

RADFORD UNIVERSITY BOARD OF VISITORS
BUSINESS AFFAIRS & MARKETING COMMITTEE

APPROVED

May 5, 2011
MINUTES

Committee Members Present:

The Honorable J. Brandon Bell, Chair
Mr. Ronald R. Wesley, Vice Chair
Ms. Linda Whitley-Taylor

Board Members Present:

Mr. Stephen A. Musselwhite, Rector
Mr. Mark R. Pace, Vice Rector
Ms. Nancy E. Artis
Mr. Stephan Q. Cassaday
Mr. Matthew B. Crisp
Mr. Thomas E. Fraim
Mr. Milton C. Johns
Mr. Walter F. Rugaber
Ms. Randi- Lyn Randall (non-voting advisory student representative)
Dr. Kay K. Jordan (non-voting advisory faculty representative)

Others Present:

Ms. Penelope W. Kyle, President
Dr. Joseph Scartelli, Interim Provost and Vice President for Academic Affairs
Mr. Richard Alvarez, Vice President for Finance & Administration and Chief Financial Officer
Mr. Danny Kemp, Vice President for Information Technology and Chief Information Officer
Dr. Mark Shanley, Vice President for Student Affairs
Dr. Dennis Grady, Dean of the College of Graduate and Professional Studies
Dr. Bill Kennan, Vice Provost for Academic Affairs
Mr. Jeff Douglas, Executive Director of University Relations and Chief Communications Officer
Ms. Margaret McManus, University Auditor
Ms. Karen Helderman, Information Systems Development Director, Auditor of Public Accounts
Ms. Hope Broughman, Audit Specialist, Auditor of Public Accounts
Ms. Lisa Ridpath, Assistant Vice President for Budget & Planning
Ms. Karen Castele, Legislative Liaison/Spec. Projects
Mr. Ron Forehand, Senior Assistant Attorney General
Faculty, staff, guests and media

Call to Order:

The Honorable Brandon Bell, Business Affairs & Marketing Committee Chair, called the meeting to order at 12:30 p.m. On a motion by Stephen Musselwhite and seconded by Mark Pace, the minutes of the November 11, 2010, meeting were approved.

Ms. Karen Helderman , representative from the State Auditor of Public Accounts (APA), presented a report to the Committee regarding their audit of the University's financial statements for the fiscal year ended June 30, 2010. The University received an unqualified opinion with no material weaknesses, significant deficiencies, or instances of noncompliance. A copy of this document is attached hereto as Attachment A.

Ms. Helderman stated that the audit's successful outcome was the result of hard work on the part of the University's staff. In response to a question, she explained that the audit was primarily for examining the accuracy of the University's financial statements and internal controls. She noted, however, that the APA also looked at the usage of the Banner administrative system and found that RU utilizes the system extensively and effectively. She further noted that management maintains a watchful eye and monitors any issues which may arise.

Ms. Margaret McManus, University Auditor presented a report on the University Discretionary Fund review for the quarters ended December 31, 2010, and March 31, 2011. She reported that one hundred percent of expenditures were reviewed and all were found in compliance with the Board of Visitors' guidelines. Ms. McManus also presented a follow-up audit status report, which is attached hereto as Attachment B.

Ms. Lisa Ridpath, Assistant Vice President for Budget & Planning, discussed the annual report for write-off of uncollected accounts. At the December 4, 2006, meeting of the Board of Visitors, authority to write off uncollected accounts under the amount of \$25,000 per quarter was delegated to the Vice President for Finance & Administration. An annual report is presented to the Board of Visitors to document compliance with this delegated authority. Ms. Ridpath discussed the annual report documenting the write-offs of uncollected accounts for each quarter of 2010, compared to total write-offs for 2009 and 2008. A copy of the write-off report is attached hereto as Attachment C.

Mr. Richard Alvarez, Vice President for Finance & Administration, provided an update on current year revenues and expenditures. He reported that the University is on budget and on target; revenue collections are at expected levels and all financial obligations have been met to date.

Action Items:

Adoption of a Resolution for the Student Fitness and Wellness Center 9(d) Debt Financing

Ms. Lisa Ridpath explained that construction of the Student Fitness and Wellness Center has been approved for financing from state bonds through the Virginia College Building Authority (VCBA) and that Radford University intends to issue bonds for the construction. She further explained that Board of Visitors' adoption of a Resolution is required by the Commonwealth of Virginia Department of Treasury each time an institution plans to participate in a bond sale.

Ms. Ridpath said that the Resolution allows the University to enter into a loan agreement and issue a promissory note with the VCBA. The Resolution further authorizes the President and

Vice President for Finance & Administration to approve, execute, and deliver all documents necessary to effectuate the financing of the costs of the project through the VCBA. A copy of the report was included as part of the committee notebook and is attached hereto as Attachment D.

In response to a question, Ms. Ridpath stated that this is an auxiliary, non-general fund project and the University pays the principal and interest through the comprehensive fee.

Mr. Bell called for the recommendation of a Resolution (Attachment E) for the Student Fitness and Wellness Center VCBA 9(d) Debt Financing. On a motion by Stephan Cassaday and seconded by Ronald Wesley, the recommendation was approved.

Adoption of a Resolution Authorizing Auxiliary Reserve Funds for the Construction of the College of Business and Economics Building

Mr. Richard Alvarez explained the need to authorize the temporary infusion of up to \$10 million of auxiliary reserve funds for the construction of the College of Business and Economics building until private funding is received through fund raising. He said that the Resolution also identifies the intent for the Radford University Foundation, Inc., over time, to reimburse the auxiliary reserve fund for actual expenditures. A copy of the report was included as part of the committee notebook and is attached hereto as Attachment F.

There was discussion about the effect that this action could have upon fund-raising. In response to a question, Mr. Alvarez recommended that the committee go forward with this Resolution so the building can be completed without interruption. He expressed optimism that the auxiliary reserve would be replenished to the full amount. He summarized the reserve balances and stated that RU has one of the highest reserves in the state because of due diligence.

President Kyle explained how plans were made to launch a capital campaign in 2009 to begin fund raising for this project, but with the downturn in the economy, the University was advised that it was not the right time to begin such a venture.

Mr. Bell called for the recommendation of a Resolution (Attachment G) to authorize the infusion of Auxiliary Reserves for the construction of the College of Business and Economics building. On a motion by Thomas Fraim and seconded by Ronald Wesley, the recommendation was approved.

Adoption of a Resolution for 2011-2012 Tuition and Fees

Mr. Alvarez led a discussion and provided an overview on the recommended 2011-2012 tuition and fees. He explained that the proposed rates will allow the university to address unavoidable cost increases, the \$3 million funding gap from the loss of state general fund support, the looming “funding cliff” from the loss of federal stimulus funding, and mission critical programmatic needs. He reviewed some of the legislative actions that will impact the budget and student financial assistance next year, and discussed how the University has planned for FY 2012 and beyond. He emphasized that enrollment was based on 1950 incoming freshmen, although it could be somewhat higher.

Mr. Alvarez also reviewed the recommendations for the comprehensive fee, and room and board. He explained that the recommended increases are necessary to fund unavoidable cost increases, scholarships, student health and counseling services, annual contract increases for dining services, enhanced transportation services, realignment of operation and maintenance cost from recreation and athletics, and operating costs for the new Student Fitness and Wellness Center.

Copies of the explanatory documentation and power point presentation were included as part of the committee notebook and are attached hereto as Attachments H and I.

After a thorough discussion, Mr. Bell called for the recommendation of a Resolution (included in Attachment H) to approve tuition and fees for the 2011-2012 academic year as reflected in the Summary of Proposed 2011-2012 Tuition and Fees. On a motion by Ronald Wesley and seconded by Mark Pace, the recommendation was approved.

The meeting adjourned at 1:55 p.m.

Barbara M. Conner, Recorder