A regular meeting of the Board of Visitors of Virginia Commonwealth University
was held on Thursday, August 14, 2003, at 9 a.m. in the University Meeting Center
located at 101 North Harrison Street.

Present were Drs. Perkinson (Rector), Bersoff, Romano and Shapiro; Messrs.
Axselle, Baldacci, Pyon, Rigsby, Robertson and Slater; and Mesdames Petera, Riddick
and Rhodes. Ms. McMichael and Messrs. Rosenthal and Thompson were absent. Also
present were Drs. Trani, Andrews, Brodd, Huff, McDavis, Retchin, Rhone and Torr;
Messrs. Blanks, Bunce, Gehring, Ross, Timmreck and Wyeth; and Mesdames Balmer,
Chinnici, Lepley, and Messmer.

Dr. Perkinson called the meeting to order and introduced the members of the
press.

The Report of the President followed:

The following new Board members were introduced:

Mrs. Anne J. G. "Panny" Rhodes is one of the community and state’s most
important public servants. Ms. Rhodes served in the House of Delegates between
1992 and 2002. Among the many committee assignments were Finance,
Appropriations, the Higher Education Joint Committee and the Commission on
Access and Diversity in Higher Education. Ms. Rhodes chaired the Board of
Trustees of United Way Services and the Community Foundation, among many
others. Ms. Rhodes currently is a member of VCU's School of Engineering
Foundation as well as the Library of Virginia Foundation, the Virginia Holocaust
Museum and the Virginia Historical Society, to name a few. Ms. Rhodes has
been awarded the YWCA Outstanding Women in Richmond Award.

Mr. Richard T. Robertson has served as President, Warner Brothers Domestic
Television Distribution, since January 1989, which is one of the leading first-run
and off-network programming distribution operations in the domestic television
Mr. Robertson served as chair for VCU’s Partners for Progress Campaign and made the lead naming gift to establish the Richard T. Robertson Alumni House on the Academic Campus. Mr. Robertson was a student in the finest VCU tradition. Mr. Robert began his career in 1967 as a salesman for WRVA-TV while working on a bachelor’s degree in advertising.

Dr. Carol S. Shapiro has a practice in plastic and reconstructive surgery in Woodbridge and Manassas, Virginia. Dr. Shapiro earned an M.D. from Drexel University Medical School in 1965, followed by an internship at Philadelphia General Hospital and residencies in general surgery and plastic surgery at Georgetown University Hospital. In 1996, Dr. Shapiro received an M.B.A. from George Mason University. Dr. Shapiro’s numerous honors include being named a top doctor in the Washingtonian in 1991, 1993, 1995, 1999 and 2002, and the American Medical Association’s Recognition Award nine different years, including 2003.

Other introductions included:

Linda Harber, Executive Director of Human Resources Division, will be going to George Mason University as Associate Vice President for Human Resources. Ms. Harber has served VCU for 25 years.

Judith A. Lewis is the 2003-2004 President of the Faculty Senate. Dr. Lewis is a professor of maternal-child nursing and director of information technology for the School of Nursing.

Dr. Robert L. Andrews is past president of the Faculty Senate. Dr. Andrews is an associate professor of management science in the School of Business, with a focus on teaching and research in statistics. Dr. Andrews will be recommended to the Board to fill the new position of non-voting Faculty Representative to the Board of Visitors.

An enrollment update as well as an update on the SACS Report were also presented.

The Report of the Rector followed. The Rector thanked everyone for attending the reception Wednesday evening, to “kick-off” the Board’s Wednesday night event. Dr. Perkinson has requested that Wednesday night events be held prior to the Board meetings to showcase the University and the events being held throughout the year.

Dr. Perkinson reminded the Board that the next meeting of the Board will be held on November 12 and 13, 2003, with a reception for new, former and retiring Board members being held on Wednesday evening at the President’s residence.
Mrs. Riddick reported for the Academic and Health Affairs Policy Committee. The School of Medicine Teaching/Research Faculty Salary Plan was presented. The VCU Board of Visitors approved a performance-based faculty incentive plan for all School of Medicine full-time faculty, except administrative and professional faculty, effective July 1, 1994, coincident with the merger of the School of Medicine and the School of Basic Health Sciences. In 1998, the VCU Board of Visitors approved a faculty salary plan for full-time faculty in the School of Medicine performing clinical functions that included a fixed and variable base salary. The clinical faculty salary plan was effective on July 1, 1998, and applies to approximately 460 full-time faculty assigned to the M.D. Clinical and Non-M.D. Clinical Salary Groups. The VCU Board of Visitors approved revisions to the Clinical Faculty Salary Plan in February 2002. The School of Medicine Teaching/Research Faculty Salary Plan applies to approximately 247 full-time faculty in the basic science and clinical departments assigned to the Teaching/Research Salary Group. The Academic and Health Affairs Policy Committee recommended to the full Board the approval of the Teaching/Research Faculty Salary Plan.

The following items were presented for information:

- Report on Degrees Awarded
- Assessment Report
- SACS Update
- Report on the School of Medicine
- Report of the Vice President for Research
- Report on Feedback on Intellectual Properties Policy
- Report of the Provost and Vice President for Academic Affairs

Mr. Rigsby reported for the Audit Committee. The Status of the Audit for the Year Ended June 30, 2003, was presented for information by Mrs. Martha Mavredes of the
Auditor of Public Accounts. The Annual Status Report on Financial, Operational, and Administrative Practices Framework was also presented for information.

Mr. Axselle reported for the External Relations Committee. The Federal, State, Local and Community Relations Report was presented. The Vice President for Government and Community Relations advised the Committee that John Broadway has accepted a position as Policy Director for the Virginia Association of Realtors. The Committee discussed the Commonwealth’s budget outlook for the 2004 session of the General Assembly. Increased operating and programmatic funding for higher education is very unlikely given the continuing slow recovery of the Virginia economy. VCU’s highest priorities are to obtain maximum tuition and fees flexibility and avoid any future cuts to the budget. VCU continues to gather support for the Monroe Campus. Meetings with state and local political leaders have been very encouraging. The Virginia Secretary of Health and Human Resources’ report to the Governor, *Virginia’s Academic Health Centers: Mission-Related Services and Cost*, has been released to the public. The report, which focuses primarily on the academic medical centers’ efforts to provide indigent care, tells a very positive story about VCU’s value to the Commonwealth and the need to provide adequate funding for VCU’s educational and patient care missions. The report will help form the basis for the VCU Health System’s request for indigent care funding for the next biennium.

The Marketing and Media Relations Report was presented. News videos that captured the great headlines for the 2002-03 academic year were presented. The Committee also reviewed Marketing and Media Relations’ projects for the upcoming year, which included ads to support undergraduate recruitment, to the pervasive “VCU
Look" on the Web site, to the broadcast, online and print coverage that is presented in the VCU in the News folders given to the Board members. The Channel 8 story on the "Changing Face of VCU" was also presented. The Richmond Times-Dispatch story by Gary Robertson reports on the new initiatives on the horizon for VCU in terms of the Monroe Campus and the new housing projects. Dick Robertson, VCU’s new Board member, encouraged collaboration with the VCU Adcenter, and the new, dynamic managing director, Rick Boyko.

Dr. Bersoff reported for the Finance, Investment and Property Committee. Project Plans for Rhoads Hall II were presented. The project consists of the construction of a new 640-bed, high-rise residential tower to respond to increasing demands for on-campus, freshman student housing on the Academic Campus. The construction budget is $21,194,266 with a total budget of $27,937,319. The Finance, Investment and Property Committee recommended to the full Board the approval of the project plans for Rhoads Hall II.

Project Plans for Sanger Hall Lab Renovations, Phase I were presented. The project is funded partially through a federal NIH (National Institutes of Health) grant, and will transform 12,380 GSF of 30-year old laboratory space into a state-of-the-art research laboratory. The construction budget is $2,800,000 with a total budget of $3,990,734. The Finance, Investment and Property Committee recommended to the full Board the approval of the project plans for Sanger Hall Lab Renovations, Phase I.

The Amendments to Virginia Commonwealth University’s Qualified Retirement Plans, the Resolution for the Massey Cancer Center Development and Financing Agreement, the Resolution for the Virginia College Building Authority Bonds and the
Resolution for Advance Refunding were presented and recommended to the full Board for approval by the Finance, Investment and Property Committee.

The lease for 1000 West Franklin Street was presented. The lease is for 4,003 square feet of office space on the first floor and student lab space located in the basement. The College of Humanities and Sciences requires the space for the Bachelor of Interdisciplinary Studies (BIS) program. The lease is for September 1, 2003 to August 31, 2008, plus year-to-year renewals. The lease for 828 West Grace Street was presented. The lease is for 9,888 square feet of land to accommodate approximately 30 vehicle spaces and provide parking for students on the Academic Campus of Virginia Commonwealth University. The initial term is for August 1, 2003, to July 31, 2008, with a three percent annual escalation rate, plus automatic year-to-year renewals. The Finance, Investment and Property Committee recommended to the full Board the approval of the following leases: 1000 West Franklin Street and 828 West Grace Street.

The lease for 933 West Broad Street was presented. The lease is for approximately 70,000 square feet of space containing 88 furnished apartments. The proposed lease term is for August 1, 2004, to July 31, 2009. The Finance, Investment and Property Committee recommended to the full Board the approval of the lease for 933 West Broad Street with the stipulation that the owner consult with appropriate University officials on prospective tenants for the ground floor retail space.

The following items were presented for information:

University Quarterly Budget Performance Report: June 30, 2003
Virginia Commonwealth University Health System Financial Statement
Financial, Operational, and Administrative Practices Framework Update
Notification of Contract Award: School of Business Classroom Renovations/Fire Suppression System
Virginia Biotechnology Research Park Authority Summary of Occupancy/Lease Intent
Facilities Management Overview
Capital Projects Status Report

Ms. Riddick reported for the Student Affairs Committee. The following items were presented for information:

- Enrollment Reports for Summer Studies and the Fall semester
- Update on Housing Construction
- Final Report of Summer School Task Force
- Honor System Annual Report
- Student Health Insurance
- Update on Student Involvement in Development

On motion made and seconded, the following Consent Agenda Action Items were approved:

Board of Visitors
  - Minutes of a Meeting held May 16, 2003
  - Minutes of a Joint Meeting of the Board of Visitors and the VCU Health System Board of Directors held May 15, 2003
  - Resolution Regarding Faculty Salaries (see Resolution below)

Academic and Health Affairs Policy Committee
  - Minutes of a Meeting held May 15, 2003
  - School of Medicine Teaching/Research Faculty Salary Plan

Audit Committee
  - Minutes of a Meeting held May 16, 2003

External Relations
  - Minutes of a Meeting held May 15, 2003

Finance, Investment and Property Committee
  - Minutes of a Meeting held May 15, 2003
  - Project Plans for Rhoads Hall, II
  - Project Plans for Sanger Hall Lab Renovations Project I
Amendments to Virginia Commonwealth University’s Qualified Retirement Plans

a. First Amendment to the Optional Retirement Plan for Employees of Virginia Commonwealth University
b. First Amendment to the Select Defined Contribution Retirement Plan for Employees of Virginia Commonwealth University
c. Resolution: Amendments to Virginia Commonwealth University’s Qualified Retirement Plans

Resolution: Massey Cancer Center Development and Financing Agreement (see Resolution below)

 Resolution for Virginia College Building Authority Bonds (see Resolution below)

Central Dining
Massey Cancer Center
Academic Campus Parking Deck IV
Rhoads Hall II

Resolution for Advance Refunding
Series 1995
Series 1996 A
Series 1996 B

Lease for 1000 West Franklin Street
Lease for 828 West Grace Street
Lease for 933 West Broad Street

Student Affairs Committee
Minutes of a Meeting held May 15, 2003

RESOLUTION REGARDING FACULTY SALARIES

Be It RESOLVED by the Board of Visitors of Virginia Commonwealth University that the salaries and compensation levels for all persons holding faculty appointments at Virginia Commonwealth University as of June 30, 2003, whose faculty appointments have neither terminated nor otherwise changed pursuant to the terms of contracts or notifications duly sent to and received by said faculty members, will be continued at the same rate of compensation in effect on June 30, 2003, for the period beginning July 1, 2003, through June 30, 2004, or for such lesser term as may be specified in the faculty member’s contract (including the terms and conditions of employment) or notification. All said persons holding faculty appointments will
undergo formal evaluation prior to the November 2003 meeting of the Board of Visitors of Virginia Commonwealth University, at which time, this Board will consider and act upon any recommended increases or adjustments in salaries of the aforementioned faculty members, subject to the availability of funding for salary increases. Any such increases, adjustments and/or bonuses will be effective on November 25, 2003. This Resolution shall not be deemed to extend any rights or entitlements beyond those expressly stated herein.

Amendments to Virginia Commonwealth University's Qualified Retirement Plans

WHEREAS, Virginia Commonwealth University (the “University”) restated the Optional Retirement Plan for Employees of Virginia Commonwealth University (the “ORP”), effective January 1, 2001, and established the Select Defined Contribution Benefit Plan for Employees of Virginia Commonwealth University (the “Select Plan”), effective January 1, 2000;

WHEREAS, the University desires to amend the ORP and the Select Plan to incorporate certain changes requested by the Internal Revenue Service (the “IRS”) in connection with the submission of the ORP and the Select Plan, respectively, to the IRS for favorable determinations as to their qualified status;

WHEREAS, the University also desires to amend the Select Plan to provide supplemental retirement benefits for a select group of officers and faculty of the University;

WHEREAS, Section 7.1 of the ORP and Section 7.1 of the Select Plan permit the University to amend the ORP and the Select Plan, respectively;

WHEREAS, the First Amendment to the ORP and the First Amendment to the Select Plan attached hereto incorporate the above changes and are consistent with the Internal Revenue Code and the Code of Virginia; and

WHEREAS, the University desires to authorize the Senior Vice President for Finance and Administration of the University to execute the First Amendment to the ORP and the First Amendment to the Select Plan and to make future non-substantive amendments to the ORP and the Select Plan on behalf of the University in order to maintain the plans in compliance with applicable federal and state law;