

November 7, 2005

MEMORANDUM

TO: The Executive Committee:

Thomas F. Farrell, II, Chair
W. Heywood Fralin
Glynn D. Key
Mark J. Kington
Gordon F. Rainey, Jr.
Warren M. Thompson

and

The Remaining Members of the Board:

A. Macdonald Caputo	Vincent J. Mastracco, Jr.
Alan A. Diamonstein	Lewis F. Payne
Susan Y. Dorsey	Don R. Pippin
Georgia Willis Fauber	E. Darracott Vaughan, Jr., M.D.
G. Slaughter Fitz-Hugh, Jr.	John O. Wynne
Catherine S. Neale	

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Executive Committee Meeting on November 7, 2005

The Executive Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 11:45am, Monday, November 7, 2005, in the Lower East Oval Room of the Rotunda; Thomas F. Farrell, II, Rector, presided. W. Heywood Fralin, Ms. Glynn D. Key, and Mark J. Kington also were present.

Warren M. Thompson participated by telephone.

Also present were Leonard W. Sandridge, Jr., Alexander G. Gilliam, Jr., Paul J. Forch, Ms. Colette Sheehy, and Ms. Jeanne Flippo Bailes.

The Rector opened the meeting by recalling for Members the meeting of the full Board on September 24th, at which the University's Six Year Institutional Plan was approved in fulfillment of one of the requirements of the Restructuring Act approved by the General Assembly at its 2005 Session. The other requirement, the University's Management Agreement, could not be approved at the meeting because it was still under negotiation with the appropriate authorities in Richmond; the Board, however, authorized the President, and the Executive Vice President and Chief Operating Officer, to pursue these negotiations. (See the Minutes of the meeting of the Board of Visitors, September 24, 2005.)

Mr. Sandridge, the Executive Vice President and Chief Operating Officer, recalled, in addition to the September 24th meeting, the actions taken by the Board at its meeting on June 10th (see the Minutes of the meeting of the Board of Visitors, June 10, 2005). He explained the work done by the University on the Management Agreement, but said that not all of the relevant Cabinet Secretaries in Richmond have completed their reviews. In addition, the Governor is meeting Friday with all of the university presidents, and there may be changes to the proposed Agreement as a result of that meeting.

Ms. Sheehy, Vice President for Management and Budget, explained the proposed Agreement in more detail. In response to a question, she said that under the Agreement as proposed, the University will be exempted from the Virginia Public Procurement Act. The University has its own procurement policies which actually are more exacting than the Commonwealth's.

Ms. Sheehy pointed out that the proposed Board resolution approving the Management Agreement contains language taking into account the possibility of last minute changes by the authorities in Richmond to the Agreement proposed by the University.

On motion, the Executive Committee adopted a resolution approving the Management Agreement, together with its associated policies and performance measures. All Members of the Committee, save one Member who was not present - either at the Rotunda or by telephonic hookup - voted "aye."

As the Executive Committee is empowered to act on behalf of the full Board, no further action is required. The resolution will be reported at the next meeting of the Board of Visitors as a matter of record.

**APPROVAL OF MANAGEMENT AGREEMENT, POLICIES, AND
PERFORMANCE MEASURES**

WHEREAS, the Restructured Higher Education Financial and Administrative Operations Act includes a provision entitled Subchapter 3, Alternative Authority for Covered Institutions (Va. Code 23-38.91 et. seq.), which sets forth the requirements for a public university or college of this Commonwealth to gain additional authority with concomitant responsibility subject to certain accountability, audit and reporting measures specified by the General Assembly; and

WHEREAS, the Board of Visitors has by resolution committed the University to the state goals set forth in Virginia Code 23-38.88B, and by resolution determined that the University is qualified to be, and should be, governed by the authorizations and requirements set forth in said Subchapter 3 and as otherwise prescribed by law; and, furthermore, attested to the ability of the University to successfully manage its administrative and financial operations in accordance with the requirements of Subchapter 3, accordingly authorizing its President and Executive Vice President and Chief Operating Officer to enter into negotiations to finalize the Management Agreement required by the said Act; and

WHEREAS, the Management Agreement has been approved by the University's President and Executive Vice President and Chief Operating Officer, and approvals by the Cabinet Secretary or Secretaries designated by the Governor of Virginia are anticipated;

RESOLVED, the Board of Visitors, by its Executive Committee as authorized and empowered by state law (Va. Code 23-75), adopts the said approved Management Agreement including its appended policies in the operational areas of capital projects, leases, information technology, procurement, human resources, and finance and accounting, as well as the Performance Measures, and accordingly authorizes the President and/or Executive Vice President and Chief Operating Officer to execute the foregoing on

behalf of the University and its Board of Visitors. In the event of subsequent changes or amendments as may be desired by the Governor or the General Assembly, and if the Executive Committee is unable because of exigent and other circumstances to properly convene in a timely manner, the President and/or Executive Vice President and Chief Operating Officer, with the concurrence of the Rector, is empowered to approve any subsequent changes or amendments which he determines to be in the best interests of the University and that are desired or required by the Governor or the General Assembly between the date of this Resolution and the effective date of the aforesaid Management Agreement, Policies and Performance Measures; provided, the President shall notify the Board of Visitors as soon as practicable of the changes or amendments.

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On motion, the meeting was adjourned at 12:00 noon.

AGG:jb

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