

**DOCKET**

**BOARD OF VISITORS**

**University of Virginia**

**Regular Meeting**

**February 1, 2003**

DOCKET  
BOARD OF VISITORS  
FEBRUARY 1, 2003

CONSENT ITEMS

1. APPROVAL OF THE DISPOSITION OF THE 10½ STREET  
RIGHT-OF-WAY PROPERTY FROM UNIVERSITY OF VIRGINIA  
TO TENTH AND MAIN LLC

WHEREAS, certain property and improvements ("10½ Street right-of-way") containing approximately 1,800 square feet, located adjacent to the east property line of the Stacey Hall property on West Main Street in Charlottesville, Virginia, was received from the City of Charlottesville on February 19, 2002, when the City closed a 120-foot long section of the 10½ Street right-of-way; and

WHEREAS, the University has determined that because of its topography and location this property is of no benefit to the University; and

WHEREAS, the Tenth and Main LLC has requested the transfer of the University's share of the right-of-way in exchange for access easement that will allow 1) University employees the right to use the walkways and other site amenities and 2) University vehicles access to the remaining section of the 10½ Street right-of-way and the north end of the Stacey Hall property;

RESOLVED that the disposition of the aforesaid property located adjacent to the east property line of Stacey Hall, which is located on West Main Street in Charlottesville, Virginia, consisting of approximately 1,800 square feet, is approved; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer for the University of Virginia is authorized to execute any and all contracts and other documents pertaining to the disposal of the aforesaid property as he may deem necessary or appropriate.

2. APPROVAL OF THE DISPOSITION OF THE NORTON PROPERTIES ACQUIRED FROM THE ESTATE OF MS. VIRGINIA IRENE MEADOR TO THE NORTON UNITED METHODIST CHURCH

WHEREAS, a 50 percent interest in certain property and improvements ("Norton Properties") containing approximately 7,500 square feet, located on Park Avenue in Norton, Virginia, and referred to as lots 21 and 22 in block 13 of Plat Four, Norton, Virginia, were designated for The University of Virginia's College at Wise in the will of Ms. Virginia Irene Meador; and

WHEREAS, Ms. Meador died on December 21, 1995; and

WHEREAS, the College has determined that because of their size and distance from the campus the lots are of nominal use; and

WHEREAS, the Norton United Methodist Church has offered to buy the lots for \$10,000, which is \$4,800 greater than their assessed value; and

WHEREAS, the College will receive \$5,000 as its share of the sale proceeds; and

WHEREAS, the College would like to use the proceeds for student assistance needs either in the form of scholarships or loans;

RESOLVED that the disposition of the aforesaid property on Park Avenue in Norton, Virginia, consisting of approximately 7,500 square feet, is approved; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer for the University of Virginia is authorized to convey the property via quitclaim deed and to execute any and all contracts and other documents pertaining to the disposal of the aforesaid property as he may deem necessary or appropriate.

3. APPROVAL TO OFFER A NEW GRADUATE DEGREE PROGRAM: MASTER OF PUBLIC HEALTH (MPH) IN THE COLLEGE AND GRADUATE SCHOOL OF ARTS AND SCIENCES

RESOLVED that, subject to approval by the State Council of Higher Education for Virginia, the Master of Public Health (MPH) be established in the College and Graduate School of Arts and Sciences.

4. APPROVAL OF A PERMANENT EASEMENT FOR THE UNIVERSITY OF VIRGINIA ACROSS PROPERTY OWNED BY UNIVERSITY OF VIRGINIA REAL ESTATE FOUNDATION LOCATED AT THE CAVALIER INN AT THE INTERSECTION OF EMMET STREET AND IVY ROAD

RESOLVED that the request for an easement, dated January 31, 2003, from the University of Virginia Real Estate Foundation for an electric power line for the Emmet Street Parking Structure across property owned by the Foundation located at the Cavalier Inn, is approved; and

RESOLVED FURTHER that appropriate officers of the University are authorized to execute said dedication and easement.

5. APPROVAL OF EDGAR ALLAN POE HISTORICAL MARKER INSTALLATION

WHEREAS, Edgar Allan Poe enrolled at the University of Virginia on February 14, 1826 for one term; and

WHEREAS, Mr. Poe is recognized as one of the nation's important literary figures; and

WHEREAS, the University has preserved his room, #13 on the West Range, in his honor; and

WHEREAS, a marker on McCormick Road in the vicinity of the West Range would serve to further commemorate the achievements of this outstanding American writer;

RESOLVED that installation of a marker for Edgar Allan Poe is approved.

6. APPROVAL OF ARCHITECTURAL DESIGN GUIDELINES FOR COCKE HALL RENOVATION PROJECT

RESOLVED that the architectural design guidelines, dated December 18, 2002, and prepared by the Architect for the University, for the renovation of Cocke Hall are approved; and

RESOLVED FURTHER that design review of this project will not be required and that the project is approved for further development and construction.

7. APPROVAL OF ARCHITECTURAL DESIGN GUIDELINES FOR ROUSS HALL RENOVATION AND COMMERCE SCHOOL PROJECT

RESOLVED that the architectural design guidelines, dated December 18, 2002, and prepared by the Architect for the University, for the Rouss Hall Renovation and Commerce School project are approved; and

RESOLVED FURTHER that the project will be presented for further review at the schematic design level of development.

8. APPROVAL OF ARCHITECTURAL DESIGN GUIDELINES FOR BICE HOUSE RENOVATION PROJECT

RESOLVED that the architectural design guidelines, dated December 18, 2002, and prepared by the Architect for the University, for the Bice House Renovation project are approved; and

RESOLVED FURTHER that design review of this project will not be required and that the project is approved for further development and construction.

9. APPROVAL TO REMOVE THE OBSERVATORY HILL DINING HALL AND THE TREE HOUSE DINING FACILITY

WHEREAS, the University owns the Observatory Hill Dining Hall (FAACS Building Number: 207-0209) and the Tree House Dining Facility (FAACS Building Number: 207-0320) located at the intersection of McCormick and Alderman Roads; and

WHEREAS, a portion of the North Wing of the Observatory Hill Dining Hall must be demolished for the construction of the new Observatory Hill Dining Facility; and

WHEREAS, these structures will no longer be needed for dining functions once the new Observatory Hill Dining Facility has been completed; and

WHEREAS, the Governor of Virginia delegated to the Board of Visitors, pursuant to Executive Order Number Thirty-Four (98), dated November 10, 1998, the authority of the Governor to approve the removal of buildings on state property, with the advice and counsel of the Art and Architectural Review Board, and the review of the Department of Historic Resources; and

WHEREAS, the Art and Architectural Review Board and the Department of Historic Resources have approved the removal of these structures;

RESOLVED that the removal of these buildings (FAACS Building Numbers: 207-0209 and 207-0320) at the intersection of McCormick and Alderman Roads is approved by the Board of Visitors; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer is authorized to determine 1) if the buildings should be saved to serve another function or 2) if they should be removed. If the decision is made for removal said officer is authorized to execute any and all documents pertaining to the removal of the aforementioned buildings, and that the said officer ensure that the required reports regarding the building removals are sent to the Department of General Services.

#### 10. APPROVAL TO REMOVE THE DELL GARDEN STRUCTURE

WHEREAS, the University owns the Dell Garden Structure (FAACS Building Number: 207-0223) located at the east end of the Dell on the west side of Emmet Street directly opposite the Central Grounds Parking Garage; and

WHEREAS, this structure is no longer used and is in poor condition; and

WHEREAS, the site of the structure is needed for the Dell Storm Water project; and

WHEREAS, the Governor of Virginia delegated to the Board of Visitors, pursuant to Executive Order Number Thirty-Four (98), dated November 10, 1998, the authority of the Governor to approve the removal of buildings on state property, with the advice and counsel of the Art and Architectural Review Board, and the review of the Department of Historic Resources; and

WHEREAS, the Art and Architectural Review Board and the Department of Historic Resources have approved the removal of these structures;

RESOLVED that the removal of this structure (FAACS Building Number: 207-0223) located in the Dell is approved by the Board of Visitors; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer is authorized to execute any and all documents pertaining to the removal of the aforementioned buildings, and that the said officer ensure that the required reports regarding the building removals are sent to the Department of General Services.

**11. APPROVAL OF RECOMMENDATION FOR DISPOSITION OF THE COLE MEMORIAL FUND**

WHEREAS, J. Marshall Cole (BA '25 and MA '27) created in 1962 a Charitable Remainder Trust, which quarterly provided net income to himself and his wife, Bertha Bates Cole, upon their lifetimes; and

WHEREAS, the Rector and Visitors of the University received the principal and undistributed income from this trust on December 13, 2002, in the amount of \$28,351.15; and

WHEREAS, according to the provisions of the trust, the principal and undistributed income shall be used to establish a fund known as The James Alfred Cole and Nannie Marshall Cole Memorial Fund; and

WHEREAS, the Board of Visitors is required by condition of the trust to determine the use of the income and principal of this fund;

RESOLVED that the Board of Visitors delegates discretionary authority to the President of the University as to the disposition of The James Alfred Cole and Nannie Marshall Cole Memorial Fund.

## ACTION ITEMS

### 12. APPROVAL OF STUDENT HOUSING RATES FOR 2003-2004

RESOLVED that rental increases for student housing facilities be approved as shown below, effective beginning with the 2003-2004 session:

<u>Facility</u>	<u>Actual 2002-2003 Per Student Per Session</u>	<u>Amount of Increase</u>	<u>% Increase Before Improvement Fee</u>	<u>Student Housing Improvement Fund Fee</u>	<u>Total Percent Increase</u>	<u>Proposed 2003-2004 Per Student Per Session</u>
<u>Academic Division</u>						
<u>DORMITORIES</u>						
<u>Alderman/Observatory Houses</u>						
Double Room	\$2,420	\$100	4.13%	\$150	10.33%	\$2,670
<u>Brown College</u>						
Double Room	\$3,000	\$120	4.00%	\$150	9.00%	\$3,270
<u>McCormick Road</u>						
Double Room	\$2,320	\$90	3.88%	\$150	10.34%	\$2,560
Small Double Room	\$2,120	\$90	4.25%	\$150	11.32%	\$2,360
Single	\$2,430	\$100	4.12%	\$150	10.29%	\$2,680
<u>Lawn</u>						
Small Single	\$2,860	\$110	3.85%	\$150	9.09%	\$3,120
Regular Single	\$2,860	\$110	3.85%	\$150	9.09%	\$3,120
Small Single (no fireplace)	\$2,780	\$110	3.96%	\$150	9.35%	\$3,040
<u>Range</u>						
Regular Single	\$2,860	\$110	3.85%	\$150	9.09%	\$3,120
<u>Crackerbox</u>						
Single Room	\$2,860	\$110	3.85%	\$150	9.09%	\$3,120
<u>Mary Munford/ Roberta Gwathmey</u>						
Double Room	\$2,420	\$100	4.13%	\$150	10.33%	\$2,670
Single Room	\$2,860	\$110	3.85%	\$150	9.09%	\$3,120
<u>Sprigg (Lewis/Hoxton)</u>						
Small Double Room	\$2,580	\$100	3.88%	\$150	9.69%	\$2,830
Double Room	\$2,740	\$110	4.01%	\$150	9.49%	\$3,000
Single Room	\$3,040	\$120	3.95%	\$150	8.88%	\$3,310
Single Room (w/bath)	\$3,190	\$130	4.08%	\$150	8.78%	\$3,470
<u>Gooch/Dillard</u>						
Double Room	\$2,740	\$110	4.01%	\$150	9.49%	\$3,000
Single Room	\$3,040	\$120	3.95%	\$150	8.88%	\$3,310
<u>Twelve Month Rate:</u>						
Single Room	\$4,250	\$170	4.00%	\$150	7.53%	\$4,570

<u>Facility</u>	Actual 2002-2004 Per Student Per Session	Amount of Increase	% Increase Before Improvement Fee	Student Housing Improvement Fund Fee	Total Percent Increase	Proposed 2003-2004 Per Student Per Session
<u>Hereford College</u>						
Double Room	\$2,740	\$110	4.01%	\$150	9.49%	\$3,000
Single Room	\$3,000	\$120	4.00%	\$150	9.00%	\$3,270
<u>French House</u>						
Triple Room	\$2,600	\$100	3.85%	\$150	9.62%	\$2,850
Double Room	\$2,740	\$110	4.01%	\$150	9.49%	\$3,000
Single Room	\$3,100	\$120	3.87%	\$150	8.71%	\$3,370
<u>German House</u>						
Single Room	\$2,780	\$110	3.96%	\$150	9.35%	\$3,040
<u>Russia House</u>						
Double Room	\$2,650	\$150	5.66%	\$150	11.32%	\$2,950
Single Room	\$3,030	\$120	3.96%	\$150	8.91%	\$3,300
<u>Spanish House</u>						
Double Room	\$2,780	\$70	2.52%	\$150	7.91%	\$3,000
Single Room	\$3,100	\$120	3.87%	\$150	8.71%	\$3,370
<u>Monroe Lane House</u>						
Double Room	\$2,740	\$110	4.01%	\$150	9.49%	\$3,000
Single Room	\$3,100	\$120	3.87%	\$150	8.71%	\$3,370
APARTMENTS - SINGLE STUDENT						
<u>Copeley Hill III, IV, Lambeth Field</u>						
Two Bedroom (double occupancy)	\$2,770	\$110	3.97%	\$150	9.39%	\$3,030
Three Bedroom (double occupancy)	\$2,670	\$110	4.12%	\$150	9.74%	\$2,930
<u>Bice House</u>						
Two Bedroom (double occupancy)	\$2,770	\$110	3.97%	\$150	9.39%	\$3,030
Three Bedroom (double occupancy)	\$2,670	\$110	4.12%	\$150	9.74%	\$2,930
<u>Faulkner (Hench, Mitchell, Younger)</u>						
Single	\$3,090	\$120	3.88%	\$150	8.74%	\$3,360
Large Single	\$3,740	\$150	4.01%	\$150	8.02%	\$4,040

<u>Facility</u>	Actual 2002-2005 Per Student Per Session	Amount of Increase	% Increase Before Improvement Fee	Student Housing Improvement Fund Fee	Total Percent Increase	Proposed 2003-2004 Per Student Per Session
Apartments - Family (per month)						
<u>Copeley Hill I &amp; II</u>						
One Bedroom (furnished)	\$573	\$23	4.01%	\$15	6.63%	\$611
One Bedroom (unfurnished)	\$542	\$22	4.06%	\$15	6.83%	\$579
Two Bedroom (furnished)	\$630	\$25	3.97%	\$15	6.35%	\$670
Two Bedroom (unfurnished)	\$600	\$24	4.00%	\$15	6.50%	\$639
Three Bedroom (furnished)	\$682	\$27	3.96%	\$15	6.16%	\$724
Three Bedroom (unfurnished)	\$652	\$26	3.99%	\$15	6.29%	\$693
<u>University Gardens</u>						
One Bedroom (furnished)	\$556	\$22	3.96%	\$15	6.83%	\$594
One Bedroom (unfurnished)	\$526	\$21	3.99%	\$15	7.03%	\$563
Two Bedroom (furnished)	\$600	\$24	4.00%	\$15	6.67%	\$640
Two Bedroom (unfurnished)	\$570	\$23	4.04%	\$15	6.84%	\$609
<u>College At Wise</u>						
McCraray	\$2,609	\$78	3.00%	\$0	3.00%	\$2,687
Asbury, Thompson, Henson, Martha Randolph, Townhouses Theme Housing	\$3,014	\$90	3.00%	\$0	3.00%	\$3,104

Notes:

1. The rates for Copeley Hill I & II and University Gardens include utility charges and cable TV.
2. A new rate for furnished apartments will go into effect as the units turn over.
3. The University Gardens proposed monthly rate includes \$1.05 to recover the monthly cost of providing data ports.
4. The rate for a double room used as a single is 135 percent of the double rate.
5. The rate for a double room used as a triple is 85 percent of the double rate.

MOUNTAIN LAKE BIOLOGICAL STATION PROPOSED RATES

	<u>Actual</u> <u>2002</u>	<u>Proposed</u> <u>2003 Rate</u>	<u>Percent</u> <u>Increase</u>
<b>BOARD RATES PER TERM (4 weeks)</b>			
Persons 17 years & older	\$513.00	\$513.00	0.00%
Persons 10-16 years old	\$308.00	\$308.00	0.00%
Persons 9 yrs & younger	\$164.00	\$164.00	0.00%
<b>SUMMER HOUSING RATES PER TERM (4 weeks)</b>			
CABINS	\$172.00	\$176.00	2.33%
LAING APTS	\$131.00	\$134.00	2.29%
DORMS/SINGLES	\$93.00	\$95.00	2.15%
<b>NEW DORM:</b>			
Apts (2 rooms)	\$151.00	\$154.00	1.99%
2nd bedroom (family)	\$48.00	\$49.00	2.08%
Singles	\$107.00	\$109.00	1.87%
<b>PRESEASON RATES (2 week May session)</b>			
<b>Entomology:</b>			
Food	\$165.00	\$220.00	33.33%
Rent	\$105.00	\$176.00	67.62%
Insurance	\$15.00	\$8.00	(46.67%)
<b>Communities:</b>			
Food	\$245.00	\$255.00	4.08%
Rent	\$95.00	\$95.00	0.00%
Van	\$55.00	\$100.00	81.82%
<b>OFF SEASON RATES</b>			
<b>Singles/Guests:</b>			
Night	\$11.00	\$11.00	0.00%
Week	\$54.00	\$55.00	1.85%
Month	\$216.00	\$220.00	1.85%
<b>Family:</b>			
Night	\$14.50	\$15.00	3.45%
Week	\$72.00	\$74.00	2.78%
Month	\$288.00	\$294.00	2.08%
<b>GROUP USE FEES (OFF-SEASON)</b>			
Classroom/day	\$30.00	\$31.00	3.33%
Dining Hall/day	\$55.00	\$56.00	1.82%
New Dorm Kitchen/day	\$30.00	\$31.00	3.33%
Auditorium/day	\$30.00	\$31.00	3.33%
Pavilion only	No charge		
Computer Lab/day	\$50.00	\$51.00	2.00%

Cabins: Hariot, Leconte, Catesby, Banister, Gattinger, Holbrook, Mitchell, Maphis, Schoew, Rafinesque, Burns, Michaux, Clayton, Hentz-Mohr and Washington.

Laing Apartments: Laing South, North, Center, Northwest and West.

Dorms/Singles: Chapman, Elliott, DeSchweinitz, Audubon, Laing Singles, Laundry and other cottages when used as dorms.

13. RESOLUTION OF THE RECTOR AND VISITORS OF THE UNIVERSITY OF VIRGINIA, AUTHORIZATION OF ISSUANCE OF UP TO \$200,000,000 OF GENERAL REVENUE PLEDGE BONDS

RECITALS

WHEREAS, Chapter 9, Title 23 of the Code of Virginia of 1950, as amended (the "Virginia Code"), establishes a public corporation under the name and style of The Rector and Visitors of the University of Virginia (the "University") which is governed by a Board of Visitors (the "Board"); and

WHEREAS, Chapter 3, Title 23 of the Virginia Code (the "Act") classifies the University as an educational institution, declares it to be a public body and constitutes it a governmental instrumentality for the dissemination of education; and

WHEREAS, the Act empowers the University, with the consent and approval of the General Assembly of the Commonwealth of Virginia (the "Commonwealth") and the Governor of the Commonwealth to build, construct, reconstruct, erect, extend, better, equip and improve any building, facility, addition, extension or improvement of a capital nature required by or convenient for the purposes of the University and to borrow money and make, issue and sell bonds of the University for any such purposes, including the refinancing of any such facilities, such bonds to be issued and sold through the Treasury Board of the Commonwealth (the "Treasury Board"); and

WHEREAS, the Act further authorizes the University to pledge to the payment of the principal of and the interest on such bonds any monies available for the use of the University including, but not limited to, and subject to guidelines promulgated by the Secretary of Finance of the Commonwealth (the "Secretary of Finance"), monies appropriated to the University from the general funds of the Commonwealth or from non-general funds, without regard to the source of such monies, and which are not required by law or by previous binding contract to be devoted to some other purpose; and

WHEREAS, on June 1, 2002, the Board authorized the issuance of bonds to finance the projects described in items A through E below:

The construction of an addition to the Aquatic & Fitness Center consisting of a gymnasium complex, fitness and weightlifting areas and the Engineering/Science Chiller Plant (authorized project cost - \$10,400,000; authorized bond issuance amount - \$5,500,000);

The renovation of the Cancer Center located on the 4th and 5th floors of the Multistory Building and in the Davis Wing to expand its facilities and patient capacity (authorized project cost and bond issuance amount - \$5,000,000);

The construction of the Emmet Street Parking Structure, an approximately 1,200 space parking garage located at the intersection of Emmett Street and Ivy Road (authorized project cost and bond issuance amount - \$17,500,000);

The Hospital Expansion Project which consists of an approximately 75,000 square foot addition to the Hospital and the renovation of approximately 152,000 square feet of the existing Hospital (authorized project cost - \$58,000,000; authorized bond issuance amount - \$54,000,000);

The acquisition of the School of Medicine research building (authorized project cost and bond issuance amount - \$17,000,000); and

WHEREAS, in addition to the foregoing projects, the Board has now determined to authorize the issuance of bonds to finance the projects described in items F through H below:

The construction of the University's new approximately 15,000 seat Arena (authorized project cost - \$121,000,000; additional project cost of \$8.8 million pending General Assembly approval; authorized bond issuance amount - \$75,000,000);

The construction of a new Observatory Hill Dining Replacement Facility, including new dining facilities and office space for Business Operations and Dining Services (authorized project cost - \$22,000,000; authorized bond issuance amount - \$10,000,000);

The refunding of all or a portion of the outstanding principal amount of (1) the University's General Revenue Pledge Bonds, Series 1993A, (2) the University's General Revenue Pledge Bonds, Series 1993B, (3) the University's Series 1973 HUD financing, (4) the University's portion of the Commonwealth's Taxable Series 1990A Bonds and (5) the University's portion of the Commonwealth's Taxable Series 1992B Bonds; and

WHEREAS, the maximum cost and authorized bond issuance amount of each Project is indicated above, in each case exclusive of costs of issuance, capitalized interest, original issue discount and other expenses relating thereto; and

WHEREAS, the Commonwealth has authorized the Projects and the issuance of bonds for them in the following legislation:

Aquatic and Fitness Center (207-16383): Initial authorization 2000-2002, Chapter 1073, Item C-54; Supplemental authorization 2002, Chapter 814, Item C-54;

Cancer Center (209-16751): Authorization 2002-2004, Chapter 899, Item C-53.10;

Emmet Street Parking Garage (207-16645): Authorization 2002, Chapter 814, Item C-60.20;

Hospital Expansion (209-16392): Initial planning authorization 2000-2002, Chapter 1073, Item C-65; Supplemental planning authorization 2001, Chapter 1073, Item 4-4.01m; Construction authorization 2002-2004, Chapter 899, Item C-48;

School of Medicine Research Building (207-16562): Authorization 2002-2004, Chapter 899, Item C-41;

Arena (207-16281): Planning authorization 1999, Chapter 935, Item C-36.76; Construction authorization 2002-2004, Chapter 899, Item C-36;

Observatory Hill Dining Replacement Facility (207-16094): Initial authorization 1999, Chapter 935, Item C-36.78; Supplemental authorization 2002-2004, Chapter 899, Item C-34; and

WHEREAS, the Board anticipates that the bonds will be secured by a general revenue pledge of the University and not be in any way a debt of the Commonwealth and shall not create or constitute any indebtedness or obligation of the Commonwealth, either legal, moral or otherwise; and

WHEREAS, the Board desires to authorize its Executive Committee (the "Executive Committee") to approve the final forms and details of the bonds, as set forth below;

RESOLVED that the Executive Committee is authorized to implement the plan of finance described in the Recitals by adopting a resolution or resolutions authorizing the issuance of one or more series of bonds for the purpose of financing or refinancing any or all of the Projects and providing for the

terms thereof, as required by Section 23-19 of the Virginia Code; and

RESOLVED FURTHER that the Executive Committee is authorized to approve the final terms of each series of bonds, including, without limitation, their original principal amounts, the specific Projects to be financed or refinanced, maturity dates and amounts, redemption provisions and prices and interest rates (which may be either fixed or variable), provided that (i) the maximum aggregate principal amount of all bonds shall not exceed \$200,000,000; (ii) the maximum true interest cost of any series bearing interest at a fixed rate shall not exceed six percent (6%) per annum; (iii) the maximum initial true interest cost of any series bearing interest at a variable rate shall not exceed five percent (5%) per annum; (iv) the final maturity of all bonds shall not extend beyond June 1, 2038; (v) call protection on the bonds shall not exceed eleven (11) years; and (vi) no optional redemption premium shall exceed two percent; and

RESOLVED FURTHER that the Executive Committee is authorized to approve the discount payable to the underwriters selected by the Executive Committee (the "Underwriters") on account of the sale of the bonds and to approve the terms of a contract for the sale of the bonds to the Underwriters, provided that the discount payable to the Underwriters shall not exceed 0.5 percent of the original aggregate principal amount of the bonds; and

RESOLVED FURTHER that the Executive Committee or all officers of the University are authorized and directed to take all such further actions, including without limitation the designation of Underwriters, paying agents, remarketing agents, trustees and liquidity providers for the bonds, and to execute all such instruments, agreements, documents and certificates as they shall deem necessary or desirable to carry out the terms of the financing plans presented to this meeting, including without limitation any liquidity facilities, swap or other interest rate management agreements associated with the bonds; and

RESOLVED FURTHER, pursuant to the Section 147(f) of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder, the University designates Yoke San Reynolds, Vice President for Finance of the University, as the public hearing officer to hold any public hearings required in order to ensure the tax-exempt status of interest on the bonds; and

RESOLVED that all acts of all officers of the University which are in conformity with the purposes and intent of this Resolution and in carrying out the financing plans presented to this meeting are ratified, approved and affirmed.

14. RESOLUTION OF THE RECTOR AND VISITORS OF THE UNIVERSITY OF VIRGINIA AUTHORIZATION OF ISSUANCE OF UP TO \$100,000,000 OF COMMERCIAL PAPER

RECITALS

WHEREAS, Chapter 9, Title 23 of the Code of Virginia of 1950, as amended (the "Virginia Code"), establishes a public corporation under the name and style of The Rector and Visitors of the University of Virginia (the "University") which is governed by a Board of Visitors (the "Board"); and

WHEREAS, Chapter 3, Title 23 of the Virginia Code (the "Act") classifies the University as an educational institution, declares it to be a public body and constitutes it a governmental instrumentality for the dissemination of education; and

WHEREAS, the Act empowers the University, with the consent and approval of the General Assembly of the Commonwealth of Virginia (the "Commonwealth") and the Governor of the Commonwealth to build, construct, reconstruct, erect, extend, better, equip and improve any building, facility, addition, extension or improvement of a capital nature required by or convenient for the purposes of the University and to borrow money and make, issue and sell bonds of the University for any such purposes, including the refinancing of any such facilities, such bonds to be issued and sold through the Treasury Board of the Commonwealth (the "Treasury Board"); and

WHEREAS, the Act further authorizes the University to pledge to the payment of the principal of and the interest on such bonds any monies available for the use of the University including, but not limited to, and subject to guidelines promulgated by the Secretary of Finance of the Commonwealth (the "Secretary of Finance"), monies appropriated to the University from the general funds of the Commonwealth or from non-general funds, without regard to the source of such monies, and which are not required by law or by previous binding contract to be devoted to some other purpose; and

WHEREAS, the Board has determined to facilitate the financing or refinancing from time to time of capital projects of the University on a short-term basis through the issuance of short-term commercial paper in an aggregate outstanding principal amount at any time not to exceed \$100,000,000 (the "Program"); and

WHEREAS, the Board anticipates that the Program will be secured by a general revenue pledge of the University and shall not be in any way a debt of the Commonwealth and shall not create or constitute any indebtedness or obligation of the Commonwealth, either legal, moral or otherwise; and

WHEREAS, the Board desires to authorize its Executive Committee (the "Executive Committee") to approve the final forms and details of the Program, as set forth below;

RESOLVED that the Executive Committee is authorized to implement the plan of finance described in the Recitals by adopting a resolution or resolutions authorizing the Program and to approve the final terms of the Program, including, without limitation, the original principal amount thereof, redemption provisions and prices and interest rates, provided that the maximum aggregate principal amount outstanding under the Program at any one time shall not exceed \$100,000,000; and

RESOLVED FURTHER that costs associated with any capital project of the University may be financed under the Program provided that (i) such project has been authorized by appropriate legislation enacted by the Commonwealth and (ii) the incurrence of indebtedness for such project has been authorized by the Board or the Executive Committee; and

RESOLVED FURTHER that the Executive Committee or all officers of the University are authorized and directed to take all such further actions, including without limitation the designation of underwriters, paying agents, remarketing agents, trustees and liquidity providers for the Program, and to execute all such instruments, agreements, documents and certificates as they shall deem necessary or desirable to carry out the terms of the financing plans presented to this meeting, including without limitation any liquidity facilities, swap or other interest rate management agreements associated with the Program; and

RESOLVED FURTHER, pursuant to Section 147(f) of the Internal Revenue Code of 1986, as amended, and applicable

regulations thereunder, the University designates Yoke San Reynolds, Vice President for Finance of the University, as the public hearing officer to hold any public hearings required in order to ensure the tax-exempt status of interest on any obligations issued under the Program; and

RESOLVED that all acts of all officers of the University which are in conformity with the purposes and intent of this Resolution and in carrying out the financing plans presented to this meeting are ratified, approved and affirmed.

15. APPROVAL OF A REVISED BUDGET AND FUNDING PLAN FOR THE SOUTH LAWN PROJECT

WHEREAS, the Special Committee on the College and Graduate School of Arts and Sciences Facilities adopted a resolution on October 18, 2001, which set a \$126.7 million budget for the South Lawn Project with \$61.1 million to be provided by private gifts from the College Foundation, \$61.1 million through a combination of state and University funds, and \$4.5 million from the University Department of Parking and Transportation as a contribution to the parking garage; and

WHEREAS, the Buildings and Grounds Committee adopted a resolution on October 18, 2001, approving the report from the Special Committee setting forth the project budget and scope; and

WHEREAS, the Special Committee on the College and Graduate School of Arts and Sciences Facilities approved a revised budget and funding plan on October 28, 2002, for the South Lawn Project;

RESOLVED that the new budget for the South Lawn project is now \$160 million, of which \$94.4 million is to be provided by private gifts from the College Foundation, \$61.1 million through a combination of state and University funds, and \$4.5 million from the University Department of Parking and Transportation as a contribution to the parking garage.

16. MEMORIAL RESOLUTION FOR MR. CHAMP CLARK

WHEREAS, Champ Clark was born on August 24, 1923, to a Missouri family of national political importance; and

WHEREAS, Mr. Clark pursued a distinguished career in journalism, becoming a senior editor of *Time* magazine; and

WHEREAS, Mr. and Mrs. Clark settled in Greene County in 1974 and very quickly became involved in a number of civic activities; and

WHEREAS, Mr. Clark joined the faculty of the University and taught popular and demanding courses in journalism until 1996; and

WHEREAS, Mr. Clark was appointed to the Board of Visitors by Governor Allen in 1996; and

WHEREAS, Mr. Clark served the Board and the University with great distinction, particularly as a member of the Executive Committee and notably because of his thorough and definitive study and compilation of University policies; and

WHEREAS, Mr. Clark died on December 21, 2002;

RESOLVED that the Board of Visitors honors the memory of Champ Clark's service to the University and expresses its profound sorrow for his death to Mrs. Clark and their family.

17. REPORT ON ACTION OF THE EXECUTIVE COMMITTEE

The Rector will report on the following action taken by the Executive Committee at its meeting on December 9, 2002:

- APPROVAL OF FACULTY RETIREMENT INCENTIVE PROGRAM

WHEREAS, the University's General Fund appropriation for 2002-2004 has been reduced by \$93.5 million and additional reductions may be imposed; and

WHEREAS, in response to budget reductions, the University is investigating all available means to reduce operating expenses, including expenses for personnel; and

WHEREAS, it is essential that management has the necessary tools to make prudent changes in their operations; and

WHEREAS, §4-6.01.m.1 of the 2002 Appropriations Act requires that the total cost in any fiscal year for any compensation plan associated with retirement incentive plans "shall be set forth by the governing body in the compensation plan for approval by the Governor and review for legal sufficiency by the Office of the Attorney General".

RESOLVED by the Executive Committee of the Board of Visitors, that the Separation Incentive Program for Faculty (as shown in the attached document) be approved; and

RESOLVED FURTHER that the cost of the program in any fiscal year shall not exceed \$2 million; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer is authorized to amend the details of the Separation Incentive Program for Faculty as necessary based on the review by the Attorney General and the Governor; and

RESOLVED FURTHER that the Board of Visitors reserves the right to modify, amend or repeal the Program at any time.

University of Virginia  
Separation Incentive Program For Faculty

I. Preamble

The University of Virginia Separation Incentive Program for Faculty (the "Program") has been established to meet institutional needs created by reductions in the University's 2002-2004 biennial budget. The program is designed to reduce or reallocate positions in keeping with budgetary and programmatic needs.

In order to reap budgetary savings during Fiscal Years 2003 and 2004, this program will apply only to separation contracts executed in the Spring of 2003. Applicants to the severance portion of the program may separate no later than May 2004 for nine-month faculty, and June 2004 for 12-month faculty. Applicants to the phased retirement portion of the program must begin their phased retirements no later than August 25, 2003, for nine-month faculty and June 25, 2003, for 12-month faculty. The total cost in any fiscal year of the Separation Payment Contract portion of the Program may not exceed \$2 million. The Board of Visitors of the University of Virginia reserves the right to modify, amend, or repeal the Program at any time.

The Program has been designed to meet the management needs of the University and the needs of the faculty. Eligible faculty members may apply for, and if selected, participate in this program. A faculty member's election to participate is irrevocable seven days after the faculty member signs a separation contract. There are no penalties for declining to participate; however, failure to obtain significant budgetary savings as a result of this program could exacerbate budgetary shortfalls and require the University to pursue other more drastic measures.

II. Definitions

**Annual Salary:** the basic contracted nine-month salary for faculty members with academic year appointments, and the basic contracted twelve-month salary for faculty members with fiscal or calendar year appointments; only salary dollars paid through the University payroll system prior to application to the Program are to be taken into consideration

**FRP:** The Defined Contribution Retirement Plan for the General Faculty of the University of Virginia, also known as the Faculty Retirement Plan

**Faculty Member:** each full-time faculty member who is tenured, or serves under a contract with expectation of continued employment pursuant to the University's Policy on the General Faculty

**Fiscal Year:** the twelve-month period beginning July 1 of each year

**Full-time:** 40 hours per week, or the equivalent in workload

**Program:** The Separation Incentive Program for Faculty

**Separation:** the conclusion of employment with the University, requiring (1) withdrawal from active membership in the Virginia Retirement System (the “VRS”) by VRS members; or (2) cessation of contributions to the FRP

**Separation Agreement:** the binding and irrevocable contract for separation entered into between the faculty member and the University

**Separation Payment:** an amount to be paid in periodic installments over not more than 12 months

**VRS:** the Virginia Retirement System, the defined benefit pension plan for employees of the Commonwealth of Virginia

**Workforce Reduction Target:** the University’s business goal for implementation of this Program

**Workload Reduction Period:** the period during which the Faculty Member’s workload reduces in anticipation of Separation

**Year of Service:** a year of creditable service, as that term is defined by the VRS, not to include service purchased or granted

### **III. Objectives**

- A. To provide a financial incentive for immediate Separation for Faculty that will facilitate the release of resources to the Provost and Executive Vice President for budget reallocation or reduction in accordance with the University’s overall budget reduction plan, changes in enrollment, and other University needs.**
- B. To provide a flexible separation plan that will facilitate Separation by meeting faculty members’ changing needs and professional interests in the latter stages of their careers through a gradual disengagement from the Full-time duties of their positions while maintaining retirement contributions.**
- C. To provide the University more flexibility in hiring new faculty members without completely losing the talents and experience of senior faculty.**

### **IV. Eligibility**

- A. Participants must be Full-time Faculty Members, as set forth in the definitions above.**
- B. Participants must have at least 15 years of continuous Full-time service with the University prior to applying for a Separation Agreement.**

- C. Participants must be at least age 55 at the time of Separation.**
- D. Participants must fall within the University's Workforce Reduction Targets.**
- E. Participants must complete all forms and paperwork required by either the University or the Commonwealth of Virginia, including but not limited to an application and a Separation Agreement.**
- V. Separation Payment Contract Conditions**
  - A. FRP Participants**
    - 1. In exchange for a Faculty Member's agreement to retire or separate from Full-time employment immediately (e.g., by the May 25 following the date of application for nine-month faculty), the Faculty Member will receive the Separation Payment equal to 100% of his/her Annual Salary plus an amount equal to 12 months of the University's contribution to the UVA Health Plan for the level of coverage selected at the time of application or separation, whichever is less.**
    - 2. The Separation Payment will be paid in 12, substantially equal monthly [or 26 substantially equal bi-weekly] installments, and will be subject to state and federal withholdings, as appropriate.**
    - 3. Separated Faculty Members will not be precluded from seeking employment with the University on a part-time basis in a position that is not eligible for retirement benefits. Conditions of such part-time employment include:**
      - a. There must be a bona fide break in service of no less than 30 days.**
      - b. The re-employed Faculty Member's part-time duties must be substantially different than the Faculty Member's duties prior to Separation.**
      - c. Part-time employment may not be negotiated prior to Separation.**
      - d. The Provost's Office or its delegate must approve proposals for re-employment prior to the completion of any re-employment agreement.**
  - B. VRS Participants**
    - 1. In exchange for a Faculty Member's agreement to retire or separate from Full-time employment immediately (e.g., by the May 25 after the date of application for nine-month faculty), the Faculty Member will receive either a Separation Payment, or, in accordance with the terms of Virginia Code Section 2.2-3200,**

known as the Workforce Transition Act of 1995 (WTA) and summarized herein at Sections V.B.1.b and c, a WTA Separation Payment or WTA Enhanced Separation.

**a. Separation Payment**

- i. In exchange for a Faculty Member's agreement to retire or separate from Full-time employment immediately (e.g., by the May 25 following the date of application for nine-month faculty), the Faculty Member will receive the Separation Payment equal to 100% of his/her Annual Salary plus an amount equal to 12 months of the University's contribution to the UVA Health Plan for the level of coverage selected at the time of application or Separation, whichever is less.**
- ii. Separation Payment will be paid in 12, substantially equal monthly [or 26 substantially equal bi-weekly] installments, and will be subject to state and federal withholdings, as appropriate.**
- iii. Separated Faculty Members will not be precluded from seeking employment with the University on a part-time basis in a position that is not eligible for retirement benefits. Conditions of such part-time employment include:**
  - A. There must be a bona fide break in service of no less than 30 days.**
  - B. The re-employed Faculty Member's part-time duties must be substantially different than the Faculty Member's duties prior to separation.**
  - C. Part-time assignments may not be negotiated prior to Separation.**
  - D. The Provost's Office or its delegate must approve proposals for re-employment prior to the completion of any re-employment agreement.**

**b. WTA Separation Payment**

- 1. Faculty Members who sign a Separation Agreement for immediate separation may elect to receive a Separation Payment based on Years of Service and Annual Salary, in accordance with the schedule below, plus be permitted to**

continue participation in the UVA Health plan and group life insurance for 12 months after the date of Separation, during which time the University will continue to pay its portion of the premiums for those programs.

<b>WTA Separation Payment Schedule</b>	
<b>Years of Service</b>	<b>Amount of Severance</b>
<b>2 or less</b>	<b>4 weeks of salary</b>
<b>3-9</b>	<b>4 weeks of salary, plus 1 additional week for every year of service over 2</b>
<b>10-14</b>	<b>12 weeks of salary, plus 2 additional weeks for every year of service over 9</b>
<b>15 or more</b>	<b>2 weeks of salary for every year of service, not to exceed 36 weeks</b>

2. Because Faculty Members do not accrue sick or annual leave, WTA Separation Payments will not include any amount for leave payout.

c. **WTA Enhanced Separation:** Faculty Members who sign a Separation Agreement for immediate separation may elect to convert the cash value of the WTA Separation Payment plus the value of benefits described in section V.B.1.b into VRS Years of Service, subject to VRS requirements. The conversion formula is: WTA Separation Payment plus Value of Benefits divided by 15% of Annual Salary, rounded to the next whole number equals the number of years that can be purchased.

2. The decision to elect a Separation Payment, a WTA Separation Payment or a WTA Enhanced Separation must be made prior to the execution of a Separation Agreement, and is irrevocable.

## **VI. Phased Separation Contract Conditions**

### **A. FRP Participants**

This set of conditions applies to faculty members who are enrolled in the FRP. The option provides for phased reduction in workload and salary with the consent of the Provost or Executive Vice President/Chief Operating Officer, as described in Section VIII. The conditions of the agreement are as follows:

1. Participation may not be for a period exceeding two years.
2. Separation must take place at the conclusion of the agreed-upon Workload Reduction Period. The Workload Reduction Period cannot be extended by subsequent agreement.

3. Salary will equal fifty (50) percent Annual Salary as defined above.
4. During the Workload Reduction Period, the Faculty Member's workload shall be fifty percent of that required immediately before the beginning of such period.

The workload may be renegotiated only at the initiative of the Provost or Executive Vice President. An increase in the workload will be granted only at the convenience of the University. Increased effort supported by external funding is also subject to approval by the Provost or Executive Vice President, as appropriate. If a change in workload is approved, salary will be adjusted proportionately.

5. Benefits will be continued in the following manner:
  - a. **Retirement:** Faculty Members will receive retirement contributions on their pre-Workload Reduction Period salary, subject to the limitations of the Internal Revenue Code. The contribution rate shall be the same as the Faculty Member's pre-Workload Reduction Period contribution rate, subject to the Virginia Code. No distributions are permitted from the FRP during the Workload Reduction Period.
  - b. **Health:** Medical benefits will continue in full during the Workload Reduction Period. Faculty members will be required to continue to pay their portion of the monthly premium, and the University will continue to pay its portion.
  - c. **Other Welfare Benefits:** Coverage provided by group life and disability plans will continue with disability coverage based on the full-time equivalent of the proportional salary.
6. During the Workload Reduction Period, administrative support, such as office space, secretarial support and travel funds will be available to the Faculty Member, subject to departmental policy and funding availability.

#### **B. VRS Participants**

This set of conditions applies to faculty members who are enrolled in the Virginia Retirement System.

1. Participation may not be for a period exceeding two years.
2. Separation must take place at the conclusion of the agreed-upon Workload Reduction Period. The Workload Reduction Period cannot be extended by subsequent agreement.
3. Salary will equal fifty percent Annual Salary as defined above.

4. During the Workload Reduction Period, the Faculty Member's workload shall be fifty percent of that required immediately before the beginning of such period.

The workload may be renegotiated only at the initiative of the Provost or Executive Vice President. An increase in the workload will be granted only at the convenience of the University. Increased effort supported by external funding is also subject to approval by the Provost or Executive Vice President, as appropriate. If a change in workload is approved, salary will be adjusted proportionately.

5. Benefits will be continued in the following manner:
  - a. **Retirement:** The VRS member will be placed on Phased Separation Leave, as that term is defined in the Faculty Policies maintained by the Provost. VRS contributions will be made on the Annual Salary and the member will earn full service credit, subject to VRS rules. Average Final Compensation, as that term is defined by the VRS, will be based on actual salary earned. No distributions from the VRS will be permitted during the Workload Reduction Period.
  - b. **Health:** Medical benefits will continue in full during the Workload Reduction Period. Faculty members will be required to continue to pay their portion of the monthly premium, and the University will continue to pay its portion.
  - c. **Other Welfare Plans:** Coverage provided by the VRS group life plans will continue during the Workload Reduction Period. For VSDP participants, disability coverage will be based on the full-time equivalent of the proportional salary. For non-VSDP VRS members, leave benefits will be paid on the proportional salary.
6. During the Workload Reduction Period, administrative support, such as office space, secretarial support and travel funds will be available to the Faculty Member, subject to departmental policy and funding availability.

## VII. Workforce Reduction Targets

### A. Business Justification for Program

The University of Virginia was directed by the Governor to reduce its General Fund appropriation for the 2002-2004 Budget Biennium by 16%, followed by another 12% in Fiscal Year 2003 and 14% in Fiscal Year 2004, for a total of \$93.5 million as of December 1, 2002. Further, the Governor has warned state agencies that more cuts may be necessary, particularly for 2003-2004. As a result, the University is

**investigating all means available to reduce operating expenses and meet budget targets, including faculty separations.**

- 1. Each Vice President was required to develop a plan to meet projected reductions in his or her areas.**
- 2. Budgetary units within each Vice President's reporting line underscored that their ability to meet reduced targets may depend on a reduction of personnel, especially at the faculty level.**
- 3. The University strongly favors meeting reduction targets through the use of voluntary separations; however, the University reserves the right to pursue involuntary separations in accordance with University and Commonwealth policies in the event that sufficient savings cannot be obtained through this voluntary Separation Program.**

**B. Criteria**

**In the event that funding or other constraints limit the number of applicants who can participate in the Separation Incentive Program, a priority system has been established to choose among applicants. The criteria may include:**

- 1. The impact of the loss of that employee on the University based on the University's strategic plan for the applicant's department;**
- 2. For administrative faculty, the critical nature of administrative duties and the feasibility of other employees assuming those duties;**
- 3. For instructional and research faculty,**
  - a. Impact on education, including course load, excellence in teaching, and graduate advising load;**
  - b. Impact on scholarship, including publication record, excellence in research, ability to obtain external funds, ability to be replaced on continuing research**
  - c. Impact on University service, including service on University or departmental committees**

**VIII. General Procedures**

- A. Each eligible Faculty Member who wishes to be considered for either a Separation Payment or Workload Reduction Period must file an application with his or her Dean or Department Head by February 14, 2003. A copy of the application must be sent to the University Human Resources Benefits Division.**

- B. The applicant's Dean and/or Department Head will review the application, and mark it either "Recommended for Approval" or "Not Recommended for Approval". The Dean and/or Department Head will forward all applications to the UHR Benefits Division by no later than February 28. The UHR Benefits Division will direct applications from within the Provost's areas to the Provost for approval, and applications of administrative faculty within the areas reporting to the Executive Vice President/Chief Operating Officer to the Executive Vice President for approval. The Provost /EVP review will take into consideration whether the proposed Separation meets the Workforce Reduction Targets, is consistent with the University's overall goals, and is supported by budgetary restrictions. The decision of the Provost or EVP is final, and is not subject to appeal. The University reserves the right to reject any application.**
- 1. No central University resources will be set aside to fund Separation Agreements. Funds to support the program must be identified from the resources currently allocated for the position of the retiring faculty member.**
  - 2. All Education and General fund resources freed by Separation Agreements will be returned centrally to the Provost or EVP for reallocation or reduction. To the extent that savings are needed to meet the department's budget reductions, the department will get credit for the savings in the year the savings will occur.**
- C. If approved by the Provost or Executive Vice President/Chief Operating Officer, a Separation Agreement will be forwarded to the Faculty Member for his/her signature by April 1. The final Separation Agreement will include, among other things:**
- 1. The specific terms of the Separation Payment or Workload Reduction Period,**
  - 2. The benefits that are associated with each program, and**
  - 3. A General Release and Covenant Not to Sue.**
- D. All Separation Agreements are irrevocable seven days after they are signed by the Faculty Member.**
- E. In the event that a Faculty Member becomes permanently and totally disabled after a Separation Agreement is signed, but before the Separation date, the University will provide payments for which provision is made in the Agreement. In the event that the Faculty Member dies after a Separation Agreement is signed, but before the Separation date, the University will not be responsible for any payments under the Agreement and such Agreement shall be considered null and void.**