

August 11, 2004

MEMORANDUM

TO: The Executive Committee and the Remaining Members
of the Board of Visitors

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Executive Committee Meeting of December 9, 2002,
and the President's Salary and Compensation

Because of the State Budget crisis at that time, there was no change in the President's salary/compensation for the following year; and thus no formal resolution on the matter approved by the Committee. The President's compensation normally is considered at this meeting of the Executive Committee.

December 9, 2002

MEMORANDUM

TO: The Executive Committee:

John P. Ackerly, III, Chair
Thomas F. Farrell, II
William H. Goodwin, Jr.
Gordon F. Rainey, Jr.
Elizabeth A. Twohy

and

The Remaining Members of the Board:

Thomas J. Bliley, Jr.	Don R. Pippin
William G. Crutchfield, Jr.	Terence P. Ross
Charles L. Glazer	Thomas A. Saunders, III
T. Keister Greer	Warren M. Thompson
Elsie Goodwyn Holland	E. Darracott Vaughan, Jr., M.D.
Mark J. Kington	H. Timothy Lovelace, Jr.

FROM: Alexander G. Gilliam, Jr.

RE: Minutes of the Meeting of the Executive Committee on
December 9, 2002

The Executive Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 3:30 p.m., Tuesday, December 9, 2002, in the 23rd Floor Conference Room of Troutman Sanders, Mays & Valentine, 1111 East Main Street, Richmond, Virginia; John P. Ackerly, III, Rector, presided. Thomas F. Farrell, II, William H. Goodwin, Jr., and Gordon F. Rainey, Jr., were present.

Ms. Elizabeth A. Twohy participated by telephone.

Also present were Leonard W. Sandridge and Alexander G. Gilliam, Jr.

The Committee approved the Minutes of the meeting of the Executive Committee held by telephone on November 26, 2002 (see Minutes of that meeting).

The next item on the Agenda was a proposed Faculty Retirement Incentive Program. Mr. Sandridge, Executive Vice President and Chief Operating Officer, explained that the proposed program would provide the means to free faculty resources for budget reallocation or reduction in accordance with the University's overall budget reduction plan (the University is faced with reductions in its General Fund appropriation for the 2002-2004 state Budget Biennium totaling \$93.5million and may be subject to further cuts).

The Program, which is described in some detail in the Attachment, offers incentives for early retirement; the total cost of these incentives in any fiscal year may not exceed \$2million.

On motion, the Committee approved the following resolution, which will be reported to the full Board at the next Board of Visitors meeting.

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.

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After adopting the following motions, the Committee went into Executive Session at 3:40 p.m.

That the Executive Committee of the Board of Visitors go into Executive Session to discuss the performance and compensation of specific employees, as provided for in Section (A) (1) of the Code of Virginia.

That the Executive Committee of the Board of Visitors go into Executive Session to discuss a proposal to transfer the University's interest in real estate to another public entity for its use as an educational facility, where discussion in an open meeting would adversely affect the University's interests and bargaining position; as provided for in Section 2.1-344 (A) (3) of the Code of Virginia.

The Committee resumed in Open Session at 5:20 p.m., and after adopting the following resolution, adjourned:

Mr. Rector, I move that we vote on and record our certification that, to the best of each Board member's knowledge, only public business matters lawfully exempted from open meeting requirements and which were identified in the motion authorizing the closed session, were heard, discussed or considered in closed session.

AGG:jfb

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

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