THE UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE
BOARD OF TRUSTEES

BUDGET, FINANCE AND INVESTMENT COMMITTEE

Chair Don McCree, Vice Chair Robert Brennan, President Thomas Sullivan, David Aronoff,
John Bartholomew, Johannah Donovan, Bernard Juskiewicz, Ron Lumbra, Caitlin McHugh,
Ed Pagano, and Tristan Toleno, Faculty Representative Andrew Barnaby and (vacant),
Foundation Representative Richard Ader, Alumni Representative Myron Sopher, Staff
Representatives Joshua Tyack and Renee Berteau, Student Representatives Clark Deng and
Larry McCarthy, Graduate Student Representatives Michelle DiPinto and Joseph Campbell

Friday, October 26, 2018
2:00 p.m. – 4:00 p.m.
Silver Maple Ballroom, (401) Dudley H. Davis Center

AGENDA

<table>
<thead>
<tr>
<th>Item</th>
<th>Enclosure</th>
<th>Discussion Leader(s)</th>
<th>Time</th>
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<tbody>
<tr>
<td>Call to Order</td>
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<td>*2:00 p.m.</td>
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<tr>
<td>1. Approval of the May 18, 2018 Meeting Minutes</td>
<td>Attachment 1</td>
<td>Don McCree</td>
<td>2:00-2:05</td>
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<tr>
<td>2. Resolution Approving Summer Session Tuition</td>
<td>Attachment 2</td>
<td>Alberto Citarella</td>
<td>2:05-2:10</td>
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<tr>
<td>3. Resolution Approving Total Cost of Attendance</td>
<td>Attachment 2</td>
<td>Alberto Citarella</td>
<td>2:10-2:15</td>
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<td>for Global Gateway and Pre-Master’s Programs (Summer/Fall 2019 &amp; Spring 2020)</td>
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<td>4. Resolution Approving Room and Meal Plan Rates for Fiscal Year 2020</td>
<td>Attachments 2 &amp; 3</td>
<td>Alberto Citarella</td>
<td>2:15-2:20</td>
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<tr>
<td>5. Resolution Expanding Student Credit Hour Cap</td>
<td>Attachment 2</td>
<td>Alberto Citarella</td>
<td>2:20-2:25</td>
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<td>• Endowment Performance Update</td>
<td>Attachment 2, Appendix A</td>
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<td>• Resolution Approving Revisions to the Statement of Investment Policy &amp; Objectives</td>
<td>Attachment 2</td>
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<td>• Resolution Reaffirming the Endowment Budget Policy</td>
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<td>7. Vice President’s Report</td>
<td>Attachment 4</td>
<td>Richard Cate</td>
<td>2:40-2:55</td>
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<td>• External Audit Update</td>
<td>Appendix A</td>
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<td>• Dual Enrollment Update</td>
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<td>• Annual Update on President’s Strategic Initiatives Fund</td>
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<td>• Fiscal Year 2018 End of Year General Fund Budget to Actuals</td>
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*Times are approximate.
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<thead>
<tr>
<th>Item</th>
<th>Enclosure</th>
<th>Discussion Leader</th>
<th>Time</th>
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<tbody>
<tr>
<td>8. Strategic Financial Plan Update</td>
<td></td>
<td>Richard Cate Claire Burlingham Alberto Citarella</td>
<td>2:55-3:25</td>
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<td>10. Capital Projects:</td>
<td>Attachments 2 &amp; 5</td>
<td>Robert Vaughan Richard Cate</td>
<td>3:35-3:45</td>
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<tr>
<td>Resolution Approving Expanded Residential Life Fiscal Year 2019 Deferred Maintenance Project (<em>McAuley Hall</em>)</td>
<td>Attachment 2</td>
<td>Robert Vaughan</td>
<td></td>
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<td>Resolution Authorizing Expenditures for Completion of Design Development, Construction Documents and Estimate of Project Cost for the Larner College of Medicine and College of Arts &amp; Sciences Psychological Sciences Medical Research Complex</td>
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<td>11. On-Campus Multipurpose Center Project Next Steps</td>
<td></td>
<td>Richard Cate</td>
<td>3:45-3:55</td>
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<td>12. Other Business**</td>
<td></td>
<td>Don McCree</td>
<td>3:55-4:00</td>
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**Motion to Adjourn**

*Times are approximate.
**Executive Session as needed.
ACTION ITEMS

Approval of Previous Meeting Minutes
The minutes for the May 18, 2018 Committee meeting are included as Attachment 1.

Action: Motion to approve the minutes.

Resolution Approving Summer Session Tuition
The recommendation for Summer Session 2019 is to set tuition at $465 per credit hour for in-state students and $1,171 per credit hour for out-of-state students. As was the case in Summer Session 2018, these rates are 30% below the rates charged during the previous fall and spring semesters. Since Summer Session 2015, this practice and the increased emphasis from the Colleges and Schools on summer enrollment increased summer revenue by roughly $3.6 million. As a result, the administration is requesting for a continuation of the existing discount of 30% off of the previous academic year rate. Note, the recommendation is that certain Graduate Programs, with prior approval of the Provost, are allowed to keep the same tuition rate as the prior Fall/Spring tuition rate.

Action: Resolution Approving Summer Session Tuition. Attachment 2

Resolution Approving Total Cost of Attendance for Global Gateway and Pre-Master’s Programs (Summer/Fall 2019 & Spring 2020)
The administration is requesting approval of tuition rates for the Global Gateway and the Pre-Master’s Program for Summer and Fall 2018 and Spring 2019. Students who are recruited by Study Group are charged on a total cost of attendance basis, which includes out-of-state tuition, room and board, and all other fees and costs associated with enrollment at the University, in a manner which is consistent with the terms and conditions set forth in the agreement between the University and Study Group.

Action: Resolution Approving Total Cost of Attendance for Global Gateway and Pre-Master’s Programs (Summer/Fall 2019 & Spring 2020). Attachment 2

Resolution Approving Room and Meal Plan Rates for Fiscal Year (FY) 2020
The proposal for increases to the predominate room and meal plan rates for FY 2020 is indicated below:
The predominate residence hall traditional double room is proposed at a 3.75% increase over the current year’s rate based on new program additions/changes, facility renovations, and debt payment responsibilities.

The predominate meal plan is proposed at a 3.5% increase over the current year’s rate based on our contract with Sodexo.

Recent changes in the Free Application for Federal Student Aid (FAFSA) provide us the ability to request that these maximum rate increases be approved in October versus February. Marketing the room and board rates earlier in the year will allow us to compete with peer institutions to recruit the next incoming class. This earlier timeline also allows us to publicize rates to those students who might otherwise seek housing off-campus.

In addition to operating increases, facility renovations, and debt payments, this year’s increase also reflects the University’s goal to increase first year retention. Residential Life has committed to the creation of residentially-based Learning Communities. We note that the Fall 2015 first-year cohort who lived in a Learning Community with a required course had a retention rate of 90.2%. This initiative represents a positive proactive approach to student and faculty engagement, with thoughtful integration of academics, the development of strong peer networks and beneficial programmatic experiences. The commitment to establishing Learning Communities requires a critical investment in staffing and program funds to support these communities.

### ANNUAL ROOM/BOARD RATES - “Not to Exceed” for FY ‘20

<table>
<thead>
<tr>
<th>Room Rate Increases</th>
<th>FY ’19</th>
<th>FY ’20</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predominate Traditional Double</td>
<td>$8,196</td>
<td>$8,502</td>
<td>3.75%</td>
</tr>
<tr>
<td>Predominate Meal Plan</td>
<td>$4,266</td>
<td>$4,414</td>
<td>3.50%</td>
</tr>
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Included as **Attachment 3** is a comparison chart of on-campus room and board and gross tuition, fees, room and board with comparator institutions.

**Action:** Resolution Approving Room and Meal Plan Rates for FY 2020. **Attachment 2**

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**Resolution Expanding the Student Credit Hour Cap**

The recommendation is to increase the number of student credit hours (SCH’s) associated with the full-time tuition rates. Currently, full-time students pay a flat dollar amount per semester ($20,088 for out-of-state students and $7,968 for in-state students) and are allowed to take up to 18 SCH’s. Students pay for any additional SCH’s over 18 on a per-SCH basis. The recommendation is to increase this cap to 19 SCH’s. The administration believes that such a move would support high achieving students, increase student satisfaction, reduce financial burden, and may support both retention and 4-year graduation rates. The financial impact to the University of such a move is estimated to be anywhere from $185,000 to $345,000.

**Action:** Resolution Expanding the Student Credit Hour Cap. **Attachment 2**
Resolution Approving Revisions to the Statement of Investment Policy & Objectives
As recommended by the Investment Subcommittee, the Committee will be asked to consider revisions to the Statement of Investment Policies & Objectives.

Action: Resolution Approving Revisions to the Statement of Investment Policy & Objectives. Attachment 2; Appendix A

Resolution Reaffirming the Endowment Budget Policy
On September 26, 2018, the Investment Subcommittee conducted its annual review of the Endowment Budget Policy. At their recommendation, the Committee is being asked to reaffirm the policy with no changes.

Action: Resolution Reaffirming the Endowment Budget Policy. Attachment 2

Resolution Approving Expanded Residential Life FY 2019 Deferred Maintenance Project (McAuley Hall)
The Committee is being asked to approve the Residential Life FY 2019 Deferred Maintenance Project (McAuley Hall). This project was approved by the Board last fall and the administration is requesting an increase in funding to cover additional work including the roof, replacement of the heating system piping, and completion of hazardous material abatement. The project concept and cost summary are included as Attachment 5 of the meeting materials.

It is estimated that the expanded scope for the McAuley Hall renovation will increase the cost from $3.0 to $6.1 million. The proposal calls for the use of unrestricted plant funds from residential life.

Action: Resolution Approving Expanded Residential Life FY 2019 Deferred Maintenance Project (McAuley Hall). Attachment 2

Resolution Authorizing Expenditures for Completion of Design Development, Construction Documents and Estimate of Project Cost for the Larner College of Medicine and College of Arts & Sciences Psychological Sciences Medical Research Complex
Last fall, the Board was introduced to the concept of a proposed complex, a collaboration between the Larner College of Medicine and the College of Arts & Sciences Department of Psychological Sciences, to support the University’s research mission and eliminate deferred maintenance on the Given Medical Building and John Dewey Hall. Progress reports have been made at each subsequent Board meeting.

The administration will discuss the cost estimate and funding plan for the project and seek authorization to undertake expenditures necessary to complete the project design, including construction drawings. The Dean of the Larner College of Medicine provided nearly $1 million for the initial phase of the design and the administration is now requesting Board authorization to expend and additional $6 million from the Larner College of Medicine’s reserves to fund the remainder of the design, including construction drawings.
**Action:** Resolution Authorizing Expenditures for Completion of Design Development, Construction Documents and Estimate of Project Cost for the Larner College of Medicine and College of Arts & Sciences Psychological Sciences Medical Research Complex. *Attachment 2*

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**DISCUSSION ITEMS**

**On-Campus Multipurpose Center Project Next Steps** - In follow up to the project update that will be offered at the Committee of the Whole on Friday morning, the Committee will discuss next steps for the project.

**Strategic Financial Plan Update** - I will present the annual Strategic Financial Plan update (based on FY 2018 finances) assisted by University Budget Director Alberto Citarella and University Controller Claire Burlingham.

**Fundraising Update on Capital Projects** - UVM Foundation Vice President and Chief Financial Officer Charles Feeney will update the Committee on the progress in fundraising for capital projects and donor engagement. His report will include those projects connected to the Move Mountains campaign.

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**ROUTINE REPORTS**

**Report of the Investment Subcommittee (ISC)** - ISC Chair Robert Brennan will brief the Committee on the activities of the Subcommittee at its previous monthly ISC meetings since the last full Board meeting. *Separate Enclosure*

**Vice President’s Report** - I will provide an update on the FY 2018 External Audit, Dual Enrollment, and the President’s Strategic Initiatives Fund as shown in *Attachment 4*. Budget Director Alberto Citarella will report on the FY 2018 End of Year General Fund Budget to Actuals, as shown in *Appendix A*. 
A meeting of the Budget, Finance and Investment Committee of the Board of Trustees of the University of Vermont State and Agricultural College was held on Friday, May 18, 2018 at 1:00 p.m., in the Silver Maple Ballroom, 401 Dudley H. Davis Center.

MEMBERS PRESENT: Chair Don McCree, Vice Chair Robert Brennan*, President Thomas Sullivan, David Aronoff, John Bartholomew, Bernard Juskiewicz, Ron Lumbra, Caitlin McHugh, Ed Pagano, and Tristan Toleno**

REPRESENTATIVES PRESENT: Faculty Representative Andrew Barnaby, Foundation Representative Richard Ader*, Alumni Representative Myron Sopher, Staff Representative Joshua Tyack, Student Representatives Clark Deng and Reginah Mako, Graduate Student Representatives Michelle DiPinto and Joseph Campbell

PERSONS ALSO PARTICIPATING: Board Chair David Daigle, Vice President for Finance and Treasurer Richard Cate, University Budget Director Alberto Citarella, University Controller Claire Burlingham, UVM Foundation President & CEO Shane Jacobson, Director of Capital Planning and Management Robert Vaughan, and Chair of Plant Biology David Barrington

ABSENT: Trustee Johannah Donovan, Staff Representative Renee Berteau and Faculty Representative Timothy Higgins

*participated by conference phone
**arrived at 2:15 p.m.

Chair McCree called the meeting to order at 1:05 p.m. He started the meeting by welcoming new Committee members Caitlin McHugh, Tristan Toleno, and Joshua Tyack.

Approval of Minutes

A motion was made, seconded and voted to approve the minutes of the April 9, 2018 meeting.

Report of the Investment Subcommittee (ISC)

ISC Chair Robert Brennan referred Committee members to the Cambridge Associates Performance Update (separate distribution) and the additional handout passed out at the meeting, which corrected mistakes within the Cambridge Associates update. He noted that after the spike in February of this year, the volatility in the market returned to normal.

As of March 31, 2018 the endowment balance was $524.5 million. Chair Don McCree noted that the pooled endowment, described in the Cambridge report, does not include the real estate holdings that are also part of the endowment.
ISC Chair Brennan explained that as recommended by the Investment Subcommittee, the Committee is being asked to consider housekeeping revisions to the Statement of Investment Policies & Objectives, as shown in Appendix A of the meeting materials.

Chair McCree then presented the following resolutions for approval:

**Resolution Approving Revisions to the Statement of Investment Policies and Objectives**

WHEREAS, in February 2011, the Board adopted a Statement of Investment Policies and Objectives to govern the investment of UVM’s Long-Term Investment Pool, including the Endowment Fund; and

WHEREAS, the Investment Subcommittee is charged with an annual review of the Statement of Investment Policies and Objectives; and

WHEREAS, the Investment Subcommittee reviewed revisions to the Statement of Investment Policies and Objectives, as appended;

NOW, THEREFORE, BE IT RESOLVED, that the Budget, Finance & Investment Committee hereby recommends that the Board adopt the amended Statement of Investment Policies and Objectives, appearing as Appendix A to this document.

A motion was made, seconded, and the resolution was unanimously approved as presented.

**Fundraising Update on Capital Projects**

UVM Foundation President & CEO Shane Jacobson updated the Committee on fundraising progress on capital projects, including the Science, Technology, Engineering and Mathematics (STEM) Complex and Ifshin Hall. He began his presentation by explaining the different categories into which funding from the Comprehensive Campaign are allocated.

He noted the re-openings of the Billings Library and the Taft School will be this fall.

President and CEO Jacobson explained that the STEM Complex will be funded by a mix of private gifts and non-debt funding. As of May 17, 2018, the Foundation had already secured $10.8 million in non-debt funding. The remaining non-debt goal is $15.2 million.

In regard to Ifshin Hall, as of May 17, 2018, $8.6 million of the $11 million non-debt goal has been raised.

When asked about fundraising regarding the Multipurpose Center, he noted there is a growing pipeline for the project.
Vice President’s Report

University Controller Claire Burlingham provided a brief update on the capital project pre-funding account, noting that after the approved transfer to Ifshin Hall on April 10, 2017, the balance of the account is $0.00.

She also provided an update on the net tuition stabilization fund, noting that as of March 31, 2018, the balance of the account $4.5 million.

FY 2019 Budget Discussion / Third-Quarter General Fund Budget to Actuals

Vice President Richard Cate opened the conversation by explaining there were no significant changes to the FY 2018 budget premise presented at the April Committee planning meeting.

University Budget Director Alberto Citarella reminded Committee members that this year there is a tuition increase of 2.7% for out-of-state students and 2.8% for those from Vermont. In the last three years, tuition increases have all been under 3.0%.

Budget Director Citarella noted the general fund revenue budget has increased to $370 million in FY 2019. He explained that revenue is increasing by 1.4% and expenses are increasing by 2.6%.

Regarding FY 2019 General Fund Revenue, Budget Director Citarella noted:

- Net Undergraduate Tuition will end the year under budget at $1.4 million less than budget
- Net Graduate Tuition will come in roughly $2 million better than budget
- Non-Degree Net Tuition will come in roughly $900,000 lower than budget
- Net Summer Tuition is projected to increase 1.8%
- Operating Investment Income is expected to come in above budget by $800,000

Regarding General Fund Expense, Budget Director Citarella noted that most departments have spent roughly 75% of their expenditure budgets, with a few exceptions.

The Wages and Benefits budget is projected to increase by 4.7% driven primarily by an increase in the cost of health insurance, wages, and salaries.

He reminded Committee members that, as discussed the April 9 meeting, the administration is proposing the use of $3.0 million from the $4.5 million Net Tuition Stabilization Fund to cover the potential budget gap this year. The operating rules for the stabilization fund require that any amount borrowed must be repaid within two years.

Vice President Cate noted that the only reason the administration is proposing to use money from the Net Tuition Stabilization Fund was due to an unforeseen change in enrollment numbers. Using money from this fund would be less disruptive than requiring all units to absorb material budget reductions without time to plan them well.
Board Chair David Daigle noted that a major factor driving increases in revenue in recent years has been a mix of in- and out-of-state students.

President Thomas Sullivan added that the variance between in- and out-of-state students is largely dependent on the students who apply and the students admitted. He emphasized the University is still comprised of 30% Vermont students, even though there is a decrease in applicants from Vermont as the number of Vermont high school graduates continues to drop.

Chair McCree then presented the following resolutions for approval:

**Resolution Approving Fiscal Year 2019 Budget Planning Assumptions: General Fund**

RESOLVED, that the Board of Trustees hereby approves the budget planning assumptions for Fiscal Year 2019, which lead to a General Fund operating expense budget for the University of $373,185,000, and hereby authorizes the President to proceed with detailed budget preparation in accordance with these assumptions.

**Resolution Approving Tuition Charges for Fiscal Year 2019**

RESOLVED, that the Board of Trustees hereby approves increases in the following tuition rates effective with the 2018-2019 academic year:

- In-state tuition from $15,504 to $15,936 per year, or $664 per credit hour.
- Out-of-state tuition from $39,120 to $40,176 per year, or $1,674 per credit hour.
- Medical student in-state tuition from $35,380 to $36,340 per year.
- Medical student out-of-state tuition from $61,260 to $62,910 per year.

**Resolution Approving Graduate Student Senate Fee for Fiscal Year 2019**

RESOLVED, that the Board of Trustees approves a continuation of the Graduate Student Senate fee in the amount of $20 for the academic year.

**Resolution Approving Graduate Continuous Registration Fee for Fiscal Year 2019**

RESOLVED, that the Board of Trustees approves a continuation of a varying Graduate Continuous Registration fee, effective with the 2018-2019 academic year, as follows:

- Less than half-time, $100 per semester
- Half to full-time, $200 per semester
- Full-time, $300 per semester

An opportunity for discussion was offered. There being none, a motion was made, seconded, and the four resolutions were unanimously approved as presented.
Capital Projects

Director of Capital Planning and Management Robert Vaughan was invited to present two capital project requests. He began by describing the Torrey Hall Interior Renovation Project. The estimated cost of the project is $6.3 million, which will be funded through a combination of insurance proceeds, external grants and gift funds.

He then introduced Chair of Plant Biology David Barrington, who discussed the history of the building noting Torrey Hall serves Vermont as a valuable resource and houses the University’s Pringle Herbarium and the Zadock Thompson Zoological collections.

Director Vaughan next described the 439 College Street Renovation Project. The estimated cost of the project is $2.4 million, which will be funded entirely with gift funds. He noted the building currently houses 22 students and the renovation will replace all of the restrooms on all three floors; upgrade the student rooms; relocate the first floor kitchen; create office, flex space and gathering space on the first floor and create offices and multi-use space on the third floor.

Vice President Cate then described the capital project request for the completion of the Multipurpose Center Project design development and permitting. The estimated cost of the remainder of the design development and permitting for the Multipurpose Center Project is $2.0 million, which will be funded with gift funds.

Chair McCree then presented the following resolutions for approval:

**Resolution Approving Torrey Hall Interior Renovation Project**

WHEREAS, the administration today reported on the estimated cost for the Torrey Hall Interior Renovation Project and presented a funding plan;

THEREFORE, BE IT RESOLVED, that the Committee hereby recommends to the Board that it authorize $6,300,000 in project expenditures, to be expended in a manner consistent with the report made on this date; and

BE IT FURTHER RESOLVED, that expenditure of funds for the project is contingent upon the receipt of the anticipated $6,300,000 of insurance proceeds, external grants and gift funds.

**Resolution Approving 439 College Street Renovation Project**

WHEREAS, the administration today reported on the estimated cost for the 439 College Street Renovation Project and presented a funding plan;

THEREFORE, BE IT RESOLVED, that the Committee hereby recommends to the Board that it authorize $2,400,000 in project expenditures, to be expended in a manner consistent with the report made on this date; and
BE IT FURTHER RESOLVED, that expenditure of funds for the project is contingent upon the receipt of the anticipated $2,400,000 of gift funds.

**Resolution Authorizing Expenditures for Completion of the Multipurpose Center Project Design Development and Permitting**

WHEREAS, on February 4, 2017, the Board of Trustees authorized the administration to take steps relating to an on-campus Multipurpose Center (“Project”), including initiation of, the schematic design phase and generation of a Project cost estimate and funding plan; and

WHEREAS, on October 20, 2017 the Board authorized the expenditure of $1 million of private gift funds for the first phase of design development for the Project; and

WHEREAS, on February 3, 2018 the Board authorized the expenditure of $1.5 million of private gift funds to fund the next phase of design development and permitting for the Project;

THEN, BE IT RESOLVED, that the Budget, Finance & Investment Committee hereby recommends to the Board that it authorize the administration to undertake the remainder of design development and permitting for the Multipurpose Center project; and

BE IT FURTHER RESOLVED, that up to $2,000,000 of private gift funds be used to fund the remainder of design development and permitting for the Project.

An opportunity for further discussion was offered. There being none, a motion was made, seconded, and the three resolutions were unanimously approved as presented.

**Contract Approvals and Lease Renewals**

Vice President Cate introduced the following resolutions for approval:

**Resolution Approving Contract with All Cycle Waste, Inc.**

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is authorized to execute a contract with All Cycle Waste, Inc. for a campus waste management system from July 1, 2018 through June 30, 2023, for a total amount not to exceed $2,300,000.

**Resolution Approving Professional Services Contract with Huron Consulting Services, LLC**

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to execute a professional services contract with Huron Consulting Services, LLC for temporary management of UVM’s Cancer Center clinical
trial office beginning August 21, 2017 through May 31, 2018, for an amount not to exceed $350,000.

**Resolution Authorizing License Amendment with the United States Government d/b/a USDA Forest Service – Spear Street**

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to negotiate and execute a two-year license amendment with one two-year renewal option with the United States Government d/b/a USDA Forest Service for continued use of office space in a portion of UVM’s Forestry Research Science Lab located at 705 Spear Street, South Burlington, Vermont, subject to material terms and conditions reported on this date. This License Amendment will begin June 1, 2018 and end December 31, 2022, if all of the license options are exercised.

**Resolution Authorizing License Amendment with the United States Government d/b/a USDA Forest Service – Carrigan Drive**

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to negotiate and execute a two-year license amendment with one two-year renewal option with the United States Government d/b/a USDA Forest Service for continued use of office space in a portion of UVM’s Aiken building located at 81 Carrigan Drive, Burlington, Vermont, subject to material terms and conditions reported on this date. This License Amendment will begin June 1, 2018 and end December 31, 2022, if all of the license options are exercised.

An opportunity for discussion was offered. There being none, a motion was made, seconded, and the four resolutions were unanimously approved as presented.

**Review of Work Plan**

Chair McCree reminded Committee members that once a year, the Committee reviews the work plan. He added that annual reports, policy reviews, new projects, etc. are reflected in the work plan with the goal of transparency and accountability.

**Adjournment**

There being no further business, the meeting adjourned at 2:40 p.m.

Respectfully Submitted,
Don McCree, Chair
UNIVERSITY OF VERMONT

STATEMENT OF INVESTMENT POLICIES AND OBJECTIVES

I. INTRODUCTION

This statement is issued by the Investment Subcommittee (the “ISC”) of the Board of Trustees of the University of Vermont (the “Board”). The ISC was established by the Board and the Budget, Finance and Investment Committee in late 2006 and charged with oversight of investment strategy and investment managers for the Long-Term Investment Pool, including the Endowment Fund, collectively called the “Fund”, of the University. The policy statement will be reviewed annually and modified by the ISC as conditions warrant.

II. FIDUCIARY STANDARDS

The Board, the ISC, the Treasurer and investment finance staff, and any third-parties (e.g., investment managers) retained to advise the Board, the ISC, the Treasurer and/or investment finance staff as to investment strategy and management (any and all of whom may be referred to as “Responsible Parties”) shall exercise their responsibilities with respect to the Fund’s assets in compliance with the requirements of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), enacted in the state of Vermont in 2009. In accordance with UPMIFA, key facets of the Responsible Parties’ roles include:

- Acting in good faith, with the care an ordinarily prudent person would exercise;
- Incurring only reasonable costs in investing and managing charitable funds;
- Making decisions about each asset in the context of the portfolio of investments, as part of an overall investment strategy;
- Diversifying investments, unless due to special circumstances, the purposes of the Fund are better served without diversification;
- Disposing of unsuitable assets; and
- In general, developing an investment strategy appropriate for the Fund and the University.

III. RESPONSIBILITIES of INVESTMENT SUBCOMMITTEE

Responsibilities and goals of the ISC include:

- Ensuring that current and future spending requirements are supported while also preserving the real purchasing power of the Fund;
- Achieving an optimum level of return within appropriate risk tolerances;
- Developing a sound and consistent investment policy including asset allocation, diversification and rebalancing guidelines;
- Selecting and maintaining qualified investment managers and consultants/advisors;
- Monitoring and evaluating results to ensure that policy guidelines are being adhered to and that policy objectives are being met; and
- Taking action under appropriate circumstances to discharge an investment manager or advisor for failing to perform in terms of stated expectations.
The ISC is authorized to delegate certain responsibilities to staff to assist in properly meeting the overall responsibilities as outlined above.

IV. CONFLICT OF INTEREST POLICY

In addition to the responsibilities set forth in the Board of Trustees’ Conflicts of Interest policy, it is the responsibility of the ISC members to disclose to the ISC Chair any situation in which there may be reasonably construed to be a perceived or actual conflict of interest. The ISC Chair will work with the members to determine an appropriate response.

The ISC will generally not consider investments in funds directly managed by a member of the ISC. In addition, a member of the ISC employed by an investment or other firm that provides services to the Fund will recuse him/herself from all discussions and votes on existing or potential investments or other services managed or provided by that firm. The ISC recognizes, however, that certain exceptions to this policy may be appropriate. Such exceptions will be made only upon a majority vote of the disinterested members of the ISC.

In the event that the ISC is considering an investment in an access-constrained investment opportunity, any ISC member wishing to invest for his/her own benefit in such an opportunity shall notify the ISC Chair in writing.

V. MORAL, SOCIAL AND ETHICAL CONSIDERATIONS IN INVESTMENT STRATEGY

The University Statement of Investment Policies and Objectives requires the Board, the Investment Subcommittee (ISC) of the Board Budget, Finance and Investment Committee, the Treasurer, and third parties such as investment managers, to exercise their responsibilities with respect to the Long-Term Investment Pool, including Endowment Fund assets, in compliance with the requirements of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”).

In accordance with UPMIFA, key facets of the Responsible Parties’ roles, as paraphrased below, include:

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Achieving the Financial and Investment Objectives of the Fund is essential to provide resources to fulfill the institutional mission of the University. The core responsibility of the ISC is to achieve the Financial and Investment Objectives of the fund in a manner consistent with the requirements of UPMIFA and prudent fiduciary practices.

The primary objective of achieving the Financial and Investment Objectives of the Fund does not preclude consideration of moral, ethical and social criteria in selecting investments or participating in shareholder resolutions that address moral, ethical or social issues. However, the core responsibility of the Board is to steward University assets in a manner consistent with prudent fiduciary practices.
VI. FINANCIAL & INVESTMENT OBJECTIVES

The overall financial objective of the Fund is to provide a stable and consistent level of ongoing support for the University’s programs through a reasoned spending policy consistent with preserving and enhancing the real (i.e., inflation-adjusted) purchasing power of the Fund over time.

The primary long-term investment objective of the Fund is to attain a real total return\(^1\) (net of investment management fees) that exceeds the amount being distributed for spending and administration, currently set at 4.75%. This will be measured over the long term, capturing a full market cycle, as it is unlikely that the Fund’s return will meet or exceed the spending rate in each individual year. Other important investment objectives are to achieve annualized returns in excess of the strategic policy portfolio blended benchmark (defined herein), measured over a full market cycle; and to outperform the median return of a pool of endowment funds of similar size with broadly similar investment objectives and policies.

VII. ASSET ALLOCATION

The policy portfolio for the Fund is a target or “normal” set of investments, based on long-term return, risk and correlation assumptions that balance the organization’s need for liquidity, preservation of purchasing power, and risk tolerance. Certain investments are made for capital appreciation and return enhancement: global equities, long/short hedge funds, venture capital and private equity; some are made to protect against unanticipated inflation: real estate, energy, timber, commodities, TIPS; and some are made to protect against deflationary periods and to reduce volatility: primarily, high quality intermediate bonds for the former and absolute return hedge funds for the latter. The ISC, with input and assistance from staff and external consultants/advisors, shall periodically examine the policy portfolio targets and consider adjustments to the asset allocation as may be appropriate (for example, due to a material change in the capital market assumptions). Changes to the policy portfolio targets will be reviewed and approved by the ISC and presented to the Budget, Finance and Investment Committee and the Board, as necessary.

In addition to being diversified across asset classes, the Fund will be diversified within each asset class. This will provide reasonable assurance that the performance of any single security, issuer or class of securities, or active manager will not have a disproportionate impact on the total Fund performance.

The most current asset allocation / strategic policy portfolio for the Fund is attached as Appendix A.

VIII. REBALANCING

The Fund's actual asset allocation will be monitored monthly and reviewed by the ISC at its regular meetings relative to established policy portfolio targets and allowable ranges. Adjustments may be constrained by practical limits with respect to liquidity and transaction costs, but rebalancing efforts will be made as practicable. Cash flow in or out of the Fund may create an opportunity to shift the allocation closer toward policy targets. The ISC may at times authorize investments in new or developing asset classes that are not part of the strategic policy portfolio at the time of their adoption, with the intention of revising the policy portfolio shortly thereafter.

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\(^1\) Real total return is the sum of realized and unrealized capital appreciation (or loss) and current income in the form of dividends and interest, adjusted for inflation as measured by the Consumer Price Index.
IX. PERFORMANCE EVALUATION, BENCHMARKS, and ASSET CLASS CHARACTERISTICS

The performance objectives for the total Fund, each asset class and each manager are outlined below, with the purpose of establishing specific parameters for regular and ongoing review. While performance is measured over both short- and long-term periods, the focus and emphasis of performance evaluation is on longer time periods as represented by a full market cycle.

**Overall Fund**

There are a number of different benchmarks for assessing performance at the overall Fund level:

- **Undiversified Benchmark** – this simple market benchmark helps the ISC evaluate the value added from a sophisticated investment program versus a portfolio that could be easily replicated through investment in U.S. index funds.

- **Target Benchmark** – this custom benchmark compares the total return of the Fund to a blended benchmark based on applying the target policy weights of each underlying asset class to the performance of the asset class benchmarks. The individual asset class benchmarks are discussed in the next section.

- **Current Allocation Benchmark** – this benchmark is composed of the current allocations for each of the underlying composite asset classes weighted against the corresponding returns of their respective benchmarks.

- **Cambridge Associates’ Universe of Endowment Pool Returns** – a universe of over 300 institutions, a broad peer universe against which the ISC compares the Fund’s return. In addition to this broad comparison, the ISC may also compare the Fund’s results to various subsets of this broad universe, which include institutions of similar size and with similar characteristics.

**Asset Classes & Managers**

Each manager will be expected to outperform (net of fees) a benchmark that is appropriate based on the asset class and style of the manager, over a full market cycle. Performance results will be reviewed with the ISC at its regular meetings and in an interim period when there is a major event (personnel change, for example) at the firm. The manager will be evaluated on long-term performance so that shorter-term failure to meet the benchmark target returns is not an automatic basis for manager termination.

Due to the broad nature of the asset classes and the unique style of managers, it is important to note that the specific benchmark of the individual manager may not necessarily be the same as the benchmark for the particular asset class composite as defined below. For example, the Total U.S. Equity benchmark is the S&P 500 but small cap managers, for example, will be compared to the appropriate small cap benchmarks.
**+Asset Class** | **Market Index Used in Target Benchmark**<sup>2</sup> | **Underlying Investments**
---|---|---
U.S. Equities | S&P 500, which represents a relatively broad investable universe of U.S. stocks | Portfolios are expected to focus on investments in the U.S. equity market.
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Emerging Markets Equity | MSCI Emerging Markets Index | Portfolios are expected to focus on the world’s developing equity markets.
 Marketable Alternatives | Hedge Fund Research Inc. (HFRI) Fund of Funds Composite Index | Investment mandates may include: multi-strategy arbitrage, event arbitrage, distressed securities, credit/capital structure arbitrage and long/short equity investments in global markets.
Private Investments (Private Equity and Venture Capital) | 2/3 C|A Private Equity FOF (Fund of Funds) / 1/3 C|A Venture Capital FOF | This asset class includes non-publicly traded securities such as buyout funds, secondaries, and distressed debt. Market values and return information is lagged by one quarter, as the underlying investments are not readily valued at the close of the latest quarter.
Private Real Assets | 2/3 NCREIF Property Index and 1/3 C|A Private Natural Resources | Investments will may be in private oil and gas transactions, private real estate funds, and in timberland, possibly including related logging operations.
Public Real Assets | Blended Benchmark of Public Real Asset Manager Specific Benchmarks, one-half each: Bloomberg Commodity Index; S&P North American Natural Resources Sector Index | Holdings may consist of U.S.-issued TIPS, diversified commodities futures positions, and energy related equity securities.
Fixed Income | Bloomberg Barclays Aggregate Bond Index | Holdings may consist of U.S. Treasury bonds, mortgages, and corporate credit investments.

Individual manager accounts will be monitored for consistency of each manager’s investment philosophy and process, return relative to objectives, investment risk as measured by asset concentrations, exposure to extreme economic conditions, and market volatility. In the broadest sense, the monitoring process is intended to confirm that the reasons the manager was initially retained still hold true.

**X. MANAGER GUIDELINES**

Investment managers will be hired for a specific skill set, and the resulting investments will be made either through separately managed accounts or pooled vehicles. Each manager of a separate account will adhere

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<sup>2</sup> Indices used in Target Benchmark are effective as of December 19, 2016.
to the firm’s stated philosophy and investment strategy. Where investments are in commingled funds, mutual funds, off-shore funds or limited partnerships, the permissible investments are governed by the appropriate fund prospectus or offering memorandum. Some of these products permit the use of derivatives for certain investment strategies and in instances where a manager has demonstrated skill in effectively utilizing these instruments. For example, they may be used in reducing risk or replacing positions to gain flexibility and efficiency.

XI. MANAGER REPORTING

Each investment manager of marketable assets will provide monthly portfolio valuations and total return net of all commissions and fees. On a quarterly basis, managers will report current holdings at cost and at market value, and purchases and sales for the quarter. Traditional marketable managers with whom UVM is invested through a separate account may be required to reconcile records of holdings, transactions, and dividend/interest income with the Fund’s custodian on a periodic basis. Specialty managers (who manage hedge funds and non-marketable partnerships) will report on portfolio details with as much transparency as possible. Each of these managers will provide annually their most recent audited financial statements, which include the basis of accounting and the auditor’s opinion. In addition, each specialty manager will disclose its respective valuation policies and procedures on an annual basis.

Regular communication from all managers concerning investment strategy and outlook is expected. The ISC will regularly review a Watch List that is maintained to highlight managers’ relative performance when it is outside the normal range or expected returns, new organizational issues, and/or any significant changes in strategy that raise concerns. Additionally, managers are required to inform the University of Vermont of any significant change in firm ownership, organizational structure, professional personnel, or fundamental investment philosophy. Managers will also send a copy of their form ADV to the University at least annually.

XII. PROXY VOTING GUIDELINES

University of Vermont’s Endowment Accountant votes the shareholder proxies.

XIII. GUIDELINES FOR TRANSACTIONS

As a general guideline that should apply to all assets managed, transactions should be entered into on the basis of best execution, which is interpreted normally to mean best realized price.

Adopted by the Board of Trustees on February 5, 2011, to replace the former “Statement of Investment Objectives and Policies,” as revised most recently on November 11, 2006.
Approved as revised by the Board of Trustees: February 9, 2013
Approved as revised by the Board of Trustees: February 8, 2014
Approved as revised by the Board of Trustees: February 6, 2016
Approved as revised by the Board of Trustees: February 3, 2017
Approved as revised by the Board of Trustees:
### APPENDIX A

**ASSET ALLOCATION POLICY TARGETS**

*Revised, as of February 2018*

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target (%)</th>
<th>Allowable Range (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Equity</td>
<td>20.0</td>
<td>15-30</td>
</tr>
<tr>
<td>Global ex U.S. Equity</td>
<td>23.00</td>
<td>15-45</td>
</tr>
<tr>
<td><em>International Developed Equity</em></td>
<td>(13.0)</td>
<td>(10-25)</td>
</tr>
<tr>
<td><em>Emerging Markets Equity</em></td>
<td>(10.0)</td>
<td>(5-20)</td>
</tr>
<tr>
<td>Marketable Alternatives</td>
<td>19.0</td>
<td>15-25</td>
</tr>
<tr>
<td>Real Assets (Inflation Hedging)</td>
<td>13.0</td>
<td>10-25</td>
</tr>
<tr>
<td>Private Equity / Venture Capital</td>
<td>13.0</td>
<td>5-20</td>
</tr>
<tr>
<td><strong>Subtotal Equity</strong></td>
<td>88.0</td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Income Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income</td>
<td>12.0</td>
<td>5-25</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>0.0</td>
<td>0-5</td>
</tr>
<tr>
<td><strong>Subtotal Fixed Income/Cash</strong></td>
<td>12.0</td>
<td></td>
</tr>
</tbody>
</table>

*Appendix A Targets last revised by Investment Subcommittee: February 14, 2018*
BUDGET, FINANCE AND INVESTMENT COMMITTEE

October 26, 2018

Resolution Approving Summer Session Tuition

RESOLVED, that the Board of Trustees hereby approves the tuition rate for Summer Session of $465 per credit hour for in-state students and $1,171 per credit hour for out-of-state students except that, with prior approval from the Provost, Graduate programs may maintain summer tuition rates for in-state and out-of-state students equal to the prior Fall and Spring tuition rates for their program. The changes will become effective for the 2019 Summer Session.

Resolution Approving Total Cost of Attendance Fees for Global Gateway and Pre-Master’s Programs (Summer/Fall 2019 & Spring 2020)

WHEREAS, the University, after a request-for-proposal process, entered into an agreement with Study Group to provide services to UVM in support of the University’s Global Gateway Program; and

WHEREAS, in January 2016, the Board approved amendments to the agreement with Study Group, which included additions to the Study Group Agreement to create a Pre-Master’s Global Gateway Program;

THEREFORE, BE IT RESOLVED, that for the 2019 Summer Semester, the tuition component of the total cost-of-attendance fee charged to Global Gateway Program students and Pre-Master’s Program student will be set at the same tuition rate as the prior Spring semester; and

BE IT FURTHER RESOLVED, that for those Global Gateway students whose program includes a semester of non-credit coursework, that the tuition component of their total cost-of-attendance fee for that semester shall be set at $7,500 per semester for Fall 2019 and Spring 2020.

Resolution Approving Room and Meal Plan Rates for Fiscal Year 2020

RESOLVED, that the Board of Trustees hereby approves room and meal plan rates for Fiscal Year 2020 as follows:

<table>
<thead>
<tr>
<th>Per Year</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Single with Bath</td>
<td>$10,624</td>
</tr>
<tr>
<td>Private Double with Bath</td>
<td>$9,438</td>
</tr>
<tr>
<td>Private Triple with Bath</td>
<td>$7,824</td>
</tr>
<tr>
<td>Suite Single with Shared Bath</td>
<td>$10,194</td>
</tr>
<tr>
<td>Suite Double with Shared Bath</td>
<td>$8,902</td>
</tr>
<tr>
<td>Suite Triple with Bath</td>
<td>$7,442</td>
</tr>
<tr>
<td>Traditional Single</td>
<td>$9,800</td>
</tr>
<tr>
<td>Traditional Double</td>
<td>$8,502</td>
</tr>
<tr>
<td>Traditional Triple</td>
<td>$6,732</td>
</tr>
<tr>
<td>Traditional Quad</td>
<td>$5,700</td>
</tr>
</tbody>
</table>
Resolution Expanding the Student Credit Hour Cap

WHEREAS, currently the standard full-time tuition rates for in-state and out-of-state students ($7,968 per semester and $20,088 per semester respectively in Fiscal Year 2019) enables students to take up to 18 student credit hours (SCH) a semester;

WHEREAS, currently students must pay on a per-SCH basis for student credit hours in excess of eighteen in a given semester;

BE IT RESOLVED, that starting in Fiscal Year 2020, the standard full-time per-semester tuition rate for in-state and out-of-state students will enable students to take up to 19 SCH’s per semester before paying for additional SCH’s.

Resolution Approving Revisions to the Statement of Investment Policy & Objectives

WHEREAS, in February 2011, the Board adopted a Statement of Investment Policies and Objectives to govern the investment of UVM’s Long-Term Investment Pool, including the Endowment Fund; and

WHEREAS, the Investment Subcommittee is charged with an annual review of the Statement of Investment Policies and Objectives; and

WHEREAS, the Investment Subcommittee at its September 26, 2018 meeting reviewed revisions to the Statement of Investment Policies and Objectives;

NOW, THEREFORE, BE IT RESOLVED, that the Budget, Finance & Investment Committee hereby recommends that the Board adopt the amended Statement of Investment Policies and Objectives, appearing as Appendix A to this document.

(AS RECOMMENDED BY INVESTMENT SUBCOMMITTEE, September 26, 2018)

Resolution Reaffirming the Endowment Budget Policy

RESOLVED, that the Endowment Budget Policy is reaffirmed as reads below:

BE IT RESOLVED, that the annual budget for spending from Endowment be set at 4.5 percent of the average market value for the previous thirteen quarters ending December 31 of the prior calendar year; and

BE IT FINALLY RESOLVED, that the Investment Subcommittee will review and make a recommendation to the Budget, Finance and Investment Committee regarding the reaffirmation or revision of the Endowment Budget Policy each year no later than December 31.
Resolution Approving Expanded Residential Life Fiscal Year 2019 Deferred Maintenance Project (McAuley Hall)

WHEREAS, on October 20, 2017, the Board of Trustees authorized the expenditure of $3,000,000 of residential life funds toward the McAuley Hall Deferred Maintenance Project; and

WHEREAS, the administration today reported on the increased estimated cost for the McAuley Hall Expanded Deferred Maintenance Project and presented a funding plan;

THEREFORE BE IT RESOLVED, that the Committee hereby recommends to the Board that it increase the authorization of project expenditures to $6,100,000, to be expended in a manner consistent with the report made on this date; and

BE IT FURTHER RESOLVED, that the $6,100,000 of funds for such expenditures be drawn from the unrestricted plant funds from Residential Life.

Resolution Authorizing Expenditures for Completion of Design Development, Construction Documents and Estimate of Project Cost for the Larner College of Medicine and College of Arts & Sciences Psychological Sciences Medical Research Complex

WHEREAS, the administration today reported on the schematic design update and generation of a Project cost estimate and funding plan for the Larner College of Medicine and the College of Arts & Sciences Department of Psychological Sciences Project; and

WHEREAS, the administration provided an estimate of the cost of completion of the Project design;

THEREFORE, BE IT RESOLVED, that the Committee hereby recommends to the Board that it authorize the administration to undertake the expenditures necessary to complete the project design, including construction drawings, at a cost consistent with its report of this date; and

BE IT FURTHER RESOLVED, that the $6 million in funds for such expenditures be drawn from the Larner College of Medicine.
UNIVERSITY OF VERMONT

STATEMENT OF INVESTMENT POLICIES AND OBJECTIVES

I. INTRODUCTION

This statement is issued by the Investment Subcommittee (the “ISC”) of the Board of Trustees of the University of Vermont (the “Board”). The ISC was established by the Board and the Budget, Finance and Investment Committee in late 2006 and charged with oversight of investment strategy and investment managers for the Long-Term Investment Pool, including the Endowment Fund, collectively called the “Fund”, of the University. The policy statement will be reviewed annually and modified by the ISC as conditions warrant.

II. FIDUCIARY STANDARDS

The Board, the ISC, the Treasurer and finance staff, and any third-parties (e.g., investment managers) retained to advise the Board, the ISC, the Treasurer and/or finance staff as to investment strategy and management (any and all of whom may be referred to as “Responsible Parties”) shall exercise their responsibilities with respect to the Fund’s assets in compliance with the requirements of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), enacted in the state of Vermont in 2009. In accordance with UPMIFA, key facets of the Responsible Parties’ roles include:

- Acting in good faith, with the care an ordinarily prudent person would exercise;
- Incurring only reasonable costs in investing and managing charitable funds;
- Making decisions about each asset in the context of the portfolio of investments, as part of an overall investment strategy;
- Diversifying investments, unless due to special circumstances, the purposes of the Fund are better served without diversification;
- Disposing of unsuitable assets; and
- In general, developing an investment strategy appropriate for the Fund and the University.

III. RESPONSIBILITIES of INVESTMENT SUBCOMMITTEE

Responsibilities and goals of the ISC include:

- Ensuring that current and future spending requirements are supported while also preserving the real purchasing power of the Fund;
- Achieving an optimum level of return within appropriate risk tolerances;
- Developing a sound and consistent investment policy including asset allocation, diversification and rebalancing guidelines;
- Selecting and maintaining qualified investment managers and advisors;
- Monitoring and evaluating results to ensure that policy guidelines are being adhered to and that policy objectives are being met; and
- Taking action under appropriate circumstances to discharge an investment manager or advisor for failing to perform in terms of stated expectations.
The ISC is authorized to delegate certain responsibilities to staff to assist in properly meeting the overall responsibilities as outlined above.

IV. CONFLICT OF INTEREST POLICY

In addition to the responsibilities set forth in the Board of Trustees’ Conflicts of Interest policy, it is the responsibility of the ISC members to disclose to the ISC Chair any situation in which there may be reasonably construed to be a perceived or actual conflict of interest. The ISC Chair will work with the members to determine an appropriate response.

The ISC will generally not consider investments in funds directly managed by a member of the ISC. In addition, a member of the ISC employed by an investment or other firm that provides services to the Fund will recuse him/herself from all discussions and votes on existing or potential investments or other services managed or provided by that firm. The ISC recognizes, however, that certain exceptions to this policy may be appropriate. Such exceptions will be made only upon a majority vote of the disinterested members of the ISC.

In the event that the ISC is considering an investment in an access-constrained investment opportunity, any ISC member wishing to invest for his/her own benefit in such an opportunity shall notify the ISC Chair in writing.

V. MORAL, SOCIAL AND ETHICAL CONSIDERATIONS IN INVESTMENT STRATEGY

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Achieving the Financial and Investment Objectives of the Fund is essential to provide resources to fulfill the institutional mission of the University. The core responsibility of the ISC is to achieve the Financial and Investment Objectives of the fund in a manner consistent with the requirements of UPMIFA and prudent fiduciary practices.

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<th>Market Index Used in Target Benchmark(^2)</th>
<th>Underlying Investments</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Equities</td>
<td>S&amp;P 500, which represents a relatively broad investable universe of U.S. stocks</td>
<td>Portfolios are expected to focus on investments in the U.S. equity market.</td>
</tr>
<tr>
<td>International Developed Equity</td>
<td>MSCI EAFE Index</td>
<td>Portfolios are expected to focus on the world’s developed markets, excluding the U.S.</td>
</tr>
<tr>
<td>Emerging Markets Equity</td>
<td>MSCI Emerging Markets Index</td>
<td>Portfolios are expected to focus on the world’s developing equity markets.</td>
</tr>
<tr>
<td>Marketable Alternatives</td>
<td>Hedge Fund Research Inc. (HFRI) Fund of Funds Composite Index</td>
<td>Investment mandates may include: multi-strategy arbitrage, event arbitrage, distressed securities, credit/capital structure arbitrage and long/short equity investments in global markets.</td>
</tr>
<tr>
<td>Private Investments (Private Equity and Venture Capital)</td>
<td>2/3 C</td>
<td>A Private Equity FOF (Fund of Funds) / 1/3 C</td>
</tr>
<tr>
<td>Private Real Assets</td>
<td>2/3 NCREIF Property Index and 1/3 C</td>
<td>A Private Natural Resources</td>
</tr>
<tr>
<td>Public Real Assets Real Assets</td>
<td>Blended Benchmark of Public Real Asset Manager Specific Benchmarks, one half each: Bloomberg Commodity Index, S&amp;P North American Natural Resources Sector Index Dynamic benchmark that reflects each underlying investment’s individual benchmark and their respective weight within the Real Assets allocation. (The Dynamic benchmark will evolve as asset types are added or removed from the portfolio and as the allocation between public and private investments changes over time.)</td>
<td>Holdings may consist of both public and private investments which may include energy related equity securities, MLPs, diversified commodities, US issued TIPS, private oil, private gas, and private real estate funds.</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>Bloomberg Barclays Aggregate Bond Index</td>
<td>Holdings may consist of U.S. Treasury bonds, mortgages, and corporate credit investments.</td>
</tr>
</tbody>
</table>

\(^2\) Indices used in Target Benchmark are effective as of December 19, 2016.
Individual manager accounts will be monitored for consistency of each manager’s investment philosophy and process, return relative to objectives, investment risk as measured by asset concentrations, exposure to extreme economic conditions, and market volatility. In the broadest sense, the monitoring process is intended to confirm that the reasons the manager was initially retained still hold true.

X. MANAGER GUIDELINES

Investment managers will be hired for a specific skill set, and the resulting investments will be made either through separately managed accounts or pooled vehicles. Each manager of a separate account will adhere to the firm’s stated philosophy and investment strategy. Where investments are in commingled funds, mutual funds, off-shore funds or limited partnerships, the permissible investments are governed by the appropriate fund prospectus or offering memorandum. Some of these products permit the use of derivatives for certain investment strategies and in instances where a manager has demonstrated skill in effectively utilizing these instruments. For example, they may be used in reducing risk or replacing positions to gain flexibility and efficiency.

XI. MANAGER REPORTING

Each investment manager of marketable assets will provide monthly portfolio valuations and total return net of all commissions and fees. On a quarterly basis, managers will report current holdings at market value, and purchases and sales for the quarter. Traditional marketable managers with whom UVM is invested through a separate account may be required to reconcile records of holdings, transactions, and dividend/interest income with the Fund’s custodian on a periodic basis. Specialty managers (who manage hedge funds and non-marketable partnerships) will report on portfolio details with as much transparency as possible. Each of these managers will provide annually their most recent audited financial statements, which include the basis of accounting and the auditor’s opinion. In addition, each specialty manager will disclose its respective valuation policies and procedures on an annual basis.

Regular communication from all managers concerning investment strategy and outlook is expected. The ISC will regularly review a Watch List that is maintained to highlight managers’ relative performance when it is outside the normal range or expected returns, new organizational issues, and/or any significant changes in strategy that raise concerns. Additionally, managers are required to inform the University of Vermont of any significant change in firm ownership, organizational structure, professional personnel, or fundamental investment philosophy. Managers will also send a copy of their form ADV to the University at least annually.

XII. PROXY VOTING GUIDELINES

University of Vermont’s Endowment Accountant votes the shareholder proxies.

XIII. GUIDELINES FOR TRANSACTIONS

As a general guideline that should apply to all assets managed, transactions should be entered into on the basis of best execution, which is interpreted normally to mean best realized price.

adopted by the Board of Trustees on February 5, 2011, to replace the former “Statement of Investment Objectives and Policies,” as revised most recently on November 11, 2006.
Approved as revised by the Board of Trustees: February 9, 2013
Approved as revised by the Board of Trustees: February 8, 2014
Approved as revised by the Board of Trustees: February 6, 2016
### APPENDIX A

**ASSET ALLOCATION POLICY TARGETS**

*Revised, as of February 2018*

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target (%)</th>
<th>Allowable Range (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Equity</td>
<td>20.0</td>
<td>15-30</td>
</tr>
<tr>
<td>Global ex U.S. Equity</td>
<td>23.00 (13.0)</td>
<td>15-45 (10-25)</td>
</tr>
<tr>
<td>• International Developed Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Emerging Markets Equity</td>
<td>(10.0)</td>
<td>(5-20)</td>
</tr>
<tr>
<td>Marketable Alternatives</td>
<td>19.0</td>
<td>15-25</td>
</tr>
<tr>
<td>Real Assets (Inflation Hedging)</td>
<td>13.0</td>
<td>10-25</td>
</tr>
<tr>
<td>Private Equity / Venture Capital</td>
<td>13.0</td>
<td>5-20</td>
</tr>
<tr>
<td><strong>Subtotal Equity</strong></td>
<td>88.0</td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Income Fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Income</td>
<td>12.0</td>
<td>5-25</td>
</tr>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>0.0</td>
<td>0-5</td>
</tr>
<tr>
<td><strong>Subtotal Fixed Income/Cash</strong></td>
<td>12.0</td>
<td></td>
</tr>
</tbody>
</table>

Appendix A Targets last revised by Investment Subcommittee: February 14, 2018
Comparator On-Campus Room & Board
2017-2018 Academic Year

<table>
<thead>
<tr>
<th>University</th>
<th>2017-2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Syracuse University</td>
<td>$15.6</td>
</tr>
<tr>
<td>Boston University</td>
<td>$15.3</td>
</tr>
<tr>
<td>Binghamton University</td>
<td>$14.6</td>
</tr>
<tr>
<td>Boston College</td>
<td>$14.1</td>
</tr>
<tr>
<td>University of Colorado Boulder</td>
<td>$14.0</td>
</tr>
<tr>
<td>Stony Brook University</td>
<td>$13.5</td>
</tr>
<tr>
<td>George Washington University</td>
<td>$13.0</td>
</tr>
<tr>
<td>University of Massachusetts Amherst</td>
<td>$12.8</td>
</tr>
<tr>
<td>University of Connecticut</td>
<td>$12.5</td>
</tr>
<tr>
<td>University of Vermont</td>
<td>$12.0</td>
</tr>
<tr>
<td>College of William and Mary</td>
<td>$11.8</td>
</tr>
</tbody>
</table>

Source: IPEDS
Gross Tuition, Fees, Room & Board
2017-2018 Academic Year

Source: IPEDS
Note: Data above does not include the impact of Financial Aid.
University Controller Claire Burlingham, University Budget Director Alberto Citarella, and I will report to the BFI Committee the following:

- External Audit Update
- Dual Enrollment Update
- Annual Update on President’s Strategic Initiatives Fund
- Deferred Maintenance Funding and Expenditures
- Fiscal Year (FY) 2017 End of Year General Fund Budget to Actuals

**External Audit Update**

Controller Claire Burlingham will provide a brief update of the status of the FY 2018 external audit.

**FY 2018 End of Year General Fund Budget to Actuals**

Budget Director Citarella will report on the end of year results of the FY 2018 budget, which were positive and along the lines of what we had projected in our last report to the Committee. See Appendix A

**Dual Enrollment Update**

The Administration is required to report annually on the number of high school students that were enrolled in UVM classes this past year. In FY 2018, 371 high school students took classes at UVM through the Dual Enrollment Voucher program, mostly during Summer 2018. This compares to 450 and 405 Dual Enrollment students in FY 2017 and FY 2016 respectively. In FY 2018, there were another 51 high school students who took classes at UVM outside of the Dual Enrollment Voucher program. This compares to 116 and 83 high school students in FY 2017 and FY 2016 respectively.
**Annual Update on President’s Strategic Initiatives Fund**

Updates on the President’s Strategic Initiatives Fund as of June 30, 2018:

**President's Strategic Initiative Fund:**

Fund balance as of July 2, 2017: $4,892,874

Inflows:
- UVM Rescue Year 2 Repayment $70,000

Outflows:
- Humanities Collection Enhancements ($100,000)
- Benches for Campus ($16,212)

Encumbrances:
- STEM Complex ($543,310)
- Billings Library Project ($3,470,064)

Fund Balance as of July 1, 2018 $833,261
General Fund Budget to Actuals Report as of June 30, 2018
October 26 2018

Board of Trustees
Budget, Finance & Investment Committee

Operational results for the year were positive with a resulting $5.7 million fund balance. Final results for FY 2018 show greater revenue ($7.2 million) and lower expenses ($19.1 million) than budget. In addition to these revenue and expense variances, there was $20.6 million of reappropriation transfers and year-end adjustments. Of this total, $18.6 million will be reappropriated for multi-year use by academic and administrative units against strategic priorities to be reviewed and authorized annually by the Provost in future years. $2.0 million will be reappropriated for deferred maintenance capital projects, primarily for emergency steam line repairs. The net ($5.7 million) will become part of the University’s unrestricted net assets.

The report below summarizes revenue and expenses for the general fund of the University through the fiscal year. The budget for FY 2018 recognizes the authority for the current year as approved by the Board of Trustees last May. Revenue is reflected in the major categories linked to the source of revenue. Expenses are categorized by the organizational units where the management of expenses occurs. Actual results are those recorded in the University financial records as of June 30, 2018.

Notes and Explanations:

Revenue

Overall, General Fund revenue was $7.2 million better than budget. Major components of this included:

1. Undergraduate net tuition came in under budget by $1.6 million due to tuition revenue being $6.9 million above budget and financial aid expense being $8.6 million above budget.
2. In aggregate, graduate net tuition was above budget by $1.8 million, $1.3 million of which was from summer, and primarily as a result of a growth in professional degrees.
3. Summer net tuition revenue for undergraduates and non-degree students was above budget by $1.2 million.
4. State appropriation revenue was at budget.
5. Facilities and Administrative (F&A) cost reimbursement revenue, specifically sponsored research activity, was $2.3 million above budget largely due to research expenditures within the Larner College of Medicine.
6. Internal Activities cost recovery (CDE, Residential Life, Book Store, etc.) was above budget by $427,000 due to an increase across many activities.
7. Operating Investment Income was $1.5 million above budget.
8. Other Income includes a series of fees and revenues (application fees, season and other athletic ticket income) that occur on an annual basis as well as funds flowing into the general fund from other funds. These revenue items came in above budget by $2.6 million.

Expenses and Reappropriations

Overall, General Fund expenses within the current year were $19.1 million below budget. Major components of this included:

1. Most units had only positive variations from budget.
2. Two units that overspent as compared to their budgets were Athletics and the Rubenstein School.
   a. The expense budget deficit of $596,000 within Athletics will need to be paid back over the subsequent years and is the result of increased expenses.
   b. The Rubenstein School’s expenditure overage of $117,000 was planned and offset by revenue being better than budget. Overall, when including revenues, the School ended the year with a positive fund balance.
3. There are also a number of Colleges and Schools that had sizable fund balances in FY 2018, including the Larner College of Medicine ($2.9 million) and the College of Engineering and Mathematical Sciences ($2.5 million).
   a. The Larner College of Medicine fund balance is primarily due to a transfer from the Provost’s office for start-up grants. This transfer is recorded as a credit to expense. Whereas the transfer/credit occurred in FY 2018, the expense will occur in the subsequent years.
   b. The College of Engineering and Mathematical Sciences generated a planned fund balance in FY 2018, which will decrease over FY 2019 and beyond as the College increases its hiring.
4. The College of Arts and Sciences is shown as having a positive fund balance of $1.6 million. The reason for this is that the Provost increased funding for the College by $2.0 million. This resulted in a permanent $2.0 million increase in base funding in future years. Without this transfer the College would have ended the year in deficit.
5. General University expense includes Debt Service, central funds held for contractual commitments and benefit costs.
6. In addition to current year expenditures, units reappropriated $18.6 million for future year strategic investments. Most of the re-appropriation transfers were within the Colleges/Schools/Extension, which totaled $13.9 million. Administrative units
reappropriated $3.4 million. Another $2.0 million was earmarked for deferred maintenance/capital projects.

The University’s final General Fund net fund balance was $5.7 million.

*In some cases, units have generated “Other Income” against which they spend. In most cases, units do not budget for these expenses as they are “pass-through” and marginal in nature (i.e. the revenue received covers the associated expenses). Both the “Other Income” above budget, and the associated expenses have been excluded from presentation to ensure a consistent view in comparison with the Board of Trustees approved budget.
### FY 2018 BOT

<table>
<thead>
<tr>
<th>Revenue $000s</th>
<th>Approved Budget</th>
<th>Actuals through 6/30/2018</th>
<th>Variance</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undergrad I/S Tuition</td>
<td>42,152</td>
<td>42,789</td>
<td>637</td>
<td>102%</td>
</tr>
<tr>
<td>Undergrad O/S Tuition</td>
<td>281,252</td>
<td>286,774</td>
<td>5,521</td>
<td>102%</td>
</tr>
<tr>
<td>Other Undergraduate Tuition</td>
<td>1,330</td>
<td>2,124</td>
<td>795</td>
<td>160%</td>
</tr>
<tr>
<td>Less: Student Aid</td>
<td>(115,833)</td>
<td>(124,420)</td>
<td>(8,587)</td>
<td>107%</td>
</tr>
<tr>
<td><strong>Net Undergraduate Tuition</strong></td>
<td>208,901</td>
<td>207,268</td>
<td>(1,634)</td>
<td>99%</td>
</tr>
<tr>
<td>Graduate I/S Tuition</td>
<td>8,831</td>
<td>7,221</td>
<td>(1,609)</td>
<td>82%</td>
</tr>
<tr>
<td>Graduate O/S Tuition</td>
<td>22,708</td>
<td>20,499</td>
<td>(2,208)</td>
<td>90%</td>
</tr>
<tr>
<td>Less: Student Aid</td>
<td>(15,472)</td>
<td>(11,110)</td>
<td>4,362</td>
<td>72%</td>
</tr>
<tr>
<td><strong>Net Graduate Tuition</strong></td>
<td>16,066</td>
<td>16,610</td>
<td>544</td>
<td>103%</td>
</tr>
<tr>
<td>Non-Degree I/S Tuition</td>
<td>3,774</td>
<td>3,558</td>
<td>(216)</td>
<td>94%</td>
</tr>
<tr>
<td>Non-Degree O/S Tuition</td>
<td>3,484</td>
<td>2,806</td>
<td>(677)</td>
<td>81%</td>
</tr>
<tr>
<td>Less: Student Aid</td>
<td>(613)</td>
<td>(484)</td>
<td>130</td>
<td>79%</td>
</tr>
<tr>
<td><strong>Net Non-Degree Tuition</strong></td>
<td>6,644</td>
<td>5,881</td>
<td>(764)</td>
<td>89%</td>
</tr>
<tr>
<td>Graduate Summer I/S Tuition</td>
<td>656</td>
<td>926</td>
<td>271</td>
<td>141%</td>
</tr>
<tr>
<td>Graduate Summer O/S Tuition</td>
<td>1,331</td>
<td>2,365</td>
<td>1,035</td>
<td>178%</td>
</tr>
<tr>
<td><strong>Net Graduate Summer Tuition</strong></td>
<td>1,986</td>
<td>3,292</td>
<td>1,305</td>
<td>166%</td>
</tr>
<tr>
<td>Undergrad &amp; Non-Degree Summer I/S Tuition</td>
<td>5,173</td>
<td>2,827</td>
<td>(2,347)</td>
<td>55%</td>
</tr>
<tr>
<td>Undergrad &amp; NonDegree O/S Tuition</td>
<td>6,211</td>
<td>9,708</td>
<td>3,497</td>
<td>156%</td>
</tr>
<tr>
<td>Less: Student Aid</td>
<td>(61)</td>
<td>(37)</td>
<td>25</td>
<td>60%</td>
</tr>
<tr>
<td><strong>Net Undergrad &amp; Non-Degree Summer Tuition</strong></td>
<td>11,322</td>
<td>12,498</td>
<td>1,176</td>
<td>110%</td>
</tr>
<tr>
<td>Medical Tuition/Access Fees</td>
<td>25,297</td>
<td>24,506</td>
<td>(790)</td>
<td>97%</td>
</tr>
<tr>
<td>State Appropriation</td>
<td>42,509</td>
<td>42,509</td>
<td>0</td>
<td>100%</td>
</tr>
<tr>
<td>Sponsored Facil &amp; Admin Cost Reimbursement</td>
<td>25,234</td>
<td>27,554</td>
<td>2,320</td>
<td>109%</td>
</tr>
<tr>
<td>Internal Activities Cost Recovery</td>
<td>6,253</td>
<td>6,680</td>
<td>427</td>
<td>107%</td>
</tr>
<tr>
<td>Operating Investment Income</td>
<td>1,900</td>
<td>3,389</td>
<td>1,489</td>
<td>178%</td>
</tr>
<tr>
<td>Unrestricted Annual Giving</td>
<td>1,000</td>
<td>1,012</td>
<td>12</td>
<td>101%</td>
</tr>
<tr>
<td>Unrestricted Endowment</td>
<td>2,345</td>
<td>2,744</td>
<td>399</td>
<td>117%</td>
</tr>
<tr>
<td>Other Income</td>
<td>13,888</td>
<td>16,554</td>
<td>2,666</td>
<td>119%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>363,346</td>
<td>370,497</td>
<td>7,151</td>
<td>102%</td>
</tr>
</tbody>
</table>

### Expense $000s

<table>
<thead>
<tr>
<th>Expense $000s</th>
<th>Approved Budget</th>
<th>Actuals through 6/30/2018</th>
<th>Variance</th>
<th>% of Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coll of Agriculture &amp; Life Sciences</td>
<td>19,246</td>
<td>18,902</td>
<td>344</td>
<td>98%</td>
</tr>
<tr>
<td>Coll of Arts &amp; Sciences</td>
<td>52,651</td>
<td>50,988</td>
<td>1,663</td>
<td>97%</td>
</tr>
<tr>
<td>Coll of Education &amp; Social Services</td>
<td>11,942</td>
<td>11,342</td>
<td>600</td>
<td>95%</td>
</tr>
<tr>
<td>Coll of Engineering &amp; Mathematical Sciences</td>
<td>19,069</td>
<td>16,496</td>
<td>2,573</td>
<td>87%</td>
</tr>
<tr>
<td>Coll of Nursing &amp; Health Sciences</td>
<td>12,453</td>
<td>12,252</td>
<td>200</td>
<td>98%</td>
</tr>
<tr>
<td>Grossman School of Business</td>
<td>9,844</td>
<td>9,389</td>
<td>455</td>
<td>95%</td>
</tr>
<tr>
<td>Larner College of Medicine</td>
<td>41,740</td>
<td>38,766</td>
<td>2,975</td>
<td>93%</td>
</tr>
<tr>
<td>Rubenstein Sch of Env &amp; Nat Resources</td>
<td>7,107</td>
<td>7,223</td>
<td>(117)</td>
<td>102%</td>
</tr>
<tr>
<td>Athletics</td>
<td>9,805</td>
<td>10,401</td>
<td>(596)</td>
<td>106%</td>
</tr>
<tr>
<td>Continuing &amp; Distance Education</td>
<td>6,880</td>
<td>6,254</td>
<td>627</td>
<td>91%</td>
</tr>
<tr>
<td>Graduate College</td>
<td>2,499</td>
<td>2,038</td>
<td>462</td>
<td>82%</td>
</tr>
<tr>
<td>Honors College</td>
<td>1,123</td>
<td>931</td>
<td>192</td>
<td>83%</td>
</tr>
<tr>
<td>Libraries &amp; Learning Resources, Chief Info Officer</td>
<td>27,551</td>
<td>26,501</td>
<td>1,050</td>
<td>96%</td>
</tr>
<tr>
<td>President</td>
<td>5,403</td>
<td>5,403</td>
<td>-</td>
<td>100%</td>
</tr>
<tr>
<td>Provost &amp; Senior Vice President</td>
<td>11,466</td>
<td>10,970</td>
<td>496</td>
<td>96%</td>
</tr>
<tr>
<td>UVM Foundation</td>
<td>8,325</td>
<td>8,325</td>
<td>-</td>
<td>100%</td>
</tr>
<tr>
<td>Vice Prov Student Affairs</td>
<td>6,171</td>
<td>5,761</td>
<td>411</td>
<td>93%</td>
</tr>
<tr>
<td>VP Enrollment Management</td>
<td>11,596</td>
<td>10,963</td>
<td>633</td>
<td>95%</td>
</tr>
<tr>
<td>VP Finance</td>
<td>6,356</td>
<td>5,965</td>
<td>391</td>
<td>94%</td>
</tr>
<tr>
<td>VP HR, Diversity &amp; Multicultural Affairs</td>
<td>5,649</td>
<td>5,352</td>
<td>297</td>
<td>95%</td>
</tr>
<tr>
<td>VP Legal Affairs &amp; General Counsel</td>
<td>1,650</td>
<td>1,446</td>
<td>204</td>
<td>88%</td>
</tr>
<tr>
<td>VP Research</td>
<td>8,036</td>
<td>7,571</td>
<td>465</td>
<td>94%</td>
</tr>
<tr>
<td>VP University Relations &amp; Admin</td>
<td>37,570</td>
<td>35,999</td>
<td>1,571</td>
<td>96%</td>
</tr>
<tr>
<td>General University</td>
<td>39,212</td>
<td>35,041</td>
<td>4,171</td>
<td>89%</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td>363,346</td>
<td>344,277</td>
<td>19,069</td>
<td>95%</td>
</tr>
</tbody>
</table>

Less: Reappropriation & Adjustments 20,568

**Net Results** 5,652

I attest to the accuracy of this data: Richard H. Cate, VP of Finance

Date: 4/10/18
Financial Feasibility Review Phase

Project History and EPIR Review

This project is being presented to the Educational Policy and Institutional Resources (EPIR) Committee on October 26, 2018 and will be directly forwarded to the Budget, Finance, and Investment Committee for the financial feasibility review. These renovations to McAuley Hall are being requested for approval at this time.

Project Concept

McAuley Hall was built in 1958. The original request to replace the exterior aluminum curtain wall system on McAuley Hall on the Trinity Campus was proposed and approved in October 2017. During the summer of 2018 extensive evaluations were performed to assess the methodology for replacing the curtain wall system, as well as testing for hazardous material related to the replacement. Several issues were discovered during these evaluations that resulted in the need to expand the scope of this project. First, hazardous material was confirmed behind the slate paneling below the glass window sections and at the roof level area that forms the top of the curtain wall structure and the roofing material. Second, the condition of the membrane roofing material was deteriorating and in need of replacement. Third, the steel piping of the hydronic heating system is anchored into the interior side of the curtain wall and would require it to be cut in order to remove the window system.

Therefore, following the conclusions of these evaluations, it is proposed to expand the original requested scope of this project to replace the curtain wall system to also include the replacement of the five different levels of membrane roofing throughout the complex. Additional scope elements would include the replacement of the heating system piping throughout the student rooms, and to complete a full hazardous material abatement of identified asbestos in both the curtain wall and roof surfaces. The new curtain wall framing system will require an alternate method of supporting the radiators and enclosures.

The method for performing all of this work will require complete scaffolding of the two sides of the multi-floor student room area. This operation will close down the use of this facility for the entire 2019-2020 school year. The existing fenestration assemblies are proposed to be demolished and replaced in their entirety by thermally efficient stick-built glazed aluminum curtain walls with operable windows. To summarize, the design intent is to mimic the existing spandrel panel color and texture, recreate the vertical mullion fins and maintain a similar configuration of window site lines and operability while meeting current energy and life safety codes.

Project Financing

It is estimated that the renovation scope for McAuley Hall will cost $6.1 million, based on the current estimates. It is proposed to utilize existing unrestricted plant funds that currently exist in residential life.
Exterior view of the Northwest building corners of McAuley Hall. Note the vertical deflection (or sag) observed at this location.

Enlarged view of the typical casement style steel windows and slate spandrel panels. In this view, the panels are exhibiting cracking.
## Project Title: McAuley Hall Deferred Maintenance

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<th>Cost</th>
<th>Benchmarking Data</th>
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<td><strong>General Requirements</strong></td>
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**Comparable Projects**