



UNIVERSITY of VIRGINIA

THE RECTOR AND VISITORS OF THE
UNIVERSITY OF VIRGINIA

June 9, 2017

MEMORANDUM

TO: The Finance Committee:

James B. Murray Jr., Chair
L.D. Britt, M.D.
Elizabeth M. Cranwell
Thomas A. DePasquale
Kevin J. Fay

John G. Macfarlane III
William H. Goodwin Jr., Ex Officio
Nina J. Solenski, M.D., Faculty Member
Bryanna F. Miller, Student Member
Daniel M. Meyers, Consulting Member

and

Buildings and Grounds Committee:

Kevin J. Fay, Chair
Mark T. Bowles
Whittington W. Clement
Elizabeth M. Cranwell
Thomas A. DePasquale

Barbara J. Fried
John G. Macfarlane III
James B. Murray Jr.
James V. Reyes
William H. Goodwin Jr., Ex-officio

and

The Remaining Members of the Board:

Frank M. Conner III
Frank E. Genovese
John A. Griffin

Babur B. Lateef, M.D.
Tammy S. Murphy
Jeffrey C. Walker

FROM: Susan G. Harris

SUBJECT: Minutes of the Joint Meeting of the Finance Committee and the Buildings and Grounds Committee on June 9, 2017

The Finance Committee and the Buildings and Grounds Committee of the Board of Visitors of the University of Virginia met, in Open Session, at 9:55 a.m. on Friday, June 9, 2017, in the Board Room of the Rotunda. Kevin J. Fay, Chair of the Buildings and Grounds Committee, presided.

Finance Committee members present: William H. Goodwin Jr., James B. Murray Jr., Elizabeth M. Cranwell, Thomas A. DePasquale, Kevin J. Fay, John G. Macfarlane III, Nina J. Solenski, M.D., Bryanna F. Miller, and Daniel M. Meyers

Buildings and Grounds Committee members present: William H. Goodwin Jr., Mark T. Bowles, Whittington W. Clement, Elizabeth M. Cranwell, Thomas A. DePasquale, Barbara J. Fried, John G. Macfarlane III, James B. Murray Jr., and James V. Reyes

Frank M. Conner III, Frank E. Genovese, John A. Griffin, Babur B. Lateef, M.D., and Jeffery C. Walker also attended.

Present as well were Teresa A. Sullivan, Patrick D. Hogan, Thomas C. Katsouleas, Richard P. Shannon, M.D., Melody S. Bianchetto, Susan G. Harris, Donna P. Henry, Patricia M. Lampkin, W. Thomas Leback, Mark M. Luellen, David W. Martel, Marcus L. Martin, M.D., Debra D. Rinker, Nancy A. Rivers, Roscoe C. Roberts, Pamela H. Sellers, Colette Sheehy, and Kelley D. Stuck.

Mr. Fay opened the meeting and gave the floor to Ms. Sheehy.

Action Item: 2017 Multi-Year Major Capital Plan

Ms. Sheehy said this is a six-year program, which is updated annually and submitted to the state every two years. If approved by the Board, the plan will be sent to the state on July 7. The plan totals approximately \$2.51 billion and is comprised of the projects approved in 2016, which total \$1.7 billion, and new projects, which total \$841 million. Funding will be provided by a combination of debt (53%), state appropriations (22%), gifts (15%), cash (9%), and auxiliary funds (1%). The Academic Division relies on these fund sources, the Health System relies heavily on debt, and the College at Wise relies heavily on state funding. The University's debt capacity can sufficiently cover the projected debt without jeopardizing its AAA bond rating. Ms. Sheehy stressed that not all of the projects will be fully funded or completed within the six-year period.

Committee discussion focused on debt. Mr. Hogan said the University is confident it can stay within the AAA parameters and noted that the University's financial advisors have not expressed concern. The Rector asked to see the income statements for the residence halls.

On motion, the Finance and Buildings and Grounds Committees approved the following resolution and recommended it for full Board approval:

2017 MULTI-YEAR MAJOR CAPITAL PLAN FOR THE ACADEMIC DIVISION, HEALTH SYSTEM, AND COLLEGE AT WISE

WHEREAS, in accordance with the capital projects approval process endorsed by the Buildings and Grounds Committee in November 2015, major capital projects are vetted by the Space Leadership Committee and executive leadership, as well as by appropriate committees of the Board of Visitors, to ensure alignment with the Cornerstone Plan and institutional priorities; and

WHEREAS, the projects included in the proposed 2017 Major Capital Plan are arrayed across a six-year plus timeframe based on the anticipated work related to each project; and

WHEREAS, the University is also engaging in several major capital planning studies that will result in specific projects in the future; and

WHEREAS, the Executive Vice President and Chief Operating Officer will confirm that appropriate funding is in place before any project commences construction;

RESOLVED, the 2017 Multi-Year Major Capital Plan for the Academic Division, the Health System, and the College at Wise is approved; and

RESOLVED FURTHER, the financial plans for capital projects expected to begin by 2018 in the update of the 2017 Multi-Year Major Capital Plan are complete and approved.

The chair adjourned the meeting at 10:15 a.m.

SGH:wtl

These minutes have been posted to the University of Virginia's Board of Visitors website:

<http://www.virginia.edu/bov/financeminutes.html>