

November 18, 1998

MEMORANDUM

TO: The Executive Committee:

John P. Ackerly, III, Chair
Charles M. Caravati, Jr.
Champ Clark
William G. Goodwin, Jr.
Terence P. Ross

and

The Remaining Members of the Board:

William G. Crutchfield, Jr.	Henry L. Valentine, II
T. Keister Greer	Walter F. Walker
Elsie Goodwyn Holland	Benjamin P.A. Warthen
Timothy B. Robertson	James C. Wheat, III
Albert H. Small	Joseph E. Wolfe
Elizabeth A. Twohy	J. Michael Allen

FROM: Alexander G. Gilliam, Jr.

RE: Correction to the Minutes of the Executive
Committee Meeting of November 11, 1998

Please note that the Minutes of the last meeting of the Executive Committee should be corrected as follows: On page 8, the last paragraph of the resolution regarding the nomination of a University representative to the Art and

MEMORANDUM

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November 18, 1998

Architectural Review Board should be changed to delete the name Craig Evan Barton.

AGG:jb

Copies to: Mr. John T. Casteen, III

Mr. Paul J. Forch

Dr. Robert W. Cantrell

Mr. Peter W. Low

Mr. Leonard W. Sandridge

Mr. Robert D. Sweeney

Mr. Ernest H. Ern

Mr. William W. Harmon

Ms. Colette Capone

Ms. Polley McClure

Mr. Gene D. Block

Mr. Terry Holland

Mr. L. Jay Lemons

Ms. Louise Dudley

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FROM: Alexander G. Gilliam, Jr.

RE: Minutes of the Meeting of the Executive Committee

The Executive Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 5:10 p.m., Wednesday, November 11, 1998, in the Conference Room of Mays & Valentine, 1111 East Main Street, Richmond, Virginia; John P. Ackerly, III, Rector, presided. Charles M. Caravati, Jr., Champ Clark, William H. Goodwin, Jr., and Terence P. Ross were present. Also present were Leonard W. Sandridge, Jr., Alexander G. Gilliam, Jr., Paul J. Forch, Ms. Alice W. Handy, Robert W. Cantrell, Ms. Louise Dudley, David Richardson and Ms. Annika Kyrolainen.

Ms. Handy, University Treasurer, presented the first item on the Agenda, the issuance of General Revenue Bonds. The Bonds, in Series 1998A6B and 1999A, are to be sold on this day and will be used to finance the renovation of

Scott Stadium, as well as the construction of a student residence hall, the East Precinct Parking Garage, and the medical office building at the Fontaine Research Park. The amounts, including costs of issuance, are as follows: Scott Stadium, \$66m; student residence hall, \$5.7m; Parking Garage, \$2.6m; and medical office building, \$6.5m.

Bonds are to be sold also to refinance the Series E Hospital Bonds issued in 1989 (\$52.2m).

The bonds are to be sold in three series, all fixed rate and all with level debt service.

Mr. David Richardson, Bond Counsel, of McGuire, Woods, Battle & Boothe, described the issue.

On motion, the Committee adopted a resolution approving the bond issue; this action will be reported to the full Board at the Board of Visitors meeting in January.

AUTHORIZATION OF THE ISSUANCE OF \$134,590,000 GENERAL REVENUE PLEDGE BONDS

The following resolution was adopted:

WHEREAS, Chapter 9, Title 23 of the Code of Virginia of 1950, as amended, there is created a 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"), which is vested with the supervision, management and control of the University; and

WHEREAS, Chapter 3, Title 23 of the Code of Virginia of 1950, as amended (the "Act"), the University is classified as an educational institution, is declared to be a public body and is constituted a governmental instrumentality for the dissemination of education; and

WHEREAS, the Act empowers the University, with the consent and approval of the General Assembly of the Commonwealth of Virginia (the "Commonwealth") and the Governor of the Commonwealth to build, construct, reconstruct, erect, extend, better, equip and improve any building, facility, addition, extension or improvement of a capital nature required by or convenient for the purposes of the University and to borrow money and make, issue and

sell bonds of the University for any of such purposes, including the refinancing of any such facilities, such bonds to be issued and sold through the Treasury Board of the Commonwealth (the "Treasury Board"); and

WHEREAS, the Act further authorizes the University to pledge to the payment of the principal of and the interest on such bonds any moneys available for the use of the University, including, but not limited to, and subject to guidelines promulgated by the Secretary of Finance of the Commonwealth of Virginia (the "Secretary of Finance"), moneys appropriated to the University from the general fund of the Commonwealth of Virginia or from nongeneral funds, without regard to the source of such moneys, and which are not required by law or by previous binding contract to be devoted to some other purpose; and

WHEREAS, pursuant to a resolution adopted on October 10, 1998, the Board determined to finance (i) the construction and equipping of a new parking garage, (ii) the construction and equipping of a student residence hall, (iii) the renovation, expansion and equipping of Scott Stadium, (iv) the acquisition of a medical office building, and (v) the cost of refunding the outstanding Series E Bonds described below (collectively, the "Project"), and delegated to the Executive Committee of the Board the power to approve the final terms of such financing, within certain stated parameters; and

WHEREAS, for the purpose of providing funds to redeem certain outstanding bonds, the University has previously issued its Hospital Revenue Refunding Bonds (Series E) (the "Series E Bonds") in the initial aggregate principal amount of \$68,290,000 pursuant to a Master Resolution adopted by the Executive Committee of the Board on November 30, 1984 (as amended, the "Master Resolution"), and a Series Resolution adopted by the Executive Committee of the Board on June 22, 1989; and

WHEREAS, for the purpose of providing funds to finance the acquisition, construction and equipping of a new parking garage and a student residence hall and a portion of the renovation, expansion and equipping of Scott Stadium, the Executive Committee of the Board, pursuant to the powers granted it under Section 23-75 of the Code of Virginia of 1950, as amended, has determined to adopt this Resolution (the "Series 1998A Resolution") authorizing the

issuance of general revenue pledge bonds of the University as Series 1998A Bonds (the "Series 1998A Bonds"); and

WHEREAS, for the purpose of providing funds to finance the acquisition of a medical office building, the Executive Committee of the Board, pursuant to the powers granted it under Section 23-75 of the Code of Virginia of 1950, as amended, has determined, simultaneously with the adoption of the Series 1998A Resolution, to adopt a resolution (the "Series 1998B Resolution") authorizing the issuance of general revenue pledge bonds of the University as Series 1998B Bonds (the "Series 1998B Bonds"), and

WHEREAS, for the purpose of providing funds to finance a portion of the cost of refunding the outstanding Series E Bonds, the Executive Committee of the Board, pursuant to the powers granted it under Section 23-75 of the Code of Virginia of 1950, as amended, has determined, simultaneously with the adoption of the Series 1998A Resolution, to adopt a resolution (the "Series 1999A Resolution") authorizing the issuance of general revenue pledge bonds of the University as Series 1999A Bonds (the "Series 1999A Bonds");

RESOLVED by the Executive Committee of the University acting on behalf of the Board, approves the following: the Series 1998A Resolution, Series the 1998B Resolution, and the Series 1999A Resolution.

Mr. Sandridge, Executive Vice President and Chief Financial Officer, presented the next Agenda item.

The Central Shenandoah Criminal Justice Training Center was organized by the Commonwealth in 1973 to provide basic training for law enforcement personnel, among whose number have been officers of the University Police. The Center, after several moves, is now on the campus of the Blue Ridge Community College at Weyers Cave in Augusta County. A new physical plant is needed and the General Assembly has authorized a revenue bond issue under terms which would incur indebtedness without obligating member governmental units, including the University. The Center is to be chartered as the Regional Criminal Justice Training Academy and the Board of Visitors must authorize the University's participation in the new entity.

On motion, the Executive Committee adopted a resolution approving the formation of the Academy. This action will be reported to the full Board at its meeting in January.

APPROVAL OF THE FORMATION OF A REGIONAL CRIMINAL JUSTICE TRAINING ACADEMY

The following resolution was adopted:

WHEREAS, the Central Shenandoah Criminal Justice Training Center was originally organized in 1973 to provide basic and in-service training for law enforcement personnel, and

WHEREAS, the Training Center, located on the campus of the Blue Ridge Community College at Weyers Cave in Augusta County, now serves more than 70 criminal justice agencies serving more than 50 political subdivisions and localities, and

WHEREAS, the Training Center's membership has remained stable and reasonably constant over many years, and

WHEREAS, the Training Center has moved on two previous occasions because it has outgrown its available space, and

WHEREAS, the Training Center is now in need of a new physical plant that will allow it to continue to provide quality criminal justice training on a cost-efficient basis to its members, and

WHEREAS, the General Assembly has in recent years amended the Virginia Code to allow a regional criminal justice training academy to incur indebtedness without obligating a member governmental unit, and

WHEREAS, the Training Center's charter needs to be revised and reconstituted as the Central Shenandoah Criminal Justice Training Academy;

RESOLVED by the Board of Visitors of the University of Virginia, pursuant to Virginia Code § 15.2-1747, that the Charter of Central Shenandoah Criminal Justice Training Academy, a copy of which is attached and incorporated herein by reference, be adopted, and the University is authorized to join as a member of this Academy formed for the principal purpose of establishing and conducting criminal justice training and education for criminal justice personnel.

RESOLVED FURTHER that this resolution shall become effective upon adoption, and the Secretary to the Board is requested and authorized to forward an attested copy to the Executive Director, Central Shenandoah Criminal Justice Training Academy, 211 12th Street, Waynesboro, Virginia 22980.

RESOLVED FURTHER, by its adoption of this charter, 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 Academy, except as may be duly authorized by University officials.

Mr. Sandridge presented the next Agenda item, the acquisition of the old Sieg property on US 250 West in Albemarle County, to the west of the By-Pass. The property was purchased some years ago from the J.W. Sieg Co. by the University of Virginia Foundation and then leased to the Medical Center. It is proposed that the Medical Center purchase the property, which is between the Moser Radiation Therapy Center and the Northridge Building; the property consists of about 2 acres of land and a 26,000 square foot warehouse. It is used at present for storage; potentially, it is a site for the expansion of the Medical Center's outpatient facilities.

The purchase price for the property is \$1,186,567.07, which will be paid from hospital operating revenues.

On motion, the Executive Committee adopted a resolution approving the purchase of the property. This action will be reported to the full Board at its meeting in January.

APPROVAL OF ACQUISITION OF SIEG PROPERTY

The following resolution was adopted:

WHEREAS, the Medical Center has determined it is cost-effective to purchase the Sieg property on Route 250 West in Albemarle County; and

WHEREAS, the property supports current operations and has significant potential for future expansion; and

WHEREAS, the 1995 General Assembly authorized the Medical Center to utilize up to \$2.0 million of hospital operating revenues to acquire the property;

RESOLVED that the Executive Committee approve the acquisition of the Sieg Property in the amount of \$1,186,567.07; and

RESOLVED FURTHER that the Executive Vice President and Chief Financial Officer is authorized to execute any and all contracts and documents pertaining to the acquisition of the aforementioned property.

As a final Agenda item in Open Session, Mr. Sandridge told the Committee that one member among the five citizen members of the State Art and Architectural Review Board, all of whom are appointed by the Governor, is appointed from a list of persons nominated by the Board of Visitors. Mr. Sandridge proposed a resolution nominating Ms. Mary Virginia Hughes, the University Landscape Architect; Warren Turnbull Byrd, Jr., Professor of Landscape Architecture at the University; and William H. Sherman, Associate Professor of Architecture and Director of Undergraduate Studies in Architecture.

On motion, the Executive Committee adopted a resolution proposing three nominees to the Art and Architecture Review Board. This action will be reported to the full Board at its meeting in January.

APPROVAL OF UNIVERSITY REPRESENTATIVE TO THE ART AND ARCHITECTURAL REVIEW BOARD

The following resolution was adopted:

WHEREAS, pursuant to Section 2.1-488.1 of the Code of Virginia, the Governor appoints five citizen members to the Art and Architectural Review Board; and

WHEREAS, the Code provides that one member be appointed from a list of persons nominated by the governing board of the University of Virginia;

RESOLVED that the Board of Visitors recommends to the Governor that the following individuals be considered for appointment as citizen members of the Art and Architectural Review Board: Mary Virginia Hughes; Craig Evan Barton; Warren Turnbull Byrd, Jr.; and William H. Sherman.

Dr. Caravati offered a motion to go into Executive Session. The resolution was approved and the Committee went into Executive Session at 5:40 p.m.

The following motion was adopted:

That the Executive Committee of the Board of Visitors of the University of Virginia go into Executive Session for discussion of proprietary, business related, information concerning the Medical Center in connection with its existing joint ventures, and the investing of public funds in a managed care operation where competition or bargaining is involved, when if made public initially, the financial interests of the University would be adversely affected, as provided for in Sections 2.1-344 (A) (6) and 2.1-344 (A) (24) of the Code of Virginia; for the consideration of the acquisition or use of real property for a child care center for the University, as provided for in Section 2.1-344 (A) (3) of the Code of Virginia; for discussion of a personnel matter regarding performance of employees of the University, as provided for in Section 2.1-344 (A) (1) of the Code of Virginia; and for discussion of matters relating to fundraising activities, as provided for in Section 2.1-344 (A) (8) of the Code of Virginia.

The Committee resumed in Open Session at 9:50 p.m., and adopted the following resolutions:

APPROVAL OF CAPITAL LEASE FOR THE MEDICAL CENTER CHILD CARE FACILITY

The following resolution was adopted:

WHEREAS, the Medical Center has determined that it is cost-effective to close Blue Ridge Hospital and relocate its activities; and

WHEREAS, the 1998 General Assembly authorized the Medical Center to utilize up to \$2.4 million of hospital operating revenues to construct, acquire, or lease a new child care facility to replace the present facility at the Blue Ridge Hospital;

RESOLVED that the Executive Committee approves the acquisition or lease for the new child care center consistent with the Appropriations Act; and

RESOLVED FURTHER that the Executive Vice President and Chief Financial Officer, with the concurrence of the Chair of the Finance Committee, is authorized to execute any and all contracts and documents pertaining to the capital lease of the aforementioned facility.

APPOINTMENT OF UNIVERSITY OF VIRGINIA REPRESENTATIVE TO THE BLUE RIDGE HEALTH ALLIANCE BOARD

The following resolution was adopted:

RESOLVED that William E. Carter be designated a University of Virginia representative to the Board of the Blue Ridge Health Alliance, to serve at the pleasure of the Board of Visitors.

APPROVAL TO PROVIDE ADDITIONAL FUNDS TO BLUE RIDGE HEALTH ALLIANCE, INC.

The following resolution was adopted:

WHEREAS, Blue Ridge Health Alliance, Inc. may require additional capital to meet the 1998 and 1999 statutory net worth requirements and operating costs;

RESOLVED by the Executive Committee of the Board of Visitors that, in consultation with the Rector and chairs of the Health Affairs and Finance Committees, the Executive

Vice President and Chief Financial Officer is authorized to invest in, or advance to, Blue Ridge Health Alliance, Inc. an amount not to exceed \$7.0 million; provided, any such transfer of funds shall be reported to the Board of Visitors at its next regular meeting.

APPROVAL OF SALARIES FOR PRESIDENT JOHN T. CASTEEN, III, AND CHANCELLOR L. JAY LEMONS

The following resolution was adopted:

RESOLVED by the Executive Committee of the Board of Visitors of the University of Virginia that the 1998-99 salary recommendations for the President of the University and the Chancellor of Clinch Valley College, in accordance with the 1998 Appropriations Act, be approved.

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On motion, the meeting was adjourned at 10:00 p.m.

AGG:jb

- Copies to: Mr. John T. Casteen, III
- Mr. Paul J. Forch
- Dr. Robert W. Cantrell
- Mr. Peter W. Low
- Mr. Leonard W. Sandridge, Jr.
- Mr. Robert D. Sweeney
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