



**Virginia Commonwealth University
Finance, Budget and Investment Committee of the Board of Visitors**

Minutes

Date: September 16, 2013
Time: 1:15 p.m. – 2:45 p.m.
Location: President's Conference Room, 910 West Franklin Street, Richmond, VA 23284

Present: Mr. Thomas F. Farrell, II, Chair
Mr. Alexander B. McMurtrie, Jr.,
Mr. Michael D. Fraizer
Mr. William A. Royall, Jr.
Ms. Kay Coles James
Mr. William M. Ginther, Rector
Dr. Michael Rao
Staff from VCU and VCUHS

Unavailable: Mr. Sudhakar V. Shenoy, Vice Chair
Ms. Nancy C. Everett

The meeting was called to order at 1:20 p.m. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the following action items:

- Minutes of a Meeting held May 10, 2013
- Amendments:
 - Revision to VCU Operating Pool Investment Policy
 - Glasgow Endowed Fund Policy
 - Debt Management Policy
- Approvals:
 - Resolution for Reimbursement Designation

**RESOLUTION
BOARD OF VISITORS
VIRGINIA COMMONWEALTH UNIVERSITY
CONFIRMING DESIGNATION OF THE UNIVERSITY'S**

**OFFICERS AS AUTHORIZED TO DECLARE OFFICIAL INTENT
TO ISSUE BONDS TO REIMBURSE EXPENDITURES**

A. The United States Department of the Treasury has promulgated Treasury Regulations Section 1.150.2 (the "IRS Regulations") governing when the allocation of bond proceeds to reimburse expenditures previously made by an issuer or beneficiary of a bond issue shall be treated as an expenditure of the bond proceeds; and

B. The IRS Regulations provide that a declaration of official intent by an issuer or beneficiary may provide evidence that, on or prior to the date of payment of expenditures, the issuer or beneficiary intended to reimburse such expenditures with proceeds of bonds; and

C. Virginia Commonwealth University issues bonds, or is the beneficiary of bonds, from time to time; and

D. Section 1.150-2(e)(1) of the IRS Regulations authorizes any person or entity designated by the issuer to declare official intent on behalf of the issuer;

NOW, THEREFORE, BE IT RESOLVED that Virginia Commonwealth University hereby confirms the designations of the Senior Vice President and Chief Operating Officer or the Chief Financial Officer, currently titled the Vice President for Finance and Administration, as the persons authorized to declare official intent on behalf of Virginia Commonwealth University pursuant to the IRS Regulations.

This resolution shall take effect immediately upon its adoption.

- o Resolution authorizing financing of Grace & Harrison/Broad & Ryland Student Housing

**RESOLUTION BOARD OF VISITORS
VIRGINIA COMMONWEALTH UNIVERSITY
AUTHORIZATION OF FINANCING FOR
RESIDENCE HALLS LOCATED AT THE CORNERS
OF HARRISON/GRACE STREETS AND BROAD/RYLAND STREETS**

WHEREAS, Chapter 6.1, Title 23 of the Code of Virginia of 1950, as amended (the "Virginia Code") establishes a public corporation under the name and style of 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, Title 23 of the Virginia Code classifies the University as an educational institution of the Commonwealth of Virginia;

WHEREAS, by Chapter 4.10, Title 23 of the Virginia Code (as amended, the "Act"), the University entered into a management agreement with the Commonwealth of Virginia which was enacted as Chapter 594 of the Acts of Assembly of 2008 which, as amended, classifies the University as a public institution of higher education and empowers the University with the authority to undertake and implement the acquisition of any interest in land, including

improvements on the acquired land at the time of acquisition, new construction, improvements or renovations and to borrow money and make, issue and sell bonds of the University for such purposes, including the refinancing of any such facilities;

WHEREAS, the Act further authorizes the University to provide for the payment of the principal of and the interest on any bonds from any one or more of the following sources: (i) its revenues generally; (ii) income and revenues derived from the operation, sale, or lease of a particular project or projects, whether or not they are financed or refinanced from the proceeds of such bonds, notes, or other obligations; (iii) funds realized from the enforcement of security interests or other liens or obligations securing such bonds, notes, or other obligations; (iv) proceeds from the sale of bonds, notes, or other obligations; (v) payments under letters of credit, policies of municipal bond insurance, guarantees, or other credit enhancements; (vi) any reserve or sinking funds created to secure such payment; (vii) accounts receivable of the University; or (viii) other available funds of the University;

WHEREAS, the Board has previously approved the acquisition, construction and equipping of two residence halls, one located at the corner of Harrison and Grace Streets and the other located at the corner of Broad and Ryland Streets (collectively, the "Project");

WHEREAS, the Project will add approximately 426 beds to the University's current housing inventory and will further the University's strategic plan, known as Quest for Distinction, by creating two living-learning centers, one focusing on leadership and the other focusing on innovation an entrepreneurship, as well as retail space; and

WHEREAS, the Board has determined it desirable to authorize the University to issue its general revenue pledge bonds in a maximum principal amount not to exceed \$41,000,000 (the "University Bonds") for purposes of financing (a) all or a portion of the Project, (b) capitalized interest on the University Bonds and (c) costs of issuing the University Bonds.

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

1. The Board authorizes the issuance and delivery of the University Bonds for purposes of financing (a) all or a portion of the Project, (b) capitalized interest on the University Bonds and (c) costs of issuing the University Bonds.
2. The Board authorizes the execution and delivery of a bond resolution (the "Bond Resolution") in substantially the form utilized in previous issuances of general revenue pledge bonds by the University with such changes and additions as may be approved by the Senior Vice President and Chief Operating Officer, the Vice President for Finance and Administration or the Associate Vice President for Finance and Administration (the "Authorized Officers") consistent with prior practice of the University so that the Bond Resolution may reflect the final terms and conditions of the University Bonds. Each Authorized Officer is authorized to approve the final form of the Bond Resolution and to evidence such approval in writing.
3. The University Bonds shall be sold in one or more series through a public offering

or a private placement as any Authorized Officer, in collaboration with Public Financial Management, Inc., the University's financial advisor (the "Financial Advisor"), determines to be in the best interest of the University.

4. The final terms and forms of the University Bonds, including maturities, interest rates and redemption provisions, shall be approved by an Authorized Officer; provided that (a) the principal amount of the University Bonds shall not exceed \$41,000,000, (b) the final maturity shall not be later than 31 years from the date of issuance, (c) the true interest cost on any series of University Bonds sold at a fixed rate shall not exceed 5.50%, (d) the interest rate on any series of University Bonds sold through a public offering or a private placement may be at a variable rate as set forth in the Bond Resolution, and (e) no redemption price on the University Bonds may exceed 102%.

5. Any Authorized Officer, in collaboration with the Financial Advisor, is authorized and directed to determine, subject to paragraph 3 above, the aggregate principal amount of the University Bonds and their dated date, the interest rates, maturity schedule and optional redemption provisions, and the price to be paid for the University Bonds by the purchaser or underwriter (as applicable), all as any Authorized Officer determines to be in the best interests of the University.

6. Any University Bonds sold through a public offering may be sold through a competitive sale or a negotiated sale as any Authorized Officer, in collaboration with the Financial Advisor, determines to be in the best interest of the University.

7. If any Authorized Officer determines to sell the University Bonds (or portion thereof) in a competitive sale,

(a) such Authorized Officer is hereby authorized to receive bids for such University Bonds and award such University Bonds to the bidder providing the lowest "true" or "Canadian" interest cost, subject to the limitations set forth in paragraph 3 above;

(b) following the competitive sale, the applicable Authorized Officer shall file a certificate with the Secretary of the Board setting forth the final terms of such University Bonds;

(c) the actions of any Authorized Officer in selling the University Bonds in a competitive sale shall be conclusive, and no further action with respect to the sale and issuance of the University Bonds shall be necessary on the part of the Board; and

(d) the officers of the University, in collaboration with the Financial Advisor, are authorized and directed to take all proper steps to advertise the University Bonds for sale in accordance with a notice of sale containing terms consistent with this Resolution and as otherwise approved by a Authorized Officer;

8. If any Authorized Officer determines to sell the University Bonds (or portion thereof) in a negotiated sale,

(a) such Authorized Officer is hereby authorized, in collaboration with the Financial Advisor, to choose one or more investment banks or firms to serve as the underwriter for the University Bonds and to negotiate with such underwriter the final terms of the University Bonds, subject to the limitations set forth in paragraph 3 above;

(b) the Authorized Officers are hereby authorized to execute and deliver to the underwriter a bond purchase agreement (the "Bond Purchase Agreement") setting forth the final terms of such University Bonds;

(c) following a negotiated sale, the applicable Authorized Officer shall file a copy of the Bond Purchase Agreement with the Secretary of the Board; and

(d) the actions of any Authorized Officer in selling the University Bonds in a negotiated sale shall be conclusive, and no further action with respect to the sale and issuance of the University Bonds shall be necessary on the part of the Board.

9. If the University Bonds are sold by competitive or negotiated sale through a public offering, the officers of the University are hereby authorized to prepare, in collaboration with the Financial Advisor and the University's counsel, an official statement (the "Official Statement") in preliminary and final forms. The Authorized Officers are hereby authorized and directed to execute the Official Statement in final form and deliver it to the purchasers of the University Bonds. The officers of the University shall arrange for the delivery to the underwriter of the University Bonds of a reasonable number of copies of the final Official Statement, within seven business days after the University Bonds have been sold, for delivery to each potential investor requesting a copy of the Official Statement and to each person to whom the underwriter initially sells any University Bond.

10. The Authorized Officers are hereby authorized, on behalf of the University, to deem each of the preliminary Official Statement and the final Official Statement to be "final" as of its respective date within the meaning of Rule 15c2-12 (the "Rule") of the Securities and

Exchange Commission, except for the omission from the preliminary Official Statement of certain pricing and other information permitted to be omitted pursuant to the Rule. The distribution of the preliminary Official Statement and the execution of the final Official Statement by any Authorized Officer shall be conclusive evidence that each has been deemed "final" as of its date by the University.

11. The Authorized Officers are hereby authorized and directed to execute a continuing disclosure agreement (the "Continuing Disclosure Agreement") setting forth the reports and notices to be filed by the University and containing such covenants as may be necessary to assist the underwriter(s), if any, in complying with the provisions of the Rule and to approve the form of such Continuing Disclosure Agreement.

12. If any Authorized Officer determines to sell the University Bonds (or portion thereof) in a private placement, such Authorized Officer is hereby authorized, in collaboration with the Financial Advisor, to solicit proposals from one or more commercial banks, to select a commercial bank to purchase the University Bonds and to negotiate the final terms of the University Bonds, subject to the limitations set forth in paragraph 3 above.

13. The Authorized Officers of the University are authorized to execute and deliver, to the extent necessary, amendments to, substitutes for, any existing support or management agreements relating to any existing University residence halls in order to facilitate the acquisition, construction, equipping or financing of the Project.

14. The Authorized Officers and any other officers of the University, and their delegates, are each hereby authorized to take such actions and to execute and deliver on behalf of the University any and all agreements, certificates or other documents, which they deem necessary or desirable in order to carry out the foregoing resolutions and any and all actions heretofore taken by them consistent with the foregoing resolutions are hereby ratified and confirmed.

15. This Resolution shall take effect immediately upon its adoption.

- Design/Build Contract Approval for Grace & Harrison/Broad & Ryland Student Housing
- Resolution for FERIP Policy

RESOLUTION OF THE VIRGINIA COMMONWEALTH UNIVERSITY BOARD OF VISITORS RATIFYING THE FIRST AMENDMENT TO THE

**VIRGINIA COMMONWEALTH UNIVERSITY SUPPLEMENTAL RETIREMENT
PLAN FOR FACULTY**

WHEREAS, Virginia Commonwealth University (the “University”) established the Virginia Commonwealth University Supplemental Retirement Plan for Faculty (the “Plan”) effective January 1, 1999;

WHEREAS, the Plan was amended and restated effective January 1, 2010;

WHEREAS, the University submitted the Plan to the Internal Revenue Service (“IRS”) for a favorable determination letter, which was issued on March 22, 2013;

WHEREAS, in connection with the favorable determination letter, the IRS requested certain revisions as part of its review of the Plan;

WHEREAS, Section 7.1 of the Plan permits the University to amend the Plan;

WHEREAS, the First Amendment to the Plan attached hereto incorporates the requested changes and is consistent with the Internal Revenue Code and the *Code of Virginia*;

WHEREAS, the Senior Vice President and Chief Operating Officer of the University, David W. Hanson, executed the First Amendment to the Plan on June 7, 2013;

THEREFORE, BE IT RESOLVED that the University hereby ratifies Dr. Hanson’s actions to execute the First Amendment to the Plan on its behalf and that the Plan was thereby amended when executed effective as of the dates reflected in said amendment.

IN WITNESS WHEREOF, the undersigned duly authorized official of the University has executed this resolution on _____, 2013.

By: _____

Name: _____

Title: _____

- FBI Committee Charter and Planner

The following priority agenda items were presented for information:

- Financial Assumptions in Six-Year Plan by Ms. Currey
- Efficiencies
 - Chrome River – electronic reimbursement by Mr. Gibbs
 - BIM by Mr. Ohlinger

- PC & Laptop Bundling by Mr. Henson
- Finance, Budget and Investment Dashboard (2013-14) by Ms. Currey
- Monetization of Parking Assets by Mr. Ohlinger
- Capacity Analysis Discussion by Dr. Shaw
- Updates
 - Safety Committee by Chief Venuti
 - Technology Services by Mr. Henson
 - Unfunded Liabilities by Ms. Currey
- Financial Integrity and Stewardship Committee (FISC) by Ms. Currey
- Scott Carriage House Evaluation Mr. Ohlinger
- Capital Projects Update Mr. Ohlinger

The following items were provided to the Committee prior to the meeting there were no questions or discussion on any of the following for information items:

- Cash, Debt and Investment Monitoring Report as of September 11, 2013
- Glasgow Endowed Fund Quarterly Report as of June 30, 2013
- Operating Pool Investment Report as of June 30, 2013
- Update on Agency Risk Management and Internal Controls Standards (ARMICS)
- Revenue and Expense Summary as of June 30, 2013
- Board of Visitors Fund Annual Report as of June 30, 2013
- Virginia Commonwealth University Health System Financial Operations as of June 30, 2013.

On motion made and seconded, the Committee convened into closed session 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 on or adjacent to the Monroe Park Campus and plans to protect public safety as it relates to terrorist activity and briefings by staff members, legal counsel, or law-enforcement or emergency service officials concerning actions taken to respond to such activity or a related threat to public safety; or discussion of reports or plans related to the security of any governmental facility, building or structure, or the safety of persons using such facility, building or structure., as authorized as authorized by Section 2.2-3711 A(3) and A(19) 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, Budget and Investment 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. Thomas F. Farrell, II, Chair	X	
Mr. Sudhakar Shenoy, Vice-Chair	absent	
Mr. Michael D. Fraizer	X	
Mr. Alexander B. McMurtrie, Jr., Vice Chair	X	
Mr. William A. Royall, Jr.	X	
Mrs. Kay Coles James	X	
Ms. Nancy C. Everett	X	
Mr. William Ginther, Rector	X	

Vote:

Ayes: 7
 Nays: 0

ABSENT DURING MEETING: 1
 ABSENT DURING VOTING: 1

Upon reconvening into open session and following a roll call vote on the Resolution of Certification, the Chair reported the approval of the recommendation to the full board of the lease of 900 West Grace Street.

The meeting was adjourned at 3:02 p.m.