

**MINUTES OF A REGULAR MEETING OF THE  
BOARD OF VISITORS OF  
VIRGINIA COMMONWEALTH UNIVERSITY  
November 16, 1995**

A regular meeting of the Board of Visitors of Virginia Commonwealth University was held on Thursday, November 16, 1995, at 9 a.m. in the University Meeting Center.

Present were Messrs. Siegel, DeRusha, Flippen, Framme, Markel, Townes and Weinberg; Drs. Johnson, Vaughan, White and Wootton; and Ms. Teig. Drs. Gilmer and Smith; and Mesdames Powell and Vaughan were absent. Also present were Drs. Trani, Dewey, Gloster, Harris, Jones, Miller and Rhone; Messrs. Bruegman, Ross, Bunce, Gehring and Wyeth; and Mesdames Burnside, Price and Messmer.

Mr. Siegel called the meeting to order and welcomed members of the press. Mr. Siegel recognized Dr. Trani for being honored by the National Conference of Christians and Jews.

The President's Report followed:

The President wished Mr. Siegel a happy birthday. The fund-raising video produced by Warner Brothers was viewed by the Board.

A research presentation on "What does all this Mean?" was presented by Kenneth S. Kendler and Catherine W. Howard.

Mr. Framme reported for the Academic Policy Committee. The Committee met with the Executive Committee of the Faculty Senate. Subjects discussed were:

- (1) Satisfaction with the administration of the University, goals and initiatives, and progress on the strategic plan;

- (2) High tuition--especially at the graduate level;
- (3) Space limitations for physical science programs, especially lab space;
- (4) How to teach to a diverse group of students; advising implications;
- (5) Growth in some areas without additional resources--faculty are stretched in responsibilities--faculty do not have time to do everything;
- (6) Morale question primarily in terms of feeling limited resources (operating dollars), ever-increasing responsibilities, and low or no salary increases in recent years, yet a sense of loyalty to the institution. Other comments made: the University is becoming more and more one University; the University is a very heterogeneous group; technology support of faculty is positive;
- (7) Library needs and related issues.

The Request for Organizational Change in the Name of the Department of History and Geography to be changed to the Department of History and Geography to be moved to the Department of Urban Studies and Planning, College of Humanities and Sciences was presented.

An Update on Technology and Library Services was presented. The update included a report on the progress of user-focused networking services; enterprise-wide database servers; student and faculty-centered administrative services; groupware solutions; voice communications; multimedia course development; healthcare applications; MCV Hospitals network; and educational technology research. The Board of Visitors approved in May 1995, a request of \$29 million to fund the projects. Significant achievements include the One Card, the expanded collections on-line in the library, and the development of new databases.

Dr. Wootton reported for the Advancement Committee. The Legislative Update was presented. The University has been working diligently on various

options relating to the hospital privatization study. The Secretary of Education submitted recommendations to the Governor and General Assembly on November 1, 1995. Conversations with community organizations involving the Daily Planet and the Jade Elephant continue.

Mr. Weinberg reported for the Finance and Investment Committee.

A Proposal to Fit-Up Biotech One was presented. In order to accelerate occupancy in Biotech One, a proposal for VCU to make arrangements with the Research Park Authority to move forward to complete the building's interior work was made. Part of the work will be funded by a \$1 million grant received from the U. S. Department of Commerce. The largest source of funds would be drawn from the \$7.5 million in bank financing committed to completing the interior work on Biotech One. The maximum annual financial obligation to VCU under the plan would increase from \$935,669 under the present Master Lease Agreement to \$2.363 million. VCU has reserved \$2.2M to cover the risk.

The Quarterly University Budget Report ending September 30, 1995, was presented. Revenues and expenditures are projected to be in balance at the year-end.

The 1996-98 State Operating Budget Submission was presented. The Committee reviewed the University's and Hospitals' requests for additional funding for the 1996-98 Biennium. The requests are submitted to the Governor to be included in the budget presentation to the General Assembly in December

1995. In addition to salary increases and Capital needs which are considered separately, the University's top five priorities for funding are:

- New School of Engineering
- Medical Education
- Pharm D. Program
- School of Dentistry
- Technology

Dr. Vaughan reported for the Health Affairs Committee. The Hospital Finances were presented for the period ending September 30, 1995. Patient volume continues to decline translating into lower revenue than budgeted. The Hospitals continue departmental expense controls to adjust the cost of operations to the decreasing patient volume. The lower revenues, when netted against expense controls, translate into an operating excess of only \$1.3M compared to a budget of \$2.2M. Non-operating income increases the excess to \$1.6M compared to a budget of \$2.4M.

The 1996 statistics show operating revenue for the four months ending October is below budget \$(3.7)M while expense controls saved only \$2.7M, resulting in an operating excess of \$1.9M compared to a budget of \$2.9M. With the addition of non-operating income, the total excess is \$2.3M compared to a budget of \$3.3M.

The 1996-98 Medicaid/Indigent Biennial Budget was presented. Medicaid is planning to fully implement managed care by July, 1996, and fundamentally change the reimbursement mechanism to VCU/MCV Hospitals for services provided to Medicaid and indigent patients. For the year 1996, the Hospitals is



to receive \$147.3M for the care of Medicaid/Indigent patients which is \$(13.7)M below the cost of providing the care. The Hospitals biennial request is to implement cost containment/efficiency/productivity increases to reduce costs to hopefully eliminate the current shortfall from the Medicaid/Indigent programs.

The 1996 Revised Hospital Budget was presented. VCU/MCV Hospitals is recommending a revision to the FY 1996 budget to account for the declining census, lower revenues, and expense controls occurring. The recommended summary budget changes are:

Lower Revenues	\$ (5.9)M
Expense Savings (100 FTEs)	<u>7.2</u>
Change to Excess	\$ 1.3 M
Budgeted Excess	<u>4.3</u>
Revised Excess	\$ 5.6 M

Dr. Johnson reported for the Property Committee. The Architect Selection for Sanger Hall: Fire Suppression System was presented. The purpose of the project is to provide an automatic fire suppression system. The construction budget is \$1,194,900 with a total budget of \$1,658,000. On motion made and seconded, the architect selection of the firm of Roache, Mercer and Faison, Inc. was approved.

Utility Easements were presented. The Richmond City Council will be petitioned to close two public alleys located on the block bounded by Belvidere, West Main, South Pine, and West Cary Streets. Upon closing the alleys, VCU and the adjoining property owner (VCU Real Estate Foundation) will acquire additional property from the existing property lines to the midline of the closed

alleys. Virginia Power and C&P Telephone utility lines and a City of Richmond sanitary sewer are located in a portion of the additional property.

The Acquisition and Lease of Property at 412 West Grace Street was presented. The property located at 412 West Grace Street is being offered to the VCU Real Estate Foundation at a below-market price. The property consists of a paved parking lot with approximately 135 spaces on 32,010 square feet of land. The VCU Real Estate Foundation will acquire the property and lease to VCU for use as parking for a period of two years with three one-year renewal options.

The School of Engineering Report was presented. On November 1, 1995, the University filed a report with the Governor and the General Assembly on the plans for the School of Engineering Construction Project. A 120,000 gross square foot building is planned. Included in the building is a "clean room" which is part of the incentive package offered to Motorola. The project will be financed with State General Revenue Pledge Bonds issued by VCU. The project will be managed and owned by the VCU Engineering School Foundation which will be responsible for the Debt Service on the Bonds.

A Master Site Plan Update was presented. The next steps in the process are:

- The consultants will complete the analysis of existing reports and studies;
- the consultants will complete the detailing of the existing facilities environment;
- the Community Advisory Boards, governmental agencies and University governance and advisory committees will be briefed on progress; and
- the consultants will prepare a draft document identifying planning issues and alternative strategies for dealing with the issues.

A notification of Contract Award for Life, Health and Code Renovations was presented. The project involves the installation and replacement of fire alarm systems along with the required asbestos abatement in six University buildings. The award was made to T. E. Blackstone Company of Ashland, Virginia for a negotiated price of \$415,824.

A Proposal to Fit-Up Biotech One that was presented to the Finance and Investment Committee was also presented to the Property Committee.

Dr. Johnson reported for the Student Affairs Committee. The Committee met with a group of Virginia Commonwealth University students. Subjects discussed were:

- (1) Adjustment to the University;
- (2) Knowledge of resources--how to access resources;
- (3) The high quality of the faculty;
- (4) Deficiencies--computers, limited courses in some of the majors;
- (5) Reasons for coming to VCU--location in State Capital, opportunities for applied learning, faculty reputation, majors;
- (6) Why VCU is not better known to potential students--need to do more in-state recruiting, make better use of technology, better marketing and recruiting;
- (7) Parking problems and lack of facilities on MCV Campus.

An update on the Security Report was presented. The plan to implement recommendations of the consultant on security and safety was presented. The plan ranks the recommendations in priority order, states resource requirements, and assigns responsibility for implementation.

Discussion focused on the timeframe for implementation, the positive results of the study, the relationship of the hospital security force with the VCU Police Department, and the need to publicize the effective job being done and the implementation efforts of the plan.

A Report on Fall Enrollment was presented. Based on registrations through November 14, 1995, the University is expected to have a final Fall 1995

headcount enrollment of 21,391. Last year's enrollment was 21,523. A few off-campus courses may be developed prior to final reporting to SCHEV. On-campus enrollment is down slightly, but off-campus enrollment is expected to show an increase over last year.

A Report on Enrollment Management Planning was presented. The Executive Director of University Enrollment Services reported on marketing and recruiting plans for undergraduate admissions. Strategic marketing objectives include increasing the number of incoming freshmen to 2,000, maintaining the incoming transfer cohort at 1,625, increasing the number of out-of-state freshmen, maintaining the diversity of the student body, and maintaining the SAT mean of 1100 (based on the new SAT system; the new system is the same as 1,000 under the old system) for regularly admitted freshmen. The objectives are being addressed through market segmentation research, recruitment publications, direct marketing, special programs, telemarketing, alumni involvement, and other means. Discussion focused on the need to enhance VCU's recruiting efforts and to better market the University. A progress report in March was requested.

On motion made and seconded, the following items from the Consent Agenda were approved:

**Board of Visitors**

Minutes of a Meeting held September 21, 1995

**Academic Policy Committee**

Minutes of a Meeting held September 20, 1995

Request for Organizational Change - Name of Department of History and Geography to be Changed to Department of History - Geography to be moved to Department of Urban Studies and Planning, College of Humanities and Sciences

**Advancement Committee**

Minutes of a Meeting held September 20, 1995

**Audit Committee**

Minutes of a Meeting held September 21, 1995

**Finance and Investment Committee**

Minutes of a Meeting held September 20, 1995

**Health Affairs Committee**

Minutes of a Meeting held September 20, 1995

1996 Hospital Revised Budget

Report of Capital Equipment and Renovation Release

for the First Quarter of FY 1996 ending September  
1995

**Property Committee**

Minutes of a Meeting held September 20, 1995

Biotech One

Architect Selection - Sanger Hall:

Fire Suppression System

Utility Easement - Fine Arts Center

Acquisition and Lease of Property -

412 West Grace Street

**Student Affairs Committee**

Minutes of a Meeting held September 20, 1995

On motion made and seconded, the items on the Consent Agenda for  
Information were accepted.

On motion made and seconded, the following Resolution was approved:

**Master Lease Amendment**

RESOLVED, that Virginia Commonwealth University ("VCU") hereby is authorized, directed and empowered to amend and modify the Master Lease dated as of August 18, 1994 ("Master Lease"), between the Virginia Biotechnology Research Park Authority ("Authority"), as landlord, and VCU, as tenant, so as to cause the Authority, as landlord, to construct such tenant improvements requested by VCU, as tenant, under the Master Lease, with VCU paying the costs and expenses of such tenant improvements as additional rent under the Master Lease, thereby increasing the aggregate maximum possible liability of VCU as tenant under the Master Lease, as so amended, to \$2,363,000, as described in the Proposal to Fit-Up Biotech One; and further

RESOLVED, that Eugene P. Trani, President, or any officer of VCU designated by President Trani, be, and they hereby are, authorized, directed and empowered to do all acts and things on behalf of VCU as they, or any of them, may deem necessary or appropriate to effect the transactions contemplated by these Resolutions, in their sole discretion, with their signatures thereon to be

conclusive evidence of the authority granted hereby; and any changes approved by Dr. Trani or his designee, and any previous such action hereby is ratified, confirmed and approved.

**Note:** Mr. Framme is a member of the Virginia Biotechnology Research Park Corporate Board of Directors.

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 including the Faculty Appointments and Changes in Status and Other Personnel Actions, the Full and Consultative Hospital Privileges, the Faculty Salary Recommendation for 1995-96 for the School of Medicine, the Faculty Incentive Payment for December 1, 1995, for the School of Medicine, the Report of the Vice President for Health Sciences including the AMC Strategic Plan Update and an update on University Health Services, and the Report of the General Counsel, and to discuss the condition, acquisition or use of real property for public purpose, or of the disposition of publicly held property, or of plans for the future of a state institution of higher education which could affect the value of property owned or desirable for ownership by such institution, and to discuss legal matters and probable litigation with its attorney including the aforementioned Audit Reports as may be necessary, and to discuss the investing of public funds including the Transfer of Funds, and to discuss matters relating to gifts, bequests, and fundraising activities including the Development Report, the approval of the Named Funds Report and Revisions of the Solicitation, Acceptance and Administration of Contributions Statement Policy and to discuss matters relating to honorary degrees and special awards as authorized by Section 2.1-344 a(1), a(3), a(6), a(7), a(8), and a(10) of the Virginia Freedom of Information Act.

Following executive session, on motion made and seconded, the following resolution was approved by roll call vote:

Virginia Commonwealth University 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 session meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the executive session meeting were heard, discussed or considered by the Board of Visitors of Virginia commonwealth University.

<u>Roll Call Vote</u>	<u>Ayes</u>	<u>Nays</u>
Mr. Stuart C. Siegel, Rector	X	
Mr. William C. DeRusha	X	
Mr. Edward L. Flippen	X	
Mr. Lawrence H. Framme, III	Left before voting	
Dr. Robert D. Gilmer	Absent	
Dr. Harry I. Johnson, Jr.	X	
Mr. Steven A. Markel	X	
Ms. Diane Linen Powell	Absent	
Dr. Lindley T. Smith	Absent	
Ms. Eva S. Teig	X	
Mr. Clarence L. Townes, Jr.	X	
Dr. David A. Vaughan	X	
Ms. Sandra M. Adair Vaughan	Absent	
Mr. Jay M. Weinberg	Left before voting	
Dr. H. George White, Jr.	X	
Dr. Percy Wootton	X	

Vote:

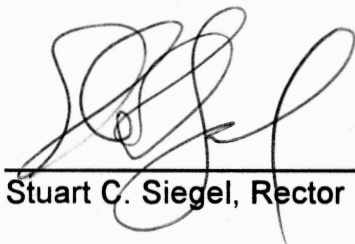
Ayes: 11  
Nays: 0

ABSENT DURING MEETING: 4  
ABSENT DURING VOTING: 6

On motion made and seconded, the Board approved the Faculty  
Appointments and Other Personnel Actions, the Full and Consultative Hospital  
Privileges, the Faculty Salary Recommendation 1995-96 for the School of

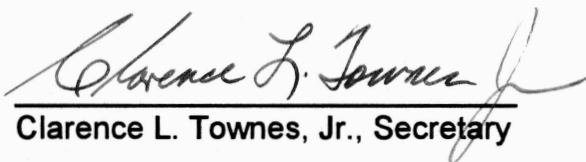
Medicine, the Faculty Incentive Payment for December 1, 1995, for the School of Medicine, the Named Funds Report, the Revisions to the Solicitation, Acceptance and Administration Contributions Statement Policy, the Transfer of Funds, with Mr. Flippen abstaining, the acquisition of property; and accepted the Development Report, the AMC Strategic Plan Update including the Progress Under Initial Plan and New Initiatives, the University Health Services Update, the Report of the Special Awards Committee, the Report of the General Counsel, the Report of the Audit Committee and the Report of the Rector.

The meeting was adjourned at 12:30 p.m.



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Stuart C. Siegel, Rector



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Clarence L. Townes, Jr., Secretary