

October 4, 2002

MEMORANDUM

TO: The External Affairs Committee:

Thomas A. Saunders, III, Chair  
Thomas J. Bliley, Jr.  
Thomas F. Farrell, II  
Elsie Goodwyn Holland  
Mark J. Kington  
Gordon F. Rainey, Jr.  
John P. Ackerly, III, Ex Officio

and

The Remaining Members of the Board:

William G. Crutchfield, Jr.	Terence P. Ross
Charles L. Glazer	Warren M. Thompson
William H. Goodwin, Jr.	Elizabeth A. Twohy
T. Keister Greer	E. Darracott Vaughan, Jr., M.D.
Don R. Pippin	H. Timothy Lovelace, Jr.

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the External Affairs  
Committee on October 4, 2002

The External Affairs Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 12:25 p.m., Friday, October 4, 2002, in the East Oval Room of the Rotunda; Thomas A. Saunders, III, Chair, presided. Thomas J. Bliley, Jr., Thomas F. Farrell, II, Mark J. Kington, Gordon F. Rainey, Jr., and John P. Ackerly, III, Rector, were present.

Also present were William G. Crutchfield, Jr., Charles L. Glazer, William H. Goodwin, Jr., T. Keister Greer, Don R. Pippin, Terence P. Ross, Warren M. Thompson, Ms. Elizabeth A. Twohy, and H. Timothy Lovelace, Jr.

Present as well were John T. Casteen, III, Leonard W. Sandridge, Alexander G. Gilliam, Jr., Paul J. Forch, Robert D. Sweeney, Ms. Yoke San L. Reynolds, Arthur Garson, Jr., M.D., R.

Edward Howell, Brian E. Campbell, Charles Crowder, M.D., and Ms. Jeanne Flipppo Bailes.

The Chair opened the meeting by emphasizing the University's need for private gifts, especially in the light of the current state budget problems. He then asked Mr. Sweeney, Senior Vice President for Development, to present the Agenda.

Mr. Sweeney in turn introduced Ms. Reynolds, Vice President for Finance, and asked her to present the first item, a Consent Agenda matter.

Ms. Reynolds reminded the Committee that each board of a University-related foundation is required to have one member who serves as a representative of the Board of Visitors. New representatives are customarily appointed at the October Board meeting each year when the appointments of existing representatives are ratified. She pointed out the three new representatives and proposed a resolution ratifying their appointment and confirming the reappointment of the present representatives.

The Committee approved the necessary resolution and recommended it to the full Board for approval (see the Minutes of the meeting of the Board of Visitors of October 5, 2002).

Mr. Sweeney presented the second item, for the Action Agenda - the creation of the University of Virginia Health Foundation.

The Foundation, Mr. Sweeney explained, would be a Virginia non-profit, non-stock 501c(3) corporation. The Foundation would begin work as a foundation in January 2003; it will serve the needs of the School of Medicine, the School of Nursing, the Medical Center and the Claude Moore Health Sciences Library. Funds raised by the Foundation will be managed by the University of Virginia Investment Management Company (UVIMCO). Thanks to the leadership of the new President of the Medical Alumni Association, Dr. Sam Graham, Jr., and of Dr. Garson, there is a proposal that will link the Foundation to the Medical Alumni Association and the Medical School Foundation. The proposal is to be voted on by the Medical Alumni Association on October 5<sup>th</sup>.

There was considerable discussion about the new Foundation, and Dr. Vaughan said he endorsed enthusiastically the proposed link with the Medical Alumni Association.

The resolution proposed by Mr. Sweeney was approved by the Committee and forwarded to the full Board for approval. (See Minutes of the meeting of the Board of Visitors of October 5<sup>th</sup>.)

Mr. Sweeney next gave his customary report, touching on philanthropic cash flow and on community relations and going into more detail on such things as the University's relative position in fund raising among comparable institutions, planning for the next capital campaign, and so on.

The cash flow for the fiscal year, which ended June 30<sup>th</sup>, totaled \$255million, the best year in the University's history. In a year of a weakening economy and the effects of 9/11, the record total was driven by two large gifts. Mr. Sweeney then cited several fund raising efforts that show promise, including the My-D-Cav ("My dollar counts at Virginia") initiative which was suggested by the Young Alumni Council. It is aimed at establishing a pattern of annual giving among alumni of ten years or less.

Mr. Ross pointed out that 5% of the *U.S. News and World Report* college ranking system is based on the number of alumni contributing - no matter what the amount - to an institution in a given year. He suggested that this point be emphasized by the My-D-Cav program.

Mr. Sweeney said planning is underway for the next campaign, which likely will be the largest capital campaign so far launched by any institution. The first phases would be started in 2004 and the campaign would run to 2011.

Finally, Mr. Sweeney outlined what he called "a whole new communications vehicle for community relations," which is being developed under the leadership of Ida Lee Wootten.

The Chair noted the absolute necessity of increasing private giving to the point where the University can have some control of its destiny. The depressing news of budget cuts given out earlier in the Board meeting would be less terrible if the University could increase its Endowment.

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On motion, the meeting was adjourned at 1:10 p.m.

AGG:lah  
These minutes have been posted to the University of Virginia Board of Visitors website.  
<http://www.virginia.edu/bov/externalminutes.html>