

January 22, 2007

MEMORANDUM

TO: The Finance Committee:

W. Heywood Fralin, Chair
A. Macdonald Caputo
The Honorable Alan A. Diamonstein
Georgia Willis Fauber
G. Slaughter Fitz-Hugh, Jr.
Warren M. Thompson
John O. Wynne
Thomas F. Farrell, II, Ex Officio

and

The Remaining Members of the Board:

Daniel R. Abramson	Don R. Pippin
Susan Y. Dorsey	Gordon F. Rainey, Jr.
Glynn D. Key	E. Darracott Vaughan, Jr., M.D.
Vincent J. Mastracco, Jr.	Carey J. Mignerey
The Hon. Lewis F. Payne	

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Finance Committee Meeting on
January 22, 2007

The Finance Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 3:25 p.m., Monday, January 22, 2007, in the Byrd Seminar Room at the Harrison Institute; W. Heywood Fralin, Chair, presided.

Present were A. Macdonald Caputo, The Honorable Alan A. Diamonstein, Mrs. Georgia Willis Fauber, G. Slaughter Fitz-Hugh, Jr., and Warren M. Thompson.

Daniel R. Abramson, The Honorable Lewis F. Payne, and Gordon F. Rainey, Jr. also were present.

Present, too, were John T. Casteen, III, Leonard W. Sandridge, Alexander G. Gilliam, Jr., Paul J. Forch, Ms. Yoke San L. Reynolds, Ms. Colette Sheehy, William B. Harvey, David J. Prior, Christopher J. Brightman, Richard A. Kovatch, James S. Matteo, and Ms. Jeanne Flippo Bailes.

BECAUSE OF A MALFUNCTION IN THE RECORDING EQUIPMENT, THESE MINUTES ARE A RECONSTRUCTION

The Chair asked Mr. Sandridge, Executive Vice President and Chief Operating Officer, to present the Agenda.

CONSENT AGENDA: Approval of Budget Amendments

The first two items constituted the Consent Agenda.

Mr. Sandridge presented the University's proposed amendments to the Governor's Budget, now before the General Assembly.

On motion, the Committee adopted the following resolution and recommended it to the full Board for approval:

WHEREAS, the budget amendments and scope decrease for Bavaro Hall have been carefully reviewed; and

WHEREAS, the recommendations represent additional high priority initiatives and are aligned with the mission of the institution; and

WHEREAS, the Board of Visitors authorized the Executive Vice President and Chief Operating Officer 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; and

WHEREAS, the University proposes the following three capital projects:

Acquire Advanced Research and Technology Life Sciences Annex (\$35.1 million NGF debt)
Acquire Sprigg Lane Property (\$4.7 million NGF debt)
Upgrade Jordan Hall HVAC (\$28.9 million NGF debt); and

WHEREAS, certain capital projects have experienced cost escalations or scope changes and some will require the issuance of debt to include:

Academic Division:

Construct Ruffin Hall (\$3.2 million GF)
Construct Claude Moore Nursing Education (\$3.6 million GF)
Renovate Gilmer Teaching Labs (\$0.425 million GF)
Acquire A.R.T. Building (\$3.9 million NGF debt)
Construct Bavaro Hall (\$5.2 million NGF; scope decrease of 14 percent)
Upgrade Main Heat Plant (\$3.5 million NGF debt)
Renovate & Expand Rouss Hall (\$3.5 million NGF debt)
Construct Arts Grounds Garage (\$4.9 million NGF debt; replacing NGF cash)

Medical Center:

Acquire Blake Center (\$3.7 million NGF debt; replacing NGF cash)

College at Wise:

Renovate & Expand Drama Building (\$3 million GF)
Renovate Science Building (\$2.5 million GF)
Renovate Smiddy Hall (\$3 million GF)

RESOLVED, the Board of Visitors of the University of Virginia endorses and supports the additional 2006-2008 budget amendments and adjustments to certain capital project budgets; and

RESOLVED FURTHER, the Executive Vice President and Chief Operating Officer is authorized to transmit the final proposed budget amendments requiring authorization by the Commonwealth under the University's Management Agreement to the General Assembly.

CONSENT AGENDA: Amendment to the Commercial Paper Program

The second resolution presented by Mr. Sandridge would approve technical amendments to the legal documents of the University's commercial paper program in order to conform to the relevant provisions of the 2005 Restructuring Act.

On motion, the Committee adopted the following resolution and recommended it to the full Board for approval:

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 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 University has entered into a management agreement with the Commonwealth of Virginia which was enacted as Chapter 3 of Chapter 933 of the 2006 Virginia Acts of Assembly (the "Management Agreement"), pursuant to the Restructured Higher Education Financial and Administrative Operations Act, Chapter 4.10, Title 23 of the Virginia Code (the "Act"); and

WHEREAS, the Board previously has determined to facilitate the financing or refinancing from time to time of capital and other 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 \$175,000,000 (the "Program") and the Program is secured by a general revenue pledge of the University and is not to be in any way a debt of the Commonwealth and does 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 amend the form and terms of the Program in order to streamline the Program and make revisions to reflect the Act and the Management Agreement;

RESOLVED, the Board hereby approves the amended and restated resolution with respect to the Program (distributed to members as Exhibit C) with such amendments, modifications or omissions as may be approved by the Executive Committee, or by the University's Executive Vice President and Chief Operating Officer pursuant to Section 11.8 of such Resolution; and

RESOLVED FURTHER that costs associated with any capital project approved by the Board or other utilization of funds by the University which is permitted by law may be financed under the Program, including without limitation, capitalized interest, financing costs, and working capital, consistent with the Board's debt policy; and

RESOLVED FURTHER that amendments and revisions to the Program may be implemented by the Board, the Executive Committee and the officers of the University as set forth in the Board's debt and interest rate risk management policies; and

RESOLVED FURTHER that 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 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.

ACTION ITEMS: Approval of Student Housing Rates, 2007-2008

The Board customarily considers student housing rates at its winter meeting, so Mr. Sandridge asked Mr. Kovatch, Associate Vice President for Business Operations, to present the proposed rates.

Mr. Kovatch explained the process used in setting the rates, and compared rates at the University with those charged at peer institutions. The overall increase proposed for the University is 9.6%, of which 4.6% covers the Facilities Improvement Fee.

The overall increase proposed for The University of Virginia's College at Wise is 7%.

On motion, the Committee adopted the following resolution and recommended it to the full Board for approval:

<u>Facility</u>	<u>Actual 2006-2007 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 2007-08 Per Student Per Session</u>
<u>Academic Division</u>						
DORMITORIES						
<u>Alderman/Observatory Houses</u>						
Double Room	\$3,600	\$180	5.00%	\$200	10.56%	\$3,980
<u>Brown College</u>						
Double Room	\$4,270	\$210	4.92%	\$200	9.60%	\$4,680
<u>McCormick Road</u>						
Double Room	\$3,460	\$170	4.91%	\$200	10.69%	\$3,830
Small Double Room	\$3,230	\$160	4.95%	\$200	11.15%	\$3,590
Single	\$3,610	\$180	4.99%	\$200	10.53%	\$3,990
<u>Lawn</u>						
Single	\$4,110	\$210	5.11%	\$200	9.98%	\$4,520
Single (no fireplace)	\$4,010	\$200	4.99%	\$200	9.98%	\$4,410
<u>Range</u>						
Regular Single	\$4,110	\$210	5.11%	\$200	9.98%	\$4,520
<u>Crackerbox</u>						
Single Room	\$4,110	\$210	5.11%	\$200	9.98%	\$4,520
<u>Mary Munford/ Roberta Gwathmey</u>						
Double Room	\$3,600	\$180	5.00%	\$200	10.56%	\$3,980
Single Room	\$4,110	\$210	5.11%	\$200	9.98%	\$4,520
<u>Sprigg (Lewis/Hoxton)</u>						
Double Room	\$3,970	\$200	5.04%	\$200	10.08%	\$4,370
Small Double Room	\$3,770	\$190	5.04%	\$200	10.34%	\$4,160
Single Room	\$4,310	\$220	5.10%	\$200	9.74%	\$4,730
Single Room (w/bath)	\$4,500	\$230	5.11%	\$200	9.56%	\$4,930
<u>Gooch/Dillard</u>						
Double Room	\$3,970	\$200	5.04%	\$200	10.08%	\$4,370
Single Room	\$4,310	\$220	5.10%	\$200	9.74%	\$4,730
Twelve Month Rate:						
Single Room	\$5,740	\$290	5.05%	\$200	8.54%	\$6,230
<u>Hereford College</u>						
Double Room	\$3,970	\$200	5.04%	\$200	10.08%	\$4,370
Single Room	\$4,270	\$210	4.92%	\$200	9.60%	\$4,680
<u>French House</u>						
Triple Room (discontinued 2007-08)	\$3,790	N/A	N/A	N/A	N/A	N/A
Large Double Room (new 2007-08)	N/A	N/A	N/A	N/A	N/A	\$4,500
Double Room	\$3,970	\$200	5.04%	\$200	10.08%	\$4,370
Single Room	\$4,400	\$220	5.00%	\$200	9.55%	\$4,820
<u>Russia House</u>						
Double Room	\$3,950	\$200	5.06%	\$200	10.13%	\$4,350
Single Room	\$4,330	\$220	5.08%	\$200	9.70%	\$4,750

<u>Facility</u>	<u>Actual 2006-2007 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 2007-08 Per Student Per Session</u>
<u>Spanish House</u>						
Double Room	\$3,970	\$200	5.04%	\$200	10.08%	\$4,370
Single Room	\$4,400	\$220	5.00%	\$200	9.55%	\$4,820
<u>Shea House</u>						
Double Room	\$3,970	\$200	5.04%	\$200	10.08%	\$4,370
Single Room	\$4,400	\$220	5.00%	\$200	9.55%	\$4,820
APARTMENTS - SINGLE STUDENT						
<u>Copeley Hill III, IV, Lambeth Field</u>						
Two Bedroom (double occupancy)	\$4,000	\$200	5.00%	\$200	10.00%	\$4,400
Three Bedroom (double occupancy)	\$3,890	\$200	5.14%	\$200	10.28%	\$4,290
<u>Bice House</u>						
Two Bedroom (double occupancy)	\$4,000	\$200	5.00%	\$200	10.00%	\$4,400
Three Bedroom (double occupancy)	\$3,890	\$200	5.14%	\$200	10.28%	\$4,290
Single	\$4,380	\$220	5.02%	\$200	9.59%	\$4,800
<u>Faulkner (Hench, Mitchell, Younger)</u>						
Single	\$4,380	\$220	5.02%	\$200	9.59%	\$4,800
Large Single	\$5,140	\$260	5.06%	\$200	8.95%	\$5,600
APARTMENTS - FAMILY (per month)						
<u>Copeley Hill I & II</u>						
One Bedroom (furnished)	\$691	\$4	0.58%	\$0	0.58%	\$695
One Bedroom (unfurnished)	\$657	\$13	1.98%	\$0	1.98%	\$670
Two Bedroom (furnished)	\$805	\$40	4.97%	\$0	4.97%	\$845
Two Bedroom (unfurnished)	\$770	\$39	5.06%	\$0	5.06%	\$809
Three Bedroom (furnished)	\$866	\$43	4.97%	\$0	4.97%	\$909
Three Bedroom (unfurnished)	\$830	\$42	5.06%	\$0	5.06%	\$872
<u>University Gardens</u>						
One Bedroom (furnished)	\$674	\$0	0.00%	\$0	0.00%	\$674
One Bedroom (unfurnished)	\$641	\$3	0.47%	\$0	0.47%	\$644
Two Bedroom (furnished)	\$772	\$38	4.92%	\$0	4.92%	\$810
Two Bedroom (unfurnished)	\$736	\$37	5.03%	\$0	5.03%	\$773
<u>College At Wise</u>						
McCraray	\$3,230	\$226	7.00%	\$0	7.00%	\$3,456
Asbury, Thompson, Henson, Randolph, Townhouses, Theme Housing	\$3,732	\$262	7.02%	\$0	7.02%	\$3,994

Notes:

1. The 2006-07 rate for one bedroom furnished University Gardens apartments is at market.
2. The rates for Copeley Hill I & II and University Gardens include utility charges, and cable TV.
3. The rate for a double room used as a single is 135% of the double rate.

MOUNTAIN LAKE BIOLOGICAL STATION RATES/NEW DAILY RATES

	Actual <u>2006</u>	<u>Daily-06</u>	Proposed <u>Daily-07</u>	Percent <u>Increase</u>
<i>Dormitories/Singles - assigned housing w/roommates:</i>				
Cabins	\$103.00	\$3.68	\$4.00	8.74%
(Elliot, Chapman, Audubon, de Schweinitz = student dorms)				
Laing Singles	\$103.00	\$3.68	\$4.00	8.74%
New Dorm Singles	\$119.00	\$4.25	\$4.00	-5.88%
Laing Apts.	\$103.00	\$3.68	\$4.00	8.74%
New Dorm Apts.	\$103.00	\$3.68	\$4.00	8.74%
<i>Apartments:</i>				
Laing Apartments	\$145.50	\$5.20	\$6.10	17.39%
New Dorm Apts.	\$166.00	\$5.93	\$6.10	2.89%
<i>Cabins:</i>	\$191.00	\$6.82	\$6.10	-10.58%

NOTES:

1. Apartments and cabins fees change when used as dorms.
2. Rates for apartments and cabins have been adjusted such that each will have the same rate starting in 2007. Although some individual rates will decrease, this action is projected to result in a net increase of two percent in rental revenues and will simplify the rate structure in the future.

ACTION ITEMS: Approval of 2007-2008 Tuition and Fees for Special Programs

The Committee also was asked to approve tuition and fees for four programs whose academic year begins in May or June rather than in August.

On motion, the Committee adopted the following resolution and recommended it to the full Board for approval:

RESOLVED that the tuition and fees applicable to the following programs be approved as shown below, effective May 1, 2007:

	2006-07 <u>Approved</u>	Virginian		2007-08 <u>Proposed</u>	2006-07 <u>Approved</u>	Non-Virginian		2007-08 <u>Proposed</u>
		Amount of <u>Increase</u>	Percent of <u>Increase</u>			Amount of <u>Increase</u>	Percent of <u>Increase</u>	
MBA for Executives	\$90,000	\$6,000	6.67%	\$96,000	\$90,000	\$6,000	6.67%	96,000

The price is all inclusive for the 22 months of the full program. It includes tuition and fees for special session mandatory fee, books, materials, computer leasing, software licenses, group meals, and lodging.

MIT	\$34,900	\$ 0	0%	\$34,900	\$39,900	\$ 0	0%	\$39,900
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Price includes fees of approximately \$11,000 for special session mandatory fee, books, materials, computer leasing, software licenses, group meals, and lodging. The final fee portion will be determined when the 2007-08 special session mandatory fee is developed.

Systems Eng.	\$32,500	\$ 0	0%	\$32,500	\$37,500	\$ 0	0%	\$37,500
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Price includes fees of approximately \$12,000 for special session mandatory fee, books, materials, technology, group meals, and lodging. The final fee portion will be determined when the 2007-08 special session mandatory fee is developed.

Post-Bac, Pre-Med	\$18,000	\$1,100	6.1%	\$19,100	\$23,000	\$1,100	4.8%	\$24,100
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Price includes full-time mandatory fees.

ACTION ITEMS: Approval of Financial Plans for Capital Projects in the First Biennium of the Proposed Six Year Capital Plan (2008-2014)

Mr. Sandridge asked Ms. Sheehy, Vice President for Management and Budget, to present the proposed financial plans for the capital projects set for the first biennium of the proposed Six Year Capital Plan.

Ms. Sheehy reminded the Committee that the Board, in October, 2004, revised the policy governing the involvement of the Board and its committees in the capital planning process. As a result, the Committee is being asked to review the financial plans for the 2008-2010 biennium of the proposed 2008-2014 Six Year Capital Outlay Plan. The Buildings and Grounds Committee, in its meeting later today, will review the full 2008-2014 Plan.

Ms. Sheehy described the process used in developing the financial plans and said that an overall debt assessment and an overall private funding assessment have been done on the proposed plans.

On motion, the Committee adopted the following resolution and recommended it to the full Board for approval:

RESOLVED that the financial plans for the capital outlay projects included in the first biennium of the proposed 2008-2014 Capital Outlay Plan are reasonable and, in most cases, complete; and

RESOLVED FURTHER, that in cases where additional analysis is required or fundraising plans developed to determine the financial feasibility of a project, that no construction shall begin until the Executive Vice President and Chief Operating Officer, in consultation with the Chair of the Finance Committee, approves the revised financial plan.

ACTION ITEM: Approval of Intent to Issue Tax Exempt Debt

Mr. Sandridge and Mr. Matteo, Director of Treasury Operations, gave a brief presentation on a proposal to authorize an intent to issue tax exempt debt. They emphasized that the proposed resolution is not an authorization to issue long-term debt - prior to doing this, the Board will be asked to approve a separate issuance.

The Committee adopted the following resolution and recommended it to the full Board for approval:

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

ACADEMIC DIVISION

Upgrade Main Heat Plant (supplement)
Renovate and Expand Rouss Hall (supplement)
Acquire Advanced Research and Technology Building
(supplement)
Acquire Advanced Research and Technology Life Sciences
Annex

Construct Arts Grounds Parking Garage
Upgrade Jordan Hall HVAC
Construct Printing and Copying Services Addition
Acquire 214 Sprigg Lane
Construct Gateway to the Arts
Construct JAG School Building
Construct Alderman Road Residences
Construct ITC Data Center Building
Expand University Bookstore
Construct University Center
Acquire Health System North Parking Garage

MEDICAL CENTER

Acquire Blake Center
Construct University Hospital Mixing Box

COLLEGE AT WISE

Renovate Greear Gym & Pool and Construct Recreation Center

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

Upgrade Main Heat Plant (requested) = \$3,500,000

(total of all requests = \$32,464,000)

Renovate and Expand Rouss Hall (requested) = \$3,500,000

(total of all requests = \$43,400,000)

Acquire Advanced Research and Technology Building (requested) = \$6,530,000

(total of all requests = \$45,400,000)

Acquire Advanced Research and Technology Life Sciences Annex = \$35,100,000

Construct Arts Parking Garage (requested) = \$1,300,000

(total of all requests = \$11,900,000)

Upgrade Jordan Hall HVAC = \$28,900,000

Construct Printing and Copying Services Addition = \$1,000,000

Acquire 214 Sprigg Lane = \$4,700,000

Construct Gateway to the Arts = \$57,500,000

Construct JAG School Addition = \$50,000,000

Construct Alderman Road Residences = \$29,400,000

Construct ITC Data Center Building = \$12,900,000

Expand University Bookstore = \$3,600,000

Construct University Center = \$30,000,000

Acquire Health System North Parking Garage (requested) =
\$15,000,000

(total of all requests = \$43,000,000)

MEDICAL CENTER

Acquire Blake Center = \$3,700,000

Construct University Hospital Mixing Box = \$23,890,000

COLLEGE AT WISE

Renovate Greear Gym & Pool and Construct Recreation Center =
\$13,050,000

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.

ACTION ITEM: Approval of Policy on Leadership in Energy and Environmental Design (LEED) Certification for New Buildings and Major Renovations

The University signed the Talloire Declaration, a ten-point action plan for incorporating "sustainability and environmental literacy in teaching, research, operations, and outreach at

colleges and universities." The University has been a leader among academic institutions in this regard and the Buildings and Grounds Committee in December recommended approval of a policy that all major new and renovation building projects that come before the Buildings and Grounds Committee after January 1, 2007, shall be designed consistent with LEED (LEED is an acronym for Leadership in Energy and Environmental Design, a program developed by the United States Green Building Council) criteria.

The estimate for the increase in construction costs by adhering to LEED criteria is 1 to 2%, but these costs should be recouped within five years because of the savings in expenditures for energy and so on. Because of these financial implications, however, the Finance Committee and the full Board are asked to approve the policy.

On motion, the Committee adopted the following resolution and recommended it to the full Board for approval:

WHEREAS, the University has demonstrated leadership in certain environmental areas including energy and water conservation, storm water management, recycling, and public transportation; and

WHEREAS the Buildings and Grounds Committee recommends the following policy to the Finance Committee;

RESOLVED that all major new and renovation building projects that come before the Building and Grounds and Finance Committees of the Board of Visitors after January 1, 2007, shall be designed and constructed consistent with the performance standards of the U.S. Green Building Council's LEED rating system and shall achieve, unless circumstances apply and the Buildings and Grounds and Finance Committees approve an exception to this policy, a minimum of a LEED Certified rating upon completion; and

RESOLVED FURTHER that the budgets for such projects will include the 1.5 percent of the construction costs as a reserve to cover the increased costs related to LEED certification, and will carry the expectation of payback in five to ten years.

ACTION ITEM: Establishment of a Dialysis Facility in Altavista and Joint Venture

Mr. Sandridge told the Committee that the Medical Center has six off-Grounds dialysis satellites, one of which is in Lynchburg. The Lynchburg dialysis center is working at capacity and the Medical Center proposes establishing a seventh facility

in Altavista. The Medical Center Operating Board approved the proposal at its December meeting, but it must also be considered by the Finance Committee before going to the full Board of Visitors.

On motion, the Committee adopted the following resolution and recommended it to the full Board for approval:

RESOLVED, the Board approves the recommendation of the Medical Center Operating Board that a dialysis facility be established in Altavista and that an associated joint venture be organized; and

RESOLVED FURTHER, that the Executive Vice President and Chief Operating Officer is authorized to take any action and to execute any and all documents necessary to accomplish the establishment of a dialysis facility in Altavista and an associated joint venture.

ACTION ITEM: Approval of Land Transfer from the University of Virginia to the University of Virginia Foundation to Support the North Parking Garage

The North Garage at the Medical Center will be built by the University of Virginia Foundation and, on completion, will be purchased by the University. The City of Charlottesville requires that the land associated with the garage be owned by a single entity. Approximately 25,000 square feet of the required land belongs to the University, and this must therefore be transferred to the Foundation.

Mr. Sandridge noted that square footage in question is an approximate amount because there is a discrepancy between two surveyors on the metes and bounds of the real estate to be transferred.

On motion, the Committee adopted the following resolution and recommended it to the full Board for approval:

WHEREAS, the University has a need for additional parking, particularly after the demolition of the West Parking Garage; and

WHEREAS, to provide a substantial increase in parking spaces for use by the University, UVAF plans on constructing a parking garage adjacent to University property; and

WHEREAS, the University will purchase the parking garage from UVAF when it is complete and operational; and

WHEREAS, the City of Charlottesville requires the parking garage be situated on a single tax map parcel, and the current plans depict the footprint of the garage on multiple parcels owned by both the University and UVAF; and

WHEREAS, the real estate required for the garage, a portion of 1222 Jefferson Park Avenue, was acquired by the University using Hospital operating revenues; and

WHEREAS, to facilitate the construction of the garage, as shown on current plans as approved by the City of Charlottesville;

RESOLVED that the transfer of approximately 25,000 square feet of real estate from the University of Virginia to the University of Virginia Foundation is authorized; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer is authorized to take any actions and to execute any and all documents necessary to accomplish the transfer of real estate from the University to the University of Virginia Foundation, for the construction of the garage.

Comments by the Executive Vice President and Chief Operating Officer

Mr. Sandridge made brief comments on the Committee's 2006-2007 Goals and Work Plan.

He then referred Members to several written reports in the material previously distributed to them.

On motion, the meeting was adjourned at 5:00 p.m.

AGG:jb

These minutes have been posted to the University of Virginia's Board of Visitors website.

<http://www.virginia.edu/bov/financeminutes.html>