

WEST VIRGINIA UNIVERSITY
BOARD OF GOVERNORS

April 4, 2014

The one hundred twenty-second meeting of the West Virginia University Board of Governors was held on April 4, 2014 at the Erickson Alumni Center. Board members in attendance/participating by telephone included James R. (Rob) Alsop, David Alvarez, Dr. Lisa DiBartolomeo, Ryan Campione, Ellen Cappellanti, James W. Dailey, II, Thomas Flaherty, J. Thomas Jones; Dr. Robert Griffith, Raymond Lane, Diane Lewis, Dixie Martinelli, William Nutting, Andrew A. Payne, III, Ed Robinson, J. Robert (J.R.) Rogers, and William Wilmoth.

WVU officers, divisional campus officers, and representatives present included:

President, E. Gordon Gee;
Provost and Vice President for Academic Affairs, Michele Wheatly;
Vice President for Administration and Finance, Narvel Weese;
Vice President for Legal Affairs and General Counsel & Assistant
BOG Secretary, William H. Hutchens, III;
Vice President for University Relations, Sharon Martin;
Vice President for Student Affairs, Ken Gray;
Vice President for Research, Fred King;
Vice President for Health Sciences Research & Graduate Education, Dr. Glenn Dillon;
Senior Associate Provost, Russell Dean;
Chief Diversity Officer, David Fryson;
Associate Vice President, Academic Strategic Planning, Dr. Nigel Clark;
Interim Director of Internal Audit, Douglas Maatman;
Executive Officer for Policy Development, Jennifer Fisher;
Associate Provost for Undergraduate Academic Affairs & Dean of University College,
Elizabeth Dooley;
Senior Associate Vice President for Finance, Dan Durbin;
Associate Vice President for Planning & Treasury Operations, Liz Reynolds;
Associate Vice President for Facilities and Services, Randy Hudak;
Assistant Vice President, Student Affairs Communications, Sabrina Cave;
West Virginia University Institute of Technology President, Carolyn Long;
Potomac State College of West Virginia University President, Leonard Colelli;
Student Affairs Chief Business and Planning Officer, Les Carpenter;
Vice President, Planning and Operations for Health Sciences, Dr. Fred Butcher;
Chief Financial Officer for WVU Health Sciences, Wendy King;
Dean of Students and Director of Housing, G. Corey Farris;
Director of Transportation and Parking/Director of Sustainability, Clement Solomon;
Senior Associate Athletic Director, Michael Szul;
Executive Senior Associate Athletic Director, Keli Cunningham;
Senior Advisor to the Provost for Divisional Campuses, Kerry Odell;
Dean of Libraries, Jon Cawthorne;
Associate Director, Organizational Advancement, WVU Extension Service, Ann Berry;

State Corporate and Community Relations Specialist, Ron Justice;
Interim Associate Vice President, Earl Scime;
Associate Professor, Maura McLaughlin;
Assistant Professor, Daniel Pisano;
Assistant Vice President for University Communications, Becky Lofstead;
Director of University Relations/News, John Bolt;
WVU's ACCE representative Paul Martinelli;
Director of Treasury Operations, David Kosslow;
Special Events Assistant, Camille Sennett; and,
Special Assistant to the Board of Governors, Valerie Lopez.

Members of the Press were also present.

CALL TO ORDER

The meeting was called to order by Board Chairman, James W. Dailey, II, at 8:30 a.m. Chairman Dailey thanked Vice President, Ken Gray, for the informative presentations related to Student Affairs made to members of the Board yesterday afternoon.

BOARD PRESENTATIONS

Academic Affairs Updates:

Provost and Vice President for Academic Affairs, Michele Wheatly, updated members of the Board on The Higher Learning Commission site visit taking place on the WVU campus next week. Provost Wheatly announced that WVU is well prepared to discuss all issues related to reaccreditation and anticipates a successful outcome for our university. Provost Wheatly introduced WVU's new Dean of Libraries, Jon Cawthorne. Provost Wheatly next briefed members of the Board on efforts within Academic Affairs to model President Gee's shared goals to become successful leaders at WVU and how her department is Focusing, Innovating and Performing to make this great university an even better place to learn, teach, work and invest in. A few examples given in each area included:

Focus:

- The Council of Deans has focused on two themes this year. An ongoing activity is developing an Enrollment Driven Business Model and Culture through engaging enrollment teams from every academic college to consider degree programs that provide relevant education to students and also deploying online delivery strategies to market to the adult (re-entry) students.
- We have also worked intensively on the institutional P and T guidelines, on the agenda for the Full Faculty Senate in April.
- Later this semester we will be focusing our conversation on the Mountains of Excellence clusters for faculty hiring and interdisciplinary research.

Innovate:

- We had an open house on March 22 for 893 students and 2650 total guests. This event was so successful we will look to do four similar open houses in the next recruiting cycle.
- Mountaineer Success Academy: (summer bridge program for less prepared students). When compared with a cohort group with similar scores, fall to fall retention was increased by 20%, with 20% fewer students on probation.
- Remember we are coming off a year of Women in STEM. We are also seeing an increase of 24% (+25) in our female freshmen depositors in Engineering for fall 2014.
- One of my own pet projects is the Women's Leadership Initiatives (WLI) which is currently 117 members strong, including women across all divisions of the university who are leaders or have leadership potential. WLI worked with WVU's ADVANCE Office to bring the Heinz Negotiation Academy for Women to campus for negotiation workshops. More than 50 women attended.
- WVU Academic Innovation has expanded its partnership with the West Virginia Department of Education to support the implementation of the new secondary integrated mathematics courses. This partnership has led to the development of the "Next Generation" Mathematics for the West Virginia Schools project. Through this project, WVU Academic Innovation has created an innovative web portal to offer open and free access to digital mathematics course content, built using the latest interactive media for personalized learning. As a result of this project, teachers will have the media-rich and interactive resources needed to enhance student learning. Math teachers creating a math MOOC for other teachers in WV.
- Two proposals were selected by a faculty committee to develop MOOCs for Coursera. These free online courses provide WVU an opportunity to reach new audiences, extend our reputation for academic and teaching excellence, and recruit new students.
- Gypsy Denzine, Associate VP Engagement and Outreach, together with Bill Hutchens' team for State Outreach, have really coalesced. Throw into that mix the magic dust that is President Gordon Gee and I think we will have a recipe for better articulation of the value of WV's flagship land grant as an unparalleled asset to the entire state.

Perform:

- The Bernard Osher Foundation recently provided WVU a \$1 million endowment to support non-traditional, adult learners Re-entry scholarships (25-50 with a minimum 5 year break in college career.)
- In August 2013, the Office of the University Registrar launched the secure PDF delivery of transcripts for current students and alumni. With this innovation, WVU is able to provide an official copy of a student's transcript in minutes. This transcript cannot be altered and can be downloaded only once before it becomes unofficial. More than 2000 transcripts have been delivered via this mechanism.

Provost Wheatly concluded that like any consumer driven industry, WVU will be judged by the quality of what we produce and she ended on a high note by stating that it has been a banner year for our students, who have exceeded expectations on nationally competitive programs.

Private-Public Partnerships – Presentation of Completed Transactions:

Vice President for Administration and Finance, Narvel Weese, presented an overview of five public-private partnership transactions that will generate new tax revenues for various governmental bodies and address several strategic issues for West Virginia University. The five projects are:

- **University Place**, a \$70 million mixed-use student housing project, with about 980 beds, under construction in Sunnyside, featuring a full-service grocery store and other amenities.
- **College Park**, a \$44 million mixed-use housing complex, with 567 beds for WVU students as well students and employees with families, off Willey Street.
- **University Park**, a \$90 million multi-purpose development in the Evansdale area, that will include approximately 1,100 beds as well as WVU and other food options, along with retail development.
- **Evansdale Crossing**, a new \$25 million facility which will house study and classroom spaces, a rooftop coffee lounge and student services including a PNC bank branch. It will also be situated near the Personal Rapid Transit system, Creative Arts, engineering and other nearby academic facilities.
- **Baseball park**, a \$21 million stadium to be located near University Town Centre in Granville that will be the home of the WVU baseball team as well as a minor league team and available for other community events.

Vice President Weese recapped the private-public partnerships and summarized how these partnerships are an investment in the future of the greater Morgantown community and West Virginia University. He noted that they will also help revitalize areas of Morgantown while helping address traffic congestion and improving the student experience, and also bring much-needed tax revenue to city, county and state coffers to assist with area projects and purchases such as road paving and other infrastructure and capital improvements.

Vice President Weese added that the partnerships lead to revitalized neighborhoods throughout the community, and provide more walkability options, while providing a financial return to WVU as well as our community and taxpayers through additional jobs, taxes and economic and population growth. He added that the estimated financial impact on local and state governments will include \$5.3 million in building and occupation taxes to the City of Morgantown, with annual revenues of \$427,500 to the City; \$502,500 to Monongalia County; and \$750,000 in sales tax to the state, bringing the overall 40-year impact to \$81.4 million. He also noted that WVU uses revenue from the projects to fund its participation, meaning that no tuition or state tax dollars are used for design or construction. The projects additionally address several key strategic issues at WVU, including insufficient, inflexible and outdated on-campus

housing, lack of student-support and amenities on the Evansdale Campus and the need to upgrade baseball facilities to compete in the Big 12 athletic conference.

Following his presentation, Vice President Weese introduced Morgantown City Mayor, Jenny Selin, who spoke on the favorable collaboration between West Virginia University and the City of Morgantown. Mayor Selin listed many of the partnerships in which the City and University are cooperating, including a Safe Communities initiative and an upcoming conference on looking for solutions to underage drinking; the long-standing Sunnyside Up partnership; a River Town initiative to take advantage of the area's waterfronts; and her hope for a future project on innovative transportation solutions. In addition, Frank Vitale, president of the Greater Morgantown Chamber of Commerce, was introduced and praised WVU for undertaking these public-private initiatives.

EXECUTIVE SESSION

Chairman Dailey requested a motion that the Board go into Executive Session, under authority in West Virginia Code § 6-9A-4(b)(12) to discuss legal matters. The motion was made by J. Robert J.R.) Rogers, seconded by Dr. Robert Griffith, and passed. Following the conclusion of Executive Session, Ellen Cappellanti moved that the Board reconvene into regular session. This motion was seconded by David Alvarez, and passed.

DISCUSSIONS EMANATING FROM EXECUTIVE SESSION

Chairman Dailey reported that nothing discussed in today's Executive Session required Board action.

PRESIDENT'S REPORT

Dr. Gee provided an update on pending searches and reported on some of his recent visits to various regions of West Virginia, one of which was to the world's premiere single-dish radio telescope in Pocahontas County, West Virginia. He then asked Physics Professors Maura McLaughlin, DJ Pisano, and Earl Scime to provide the Board with information about their work with the Green Bank Observatory, where West Virginia helps lead international research projects, as well as supports a youth outreach component in pulsars.

APPROVAL OF MINUTES

Andrew A. Payne, III moved that the minutes of the February 21, 2014 Regular Meeting and March 3, 2014 Emergency Meeting be approved. The motion was seconded by Thomas Flaherty, and passed.

COMMITTEE REPORTS

Audit Committee Meetings (Presented by Audit Committee Chairman, Thomas Flaherty)

1. Since the February Audit Committee Meeting took place following the conclusion of the Board's regular meeting on February 21, 2014, Audit Chairman, Thomas Flaherty, reported that during the February 21st Audit Committee meeting, members received reports from Vice President for Administration and Finance, Narvel Weese, regarding (a) An update on the WV Higher Education Policy's process of selecting a system-wide auditor to service all institutions (including WVU), and (b) An update related to the solicitation for audit services for the Research Corporation's 403(b) pension plans. Deloitte & Touche representatives were on hand to provide an overview of the WVU Research Corporation's A-133 financial statements audit, the results of which audit were accepted by the Audit Committee. Members of the Audit Committee also approved a motion to authorize Vice President Narvel Weese to accept the bid of Dixon Hughes to handle the audit services for the WVU Research Corporation's 403(b) pension plans, and enter into a contract for their professional services. The committee also approved a motion to accept a revised Audit Committee charter, presented by Director of Internal Auditing, William Quigley. Mr. Flaherty noted that this meeting is the last for William Quigley, who is retiring, and publicly thanked Mr. Quigley and the members of his team for their service to WVU.

2. During the April 3, 2014 Audit Committee meeting, committee members welcomed Interim Director of Internal Auditing, Doug Maatman, to his first meeting. Vice President for Administration and Finance, Narvel Weese, provided updates regarding (a) the appointment of a new external auditor for WVU, (b) WVU's interactions as the state continues implementation of its Enterprise Resource Planning system, and (c) new federal regulatory requirements. Associate Provost for Information Technology and Chief Information Officer, John Campbell, attended this meeting to brief committee members on the changes and innovations being focused upon within his department.

DISMISSAL FOR LUNCH

J. Robert (J.R.) Rogers, moved that the Board dismiss for lunch and reconvene in General Session following the lunch break. This motion was seconded by Ryan Campione, and passed.

Following today's lunch break, the regular meeting continued with the following committee reports:

Facilities and Revitalization Committee Meeting: Committee Chairman, Diane Lewis, reported on this committee's last meeting, scheduled on April 2, 2014 in part of the new addition to the WVU College of Law. Chairman Lewis publicly expressed her appreciation to Law School Dean, Joyce McConnell, for allowing use of these new facilities to conduct this committee meeting and also for the tour members of Dean McConnell's staff provided to committee attendees.

During this committee meeting, members received an update from Associate Vice President for Facilities and Services, Randy Hudak, on relevant issues related to parking in and around the Evansdale area. In addition, committee members were briefed on the following items that will be included in the agenda booklet during today's regular Board meeting, namely:

- WVU Building and Roadway Naming
- Resolution authorizing the financing of improvements associated with Phase II of the PRT Modernization Plan through the issuance of Revenue Bonds in the aggregate principal amount of up to \$60,000,000 and reimbursement of capital improvement costs incurred prior to issuance of such bonds
- Resolution authorizing the financing of capital improvement costs associated with the WVU Intercollegiate Athletics Facilities Master Plan through the issuance of Revenue Bonds in the aggregate principal amount of \$85,000,000 and reimbursement of capital improvement costs incurred prior to issuance of such bonds
- Refunding Bond Resolution
- Major Capital Projects Update

Not included in the above list were two agenda items which received expanded presentations during the April 2, 2014 Facilities and Revitalization Committee meeting. These two agenda items included the PRT Modernization Project and the WVU Intercollegiate Athletics Facilities Master Plan – FY 2014. Accordingly, Facilities and Revitalization Committee Chairman, Diane Lewis, advised that presentations on these two agenda items will now be shared with the full Board.

ADDITIONAL BOARD PRESENTATIONS

West Virginia University Intercollegiate Athletics Facilities Master Plan – FY 2014:

Senior Associate Athletic Director for Business Operations, Mike Szul, presented highlights contained within the West Virginia University Intercollegiate Athletics Facilities Master Plan – FY 2014 (which appears on today’s Consent Agenda for Board approval.) The Plan contains \$106,000,000 of projects being developed over the next 5 years. Highlights of some of the projects included:

- One improvement under consideration is renovation to Milan Puskar Stadium’s concourses. The east and west concourses would be expanded to the current paved roads around the stadium. The number of restrooms and concession stands would be increased and the renovations would also address soil issues on the west side. The north and south end zones entrances would also be renovated.
- Another improvement would be to the concourses at the Coliseum to include new restrooms and concessions.
- Other projects would include repurposing Hawley Field for temporary parking, renovating the Shell Building and adding an additional locker room at the Dick Dlesk Soccer Stadium.
- Private donations would cover possible improvements to the Milan Puskar Center, replacement of the football practice field and the installation of an exterior sound system for DreamsWork Field.
- The plan also includes projects already completed, such as the basketball practice facility, and projects under construction, such as the new baseball stadium near University Town Centre.

The capital projects will be funded in the following manner:

- About 70% of this amount will be funded by a new bond issue.
- Approximately 24% of the cost will be funded by anticipated private funding, and
- The remaining 6% will be supported by revenues from third tier media rights.

The plan also identifies almost \$30,000,000 of deferred maintenance that will be addressed over the next 10 years. \$13,300,000 is anticipated to be addressed through projects funded by the bond issue and the remaining amount will be funded by department revenues.

A resolution to approve issuance of external debt up to \$85,000,000 to support the Intercollegiate Athletics Master Plan is included on the Board's Consent Agenda for approval during today's meeting. This debt will be supported by new NCAA tournament fees/conference revenues associated with membership in the Big 12 Conference and other operating revenues.

PRT Modernization Project (Approval of Phases II and III):

Associate Vice President for Facilities and Services, Randy Hudak, provided background and an overview of the PRT Modernization Project. The PRT Facilities Master Plan was developed by WVU with assistance from Gannet Fleming, Inc., a transit expert, in 2009. The PRT is unsustainable using its current operating technologies and vehicles. The Master Plan serves as a guide for modernization of the existing system in order to continue operation of this essential transit system.

The current PRT Modernization Plan consists of three phases:

Phase I - \$15 million (Approved by BOG, September 2012)

Phase II - \$52.6 million

Phase III - \$34.3 million

- Phase I of the PRT Modernization Plan included development and manufacturing of a new propulsion units for the 71 car fleet. All testing and development of the system has been successful. To date approximately 50% of the fleet has been retrofitted with the new propulsion system. The system has been designed to be compatible with the new vehicles that will be designed in Phase III.
- Phase II – \$52.6 million. Phase II includes the redesign and replacement of the Automatic Train Control (ATC) System, replacement of substations and electrical gear, and tunnel repair.
 - a. The ATC system is a key component in the overall operation of the PRT. Approximately 50% of the current downtime experienced by the PRT is related to the ATC system. The entire system including the vehicle fleet will be outfitted with the new ATC solution by the fall of 2016. Replacement of this major system will significantly improve the PRT's performance. The new ATC system is designed to ensure PRT uptime in excess of 99%. The design and installation of a new train controls system will include new vehicle controllers, wayside and station computer control equipment, central control equipment, and fare gates with new destination selection units. The new train

controls system will use radio frequency communications thereby, reducing maintenance needs and vastly improving system availability.

- b. The current electrical system consists of five substations that have far exceeded their design life. Each of these substations will be replaced greatly reducing the frequency of unplanned downtime, yielding greater operational flexibility and increasing system availability.
 - c. The existing tunnel beneath Elmer Prince Drive will be repaired by reinforcing sections of the tunnel roof and waterproofing the outside of the tunnel.
- Phase III - PRT Vehicle Replacement and Structural Inspection and Repair - \$34.3 million.
 - a. PRT Vehicle Replacement Project: The PRT will use performance specifications to replace the 71 vehicle fleet. Efforts will be made to preserve the iconic image of the PRT car.
 - b. PRT Guideway Inspection and Repair Project: The project will include inspection, documentation and design of repairs to improve the guideway's snow removal system.

Project Funding: Funding for Phases II and III will be generated by external financing. A resolution to approve issuance of external debt of \$52.6 million to support Phase II is included on the Board's Consent Agenda for approval during today's meeting. Approval of any required external debt to support Phase III will be presented at a future Board meeting.

Finance Committee Meeting: William Nutting, as Chairman of the Finance Committee, reported that this committee met on March 28, 2014. During this committee meeting, members were briefed on items that will be included in the agenda booklet during today's regular Board meeting, namely:

- FY 2014 Quarterly Financial Reports through December 31, 2013
- FY 2014 Key Monthly Indicators through February 28, 2014
- West Virginia University Intercollegiate Athletics Facilities Master Plan – FY 2014
- Resolution authorizing the financing of capital improvement costs associated with the WVU Intercollegiate Athletics Facilities Master Plan through the issuance of Revenue Bonds in the aggregate principal amount of \$85,000,000 and reimbursement of capital improvement costs incurred prior to issuance of such bonds
- PRT Modernization Project
- Resolution authorizing the financing of improvements associated with Phase II of the PRT Modernization Plan through the issuance of Revenue Bonds in the aggregate principal amount of up to \$60,000,000 and reimbursement of capital improvement costs incurred prior to issuance of such bonds
- Refunding Bond Resolution

Chairman Nutting indicated that following a full discussion of the three resolutions listed above, members of his committee recommend their approval as part of today's Consent Agenda.

INFORMATION ITEMS

Following a question regarding excess bond revenues as raised by Thomas Flaherty and adequately addressed by Vice President for Administration and Finance Narvel Weese, there were no additional concerns expressed by any Board members pertaining to the Information Items contained within the agenda.

CONSENT AGENDA

Chairman Dailey called for any discussion of today's Consent Agenda items, and asked whether any items needed to be pulled for a separate discussion/vote. There being none, Andrew A. Payne, III moved that the Board accept the Consent Agenda items as presented in today's agenda booklet. This motion was seconded by Diane Lewis, and passed

Thereupon, the following Consent Agenda items were approved:

- 1. Establish a School of Politics and Policy within the Eberly College of Arts and Sciences**
Resolved: That the West Virginia University Board of Governors approves the establishment/creation of a School of Politics and Policy within the Eberly College of Arts and Sciences.
- 2. Establish a West Virginia University Department of Forensic and Investigative Science**
Resolved: That the West Virginia University Board of Governors approves the establishment/creation of a West Virginia University Department of Forensic and Investigative Science within the Eberly College of Arts and Sciences.
- 3. Approval of New Degree Program: MS in Health Sciences**
Resolved: That the West Virginia University Board of Governors approves the creation of the Master of Science in Health Sciences in the School of Medicine.
- 4. WVU Building and Roadway Naming**
Resolved: That the West Virginia University Board of Governors approves the naming of buildings and a roadway within University boundaries, as presented. (Note: The building and roadway names are requested as part of the Evansdale Redevelopment and Housing Master Plans.)
- 5. West Virginia University Intercollegiate Athletics Facilities Master Plan – FY 2014**
Resolved: That the West Virginia University Board of Governors approves the West Virginia University Intercollegiate Athletics Facilities Master Plan – FY 2014, as presented.
- 6. Resolution Authorizing the Financing of Capital Improvement Costs associated with the WVU Intercollegiate Athletics Facilities Master Plan through the issuance of Revenue Bonds in the aggregate principal amount of \$85,000,000; Reimbursement**

of Capital Improvement Costs incurred prior to issuance of such bonds.

Resolved: That the West Virginia University Board of Governors approves the Resolution related to issuance of Revenue Bonds, as presented.

7. PRT Modernization Project

Resolved: That the West Virginia University Board of Governors approves PRT Modernization Plan Phases II and III, at a total cost of \$87 million for essential improvements, as presented.

8. Resolution Authorizing the Financing of Improvements associated with Phase II of the PRT Modernization Plan through the issuance of Revenue Bonds in the aggregate principal amount of \$60,000,000 and Reimbursement of Capital Improvement Costs incurred prior to issuance of such bonds.

Resolved: That the West Virginia University Board of Governors approves the Resolution related to issuance of Revenue Bonds, as presented.

9. Resolution Bond Resolution

Resolved: That the West Virginia University Board of Governors approves and authorizes the issuance of revenue bonds to re-market its outstanding floating rate notes West Virginia University Board of Governors University Improvement Variable Rate Revenue Bonds 2011 Series C in an aggregate principal amount not to exceed \$55,000,000, per the Resolution, as presented.

10. PRT Appointment to County Extension Committees

Resolved: That the West Virginia University Board of Governors approves the nominees and alternates for positions on the County Extension Service Committees in West Virginia, as presented.

11. West Virginia University 2013 – 2018 Institutional Compact: Rationales For Targets on Metrics (Approval of Revised Report)

Resolved: That the West Virginia University Board of Governors approves the revised report titled “West Virginia University Institutional Compact: Rationales For Targets on Metrics 2013-2018”, as presented.

NOMINATING COMMITTEE

Chairman Dailey asked the following Board members to serve on a nominating committee to prepare and present a slate of officers at the June 5, 2014 Board meeting: Andrew A. Payne, III, who will serve as Chairman, James R. (Rob) Alsop, David Alvarez and Diane Lewis. Thomas Flaherty moved to accept these committee appointments, and the motion was seconded by Dr. Lisa DiBartolomeo, and passed.

ADJOURNMENT

There being no further business to come before the Board, J. Robert (J.R.) Rogers moved to adjourn the meeting. The motion was seconded by Diane Lewis, and passed. The meeting was adjourned at 1:40 p.m.

Ellen Cappellanti, Secretary