

**COMMITTEE RESOLUTIONS
ADOPTED BETWEEN
MAY 7 & JUNE 7, 2007
BOARD OF VISITORS' MEETING
UNIVERSITY OF VIRGINIA**

JUNE 8, 2007

AUDIT AND COMPLIANCE COMMITTEE

APPROVAL OF THE AUDIT SCHEDULE

(approved May 8, 2007)

RESOLVED that the Audit Schedule for Fiscal Year 2007-2008, is approved as recommended by the Audit and Compliance Committee.

APPROVAL OF THE COMPLIANCE SCHEDULE

(approved May 8, 2007)

RESOLVED that the Compliance Schedule for the period July 1, 2007, through June 30, 2008, as presented by the Corporate Compliance Officer, is approved as recommended by the Audit and Compliance Committee.

APPROVAL OF THE SUMMARY OF AUDIT FINDINGS

(approved May 8, 2007)

RESOLVED that the Summary of Audit Findings for the period February 1, 2007, through March 31, 2007, as presented by the Director of Audits, is approved as recommended by the Audit and Compliance Committee.

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BUILDINGS AND GROUNDS COMMITTEE

The Buildings and Grounds Committee met on Tuesday, May 8, 2007, at 12:45 p.m., in the Lower East Oval Room, The Rotunda. The following items were adopted by the Committee and referred to the full Board for approval:

APPROVAL TO REQUEST A PERMANENT EASEMENT FOR THE UNIVERSITY OF VIRGINIA FROM THE CITY OF CHARLOTTESVILLE

(approved May 8, 2007)

RESOLVED that the request for an easement, from the City of Charlottesville, to permit construction of a new duct bank on and adjacent to Emmet Street for upgraded electrical service to Thornton Hall is authorized; and

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

APPROVAL OF PROJECT SCOPE AND BUDGET MODIFICATIONS

(approved May 8, 2007)

RESOLVED that the scope modifications for the Emily C. Couric Clinical Cancer Center (\$74,000,000) and the Hospital Bed Expansion Project (\$80,178,000) and the budget increase for the Renovation of Crockett Hall (\$2,150,000) are approved.

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Listed as a matter of record are the resolutions approved by the Buildings and Grounds Committee on Tuesday, May 8, 2007, that do not require action by the full Board.

APPROVAL OF ARCHITECT SELECTION FOR THE LEE STREET ENTRY AND CONNECTIVE ELEMENTS

(approved May 8, 2007)

RESOLVED that Zimmer Gunsul Frasca Architects of Washington, D.C., is approved for the performance of architectural and engineering services for the Lee Street Entry and Connective Elements at the University of Virginia.

APPROVAL OF CONCEPT, SITE, AND DESIGN GUIDELINES FOR THE LEE STREET ENTRY AND CONNECTIVE ELEMENTS

(approved May 8, 2007)

RESOLVED that the concept, site, and design guidelines, dated May 8, 2007, and prepared by the Architect for the University, for the Lee Street Entry And Connective Elements, are approved; and

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

APPROVAL OF SCHEMATIC DESIGN FOR HOSPITAL BED EXPANSION

(approved May 8, 2007)

RESOLVED that the schematic design, dated May 8, 2007, and prepared by the SmithGroup of Washington, D.C. for the Hospital Bed Expansion Project, is approved for further development and construction.

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FINANCE COMMITTEE

APPROVAL OF PROPERTY ACQUISITIONS

(approved by the Finance Committee on June 7, 2007)

WHEREAS, the University of Virginia finds it to be in its best interest to take ownership from the University of Virginia Foundation of various properties located along Emmet Street and for these properties to be managed by the University of Virginia;

RESOLVED that the following properties are approved for acquisition from the University of Virginia Foundation:

104 Emmet Street,
132 Emmet Street, and
900 Emmet Street; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer be authorized to approve and execute contracts and other documents, and to take such other actions as are necessary and appropriate to consummate these property acquisitions.

APPROVAL OF ESTABLISHMENT OF THE MEDICAL CENTER QUASI-ENDOWMENT FOR THE BENEFIT OF THE SCHOOL OF MEDICINE

(approved by the Finance Committee on June 7, 2007)

RESOLVED that the establishment of the Medical Center Quasi-Endowment for the benefit of the School of Medicine in the amount of \$25,000,000 is approved. Principal may be disinvested from time to time as necessary to fund academic programs in the School of Medicine.

APPROVAL OF THE 2007-2008 OPERATING BUDGET AND ANNUAL RENOVATION AND INFRASTRUCTURE PLAN FOR THE ACADEMIC DIVISION

(approved by the Finance Committee on June 7, 2007)

RESOLVED that the 2007-2008 Operating Budget and Annual Renovation and Infrastructure Plan for the Academic Division is approved, as recommended by the President and the Chief Financial Officer.

APPROVAL OF THE 2007-2008 OPERATING BUDGET FOR THE UNIVERSITY OF VIRGINIA'S COLLEGE AT WISE

(approved by the Finance Committee on June 7, 2007)

RESOLVED that the 2007-2008 Operating Budget for The University of Virginia's College at Wise is approved, as recommended by the President and the Chief Financial Officer.

APPROVAL OF THE 2007-2008 OPERATING AND CAPITAL BUDGETS AND ANNUAL RENOVATION AND INFRASTRUCTURE PLAN FOR THE UNIVERSITY OF VIRGINIA MEDICAL CENTER

(approved by the Finance Committee on June 7, 2007)

RESOLVED that the 2007-2008 Operating and Capital Budget and the Annual Renovation and Infrastructure Plan for the University of Virginia Medical Center is approved, as recommended by the President, the Chief Financial Officer, and the Medical Center Operating Board.

APPROVAL OF PRATT FUND DISTRIBUTION FOR 2007-2008

(approved by the Finance Committee on June 7, 2007)

RESOLVED that the budget for the expenditure of funds from the Estate of John Lee Pratt is approved to supplement appropriations made by the Commonwealth of Virginia for the School of Medicine and the Departments of Biology, Chemistry, Mathematics and Physics in the College of Arts and Sciences. Departmental allocations, not to exceed \$7,295,098 for 2007-2008, are suggested by the department chairs and recommended by the dean of each school. To the extent the annual income from the endowment is not adequate to meet the recommended distribution, the principal of the endowment will be disinvested to provide funds for the approved budgets.

APPROVAL OF PROJECT SCOPE, BUDGET MODIFICATIONS, AND ADDITIONAL USE OF DEBT

(approved by the Finance Committee on June 7, 2007)

RESOLVED that the \$3.305 million budget increase and use of additional University debt for the Emily C. Couric Clinical Cancer Center (bringing the total budget to \$74.0 million); the \$2.2 million budget increase and use of additional University debt for the Hospital Bed Expansion Project (bringing the total budget to \$80.178 million); and the \$2.15 million budget increase for the renovation of Crockett Hall at The University of Virginia's College at Wise (bringing the total budget to \$6.9 million) are approved.

APPROVAL OF INTENT TO ISSUE TAX-EXEMPT DEBT

(approved by the Finance Committee on June 7, 2007)

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

MEDICAL CENTER

Emily C. Couric Clinical Cancer Center (supplement)
Hospital Bed Expansion (supplement)

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:

MEDICAL CENTER

Emily C. Couric Clinical Cancer Center (requested) = \$3,305,000
(total of this and all prior approvals = \$40,300,000)

Hospital Bed Expansion (requested) = \$2,200,000
(total of this and all prior approvals = \$62,200,000)

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 that 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.

APPROVAL OF STUDENT SYSTEM REVISED BUDGET

(approved by the Finance Committee on June 7, 2007)

WHEREAS, in October 1999, the Board of Visitors of the University of Virginia authorized the then-Executive Vice President and Chief Financial Officer to initiate and complete the implementation of all phases of the Integrated System project and to approve and execute contracts with software vendors and consulting firms necessary for the successful implementation of the software during those phases; and

WHEREAS, the University successfully implemented the finance phase of the Integrated System Project in July 2001 and successfully implemented the human resource/payroll phase in October 2002, within the approved budget of \$39.3 million; and

WHEREAS, in October 1999, the cost of implementing the student information system was anticipated at \$15.6 million; and

WHEREAS, the University has completed rigorous selection and negotiation efforts for a software vendor, PeopleSoft Campus Solutions, and for a consulting firm, CedarCrestone, that will provide services to assist with the third phase of the Integrated System project, the implementation of a student information system at the University; and

WHEREAS, the University, with assistance from the consulting firms CedarCrestone and the Gartner Group, has prepared a business case, a revised project budget, and a project plan that includes methodologies to monitor progress, identify and mitigate risk, and to develop and maintain quality within the project; and

WHEREAS, the University recommends a comprehensive, revised budget of \$51.2 million; and

WHEREAS, the University anticipates the need for short-term financing; and

WHEREAS, the Board of Visitors has previously authorized up to \$20 million in short-term financing, to be repaid by June 2010, for the Integrated Systems Project;

RESOLVED that the Board of Visitors approves a project budget of \$51.2 million for the third phase of the Integrated System Project, bringing the total project budget for all three phases to \$90.5 million; and

RESOLVED FURTHER that the Board of Visitors increases the short-term financing approved in June 2001 to a maximum of \$30 million and extends the term from June 2010 until December 2019, ten years after the completion of the student system implementation; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer is authorized to execute all contract and loan documents; and

RESOLVED FURTHER that the Executive Vice President and Provost and the Executive Vice President and Chief Operating Officer shall provide reports to the Finance and Educational Policy Committees no less frequently than semi-annually describing progress on the project and compliance with the business plan.

APPROVAL OF REVISIONS TO THE INVESTMENT POLICY STATEMENT
(approved by the Finance Committee on June 7, 2007)

WHEREAS, the University is the plan sponsor of a number of defined contribution retirement plans; and

WHEREAS, On June 13, 1997, the Board delegated the authority to monitor the administration of the defined contribution retirement plans to the Investment Subcommittee of the Finance Committee; and

WHEREAS, subsequent to the June 13, 1997 meeting of the Board, the Investment Subcommittee of the Finance Committee became the University of Virginia Investment Management Company (UVIMCO); and

WHEREAS, effective July 1, 2004, the University of Virginia Investment Management Company (UVIMCO) became a separate University-related foundation; and

WHEREAS, at its June 2005 meeting, the Board of Visitors delegated to the Finance Committee the authority to monitor the administration of the defined contribution retirement plans on behalf of the Board; and

WHEREAS, the attached revised Retirement Program Policy incorporates this change in governance and other modifications, and is recommended by the Finance Committee appointees for approval;

RESOLVED that the Board of Visitors approves the Retirement Program Policy, included as an Attachment to this document.

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MEDICAL CENTER OPERATING BOARD

RECOMMENDATION REGARDING FISCAL YEAR 2008 MEDICAL CENTER OPERATING AND CAPITAL BUDGETS

(approved May 7, 2007, and recommended to the Finance Committee)

WHEREAS, the Medical Center Operating Board has reviewed the Fiscal Year 2008 Medical Center operating and capital budgets;

RESOLVED that the Medical Center Operating Board approves and recommends to the Finance Committee and to the Board of Visitors approval of the Fiscal Year 2008 Medical Center Operating and Capital Budgets.

ENDORSEMENT OF SCHEMATIC DESIGN FOR HOSPITAL BED EXPANSION

(endorsed May 7, 2007, and recommended to the Buildings and Grounds Committee)

RESOLVED, the Medical Center Operating Board endorses and recommends to the Building and Grounds Committee for approval for further development and approval the schematic design dated May 7, 2007 and prepared by the SmithGroup of Washington, D.C., for the Hospital Bed Expansion Project.

ATTACHMENT

**POLICY ON QUALIFIED DEFINED
CONTRIBUTION RETIREMENT PROGRAM**

UNIVERSITY OF VIRGINIA

POLICY ON
QUALIFIED DEFINED CONTRIBUTION RETIREMENT PROGRAM

("Retirement Program Policy")

JULY 9, 1997
Revised MAY 18, 2007

University of Virginia

Policy on Qualified Defined Contribution Retirement Program
("Retirement Program Policy ")

- I. Purpose
- II. Goals
- III. Program Provisions
- IV. Authority and Responsibility

I. Purpose

The Board of Visitors has overall responsibility for the University's Qualified Defined Contribution Retirement Program, which is administered by the Chief Human Resources Officer. The purpose of this Retirement Program Policy ("RPP") is to establish the roles of the Finance Committee of the Board of Visitors and the Retirement Administrative Committee in the oversight of this program to ensure program goals are met.

II. Program Goals

The University of Virginia Retirement Program sponsors several qualified retirement plans, including but not limited to the Faculty Retirement Plan and the Medical Center Retirement Plan (the "Plan" or "Plans"). Although not required to follow ERISA standards, ERISA Section 404(c) is used as a guideline. The Plans are designed to:

- Provide a retirement benefit attractive to current and prospective staff and faculty
- Provide flexibility to participants in directing and reallocating University contributions
- Maintain a limited but sufficient number of investment options to provide access to diversified investment alternatives
- Through plan providers and direct communications from the University, inform the participants about the benefits of the Plan and the characteristics of the investment choices
- Provide regular, accurate and concise participant statements

III. Program Provisions

The Plans are defined contribution plans.

Key Information

- Name of Plans:
 - The Defined Contribution Retirement Plan for the General Faculty of the University of Virginia
 - The Defined Contribution Retirement Plan for Employees of the University of Virginia Medical Center
 - The Commonwealth of Virginia Matching Contribution Retirement Plan for Salaried Employees of the University of Virginia
 - The Matching Contribution Plan for the University of Virginia Medical Center

- The Defined Contribution Retirement Plan for Executive Employees of the University of Virginia
- The Supplemental Defined Contribution Benefit Plan for Physicians of Community Medicine
- The Supplemental Defined Contribution Benefit Plan for the General Faculty of the University of Virginia
- Program Fiduciary: The Rector and Visitors of the University of Virginia
- Program Administrator: Chief Human Resources Officer
- Retirement Administrative Committee ("RAC"): RAC members are appointed by the Executive Vice President and Chief Operating Officer
- Oversight Committee: The Finance Committee of the Board of Visitors
- Contracting Officer: Executive Vice President and Chief Operating Officer

Policy Provisions

- Plan Year: Twelve month period commencing January 1.
- Enrollment Dates: Within 60 days of becoming eligible, a faculty member must choose to participate in the Faculty Retirement Plan, or default to the Virginia Retirement System ("VRS"). Within 180 days of becoming eligible, a Medical Center employee with prior VRS service must choose between the VRS and Medical Center Retirement Plan, or default to the Medical Center Retirement Plan.
- Employee Eligibility: Varies depending on the plan.
- Transfers: The Plan shall accept no transfers of any kind on behalf of a Participant other than accrued benefits from the VRS.
- University Contribution:
 - Faculty Retirement Plan: 10.4 percent of compensation, or the greater of 10.4 percent of compensation or 11.5 percent of up to \$100,000 in compensation for Participants with uninterrupted participation since before January 1, 1991.
 - Medical Center Retirement Plan: for employees hired prior to October 1, 2002: eight percent of compensation, for employees hired October 1, 2002 or after: four percent of compensation.
 - Physicians of Community Medicine Retirement Plan: 11.9 percent of compensation or \$12,500, whichever is greater.
 - In no event shall the University contribution exceed the limits established by Internal Revenue Code section 415.

- Investment Options: The Participant shall allocate the University's contribution among the various investment options offered by the Plan.

IV. Authority and Responsibility

The Board of Visitors has overall responsibility for the Program and delegates oversight to the Finance Committee of the Board of Visitors or its appointees, and Program administration to the Retirement Administrative Committee.

The Finance Committee or its Appointees will:

- Establish and maintain this Retirement Program policy
- At least annually:
 - Review the investment performance of the various investment funds offered to participants as reported by the Retirement Administrative Committee to ensure compliance with the Retirement Program Policy
 - Report to the Board of Visitors

The Retirement Administrative Committee will:

- Establish and maintain Investment Procedures (IP) to meet program goals for investment options
- Review the investment performance of the various investment funds offered to participants not less frequently than semi-annually
- At least annually:
 - Review the investment funds for compliance with the guidelines established in the Investment Procedures
 - Make deletions or changes in investment funds offered under the Program
 - Review expenses paid by the Plans to ensure that they are reasonable and necessary
 - Report to the Finance Committee or its Appointees
- Oversee:
 - The professionals whose expertise is deemed by the contracting officer to be appropriate and necessary
 - The communications provided to Plan participants regarding the investment alternatives offered by the Plan
- As necessary make revisions to the Investment Procedures to reflect changing conditions within the Plan, or to refine the Investment Procedures in order to make them more effective

The Program Administrator will generally be responsible for:

- Administration of the Program
- Oversight of the Plan Providers
- Service to potential and current participants including, but not limited to:
 - Identifying the name, address, and phone number of the plan providers
 - Providing a general description of the investment alternatives available under the plan, and a general description of the investment objectives and risk and return characteristics of each alternative, including information relating to the type and diversification of assets comprising the portfolio of the designated investment alternative
 - Providing a description of transaction fees and expenses connected to purchases and sales

Providing a description of procedures established to provide confidentiality of information relating to investments in the Plan and without providing advice, direct employees to plan providers to access information and full plan provisions and benefits