A meeting of the Executive Committee of the Board of Trustees of the University of Vermont and State Agricultural College was held on Wednesday, June 4, 2008 at 10:00 a.m., via conference call, in room 351 Waterman Building.

MEMBERS PRESENT: Chair Ian Boyce*, Edwin Amidon, William Botzow*, Robert Cioffi*, Daniel Fogel, Martha Heath*, Debbie McAneny* and Robert Young*

REPRESENTATIVES PRESENT: Staff Council Representative Eileen Hanerfeld and Student Government Association Representative Jay Taylor

OTHER TRUSTEES PRESENT: none

ABSENT: Vice Chair Frank Cioffi, Faculty Representative Robyn Warhol-Down and Alumni Council Representative Janet Terp

PERSONS ALSO PARTICIPATING: Vice President for Legal Affairs and General Counsel Francine Bazlule, Chief of Staff Gary Derr, Vice President for Federal, State and Community Relations Karen Meyer and Interim Vice President for Finance and Administration Richard Cate

*By means of telephone.

Chair Ian Boyce called the meeting to order at 10:02 a.m.

Approval of Minutes

Chair Boyce entertained a motion to approve the minutes from the April 28, 2008 meeting. The motion was seconded and it was voted to approve the minutes as presented.

President’s Report

President Fogel briefly reported on the successful reunion weekend, noting the record attendance. He mentioned the continued successful admissions season with “summer melt” below expectations to date. He concluded by sharing that good progress continues in assessing the issues under review by Richard Cate and John Evans in the Division of Finance and Administration on PeopleSoft implementation, Huron Consultant engagements, grants and contracts accounting.
Retreat Update

Trustee Robert Cioffi reported that the retreat agenda will soon be finalized and distributed to Trustees with additional materials for advance reading. Twenty-two Board members are expected to attend.

Chair Boyce added that the retreat will conclude by 3:00 p.m.

Ratification of revised Presidential Performance Review Policy

Chair Boyce presented the following resolution for approval:

**Resolution Ratifying the Presidential Performance Review Policy**

RESOLVED, that the Executive Committee ratify the attached Presidential Performance Review Policy with amendments to clarify and address the transparency of the process as recommended by the Board Governance Committee and endorsed by the Committee of the Whole on May 16, 2008.

A motion was made, seconded and it was unanimously voted to approve the resolution.

Appointment of Treasurer

Chair Boyce presented the following resolution for approval:

**Resolution Approving Appointment of Interim Treasurer**

RESOLVED, that the Executive Committee appoints Richard H. Cate as interim University Treasurer effective immediately.

He noted that the resolution reflects advice from the Audit Committee in consultation with external legal counsel.

An opportunity for discussion was offered. Trustee Botzow inquired whether a plan was in place to appoint a permanent Treasurer. Chair Boyce responded that the appointment of a permanent Treasurer will be deferred pending the outcome of the pending external audit.

There being no further questions, a motion was entertained, seconded and it was unanimously voted to approve the resolution.

Approval of Audit Committee’s recommendation re: external firm to examine facts regarding Huron Consultant engagements and financial internal control issues

Chair Amidon offered a brief overview of the Request for Proposal (RPF) process. Brian Murphy, Esq., from Dinse, Knapp and McAndrew, P.C. was retained to advise the Audit
RFP Subcommittee, whose membership included Chair Amidon, Susan Hudson-Wilson, Jeff Davis and Beth Rice. A draft RFP was provided by Mr. Murphy, which the subcommittee reviewed and finalized. The RFP was issued and nine proposals were received. The Subcommittee interviewed four firms and, following executive session discussion of the qualifications and suitability of the firms, will offer its recommendation for Committee consideration.

Trustee McAneny asked Trustee Amidon to describe the process and criteria the subcommittee followed in selecting firms for consideration. Trustee Amidon responded that a mediation technique was used and each member conveyed views regarding the finalists. Criteria considered included the understanding of the University’s needs as reflected in the proposal, the team that would be working on the audit, and qualifications and prior experience in looking into control systems.

**Other Business – Huron Consultants Status Report**

Interim Vice President Cate offered a status report on the implementation of PeopleSoft, expenditures for services from Huron Consultants, and how the administration intends to proceed with the Grants and Contracts Accounting unit.

Since joining the University, Interim Vice President Cate has been meeting with Huron and Divisional staff to determine status and next steps. It is clear the University’s engagement with Huron is largely a result of the fact that the software was not adequately reconfigured to meet business needs during the course of implementation, nor was adequate training provided for faculty and staff. In order to make PeopleSoft sufficiently user-friendly, further reconfiguration or the integration of a supplemental software package will be needed. Additionally, further changes may be necessary to business practices.

To date, Huron Consulting has been paid $4.3M and bills totaling another $2.1M are outstanding. Estimated billing for work completed in May and June total approximately $2.3M and estimated work to be done in July and August is predicted to cost another $2M for a projected total of approximately $10.8M. As part of the upcoming work on the revised 2009 budget, the administration will be developing a proposal for dealing with the unbudgeted cost of Huron contracts. An opportunity for questions was offered. Trustee McAneny inquired whether the order of magnitude remained the same as projected in May. Mr. Cate responded that the numbers and information have not changed since the last report.

Mr. Cate next reported on the status of grants and contracts accounting. Much of the work Huron staff has conducted over the past several months would have been completed by internal staff if there were enough of them and they had been appropriately trained. Chair Boyce inquired as to the difficulty of finding qualified applicants for the specialized area of grants and contracts accounting and Trustee McAneny asked about the number of employees estimated as necessary to adequately staff the department. Mr. Cate responded that an extensive recruitment process spanning the entire New England
area will be initiated to fill a net of nine additional staff positions as soon as possible. The cost of additional staff will be included in the revised 2009 budget plan.

Chair Boyce advised Committee members that prospective contract scope and cost issues would be further addressed in Executive Session, after which they would be asked to consider a resolution accepting the administration’s report and authorizing continuation of the consulting services engagement.

Executive Session

At 10:32 a.m. Chair Boyce entertained a motion to enter into Executive Session for the purpose of discussing contracts and the evaluation of a public officer. The motion was seconded and approved. The following persons were asked to remain: Vice Presidents Bazluke, Cate and Meyer and Chief of Staff Gary Derr.

Other Business

The meeting was re-opened to the public at 11:10 a.m. and the following resolutions were presented for approval:

Resolution Accepting Administration Report regarding Huron Consulting and Authorizing Continuation of Consulting Services Engagement

WHEREAS, the administration today presented a preliminary report on the status of PeopleSoft implementation, the work underway to address processing backlogs in Grants and Contract Accounting and the nature and extent of consulting services provided to date by Huron Consulting in connection with this work; and

WHEREAS, the administration also provided a preliminary assessment of the nature and extent of additional consulting services required from Huron to complete certain aspects of the implementation process and prompt transition to internal staffing of PeopleSoft operations;

THEN, BE IT RESOLVED, that subject to continuing due diligence by the administration regarding the nature, extent, cost, and status of PeopleSoft implementation, including without limitation, services Huron previously rendered and those Huron services prospectively necessary to complete the work, and further subject to periodic status reports from the administration to the Board, including its Audit Committee, the Executive Committee hereby accepts the report of the administration and hereby authorizes the President, or the Interim Vice President for Finance and Administration, to negotiate and execute a specific engagement agreement with Huron covering the remaining scope of work (the agreement to be effective no later than July 1, 2008) at a total cost not to exceed $2,000,000 without further express authorization of the Board.
Resolution Authorizing Negotiation and Execution of Memorandum of Understanding between the Office of Vermont Health Access and the University of Vermont regarding the State of Vermont's Managed Care Organization Investment in Health Professional Training

RESOLVED, that the Executive Committee of the Board of Trustees of the University of Vermont authorizes Interim Vice President for Finance and Administration Richard Cate to complete negotiations as presented to the Board of Trustees' Audit and Executive Committees and execute a Memorandum of Understanding between the Office of Vermont Health Access (OVHA) and the University of Vermont regarding the State of Vermont's Managed Care Organization (MCO) Investment in Health Professional Training for the period of July 1, 2007 through June 30, 2008.

A motion was made, seconded and it was unanimously voted to approve the resolutions.

At 11:15 a.m. the Chair entertained a motion to re-enter Executive Session to continue discussing contracts and the evaluation of a public officer. The motion was seconded and approved. Vice Presidents Bazlule, Cate and Meyer and Chief of Staff Gary Derr were excused for the remainder of the meeting. President Fogel recused himself from the remainder of the meeting. Trustee Rob Cioffi departed the meeting at 11:15 a.m.

At 11:25 a.m. the meeting was reopened to the public and the following resolutions were presented for approval.

Resolution Regarding Consulting Services

BE IT RESOLVED, that the Chair of the Board of Trustees singly is authorized to direct Dinse, Knapp & McAndrew, P.C. to negotiate a contract with [TBD] for the purpose of providing services to Dinse, Knapp & McAndrew, P.C. to assist it, for the benefit of the University, in conducting an investigation regarding the engagements between Huron Consulting Group and the University, and in such connection assess and make recommendations regarding internal financial controls of the University relating to procurement, at a fee to be negotiated by Dinse, Knapp & McAndrew, P.C. in consultation with the Chair.

Resolution regarding Presidential Compensation

BE IT RESOLVED, that the Executive Committee hereby authorizes the Board Chair to effect a FY’09 presidential salary adjustment in a manner consistent with the deliberations of the Committee.

A motion was made, seconded and it was unanimously voted to approve the resolutions.
Adjournment

There being no further business, the meeting was adjourned at 11:30 a.m.

Respectfully submitted,

Ian Boyce, Chair
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

BOARD OF TRUSTEES

PRESIDENTIAL PERFORMANCE REVIEW POLICY

Policy

It shall be the policy of the Board of Trustees to review the performance of the President annually. In addition, the Board shall customarily conduct a comprehensive presidential performance review within a minimum of a three-year and maximum of a five-year time period.

The purpose of the annual review is to enable the President to strengthen his or her own performance, to allow the President and the Board to reset mutually agreeable goals, and to inform annual decisions on compensation adjustments and other terms of presidential employment.

The purpose of the comprehensive review is to examine the effectiveness of the relationship between the President and the Board in the discharge of their respective and collective governance responsibilities; to obtain feedback from key constituents on the progress of the President and the Board in achieving institutional priorities, to reaffirm the partnership between the President and the Board; and, as requested by the Board and the President, to consider consultant recommendations for improving both presidential and Board performance.

The review processes are not intended as a substitute for regular, ongoing communication about progress toward goals between the President and the Board.

The Board shall periodically review and, as necessary or desirable, revise this policy and its associated procedures in light of experience gained, best practices, and legal developments as applicable.

Procedures

Annual review

Criteria and Scope

The annual review will cover the preceding year. The criteria for evaluation and
information responsive to those criteria will be based principally on the President’s self-assessment with respect to goals mutually set by the Board Chair and the President, in consultation with the Board, for the year in review. The review will encompass input from Trustees, solicited in the manner described below, and such additional information as the Board Annual Review Subcommittee may request of the President to assist in its assessment of progress toward the mutually established goals.

President’s Self-Assessment

The retrospective elements of the President’s self-assessment will customarily include:

• A copy of the mutually-agreed upon goals, with a description of efforts to meet them and the President’s progress assessment.

• A description of other personal or institutional achievements of which the Annual Review Subcommittee should, or might, be informed by the President as aspects of performance or accomplishment.

• Identification of significant institutional or personal challenges the President faced over the course of the review year that affected progress toward goals, with particular focus on those that are likely to persist into the upcoming year or beyond.

• Presidential self-assessment of relationships with the Board, key governance and constituency group leaders, or other significant stakeholders.

• Key areas in which the Board has been especially supportive.

The prospective elements of the President’s self-assessment will customarily include:

• Goals the President proposes for him/herself and the institution over the course of (1) upcoming year, and (2) next five years.

• The President’s professional development plans, and any associated requests of the Board.

• The President’s assessment of the University’s principal current opportunities and challenges.

• Key areas in which the President would especially benefit from Board support.
The Annual Review Subcommittee

The Board Chair will appoint an ad hoc Annual Review Subcommittee from the membership of the Executive Committee ordinarily to be comprised of no fewer than five members. The Chair may, in his/her discretion, serve as a member of the Subcommittee. If the Chair serves on the Subcommittee, s/he will serve ex officio as chair of the Subcommittee; if the Chair declines to serve on the Subcommittee, s/he will appoint a chair.

The review process, including consultation undertaken by the Annual Review Subcommittee or its members with the President and Trustees, and Subcommittee deliberations, shall be confidential. Following consideration by the Subcommittee of the President’s self-assessment and input solicited from other Trustees (including the Board Chair if s/he is not a member of the Subcommittee), the Subcommittee will first advise the Executive Committee (in an Executive Session from which the President will be excused) of the status of its review. Subsequent to the Executive Committee meeting, the Chair will, in an Executive Session from which the President will be excused, convey to the full Board the results of the review and provide adequate opportunity for Board discussion and deliberations regarding the findings. Promptly thereafter, the Board Chair will meet with the President to discuss the results of the review. A significant portion of the latter meeting shall include articulation of performance goals for the upcoming year.

The annual review process will generally be initiated in the spring and completed by July 1.

Setting of goals

Subsequent to the completion of the annual review process described above, the Board Chair will, in consultation with the President, establish and memorialize in writing performance goals for the upcoming year. In addition, the Chair will convey to the President any recommendations, concerns, or priorities arising out of the review process and the Board’s discussion of review outcomes. The Board shall promptly approve or ratify the goals established by the Chair and President for the upcoming year.

Setting of Compensation and other Terms of Employment

In conjunction with its review process, the Subcommittee will make a recommendation to the Board Chair regarding any component of an annual salary adjustment based on merit. Compensation and other terms of employment will otherwise be set pursuant to guidelines adopted by the Board, provided that the annual compensation review process shall occur subsequent to completion of the annual performance review.
Comprehensive Review

At approximately five-year intervals, the Board Chair will, on behalf of the Board, initiate a comprehensive review process.

Criteria and Scope

The comprehensive review, which ordinarily will be initiated in September, will cover the first five-year period of a presidency or the interval since the last comprehensive review. The criteria for evaluation and information responsive to those criteria will be based on the President’s self-assessment of progress toward goals mutually set by the Board and the President, including those articulated in the institutional strategic plan; all previous reviews, including annual reviews; and qualitative interview data elicited from Trustees, leaders of governance groups, senior administrators, and significant constituencies and stakeholders with direct and substantial knowledge and experience with the President and the University, regarding progress toward established institutional goals and the effectiveness of relationships necessary to sound institutional governance and interactions with external stakeholders and partners.

The Review Committee

The Board Chair will appoint an ad hoc Comprehensive Review Committee from the membership of the Board to be comprised of no fewer than five members. The Chair will serve as a member and chair of the Review Committee. In addition, the Chair may, following consultation with the Board, retain a qualified consultant to assist the Board in the review process, including creation of interview questions, conduct of interviews, and development of recommendations for enhancement of the performance effectiveness of the President and the President-Board relationship.

The Review Process

In addition to the procedures outlined above for the comprehensive review, the following procedures will apply:

• Prior to commencement of the comprehensive review process, the Chair will summarize for all Trustees in writing the steps associated with the process.

• The University community will next be informed of commencement of the review through a communication from the Board Chair. The purpose, scope, and procedures associated with the review will be described in the communication.
• The substance of the review process, including deliberations, shall be confidential.

• The review process will customarily be completed within 2-4 months of its initiation.

• The results of the review, including recommendations, will be discussed and synthesized by the Review Committee, with the assistance of any consultant retained. The Chair will next review the results with the full Board in Executive Session, from which Session the President will be excused. Following provision of an adequate opportunity to deliberate regarding the review results, the process will advance to its next step. The Chair, accompanied or not in his/her discretion by the Review Committee, will promptly meet with the President to share the result of the review. The Chair will also at that time convey to the President any recommendations or specific requests and expectations associated with the review, which will be memorialized as an amendment to the President’s annual performance goals.

• At the conclusion of the foregoing steps, the Board Chair will issue a final communication to the University community announcing completion of the review process.

Adapted from: AGB Board Basics Annual Presidential Performance Reviews (2001)
Approved by the Board of Trustees: May 18, 2007
Ratified by the Executive Committee: June 4, 2008