

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS**

**Meeting of the
Finance Committee**

March 4, 2022

FINANCE COMMITTEE

Friday, March 4, 2022

8:30 – 9:45 a.m.

Board Room, The Rotunda

Committee Members:

Robert M. Blue, Chair

C. Evans Poston Jr., Vice Chair

Carlos M. Brown

Frank M. Conner III

Thomas A. DePasquale

Louis S. Haddad

Robert D. Hardie

James B. Murray Jr.

James V. Reyes

Whittington W. Clement, Ex-officio

Joel W. Hockensmith, Faculty Representative

AGENDA

I. ACTION ITEMS (Ms. Davis)

- | | | |
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| A. | Disposition of Real Property: Shirley McIvor Trust | 1 |
| B. | Budget Amendments Transmitted to the General Assembly | 3 |

II. REPORTS BY THE EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER (Ms. Davis)

- | | | |
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| A. | Report on Finance Strategic Transformation (Ms. Melody Bianchetto and Mr. Adam Daniel) | 4 |
| B. | 2022 General Assembly Report (TBD) | 5 |
| C. | UVIMCO Report (Mr. Robert Durden) | 6 |
| D. | Executive Vice President's Remarks | 7 |

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: March 4, 2022

COMMITTEE: Finance

AGENDA ITEM: I.A. Disposition of Real Property: Shirley McIvor Trust

BACKGROUND: Shirley McIvor bequeathed to the University of Virginia real estate located in Lynchburg, Virginia. The University seeks authorization to transfer this property to the University of Virginia Foundation (UVAF) so they can manage, maintain, market, and lease or sell this property for the benefit of the University. The University also seeks authorization to instead accept title to and sell the property if transfer to UVAF is not feasible.

DISCUSSION: The property, located at 3806-3810 Old Forest Road, Lynchburg, Virginia, is a vacant commercial lot measuring approximately 1.83 acres. Its assessed value is \$363,500; the appraised value as of August 21, 2019, was \$755,000.

ACTION REQUIRED: Approval by the Finance Committee and by the Board of Visitors.

DISPOSITION OF REAL PROPERTY: SHIRLEY MCIVOR TRUST

WHEREAS, The Rector and Visitors of the University of Virginia (the “University”) is the beneficiary of the Amended and Restated Shirley McIvor Revocable Trust dated December 22, 2009 (and as subsequently amended the “Trust”) and under the terms of the Trust is entitled to receive certain commercial property owned by Ms. McIvor or held in the Trust at the time of her death (the “Property”). The Trustee of the Trust (the “Trustee”) has identified the Property as being located at 3806-3810 Old Forest Road, Lynchburg, Virginia. The University was entitled to receive the Property as of the date of Ms. McIvor’s death, which occurred on November 15, 2021, and title to the Property has not yet passed to the University; and

WHEREAS, the Board of Visitors finds it to be in the best interest of the University for such Property to be transferred from the Trust directly to the University of Virginia Foundation (“UVAF”) so that UVAF may manage, maintain, market, and sell the Property on behalf of the University; and

WHEREAS, the Board of Visitors also desires to authorize the University to alternatively accept title to the Property from the Trust and sell the Property in the event the transfer of the Property from the Trust to UVAF for the foregoing purposes is not feasible;

RESOLVED, the Board of Visitors hereby approves and authorizes the transfer of the Property from the Trust to UVAF, so that UVAF may manage, maintain, market, and lease or sell the Property for the benefit of the University; and

RESOLVED FURTHER, in the event that, in the determination of the Executive Vice President and Chief Operating Officer, the transfer of the Property from the Trust directly to UVAF for such purposes is not feasible, then the University is authorized to accept title to and sell the Property; and

RESOLVED FURTHER, the Executive Vice President and Chief Operating Officer is authorized, on behalf of the University, to perform any or all of the following: to approve the transfer of the Property from the Trust to UVAF; to approve the sale of the Property by UVAF pursuant to applicable UVAF policies and procedures and agreements with the University; to approve the sale of the Property by the University for such price and in such manner as she may deem reasonable; to execute all deeds, documents, and agreements as deemed necessary and appropriate to approve and consummate any of the foregoing; to approve such reasonable and customary expenses, if any, as may have been or may be incurred by any of the Trustee, the University, or UVAF in connection with the maintenance, evaluation, and sale of the Property; and to take such other actions as deemed necessary and appropriate in connection with the foregoing; and

RESOLVED FURTHER, all prior acts performed by the Executive Vice President and Chief Operating Officer and other officers and agents of the University, in connection with such maintenance, evaluation, and sale of the property and the administration and distribution of the University's interest in same, are in all respects approved, ratified, and confirmed.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: March 4, 2022

COMMITTEE: Finance

AGENDA ITEM: I.B. Budget Amendments Transmitted to the General Assembly

BACKGROUND: Action taken by the Board of Visitors in September 2021 to approve the budget amendment requests to the Governor permitted the resubmission to the General Assembly of those requests not addressed by the Budget Bill.

DISCUSSION: In January, the University submitted an amendment requesting financial support for establishing the UVA Institute for Biotechnology, which in total will require a \$500M one-time investment for construction of a state-of-the-art facility (estimated at \$350M) and the initial recruitment of new faculty researchers (\$150M).

The amendment specifically requests \$75M from the General Assembly for incentive packages to attract high-performing researchers with a history of producing translational research.

ACTION REQUIRED: Approval by the Finance Committee and by the Board of Visitors

2022-2024 BUDGET AMENDMENT FOR THE UNIVERSITY OF VIRGINIA

WHEREAS, the new budget amendment recommendation to support the prospective UVA Institute for Biotechnology represents a priority for the University;

RESOLVED, the Board of Visitors of the University of Virginia endorses and supports the UVA Institute for Biotechnology budget amendment to the 2022-2024 budget for incentive packages to attract high-performing researchers not previously considered; and

RESOLVED FURTHER, the Executive Vice President and Chief Operating Officer is authorized to transmit to the General Assembly the new proposed budget amendment.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: March 4, 2022

COMMITTEE: Finance

AGENDA ITEM: II.A. Report on Finance Strategic Transformation

ACTION REQUIRED: None

BACKGROUND: The University seeks to strategically evaluate and improve current finance processes, implement modern technology, and improve the delivery of financial functions to the University community through the Finance Strategic Transformation (FST) project. The project is in the testing stage, during which the FST team has built additional system prototypes, tested the end-to-end processes to ensure that they work correctly with the supporting systems, and is now resolving any major defects that have been discovered. The next portion of testing is User Experience Review, where a selected group of staff from schools and units will perform work simulations in the latest prototype to ensure that the future processes and the system work as intended. This phase will commence in March and continue into April as the team prepares to deploy the solution on July 1, 2022.

DISCUSSION: The Vice President for Finance and Vice Provost for Planning will share status updates on the Implementation Phase of the FST project.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: March 4, 2022

COMMITTEE: Finance

AGENDA ITEM: II.B. 2022 General Assembly Report

ACTION REQUIRED: None

BACKGROUND: The 2022 Session of the Virginia General Assembly convened on Wednesday, January 12, 2022, and is scheduled to complete action on all legislation, including the 2022-2024 biennial budget, on Saturday, March 12, 2022. This report will provide the status of key legislation, including items of interest to the University, the Medical Center, and the College at Wise included in the 2022–2024 biennial budget.

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS AGENDA ITEM SUMMARY**

BOARD MEETING: March 4, 2022

COMMITTEE: Finance

AGENDA ITEM: II.C. UVIMCO Report

ACTION REQUIRED: None

BACKGROUND: The University of Virginia Investment Management Company (UVIMCO) provides investment management services to the Rector and Visitors of the University of Virginia and its related foundations. Assets deposited in UVIMCO are held in the custody and control of UVIMCO on behalf of the University and Foundations within a long-term, co- mingled investment pool.

UVIMCO's primary objective in managing the investment pool is to maximize long-term real return commensurate with the risk tolerance of the University. To achieve this objective, UVIMCO actively manages the investment pool to achieve returns that consistently exceed the returns on a passively managed benchmark with similar asset allocation and risk. Recognizing that the University must attract outstanding students, faculty, and staff and provide them appropriate resources, UVIMCO attempts to manage pool assets to provide long-term real returns that compare favorably with the returns of endowments of other outstanding schools. UVIMCO does not set spending rates; UVIMCO communicates the investment pool's risk and return estimates to the University and foundations for their consideration in setting spending rates.

DISCUSSION: UVIMCO's chief executive officer, Mr. Robert Durden, will provide an overview of the current market environment and the asset allocation, performance, and liquidity position of the Long Term Pool as of December 31, 2021, and address questions from the committee.

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BOARD MEETING: March 4, 2022

COMMITTEE: Finance

AGENDA ITEM: II.D. Executive Vice President's Remarks

ACTION REQUIRED: None

BACKGROUND: The Executive Vice President and Chief Operating Officer will inform the committee members of recent events that do not require formal action, but of which they should be made aware.