



THE RECTOR AND VISITORS OF THE
UNIVERSITY OF VIRGINIA

April 27, 2020

The Board of Visitors of the University of Virginia held an emergency electronic meeting on Monday, April 27, 2020. James B. Murray Jr., Rector, presided.

Participants were Whittington W. Clement, Robert M. Blue, Mark T. Bowles, L.D. Britt, M.D., Frank M. Conner III, Elizabeth M. Cranwell, Thomas A. DePasquale, Barbara J. Fried, John A. Griffin, Louis S. Haddad, Robert D. Hardie, Maurice A. Jones, Babur B. Lateef, M.D., Angela H. Mangano, C. Evans Poston Jr., James V. Reyes, Peter C. Brunjes, and Derrick Wang.

Also present were James E. Ryan, Jennifer Wagner Davis, K. Craig Kent, M.D., M. Elizabeth Magill, Melody S. Bianchetto, Michael J. Citro, Margaret S. Grundy, Susan G. Harris, Timothy J. Heaphy, John C. Jeffries, Jr., Douglas E. Lischke, Mark M. Luellen, and Debra D. Rinker.

At 5:00 p.m., the Rector opened the meeting by welcoming the participants. He emphasized the critical importance of Board oversight during this time. He said the world's going to get over COVID-19, but we need to make sure our University and Health System are still here when that happens. We need to realize the decisions we have made and the decisions we're being asked to make are going to affect many lives, some of them dramatically. We owe them our time to make sure we get it right. Three primary topics to cover during this meeting: 1) Update on the fall 2020 plan to the extent we can have one yet; 2) a financial update; and 3) the Health System.

Remarks from President Ryan

President Ryan gave brief updates on our current financial situation and planning for the fall. He reminded the Board of his letter in which he outlined some belt-tightening measures that the University is taking, including salary freezes, hiring freezes, a pause in capital projects, a cut in executive leadership pay, and a reduction in nonessential expenses. He said the University is also involved in scenario planning for the medium term and thinking about creative ways to increase efficiency and reduce costs.

Ms. Magill is chairing a committee on the options for the fall, looking at several possible scenarios. He spoke to the American Association of Universities (AAU) and other presidents of Virginia colleges and universities and all are engaging in scenario planning to be ready for the fall. UVA shares the goal that exists across higher education, to return to normal as quickly as possible, which means students back on Grounds, but this presents unique challenges with respect to a highly contagious virus.

Students departed Grounds very quickly and left belongings behind. The plan is to have students come back in groups in May to move out of their dorms, which is a relief to them and to the University. For students who cannot return to Grounds, they will pack and store belongings for them.

President Ryan said UVA continues to look for ways to support Charlottesville neighbors. A website will be a hub for UVA faculty and staff who are looking to volunteer in the local community. Other initiatives include launching a partnership with a local food hub to address food insecurities and collaborating with local schools to support K-12 education to include tutoring. There is work being done to support students who are looking for jobs and internship opportunities, a task that has been made more difficult because of the downturn in the economy. The Career Center hosted a town hall for parents and 850 people attended. They will schedule another one for students.

President Ryan visited the new bed tower to see where the COVID-19 patients were being cared for, the COVID-19 clinic, and the research and testing facility that is running the tests for COVID-19. He said it was a remarkable and inspiring experience to see the work of the doctors, nurses, researchers, lab professionals, and team members.

In admission news, applications are up this year as well as deposits. Freshmen deposits are at 215 compared to 193 last year at this time and transfer deposits are up 46 compared to 34 last year. Of the 215 deposits from incoming freshmen, 18 are from the UVA wait list and this number is expected to increase.

Philanthropy continues to see support from alumni and friends in significant and meaningful ways. Mr. Ryan reminded the Board of Jaffray Woodruff's donation of \$1M to help expand testing capacity. This past week, Paul Manning and his family, who are long-time supporters of the athletics program, made a \$1M commitment to establish the Manning Fund for COVID-19 research. This fund will be a catalyst fund for research that is practically oriented towards testing, therapies, vaccines, and ways to reopen society. The idea is to provide seed funding to faculty so they can move quickly.

Remarks from the Executive Vice President and Provost

Fall 2020 Planning Committee

Ms. Magill focused on two topics: Fall 2020 planning and academic policies. The Fall 2020 Planning Committee members are working under a very compressed timeline. They have been charged with bringing their findings to the senior executive leadership by early to mid-May. She spoke in detail about the work streams for this committee. Dr. Mitch Rosner, Chair of the Department of Medicine, and Pat Lampkin are working on the question of when our faculty, staff, and students will be safe to return and under what conditions their safe return would require.

Carl Zeithaml, Dean of the McIntire School of Commerce, and Vice Provost Archie Holmes, are working with the schools to model different scenarios and learn about the academic contingency planning.

J.J. Davis, EVP and Chief Operating Officer, is leading a financial and auxiliary contingency planning effort. A work stream is considering “outside the box” ideas for the fall semester. A final work stream is focused on how to create an amazing online experience for our students. CIO Virginia Evans and Archie Holmes are leading this effort and looking at what instruments, tools, and coaching will faculty need to enhance the online experience for students.

These workstream leaders are joined by several consulting members who are providing a wide range of guidance and expertise including Board member Barbara Fried along with John Jeffries, Tim Heaphy, Margot Rogers, and Brie Gertler, who most recently served as acting dean of the College of Arts & Sciences. Ja’Mel Reed, who will serve as co-chair of Housing and Residence Life, is serving as a student representative.

Ms. Magill said less than a week after being charged by President Ryan, the committee developed workplans specific to each workstream and they are working now to implement these plans by meeting three times per week as a full committee and then each workstream is meeting additional times to accomplish their work. They will continue their outreach to the University community to gather data that will help inform recommendations. As part of this, plans are underway to survey faculty and students.

Ms. Magill said it is a talented and hard-working committee who are approaching this work with great diligence, deep thought, and an appreciation around the urgency for providing recommendations.

Academic Policies Report

Ms. Magill said the academic division budget work has been postponed and has turned into an all-hands-on-deck effort across the entire leadership to grapple with the fiscal/budgetary consequences of the crisis. In addition to almost daily e-mail updates, they have been meeting with the deans multiple times per week since early March.

Remarks from the Executive Vice President for Health Affairs

Dr. Kent said the number of patients in the hospital is 24. So, 24 beds are filled in a 700-bed hospital and it seems to be fairly stable over time. This is good for patients and the community, and if we were to see a spike in the number of COVID-19 patients, it is the perfect environment to be able to house those patients. Dr. Kent expressed hope that the Medical Center can open UVA Health to other patients in the next weeks and months to come. COVID-19 patients will be housed in one part of the hospital but the rest of the hospital could see regular patients again.

In the region, about 500 people are being tested daily. Dr. Kent said one of the struggles was insufficient swabs. Engineers have now managed to figure out a way to produce almost 1,000 swabs a day. He thanked the Board again for their help in this capacity.

Remarks from the Executive Vice President and Chief Operating Officer

Ms. Davis said the Board will see a pre-COVID base case in June and her team will work through the summer to present scenarios based on where Fall 2020 ends up. This will also provide the benefit of the Commonwealth's state budget as well, which is critically important to consider moving forward.

In terms of liquidity, they are doing cash flow modeling. The CARES Act has helped to mitigate some of the revenue flow on the Health System side with no major issues in the short-term, but obviously important to continue to monitor real-time. In the last week, UVA received additional funding from the CARES Act of two installments of approximately \$11.7M. This is emergency relief for students. The second installment has not arrived.

The Critical Incident Management Team is operational. It continues to meet weekly focusing on the possibility of a surge in COVID-19 patients at the Health System and working with the city and county around issues that could arise.

Ms. Davis spoke to the Board about debt shelf registration: the University would like to seek 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. Rector Murray said this is not a request to borrow money but simply a request to register for the potential sale of bonds at some point in the future.

Closed Session

Rector Murray asked for a motion to resume in closed session. After adopting the following motion made by Dr. Lateef, duly seconded, and unanimously supported by roll call vote of the voting members present plus Peter C. Brunjes and Derrick Wang, the Board went into closed session at 5:35 p.m. James E. Ryan, Jennifer Wagner Davis, K. Craig Kent, M.D., M. Elizabeth Magill, Melody S. Bianchetto, Michael J. Citro, Margaret S. Grundy, Susan G. Harris, Timothy J. Heaphy, John C. Jeffries Jr., Douglas E. Lischke, Mark M. Luellen, and Debra D. Rinker also participated in the closed session.

"I move that the Board of Visitors go into closed session to discuss with members of the Health System Board specific proprietary, business-related information about the Medical Center's operations and finances; to discuss the investment of public funds where competition is involved and public disclosure could adversely affect the financial interests of the University; and to receive a 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 Code of Virginia."

At 6:31 p.m. the Board left closed session, and, on the following motion made by Dr. Lateef, all members present certified by roll call vote that the deliberations in closed

session had been conducted in accordance with the exemptions permitted by the Virginia Freedom of Information Act. The members voting in the affirmative were Mr. Murray, Mr. Clement, Mr. Blue, Mr. Bowles, Mr. Conner, Ms. Cranwell, Mr. DePasquale, Ms. Fried, Mr. Griffin, Mr. Haddad, Mr. Hardie, Mr. Jones, Dr. Lateef, Ms. Mangano, Mr. Poston, and Mr. Reyes. Mr. Brunjes and Mr. Wang also voted in the affirmative:

"I move that we vote on and record our certification that, to the best of each member's knowledge, only public business matters lawfully exempted from open meeting requirements and which were identified in the motion authorizing the Closed session, were heard, discussed, or considered in Closed session.

After the Board resumed in open session, the following two resolutions were each approved separately by roll call of the voting members of the Board. The members voting in the affirmative were Mr. Murray, Mr. Clement, Mr. Blue, Mr. Bowles, Mr. Conner, Ms. Cranwell, Mr. DePasquale, Ms. Fried, Mr. Griffin, Mr. Haddad, Mr. Hardie, Mr. Jones, Dr. Lateef, Ms. Mangano, Mr. Poston, and Mr. Reyes.

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.

AUTHORIZATION TO SUSPEND OR REDUCE RETIREMENT PLAN CONTRIBUTIONS OF MEDICAL CENTER EMPLOYEES IN RESPONSE TO COVID-19 PANDEMIC

WHEREAS, the University of Virginia (the “University”) sponsors certain retirement plans to which it contributes on behalf of eligible participants employed by the University of Virginia Medical Center, specifically, the Optional Retirement Plan for Employees of the University of Virginia Medical Center and the Supplemental Defined Contribution Benefit Plan for Employees of the University of Virginia Medical Center as well as the Defined Contribution Retirement Plan for Executive Employees of the University of Virginia and the University of Virginia Executive 403(b) Plan with regard to Medical Center employees (the “Plans” and, individually, each a “Plan”); and

WHEREAS, in response to the economic conditions created by the COVID-19 pandemic, the University may seek to reduce or suspend employer contributions to the Plans through the end of the 2020-2021 fiscal year to the extent permitted by applicable law, with the intention of resuming such contributions contingent upon the return of more favorable economic conditions;

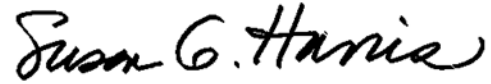
RESOLVED, the Board of Visitors authorizes the Executive Vice President and Chief Operating Officer to amend the Plans in whole or part. She may take all such actions as are necessary and appropriate, in her discretion, to reduce or suspend employer contributions to the Plans with regard to eligible participants employed by the University of Virginia Medical Center through the end of the 2020-2021 fiscal year or earlier if economic conditions warrant, to the extent permitted by applicable law; and

RESOLVED FURTHER, such reduction or suspension in employer contributions as authorized in the foregoing resolution shall be effective upon the amendment of each respective Plan in accordance with its terms and by the authority herein delegated.

The Rector closed the meeting with a brief discussion of what the meeting schedule may look like for the June meeting. He said he would like to hold an in-person four-hour meeting on June 4 for those who can easily travel to Charlottesville and back in a day. For those who cannot attend in person, they would participate via Zoom. He asked for the Board to send him or Susan Harris their thoughts on that plan. He also passed along a request from Tom DePasquale to have another meeting before the June meeting with a broader agenda and more time to talk about strategy, Q&A, and bigger issues. He suggested mid-May, possibly May 15, for this meeting if the Board agreed it was necessary.

On motion, the meeting was adjourned at 7:10 p.m.

Respectfully submitted,

A handwritten signature in black ink that reads "Susan G. Harris". The signature is written in a cursive, flowing style.

Susan G. Harris
Secretary

SGH:ddr

These minutes have been posted to the University of Virginia's Board of Visitors website.
<http://bov.virginia.edu/public-minutes>