MINUTES OF A REGULAR MEETING OF THE
BOARD OF VISITORS OF
VIRGINIA COMMONWEALTH UNIVERSITY
May 17, 2002

A regular meeting of the Board of Visitors of Virginia Commonwealth Uni-
versity was held on Friday, May 17, 2002, at 9 a.m. in the University Meeting
Center located at 101 North Harrison Street.

Present were Messrs. Flippen, Axselle, Gresham, Markel, Plymale, Pyon,
Rigsby and Slater; Drs. Long, Perkinson, Smith and Wootton; and Mesdames
McMichael, Petera and Riddick. Mr. Baldacci was absent. Also present were
Drs. Trani, Huff, Kontos, McDavis, Rhone, Self and Torr; Messrs. Blanks, Bunce,
Gehring, Ross, Timmreck and Wyeth; and Messames Messmer and Price. Ben
Harvey, student representative to the Board, was also present.

Mr. Flippen called the meeting to order and welcomed members of the
Faculty Senate and the press. The Report of the President followed:

Drs. Smith and Wootton and Mr. Flippen were recognized for the years of
service given to VCU. All three Board members have served VCU for the
past eight years.

On motion made and seconded, the following resolution was approved
and presented to Mr. Flippen:

WHEREAS Mr. Edward L. Flippen joined the Board of Visitors of Virginia Com-
monwealth University in 1994;

WHEREAS Mr. Flippen was elected to serve as Rector of the Board in February
2000;

WHEREAS Mr. Flippen, during his tenure on the Board of Visitors, has devoted
himself to the mission and goals of Virginia Commonwealth University and has
served the Board and the University with distinction;
WHEREAS Mr. Flippen has established significant priorities for the University, including the transition to the VCU Health System, the development of the School of Engineering, and achieving greater national awareness of and recognition for VCU's excellence and innovation;

WHEREAS Mr. Flippen made a lasting contribution to excellence in the administration of the University's financial affairs and was instrumental in the development of a long range financial plan that is based on its strategic initiatives;

WHEREAS Mr. Flippen also has provided leadership during the development and implementation of VCU Life Sciences, one of the most important initiatives in the history of the institution;

THEREFORE, BE IT RESOLVED that the Board of Visitors of Virginia Commonwealth University recognizes Mr. Flippen's commitment and friendship to the University and the Richmond community, and expresses its profound admiration for the legacy of leadership that he has established.

Ben Harvey, student representative to the Board, was recognized for his contributions to the Board during the past year. Mr. Harvey will graduate summa cum laude on Saturday, May 17, 2002, with majors in biology and chemistry. After graduation, Ben plans to travel across Europe for a year and then enroll in the University of North Carolina medical school.

VCU has received over 10,700 undergraduate applications and based on offers accepted by students, VCU has already achieved the goal of 2,900 freshmen and the freshman class size for the Fall 2002 is expected to be 3,075. The average SAT score of the incoming freshmen is up 10 points from 2001. The average SAT score of the incoming freshman class will be approximately 1050. Currently, the number of incoming out-of-state undergraduate students is up 50 students, an 18 percent increase over 2001.

The Rice Center for Environmental Life Sciences Site Development Plan was presented. The James River will be the Center’s functional front door. The short peninsula that reaches out into the river is the ideal site for Phase I development. Private and public access to the site shaped the design by allowing more public functions, such as outreach education, to occur at the mid-point in the forested area. The more private functions, such as research and conferencing, will occur at the farthest point from Route 5. In keeping with the preservation
theme, an early decision was made to preserve as much of the undeveloped site as possible. Accordingly, the property east of the lake will remain undisturbed and dedicated almost exclusively to research. The parcel also harbors archaeological remnants from Native Americans and the Civil War, suggesting possible interpretive programs of cultural history. The estimated cost for the full implementation of the Site Development Plan is $3 million for Phase I and an additional $2.5 million for Phase II, and $2 million for Phase III. On motion made and seconded, the Site Development Plan was approved.

The 2002-04 Budget Plan was presented. On motion made and seconded, the 2002-04 Budget Plan was approved.

Dr. Wootton reported for the Academic and Health Affairs Policy Committee. The Proposal to change to a major the track in Athletic Training within the B.S. in Health, Physical Education and Exercise Science was presented. The VCU Athletic Training Program is in candidacy status for accreditation by the Commission of Accreditation of Allied Health Education Programs (CAAHEP). CAAHEP now requires that the program be an undergraduate academic major or graduate degree program to be accredited. Other institutions that have athletic training tracks within existing degree programs also are in the process of changing the tracks into major programs. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the proposal to change to a major the track in Athletic Training within the B.S. in Health, Physical Education and Exercise Science.
The Revisions to the University Council Bylaws were presented. Article X, Section 1.b of the University Council Bylaws mandates a review of the Bylaws at least every five years. The recent review produced proposed changes. The revised University Council Bylaws were approved by the University Council. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the revisions to the University Council Bylaws.

The current meeting time for the Academic and Health Affairs Policy Committee was discussed. The Committee decided an expanded timeframe would be beneficial in order to cover agenda items in a more in-depth fashion. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of a change in meeting time in order to accommodate the Committee's desire for a longer Committee session.

Mr. Markel reported for the Finance, Investment and Property Committee. The Optional Retirement Plan for Employees of Virginia Commonwealth University was presented. The Committee was asked to approve VCU opting out of the VRS ORP and implementing a VCU ORP plan document. The Finance, Investment and Property Committee recommended to the full Board the approval of the following Resolution:

WHEREAS, employees of Virginia Commonwealth University (the "University") currently receive retirement benefits through either the Optional Retirement Plan or the Virginia Retirement System (the "VRS"); and

WHEREAS, the Optional Retirement Plan of the Commonwealth of Virginia (the "VRS ORP"), administered by the Virginia Retirement System Board of Trustees (the "VRS Board"), includes a provision that allows institutions of higher education to provide their own plans instead of participating in the state plan; and
WHEREAS, it is incumbent upon any institution desiring to provide its own plan in lieu of participating in the VRS ORP to obtain VRS Board approval; and

WHEREAS, other public institutions of higher education have implemented such optional retirement plans; and

WHEREAS, the University has determined that it is in its best interests to implement its own plan.

NOW THEREFORE, BE IT RESOLVED that the Board of Visitors of Virginia Commonwealth University (the "Board of Visitors") hereby authorizes the University to opt out of the VRS ORP and to establish and maintain the Virginia Commonwealth University Optional Retirement Plan (the "Plan") consistent with the provisions of the Internal Revenue Code of 1986, as amended, and the Code of Virginia for the benefit of certain employees of the University eligible to participate in the Plan; and

BE IT FURTHER RESOLVED that the Board of Visitors hereby designates the Senior Vice President for Finance and Administration as the responsible University official with respect to establishing and administering the Plan.

The Donation of the Rice Center for Environmental Life Sciences Property was presented. The property is a gift of Inger and the late Walter Rice. The Rice Center for Environmental Life Sciences will be devoted to the study of life sciences research. The land, wildlife and ecosystems of the property will be preserved, providing an important habitat for bald eagles in the area. The Rice property will serve as an outdoor, living laboratory for VCU students and faculty to conduct hands-on research in areas of ecology, environmental sciences and natural resources management. The gift is for 342 acres located in Charles City County. The Finance, Investment and Property Committee recommended to the full Board the acceptance of the donation of the Rice Center for Environmental Life Sciences Property.

The lease at 104 North Belvidere Street was presented. The lease is for approximately 9,000 square feet of office space and 500 square feet of basement
space at 104 North Belvidere Street, with a 21-space surface parking lot accessible from Belvidere Street via the public alley, to be occupied by VCU Human Resources Division. The anticipated initial lease term will be September 1, 2002, to August 31, 2007, with two five-year renewals. The rent rate is $112,000 for the first year of the initial term of the lease. The Finance, Investment and Property Committee recommended to the full Board the approval of the lease at 104 North Belvidere Street.

The lease for 3805 Cutshaw Avenue was presented. The lease is for approximately 5,500 square feet of office and research space at 3805 Cutshaw Avenue. The Mood Disorder Institute needs to relocate from the Metropolitan Medical Office Building because the building is changing from a medical office building to a general use office building. The anticipated term of the lease is August 1, 2002, to July 31, 2007, with year-to-year renewals. The rent is $71,500 for the first year of the initial term of the lease. The Finance, Investment and Property Committee recommended to the full Board the approval of the lease for 3805 Cutshaw Avenue.

The Architect/Engineer Selection for the 2000-2002 Life/Fire Safety Improvements for the School of Business Fire Suppression System was presented. The project will provide an automatic fire suppression system and new emergency egress lighting for the School of Business Building on the Academic Campus. The scope of work includes water service upgrades, installation of a fire pump and emergency generator for the new wet pipe sprinkler system, design of fire safety systems, asbestos abatement, ceiling repair as necessary, and con-
nection to the University's central fire alarm control center. The construction budget is $870,000 with a project budget of $1,161,500. The firm recommended is John T. Moore & Associates, P.C. The Finance, Investment and Property Committee recommended to the full Board the Architect/Engineer Selection for the 2000-2002 Life/Fire Safety Improvements for the School of Business Fire Suppression System.

The Project Plans for the 2000-2002 Life/Fire Safety Improvements for the School of Business Fire Suppression System were presented. The purpose of the project is to provide a sprinkler system and new emergency exit lighting for the School of Business. The installation of the system is considered one of the most economical ways to protect people and property in a heavily used facility such as the School of Business. The construction budget is $870,000 with a total budget of $1,161,500. The Finance, Investment and Property Committee recommended to the full Board the Project Plans for the 2000-2002 Life/Fire Safety Improvements for the School of Business Fire Suppression System.

The Utility Easements for the Gateway Building and 1015 Grove Avenue were presented. The Gateway Building easement is required to provide electrical power to the Gateway Building and the cost of installation of the additional electrical service is included in the construction budget. The easement for 1015 Grove Avenue will facilitate upgrades to existing power distribution facilities, which will provide more reliable service to the area. The Finance, Investment and Property Committee recommended to the full Board the approval of the utility easements for the Gateway Building and 1015 Grove Avenue.
The Policy on Creating and Establishing University Policy was presented. The purpose of the policy is to establish a methodology to create, approve, distribute, and revise policies and procedures. The University wishes to establish:

- Two distinct types of policies – Board of Visitors approved Policy and Administrative approved Policy.
- A Standard Format Template for creating policies and procedures.
- A formal system for approval and periodic review of policies and procedures.
- A distribution system for newly approved policies and procedures.
- The Administrative Toolkit, a central policy library.

The Finance, Investment and Property Committee recommended to the full Board the approval of the Policy on Creating and Establishing University Policy.

Dr. Smith reported for the Student Affairs Committee. The revisions to the VCU Alcohol and Drug Policy were presented. The initial policy was approved by the Board of Visitors in September, 1991, and a revised document was approved by the Board of Visitors in November, 1999. In accordance with the Drug Free Schools and Communities Act of 1989, a report is prepared on a biennial basis in order to summarize the alcohol and other drug programs on campus and to ensure that disciplinary sanctions for violating standards of conduct are enforced consistently throughout the University. The revised document was approved by the University Council. The Student Affairs Committee recommended to the full Board the approval of the revisions to the VCU Alcohol and Drug Policy.

On motion made and seconded, the following items on the Consent Agenda were approved:

Board of Visitors
Minutes of a Meeting held February 14, 2002
Minutes of a Special Meeting held April 25, 2002
Resolution Regarding Faculty Salaries and Bonuses
The Honor System of Virginia Commonwealth University was presented. The Board of Visitors approved the VCU Honor System on January 17, 1991, and approved revisions on November 22, 1996. The Honor System provides for a review process to take place every three years. The Provost and Vice President for Academic Affairs appointed an Honor System Review Committee to conduct an examination of the document and recommend changes. The report of the committee was discussed at the May 2001 meeting of the Board of Visitors Student Affairs Committee. Since that time, the report has been reviewed by various groups throughout the University, was approved by the University Council, and the Student Affairs Committee conducted an in-depth discussion at the
meeting on May 16, 2002. On motion made and seconded, the Board approved revisions to the Honor System of Virginia Commonwealth University.

Mr. Flippen reported for the Nominating Committee for Rector. The Committee members were Mr. Edward L. Flippen, Dr. Lindley T. Smith and Dr. Percy Wootton. The Committee recommended that Dr. W. Baxter Perkinson, Jr., be elected Rector to the Board. On motion made and seconded, the Board approved the election of Dr. W. Baxter Perkinson, Jr. as Rector of the Board effective July 1, 2002.

Mr. Flippen appointed the Nominating Committee for Officers and Executive Committee. Members are Dr. Perkinson, Chair; Messrs. Gresham, Plymale and Rigsby; and Ms. Riddick.

On motion made and seconded, the Board convened into closed session to discuss certain personnel matters and matters relating to the performance of identifiable employees and faculty of VCU, including the Faculty Appointments and Changes in Status and other Personnel Actions; and to discuss the performance of departments or schools of VCU where such matters regarding such individuals might be affected by such evaluations, including Audit Reports of individually identified departments and/or schools; and to discuss legal matters and probable litigation relating to the aforementioned Audit Reports, to discuss the acquisition or use of real property for public purpose, or of the disposition of publicly held property, or of plans for the future of a state institution of higher education which could affect the value of property owned or desirable for ownership by
such institution, including the acquisition of property on or adjacent to the Academic Campus; and to consult with legal counsel pertaining to actual and probable litigation, and other specific legal matters requiring the provision of legal advice by counsel, including the Report of the General Counsel; to discuss matters relating to gifts, bequests, and fundraising activities, including the approval of the Named Funds Report and Facility Naming Recommendations, and an update on the development activities; and to discuss matters relating to honorary degrees and special awards including the Report of the Student Affairs Committee as authorized by Section 2.2-3711 A(1), A(3), A(7), A(8) and A(10) of the Virginia Freedom of Information Act.

Following closed session, on motion made and seconded, the following resolution was approved by roll call vote:

Virginia Commonwealth University hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed session meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed session meeting were heard, discussed or considered by the Board of Visitors of Virginia Commonwealth University.

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<tr>
<th>Roll Call Vote</th>
<th>Ayes</th>
<th>Nays</th>
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<tr>
<td>Mr. Edward L. Flippen, Rector</td>
<td>X</td>
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<td>Mr. Ralph L. “Bill” Axselle, Jr.</td>
<td>X</td>
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<td>Mr. David G. Baldacci</td>
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<td>Absent</td>
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<td>Mr. Timothy L. Gresham</td>
<td>X</td>
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<td>Dr. Stephen P. Long</td>
<td>X</td>
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<td>Mr. Steven A. Markel</td>
<td>X</td>
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<td>Ms. Laura R. McMichael</td>
<td>X</td>
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<td>Dr. W. Baxter Perkinson, Jr.</td>
<td>X</td>
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<td>Mrs. Anne P. Petera</td>
<td>X</td>
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<td>Mr. Monty W. Plymale</td>
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<td>Mr. Harold Y. Pyon</td>
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<td>Ms. E. Janet Riddick</td>
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Roll Call Vote

Mr. Robert E. Rigsby  X
Mr. G. Bryan Slater    X
Dr. Lindley T. Smith  X
Dr. Percy Wootton     X

Vote:

Ayes: 14
Nays: 0

ABSENT DURING MEETING: 1
ABSENT DURING VOTING: 2

On motion made and seconded, the Board accepted the Report of the President; approved the Faculty Appointments and Changes in Status and other personnel actions; approved the Named Funds Report and Facility Naming Recommendations; approved the Promotion and Tenure Recommendations; approved the VCU Clinical Faculty Salaries for the School of Medicine 2002-2003; approved the acquisition of property on or adjacent to the Academic Campus; approved the concurrence with the acquisition of property by the VCU Real Estate Foundation on or adjacent to the MCV Campus; accepted the closed session Committee Reports; accepted the Report of the General Counsel and approved the amendment to the Special Awards.

The meeting was adjourned at 12:15 p.m.

W. Baxter Perkinson, Jr., Rector

Robert E. Rigsby, Secretary