THE COMMONWEALTH OF VIRGINIA

THE VISITORS OF JAMES MADISON UNIVERSITY

 Volume LI No. 1

**Minutes of the Meeting of September 26, 2014**

The Visitors of James Madison University met on Friday, September 26, 2014 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 1:46 pm.

**PRESENT:**

Battle, Mike

Bolling, William

Coleman, Warren

Cuevas, Pablo

DuVal, Barry

Evans, Vanessa

Fiorina, Carly, Vice Rector

Funkhouser, Joseph

Gilliam, Leslie

Hutchinson, Lucy

Rainey, Don

Rexrode, David

Rice, Edward

Thomas, Mike, Rector

Scala, David, Student Member 2014-15

Harper, Donna, Secretary

**ABSENT:**

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, Senior Director of Communications & University Spokesperson

McGraw, David, Speaker, Faculty Senate

Wheeler, Susan University Counsel

Rector Thomas recognized and welcomed the new board members: Bill Bolling, Warren Coleman, Vanessa Evans, Lucy Hutchinson and Edward Rice.

The Rector also welcomed the Impact3 leadership group in attendance.

**APPROVAL OF MINUTES**

On motion of Mr. Funkhouser, seconded by Mr. Battle, the minutes of the June 6, 2014 meeting were approved.

**COMMITTEE REPORTS**

**Advancement Committee**

Mrs. Leslie Gilliam, Chair, presented the report of the Advancement Committee. The minutes of the June 6, 2014 meeting were approved. (Attachment A)

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

1. Mr. Dave Biancamano, Senior Associate Athletic Director for Fundraising External Development, reported on the Duke Club fund-raising efforts and reported that two new staff members have been hired in the department;
2. Mr. Jeff Gilligan, Assistant Vice President for Development, reported on the fund-raising accomplishments of the Office of Planned Giving, Major Gifts, and Annual Giving;
3. Dr. Cindy Klevikis, Mr. Ryan Stees, and Ms. Lauren Distler were recognized as three beneficiaries of giving;
4. Mr. Andy Perrine, Associate Vice President Communications & Marketing, shared the communications strategy for disseminating the new Madison Plan (strategic plan) and Dr. Nick Langridge, Vice President for Advancement and Mrs. Sheila Smith, Assistant Vice President for Campaign Management discussed the role of the Madison Plan in the campaign;
5. Mr. Steve Smith, Associate Vice President for Constituent Relations, reported on the Madison Trust to be piloted in the fall of 2014; and
6. Mrs. Leslie Gilliam gave an update on the Women for Madison.

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

**Athletics Committee**

Mr. Mike Battle, Chair, presented the report of the Athletics Committee. The minutes of the June 6, 2014 meeting were approved. (Attachment B)

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

1. The Chair shared the role of the athletic committee;
2. Mr. Jeff Bourne, Athletic Director, introduced Ms. Sarah Sargent, Head Women’s Golf Coach, Mr. James Bryce, Head Women’s Tennis Coach, Mr. Dane Peterson, Interim Head Coach for Women’s Swimming/Diving, and Ms. Cheree Hicks, Head Coach for Women’s Track and Field;
3. Mr. Bourne provided an update on the fall sports programs;
4. New and renovated facilities were reviewed with the committee;
5. Ms. Casey Carter, Associate Athletic Director for Student-Athlete Services, provided the academic update on all athletes for the year ended June 30, 2014;
6. Mr. Dave Biancamano, Senior Associate Athletic Director for Fundraising External Development, presented the Duke Club fundraising summary for the year ended June 30, 2014; and
7. Mr. John Knight, Associate Vice President for Finance reviewed the independent auditors report regarding the Schedule of Athletic Revenues and Expenses for the intercollegiate athletic program.

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

**Audit Committee**

Mr. Dave Rexrode, substituting for the Chair, presented the report of the Audit Committee. The minutes of the June 6, 2014 meeting were approved. (Attachment C)

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

1. Mr. Al Bartholet, station manager of WMRA, presented a follow-up report on the station’s financial situation;
2. Mrs. Rebecca Holmes, Audit and Management Services Director, presented the annual report for Audit and Management Services and the committee approved the 2014-15 annual audit plan and the operating budget; and
3. The committee approved the revised Audit Committee’s charter to include the committee’s additional responsibility for receiving reports from the University Compliance committee.

On motion of Mr. Rexrode, seconded by Mrs. Fiorina, the Audit report was accepted.

**Education and Student Life**

Ms. Vanessa Evans, Chair, presented the report of the Education and Student Life Committee. The minutes from the June 6, 2014 meeting were approved. (Attachment D)

Ms. Evans reported on the following topics from the committee meeting:

1. Dr. Sharon Lovell, Dean of the College of Health and Behavioral Science, presented the proposal for differential tuition for the Nursing program;
	1. On motion of Ms. Evans, seconded by Mr. Rainey, approved the fee of $90 per credit hour for all nursing courses, except the online RN-BSN program, effective fall, 2015.
2. Dr. Melissa Alemàn, Interim Dean of the Graduate School, presented the second reading for the Master of Science degree in Sport and Recreation Leadership.
	1. On motion of Ms. Evans, seconded by Mrs. Gilliam, approved the program.
3. The committee heard reports from the Student Government Association, the Faculty Senate and the Student Member to the Board.

On motion of Ms. Evans seconded by Mr. Funkhouser, 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 June 6, 2014 meeting were approved. (Attachment E)

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

1. Mr. John Knight, Assistant Vice President for Finance, reviewed the 2013-14 financial report provided to the committee on a quarterly basis;
2. Mr. Knight presented the 2013-14 Receivable Write-Offs Report which is within the board’s established guidelines;
3. Mr. Knight presented two bond resolutions related to the UREC renovation and expansion;
	1. On motion of Mr. Rainey, seconded Mrs. Fiorina, approved the following:

RESOLUTION OF THE BOARD OF VISITORS OF *JAMES MADISON UNIVERSITY*

VIRGINIA COLLEGE BUILDING AUTHORITY FINANCING AUTHORIZATION

**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: **UREC** **RENOVATON AND EXPANSION** (Project Code 17953) (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 ADMINISTRATON AND 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 $***56,983,000*** 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 Mr. Rainey, seconded by Mrs. Gilliam, approved the following:

RESOLUTION OF THE BOARD OF VISITORS OF JAMES MADISON UNIVERSITY

DECLARING THE INTENTION TO REIMBURSE

THE COST OF CERTAIN EXPENDITURES

 **WHEREAS,** James Madison University (the “Institution”) has undertaken the renovation and expansion of its UREC Renovation and Expansion (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 $56,983,000.

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

1. Mr. Charles King, Senior Vice President for Administration & Finance, provided an update on the 2014-15 budget, specifically the University’s strategy to address the general fund reduction.
2. Mr. King briefed the committee on the University’s need to acquire portions of three city streets and one alley.
	1. On motion of Mr. Rainey, seconded by Mrs. Gilliam, approved the purchase of the following street/alley closures: .555 acre portion of Chesapeake Avenue, .853 acre portion of East Grace Street, .656 acre portion of south Mason Street, and the ten-foot alley between South Main and South Mason Streets.
3. a. On motion of Mr. Rainey, seconded by Mrs. Gilliam, approved the easement to T-Mobile

 for utilities along the northwest side of Lakeview Hall.

b. On motion of Mr. Rainey, seconded by Mrs. Fiorina, approved the easement to the City of

 Harrisonburg for a public waterline along the south side of Martin Luther King, Jr. Way.

c. On motion of Mr. Rainey, seconded by Mrs. Fiorina, approved the easement to the City of

 Harrisonburg, Columbia Gas of Virginia, Inc., and Harrisonburg Electric Commission for

 future utilities on Chesapeake Avenue, South Mason Street, and East Grace Street.

1. Dr. Jerry Benson, Provost and Senior Vice President for Academic Affairs and Mr. King presented the annual Six-Year Plan update. (Attachment F)
	1. On motion of Mr. Rainey, seconded by Mrs. Fiorina, approved the amended Six-Year Plan.
2. Mr. Lee Eshelman, Traffic Demand Manager, gave a presentation on the University’s Bicycle and Pedestrian Master Plan. (Attachment G)

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 H)

1. Fall, 2014 enrollment figures;
2. Current capital projects including the College of Health & Behavioral Studies, Grace Street Housing project, UREC expansion and renovation, Newman Lake Dam repair, and Madison Hall renovation;
3. 2014-15 Madison Vision series;
4. Study Abroad as an important high-impact learning experience;
5. Inaugural class of Valley Scholars for the pilot program;
6. 2014 Furious Flower Conference honoring Rita Dove, former Poet Laureate of the United States;
7. Recognized the 2014 AdWords Business Global Winners from JMU: Ashleigh Rojanavongse, Lauren Hale, Rachel Lam (in attendance), Kaci Lassiter (in attendance) and their adviser, Dr. Theresa Clarke; as well as the recent JMU alumni who will be appearing on the opening episode of Shark Tank;
8. Introduced Dr. Yvonne Harris, Vice Provost for Research and Scholarship and Dr. Nicole Parsons-Pollard, American Council on Education Fellow;
9. Joint meeting of the State Council of Higher Education in Virginia and the Council of Presidents held on the campus; and
10. The Madison Plan, the University’s new strategic plan.

**PERFORMANCE MEASURES**

Dr. Mark Warner, Senior Vice President for Student Affairs and University Planning, presented information on the University’s performance measures. (Attachment I)

**2014-15 BUDGET UPDATE**

Mr. Charles King, Senior Vice President for Administration and Finance presented an update on the budget. (Attachment J)

Rector Thomas then called for the board to move into Closed Session. Mrs. Fiorina 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. Gilliam 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, Vanessa

Fiorina, Carly

Funkhouser, Joseph

Gilliam, Leslie

Hutchinson, Lucy

Rainey, Don

Rexrode, David

Rice, Edward

Thomas, Mike

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

On motion of Mrs. Fiorina, seconded by Ms. Hutchinson, approved the personnel action report.

On motion of Mr. Rainey, seconded by Mr. Funkhouser, approved the purchase at 700 Hickory Hill Drive at a purchase price of $305,000.

On motion of Mr. Rainey, seconded by Mrs. Gilliam, approved the purchase at 701 Hickory Hill Drive at a purchase price of $322,500.

**ADJOURNMENT**

There being no further business, on motion of Mrs. Fiorina, seconded by Mr. Funkhouser, the Board voted to adjourn. The meeting was adjourned at 4:15 pm.

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 Mike Thomas, Rector

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Donna L. Harper, Secretary