



VCU

VIRGINIA COMMONWEALTH UNIVERSITY

Virginia Commonwealth University

Finance, Budget and Investment Committee of the Board of Visitors

Minutes

Date: May 8, 2015
Time: 11:00 a.m. – 12:30 p.m.
Location: Student Commons, Richmond Salons III, 907 Floyd Avenue, Richmond, VA

Present: Mr. Thomas F. Farrell II, Chair
Mr. Alexander B. McMurtrie, Jr., Vice-Chair
Mr. Michael D. Fraizer
Ms. Jacquelyn E. Stone
Mr. Steve Worley
Dr. Michael Rao
Ms. Madelyn Wessel
Staff from VCU and VCUHS

Unavailable: Mr. Franklin Hall
Dr. John W. Snow

Mr. Farrell called the meeting to order at 11:05 a.m. and the following items were presented for information and after general discussion follow-up requests were made:

- **Finance, Budget and Investment Dashboard** was reviewed by Mr. Decatur.
- **Notification of Contract Awards:**
 - Sanger Hall Renovation, Phase II, Part A
 - Police Headquarters Relocation (Training Firing Range Portion)
 - VMI Building Renovation
- **Funding Student Housing** by Ms. Currey, Mr. Wyatt, and Mr. Erwin.
- **Requirements from JLARC Studies** by Ms. Currey.
- **Capital Projects Update** was reviewed by Mr. Wyatt.

On motion made and seconded, the Finance, Budget and Investment Committee approved **Minutes from a Meeting held February 12, 2015.**

On motion made and seconded, the Finance, Budget and Investment Committee recommended to the full Board the approval of the following action items:



VIRGINIA COMMONWEALTH UNIVERSITY

Virginia Commonwealth University

Finance, Budget and Investment Committee of the Board of Visitors

Minutes

- **FY2016 Budget** was presented by Mr. Decatur.
- **VCU Investment Management Corporation** was presented by Ms. Everett
 - Articles of Incorporation
 - Bylaws
- **Approval of Resolution for Authorization of Financing for Sanger Hall, Basketball Training Facility and D Parking Deck**
was presented by Ms. Currey

RESOLUTION OF THE BOARD OF VISITORS OF VIRGINIA COMMONWEALTH UNIVERSITY

AUTHORIZATION OF FINANCING FOR SANGER HALL, BASKETBALL TRAINING FACILITY AND D PARKING DECK

WHEREAS, Chapter 6.1, Title 23 of the Code of Virginia of 1950, as amended (the "Virginia Code") establishes a public corporation under the name and style of Virginia Commonwealth University (the "University") which is governed by a Board of Visitors (the "Board") vested with the supervision, management and control of the University;

WHEREAS, Title 23 of the Virginia Code classifies the University as an educational institution of the Commonwealth of Virginia;

WHEREAS, by Chapter 4.10, Title 23 of the Virginia Code (as amended, the "Act"), the University entered into a management agreement with the Commonwealth of Virginia which was enacted as Chapter 594 of the Acts of Assembly of 2008 which, as amended, classifies the University as a public institution of higher education and empowers the University with the authority to undertake and implement the acquisition of any interest in land, including improvements on the acquired land at the time of acquisition, new construction, improvements or renovations and to borrow money and make, issue and sell bonds of the University for such purposes;

WHEREAS, the Act further authorizes the University to provide for the payment of the principal of and the interest on any bonds from any one or more of the following sources: (i) its revenues generally; (ii) income and revenues derived from the operation, sale, or lease of a particular project or projects, whether or not they are financed or refinanced from the proceeds of such bonds, notes, or other obligations; (iii) funds realized from the enforcement of security interests or other liens or obligations securing such bonds, notes, or other obligations; (iv) proceeds from the sale of bonds, notes, or other obligations; (v) payments under letters of credit,



VCU

VIRGINIA COMMONWEALTH UNIVERSITY

Virginia Commonwealth University

Finance, Budget and Investment Committee of the Board of Visitors

Minutes

policies of municipal bond insurance, guarantees, or other credit enhancements; (vi) any reserve or sinking funds created to secure such payment; (vii) accounts receivable of the University; or (viii) other available funds of the University;

WHEREAS, the University has developed plans to (i) construct, equip and furnish an approximately 60,000 gross square foot basketball training facility, (ii) renovate a portion of Sanger Hall and (iii) undertake renovations to the D Parking Deck (collectively, the "Project"); and

WHEREAS, the Board has determined it desirable to authorize the University to issue its general revenue pledge bonds (the "University Bonds") in a maximum principal amount not to exceed \$27,000,000 for purposes of financing (a) costs of the Project and (b) costs of issuing the University Bonds.

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

1. The Board authorizes the issuance and delivery of the University Bonds for purposes of financing (a) costs of the Project and (b) costs of issuing the University Bonds.

2. The Board authorizes the execution and delivery of a bond resolution (the "Bond Resolution") in substantially the form utilized in previous issuances of general revenue pledge bonds by the University with such changes and additions as may be approved by the Vice President for Finance and Administration or the Associate Vice President for Finance and Administration (the "Authorized Officers") consistent with prior practice of the University so that the Bond Resolution may reflect the final terms and conditions of the University Bonds; provided, however, the Authorized Officers shall consult with and obtain the approval of the Chair of the Finance, Budget and Investment Committee of the Board and the Rector of the University prior to the issuance of the University Bonds. Each Authorized Officer is authorized to approve the final form of the Bond Resolution and to evidence such approval in writing.

3. The University Bonds shall be sold in one or more series through a public offering or a private placement as any Authorized Officer, in collaboration with Public Financial Management, Inc., the University's financial advisor (the "Financial Advisor"), determines to be in the best interest of the University.

4. The final terms and forms of the University Bonds, including maturities, interest rates and redemption provisions, shall be approved by an Authorized Officer; provided that (a) the principal amount of the University Bonds shall not exceed \$27,000,000, (b) the final maturity of the University Bonds shall be no later than 21 years from the date of issuance, (c) the true interest cost on any series of University Bonds sold at a fixed rate shall not exceed 5.5%, (d) the



VCU

VIRGINIA COMMONWEALTH UNIVERSITY

Virginia Commonwealth University

Finance, Budget and Investment Committee of the Board of Visitors

Minutes

interest rate on any series of University Bonds sold through a public offering or a private placement may be at a variable rate as set forth in the Bond Resolution and (e) no redemption price on the University Bonds may exceed 102% (collectively, the "Parameters").

5. Any Authorized Officer, in collaboration with the Financial Advisor, is authorized and directed to determine, subject to paragraph 4 above, the aggregate principal amount of the University Bonds and their dated date, the interest rates, maturity schedule and optional redemption provisions, and the price to be paid for the University Bonds by the purchaser or underwriter (as applicable), all as any Authorized Officer determines to be in the best interests of the University.

6. Any University Bonds sold through a public offering may be sold through a competitive sale or a negotiated sale as any Authorized Officer, in collaboration with the Financial Advisor, determines to be in the best interest of the University.

7. If any Authorized Officer determines to sell the University Bonds (or portion thereof) in a competitive sale,

(a) such Authorized Officer is hereby authorized to receive bids for such University Bonds and award such University Bonds to the bidder providing the lowest "true" or "Canadian" interest cost, subject to the limitations set forth in paragraph 4 above;

(b) following the competitive sale, the applicable Authorized Officer shall file a certificate with the Secretary of the Board setting forth the final terms of such University Bonds;

(c) the actions of any Authorized Officer in selling the University Bonds in a competitive sale shall be conclusive, and no further action with respect to the sale and issuance of the University Bonds shall be necessary on the part of the Board; and

(d) the officers of the University, in collaboration with the Financial Advisor, are authorized and directed to take all proper steps to advertise the University Bonds for sale in accordance with a notice of sale containing terms consistent with this Resolution and as otherwise approved by a Authorized Officer;

8. If any Authorized Officer determines to sell the University Bonds (or portion thereof) in a negotiated sale,

(a) such Authorized Officer is hereby authorized, in collaboration with the Financial Advisor, to choose one or more investment banks or firms to serve as the underwriter



VCU

VIRGINIA COMMONWEALTH UNIVERSITY

Virginia Commonwealth University

Finance, Budget and Investment Committee of the Board of Visitors

Minutes

for the University Bonds and to negotiate with such underwriter the final terms of the University Bonds, subject to the limitations set forth in paragraph 4 above;

(b) the Authorized Officers are hereby authorized to execute and deliver to the underwriter a bond purchase agreement (the "Bond Purchase Agreement") setting forth the final terms of such University Bonds;

(c) following a negotiated sale, the applicable Authorized Officer shall file a copy of the Bond Purchase Agreement with the Secretary of the Board; and

(d) the actions of any Authorized Officer in selling the University Bonds in a negotiated sale shall be conclusive, and no further action with respect to the sale and issuance of the University Bonds shall be necessary on the part of the Board.

9. If the University Bonds are sold by competitive or negotiated sale through a public offering, the officers of the University are hereby authorized to prepare, in collaboration with the Financial Advisor and the University's counsel, an official statement (the "Official Statement") in preliminary and final forms. The Authorized Officers are hereby authorized and directed to execute the Official Statement in final form and deliver it to the purchasers of the University Bonds. The officers of the University shall arrange for the delivery to the underwriter of the University Bonds of a reasonable number of copies of the final Official Statement, within seven business days after the University Bonds have been sold, for delivery to each potential investor requesting a copy of the Official Statement and to each person to whom the underwriter initially sells any University Bond.

10. The Authorized Officers are hereby authorized, on behalf of the University, to deem each of the preliminary Official Statement and the final Official Statement to be "final" as of its respective date within the meaning of Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission, except for the omission from the preliminary Official Statement of certain pricing and other information permitted to be omitted pursuant to the Rule. The distribution of the preliminary Official Statement and the execution of the final Official Statement by any Authorized Officer shall be conclusive evidence that each has been deemed "final" as of its date by the University.

11. The Authorized Officers are hereby authorized and directed to execute a continuing disclosure agreement (the "Continuing Disclosure Agreement") setting forth the reports and notices to be filed by the University and containing such covenants as may be necessary to assist the underwriter(s), if any, in complying with the provisions of the Rule and to approve the form of such Continuing Disclosure Agreement.



VCU

VIRGINIA COMMONWEALTH UNIVERSITY

Virginia Commonwealth University

Finance, Budget and Investment Committee of the Board of Visitors

Minutes

12. If any Authorized Officer determines to sell the University Bonds (or portion thereof) in a private placement, such Authorized Officer is hereby authorized, in collaboration with the Financial Advisor, to solicit proposals from one or more commercial banks, to select a commercial bank to purchase the University Bonds and to negotiate the final terms of the University Bonds, subject to the limitations set forth in paragraph 4 above.

13. The Authorized Officers of the University are authorized to execute and deliver, to the extent necessary, such project development and financing agreements and lease agreements, and amendments to existing project development and financing agreements and lease agreements, or such other documents or instruments associated with the projects to be financed with the University Bonds deemed necessary by the Authorized Officers.

14. The Authorized Officers and any other officers of the University, and their delegates, are each hereby authorized to take such actions and to execute and deliver on behalf of the University any and all agreements, certificates or other documents, which they deem necessary or desirable in order to carry out the foregoing resolutions and any and all actions heretofore taken by them consistent with the foregoing resolutions are hereby ratified and confirmed.

15. This Resolution shall take effect immediately upon its adoption.

- **Approve In-State Tuition for Qualifying Individuals under the Veterans Access, Choice, and Accountability Act of 2014, Section 702** was presented by Ms. Currey and Ms. Wessel.
- **2014-2020 Six Year Capital Plan Amendments** were presented by Mr. Wyatt
 - Linden Street Landscape
 - 12th Street Landscape
 - VMI Building Renovation
- **2016-2022 Six Year Capital Plan** was presented by Mr. Wyatt.
- **Architect Selections** were presented by Mr. Wyatt.
 - Humanities and Sciences Building and STEM Building
 - VMI Building Renovation
 - Allied Health Building
- **Project Plans** were presented by Mr. Wyatt.



VCU

VIRGINIA COMMONWEALTH UNIVERSITY

Virginia Commonwealth University

Finance, Budget and Investment Committee of the Board of Visitors

Minutes

- D-Deck Rehabilitation
- VMI Building Renovation
- **Demolition of Property on or near Monroe Park Campus (616 West Grace Street)** was presented by Mr. Wyatt.

This additional for information item was presented:

- **Efficiencies** were presented as noted below:
 - Center for Clinical & Translational Research – Streamlining Quotation Process for Ancillary Services

The following information was included in the board materials but was not presented in the committee meeting:

- **Treasurer's Report**
 - **Operating Pool, Long-Term Investment Portfolio and Glasgow Endowment Fund as of March 31, 2015**
 - **Cash, Debt & Monitoring Report as of May 1, 2015**
- **Revenue and Expense Summary as of March 31, 2015**
- **VCU Health System and Financial Operations as of February 28, 2015**

The meeting was adjourned at 12:20 p.m.