A meeting of the Committee on Board Governance of the Board of Trustees of the University of Vermont and State Agricultural College was held on Monday, November 16, 2009 at 10:30 a.m. in the Faculty Senate Conference room, 327 Waterman Building.

MEMBERS PRESENT: Chair John Snow, Vice Chair Bill Botzow, Christopher Bray*, Harry Chen, Jason DePatie, Bill Ruprecht*, Donna Sweaney*, and Jeanette White*

ABSENT: Daniel Fogel

PERSONS ALSO PARTICIPATING: Vice President for Legal Affairs and General Counsel Francine Bazluke and Trustee Coordinator Corinne Thompson

*via conference call

Chair John Snow called the meeting to order at 10:35 a.m.

Approval of Minutes

A motion was made, seconded and voted to approve the minutes from the September 3, 2009 meeting as presented.

Board Officers Nominations Process

Chair Snow reviewed the nominations process and timeline. The Committee is responsible for recommending to the Board a slate of officers as to whom election is held in accordance with the Bylaws and University Charter. As reflected in the Operational Guidelines for nomination of Board officers, the Committee must advise the Board of its recommended slate of candidates at least 30-days prior to the February meeting. The Board will vote on the officer positions of Vice Chair and Secretary and University officers at the February meeting; per the Charter, however, the Chair must be elected at the first regular meeting of the Board following the election of new trustees. Because Chair Boyce has announced his intention to not seek re-election, the Board will follow the protocol approved last December and hold a regular meeting as soon as feasible following the identification of the new trustees (who assume trusteeship on March 1) to facilitate prompt leadership succession.

Chair Snow stated his desire to have two to three members of the Committee assist him in making calls to each trustee to solicit nominations. He indicated this process should be completed before the Thanksgiving holiday to allow time for the group to convene to discuss results and for him to contact trustees who have been nominated to determine whether they wish to be considered. If necessary, a second round of calls will be made in preparation for presenting a proposed slate for deliberations by the full Committee at its next meeting on December 15. Committee members Bill Ruprecht and Harry Chen volunteered to join Chair Snow in making the first round of phone calls.
Chair Snow reminded members that, subject to the requirement that a trustee have at least two years remaining in the term to be eligible for election as Board Chair, any trustee is eligible for the officer positions and can self-nominate. The topic concluded with the information that Chair Snow will make call assignments and those, with contact information and standardized questions will be prepared and distributed to assist Trustees Snow, Chen and Ruprecht with this process.

**Board Retreats**

Chair Snow suggested that, rather than have this Committee or the Board again address retreat timing, the Committee recommend that June be the designated month, with staff to propose specific dates during June. He further proposed that the Committee spend time at its next meeting discussing the content and scope for the 2010 retreat, specifically whether a facilitator is necessary, and if so, what kind. Regarding content, he asked Committee members to consider retreat topics.

**Review of Public Comment Protocol**

Vice President Fran Bazluke reviewed staff recommendations regarding refinements to the process as outlined in Attachment 6 of the meeting materials. Committee members discussed whether public comment opportunities were currently offered during committee meetings; it was determined that the process for doing so be part of orientation for Committee Chairs.

The Committee next considered whether the formal public comment period currently offered on Saturday mornings should remain as such and whether there should be response to comments. Some members opined that the current sequencing feels “dismissive” and that the process may be more effective at the beginning of the meeting (*e.g.*, at the Committee of the Whole meeting). Vice President Bazluke responded that there was considerable deliberation regarding the timing of the public comment opportunity when the protocol was established. Regarding responses to public comment, Vice President Bazluke indicated that, aside from time constraint concerns, resolving who would be an appropriate Board spokesperson is an issue. The current protocol allows, at the discretion of the Board Chair, a matter raised during public comment to be referred to the President or the President’s designee for subsequent response. Additionally, the Chair may also permit comment by members of the administration.

At the conclusion of the discussion, the Committee suggested the following:

- Committee Chairs be advised of the public comment protocol and receive instruction on how to incorporate the process into committee meetings
- The reference to when the public comment will be held be deleted, leaving that decision to the discretion of the Board Chair
- Consideration be given to adding language to the public comment *request form* regarding the protocol for making formal comments at Board meetings.

Vice President Bazluke will incorporate the suggested recommendations for review by the Committee.
Committee Structure Assessment Work Group Status Report

Chair Snow reported that Committee Structure Assessment Work Group met earlier this month and developed a survey and protocol for assessing the efficacy of the current committee structure. He explained that the survey contains standardized questions addressing Committee purpose and operations and encourages suggestions for adjustments. The survey will be issued this week to current Trustees who have served under only the current structure and the Vice Presidents for completion by the end of the month. Assignments will be made and Work Group members, using the survey as a guide, will conduct phone interviews with Trustees who served under both structures and a small group of former trustees. These interviews will occur the week of December 7 so as not to interfere with the Board officer nominations process that will be initiated this week. Chair Snow stated that he will reconvene the Work Group after the survey and interview results are summarized so that next steps may be recommended to the Committee in early January. Any recommended changes will be presented for the Board’s consideration in February for possible implementation with the newly comprised Committees in March.

Board Retention and Delegation of Authority Work Group Report and Recommendation

Vice President Bazluke reported that the Work Group met last Monday to review proposed housekeeping revisions and amendments to the Resolution Regarding Delegation and Retention of Board Authority.

The Committee next reviewed a red-lined version of the resolution (attachment 7 of the meeting materials). Members of the Work Group stated that they were satisfied the proposed revisions addressing staff compensation and as well as material changes to academic programs. Vice President Bazluke noted that a new Protocol for Board Review and Approval of Employee Compensation Commitments had been drafted and shared with Committee members as well as the senior administration. Chair Snow commented that academic program and academic quality oversight can be further addressed by the Committee Structure Assessment Work Group when Committee charges are reviewed.

Vice President Bazluke suggested that the word ‘aggregate’ be added to numbers 17 and 18.

A motion was made, seconded and it was voted to recommend to the Board that it adopt the revisions to its Resolution Regarding Delegation and Retention of Board Authority appearing as appended to the minutes.

Status Reports

• Trustee Exit Interviews

Chair Snow offered highlights from the written summary of trustee exit interviews circulated following the last meeting. All persons interviewed valued their experience on the Board (those who served in leadership positions particularly so). Respondents most enjoyed the opportunity to meet and work with talented fellow trustees and the opportunity to engage in candid
discussions at Board retreats. The aspect of UVM trusteeship that most surprised them was the complexity of the organization and the time commitment the work required.

An opportunity for questions and to offer feedback on the process was offered. Trustee Ruprecht asked that Chair Snow’s knowledge of the process and experience in conducting the interviews be shared with his successor and the Board Chair. Chair Snow added that he was able to conduct these interviews face to face and would strongly encourage interviews continue to be done that way if possible.

- **Conflict of Interest**

Chair Snow reported on the annual review of the Trustee Conflict of Interest Policy last fall, during which he raised the questions as to whether the $10,000 threshold for financial disclosure of investment securities was appropriate. In response to his inquiry, Vice President Bazluke had conducted a scan of disclosure thresholds at public universities. The results of the scan will be circulated to Committee members for further discussion at the next meeting.

- **Ad hoc Committee on Long-Range Planning**

Chair Snow reported that Board Chair Boyce has suggested the establishment of an ad hoc Committee on Long-Range Planning be tabled pending the selection of a new Board Chair.

- **Statement of Intent to resume ad hoc Committee on Trustee Recruitment**

Chair Snow reported that at the Board Chair Boyce’s request, the ad hoc Committee on Trustee Recruitment will resume its work, initiated last fall, to assist trustee appointing authorities in identifying qualifications that will assist the Board in ensuring that it collectively is comprised in a manner that facilitates optimal achievement of its responsibilities. Chair Snow was appointed to lead this effort working with trustees Claire Ayer, Frank Cioffi, Jason DePatie, Susan Hudson-Wilson and Jeanette White, and he will look to reconvene the group in the near future.

**Education Modules Preliminary Report**

Vice President Fran Bazluke reviewed attachment 8 in the meeting materials and offered a preliminary report on opportunities identified by staff for training and informational sessions. Due to time constraints at Board meetings, options for on-line training and educational sessions are being explored. Given prior feedback offered by trustees, the following topics have been areas have been identified as areas of interest:

1. Strategic Finance 101 (Introductory level)
2. Strategic Finance 301 (Advanced level)
3. Enterprise Risk Management & Internal Controls
4. University Academic Plans and Programs
5. Facilities and Campus Master Planning
Trustee Botzow asked that “complex systems” be added to the list in view of its inclusion as a “spire of excellence”. At the Committee’s direction, staff will identify on-line modules for testing through interactive media.

Adjournment

There being no further business, the meeting adjourned at 12:08p.m.

Respectfully submitted,

John Snow, Chair
Resolution Regarding Delegation and Retention of Board Authority

WHEREAS, this Board has, in its Bylaws and through such policies and resolutions as it may issue from time to time, delegated to the President and other officers of the University certain authority and responsibility for the management of the University and its programs, activities and operations; and

WHEREAS, this Board recognizes the need for prompt and timely management decisions made by qualified University personnel, and thus, through such delegations, authorizes officers of the University to negotiate and enter into contracts and other arrangements to facilitate the objectives of University programs and activities and to conduct related operations; and

WHEREAS, in making such delegation, the Board also assigns to such officers responsibility to make informed and prudent decisions in the best interests of the University and to maintain accountability to the Board through prompt and accurate reports on University programs, activities and operations, including their financial status and impact;

NOW, THEREFORE, BE IT RESOLVED that, subject to its retained authority and responsibility for the general oversight of the University, and reserving to itself the power to act on its own initiative as necessary to the and subject to action that it will take in accordance with fulfillment of its own fiduciary and legal duties, the Board hereby delegates to the President and the officers of the University authority to negotiate and enter into contracts and other arrangements to facilitate the objectives of University programs and activities and to conduct related operations, and hereby also recognizes the authority the Board delegates to the Faculty Senate as expressed in the Faculty Senate Constitution and Bylaws, except for the following, which shall require Board approval:

1. statements of institutional mission, principles and values;
2. the institutional strategic plan and associated goals, and related strategic financial plans and goals, and all material revisions thereto;
3. establishment and dissolution of University-affiliated corporations and foundations, and University membership in other corporate entities (but not institutional memberships in professional associations);
4. appointment of University Trustees to the boards of other corporate entities or public bodies in their capacity as University Trustees;
5. appointment and employment of the President, appointment of other officers of the Board and the University in accordance with the University Bylaws, and authorization of severance payments in excess of the standard amount University policy specifies for officials who report to the President;
6. creation or elimination of, and material changes in, an academic unit, curriculum, research or service endeavor as defined in Faculty Senate protocols.¹

¹ [Ed. Note: See Appendices A and C, right column Faculty Senate webpage: http://www.uvm.edu/~facsen/]. This footnote will not appear in the final version of the resolution.
academic programs and departments; and approval of faculty medical or other clinical practice plans;

(7) award of honorary degrees;

(8) matters the Faculty Senate may appeal to the Board under the Senate Constitution and Bylaws;

(9) naming of buildings and academic programs;

(10) through its Investment Subcommittee of the Budget, Finance and Investment Committee (“Investment Subcommittee”), selection, retention and termination of investment advisors and managers for the Long-Term Investment Pool; provided that: the Board must itself approve policies for the Long-Term Investment Pool and the Limited Term Asset Pool; the endowment spending rate; the endowment management fee; declaration of financial exigency; and dissolution, merger or the sale or pledge or transfer of all or substantially all of the University’s assets;

(11) State capital appropriations requests, the institutional annual budget and the annual audited financial statement;

(12) tuition, room and board rates, and student fees, and in-state status regulations for purposes of determining tuition;

(13) purchase, sale, exchange, or transfer of complete or partial interests in real property, regardless of location, at a value that equals or exceeds $500,000; authorization of acceptance of compensation in eminent domain proceedings; the lease or sublease of property with annual or aggregate rental value that equals or exceeds $500,000, and renewals thereof; the pursuit or acceptance of historic preservation designation for University property; and adoption of, and material revisions to, a Campus Master Plan;

(14) payments in lieu of taxes;

(15) issuance of bonds and approval of institutional debt policy;

(16) procurement of loans, lines or credit, or other financing, and performance as surety, in amounts or at a value that equals or exceeds $1,000,000;

(17) contracts for facilities construction or renovation, including change orders and increases in project costs for previously approved projects whose value in aggregate equals or exceeds $1,000,000; provided that (and subject to the provisions of (18) below), the Board shall approve all contracts for consulting services whose aggregate value equals or exceeds $250,000, and shall also
authorize, through its Investment Subcommittee, the selection and retention of all investment advisors regardless of contract cost;

(18) selection and retention of an independent audit firm to conduct mandatory annual financial attestation and/or compliance audits, regardless of contract cost; contracts at an aggregate cost of $10,000 or more for non-audit consulting services with the any independent annual audit firm; and, otherwise, contracts with independent audit firms for consulting services whose aggregate value equals or exceeds $250,000;

(18)(19) the material terms of collective bargaining agreements and, within the context of annual budget preparation and approval, the annual salary pool for non-union-represented employees;

(19)(20) settlement of lawsuits whose direct (i.e., uninsured) at a cost to the University that equals or exceeds $250,000, regardless of insurance coverage; and authorization to file and/or settle lawsuits in which the Board or a University officer is a named party or a Board-approved policy is in dispute;

(20)(21) all self-governance matters reserved to the Board in the University Bylaws, including without limitation the election, appointment and removal of Board officers, approval of Board Committee appointments, and election and appointment of Trustees by the UVM Board, or as otherwise required or permitted by law; and

(21)(22) revisions to University Bylaws; matters required by law, Bylaws, and/or contract; and such other authority as the Board is required to exercise without delegation as a matter of law, or that, in the future and prospectively, it wishes to retain or retrieve in the exercise of its fiduciary duties and sole discretion;

AND BE IT FURTHER RESOLVED that, notwithstanding such delegations, through the President or his designees, the administration shall report periodically on matters of institutional management and operations as the Board may direct and/or as may be appropriate and desirable, including without limitation periodic reporting on gifts and grants; and, subject to the terms of (18) and (19) above respectively, retentions of consultants and independent audit firms for consulting services whose value equals or exceeds $100,000; and settlement of lawsuits whose (direct uninsured) value equals or exceeds $250,000; and

BE IT FINALLY RESOLVED, that this resolution shall supersede all preexisting delegations prospectively.