

Virginia Tech Board of Visitors Meeting

July 17, 2003

Minutes

A: Non-General Fund Capital Projects Resolution

B: Resolution recommending approval of the "Policy Statement Governing Exercise of Autonomy in Leases"

**MINUTES OF THE BUILDINGS AND GROUNDS COMMITTEE
OF THE BOARD OF VISITORS
VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY**

July 17, 2003

Virginia Tech Richmond Office

PRESENT

Board of Visitors Members:

Mr. Mitchell O. Carr
Mr. John R. Lawson, II
Mr. A. Ronald Petera
Mr. James W. Severt, Sr.

VPI & SU Staff:

Mr. James V. McCoy
Ms. Elizabeth D. Reed
Dr. Raymond D. Smoot, Jr.

OPEN SESSION

Opening Comments: Mr. Carr called the meeting to order at 11:15 a.m.

OPEN SESSION

1. **Approval of Minutes:** The minutes of the June 2, 2003 meeting were unanimously approved.
2. **Approval of Selected Capital Outlay Project Administration and Leased Property Management Decentralization Authority:** Mr. Carr provided a brief narrative description of the history of the current decentralization authority pilot program. Mr. McCoy provided an overview of the university's existing policy statement governing the exercise of post-appropriation authority for non-general fund projects and how the policy has been revised to include selected general fund projects.

The Committee requested the word "Autonomy" be replaced with the word "Authority" in both the resolution and the policy statement as it reflects the new legislation. The Committee also requested that the paragraph on Appraisal be rewritten to include language that provides for an appraisal to be conducted in accordance with state guidelines. The Committee unanimously approved the revised Resolution for Expansion of the Virginia Polytechnic Institute and State University Policy Statement Governing Exercise of Post-Appropriation Authority for Non-General Fund Capital Projects to Include Selected General Fund Projects.

Ms. Reed provided an overview of the existing policy statement governing the exercise of authority in operating leases of real property and how it had been revised to include income leases and capital leases. Ms. Reed advised of the changes in the Real Property Management Procedures Manual Acquisition By Lease to include provisions for capital leases. Ms. Reed gave a brief overview of the procedures for income leases as provided for in the *Real Property Management Procedures Manual - Lease of Real Property to Outside Entities*.

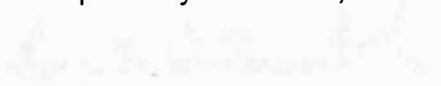
The Committee unanimously approved the Resolution for Expansion of the Virginia Polytechnic Institute and State University Policy Statement Governing Exercise of Authority in Leases of Real Property to Include Operating Leases, Income Leases and Capital Leases.

The Committee expressed its desire to have additional review and input regarding capital project planning to assure that design is cost effective and programming is expeditious. Information included in schematic reviews should be provided to the Committee prior to meetings.

Dr. Smoot agreed to provide a draft statement that would outline what the university believes the Buildings and Grounds Committee's involvement in capital projects should be for Committee consideration at the next meeting. He also agreed to provide additional time at the upcoming meeting for review of capital projects.

The meeting of the Buildings and Grounds Committee adjourned at 1:15 p.m.

Respectfully submitted,


Raymond D. Smoot, Jr.

RESOLUTION FOR EXPANSION OF THE VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY POLICY STATEMENT GOVERNING EXERCISE OF POST-APPROPRIATION AUTHORITY FOR NON-GENERAL FUND CAPITAL PROJECTS TO INCLUDE SELECTED GENERAL FUND PROJECTS

WHEREAS, the 1996 General Assembly granted increased authority to Virginia Polytechnic Institute and State University in the area of university-wide non-general fund capital outlay projects and such authority has been continued by subsequent legislation action; and,

WHEREAS, the General Assembly of Virginia, during the 2003 Session, enacted legislation providing a pilot program for the delegation of authority to the university in relation to post-appropriation review and approval for certain general fund projects at Virginia Polytechnic Institute and State University as provided in § 4-5.08f of Chapter 1042, 2003 Acts of Assembly; and,

WHEREAS, this delegation provides that the authority delegated to the university may not be exercised until the Board of Visitors adopts an appropriate system of policies, procedures, guidelines, reviews and approvals pursuant to which university officials will be guided in their exercise of the delegated authority; and,

WHEREAS, the Board of Visitors, on June 2, 2003, delegated to the Buildings and Grounds Committee of the Board full authority to adopt such policies, procedures and guidelines on behalf of the Board of Visitors; and,

WHEREAS, the enabling legislation requires that such policies, procedures and guidelines be submitted to the Secretary of Finance and the Secretary of Administration for their approval by August 1, 2003; and,

WHEREAS, the Board of Visitors on July 11, 1996 approved a "Policy Statement Governing Exercise of Post-Appropriation Authority for Non-General Fund Capital Projects," for the two-year pilot program for post-appropriation review for non-general fund projects, as enacted by the General Assembly during the 1996 Session, and continued by subsequent legislative action; and,

WHEREAS, the system of reviews, approvals, policies, procedures and guidelines included in the "Policy Statement Governing Exercise of Post-Appropriation Authority for Non-General Fund Capital Projects" has provided for the efficient and businesslike administration of non-general fund capital projects subsequent to completion of the appropriation process; and,

WHEREAS, the 1996 "Policy Statement Governing Exercise of Post-Appropriation Authority for Non-General Fund Capital Projects" has been revised to include general fund projects, and is now titled "Policy Statement Governing Exercise of Post-Appropriation Authority for Selected General Fund and Non-General Fund Capital Projects;" and,

WHEREAS, the Committee, on behalf of the Board of Visitors, finds that the proposed "Policy Statement Governing Exercise of Post-Appropriation Authority for Selected General Fund and Non-General Fund Capital Projects," attached hereto, constitutes the

Attachment A

required system of reviews, approvals, policies, procedures and guidelines prescribed by the enabling legislation and is otherwise appropriately designed to provide for the efficient and businesslike administration of selected general fund and non-general fund capital projects subsequent to completion of the appropriation process;

RESOLVED that the "Policy Statement Governing Exercise of Post-Appropriation Authority for Selected General Fund and Non-General Fund Capital Projects," attached hereto, is approved; and,

RESOLVED FURTHER that the President be delegated the authority (1) to implement the Policy Statement in the manner he deems most appropriate; (2) to delegate further to his designee the administrative responsibility to implement and assure compliance with the Policy Statement; (3) to take such steps as he may deem necessary and reasonable to secure approval of the Secretaries of Finance and Administration for those portions of the Policy Statement relating to general fund capital projects; and (4) to approve any minor changes in the Policy Statement where necessary to secure the foregoing approvals, which changes, if any, shall be reported to the full Board of Visitors.

RECOMMENDATION:

That the above resolution recommending approval of the "Policy Statement Governing Exercise of Post-Appropriation Authority for Selected General Fund and Non-General Fund Capital Projects," and authorizing the President the authority (1) to implement the Policy Statement in the manner he deems most appropriate; (2) to delegate further to his designee the administrative responsibility to implement and assure compliance with the Policy Statement; (3) to take such steps as he may deem necessary and reasonable to secure approval of the Secretaries of Finance and Administration for those portions of the Policy Statement relating to general fund capital projects; and (4) to approve any minor changes in the Policy Statement where necessary to secure the foregoing approvals, which changes, if any, shall be reported to the full Board of Visitors, be approved.

**RESOLUTION FOR EXPANSION OF THE VIRGINIA POLYTECHNIC INSTITUTE
AND STATE UNIVERSITY POLICY STATEMENT GOVERNING EXERCISE OF
AUTONOMY IN LEASES OF REAL PROPERTY TO INCLUDE OPERATING LEASES,
INCOME LEASES AND CAPITAL LEASES**

WHEREAS, the 1996 General Assembly granted increased autonomy to Virginia Polytechnic Institute and State University in the area of real property leases and such authority has been continued by subsequent legislation action; and,

WHEREAS, the General Assembly of Virginia, during the 2003 Session, enacted legislation providing for the expansion of the pilot program for real property leases to include approval of income leases; and,

WHEREAS, the General Assembly further authorized Virginia Polytechnic Institute and State University the delegated administrative authority to enter into capital leases on a pilot basis, provided that such capital leases have been specifically authorized by the Governor or General Assembly pursuant to the Appropriation Act and have been reviewed and approved by the Treasury Board; and,

WHEREAS, this delegation provides that the authority delegated to the University may not be exercised until the Board of Visitors adopts an appropriate system of policies, procedures, guidelines, reviews and approvals pursuant to which University officials will be guided in their exercise of the delegated autonomy; and,

WHEREAS, the Board of Visitors, on June 2, 2003, delegated to the Buildings and Grounds Committee of the Board full authority to adopt such policies, procedures and guidelines on behalf of the Board of Visitors; and,

WHEREAS, the enabling legislation requires that such policies, procedures and guidelines be submitted to the Secretary of Finance and the Secretary of Administration for their approval by September 1, 2003; and,

WHEREAS, the Board of Visitors on July 11, 1996 approved a "Policy Statement Governing Exercise of Autonomy in Operating Leases of Real Property," for the two-year pilot program for post-appropriation real property operating lease process, as enacted by the General Assembly during the 1996 Session, and continued by subsequent legislative action; and,

WHEREAS, the system of reviews, approvals, policies, procedures and guidelines included in the "Policy Statement Governing Exercise of Autonomy in Operating Leases of Real Property," has provided for the efficient and businesslike administration of the real property operating lease process; and,

WHEREAS, the 1996 "Policy Statement Governing Exercise of Autonomy in Operating Leases of Real Property," has been revised to include approval of income leases and capital leases, and is now titled "Policy Statement Governing Exercise of Autonomy in Leases of Real Property to Include Operating Leases, Income Leases and Capital Leases;" and,

WHEREAS, the Committee, on behalf of the Board of Visitors, finds that the proposed "Policy Statement Governing Exercise of Autonomy in Leases of Real Property to Include Operating Leases, Income Leases and Capital Leases," attached hereto, constitutes the required system of reviews, approvals, policies, procedures and guidelines prescribed by the enabling legislation and is otherwise appropriately designed to provide for the efficient and businesslike administration of the real property operating, income and capital lease process;

RESOLVED that, based upon the expressed and implied powers of the Board of Visitors to protect and preserve the University's interests and properties, the "Policy Statement Governing Exercise of Autonomy in Leases of Real Property to Include Operating Leases, Income Leases and Capital Leases," attached hereto, is approved by the Committee on behalf of the Board of Visitors; and,

RESOLVED FURTHER that the President be delegated the authority (1) to implement the Policy Statement in the manner he deems most appropriate; (2) to delegate further to his designee the administrative responsibility to implement and assure compliance with the Policy Statement; (3) to take such steps as he may deem necessary and reasonable to secure approval of the Secretaries of Finance and Administration; and (4) to approve any minor changes in the Policy Statement where necessary to secure the foregoing approvals, which changes, if any, shall be reported to the full Board of Visitors.

RECOMMENDATION:

That the above resolution recommending approval of the "Policy Statement Governing Exercise of Autonomy in Leases of Real Property to Include Operating Leases, Income Leases and Capital Leases," and authorizing the President the authority (1) to implement the Policy Statement in the manner he deems most appropriate; (2) to delegate further to his designee the administrative responsibility to implement and assure compliance with the Policy Statement; (3) to take such steps as he may deem necessary and reasonable to secure approval of the Secretaries of Finance and Administration; and (4) to approve any minor changes in the Policy Statement where necessary to secure the foregoing approvals, which changes, if any, shall be reported to the full Board of Visitors, be approved.