

MINUTES OF A MEETING OF THE BOARD OF VISITORS
OF VIRGINIA COMMONWEALTH UNIVERSITY
March 21, 1984

A meeting of the Board of Visitors of Virginia Commonwealth University was held on Wednesday, March 21, 1984, at 9:00 a.m. in the University Meeting Center.

Present were Messrs. Allen, Craigie, Lipman, Ludeman and Reynolds; Drs. Coleman, Gayle and Nemuth; and Mrs. Thalhimer. Absent were Messrs. Cotten, Farinholt, Grey, Morris and Smith; and Mesdames Bemiss and Whittemore. Also present were Drs. Ackell, Hall, Sparks, Wilson and Woods; Messrs. Bruegman, Guerdon and Ross; and Mrs. Price.

Mr. Ludeman called the meeting to order and commented on Board attendance.

The Report of the President followed. Dr. Ackell reported on the following items:

1. The General Assembly adjourned on March 12 after extending its session by two days because of an impasse over the 1984-86 budget.

Regarding Statewide issues affecting the operating budget, the major results were:

- . Funds will provide for a 10% merit increase each year of the biennium for faculty salaries. Part-time faculty salary increases were reduced to 7% per year. Life insurance will also be paid by the state; this will be equivalent to a 1% increase in net pay.
- . An 8.6% increase for 1984-85 plus approximately 1% for funding of life insurance was allocated for classified salaries. No funds are provided for 1985-86.
- . Student aid support increased 100 % from \$1.6 million in 1982-84 to \$3.2 million in 1984-86.

With regard to University issues, the following items were approved:

- Sixteen new positions were authorized for the biennium: Ten for both years and six more in the second year.

- Second year funding of \$1.8 million for the enhancement of technological programs and the acquisition of software to enhance financial and accounting reporting systems.

- There were no changes in MCV Hospitals operating budget over the Governor's recommendations.

In other issues of interest to the University:

- The Alzheimers and Related Diseases Research Award was increased from \$10,000 to \$40,000 each year. Administrative costs are to be borne by the fund.

- A center to foster and broker academic support for basic industries with emphasis on applied research and training is approved, as recommended by the Governor (\$104,725 and 2 positions for first year, \$112,665 and 2 positions for the second year).

- Funds to transmit the graduate engineering televised program to Northern Virginia and Tidewater areas of the state were approved as recommended by the Governor (\$326,975 for the first year and \$297,850 for the second year - general funds only). The State Council of Higher Education will approve the allotment of the funds.

With regard to Capital Outlay approvals:

- The Academic Classroom Building general fund appropriation of \$14,224,000 which was recommended by the Governor, was reduced to \$13,006,300.

- For the Hospital, maintenance funds for certain repair projects were reduced from \$396,500 to \$213,050.

- In the central appropriation account (statewide in application and controlled by the Governor) an additional \$1,000,000 was added to the \$1,000,000 recommended by the Governor. This fund is for the purpose of supplementing capital outlay appropriations.

2. As you are aware, we have a number of searches underway. The finalists are being interviewed for Dean of Dentistry.

Preliminary candidates are being interviewed for the Vice President of Advancement and the Vice President for Health Scienc-

es. Some members of the Board will be asked to interview finalists for these two positions.

Once the Vice President of Health Sciences is on board, we will begin the search for the Dean of Medicine.

In the near future, we will also begin a search for the Provost and Vice President for Academic Affairs anticipating Wayne Hall's retirement in June of 1985.

3. The University in cooperation with the American Council on Education is planning a statewide conference on "Developing Human Capital, A Shared Responsibility," in October, 1984. The conference will bring together representatives from business and industry, government and higher education. Planning is just beginning and more information will be forth coming. We hope some of you will be able to attend.
4. I recently attended a Leadership Development Conference sponsored jointly by the American Council on Education and the Association of Governing Boards. As a result of my participation in this Conference, I have been asked to serve on ACE's Commission on Leadership Development which will help to train other presidents. This is a national Commission and should bring good exposure to our University.
5. We're very proud of the accomplishments of our men's basketball program. As you know, we advanced to the second round and were defeated by Syracuse University. However, participating in the NCAA Tournament has given our program excellent exposure and, hopefully, will enhance our recruiting program.

Mr. Ludeman reported on behalf of the Executive Committee which met on February 16, 1984. The Committee reviewed the Quarterly Budget Report for the Second Quarter ending December 31, 1983, and the Mid-Year Budget Projection Report for E&G Programs for 1983-84. These reports showed that, despite a decline in enrollment which is causing a shortfall in budgeted tuition and fee revenues, the budget is in balance. Mr. Ludeman also stated that the Committee reviewed the budget planning assumptions for 1984-86 and the legislative amendments for the University.

Dr. Gayle reported for the Academic Policy Committee which met on February 14, 1984, to review the report of the State Council on Computer Sciences. At VCU, the report focused on the B.S. and M.S. in Computer Sciences, which is a track in the Department of Mathematical Sciences and the B.S. and M.S. in Information Systems in the School of Business. It was noted that VCU was lacking certain resources for computer instruction; most notably equipment and manpower.

The Committee also met on March 15. This meeting was conducted in executive session. On the same date, the Committee held a second meeting with faculty representatives from the various self-study standards and reviewed the process used during the self-study. The reaffirmation team will be on campus the week of April 1.

Mr. Craigie reported for the Advancement Committee. He stated that Mr. Ware had updated the Committee on the various legislative activities. The committee also approved and recommended to the Board changing the name of the "Annual Fund" program to the "VCU Annual Giving Program."

Mr. Craigie reported that the Audit Committee report would be made in executive session.

Dr. Gayle reported for the Hospital Committee which met on February 9, 1984. He stated that the Committee reviewed the hospital's budget which is on target and had a presentation on DRG's (Diagnostic Related Group) and the impact on MCVH. The Committee also reviewed the criteria for privileges for oral surgeons.

Dr. Coleman reported for the Property Committee which met on February 7, 1984, and March 6, 1984. At the February meeting, the Committee reviewed proposed floor plan for the third floor of the Main Hospital. This plan identified the site that has been selected for the 5 kilogauss clinical NMR unit. The Committee also reviewed a status report on the MCV Master Site Plan. The most controversial item in this plan is the possible demolition of West Hospital. However, this is only one of the options being considered; renovation is certainly a possibility. The administration is not prepared to make a recommendation at this time.

At the March meeting, the Committee approved the contract for Joseph S. Terrell, Inc., for the renovation of Founder's Hall. The bid is \$618,735 or \$200,000 less than the amount budgeted for the project. The Committee received a report on the various site work projects now underway. The remainder of the meeting was conducted in executive session.

Mr. Reynolds reported that the Student Affairs Committee met on February 2, 1984, and received a report on student life in the residence halls. In response to a question concerning the recent publicity of the Downtowner Hotel, Dr. Wilson responded that when the contract was renewed the owners assured the administration that our students would not be inconvenienced or in danger during the renovation. However, the renovation was much more extensive than anticipated and it was felt that the students should be relocated. All the students have been moved to other University housing. Each student was compensated with \$100 for moving expenses.

On motion made and seconded, all Committee reports were accepted and all Committee minutes were approved.

Mr. Guerdon presented a resolution for the U.S. Department of Education loan for the renovation of Cabaniss, Johnson and Rhoads Halls. On motion made and seconded, the following resolution was approved:

WHEREAS, pursuant to the provisions of the Commonwealth of Virginia Higher Educational Institutions Bond Act of 1984 (the "Act"), which has been enacted by the General Assembly of Virginia of 1984, the Treasury Board of the Commonwealth of Virginia (the "Treasury Board") is authorized, by and with the consent of the Governor, to sell and issue bonds of the Commonwealth of Virginia in an aggregate principal amount not exceeding \$33,176,000 pursuant to the Act, together with additional unissued amounts authorized by the General Assembly of Virginia in previous years (the "Bonds") for the purpose of providing funds, with any other available funds, for paying the cost of acquiring, constructing, and equipping revenue producing capital projects, including the enlarging and improving thereof, at institutions of higher learning of the Commonwealth, all in accordance with the provisions of Section 9(c) of Article X of the Constitution of Virginia;

WHEREAS, said revenue producing capital projects include the renovation of three student dormitories known as Cabaniss, Johnson and Rhoads Halls at Virginia Commonwealth University (the "Project") at a cost now estimated to equal or exceed \$2,999,000; and

WHEREAS, THE Treasury Board proposes to sell to the United States Department of Education ("ED") a portion of the Bonds in the principal amount of \$2,890,000 designated "Higher Educational Institutions Bonds, 1984 Series ___" with an appropriate series designation, for the purpose of financing a portion of the cost of the Project;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY:

Section 1. The Board of Visitors of Virginia Commonwealth University (the "Board") (a) covenants to fix, revise, charge, and collect rentals, fees and charges (including, without limitation, those for room and board) for or in connection with the use, occupancy, or services of the Project, and (b) pledges said rentals, fees and charges and all other income and revenue arising from the ownership or operation of the Project to the payment of the principal of and interest on the Bonds; provided that the current expenses of operating the Project (the "Current Expenses") shall be a first charge on

such rentals, fees and charges. The Board further covenants that such rentals, fees and charges will be fixed, revised, charged and collected so that the net revenues from the Project, after payment of Current Expenses and other debt service payable therefrom, if any, will at all time be sufficient to pay the principal of and interest on the Bonds as the same become due and to deposit an amount not to exceed \$28,900 annually to a repair and replacement reserve account for the Project (the "Reserve Account") until the same shall be maintained at a level not to exceed \$289,000, such account to be maintained by the University within its local University funds. Any such revenues in excess of the amounts required for the payment of Current Expenses, other debt service payable therefrom, if any, the payments of principal of and interest on the Bonds when due and the annual deposits to the Reserve Account may be used by the University for any other proper purpose. The Board further covenants that no debt obligations secured by a parity lien on the revenues of the Project pledged hereby to the payment of the principal of and interest on the Bonds shall be subsequently issued, except financing in an amount not to exceed \$109,000 for additional renovation costs of, and the furnishings and movable equipment to be installed in, the Project, and except financing for any revenue producing expansion or addition to the Project.

Section 2. The Board hereby authorizes and empowers the appropriate officers of the University, for and on its behalf, to execute the Loan Agreement dated as of March 1, 1984 among the Treasury Board, the University and ED in substantially the form presented to this meeting (the "Loan Agreement"), with such changes, additions or deletions as the officer or officers executing the Loan Agreement may deem appropriate and not inconsistent with the purpose of these resolutions, such changes, additions, or deletions to be conclusively presumed to have been made in accordance with these resolutions upon execution of the Loan Agreement by such officer or officers, and to take such further action as may be necessary or desirable to carry out the intent and purposes of these resolutions and the Loan Agreement, the operation of the Project, and the consummation of the sale of the Bonds to ED.

Section 3. The Bonds shall be in the principal amount of \$2,890,000 payable over 20 years, shall bear interest at 3% per annum, and shall otherwise be dated, issues in such denomination(s) and form and payable in such installments as shall be agreed to by the Treasury Board and ED (consistent with the feasibility estimates referred to in Section 4 hereof) to all of which the Board hereby consents.

Section 4. It is hereby found, determined and declared that, based upon responsible engineering and economic estimates and advice of appropriate officials of the University, as shown on Exhibit A hereto, the anticipated net revenues of the Project pledged above,

together with renovation period interest, if any, included in the proceeds of the Bonds, will be sufficient to pay Current Expenses, all other debt service presently secured by or payable from such revenues, the principal of and interest on the Bond and the required deposits to the Reserve Account as and when they become due.

Section 5. The Board covenants that so long as the Bonds are outstanding the University will pay to the Treasurer of Virginia not less than 30 days before each interest or principal and interest payment date the amount certified by the Treasurer of Virginia to be due and payable on such date for the payment of the principal of and interest on the Bonds.

Section 6. The Board covenants that the University will pay from time to time all expenses incurred in connection with the sale and issuance of the Bonds and all expenses thereafter incurred in connection with the payment of the principal of and interest on the Bonds all as certified by the Treasurer of Virginia to the University.

Mr. Guerdon presented a resolution regarding the sale of bonds by the Commonwealth which includes financing for the site work for the University Commons Building, phase II of the Low-Rise Dormitory and renovation for student housing. On motion made and seconded, the following Resolution was approved with Mr. Craigie abstaining:

WHEREAS, pursuant to the provisions of the Commonwealth of Virginia Higher Educational Institutions Bond Act of 1983 (the "1983 Act") which Act has been enacted by the General Assembly of Virginia of 1983 and the Commonwealth of Virginia Higher Educational Institutions Bond Act of 1984 (the "1984 Act"), which Act has been enacted by the General Assembly of Virginia of 1984, the Treasury Board of the Commonwealth of Virginia (the "Treasury Board") was authorized, by and with the consent of the Governor, to sell and issue bonds of the Commonwealth of Virginia in an aggregate principal amount no exceeding \$33,176,000 pursuant to the 1984 Act together with additional unissued amounts authorized under the 1983 Act for the purpose of providing funds, with any other available funds, for paying the cost of acquiring, constructing, and equipping revenue producing capital projects, including the enlarging and improving thereof, at institutions of higher learning of the Commonwealth, all in accordance with the provisions of Section 9(c) of Article X of the Constitution of Virginia;

WHEREAS, said revenue producing capital projects include, under the 1983 Act, the construction of a student dormitory known as the Low Rise Dormitory, Phase II (the "Low Rise Project") and, under the 1984 Act, the renovation of three student dormitories known as Cabaniss, Johnson and Rhoads Halls (the "Renovation project") and the construction of the Student Commons Building, including site work (the "Student Commons Project"), for Virginia Commonwealth University at costs now estimated to equal or exceed \$5,474,000, \$2,999,000 and \$6,879,700, respectively;

WHEREAS, the Treasury Board has issued and sold a portion of said bonds in the amount of \$4,050,000 to finance a portion of the cost of the Low Rise Project and will issue and sell a portion of said bonds in the amount of \$2,890,000 to finance a portion of the cost of the Renovation Project to the United States of America acting by and through the Department of Education ("ED") (the "1983 Series C Bonds" and "1984 Series A Bonds", respectively);

WHEREAS, the Treasury Board proposes to sell publicly a portion of said bonds tentatively to be designated "Higher Educational Institutions Bonds, 1984 Series B" (the "1984 Series B Bonds") which will include an amount not to exceed \$6,879,700 to finance a portion of the cost of constructing and equipping the Student Commons Project;

WHEREAS, the Treasury Board proposes to sell publicly a portion of said bonds tentatively to be designated "Higher Educational Institutions Bonds, 1984 Series C" (the "1984 Series C Bonds"), which will be in an amount not to exceed \$1,424,000 for the purpose of financing a portion of the cost of constructing and equipping the Low Rise Project; and

WHEREAS, the Treasury Board proposes to sell publicly a portion of said bonds tentatively to be designated "Higher Educational Institutions Bonds, 1984 Series D" (the "1984 Series D Bonds") which will be in an amount not to exceed \$109,000 to finance a portion of the cost of renovating and equipping the Renovation Project;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY:

Section 1. The Board of Visitors of Virginia Commonwealth University (the "Board") (a) covenants to fix, revise, charge and collect student University fees for or in connection with the Student Commons Project and revenues from the food service facilities located in the Student Commons Project, and (b) pledges said fees and revenues to the payment of the principal of, premium, if any, and interest on that portion of the 1984 Series B Bonds issued to finance the Student Commons Project; provided that the current

expenses of operating the Student Commons Project, including the food service facilities (the "Student Commons Current Expenses") shall be a first charge on such fees and revenues. The Board further covenants that such fees and revenues will be fixed, revised, charged and collected so that the net revenues from or for the use or otherwise received on behalf of the Student Commons Project after payment of the Student Commons Current Expenses, will at all times be sufficient to pay the principal of, premium, if any, and interest on that portion of the 1984 Series B Bonds issued to finance the Student Commons Project, as and when the same become due. Any such revenues in excess of the amounts required for the payment of the Student Commons Current Expenses and the payment of the principal of, premium, if any, and interest on that portion of the 1984 Series B Bonds issued to finance the Student Commons Project when due may be used by the University for any other proper purpose.

Section 2. It is hereby found, determined, and declared that, based upon responsible engineering and economic estimates and advice of appropriate officials of the University as shown on Exhibit A hereto, the anticipated net revenues received from or on behalf of the Student Commons Project pledged above will be sufficient to pay the Student Commons Current Expenses and the principal of, premium, if any, and interest on that portion of the 1984 Series B Bonds issued to finance the Student Commons Project, as the same become due, so long as the average interest rate on the 1984 Series B Bonds does not exceed 9.5% per annum.

Section 3. The Board covenants that so long as the 1984 Series B Bonds are outstanding, the University will pay to the Treasurer of Virginia not less than 30 days before each interest or principal and interest payment date, the amount certified by the Treasurer of Virginia to be due and payable on such date as principal and interest on that portion of the 1984 Series B Bonds issued on behalf of the University to finance the Student Commons Project.

Section 4. The Board (a) covenants to fix, revise, charge, and collect rentals, fees and charges (including, without limitation, those for room and board) for or in connection with the use, occupancy or services of the Low Rise Project, and (b) pledges said rentals, fees and charges and all other income and revenue arising from the ownership or operation of the Low Rise Project to the payment of the principal of, premium, if any, and interest on the 1984 Series C Bonds on a parity with the 1983 Series C Bonds; provided that the current expenses of operating the Low Rise Project (the "Low Rise Current Expenses") shall be a first charge on such revenues. The Board further covenants that such rentals, fees and charges will be fixed, revised, charged, and collected so that the net revenues from the Low Rise Project after payment of the Low Rise Current Expenses, will at all times be sufficient to make the

deposits required by the Loan Agreement dated as of March 1, 1983 among the Treasury Board, the University and ED (the "Low Rise Loan Agreement") pursuant to which the 1983 Series C Bonds were issued and to pay the principal of, premium, if any, and interest on the 1984 Series C Bonds and the 1983 Series C Bonds as and when the same become due. Any such revenues in excess of the amounts required for the payment of the Low Rise Current Expenses, the deposits required by the Low Rise Loan Agreement, and the payment of principal of, premium, if any, and interest on the 1984 Series C Bonds and the 1983 Series C Bonds may be used by the University for any other proper purpose.

Section 5. It is hereby found, determined, and declared that, based upon responsible engineering and economic estimates and advice of appropriate officials of the University as shown on Exhibit B hereto, the anticipated net revenues from the Low Rise Project pledged above will be sufficient to pay the Low Rise Current Expenses, to make the deposits required by the Low Rise Loan Agreement and to pay the principal of, premium, if any, and interest on the 1984 Series C Bonds and the 1983 Series C Bonds, as the same become due, so long as the average interest rate on the 1984 Series C Bonds does not exceed 9 $\frac{1}{2}$ % per annum.

Section 6. The Board covenants that so long as the 1984 Series C Bonds are outstanding, the University will pay to the Treasurer of Virginia not less than 30 days before each semiannual interest or principal and interest payment date the amount certified by the Treasurer of Virginia to be due and payable on such date for the payment of the principal of, premium, if any, and interest on the 1984 Series C Bonds.

Section 7. The Board (a) covenants to fix, revise, charge, and collect rentals, fees and charges (including, without limitation, those for room and board) for or in connection with the use, occupancy or services of the Renovation Project, and (b) pledges said rentals, fees and charges and all other income and revenue arising from the ownership or operation of the Renovation Project to the payment of the principal of, premium, if any, and interest on the 1984 Series D Bonds on a parity with the 1984 Series A Bonds; provided that the current expenses of operating the Renovation Project (the "Renovation Current Expenses") shall be a first charge on such revenues. The Board further covenants that such rentals, fees and charges will be fixed, revised, charged, and collected so that the net revenues from the Renovation Project after payment of Renovation Current Expenses, will at all times be sufficient to make the deposits required by the Loan Agreement dated as of March 1, 1984 among the Treasury Board, the University and ED (the "Renovation Loan Agreement") pursuant to which the 1984 Series A Bonds will be issued, to pay the principal of, premium if any, and interest on the 1984 Series D Bonds and the 1984 Series A Bonds as and when the

same become due and to pay debt service on any outstanding obligations that have been previously issued to provide funds for one or more of the three dormitories constituting the Renovation Project, the 1984 Series D Bonds and 1984 Series A Bonds to be secured on a parity with such obligations. Any such revenues in excess of the amounts required for the payment of the Renovation Current Expenses, the deposits required by the Renovation Loan Agreement, the principal of, premium, if any, and interest on the 1984 Series D Bonds and the 1984 Series A Bonds and debt service on outstanding obligations issued to provide funds for one or more of the three dormitories constituting the Renovation Project may be used by the University for any other proper purpose.

Section 8. It is hereby found, determined, and declared that, based upon responsible engineering and economic estimates and advice of appropriate officials of the University as shown on Exhibit C hereto, the anticipated net revenues from the Renovation Project pledged above, plus that portion of the proceeds of the 1984 Series D Bonds and the 1984 Series A Bonds representing interest thereon during the renovation of the Renovation Project, will be sufficient to pay the Renovation Current Expenses, to make the deposits required by the Renovation Loan Agreement, and to pay the principal of, premium, if any, and interest on the 1984 Series D Bonds and the 1984 Series A Bonds, as the same become due and debt service on outstanding obligations issued to provide funds for one or more of the three dormitories constituting the Renovation Project, so long as the average interest rate on the 1984 Series D Bonds does not exceed 12% per annum.

Section 9. The Board covenants that so long as the 1984 Series D Bonds are outstanding, the University will pay to the Treasurer of Virginia not less than 30 days before each semiannual interest or principal and interest payment date the amount certified by the Treasurer of Virginia to be due and payable on such date for the payment of the principal of, premium, if any, and interest on the 1984 Series D Bonds.

Section 10. The Board covenants that the University will pay from time to time its proportionate share of all expenses incurred in connection with the sale and issuance of the 1984 Series B Bonds, the 1984 Series C Bonds and the 1984 Series D Bonds and all expenses thereafter incurred in connection with the payment of the principal of, premium, if any, and interest on the 1984 Series B Bonds, the 1984 Series C Bonds and the 1984 Series D Bonds all as certified by the Treasurer of Virginia to the University.

Mr. Guerdon presented the list of contracts signed since the January meeting of the Board of Visitors. On motion made and seconded, the Report of Contracts was ratified.

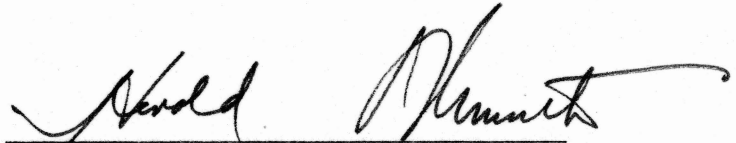
On motion made and seconded, the Board convened into executive session to discuss certain personnel matters involving the performance of identifiable employees or faculty of VCU, and to discuss the evaluation of performance of departments or schools of VCU where such matters regarding such individuals might be affected by such evaluation, and to discuss pending litigation with its attorney, and to discuss the condition, acquisition or use of real property, and to protect the privacy of individuals in personal matters not related to public business, and to discuss matters relating to gifts, bequests, and fundraising activities and to discuss special awards as authorized by Section 2.1-344 a(1), a(2), a(3), a(7), and a(8) of the Virginia Freedom of Information Act.

Following executive session, on motion made and seconded, the Board approved the faculty appointments and changes in status, the awards of promotion and tenure, the revised administrative organizational structure, the recommendation of the Executive Committee regarding honorary degrees, the establishment of the Special Awards Committee and the procedures and criteria for identifying and recommending commencement speakers and recipients of honorary degrees and the Wayne Medal and approved the establishment of the Presidential Medallion.

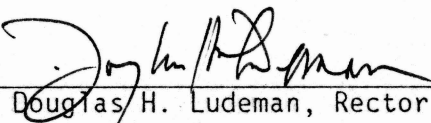
Mr. Ludeman reported that he would be appointing by letter members of the Board to serve on the Nominating Committee and the Presidential Evaluation Committee. The Nominating Committee will make a recommendation for Rector to be elected at the May meeting. The new Rector will then work with the Nominating Committee in selecting the slate of offi-

cers and committee chairmen. This slate is presented at the annual meeting in July. The Presidential Evaluation Committee also makes its report at the annual Board meeting in July.

The meeting was adjourned at 11:35 a.m.


Harold I. Nemuth, Secretary

Approved:


Douglas H. Ludeman, Rector