

June 2, 2003

MEMORANDUM

TO: The Special Committee of the Board on Governance:

Thomas F. Farrell, II, Chair
William G. Crutchfield, Jr.
Susan Y. Dorsey
William H. Goodwin, Jr.
Gordon F. Rainey, Jr.
Terence P. Ross
Thomas A. Saunders, III
E. Darracott Vaughan, Jr.

and

The Remaining Members of the Board:

Thomas J. Bliley, Jr.	Don R. Pippin
Charles L. Glazer	Warren M. Thompson
Mark J. Kington	Georgia M. Willis
Lewis F. Payne	John O. Wynne
John R.M. Rodney	

FROM: Alexander G. Gilliam, Jr.

SUBJECT: Minutes of the Meeting of the Special Committee on Governance on June 2, 2003

The Special Committee on Governance of the Board of Visitors of the University of Virginia met, in Open Session, at 4:00 p.m., Monday, June 2, 2003, in the office of Thomas F. Farrell, II, at Dominion Energy, Inc., in Richmond. Mr. Farrell, the Chair, presided.

Ms. Susan Y. Dorsey, William H. Goodwin, Jr., and Gordon F. Rainey, Jr., Rector, were present. William G. Crutchfield, Jr., Terence P. Ross, and E. Darracott Vaughan, Jr., M.D., participated by telephone.

Also participating by telephone were Leonard W. Sandridge, Alexander G. Gilliam, Jr., and Paul J. Forch. Ms. Jeanne F. Bailes presided over the speakerphone which was available to the public in the Board Office.

The Special Committee discussed UVIMCO and endowments. The Committee concluded that it should continue to pursue a UVIMCO structure that would ensure independence under most circumstances. This is necessary, the Committee felt, because some donors are reluctant to give when they cannot be assured that the University, and not the state, has ultimate control over its endowment. The Committee concluded that a UVIMCO governing structure in which there is better continuity of membership than there is at present, is to be desired. The governing board, too, should be constructed in such a way that UVIMCO Board members can be recruited for their financial skills.

But, the Committee concluded, the Board of Visitors must have ultimate control over the disposition of the funds. Some Committee Members felt that donors may prefer giving to "Rector and Visitors," and questions were raised about the political perception of a multibillion dollar independent foundation lurking behind the scenes.

The role of the 27 different University-related foundations was discussed, and there was general agreement that it is inefficient to manage 27 different funds.

It was agreed that unless substantial changes are made to the UVIMCO governance structure, it is not worth making changes.

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

AGG:lah

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

<http://www.virginia.edu/bov/specialcommminutes>