

**FINANCE COMMITTEE
OF THE BOARD OF VISITORS
EASTERN VIRGINIA MEDICAL SCHOOL
SEPTEMBER 20, 2022
Waitzer Hall Board Room – 11th Floor
11:00 A.M.**

PRESENT

Robert J. Bianchi, Rear Adm (Ret), SC, USN, Chair
G. Robert Aston, Jr.
Hon. Daun S. Hester
Hon. S. Chris Jones
W. Ashton Lewis, Sr.
T. Richard Litton, Jr., Esq.
Mary C. Rubino, MD
Bruce D. Waldholtz, MD, Ex-officio (Voting)
Hon. Blythe A. Scott, Esq. (Non-Voting)
George A. Faatz (Non-Voting)

ABSENT

Guy R. Friddell, III, Esq.
Conrad M. Hall
Keith H. Newby, Sr., MD

EX OFFICIO MEMBERS PRESENT (NON-VOTING)

Alfred Z. Abuhamad, MD
Seth C. Sharpe

STAFF PRESENT

Tammy A. Chrisman
Brant M. Cox
Victoria C. Dean
Helen S. Heselius
Brian T. Mansfield
Stacy R. Purcell
Linda S. Speers
Joel B. Hilton, Media Tech

CALL TO ORDER

Admiral Robert Bianchi, Chair, opened the meeting at 11:02 a.m. He welcomed the new members of the Finance Committee: Mr. Bob Aston, Mr. Rusty Friddell, Mr. Chris Jones, Dr. Keith Newby and Mr. Seth Sharpe.

APPROVAL OF MINUTES

Upon a motion made and seconded, the minutes of the June 21, 2022 Finance Committee meeting were approved as distributed.

FINANCE REPORT

June 2022 (Unaudited)

Mrs. Tammy Chrisman stated that the June 2022 Financial Statements are unaudited and subject to change as they move through the audit process. She reported that through June 30, 2022 there

is an overall net excess of \$11.9 million. The Core net excess is \$487,000 mostly due to positive variances in salary and fringe savings from vacant positions. She stated that some positions are funded by EVMS Reserves but because the positions are vacant, the transfer from EVMS Reserves was not done. There was also some general funding budgeted from EVMS Reserves for operations that is not needed due to salary savings. She noted that the interest income is less than budget due to unrealized losses from market volatility. She reported that \$2.425 million of the year-end Core net excess was transferred to EVMS Reserves, which will be set aside for the President's future use. She reported that the Clinical Enterprises year-to-date operating margin is \$18.2 million, which is \$2.9 million better than budget. Sponsored Research has a net excess of \$321,000, mainly due to the timing difference between when revenue is recognized and expenses are incurred on milestone-based contracts. Department Reserves net excess of \$7.6 million is mostly due to timing of receipts in advance of spending. This includes the PSPP funding from the Medical Group, affiliation agreement support, student fees, NASA funding, internal transfers for startup funding, Hague Club Apartment reserve funds, research, professional development and the capital campaign. She stated that the EVMS Reserves net deficit of \$1.0 million is mostly due to timing of expenses on projects, and that individual projects are not allowed to spend over their total budget. Mrs. Chrisman reported that all bond covenants were met.

July 2022

Mrs. Chrisman reported that through July 31, 2022 there is an overall net excess of \$826,000. The Core net excess of \$419,000 is mostly due to \$737,000 positive variances in salary and fringe savings from vacant positions. This savings is partially offset with negative variances in facilities and administrative cost recoveries and tuition and fees. She stated that tuition and fees are under budget due to the Health Professions enrollment. Management is working with Health Professions to address mitigation options. She reported that the Clinical Enterprises operating margin is \$900,000, which is \$452,000 less than budget. The \$257,000 year-to-date net excess in Department Reserves is mainly due to the transfer of scholarly activity support from Core. The EVMS Reserves year-to-date net deficit of \$563,000 is in line with budget, and is mainly due to the transfer that is provided to Core.

EVMS MEDICAL GROUP UPDATE

Mr. Brant Cox reported that the Medical Group had a very successful financial year. Through June 30, 2022, the net excess was \$16 million, which was greater than budget by \$2.8 million and just below the prior year by almost \$1 million, noting that FY21 was an exceptional year. He reported that the operating revenue is down slightly less than budget and close to prior year, mainly due to vacant provider positions. The expenses were below budget as well due to vacant faculty and staff positions. He stated that recruitment and retention of both faculty and staff is an ongoing challenge for the Medical Group. Although expenses from vacant positions are down, the reduction has been partially offset by equity increases paid to retain nurses and medical assistants, and temporary help needed to fill the gap in the vacant positions. Mr. Cox reported that the \$19 million cash on hand at June 30, 2022 is higher than historical balance. The days in AR is down from 58 last year to 51 at year-end due to concentrated effort to improve collection.

NEW BUSINESS

Special Meeting

Admiral Bianchi stated that a special meeting of the Finance Committee is needed in May 2023 to review the preliminary FY 2024 operating budget. This meeting will be held on Tuesday, May 23, 2023 at 9:00 a.m.

Closed Session

Admiral Bianchi announced it will be necessary to hold a closed session as permitted under Code of Virginia §2.2-3712 (A) to discuss proprietary, business-related information pertaining to the operations of Eastern Virginia Medical School, including affiliation and funding opportunities, as permitted by the Code of Virginia §2.2-3711 (A) (22).

Accordingly, upon a motion made and seconded, the Committee voted unanimously to adjourn the open session and convene the closed session.

ADJOURNMENT

The meeting was adjourned at 11:24 a.m.

Linda S. Speers

Linda Speers
Recording Secretary

**FINANCE COMMITTEE
OF THE BOARD OF VISITORS
EASTERN VIRGINIA MEDICAL SCHOOL
CLOSED SESSION
SEPTEMBER 20, 2022
Waitzer Hall Board Room – 11th Floor**

PRESENT

Robert J. Bianchi, Rear Adm (Ret), SC, USN, Chair
G. Robert Aston, Jr.
Hon. Daun S. Hester
Hon. S. Chris Jones
W. Ashton Lewis, Sr.
T. Richard Litton, Jr., Esq.
Bruce D. Waldholtz, MD, Ex-officio (Voting)
Hon. Blythe A. Scott, Esq. (Non-Voting)
George A. Faatz (Non-Voting)

ABSENT

Guy R. Friddell, III, Esq.
Conrad M. Hall
Keith H. Newby, Sr., MD

EX OFFICIO MEMBERS PRESENT (NON-VOTING)

Alfred Z. Abuhamad, MD

VISITORS PRESENT VIA ZOOM

Mark Salierno, The Chartis Group
Matthew Sangphet, The Chartis Group

STAFF PRESENT

Brant M. Cox
Helen S. Heselius
Stacy R. Purcell
Linda S. Speers
Joel B. Hilton, Media Tech

Admiral Robert Bianchi, Chair, opened this closed session at 11:25 a.m. This closed session, permitted under Code of Virginia §2.2-3712 (A) was convened in order for the Committee to discuss proprietary, business-related information pertaining to the operations of Eastern Virginia Medical School, including affiliation and funding opportunities, as permitted by the Code of Virginia §2.2-3711 (A) (22).

The closed session adjourned at 12:12 p.m.

Linda S. Speers

Linda Speers
Recording Secretary

**FINANCE COMMITTEE
OF THE BOARD OF VISITORS
EASTERN VIRGINIA MEDICAL SCHOOL
RETURN TO OPEN SESSION
SEPTEMBER 20, 2022
Waitzer Hall Board Room – 11th Floor**

PRESENT

Robert J. Bianchi, Rear Adm (Ret), SC, USN, Chair
G. Robert Aston, Jr.
Hon. Daun S. Hester
Hon. S. Chris Jones
W. Ashton Lewis, Sr.
T. Richard Litton, Jr., Esq.
Bruce D. Waldholtz, MD, Ex-officio (Voting)
Hon. Blythe A. Scott, Esq. (Non-Voting)
George A. Faatz (Non-Voting)

ABSENT

Guy R. Friddell, III, Esq.
Conrad M. Hall
Keith H. Newby, Sr., MD

EX OFFICIO MEMBERS PRESENT (NON-VOTING)

Alfred Z. Abuhamad, MD

STAFF PRESENT

Brant M. Cox
Helen S. Heselius
Stacy R. Purcell
Linda S. Speers
Joel B. Hilton, Media Tech

Admiral Robert Bianchi, Chair, opened this return to open session at 12:12 p.m.

Upon a motion duly made and seconded, the Committee certified by roll call vote that to the best of their knowledge, only such matters as were identified in the motion convening the executive session were heard, discussed and considered by the Committee.

There being no further business to discuss, the meeting was adjourned at 12:13 p.m. The next meeting will be held on Tuesday, December 13, 2022.

Linda S. Speers

Linda Speers
Recording Secretary