

January 10, 2001

MEMORANDUM

TO: The Executive Committee:

John P. Ackerly, III, Chair
Charles M. Caravati, Jr., M.D.
William H. Goodwin, Jr.
Terence P. Ross
Elizabeth A. Twohy

and

The Remaining Members of the Board:

Thomas J. Bliley, Jr.	Gordon F. Rainey, Jr.
William G. Crutchfield, Jr.	Timothy B. Robertson
Charles L. Glazer	Walter F. Walker
T. Keister Greer	Benjamin P.A. Warthen
Elsie Goodwyn Holland	James C. Wheat, III
Stephen S. Phelan, Jr.	Joseph E. Wolfe

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the Executive Committee
on January 10, 2001

The Executive Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 12:15 p.m., Wednesday, January 10, 2001, in the Lower East Oval Room of the Rotunda; John P. Ackerly, III, Rector, presided. Charles M. Caravati, Jr., M.D. and William H. Goodwin, Jr., were present; Ms. Elizabeth A. Twohy participated by telephone.

William G. Crutchfield, Jr., Benjamin P.A. Warthen and James C. Wheat, III, were present as well.

Also present were John T. Casteen, III, Leonard W. Sandridge, Alexander G. Gilliam, Jr., and Ms. Jeanne Flippo Bailes.

On motion, the Committee went into Executive Session for five minutes.

The following motion was adopted:

That the Executive Committee of the Board of Visitors of the University of Virginia 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.

After resuming in Open Session, the Committee considered and approved two resolutions adopted earlier in the day by the Buildings and Grounds Committee. The first resolution covered capital budget amendments for seven capital construction projects at the University: the project to renovate and add on to Clark Hall, the construction of a Studio Art Building, renovations to a science and engineering laboratory, renovations to Withers-Brown Hall at the Law School, three steam tunnel repair and replacement projects (pulled together as one capital outlay amendment), the acquisition of a research building for the School of Engineering, and the construction of a new Materials Science Building.

The second resolution to come from the Buildings and Grounds Committee concerned a proposed regional convention center at The University of Virginia's College at Wise.

Both of these resolutions were brought to the Executive Committee rather than to the full Board in order to meet the requirements of the General Assembly's legislative calendar.

On motion, the two resolutions were approved and will be reported to the full Board at its meeting on January 19, 2001.

APPROVAL OF LEGISLATIVE CAPITAL BUDGET AMENDMENTS FOR THE
ACADEMIC DIVISION

WHEREAS, on October 2, 2000, the Rector and Visitors approved a list of capital budget amendments to be submitted to the Governor; and

WHEREAS, the construction bids on the Clark Hall Renovation and Addition project have exceeded the original estimates and require a general fund supplement; and

WHEREAS, the University has identified additional projects to be funded with gifts, grants, and other internally generated revenue; and

WHEREAS, the additional requests are consistent with the mission of the institution and with its strategic plan;

RESOLVED that the Board of Visitors of the University of Virginia endorses and supports the legislative budget amendment requests; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer is authorized to transmit the amendment requests to the General Assembly.

APPROVAL OF LEGISLATIVE BUDGET AMENDMENT FOR THE COLLEGE AT
WISE

WHEREAS, in March 1999, the Rector and Visitors approved the Six-Year Capital Outlay Plan for The University of Virginia's College at Wise; and

WHEREAS, the Plan included a 2002-2004 project for a Physical Education and Convocation Center; and

WHEREAS, a feasibility study is necessary to determine the viability of the project;

RESOLVED that the Board of Visitors of the University of Virginia concurs with the legislative budget amendment request to fund a feasibility study; and

RESOLVED FURTHER that the Board's future endorsement of the project is contingent on the results of the

feasibility study and its impact on the financial operations of the College; and

RESOLVED FURTHER that the Interim Chancellor of the College at Wise is authorized to transmit the amendment request to the General Assembly.

The next two resolutions proposed to the Committee on the Agenda concerned the research building for the School of Engineering at the Fontaine Research Park. The building will be put up by the University of Virginia Foundation and sold to the University on completion. The first resolution authorized the purchase and the second constituted a formal notice of intent to issue bonds to cover the costs.

On motion, the Committee approved the two resolutions, which will be reported to the full Board at its meeting on January 19, 2001.

APPROVAL OF ACQUISITION OF THE SCHOOL OF ENGINEERING AND APPLIED SCIENCE RESEARCH BUILDING

WHEREAS, the School of Engineering and Applied Science has determined that a critical shortage of research space exists and will soon have a negative impact on continued growth in existing and future research programs; and

WHEREAS, the University requests that the University of Virginia Foundation construct the School of Engineering and Applied Science Research Building, a laboratory building to be located at the Fontaine Research Park; and

WHEREAS, the University expects to buy the building upon completion, at a price not to exceed the appraised value of the property; and

WHEREAS, the project costs of the School of Engineering and Applied Science Research Building acquisition are expected not to exceed \$13.0 million;

RESOLVED that the Executive Vice President and Chief Operating Officer is authorized, consistent with applicable University and State policies, to seek state approval for acquisition of the Fontaine Research Center, provide construction loans, arrange bond financing and execute such

documents as may be necessary to effect the transactions including acquisition of the completed facility and the land from the University of Virginia Foundation and/or the University of Virginia Real Estate Foundation.

APPROVAL OF INTENT TO ISSUE BONDS FOR THE SCHOOL OF
ENGINEERING AND APPLIED SCIENCE RESEARCH BUILDING

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 Treasury 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 bonds; 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;

RESOLVED that, pursuant to the Regulations, the University hereby declares its intent to reimburse expenditures in accordance with the following:

1. The University reasonably expects to reimburse expenditures incurred for the construction of the School of Engineering and Applied Science Research Building proceeds from the issuance of tax-exempt bonds ("bonds") to be issued by the University either directly or through the College Building Authority with the approval of the Treasury Board;
2. This resolution is a declaration of official intent under Section 1.150-2 of the Regulations;
3. The maximum principal amount of bonds expected to be issued for the purpose of reimbursing expenditures relating to the construction of the School of Engineering and Applied Science Research Building in an amount not to exceed \$9.0 million.

The last two resolutions were proposed amendments to the legislative operating budget, presently under consideration by the General Assembly in Richmond. The first was a request for \$17m for the Academic Division and the second for \$295,000 for The University of Virginia's College at Wise. Both resolutions were brought to the Executive Committee rather than to the full Board in order to meet the requirements of the General Assembly's legislative calendar.

On motion, the Committee approved the two resolutions, which will be reported to the full Board at its meeting on January 19, 2001.

APPROVAL OF LEGISLATIVE OPERATING BUDGET AMENDMENTS FOR THE ACADEMIC DIVISION AND THE COLLEGE AT WISE

WHEREAS, on October 2, 2000, the Rector and Visitors approved a list of operating budget amendments to be submitted to the Governor; and

WHEREAS, the University and The University's College at Wise have identified additional requests for which they desire to seek support from the General Assembly; and

WHEREAS, the additional requests are consistent with the missions of the institutions and with their strategic plans;

RESOLVED that the Board of Visitors of the University of Virginia endorses and supports the legislative budget amendment requests; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer and Chancellor ad interim of the College at Wise are authorized to transmit the amendment requests to the General Assembly.

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On motion, the meeting was adjourned at 12:15 p.m.

AGG:lah

Copies to: Mr. John T. Casteen, III
Mr. Gene D. Block
Dr. Robert W. Cantrell
Ms. Louise Dudley
Mr. Paul J. Forch
Mr. William W. Harmon
Mr. Terry Holland
Mr. L. Jay Lemons
Mr. Peter W. Low
Dr. Robert E. Reynolds
Mr. Leonard W. Sandridge
Ms. Colette Sheehy
Mr. Robert D. Sweeney

At a meeting of the Executive Committee of the Board of Visitors of the University of Virginia held on January 10, 2001, a roll call vote was taken immediately following an executive session. Members voting "yes" certify that to the best of the Member's knowledge (1) only public business matters lawfully exempted were discussed in closed session; and (2) only public business matters identified in the public motion by which the executive or closed meeting were discussed. In accordance with the law, any member of the public body who believes that there was a departure from the foregoing shall so state prior to the vote indicating "the substance of the departure". Any such statements are recorded below under "comments".

<u>NAME</u>	<u>VOTE</u>	<u>COMMENTS</u>
	<u>yes or no</u>	
<u>John P. Ackerly, III</u>	<u>yes</u>	
<u>Thomas J. Bliley, Jr.</u>		
<u>Charles M. Caravati, Jr.</u>	<u>yes</u>	
<u>William G. Crutchfield, Jr.</u>	<u>yes</u>	
<u>Charles L. Glazer</u>		
<u>William H. Goodwin, Jr.</u>	<u>yes</u>	
<u>T. Keister Greer</u>		
<u>Mrs. Elsie Goodwyn Holland</u>		
<u>Gordon F. Rainey, Jr.</u>		
<u>Timothy B. Robertson</u>		
<u>Terence P. Ross</u>		<u>absent</u>
<u>Elizabeth A. Twohy</u>	<u>yes</u>	
<u>Walter F. Walker</u>		
<u>Benjamin P.A. Warthen</u>	<u>yes</u>	
<u>James C. Wheat, III</u>	<u>yes</u>	
<u>Joseph E. Wolfe</u>		
<u>Stephen S. Phelan, Jr.</u>		

ADDENDUM TO THE OFFICIAL MINUTES OF THE MEETING
OF THE BOARD OF VISITORS OF THE UNIVERSITY OF
VIRGINIA

Meeting Date: January 10, 2001

CERTIFICATION OF EXECUTIVE MEETING

WHEREAS the Executive Committee of the Board of Visitors has convened an executive meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS Section 2.1-344.1 of the Code of Virginia requires a certification by this Executive Committee that such executive meeting was conducted in conformity with Virginia law;

NOW THEREFORE BE IT RESOLVED that the Executive Committee hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the executive meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the executive meeting were heard, discussed or considered by the Executive Committee.

VOTE

AYES: 7

NAYS: 0

[For each nay vote, the substance of the departure from the requirements of the Act should be described].

ABSENT DURING VOTE: 1

ABSENT DURING MEETING: 1

Alexander G. Gilliam, Jr.
Secretary, Board of Visitors,
University of Virginia