

April 15, 2013

MEMORANDUM

TO: Members of the Administration and Finance Committee

Jeffrey W. Ainslie '83, Chair
J. William Cofer, Vice Chair
Fred J. Whyte (~~ex~~officio)
Barry M. Kornblau '71 (~~ex~~officio)
Pamela C. Kirk '88
Marc Jacobson
Andrea M. Kilmer '78
Robert J. O'Neill '73 '00H
Ronald Ripley '72
Judith O. Swystun

FROM: Robert L. Fenning
Vice President for Administration and Finance

SUBJECT: Meeting of the Committee – April 26, 2013

The Administration and Finance Committee will meet on Friday, April 26, 2013, from 9:00 to 11:30 a.m. in the Board Room of Webb University Center. The first hour will be a joint session with the Academic and Research Advancement Committee in order to receive a briefing on the administration's 2013-2014 Tuition & Fee proposal. Enclosed for your review are the agenda and supporting documents.

I. BRIEF
I. Brent2014 T Ren75 <<rs- /TT2 1 18 dT-1.1831()**Tj ***

- B. 2013-2014 Tuition and Fee Recommendation - The Committee will consider for approval the administration's recommendation for 2013-2014 tuition and fees. The proposed resolution is enclosed (p. 3).

II. PRESENTATIONS

- A. Textbook Options – Vice President Fenning; Todd Johnson, Assistant Vice President for Auxiliary Services; and Rusty Waterfield, Assistant Vice President for Computing and Communications Services, will review the current business model for textbooks/course materials and report on the changing environment for the provision of these materials in digital form.
- B. Vice President's Report –Vice President Fenning will brief the Committee on spring semester Auxiliary operations and other initiatives in the Administration & Finance Division.

III. STANDING REPORTS

- A. Capital Outlay Projects Status Report (Enclosed)
- B. Investment Report (Enclosed)

RLF/dwm
Encl.

cc: Board of Visitors
John R. Broderick, President
John Lombard, Faculty Representative

COMPREHENSIVE FEE RESOLUTION 2013-2014

Comprehensive Fee Per Credit Hour for the 2013-2014 Academic Year				
	<u>In-State Tuition & Fees</u>		<u>Out-of-State Tuition & Fees</u>	
	FROM	TO	FROM	TO
<u>Regular Session</u>				
Undergraduate (Per Cr Hr)	\$273	\$285	\$769	\$807
Graduate (Per Cr Hr)	\$393	\$412	\$997	\$1,048
Teaching Assistant	\$393	\$412	\$393	\$412
Research Assistant	\$393	\$412	\$393	\$412
<u>Summer Session</u>				
Undergraduate (Per Cr Hr)	\$273	\$285	\$769	\$807
Graduate (Per Cr Hr)	\$393	\$412	\$997	\$1,048
Teaching Assistant	\$393	\$412	\$393	\$412
Research Assistant	\$393	\$412	\$393	\$412
Higher Education Centers & Off-Campus Offerings Within Hampton Roads				
Undergraduate (Per Cr Hr)	\$273	\$285	\$769	\$807
Graduate (Per Cr Hr)	\$393	\$412	\$997	\$1,048
TELETECHNET & Off-Campus Courses Outside Hampton Roads				
Undergraduate (Per Cr Hr)	\$273	\$285	\$769	\$807
	\$273	\$285	\$273	\$285
Graduate (Per Cr Hr)	\$393	\$412	\$393	\$412

NEW EDUCATION BUILDING

General Project Information: The New Education Building was the University's first priority in the 2012 Six-Year Capital Plan submission. The budget requested for this 127,000 gsf project is \$45,977,000. The project consists of two parts: construction of a new building of approximately 120,000 gsf for the College of Education, and renovation of approximately 7,000 gsf of the existing Child Study Building.

Project Design: SHWGROUP (Charlottesville, VA)

Funding Source: Institutional Funds to Date for Planning
(To be Reimburse at Project Construction Funding)

Project Budget:	a) Construction:	\$0
	b) Architect/Engineer Fee:	\$1,405,088
	c) Project Inspection:	\$0
	d) Equipment:	\$0
	e) Construction Contingency:	\$0
	f) Other:	\$0
	Total Project Budget:	\$1,405,088

Status: The University received authority to proceed to preliminary drawings for this project utilizing institutional funds in mid-2011. These institutional funds will be reimbursed upon the appropriation of design/construction funding. The University selected SHWGroup to perform preliminary planning taking the building design to 35%. The firm, with offices in Charlottesville, Detroit and Dallas, concentrates its practice on higher education facilities and has completed 12 college of education buildings at various universities over the last ten years.

Design work began with user meetings in November, 2011 and BCOM approved the schematic design submission in November, 2012. The University submitted preliminary drawings to BCOM in early February of this year. The A/Es have responded to BCOM's comments and are awaiting approval of the preliminary submittal and budget estimate. The General Assembly incorporated full project funding into a larger group/pooled projects during its recent session and funding could be released to complete working drawings this year if the Commonwealth's Capital Outlay Committee approves the project budget.

The University released an RFQ for pre-construction services late last year received 14 submittals in response to the RFQ, short-listing the following firms for final consideration:

Gilbane Construction Company
SKANSKA USA
WM Jordan Company

S.B. Ballard Construction Company
Whiting-Turner Construction Company

The University has completed interviews with these firms and expects to make its selection in the near term.

DIEHN FINE AND PERFORMING ARTS CENTER, PHASE II

General Project Information: The University has authority to construct Diehn (Phase II), an instructional facility complementing the Diehn Fine & Performing Arts Center. As now structured, there are two parts to the project. The first is a 150-seat studio theater in the University Village at 46th Street and Monarch Way, immediately south of the Stables Theater. The second portion of the project is an 18,000 gsf addition to the Diehn Fine and Performing Arts Building being built in the Elkhorn Avenue right of way. This addition includes individual/group practice, rehearsal, studio theater and faculty office spaces.

Project Design: Moseley Architects (Virginia Beach, VA)

Funding Source: 0100 General Funds
0817 VCBA Bonds
Institutional and Private Funds

Project Budget:	a) Construction:	\$16,152,816
	b) Architect/Engineer Fee:	\$2,656,089
	c) Project Inspection:	\$75,000
	d) Equipment	\$300,000
	e) Other:	\$2,223,200
	f) Construction Contingency:	\$1,859,775
	Total Project Budget:	<u>\$23,266,880</u>

Status: In February 2008, the University released a Request for Proposals for design services for this project and selected the design team led by Moseley Architects. Because of the project's complexity, the Board of Visitors and Commonwealth's Director of Engineering and Buildings approved the Construction Manager-at-Risk (CMAR) method of delivery for this project. The University released an RFQ and RFP for CM selection in mid-2008; after evaluation of proposals, WM Jordan Company was selected as the project CMAR.

The University submitted working drawings for both the Monarch (Goode) Theater and the addition to the Diehn Fine and Performing Arts Building in November, 2009, and negotiated a Guaranteed Maximum Price (GMP) with the WM Jordan Company for the Monarch (Goode) Theater at that time. BCOM approved contract award in January, 2010, and construction started in the following February. The project reached final completion on June 10th and has been closed out.

With City approval of the Elkhorn Avenue closure, the University awarded a construction contract for the addition to the Diehn Fine and Performing Arts Building to the WM Jordan Company in April, 2012. The contractor completed relocation of underground utilities from the old Elkhorn Avenue right-of-way and began work on the addition in August, 2012. The building is closed in, with storefront and window installation essentially complete; installation of drywall is well along, with ceiling close-in scheduled to begin in mid-May. Project substantial completion is mid-August, 2013.

SYSTEMS RESEARCH AND ACADEMIC BUILDING

General Project Information: The University has authority to design and construct the Systems Research and Academic Building. This is a new 50,000 gsf building sited in the existing parking lot between Perry Library and Kaufman Hall. The facility will contain a mix of systems and engineering

TELETECHNET CLASSROOM EXPANSION

General Project Information: As part of the University's effort to assist the Commonwealth in absorbing the surge of 60,000 new students anticipated for Virginia's higher education system, the University has been constructing mediated classrooms at various Community College sites in the Commonwealth. The initial request for funding (\$8,612,800) for this project was reduced to \$4,600,000 during the Biennial Budget development process. The identification of specific sites and classrooms has been done in cooperation with the Virginia Community College System.

Project Design: Little Diversified Architects (Arlington, VA)

Funding Source: 0817 VCBA Bonds

Project Budget:	a) Construction:	\$1,218,439
	b) Architect/Engineer Fee:	\$234,951
	c) Furnishings and Equipment:	\$274,744
	d) Project Inspection:	\$83,342
	e) Other:	\$647,056
	f) Construction Contingency:	\$35,546
	Total Project Budget:	<u>\$2,494,078</u>

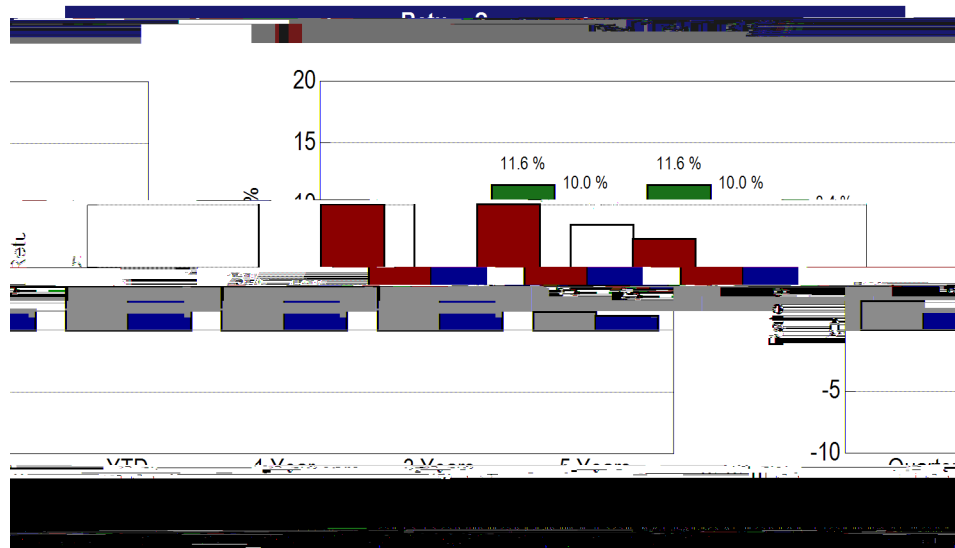
Status: Working with the Teletechnet site directors across the state, eight Community College sites were identified for additions or renovations of existing space to provide new distance learning classroom and staff support spaces. The eight campus sites are:

- Germanna Community College [renovated space]
- Lord Fairfax Community College [additions to existing building]
- Southside Virginia Community College [renovated space]
- Blue Ridge Community College [renovations of existing spaces]
- Piedmont Community College [space within a proposed new building]
- Wytheville Community College [additions to existing building]
- Southwest Virginia Community College [space within a new building]
- J. Sargeant Reynolds Community College [renovations of existing spaces]

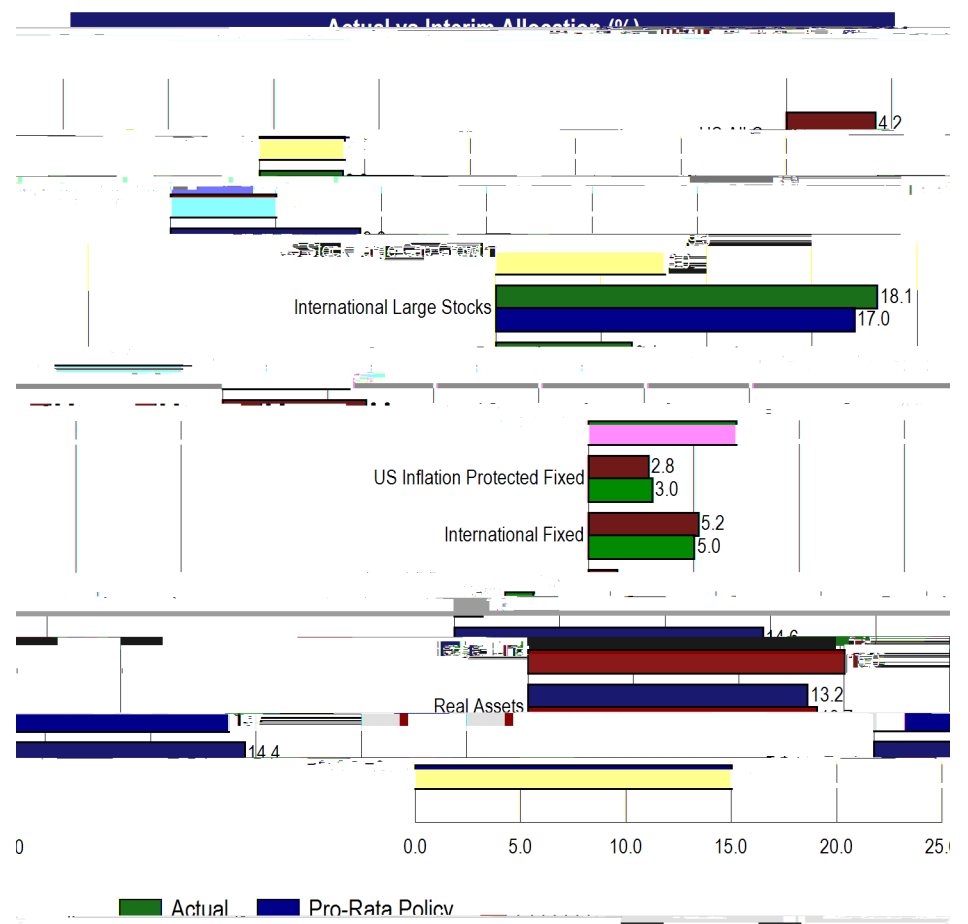
The University also completed space renovations at J. Sargeant Reynolds Community College (JSRCC) in Richmond to allow the existing distance learning operation to move from leased space onto the JSRCC campus. There were two el

OBJECTIVE: The goal for the portfolio is to achieve 8.0% per year over the long-term. The target policy has a long-term expected return 8.8%. Over a ten-year time horizon, the portfolio is expected to return 8.0%. The standard deviation of this portfolio is plus/minus 12.9% over any one year, with the lowest one-year likely return being -21.2%.

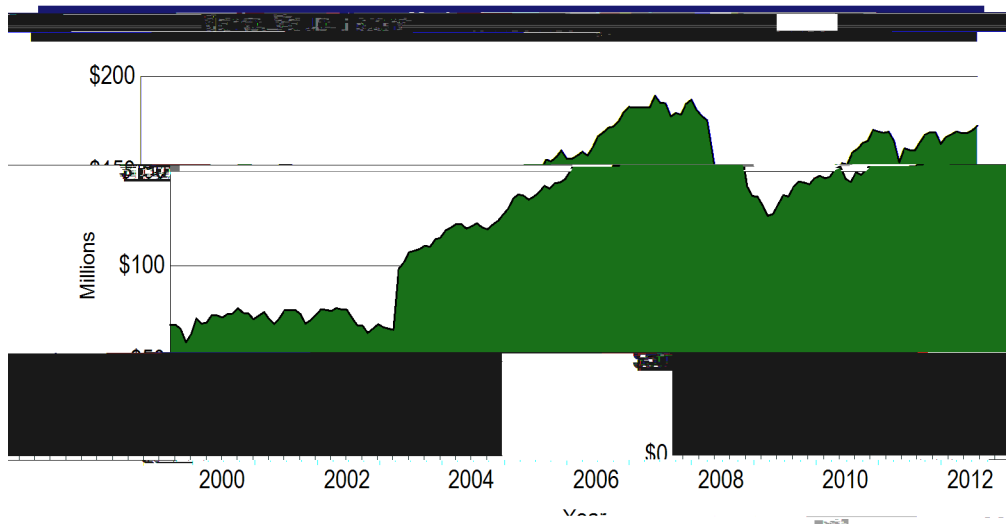
Sources of Portfolio Growth	Last Three Months	One Year
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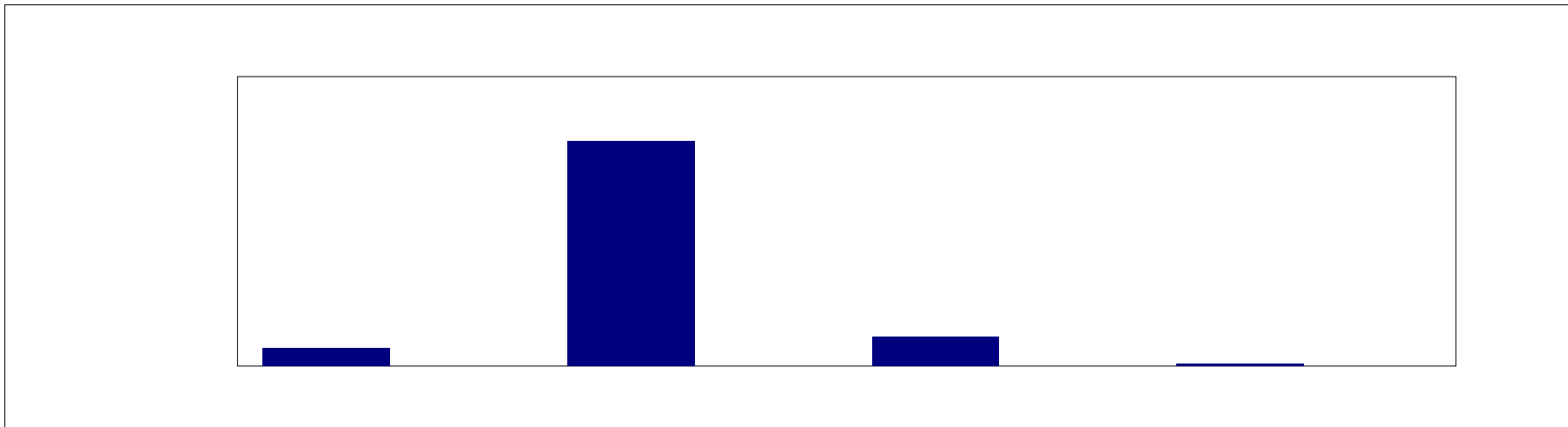
Old Dominion Policy Index



Actual Pro-Rata Policy



Asset Allocation on December 31, 2012			
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OLD DOMINION UNIVERSITY EDUCATIONAL FOUNDATION

Quarterly Report for December 31, 2012

Composite Performance

	AUF_Yr End	Assets Under Management	Index	December 31, 2012				Inception	
				Return	Volatility	Sharpe Ratio	Max Drawdown	Annualized Return	Annualized Volatility
OLD DOMINION UNIVERSITY EDUCATIONAL FOUNDATION <i>Old Dominion Policy Index</i>	174,037,648	1000	1	10.6%	18.84%	1.5	100.00%	4.8%	18.00%

OLD DOMINION UNIVERSITY EDUCATIONAL FOUNDATION

Quarterly Report for December 31, 2012

Composite Performance

	Assets Under Management (\$ mil)	Investment Objective	Date	Ending December 31, 2012						Inception	
				Actual Return (%)	Market Return (%)	Volatility (%)	Tracking Error (%)	Alpha (%)	Beta (%)	Year Founded	Global
TOTAL INTERNATIONAL EQUITY <i>MSCI ACWI ex US (net)</i>	42,639,870	24.5	2/10/03	7.1	13.8	18.8	6.6	-0.9	-	9/9	May-03

OLD DOMINION UNIVERSITY EDUCATIONAL FOUNDATION

Quarterly Report for December 31, 2012

Composite Performance

Fund Name	Investment Objective	Maturity	Ending December 31, 2012						Inception	
			Assets	Liabilities	% of Assets	Net Income	Net Assets	% Net Income	Fund Return	Volatility
Old Dominion University Educational Foundation	Investment Objective	Maturity	Assets	Liabilities	% of Assets	Net Income	Net Assets	% Net Income	Fund Return	Volatility

Old Dominion University Educational Foundation

December 31, 2012

Fund	Inception	Commitment	Capital Called	Remaining Commitment	Distributions	Capital Account Balance	Last Capital Account Statement	Capital Account Plus Distributions	Multiple of Invested Capital	Net IRR
Metropolitan Real Estate III	2005	1,000,000	987,500	12,500	176,206	646,883	9/30/2012	823,089	0.83	-3.84 %
RREEF America REIT III	2005	2,000,000	2,000,000	-	-	1,238,613	12/31/2012	1,238,613	0.62	-6.22 %
HRJ Global Real Estate Fund III	2007	2,500,000	2,425,000	75,000	-	1,132,631	9/30/2012	1,132,631	0.47	-14.27 %
Berkshire Multifamily Value Fund II	2007	2,500,000	2,500,000	-	118,917	2,963,779	9/30/2012	3,082,696	1.23	8.74 %
Quinlan Private European Strategic Property Fund	2007	2,500,000	2,273,510	226,490	-	488,742	9/30/2012	488,742	0.21	-32.45 %
Beacon Capital Strategic Partners VI	2008	2,750,000	1,237,500	1,512,500	39,479	1,177,963	9/30/2012	1,217,442	0.98	-0.79 %
Inland American Real Estate Trust, Inc <i>Real Estate</i>	2011	63,761	63,761	-	-	61,747	12/31/2012	61,747	0.97	-2.91 %
		13,313,761	11,487,271	1,826,490	334,602	7,710,358		8,044,960	0.70	-8.45%
Mineral Acquisition Partners 2001	2001	250,000	250,000	-	497,594	544,320	6/30/2012	1,041,914	4.17	22.83 %
Mineral Acquisition Partners 2003	2003	250,000	250,000	-	368,072	402,482	6/30/2012	770,554	3.08	20.78 %
Mineral Acquisition Partners 2004	2004	500,000	500,000	-	219,129	547,746	6/30/2012	766,875	1.53	8.10 %
Canaan Natural Gas IX	2005	1,986,302	1,738,288	248,014	465,877	1,615,524	12/31/2011	2,081,401	1.20	4.00 %
Quantum Resources	2006	2,500,000	2,325,370	174,620	1,318,306	1,308,864	9/30/2012	2,627,170	1.13	4.35 %
Mineral Acquisition Partners 2006	2006	750,000	750,000	-	120,837	759,235	6/30/2012	880,072	1.17	4.40 %
Commonfund Natural Resources VII	2006	2,500,000	2,066,250	433,750	381,622	2,090,804	9/30/2012	2,472,426	1.20	6.40 %
EnCap Investment Fund VII	2007	1,500,000	1,431,385	178,371	1,593,930	456,639	9/30/2012	2,050,569	1.43	19.88 %
Natural Gas Partners IX	2007	1,500,000	1,484,409	147,356	390,673	1,389,702	9/30/2012	1,780,375	1.20	8.60 %
Canaan Natural Gas X	2008	2,750,000	962,500	1,787,500	51,566	740,527	12/31/2011	792,093	0.82	-7.04 %
Commonfund Natural Resources VIII	2008	2,500,000	1,406,250	1,093,750	213,256	1,403,985	9/30/2012	1,617,241	1.15	10.53 %
EnCap Investment Fund IX-C	2012	2,000,000	-	2,000,000	-	-	NA	-	NA	NA
Commonfund Natural Resources IX <i>Energy/Natural Resources(RA)</i>	2012	2,500,000	37,500	2,462,500	-	37,500	NA	37,500	1.00	0.00 %
		21,486,302	13,201,952	8,525,861	5,620,862	11,297,328		16,918,190	1.28	8.53%
Total Real Assets		34,800,063	24,689,223	10,352,351	5,955,464	19,007,686		24,963,150	1.01	0.35%
Total		78,300,063	54,933,468	24,438,759	18,282,948	44,133,091		62,416,039	1.14	4.05%

Capital Account Balance reflects capital account balance from last capital account statement adjusted for interim capital calls and distributions.

OCM Opportunities IVb Capital Account Balance (thus Net IRR) is net of management fees and operating expenses but gross of Potential Incentive Allocation.

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Important Notices (continued)

Important Notices (continued)

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