

VCU Board of Visitors

V i r g i n i a C o m m o n w e a l t h U n i v e r s i t y

August 26, 2010 **Meeting of the Board of Visitors of** **Virginia Commonwealth University** *Minutes*

A regular meeting of the Board of Visitors of Virginia Commonwealth University was held on Thursday, August 26, 2010, at 9 a.m. in the Richmond Salons located in the University Student Commons at 907 Floyd Avenue.

Present were Mesdames Rhodes (Rector), James and Lambert; Messrs. Ginther, Jackson, Jones, McCandlish, McMurtrie, Robertson, Siegel and Snead; and Drs. Broaddus, Dave, Doswell, Perkinson and Shapiro. Also present were Drs. Rao, Huff, Macrina, Moriarty, Retchin, Rhone, and Warren; Messrs. Bennett, Brown, Bunce, Gehring, Jez, Ohlinger, Turnage, Ream, Rodriquez, Ross and Wyeth; and Mesdames Balmer, Lepley and Parmley. Ms. Syed, student representative to the Board, Mr. Kapoor, alternative representative to the Board; Dr. McCreary, faculty representative to the Board; and Mrs. Collier, staff representative to the Board, were also present.

The meeting was called to order and members of the press were welcomed.

The Report of the President followed. The following Board members were introduced and welcomed to the Board: Dr. Kamlesh Dave, Mr. William Ginther, Mrs. Kay Coles James, Mr. Alexander McMurtrie and Dr. Baxter Perkinson. The following faculty, students and staff were introduced to the Board: Dr. Micah McCreary, Dr. Linda Corey, Ms. Delores Collier, Ms. Fatima Syed, Mr. Kunal Kapoor, Dr. Nicholas Farrell, Mr. Michael Jones-McKean, Dr. John Clore, Dr. Lynn Hull, Dr. Richard Wenzel, Dr. William Haver, Dr. Shiv Khanna, Dr. George Vetrovec, Ms. Caitlin Canney, Mr. Ben Nelson and Mr. Kerim Rached.

Mr. Maurice Jones reported for the Academic and Health Affairs Policy Committee. The following items were presented for information: a report from the Faculty and Staff Senate representatives; a report on the Clinical and Translational Science Award (CTSA); a report on the National Rankings of Academic Programs and Health System Quality Academic Programs; a report on the School of Pharmacy; a Report on Degrees Awarded; a report of the Interim Provost and Vice President for Academic Affairs; and the Virginia Commonwealth University Health System Financial Statement Summary Fiscal Year 2010 – Eleven Months Ending May 31, 2010.

Dr. Broaddus reported for the Audit and Compliance Committee. The following items were presented for information: Auditor of Public Accounts – Status of the Audit for the Year Ended June 30, 2010; the Audit and Compliance Committee Charter; an Annual

Update on the Audit and Management Services Charter; the 2010 Department Goals, Objectives, and Accomplishments; and the Department of Assurance Services – Staff Credentials and Department Budget.

Mr. Snead reported for the External and Alumni Relations Committee. The report on the Development and Alumni Relations Advisory Council was presented. The report was discussed and on motion made and seconded, the report was approved with the 4% administrative fee to address functional and enhanced needs for fund-raising and alumni engagement programs. The following items were presented for information: the Government Relations and Health Policy report; the Public Relations and Marketing Communications report; and the Development and Alumni Relations Division reports.

Mr. Siegel reported for the Finance, Investment and Property Committee. The Project Plans for the Grace Street Parking Decks were presented. The project replaces two surfaced parking lots accommodating 230 cars with two parking decks that will accommodate 750 cars. The need for additional parking is driven by the decrease in available surface lot parking combined with the increase in demand for parking due to the Grace Street Housing South and Laurel Street Parking Deck Project. The construction budget is \$11,435,000 with a total budget of \$15,292,000. The Finance, Investment and Property Committee recommended to the full Board the approval of the Project Plans for the Grace Street Parking Decks.

The Project Plans for the West Grace Street Housing and Laurel Street Parking Deck were presented. The project consists of two components (Student Housing and Parking Deck) located on two distinct sites on the south side of Grace Street between Shafer and Laurel Streets. The project provides for construction of residential upper-class housing with a total capacity of 459 beds. The first floor also includes about 8,200 SF for use by the living-learning program collaboration between student housing and community engagement to provide an academically-based community building experience for residents that focuses on community engagement themes. The parking deck component of the project will provide 218 parking spaces and approximately 7,000 SF of retail space on the ground level. The construction budget is \$31,228,000 with a total budget of \$38,501,650. The Finance, Investment and Property Committee recommended to the full Board the approval of the Project Plans for the West Grace Street Housing and Laurel Street Parking Deck.

The Project Plans for the Sanger Hall – Pauley Heart Center were presented. The VCU Pauley Heart Center is comprised of the Divisions of Cardiology, Cardiothoracic Surgery and Pediatric Cardiology. Close collaboration between these divisions is needed in order to provide advance patient-centered care to patients of all ages, with every type of heart disease, with the best possible outcomes. The project will bring together faculty from the Departments of Physiology and Biophysics and Internal Medicine's Division of Cardiology, Pulmonary and Critical Care, to form a collaborative research team which will develop innovative methods to effectively research methods to repair damaged and diseased cardiac tissue at a cellular, genetic, and molecular level. The construction budget is \$4,000,000 with a total budget of \$5,351,000. The Finance, Investment and Property

Committee recommended to the full Board the approval of the Project Plans for the Sanger Hall – Pauley Heart Center.

The Project Plans for the Energy Efficiency Projects Funded under the ARRA were presented. The project will install energy efficiency improvements to various facilities on both University campuses as part of the Commonwealth’s Division of Mines, Minerals and Energy funding opportunities for energy-related projects under the American Recovery and Reinvestment Act of 2009. The project will install solar photovoltaic systems on two parking decks, install solar water heating panels on the Shafer Dining Center, and install three poll mounted sun tracking photovoltaic systems to generate approximately 3.6 KW of electricity. The total project is \$3,098,000. The Finance, Investment and Property Committee recommended to the full Board the approval of the Project Plans for the Energy Efficiency Projects Funded under the ARRA.

The Management Principles for Relationships with University-Related Foundations and Other Affiliated Organizations was presented. The University’s related foundations and affiliates have agreements with the University that are based upon management principles and guidelines approved by the VCU Board of Visitors. Periodically, changes are made to the principles and guidelines arising out of reviews by VCU management or VCU Assurance Services. The changes typically can be categorized as follows: improve business practices; additional reports requested by VCU; new entities created such as subsidiaries, partnerships; and other technical changes. The Finance, Investment and Property Committee recommended to the full Board the approval of the revisions to the Management Principles for Relationships with University-Related Foundations and Other Affiliated Organizations.

The Virginia College Building Authority Pooled Bond Financing Agreement and Resolution were presented. In order to participate in the Virginia College Building Authority (VCBA) Pooled Bond program, the Board of Visitors must adopt a resolution authorizing VCBA to issue its bonds to finance projects for VCU. The Finance, Investment and Property Committee recommended to the full Board the approval of the below Resolution:

RESOLUTION

**Virginia College Building Authority
Massey Cancer Center Vivarium, Belvidere and Grace Street Parking Decks, and
Laurel and Grace Street Parking Deck Capital Improvements**

WHEREAS, pursuant to Chapter 3.2, Title 23 of the Code of Virginia of 1950, as amended (the “Virginia Code”), the General Assembly of Virginia has authorized the Virginia College Building Authority (the “Authority”) to develop a pooled bond program (the “Program”) to purchase bonds and other debt instruments issued by public institutions of higher education in the Commonwealth of Virginia (the “Institutions”) to finance or refinance the construction of projects of capital improvement specifically included in a bill passed by a majority of those elected to each house of the General Assembly of Virginia (the “Projects”);

WHEREAS, the Authority intends to issue from time to time under the Program its Educational Facilities Revenue Bonds (Public Higher Education Financing Program) (the “Bonds”) to finance the purchase of notes and other debt instruments issued by the Institutions to finance or refinance the Projects, all in the furtherance of the purposes of the Act and the Program;

WHEREAS, Chapter 6.1, Title 23 of the Virginia Code, creates Virginia Commonwealth University (the “University”), which is governed by a Board of Visitors (the “Board”) vested with the supervision, management and control of the University;

WHEREAS, the University is empowered to incur indebtedness pursuant to (1) Chapter 4.10, Title 23 of the Virginia Code, especially Section 23-38.108, and (2) Chapter 594 of the Acts of Assembly of 2008, being the 2008 Management Agreement between the Commonwealth of Virginia (the “Commonwealth”) and Virginia Commonwealth University, especially Exhibit F, Section X;

WHEREAS, the Board of Visitors of Virginia Commonwealth University (the “Board”) may from time to time wish to finance or refinance Projects of Virginia Commonwealth University (the “Participating Institution”) through the Program;

WHEREAS, if the Participating Institution wishes to finance or refinance a Project through the Program, it will be necessary for the Participating Institution to enter into a Loan Agreement (a “Loan Agreement”) between the Authority and the Participating Institution and, to evidence the loan to be made by the Authority to the Participating Institution pursuant to the Loan Agreement, to issue the Participating Institution’s promissory note (the “Note”), and pursuant to Section 23-19 of the Virginia Code, and the Loan Agreement, the Authority will agree to issue its Bonds and to use certain proceeds of the Bonds to purchase the Note issued by the Participating Institution, and the Participating Institution will agree to use the proceeds of the Bonds received from the Authority to finance or refinance the construction of the Project and to make payments under the Loan Agreement and the Note in sums sufficient to pay, together with certain administrative and arbitrage rebate payments, the principal of, premium, if any, and interest due on that portion of the Bonds issued to purchase the Note;

WHEREAS, the Participating Institution now proposes to sell to the Authority the Participating Institution’s Note (the “2010 Note”) to be issued under a Loan Agreement (the “2010 Loan Agreement”) to finance or refinance from all or a portion of the proceeds of certain new money Bonds issued by the Authority in 2010, with appropriate series designation depending on their issuance date, (the “2010 Bonds”) a portion of the costs of construction and/or improvements of the Massey Cancer Center Vivarium renovations and certain parking construction projects (collectively, the “2010 Project”), which has been authorized for bond financing by the General Assembly; and

WHEREAS, it is the desire of the Board to delegate to such Authorized Officers (as hereinafter defined) of the Participating Institution the authority to approve, on behalf of the Board, the forms of the 2010 Loan Agreement and the 2010 Note and, similarly, to authorize such Authorized Officers of the Participating Institution to execute, deliver and

issue in the name of and on behalf of the Participating Institution, the 2010 Loan Agreement, the 2010 Note and any and all documents necessary or desirable to effectuate the financing or refinancing of all or a portion of the costs of the 2010 Project through the Program with the Authority and to facilitate the purchase of the 2010 Note by the Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY:

Section 1. The 2010 Project is hereby designated a Project to be undertaken and financed or refinanced by the Authority and, accordingly, the President, the Senior Vice President for Finance and Administration, and the Associate Vice President for Business Services and Treasurer of the Participating Institution (collectively, the “Authorized Officers”), are each hereby delegated and invested with full power and authority to approve the forms of the 2010 Loan Agreement and 2010 Note, and any pledge to the payment of the 2010 Note of the Participating Institution’s 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 by 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 2010 Loan Agreement, and such approval is hereby authorized, subject to the provisions of Section 3 hereof.

Section 2. Subject to the provisions of Section 3 hereof, the Authorized Officers are each hereby individually delegated and invested with full power and authority to execute, deliver and issue, on behalf of the Board, (a) the 2010 Loan Agreement and the 2010 Note with the approval of such documents in accordance with Section 1 hereof by any such officer evidenced conclusively by the execution and delivery of the 2010 Loan Agreement and 2010 Note, respectively, and (b) any and all other documents, instruments or certificates as may be deemed necessary or desirable to consummate the financing or refinancing of all or a portion of the costs of the 2010 Project through the Program, the construction of the 2010 Project and the Participating Institution’s participation in the Program, and to further carry out the purposes and intent of this Resolution. The Authorized Officers are directed to take such steps and deliver such certificates prior to the delivery of the 2010 Note as may be required under existing obligations of the Participating Institution, including bond resolutions relating to the Participating Institution’s outstanding general revenue pledge bonds.

Section 3. The authorizations given above as to the approval, execution, delivery and issuance of the 2010 Loan Agreement and the 2010 Note are subject to the following parameters: (a) the principal amount to be paid under the 2010 Note allocable to each Project constituting part of the 2010 Project, together with the principal amount of any other indebtedness with respect to such Project, shall not be greater than the amount authorized for such Project by the General Assembly of Virginia, plus amounts needed to fund issuance costs and other financing expenses, including capitalized interest, or any other increase permitted by law, (b) the aggregate principal amount of the 2010 Note

shall in no event exceed \$25,000,000, as the same may be so increased, (c) the interest rate payable under the 2010 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 Delphis Hanover, or another comparable service or index, on the date that the interest rates on the 2010 Note are determined, taking into account original issue discount or premium, if any, (d) the weighted average maturity of the principal payments due under the 2010 Note shall not be in excess of 20 years, (e) the last principal payment date under the 2010 Note shall not extend beyond the period of the reasonably expected average weighted economic life of the 2010 Project, and (f) subject to the foregoing, the actual amount, interest rates, maturities, and date of the 2010 Note shall be approved by an Authorized Officer, which approval will be evidenced by the execution of the 2010 Note.

Section 4. The Board acknowledges, on behalf of the Participating Institution, that if the Participating Institution fails to make any payments of debt service due under any Loan Agreement or Note, including the 2010 Loan Agreement and the 2010 Note, the Program authorizes the State Comptroller to charge against the appropriations available to the Participating Institution all future payments of debt service on that Loan Agreement and 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 Loan Agreement or Note.

Section 5. The Board agrees that if the Authority determines that the Participating Institution is an “obligated person” under Rule 15c2-12 of the Securities and Exchange Commission with respect to any issue of Bonds, the Participating Institution will enter into a continuing disclosure undertaking in form and substance reasonably satisfactory to the Authority and the Participating Institution and will comply with the provisions and disclosure obligations contained therein.

Section 6. This resolution shall take effect immediately upon its adoption.

The General Obligation Bonds Financing Agreement and Resolution was presented. In order to participate in the Commonwealth of Virginia General Obligation Bond program, the Board of Visitors must adopt a resolution requesting the Commonwealth to issue bonds to finance projects for VCU under the Commonwealth’s “9(c)” program. Under the program, the Commonwealth issues general obligation bonds for projects for which there is a feasibility report indicating that the revenues the financed project produces will cover debt services on the bonds. This permits the lowest interest rates possible, reflecting the Commonwealth’s triple-A ratings for VCU’s general obligation debt, without creating a material risk that taxpayer funds will be required to pay debt service. The proposed resolution contains the representation and undertakings the Commonwealth requires of the University to ensure that the project financed will be self-sustaining financially and not required tax payer dollars. The Finance, Investment and Property Committee recommended to the full Board the approval of the following resolution:

RESOLUTION
Commonwealth of Virginia Treasury Board

West Grace Street Housing Phase I

WHEREAS, there have been passed by the General Assembly of Virginia and signed by the Governor acts entitled “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2010” (the “2010 Act”), “Commonwealth of Virginia Parking Facilities Bond Act of 2009” (the “2009 Parking Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2009” (the “2009 Education Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2008” (the “2008 Act”), “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2007” (the “2007 Act”), and “Commonwealth of Virginia Higher Educational Institutions Bond Act of 2006” (the “2006 Act” and, together with the 2007 Act, 2008 Act, 2009 Parking Act, the 2009 Education Act, and the 2010 Act, the “Acts”);

WHEREAS, pursuant to the Acts, the Treasury Board of the Commonwealth of Virginia (the “Treasury Board”) is authorized, by and with the consent of the Governor, to sell and issue bonds or bond anticipation notes of the Commonwealth of Virginia (the “Commonwealth”) for the purpose of providing funds, together with other available funds, for paying the cost of acquiring, constructing, renovating, enlarging, improving and equipping certain revenue-producing capital projects at certain institutions of higher learning of the Commonwealth and for paying issuance costs, reserve funds and other financing expenses (the “Financing Expenses”), all in accordance with the provisions of Section 9(c) of Article X of the Constitution of Virginia;

WHEREAS, such revenue-producing capital projects include the construction of a portion of a 151,000 square feet of dormitory space and approximately 8,200 square feet of ground floor space for community engagement/service-learning on West Grace Street (Capital Outlay Project Number 17832) (each individually, a “Project” and, collectively, the “Projects”) for Virginia Commonwealth University (the “University”); and

WHEREAS, the Treasury Board is proposing to sell and issue bonds or bond anticipation notes pursuant to the Acts for such revenue-producing capital projects, in one or more series;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY:

Section 1. The Board of Visitors of the University (the “Board”) requests the Treasury Board to sell and issue bonds (the “Bonds”) or bond anticipation notes (“BANs”) in an aggregate principal amount not to exceed \$28,128,000 to finance all or a portion of the costs of each Project plus Financing Expenses (for each individual Project, the “Individual Project Bonds” or “Individual Project Notes” and, collectively, the “Individual Project Borrowing” and for all Projects, the “Project Bonds” or “Project Notes” and, collectively, the “Project Borrowings”). The Individual Project Borrowings will be identified by amount by the State Treasurer upon issuance of any Bonds or BANs.

Section 2. With respect to each Project, the Board (a) covenants to fix, revise, charge and collect a rental fee and other rates, fees and charges, for or in connection with the use, occupation and services of such Project and (b) pledges such rates, fees and charges remaining after payment of (i) the expenses of operating such Project and (ii) the expenses related to all other activities funded by the rental fee (“Individual Project Net Revenues”) to the payment of the principal of, premium, if any, and interest on the Individual Project Borrowing relating thereto. The Board further covenants that it will fix, revise, charge and collect such rates, fees and charges in such amounts so that Individual Project Net Revenues will at all times be sufficient to pay, when due, the principal of, premium, if any, and interest on the related Individual Project Borrowing and on any other obligations secured by such Individual Project Net Revenues (such payments collectively the “Required Payments”). Each Individual Project Borrowing shall be secured on a parity with other obligations secured by the Individual Project Net Revenues relating to such Individual Project Borrowing (other than any obligations secured by a prior right in Individual Project Net Revenues). Any Individual Project Net Revenues pledged herein in excess of the Required Payments for an Individual Project Borrowing may be used by the Institution for any other lawful purpose.

Section 3. It is hereby found, determined and declared that, based upon responsible engineering and economic estimates and advice of appropriate officials of the University, as shown on the Financial Feasibility Study attached hereto as Exhibit A, with respect to each Project, the anticipated Individual Project Net Revenues pledged herein will be sufficient to pay the Required Payments for such Project so long as the aggregate amount of net debt service on the Individual Project Borrowing for such Project actually payable in any bond year does not exceed the amounts assumed in the Financial Feasibility Study relating thereto.

Section 4. The Board covenants that the University will furnish the Treasury Board its general purpose financial statements, within 30 days of their issuance and receipt, audited by a firm of certified public accountants or the Auditor of Public Accounts which shall include a schedule of revenues and expenditures for auxiliary enterprise systems. If Individual Project Net Revenues for any Project are insufficient to pay Required Payments for such Project during such period, the University shall provide evidence of a plan to generate Individual Project Net Revenues for such Project sufficient to make such Required Payments in the future.

Section 5. The Board covenants that so long as any of the Project Notes are outstanding, the University will pay to the State Treasurer, not less than 30 days before each interest payment date, an amount estimated by the State Treasurer to be due and payable on such date as interest on the Project Notes. The Board covenants that so long as any of the Project Bonds are outstanding, the University will pay to the State Treasurer, not less than 30 days before each interest or principal payment date, the amount certified by the State Treasurer to be due and payable on such date as principal of, premium, if any, and interest on the Project Bonds.

Section 6. The Board covenants that the University will pay from time to time its proportionate share of all expenses incurred in connection with the sale and issuance of any

series of Bonds that includes Project Bonds or Project Notes and all expenses thereafter incurred in connection with the Bonds, including without limitation the expense of calculating any rebate to the United States of the earnings derived from the investment of gross proceeds of the Bonds, all as certified by the State Treasurer to the University.

Section 7. The Board covenants that the University will not take or omit to take any action the taking or omission of which will cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, including regulations issued pursuant thereto (the “Code”), or otherwise cause interest on the Bonds to be includable in the gross income of the owners thereof for federal income tax purposes under existing laws. Without limiting the generality of the foregoing, the University will pay from time to time its proportional share of any rebate to the United States of the earnings derived from the investment of the gross proceeds of the Bonds.

Section 8. The Board covenants that the University will proceed with due diligence to undertake and complete the Projects and that the University will spend all of the available proceeds derived from the sale of the Project Borrowings for costs associated with the Projects and appropriated for the Projects by the General Assembly.

Section 9. The Board covenants that the University will not permit the proceeds of each Individual Project Borrowing to be used in any manner that would result in (a) 5% or more of such proceeds being used in a trade or business carried on by any person other than a governmental unit, as provided in Section 141(b) of the Code, (b) 5% or more of such proceeds being used with respect to any output facility within the meaning of Section 141(b)(4) of the Code, or (c) 5% or more of such proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Section 141(c) of the Code. The University need not comply with such covenants if the University obtains the written approval of the State Treasurer and an opinion of nationally recognized bond counsel acceptable to the Treasury Board that such covenants need not be complied with to prevent the interest on the Bonds from being includable in the gross income of the owners thereof for federal income tax purposes.

Section 10. The Board covenants that for so long as any of the Bonds are outstanding the University will not enter into any operating lease, management contract or similar agreement with any person or entity, other than a state or local governmental unit, for all or any portion of any of the Projects without first obtaining the written approval of the State Treasurer and an opinion of nationally recognized bond counsel acceptable to the Treasury Board that entering into such agreement will not cause the interest on the Bonds to be included in the gross income of the owners thereof for federal income tax purposes.

Section 11. The Board covenants that for so long as any of the Bonds are outstanding, the University will not sell or dispose of all or any part of any of the Projects without first obtaining the written approval of the State Treasurer and an opinion of nationally recognized bond counsel acceptable to the Treasury Board that such sale or disposition will not cause interest on the Bonds to be included in the gross income of the owners thereof for federal income tax purposes.

Section 12. The officers of the University are authorized and directed to execute and deliver all certificates and instruments and to take all such further action as may be considered necessary or desirable in connection with the sale and issuance of the Bonds.

Section 13. The Board acknowledges that the Treasury Board will rely on the representations and covenants set forth herein in issuing the Bonds, that such covenants are critical to the security for the Bonds and the exclusion of the interest on the Bonds from the gross income of the owners thereof for federal income tax purposes, that the Board will not repeal, revoke, rescind or amend any of such covenants without first obtaining the written approval of the Treasury Board, and that such covenants will be binding upon the Board so long as any of the Bonds are outstanding.

Section 14. This resolution shall take effect immediately upon its adoption.

The following items were presented for information: the Annual Report on Cash Management Operating Pool and Investment Policy Review, the Capital Projects Status Report, the University Quarterly Budget Performance Report through June 30, 2010; Notification of Contract Awards for Design/Build Grace Street Parking Decks, the Temple Building - Structural Repairs, the Wood Memorial Building - Replace Elevators, Rhoads Hall – Replace Plumbing Stacks and Showers, Cabell Library, 2nd Floor – Learning Commons Renovations, VCU Laboratory Supply Center, a Cooperative Team Contract for Cisco Network Products, Maintenance and Services, and the Virginia Commonwealth University Health System Financial Statement Summary Fiscal Year 2010 – Eleven Months Ending May 31, 2010.

A presentation by the investment consultant, Mercer Investment Consulting, Inc., was made, and Mercer presented recommendations for board consideration to add two new asset classes: Emerging Market Debt and Global Equity.

Dr. Doswell reported for the Student Affairs, Athletics and International Programs Committee. The following items were presented for information: a report from the Student Representatives; a report on Tuition Communication, an update on University College, a report on Welcome Week, the Athletics Report, an Update on International Programs, the Intercollegiate Athletic Council Report, the Enrollment Report, the Honor System Annual Report, the Rules and Procedures Annual Report and the University Safety Committee Report.

On motion made and seconded, the following Consent and Priority Agenda Actions were approved:

Board of Visitors

Minutes of a Joint Meeting of the Board of Visitors and the VCU Health System Board of Directors held May 20, 2010

Minutes of a Meeting held May 21, 2010

Academic and Health Affairs Policy Committee

Minutes of a Meeting held May 20, 2010
Audit and Compliance Committee
Minutes of a Meeting held May 20, 2010
External and Alumni Relations Committee
Minutes of a Meeting held May 20, 2010
Finance, Investment and Property Committee
Minutes of a Meeting held May 20, 2010
Project Plans for Grace Street Decks
Project Plans for Grace Street Housing and Laurel Street Parking Deck
Project Plans for Sanger Hall - Pauley Heart Center
Project Plans for Energy Efficiency Projects Funded under the ARRA
Management Principles for Relationships with University-Related Foundations
and Other Affiliated Organizations
Debt Resolution for VCBA Debt Resolution Financing Agreement
Debt Resolution for General Obligation Bonds Resolution Financing Agreement
Student Affairs, Athletics and International Programs Committee
Minutes of a Meeting held May 20, 2010

PRIORITY AGENDA – ACTION ITEMS

Approval of the 2010-2011 Board of Visitors Schedule
External and Alumni Relations
Development and Alumni Relations Advisory Council

The Rector appointed the following Board members to serve on the Presidential Evaluation Committee: Mesdames Rhodes (Chair) and Lambert; Messrs. Snead and Jackson; and Drs. Broaddus and Doswell.

On motion made and seconded, the Board convened into closed session to discuss certain personnel matters and matters relating to the appointment, promotion, performance and salaries of identifiable employees and faculty of VCU, including the Faculty Appointments and Changes in Status and other Personnel Actions, and to discuss the evaluation of the performance of departments or schools of VCU where such evaluations necessarily involve discussion of the performance of specific individuals including Audit Reports of individually identified departments and/or schools; and to consult with legal counsel and receive briefings from staff members regarding certain legal matters and actual or probable litigation where such consultation or briefings in open session would adversely affect the negotiating or litigating position of VCU; to discuss the acquisition or use of real property for public purpose, or of the disposition of publicly held real property, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of VCU, including the acquisition of property; and to discuss matters relating to gifts, bequests, and fund-raising activities, including consideration of the Named Funds Report, and an update on the development activities as authorized by Section 2.2-3711 A(1), A(3), A(7), and A(8) of the Virginia Freedom of Information Act.

Following closed session, on motion made and seconded, the following resolution was approved by roll call vote:

Virginia Commonwealth University hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed session meeting were heard, discussed or considered by the Board of Visitors of Virginia Commonwealth University.

<u>Roll Call Vote</u>	<u>Ayes</u>	<u>Nays</u>
Mrs. Anne J. G. Rhodes, Rector	X	
Dr. J. Alfred Broaddus, Jr.	X	
Dr. Kamlesh N. Dave	X	
Dr. John C. Doswell II	X	
Mr. William M. Ginther	X	
Mr. Brian K. Jackson	X	
Mrs. Kay Coles James	X	
Mr. Maurice A. Jones	Left before voting	
Ms. Lillian L. Lambert	X	
Mr. Thomas W. McCandlish	X	
Mr. Alexander B. McMurtrie, Jr.	X	
Dr. W. Baxter Perkinson, Jr.	X	
Mr. Richard T. Robertson	Left before voting	
Dr. Carol S. Shapiro	X	
Mr. Stuart C. Siegel	X	
Mr. Thomas G. Snead, Jr.	X	

Vote:

Ayes: 14

Nays: 0

Absent during meeting: 0

Absent during voting: 2

On motion made and seconded, the Board accepted the Report of the President; approved the Named Funds Report; approved the Acquisition of Property; approved the granting of a Conservation Easement; and accepted the Closed Session Committee Reports.

The meeting was adjourned at 1 p.m.