THE COMMONWEALTH OF VIRGINIA

THE VISITORS OF JAMES MADISON UNIVERSITY

 Volume LIV No. 1

**Minutes of the Meeting of September 29, 2017**

The Visitors of James Madison University met on Friday, September 29, 2017 in the Festival Conference and Student Center Board Room on the campus of James Madison University. Mrs. Vanessa Evans-Grevious, Rector, called the meeting to order at 1:46 pm.

**PRESENT:**

Battle, Mike

Bolling, William

Coleman, Warren, Vice Rector

Evans-Grevious, Vanessa, Rector

Grass, Jeff

Gray-Keeling, Matthew

Herod, Maribeth

Hutchinson, Lucy

Jankowski, Maria

Johnson, Deborah

Major, Lara

Rice, Edward

Rothenberger, John

Thomas, Mike

Welburn, Craig

Kaufmann, Eric, Student Representative 2017-18

Harper, Donna, Secretary

**ALSO PRESENT:**

Alger, Jonathan, President

Coltman, Heather, 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

Piper, Mark, Speaker Pro Tempore, Faculty Senate

Wheeler, Susan University Counsel

Mrs. Evans-Grevious welcomed Mr. Eric Kaufmann, Student Representative to the Board; Dr. Mark Piper, Speaker Pro Tempore; and Ms. Jewel Hurt, President of the Student Government Association.

President Alger recognized the passing of Dr. Ronald E. Carrier, President Emeritus, sharing a video and observing a moment of silence.

**APPROVAL OF MINUTES**

On motion of Mr. Thomas, seconded by Mr. Rice, the minutes of the June 1-2, 2017 meeting were approved.

**COMMITTEE REPORTS**

**Advancement Committee**

Mr. John Rothenberger, presented the report of the Advancement Committee. The minutes of the April 7, 2017 meeting were approved. (Attachment A)

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

1. Ms. Cynthia Cline, Director of Major Gifts, reported on the fund-raising efforts for FY17;
2. Mr. Justin Jannuzzi, Senior Associate Athletics Director for Development, reported on the Duke Club annual fund-raising activities.;
3. Dr. Nick Langridge, Vice President for Advancement, and Ms. Sheila Smith, Associate Vice President for Campaign Management, provided a review of historical campaign preparation steps and an update on campaign planning activities;
4. Mr. Andy Perrine, Associate Vice President, provided an overview of recent focus groups conducted with a variety of constituents for feedback on the proposed brand;
5. Dr. Nick Langridge gave an update on the JMU Foundation;
6. Ms. Carrie Combs, Director of Advancement Relations, Ms. Kelly Snow, Director of Annual Giving and Mr. Barry King, Director of Quality Assurance, shared information on a new crowd funding technology; and
7. Ms. Sheila Smith reported on the recent move to the renovated Sonner Hall.

On motion of Mr. Rothenberger, seconded by Mrs. Herod, the Advancement report was accepted.

**Athletics Committee**

Mr. Craig Welburn, Chair, presented the report of the Athletics Committee. The minutes of the April 7, 2017 meeting were approved. (Attachment B)

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

1. Mr. Jeff Bourne, Director of Athletics, recognized former Head Coach Mickey Dean (softball), Head Coach Shelley Klaes-Bawcombe (lacrosse); Head Coach Dane Pedersen (swimming) and Head Coach John Wolsh (diving) on their respective CAA Coach of the Year honors;
2. Mr. Bourne gave an update on the fall sports teams;
3. Mrs. Jennifer Phillips, Associate Athletic Dean for Student-Athlete Services/Compliance/SWA, provided an update on the academic status of student-athletes;
4. Mr. Geoff Polglase, Deputy Athletic Director, summarized the 2016-17 Strategic Plan Accountability Measures; and
5. Mr. Justin Jannuzzi, Senior Associate Athletics Director for Development, shared an update on the Duke Club staff and fundraising efforts.

On motion of Mr. Welburn, seconded by Ms. Jankowski, the Athletics report was accepted.

**Audit Committee**

Mr. Jeff Grass, Chair, presented the report of the Audit Committee. The minutes of the April 7, 2017 meeting were approved. (Attachment C)

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

1. Mr. Eric Sandridge, Director of Higher Education Programs with the Auditor of Public Accounts, presented the results of the JMU financial audit for FY17;
2. Ms. Becky Holmes, Director of Audit and Management Services, presented the 2016-17 annual report;
3. Ms. Holmes shared the internal audit plan for 2017-18; and
4. Ms. Holmes presented the 2017-18 internal audit budget.

On motion of Mr. Grass, seconded by Mr. Coleman, the Audit report was accepted.

**Education and Student Life**

Mrs. Deborah Johnson, Chair, presented the report of the Education and Student Life Committee. The minutes from the April 7, 2017 meeting were approved. (Attachment D)

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

1. Ms. Kristi Shackelford, Assistant Vice Provost, presented the recommended changes to the Faculty Handbook.

On motion of Mrs. Johnson, seconded by Mr. Thomas, approved the revisions to the Faculty Handbook. (Attachment E)

1. The committee heard reports from the Faculty Senate, the Student Representative to the Board, and the Student Government Association President.

On motion of Mrs. Johnson, seconded by Mr. Coleman, the Education and Student Life report was accepted.

#### Finance and Physical Development Committee

Mrs. Maribeth Herod, Chair, presented the report of the Finance and Physical Development Committee. The minutes from the April 7, 2017 meeting were approved. (Attachment F)

Mrs. Herod reported on the following from the committee meeting:

1. Mr. John Knight, Assistant Vice President for Finance, reviewed the 2016-7 quarterly financial report;
2. Mr. Knight presented an update on the financial statement audit;
3. Mr. Knight presented two bond resolutions:

On motion of Mrs. Herod, seconded by Mr. Rothenberger, approved the following resolution for the 500-bed residence hall:

**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 Project authorized for bond financing by the General Assembly: Construct Student Housing (Project Code 18197) (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 $***55,000,000*** 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

On motion of Mrs. Herod, seconded by Mr. Coleman, approved the following reimbursement bond:

**WHEREAS,** JAMES MADISON UNIVERSITY (the “Institution”) has undertaken the construction of its Student Housing Project (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 $55,000,000.

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

1. Mr. John Knight presented the 2016-17 Receivables Write-Offs Report;
2. Mr. Charles King, Senior Vice President for Administration and Finance, requested the approval of two easements:
	1. On motion of Mrs. Herod, seconded by Mrs. Johnson, approved a 20-foot natural gas easement to Columbia Gas along the west side of UREC at 701 Driver Drive to provide utilities for the JMU tennis air-supported structure;
	2. On motion of Mrs. Herod, seconded by Mr. Coleman, approved a 10-foot utility easement to the City of Harrisonburg along the east side of University Boulevard at 895 University Boulevard to provide utilities to support the JMU tennis air-supported structure.
3. Mr. King shared the 2018-20 biennial budget requests submitted to the Department of Planning and Budget.
4. The committee was joined by members of the Education and Student Life Committee to participate in a discussion on financial planning.

On motion of Mrs. Herod, seconded by Mr. Welburn, the Finance and Physical Development report was accepted.

**PRESIDENT’S REPORT**

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

1. Recognized Megan Good who received the 2017 Schutt Sports National Fastpitch Coaches Association DI National Player of the Year award;
2. The university received the HEED Award (Higher Education Excellence in Diversity) and was named one of fourteen schools as a Diversity Champion;
3. The university also received the National Institute for Learning Outcomes Assessment award for Excellence in Assessment Designee and was recognized for Sustained Excellence;
4. The American Association of State Colleges and Universities presented James Madison University with an Excellence and Innovation Award for community and civic engagement;
5. The X-Labs, the cross-disciplinary maker space, received the Governor’s Technology Award;
6. Introduced Dr. Heather Coltman, Provost and Sr. Vice President for Academic Affairs and Dr. Michael Davis, Executive Advisor to the President;
7. Shared that national searches are underway for the Vice President for Student Affairs, Dean of the College of Arts and Letters, and the Dean of the College of Business;
8. Shared activities and support the university has in place related to the current trends in higher education on issues of free speech, inclusion and DACA;
9. Several offices are supporting and coordinating opportunities related to hurricane relief efforts;
10. Shared examples of student internships that support engaged learning;
11. JMU hosted the Region 8 Council meeting of GoVirginia;
12. President Alger and Ms. Jewel Hurt, Student Government Association President are serving on the Governor’s Task Force on Millennial Civic Engagement;
13. Dr. Abe Goldberg has been hired as the Director of the James Madison Center for Civic Engagment; and
14. Mr. Rollin Johnson, Jr. has begun as the Director of Virginia Campus Compact.

**CENTER FOR GLOBAL ENGAGEMENT** (Attachment H)

Dr. Lee Sternberger, Executive Director of the Center and Assistant Vice Provost, presented information on the mission and programs of the center.

**SIX YEAR PLAN** (Attachment I)

Dr. Brian Charette, Special Assistant to the President for University Planning, Mr. Charles King, Senior Vice President for Administration and Finance, and Dr. Heather Coltman, Sr. Vice President for Academic Affairs and Provost, presented the Six Year Plan to be submitted to the State Council of Higher Education of Virginia.

On motion by Mr. Thomas, seconded by Mrs. Herod, approved the Six Year Plan.

Rector Evans-Grevious then called for the board to move into Closed Session. Mr. Coleman 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 Mrs. Johnson and the Board moved into closed session.

Following the closed session, Mrs. Evans-Grevious 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:**

Bolling, William Hutchinson, Lucy

 Coleman, Warren Jankowski, Maria

 Evans-Grevious, Vanessa Johnson, Deborah

 Grass, Jeff Major, Lara

 Gray-Keeling, Matthew Rice, Edward

 Herod, Maribeth Rothenberger, John

Mrs. Evans-Grevious then asked if there were any motions to come forward.

On motion of Mr. Welburn, seconded by Mrs. Herod, approved the personnel action report.

On motion of Mrs. Herod, seconded by Mr. Coleman, approved the purchase at 475 Eastover Drive for a purchase price of $230,000.

On motion of Mrs. Herod, seconded by Mrs. Major, approved the purchase at 1010 Forest Hill Road for a purchase price of $360,000.

**ADJOURNMENT**

There being no further business, on motion of Mr. Coleman, seconded by Mrs. Johnson, the Board voted to adjourn. The meeting was adjourned at 3:43 pm.

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 Vanessa Evans-Grevious, Rector

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Donna L. Harper, Secretary