
2. Heard reports from the Faculty Senate and the Student Member to the Board.

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

#### Finance and Physical Development Committee

Mr. Don Rainey, Chair, presented the report of the Finance and Physical Development Committee. The minutes from the April 10, 2015 meeting were approved. (Attachment E)

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

1. Reviewed the quarterly financial report;
2. Mr. John Knight, Assistant Vice President, presented an update on the University’s June 30, 2014 financial statement audit;
3. The following resolutions were presented:

**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: ***MASON STREET PARKING DECK*** (Project Code 17941) ([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 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 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.

**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 $***8,336,223*** 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 Institution Capital Projects 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 make a determination as to 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.

On motion of Mr. Rainey, seconded by Mrs. Gilliam, the bond resolution regarding financing the Mason Street Deck was approved.

**WHEREAS**, James Madison University (the “Institution”) has undertaken the construction of the Mason Street Parking Deck (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 $8,336,223.
3. This Resolution shall take effect immediately upon its adoption.

On motion of Mr. Rainey, seconded by Mrs. Gilliam, approved the bond resolution regarding the reimbursement of certain expenditures for the Mason Street Deck.

**WHEREAS**, James Madison University has the authority to set tuition and fee charges; and

**WHEREAS**, 38 U.S.C. 3679(c), the Veterans Access, Choice and Accountability Act of 2014 ("the Act") requires the U.S. Department of Veterans Affairs to disapprove programs of education for payment of benefits under the Post-9/11 GI Bill and Montgomery GI Bill-Active Duty at public institutions of higher education if such institutions charge qualifying veterans and other qualified individuals ("covered individuals") tuition and fees in excess of the rate for in-state students for terms beginning after July 1, 2015; and

**WHEREAS**, "covered individuals" under the Act include:

* A veteran who lives in Virginia, regardless of formal state of residence or domicile, and enrolls in this institution within three years of discharge from a period of active duty service of 90 days or more using benefits under the Post-9/11 GI Bill and Montgomery GI Bill-Active Duty.
* Anyone *(spouse or child*) using transferred benefits under the Post-9/11 GI Bill and Montgomery GI Bill-Active Duty who lives in Virginia, regardless of formal state of residence or domicile, and enrolls in this institution within three years of the transferor's discharge from a period of active duty service of 90 days or more.
* Anyone *(spouse or child)* using benefits under the Marine Gunnery Sergeant John David Fry Scholarship who lives in Virginia, regardless of formal state of residence or domicile, and enrolls in this institution within three years of the Servicemember's death in the line of duty following a period of active duty service of 90 days or more; and
* Anyone described above while he or she remains continuously enrolled (other than during regularly scheduled breaks between courses, semesters, or terms) at the same school. The person so described must have enrolled in the school prior to the expiration of the three year period following discharge, release, or death described above and must be using educational benefits under either chapter 30 or chapter 33, of title 38, United States Code.

**WHEREAS**, pursuant to Virginia Code § 23-7.4:2 (H), all veterans residing within the Commonwealth shall be eligible for in-state tuition charges.

NOW BE IT THEREFORE RESOLVED that the tuition and fee rate for a course of education pursued by the following categories of students shall be equal to the tuition and fee rate for that course of education charged to in-state students:

* Anyone *(spouse or child)* using transferred benefits under the Post-9/11 GI Bill and Montgomery GI Bill-Active Duty who lives in Virginia, regardless of formal state of residence or domicile, and enrolls in this institution within three years of the transferor's discharge from a period of active duty service of 90 days or more.
* Anyone *(spouse or child)* using benefits under the Marine Gunnery Sergeant John David Fry Scholarship who lives in Virginia, regardless of formal state of residence, and enrolls in this institution within three years of the Servicemember's death in the line of duty following a period of active duty service of 90 days or more.
* Anyone described above while he or she remains continuously enrolled (other than during regularly scheduled breaks between courses, semesters, or terms) at the same school. The person so described must have enrolled in the school prior to the expiration of the three year period following discharge, release, or death described above and must be using educational benefits under either chapter 30 or chapter 33, of title 38, United States Code.

**BE IT FURTHER RESOLVED** that the President of James Madison University is delegated the authority to attest to (1) this action by the Board of Visitors; and (2) that this institution charges tuition and fees to uniformed services veterans and other qualified individuals covered under 38 U.S.C. 3679(c

On motion of Mr. Rainey, seconded by Mr. Cuevas, approved the Veterans Affairs Access Resolution.

1. Mr. King presented the proposed 2015-16 budget and the factors affecting the budget;
2. Mr. Dale Hulvey, Assistant Vice President for Information Technology, briefed the committee on the new residence hall network services that will be provided by Apogee; and
3. Mr. Rick Larson, Assistant Vice President for Human Resources, Training, and Performance gave an update on the ePAR project.

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

**PRESIDENT’S REPORT**

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

1. Ms. Lindsay Czarniak was the May Commencement speaker where 3,647 bachelor degrees, 536 master degrees, 2 MFAs and 22 doctoral degrees were awarded;
2. Statistics for the Class of 2019;
3. The second cohort for the Valley Scholars has been selected and the inaugural Valley Scholars golf tournament was held;
4. The Vision Tour events continue around the country;
5. Dr. David Jones presented information on the university’s new space for the Washington Semester;
6. JMU has hosted a number of events promoting economic development;
7. Recent faculty support and estate gifts;
8. The president will be presenting at a number of conferences during the summer;
9. Highlighted the continuing outreach to New Orleans related to Hurricane Katrina;
10. Highlighted the recognition for the MBA Online program, Center for Wind Energy, Ian Baxter selected for the Governor’s Fellows Program, JMU Destination Imagination teams, President’s 2014 Higher Education Community Service Honor Roll, the Charlie Wampler Community Builder Award, Women’s Tennis team, and #1 ranking for best college food;
11. Mr. David McGraw, Speaker for the Faculty Senate and Dr. Mark Piper, Marshal, presented information on the 2015 Faculty Senate Vision Grant Awardees.

**UREC – a SPARK! for LEARNING**

Mr. Eric Nickel, Director, University Recreation, presented information on the purpose and role of recreation and wellness and an update on the addition to the facility. (Attachment G)

**COMMUNITY ENGAGEMENT**

Mr. Rich Harris, Director, Community Service Learning, presented information on the Community Engagement Council. (Attachment H)

**2015-16 BUDGET**

Mr. Charles King, Senior Vice President for Administration and Finance presented the proposed 2015-16 university budget. (Attachment I) On motion of Mr. Funkhouser, seconded by Mr. Rainey, the proposed budget was approved.

**NOMINATING COMMITTEE**

On behalf of the Nominating Committee of Ms. Gilliam, Mr. Funkhouser, and Mr. Rainey, Mr. Rainey presented the following slate of officers for 2015-16:

Rector – Mr. Mike Thomas; Vice Rector – Mrs. Vanessa Evans-Grevious; Secretary – Mrs. Donna Harper. On motion of Mr. Rainey, seconded by Mr. Battle, the slate of officers was approved.

Mr. Thomas then recognized the outgoing board members:

Barry DuVal – Years of Service: 2011-2015

* Served on the Advancement Committee, Finance and Physical Development Committee, and the Education & Student Life Committee

Pablo Cuevas – Years of Service: 2011-2015

* Served on the Athletic Committee, Education & Student Life, and the Development Committee (now the Advancement Committee)

Leslie Gilliam – Years of Service: 2011-2015

* Served as the Chair of the Advancement Committee and on the Finance & Physical Development Committee

Don Rainey – Years of Service: 2011-2015

* Served as the Chair of the Finance & Development Committee and on the
 Advancement Committee, the Audit Committee, and the Education & Student Life
 Committee
Fred Thompson – Years of Service: 2007-2015
* Served as the Chair of the Audit Committee and on the Education & Student Life Committee, and the Finance & Physical Development Committee

Mr. Alger also thanked and recognized the outgoing board members for their leadership & friendship.

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

The motion was seconded by Mr. Battle 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

Cuevas, Pablo

Evans-Grevious, Vanessa

Funkhouser, Joseph

Gilliam, Leslie

Hutchinson, Lucy

Rainey, Don

Rexrode, David

Rice, Edward

Thomas, Mike

Thompson, Fred

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

On motion of Mr. Rainey, seconded by Mr. Cuevas, approved the purchase of 1.923 acres designated on the tax map as 004-B-2 located on Hunters Road at a purchase price of $450,000 with Mr. Funkhouser recusing himself.

On motion of Mr. Funkhouser, seconded by Mr. Thompson, approved the personnel action report.

**ADJOURNMENT**

There being no further business, on motion of Mrs. Evans-Grevious, seconded by Mr. Rainey, the Board voted to adjourn. The meeting was adjourned at 3:54 pm.

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

 Mike Thomas, Rector

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

Donna L. Harper, Secretary