

VCU Board of Visitors

V i r g i n i a C o m m o n w e a l t h U n i v e r s i t y

November 10, 2010 **Meeting of the Finance, Investment and** **Property Committee** *Minutes*

A meeting of the Finance, Investment and Property Committee of the Board of Visitors of Virginia Commonwealth University was held on Wednesday, November 10, 2010, at 11:15 a.m. in the Richmond Salons located in the University Student Commons at 907 Floyd Avenue.

Committee members present were: Messrs. Siegel (Chair), Jackson, Ginther, McMurtrie and Snead; Drs. Broaddus and Doswell; and Mesdames Lambert and Rhodes. Also present were Drs. Rao and Warren; Messrs. Anderson, Bennett, Davenport, Jez, Newsome, Ohlinger, Ross and Walsh; and Mesdames Atkinson, Balmer, Currey and Lepley.

Mr. Siegel called the meeting to order and the Report of the Senior Vice President for Finance and Administration was presented.

On motion made and seconded, the Committee approved the Minutes of a Meeting held August 25, 2010.

The Resolution Confirming Designation of the University's Chief Financial Officer as Authorized to Declare Official Intent to Issue Bonds to Reimburse Expenditures was presented. In order for VCU to be reimbursed from bond proceeds for expenditures made on capital projects, IRS regulations require that the institution file an official declaration of intent to be reimbursed, prior to incurring the expenses. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the below Resolution:

RESOLUTION

Confirming Designation of the University's Chief Financial Officer

As Authorized to Declare Official Intent to Issue Bonds to Reimburse Expenditures

WHEREAS, the United States Department of the Treasury has promulgated Treasury Regulations Section 1.150.2 (the "IRS Regulations") governing when the allocation of bond proceeds to reimburse expenditures previously made by an issuer or beneficiary of a bond issue shall be treated as an expenditure of the bond proceeds; and

WHEREAS, the IRS Regulations provide that a declaration of official intent by an issuer or beneficiary may provide evidence that, on or prior to the date of payment of

expenditures, the issuer or beneficiary intended to reimburse such expenditures with proceeds of bonds; and

WHEREAS, Virginia Commonwealth University issues bonds, or is the beneficiary of bonds, from time to time; and

WHEREAS, Section 1.150-2(e)(1) of the IRS Regulations authorize any person or entity designated by the issuer to declare official intent on behalf of the issuer;

NOW, THEREFORE, BE IT RESOLVED that Virginia Commonwealth University hereby confirms the designation of its Chief Financial Officer, currently titled the Senior Vice President for Finance and Administration, as a person authorized to declare official intent on behalf of Virginia Commonwealth University pursuant to the IRS Regulations. This resolution shall take effect immediately upon its adoption.

The Project and Debt Authorizations for Biotech Center and BioTech One was presented. The request is to authorize the issuance of University debt to refinance and renovate Biotech One, and to amend the University's 2010-2016 Six-Year Capital Plan to include the refinancing and renovation of the Biotech One building. The refinancing and renovation will be financed through issuance of \$12,955,000 of 9(d) debt to be issued through the Virginia College Building Authority. Bonds will be secured by VCU's pledge of general revenue. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the Project and Debt Authorization for Biotech Center and BioTech One.

The Project and Debt Authorization for West Grace Street Housing Project – North was presented. The request is to amend the University's 2010-2016 Six-Year Capital Plan to include construction of a student housing facility at the northeast corner of Shafer and West Grace Streets on the Monroe Park Campus and to authorize 9(c) debt for the project. The \$33,763,000 facility will be financed with \$28,060,000 of 9(c) revenue bonds issued through the Department of Treasury and \$5,703,000 of University funds. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the Project and Debt Authorization for West Grace Street Housing Project – North.

The Refunding of Debt for the Ackell Residence Center was presented. The University is seeking approval to review refinancing options for the VCU Real Estate Foundation debt issued in 2000 to construct the Ackell Residence Center, and to amend the University's Six-Year Capital Plan to include the project. On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval of the Refunding of Debt for the Ackell Residence Center.

The following items were presented for information: the Annual Report on Debt Management; VCU Budget Request(s) to the State Department of Planning and Budget; the Capital Projects Status Report; the University Quarterly Budget Performance Report through September 30, 2010; the Foundation Annual Reports for the VCU Foundation, the VCU Real Estate Foundation, the VCU School of Engineering Foundation, the VCU Alumni Association and the MCV Alumni Association; Notification of Contract Awards

for the Grace Street Housing and Laurel Deck; and the Virginia Commonwealth University Health System Financial Statement Summary Fiscal Year 2010 – Three Months Ending September 30, 2010.

On motion made and seconded, the Committee convened into closed session to discuss the acquisition or use of real property for public purpose, or of the disposition of publicly held real property, where discussion in an open session would adversely affect the bargaining position or negotiating strategy of VCU, including the acquisition of property and the conveyance of a conservation easement as authorized by Section 2.2-3711 A(3) of the Virginia Freedom of Information Act.

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

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

<u>Roll Call Vote</u>	<u>Ayes</u>	<u>Nays</u>
Mr. Stuart C. Siegel, Chair	X	
Mr. Brian K. Jackson, Vice Chair	X	
Dr. J. Alfred Broaddus, Jr.	X	
Dr. John C. Doswell II	X	
Mr. William M. Ginther	X	
Mrs. Lillian L. Lambert	X	
Mr. Alexander B. McMurtrie, Jr.	X	
Mr. Thomas G. Snead, Jr.	X	
Mrs. Anne J. G. Rhodes, Rector	X	

Vote:

Ayes: 9

Nays: 0

Absent during meeting: 0

Absent during voting: 0

On motion made and seconded, the Finance, Investment and Property Committee recommended to the full Board the approval the acquisition of property on or adjacent to the Monroe Park Campus.

The meeting was adjourned at 12:05 p.m.