

**UNIVERSITY OF VIRGINIA  
BOARD OF VISITORS**

**Meeting of the  
Finance Committee**

**March 6, 2020**

**FINANCE COMMITTEE**

**Friday, March 6, 2020**

**8:00 – 9:15 a.m.**

**Board Room, The Rotunda**

**Committee Members:**

Robert M. Blue, Chair	Robert D. Hardie
C. Evans Poston Jr., Vice Chair	Maurice A. Jones
Frank M. Conner III	James V. Reyes
Thomas A. DePasquale	James B. Murray Jr., Ex-officio
John A. Griffin	Peter C. Brunjes, Faculty Member
Louis S. Haddad	

**AGENDA**

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

**BOARD MEETING:** March 6, 2020

**COMMITTEE:** Finance

**AGENDA ITEM:** I.A. Revised Capital Project Financial Plan for the Brandon Avenue Upper-Class Residence Hall Phase II

**BACKGROUND:** When the administration recommends a capital project, there are two major considerations to be evaluated by the Board of Visitors. The Buildings and Grounds Committee determines whether to add the project to the Multi-Year Major Capital Plan, and the Finance Committee evaluates whether there is a sound financing plan to pay for the estimated project cost and additional operating costs expected once the project is complete.

**DISCUSSION:** The current multi-year capital plan, approved by the Board in June 2019, included the Brandon Avenue Upper-Class Residence Hall Phase II at an estimated cost of \$95.0M. The scope of this project includes approximately 350 beds for upper-class students, a dining facility, informal gathering spaces, and podium parking; the project will also support the continued redevelopment of the Brandon Avenue district. Additional planning efforts have resulted in modifications to the original scope, including, but not limited to, an enlarged dining space, increased square footage to accommodate additional common gathering spaces while maintaining 350 beds, and changes within the living areas to better accommodate and support upper-class students. These modifications have resulted in a revised total project budget of \$114.0M to be funded by \$96.0M in debt and \$18.0M in cash. Housing and dining revenues will cover the debt service and annual operating costs.

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

**REVISED CAPITAL PROJECT FINANCIAL PLAN FOR THE BRANDON AVENUE UPPER-CLASS RESIDENCE HALL PHASE II**

WHEREAS, the revised financing plan for Brandon Avenue Upper-Class Residence Hall Phase II calls for the use of operating cash in the amount of \$18.0M and debt in the amount of \$96.0M;

RESOLVED, the Board of Visitors approves the revised financial plan for the Brandon Avenue Upper-Class Residence Hall Phase II.

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BOARD OF VISITORS AGENDA ITEM SUMMARY**

**BOARD MEETING:** March 6, 2020

**COMMITTEE:** Finance

**AGENDA ITEM:** I.B.1. Medical and Pharmacy Program Administrative Services for the Health Plan

**BACKGROUND:** The Board of Visitors is required to approve the execution of any procurement contract where the expected contract value exceeds \$5 million per year.

**DISCUSSION:** Per University procurement policy and under the authority granted to the University under the University’s Management Agreement with the Commonwealth of Virginia, the University has conducted a request for proposal and negotiated a contract for medical program administrative services and pharmacy program administrative services. These services address claim administration, medical management, and network services for the medical and mental health benefits and the prescription drug benefits covered by the University of Virginia’s Health Plan for University employees. Both the medical and pharmacy programs are self-insured.

The term of this contract will commence January 1, 2021, following the expiration of the current contracts on December 31, 2020, and will be effective through December 31, 2026, with the ability to renew on the same terms and conditions, for two five-year periods beginning January 1, 2027, and January 1, 2032, respectively.

The expected annual value of the fees associated with the contract exceeds \$5 million annually, and thus exceeds the signatory authority of the Executive Vice President and Chief Operating Officer.

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

**SIGNATORY AUTHORITY FOR MEDICAL AND PHARMACY PROGRAM  
ADMINISTRATIVE SERVICES AGREEMENTS FOR THE UNIVERSITY HEALTH PLAN**

RESOLVED, the Board of Visitors authorizes the Executive Vice President and Chief Operating Officer to execute medical and pharmacy program administrative services agreements for the University of Virginia Health Plan.

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**BOARD MEETING:** March 6, 2020

**COMMITTEE:** Finance

**AGENDA ITEM:** 1.B.2. Cardiac Rhythm Management Products Contract  
(Medical Center)

**BACKGROUND:** The Board of Visitors is required to approve the execution of any contract where the amount per year is more than \$5 million.

**DISCUSSION:** Per Medical Center procurement policy, the contract listed below exceeds \$5 million in spending per year, and thus, exceeds the signatory authority of the Executive Vice President for Health Affairs.

- Medtronic USA, Inc. for Cardiac Rhythm Management products

The Medical Center's operating budget reflects the expense for goods and services purchased through this contract.

**ACTION REQUIRED:** Approval by the Health System Board, by the Finance Committee, and by the Board of Visitors

**SIGNATORY AUTHORITY FOR CARDIAC RHYTHM MANAGEMENT PRODUCTS  
CONTRACT (MEDICAL CENTER)**

RESOLVED, the Board of Visitors authorizes the Executive Vice President for Health Affairs to execute with Medtronic USA, Inc. the Cardiac Rhythm Management Products contract on behalf of the Medical Center.

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**BOARD MEETING:** March 6, 2020

**COMMITTEE:** Finance

**AGENDA ITEM:** II.A. 2020 General Assembly Session Report

**ACTION REQUIRED:** None

**DISCUSSION:** The 2020 Session of the Virginia General Assembly convened on Wednesday, January 8, 2020, and is scheduled to adjourn on Saturday, March 7, 2020. This report will provide the status of key legislation, including the 2020–2022 biennial budget.

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**COMMITTEE:** Finance

**AGENDA ITEM:** II.B. Endowment Report: Market Value and Performance as of December 31, 2019

**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 associated organizations. UVIMCO holds custody and control of assets deposited into it on behalf of the University and University-Associated Organizations within a long-term, co-mingled investment pool.

UVIMCO's primary objective in managing the investment pool is to maximize long-term inflation-adjusted returns commensurate with the risk tolerance of the University while providing for spending distributions. To achieve this objective, UVIMCO actively manages the investment pool in an attempt 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 endowment returns of other outstanding schools. UVIMCO does not set spending rates; UVIMCO communicates the investment pool's risk and return estimates to the University and associated organizations for their consideration in setting spending rates.

**DISCUSSION:** Mr. Robert Durden, the Chief Executive Officer/Chief Investment Officer of UVIMCO, will provide an overview of the current market environment and the asset allocation, performance, and liquidity position of the Long Term Pool as of the calendar year ending December 31, 2019, and will address any questions from the Committee.

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**AGENDA ITEM:** II.C. Report on the Student Information System

**ACTION REQUIRED:** None

**BACKGROUND:** UVA implemented the Student Information System (SIS) 12 years ago. Currently, on version 9.2 of Oracle’s Campus Solutions, the system is stable and updated. However, students complain regularly about the dated and unfriendly user interface, and faculty also have difficulty using the system. Their frustration is understandable, given that Oracle built these applications in the 1990s, and their screen navigation and system operation are not intuitive in today’s world. The University needs to look for an eventual replacement, but until one is ready, the current system can be enhanced to alleviate key pain points.

**DISCUSSION:** In this presentation, Chief Information Officer Virginia Evans and University Registrar Laura Hawthorne will discuss the current state of the SIS and options and plans for future improvements, leading up to the eventual full replacement of the system.



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

**ACTION REQUIRED:** None

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