DOCKET

BOARD OF VISITORS

University of Virginia

Regular Meeting

September 29, 2006
CONSENT ITEMS

1. APPROVAL OF A PERMANENT EASEMENT FOR RELOCATION OF TRANSFORMER AND INSTALLATION OF UNDERGROUND ELECTRICAL WIRES FOR THE NURSING EDUCATION BUILDING
   (approved by the Buildings and Grounds Committee on September 11, 2006)

   RESOLVED, the Board approves the granting of a permanent easement to Dominion Power to provide for the relocation of a transformer, and the installation of underground electrical lines and equipment for the benefit of the Nursing Education School on property owned by The Rector and Visitors of the University of Virginia; and

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

2. APPROVAL OF A PERMANENT EASEMENT FOR RELOCATION OF OVERHEAD ELECTRICAL WIRES FOR OBSERVATORY HILL FIRST YEAR RESIDENCE HALL (ALDERMAN ROAD RESIDENCE AREA REPLACEMENT HOUSING PHASE 1)
   (approved by the Buildings and Grounds Committee on September 11, 2006)

   RESOLVED, the Board approves the granting of a permanent easement to Dominion Virginia Power to provide for the relocation of overhead lines, poles, and equipment to facilitate the construction of the Observatory Hill First Year Resident Hall on property owned by The Rector and Visitors of the University of Virginia; and

   RESOLVED FURTHER that appropriate officers of the University are authorized to execute said easement.
3. APPROVAL TO CHANGE THE NAME OF THE DEPARTMENT OF PSYCHIATRIC MEDICINE TO THE DEPARTMENT OF PSYCHIATRY AND NEUROBEHAVIORAL SCIENCES IN THE SCHOOL OF MEDICINE  
(approved by the Educational Policy Committee on September 12, 2006)

RESOLVED, the name of the Department of Psychiatric Medicine is changed to the Department of Psychiatry and Neurobehavioral Sciences in the School of Medicine.

ACTION ITEMS

4. APPROVAL OF ADDITION TO THE CHANCELLOR'S RESIDENCE AT THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE  
(approved by the Buildings and Grounds Committee on July 27, 2006)

RESOLVED, the Board of Visitors approves the construction of an addition to the Chancellor's Residence at The University of Virginia's College at Wise. The addition is budgeted at $1.28 million, to be funded entirely by private gifts.

5. APPROVAL OF THE BOARD OF VISITORS REPRESENTATIVES TO THE GOVERNING BOARDS OF UNIVERSITY-RELATED FOUNDATIONS  
(approved by the External Affairs Committee on September 12, 2006)

RESOLVED that the following persons are ratified or confirmed as representatives of the Board of Visitors to the governing boards of the following University-Related Foundations:

<table>
<thead>
<tr>
<th>Foundation</th>
<th>Board of Visitors Representative</th>
<th>Term Ending</th>
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<tbody>
<tr>
<td>Alumni Association of the University of Virginia</td>
<td>Glynn D. Key</td>
<td>05/30/08</td>
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<tr>
<td>Alumni Board of Trustees of the University of Virginia Endowment Fund</td>
<td>J. Davis Hamlin</td>
<td>12/31/08</td>
</tr>
<tr>
<td>The College Foundation of the University of Virginia</td>
<td>Timothy B. Robertson</td>
<td>12/31/08</td>
</tr>
<tr>
<td>Foundation</td>
<td>Board of Visitors Representative</td>
<td>Term Ending</td>
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<tr>
<td>The University of Virginia’s College at Wise Alumni Association and Wise Foundation</td>
<td>Don R. Pippin</td>
<td>06/30/07</td>
</tr>
<tr>
<td>Curry School of Education</td>
<td>Georgia Willis Fauber</td>
<td>12/31/09</td>
</tr>
<tr>
<td>Darden School Foundation</td>
<td>Thomas F. Farrell, II</td>
<td>12/31/09</td>
</tr>
<tr>
<td>Foundation of the State Arboretum at Blandy Experimental Farm</td>
<td>Laura F. Hawthorne</td>
<td>12/31/08</td>
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<tr>
<td>Healthcare Partners, Inc.</td>
<td>E. Darracott Vaughan, Jr., M.D.</td>
<td>06/30/10</td>
</tr>
<tr>
<td>University of Virginia Health Services Foundation</td>
<td>E. Darracott Vaughan, Jr., M.D.</td>
<td>12/31/08</td>
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<tr>
<td>Jefferson Institute for Lifelong Learning (JILL)</td>
<td>Alexander G. Gilliam, Jr.</td>
<td>12/31/09</td>
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<tr>
<td>Law School Alumni Association and Law School Foundation, University of Virginia</td>
<td>Gordon F. Rainey, Jr.</td>
<td>12/31/08</td>
</tr>
<tr>
<td>McIntire School of Commerce Foundation</td>
<td>Georgia Willis Fauber</td>
<td>06/30/07</td>
</tr>
<tr>
<td>Medical School Alumni Association and Medical School Foundation, University of Virginia</td>
<td>Sam D. Graham, Jr., M.D.</td>
<td>05/31/09</td>
</tr>
<tr>
<td>Miller Center Foundation</td>
<td>Thomas F. Farrell, II</td>
<td>06/30/07</td>
</tr>
<tr>
<td>Patent Foundation, University of Virginia</td>
<td>Terence P. Ross</td>
<td>06/30/07</td>
</tr>
<tr>
<td>Rare Book School</td>
<td>Karin Wittenborg</td>
<td>12/31/09*</td>
</tr>
<tr>
<td>School of Architecture Foundation</td>
<td>Susan Y. Dorsey</td>
<td>06/30/07</td>
</tr>
<tr>
<td>University of Virginia Foundation and Subsidiaries</td>
<td>W. Heywood Fralin</td>
<td>06/30/08</td>
</tr>
<tr>
<td>University of Virginia Health Foundation</td>
<td>E. Darracott Vaughan, Jr., M.D.</td>
<td>06/30/07</td>
</tr>
<tr>
<td>University of Virginia Investment Management Corporation</td>
<td>John O. Wynne</td>
<td>06/30/08</td>
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* Denotes ratification required by the Board of Visitors
6. **APPROVAL OF ADDITION TO THE CHANCELLOR'S RESIDENCE AT THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE**
   (approved by the Finance Committee on September 11, 2006)

   RESOLVED, the Board of Visitors approves the construction of an addition to the Chancellor's Residence of approximately 1600 square feet at The University of Virginia's College at Wise. The addition is budgeted at $1.28 million, to be funded entirely by private gifts.

7. **APPROVAL OF CAPITAL LEASE FOR THE MEDICAL CENTER LONG-TERM ACUTE CARE HOSPITAL PARKING**
   (approved by the Finance Committee on September 11, 2006)

   WHEREAS, the Medical Center has determined that it is cost-effective to add 40 long-term acute care beds to a facility off-site from the University Hospital; and

   WHEREAS, the Kirtley Family Holdings desires to lease 3.5 acres and improvements to the University of Virginia on a long-term basis with an eventual purchase;

   RESOLVED, the Board of Visitors approves a 40-year capital lease for the property located at 2985 Ivy Road, with an initial annual cost of $240,000, to be increased at three percent annually, and a purchase price of $6 million at the end of the term contingent on successful conclusion of a due diligence period; and

   RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer is authorized to execute any and all contracts and documents pertaining to the capital lease of the aforementioned property.
8. **APPROVAL OF INTENT TO ISSUE TAX EXEMPT DEBT**
(approved by the Finance Committee on September 11, 2006)

WHEREAS, the University intends to undertake the following capital projects utilizing tax-exempt debt as a funding source:

**ACADEMIC DIVISION**
- Main Heat Plant Environmental Upgrade (supplement)
- Rouss Hall Renovation (supplement)

**MEDICAL CENTER**
- Children’s Medical Center (supplement)
- Hospital Expansion Project (supplement)

**COLLEGE AT WISE**
- Student Residence III
- New Dining Facility

WHEREAS, the United States Department of the Treasury has promulgated final regulations in Section 1.150-2 of the Treasury Regulations governing when the allocation of bond proceeds to reimburse expenditures previously made by a borrower shall be treated as an expenditure of the bond proceeds; and

WHEREAS, the Regulations require a declaration of official intent by a borrower to provide evidence that the borrower intended to reimburse such expenditures with proceeds of its debt; and

WHEREAS, the Board of Visitors of the University of Virginia desires to make such a declaration of official intent as required by the Regulations; and

WHEREAS, the University may be required to provide short-term financing to each project prior to issuing long-term debt in order to implement an efficient and timely construction schedule; and

WHEREAS, the University has funding mechanisms to accommodate short-term financing needs, defined as a period of less than sixty months; and

WHEREAS, the authority for the University to enter into financing arrangements exceeding sixty months in maturity for each project listed is not included in this resolution; and
WHEREAS, if the University arranges short-term financing for a particular project, and if the project is not ultimately completed, or if the project utilizes funding sources other than debt, then the appropriate school or unit remains responsible for refunding the short-term obligation;

RESOLVED that, pursuant to the terms of the Treasury Regulations, the University of Virginia declares its intent to reimburse expenditures in accordance with the following:

1. The University reasonably expects to reimburse expenditures from the issuance of tax-exempt debt to be issued by the University incurred for each project;

2. This resolution is a declaration of official intent under Section 1.150-2 of the Regulations;

3. The maximum principal amount of debt expected to be issued for the purpose of reimbursing expenditures relating to each project is as follows:

ACADEMIC DIVISION
Main Heat Plant Environmental Upgrade (supplement): $9,164,000 (cumulative authorization = $28.964 million)

Rouss Hall Renovation (supplement): $6,900,000 (cumulative authorization = $39.9 million)

MEDICAL CENTER
Children’s Medical Center (supplement): $4 million (cumulative authorization = $15 million)

Hospital Expansion Project (supplement): $9.6 million (cumulative authorization = $95.2 million)

COLLEGE AT WISE
Student Residence III: $8,000,000

New Dining Facility: $7,000,000

RESOLVED FURTHER that each project is a separate enterprise independent of other projects, and that the authorization for funding relates to each individual project; and
RESOLVED FURTHER, funds may be borrowed for each project on a short-term basis, but only if the following conditions are met:

1. The Board of Visitors approves the current resolution;

2. A comprehensive and detailed financial plan for the school/unit project is submitted;

3. Short-term financing shall not exceed sixty months in maturity; and

4. The school or unit remains responsible for any debt obligation incurred regardless of the status of the capital project or whether or not a debt issuance actually occurs.

9. **APPROVAL TO DIVEST $2,233,000 FROM THE ATHLETICS GENERAL OPERATIONS QUASI-ENDOWMENT TO FUND COSTS OF THE ACADEMIC CENTER AND THE CLUB/MEDIA ROOM IN THE JOHN PAUL JONES MULTIPURPOSE ARENA** (approved by the Finance Committee on September 11, 2006)

   WHEREAS, the Athletics department requests the divestment of $2,233,000 from the Athletics General Operations Quasi-Endowment to fund the costs of the academic center and the club/media room in the John Paul Jones Multipurpose Arena;

   RESOLVED that the Board authorizes the divestment of $2,233,000 of the Athletics General Operations Quasi-Endowment to fund the cost to fit-out the academic center and the club/media room in the John Paul Jones Multipurpose Arena.

10. **APPROVAL OF SIGNATORY AUTHORITY FOR MEDICAL CENTER PROCUREMENT OF BLOOD PRODUCTS** (approved by the Finance Committee on September 11, 2006)

    RESOLVED, the Executive Vice President and Chief Operating Officer is authorized to execute a contract for the procurement of blood products, based on the recommendation of the Vice President and Chief Executive Officer of the Medical Center and in accordance with Medical Center procurement policy.
11. APPROVAL OF THE REVISIONS TO THE CHARTER AND BY-
LAWS OF THE REGIONAL CRIMINAL JUSTICE TRAINING
ACADEMY
(approved by the Finance Committee on September 11, 2006)

WHEREAS, the University is a member of the Central
Shenandoah Criminal Justice Training Academy, which provides
training and education in criminal justice to the University’s
law enforcement personnel; and

WHEREAS, the Central Shenandoah Criminal Justice Training
Academy’s Charter and By-Laws, adopted in 1998, became out of
date and required revision to comply with current law and
operating procedures; and

WHEREAS, each member organization must approve revisions to
the Charter and By-Laws of the Central Shenandoah Criminal
Justice Training Academy;

RESOLVED, pursuant to Va. Code §15.2-1747, the revised
Charter and By-Laws of the Central Shenandoah Criminal Justice
Training Academy, a copy of which is attached to this resolution
and incorporated herein by reference, is adopted; and

RESOLVED FURTHER that this resolution shall become
effective upon adoption; and

RESOLVED FURTHER by its adoption of this revised Charter
and By-Laws, the University evidences its commitment to the
training needs of its law enforcement personnel.
Notwithstanding the foregoing, it is understood that the
University will assume no expense or financial obligation of the
Central Shenandoah Criminal Justice Training Academy except as
may be duly authorized by University officials.

BIENNIAL BUDGET FOR THE ACADEMIC DIVISION AND
THE UNIVERSITY OF VIRGINIA’S COLLEGE AT WISE

WHEREAS, the 2007 operating and capital budget amendments
have been carefully reviewed; and

WHEREAS, the amendments represent the highest priority
initiatives and are aligned with the mission of the
institute;
RESOLVED that the Board of Visitors of the University of Virginia endorses and supports the proposed amendments to the 2006-2008 biennial budget; and

RESOLVED FURTHER that the Board of Visitors understands that to the extent these initiatives are not included in the Governor's revised 2006-2008 biennial budget, the Academic Division and The University of Virginia's College at Wise may want to pursue similar requests to the legislature; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer is authorized to transmit to the General Assembly any request not funded by the Governor as long as there are no material differences from the items already endorsed by the Board of Visitors.

13. APPOINTMENT TO THE BOARD OF THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE
   (approved by the Committee on The University of Virginia's College at Wise on September 11, 2006)

RESOLVED that Charlie R. Jessee is appointed to The University of Virginia's College at Wise Board for a four-year term ending June 30, 2010, in accordance with the terms of the Board's Bylaws.

14. APPROVAL OF SUMMARY OF AUDIT FINDINGS
   (approved by the Audit and Compliance Committee on September 11, 2006)

RESOLVED that the Summary of Audit Findings for the period May 1, 2006, through July 31, 2006, as presented by the Director of Audits, is approved as recommended by the Audit and Compliance Committee.

15. REPORT ON ACTIONS OF THE EXECUTIVE COMMITTEE

   The Rector will report on the following actions taken by the Executive Committee in a telephonic poll on June 16 and 19, 2006, and at its meeting on July 29, 2006:
• **APPROVAL OF THE JONES FOUNTAIN AT THE DARDEN SCHOOL**  
(approved June 16, and 19, 2006)

WHEREAS, the Class of 1974 of the Darden School has initiated a landscaping project at the School, the Class of 1974 Garden Project; and

WHEREAS, an element of the Project is a fountain to be erected at the south end of the Flagler Courtyard of the Darden Grounds; and

WHEREAS, it is proposed that this fountain be named the Jones Fountain in honor of the contributions of Elizabeth and Gary T. Jones (MBA '74);

RESOLVED, the Board of Visitors approves the placement and erection of the Jones Fountain at the Darden School, and thanks Mr. and Mrs. Jones, and other members of the Darden Class of 1974, for their support and generosity.

• **PROVISION OF FINANCIAL PLANNING SERVICES FOR THE PRESIDENT**  
(approved July 29, 2006)

RESOLVED that the Executive Committee of the Board of Visitors authorizes the Executive Vice President and Chief Operating Officer to approve financial planning services for the President, not to exceed the limit of the Executive Vice President and Chief Operating Officer’s contractual authority.

• **EXTENSION OF THE LEASE ON PAVILION I, WEST LAWN**  
(approved July 29, 2006)

RESOLVED, the lease on Pavilion I, West Lawn, for David W. Breneman, Dean of the Curry School of Education, set to expire within one year after his retirement from the deanship, is extended to the fall of 2009, two years beyond his retirement. This extension reflects his new duties as Director of the Public Policy Program.

• **EXTENSION OF LEASE ON PAVILION V, WEST LAWN**  
(approved September 25 and 26, 2006)

RESOLVED, the lease on Pavilion V, West Lawn, held by Mr. and Mrs. Gene D. Block, is renewed for a second five years. The new lease will run from the Winter of 2007 to the Winter of 2012.