

# 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

MINUTES OF A MEETING OF THE  
FINANCE, INVESTMENT AND PROPERTY COMMITTEE  
OF THE BOARD OF VISITORS OF  
VIRGINIA COMMONWEALTH  
February 9, 2012

A meeting of the Finance, Investment and Property Committee of the Board of Visitors of Virginia Commonwealth University was held on Thursday, February 9, 2012, at 9:15 a.m. in the Richmond Salons located in the University Student Commons at 907 Floyd Avenue.

Present were: Messrs. Siegel (Chair), Farrell, Ginther, Jackson, McMurtrie, and Snead; Drs. Broaddus and Doswell; and Mrs. Lambert. Also present were Drs. Rao, Hanson, and Retchin; Messrs. Bonfili, Jez, Ohlinger, Pope, Puleo, Ross and Woodward; and Mesdames Atkinson, Balmer, Currey and Lepley.

The meeting was called to order and on motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the Minutes of a Meeting held November 10, 2011.

The Finance, Investment and Property Committee Charter and Calendar were presented. The primary purpose of the Finance, Investment and Property Committee is to assist the Board of Visitors in fulfilling its objectives and fiduciary responsibilities related to applicable policy/ies and oversight of:

- University finances and investments
- University policies on debt management
- University facilities planning, design, construction and renovation
- University purchase and divesture of land, including any easements

On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the Finance, Investment and Property Committee Charter and Calendar.

The Project Plans for West Grace Street Housing North were presented. The project provides for construction of residential upper-class housing with a total capacity of 388 beds. The first floor includes approximately 6,000 SF for use by the Global Education Living/Learning Community. The undergraduate curriculum in global education is enriched by coordinated residential activities among students of diverse backgrounds on campus, in local communities and abroad. The design build budget is \$23,464,235 and the total budget is \$32,199,000. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the Project Plans for West Grace Street Housing North.

The Tax-exempt Debt Compliance Policy was presented. The policy establishes a formal system for both pre-issuance planning and post-issuance monitoring of tax-exempt bonds to ensure compliance with federal laws. The policy provides guidance to university units involved in tax-exempt financing so that the units understand and are able to carry out the roles in the processes. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the Resolution for the Tax-exempt Debt Compliance Policy.

An Amendment Altering the School of Medicine Financing Agreement was presented. On August 24, 2011, the Board of Visitors authorized officers of VCU to enter into a financing support agreement with the Medical College of Virginia Foundation (the “MCV Foundation”) associated with the School of Medicine Project (the “Project”) and authorized the issuance of bonds or notes to finance the costs of the Project. On September 14, 2011, the University and the MCV Foundation entered into an agreement (the “Support Agreement”) in support of the payment of the costs associated with the Project or the debt service on bonds or notes issued to finance the costs of the Project. On November 16, 2011, the University sold the note to the Virginia College Building Authority to fund costs of the Project. As part of the Support Agreement the MCV Foundation agreed to pay up to \$7,636,000 of the costs of construction on the Project and pay debt service on the \$40,000,000 component of the 2011 Note attributable to the Project. Subsequent to the issuance of the VCBA bonds and the VCU Note, the Dean of the School of Medicine has determined that tuition revenues, facilities and administrative cost recoveries and certain other funds will be sufficient to pay debt service on the School of Medicine debt. The Dean and senior leadership of the University have also determined that the University and the School of Medicine will be best served by terminating the Support Agreement so that the MCV Foundation will be able to utilize its funds for the support of the School of Medicine in other ways, including programs to attract and retain talented teaching and research faculty consistent with the Quest for Distinction program. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board that the resolution authorizing the termination of the Support Agreement and execution of an internal Memorandum of Understanding between the University and the School of Medicine.

The following items were presented for information:

- Budget Summary
- Update on Glasgow Trust Funds
- VCU Master Plan Update
- VCU Athletics Strategic Master Plan Update
- Notification of Contract Award
  - University Learning Center
  - Monroe Park Housekeeping Contract
- Capital Projects Update
- Cash, Debt and Investment Monitoring
- Operating Pool Investment Report as of Dec. 31, 2011
- Budget Reports
  - University’s Financial Statements for the Year Ended June 30, 2011

- Revenue and Expense Summary: 12/31/11
- Foundation Annual Reports
  - MCV Foundation
  - VCU School of Business Foundation
  - VCU Intellectual Property Foundation
- VCUHS Financial Statement Summary FY 2011 – Five Months Ending Nov. 30, 2011

On motion made and seconded, the Committee convened into closed session to discuss certain personnel matters involving the performance of identifiable employees or faculty of VCU, and to discuss the evaluation of performance of departments or schools of VCU where such evaluation will necessarily involve discussion of the performance of specific individuals, and to consult with legal counsel and receive briefings by staff members regarding legal matters and actual or probable litigation where such consultation or briefing in open session would adversely affect the negotiating or litigating posture of VCU, as may be necessary, as authorized by Section 2.2-3711 A(1) and A(7) of the Virginia Freedom of Information Act.

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

The Finance, Investment and Property Committee of the Board of Visitors of 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 Finance, Investment and Property Committee of the Board of Visitors of Virginia Commonwealth University.

<u>Roll Call Vote</u>	<u>Ayes</u>	<u>Nays</u>
Mr. Stuart C. Siegel, Chair	X	
Mr. Brian K. Jackson, Vice Chair	X	
Dr. J. Alfred Broaddus, Jr.	X	
Mr. Thomas F. Farrell, II	X	
Mr. William M. Ginther	X	
Mrs. Lillian L. Lambert	X	
Mr. Alexander B. McMurtrie, Jr.	X	
Dr. John C. Doswell II, Vice Rector	X	
Mr. Thomas G. Snead, Jr., Rector	X	

Vote:

Ayes: 9

Nays: 0

ABSENT DURING MEETING: 0

ABSENT DURING VOTING: 0

The Chair reported that no action had been taken.

The meeting was adjourned at 10:40 a.m.