

**UNIVERSITY OF VIRGINIA
BOARD OF VISITORS**

Full Board Meeting

April 27, 2020

BOARD OF VISITORS MEETING

Monday, April 27, 2020

5:00 – 6:30 p.m.

Electronic Meeting

AGENDA

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I. OPEN SESSION	
• Opening Remarks and University Updates (Rector Murray, President Ryan, and Senior Leadership)	1
II. ACTION ITEM	
• Extension of Debt Shelf Registration (Ms. Davis)	2
III. CLOSED SESSION	
• Discussion with members of the Health System Board concerning specific proprietary, business-related information about the Medical Center’s operations and finances; discussion of the investment of public funds where competition is involved and public disclosure could adversely affect the financial interests of the University; and briefing by University counsel on legal issues around preparations and planning in response to the COVID-19 pandemic. The relevant exemptions from the open meeting requirements are Sections 2.2-3711 A (6), (8), (19), and (22) of the <u>Code of Virginia</u> .	

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

BOARD MEETING: April 27, 2020

COMMITTEE: Full Board

AGENDA ITEM: I. Opening Remarks

DISCUSSION: The Rector and senior leadership will provide briefing and discussion on operational, academic, financial, Medical Center, and student-related matters concerning preparations and planning to respond to the COVID-19 pandemic.

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

BOARD MEETING: April 27, 2020

COMMITTEE: Full Board

AGENDA ITEM: II. Extension of Debt Shelf Registration

BACKGROUND: For over three decades, the University has issued long-term bonds to provide external financing for capital projects. In 2002, the University developed a debt portfolio management program to manage debt by optimizing debt structure and providing stability to internal borrowing units. In order to further provide the University with flexibility to move more nimbly to seek debt funding when market conditions are optimal, the University established a debt shelf registration in 2017, and again in 2019.

DISCUSSION: As the University anticipates long-term debt issuance and would like to take advantage of favorable capital market conditions, the University proposes to seek a new shelf financing program registration to provide flexibility in the timing and structure of upcoming debt issuances. These actions are in accordance with the Debt Policy approved in 2013.

As with the 2017 and 2018 debt issuances under the 2017 authorized shelf registration program, and the 2019 debt issuance last fall under the 2019 authorized shelf registration program, the University will issue a base offering document that outlines the mechanics and security features applicable to all debt issued under the program. In conjunction with this base offering document, the University will issue subsequent supplemental documents for each specific debt issue made under the shelf. The supplemental documents will address the specific features of each debt issue made under the shelf program.

The University seeks approval of a new debt shelf registration in the amount of \$600M to streamline future bond issuances and enable the University to react quickly to capitalize on favorable market conditions.

ACTION REQUIRED: Approval by the Board of Visitors

EXTENSION OF DEBT SHELF REGISTRATION

WHEREAS, Chapter 22, Title 23.1 of the Code of Virginia of 1950, as amended (the "Virginia Code"), establishes a public corporation under the name and style of The Rector and Visitors of the University of Virginia (the "University") which is governed by a Board of Visitors (the "Board"); and

WHEREAS, Title 23.1 of the Virginia Code classifies the University as an educational institution of the Commonwealth of Virginia (the "Commonwealth"); and

WHEREAS, by Chapter 10, Title 23.1 of the Virginia Code (as amended, the "Act"), the University entered into a management agreement with the Commonwealth which was enacted as Chapter 3 of Chapter 933 of the 2006 Virginia Acts of Assembly; and

WHEREAS, by the resolution adopted September 15, 2017 (the "Initial Authorizing Resolution"), the Board authorized a multi-year capital project financing program (the "Program") that is used by the University from time to time to finance or refinance the costs of capital and other projects, including capitalized interest, financing costs, working capital, general corporate purposes and the refunding of prior obligations of the University (collectively, the "Projects"), subject to the limitations and parameters set forth in the Initial Authorizing Resolution and in one or more subsequent resolutions of the Board; and

WHEREAS, under the authority of the Initial Authorizing Resolution, the University entered into a Master Bond Resolution (Multi-Year Capital Program) dated September 28, 2017 (as supplemented and amended, the "Program Resolution"); and

WHEREAS, the bonds issued under the Program Resolution (the "Bonds") are secured by a general revenue pledge of the University and are not in any way a debt of the Commonwealth and do not create or constitute any indebtedness or obligation of the Commonwealth, either legal, moral, or otherwise; and

WHEREAS, the Board desires to authorize additional financing under the Program of up to \$600,000,000 of taxable or tax-exempt Bonds that may be issued by the University from time to time to finance one or more Projects, all subject to the limitations and parameters described (1) below, (2) in the Program Resolution, and (3) in the applicable Series Resolution (as defined below);

RESOLVED, the Board hereby implements the plan of finance described in the recitals hereto by authorizing the issuance, from time to time, of one or more series of Bonds for the financing of the Projects, and providing for the terms thereof, by adopting one or more resolutions that supplement and amend (as needed) the Program Resolution (each a "Series Resolution"), which shall provide the final terms of the Bonds and such other matters as may be necessary or desirable; and

RESOLVED FURTHER, the President of the University or the Executive Vice President and Chief Operating Officer of the University, in consultation with the Chair of the Board's Finance Committee, is authorized to approve the final terms of each series of Bonds, including, without limitation, their original principal amounts and series, the specific Projects to be financed, their maturity dates and amounts, redemption provisions, prices and interest rates, tax status of interest on each series of Bonds, provided that (i) the maximum aggregate principal amount of all Bonds to be issued hereunder shall not exceed \$600,000,000; (ii) the Bonds shall be issued at fixed or variable rates with a maximum yield on any fixed rate series, and the maximum initial yield on any variable rate series, not to exceed 6.00% per annum; and (iii) the final maturity of all Bonds shall not exceed 101 years beyond issuance date; and

RESOLVED FURTHER, the President of the University or the Executive Vice President and Chief Operating Officer of the University are each hereby authorized to negotiate, execute and deliver certain documents related to the Bonds, including a Series Resolution for each series of Bonds; and

RESOLVED FURTHER, all officers of the University are authorized and directed to take all such further actions, including without limitation the designation of underwriters, paying agents, remarketing agents, solicitation agents, trustees, and liquidity providers for the Bonds, and to execute all such instruments, agreements, documents, and certificates as they shall deem necessary or desirable to carry out the terms of the financing plans presented to this meeting, including without limitation entering into, amending, or terminating any liquidity facilities, swap or other interest rate management agreements associated with the plan of finance presented to this meeting; and

RESOLVED FURTHER, pursuant to the Section 147(f) of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder, the University designates the Executive Vice President and Chief Operating Officer of the University as the public hearing officer to hold any public hearings required in order to ensure the tax-exempt status of interest on all or a portion of the Bonds; and

RESOLVED FURTHER, all acts of all officers of the University which are in conformity with the purposes and intent of this Resolution and in carrying out the plan of finance presented to this meeting are ratified, approved and affirmed; and

RESOLVED FURTHER, upon approval, this action shall take effect immediately.