A meeting of the Executive Committee of the Board of Trustees of the University of Vermont and State Agricultural College was held on Monday, November 10, 2008 at 12:00 p.m., via conference call, in room 351 Waterman Building.

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

REPRESENTATIVES PRESENT: Staff Council Representative Beth Walsh

OTHER TRUSTEES PARTICIPATING: Samuel Bain*, Jeff Davis*, Jason DePatie, Governor James Douglas*, Susan Hudson-Wilson*, James Leddy, Bill Ruprecht and John Snow

ABSENT: Vice Chair Frank Cioffi, Trustee Robert Young, Faculty Representative Robyn Warhol-Down, Alumni Council Representative Meg Guzewicz, and Student Government Association Representative Jay Taylor

PERSONS ALSO PARTICIPATING: Senior Vice President and Provost John Hughes, Interim Vice President for Finance and Administration Richard Cate, Vice President for Legal Affairs and General Counsel Francine Bazluke, Chief of Staff Gary Derr, Vice President for Student and Campus Life Thomas Gustafson, Vice President for Federal, State and Community Relations Karen Meyer, and Associate Vice President for Budget and Resource Management Ted Winfield

*By means of telephone.

Chair Ian Boyce called the meeting to order at 12:07 p.m.

Approval of Minutes

Chair Boyce entertained a motion to approve the minutes from the October 20, 2008 meeting. The motion was made, seconded and it was voted to approve the minutes with an amendment to add Trustee Jason DePatie as a participant.

President’s Report

President Daniel Fogel offered a brief report which focused on the University’s current financial challenges. He noted that these challenges are shared by institutes of higher education across the nation. He also expressed that these challenges offer an opportunity for the University to become stronger, more prepared and more competitive.
President Fogel commended Interim Vice President for Finance and Administration Richard Cate, Associate Vice President for Budget and Resource Management Ted Winfield and Provost John Hughes for their exemplary work in compiling the 2010 budget analysis. He noted that this analysis will be shared with the entire University community and a meeting will be held this Friday with Deans to tactically work on budget adjustments.

**Consent Agenda**

Before presenting the consent agenda, Chair Ian Boyce offered Interim Vice President Richard Cate an opportunity to provide background on the three resolutions.

In regards to the Custodial Supplies Contract, Interim Vice President Cate indicated that through a democratic process of student activism, university students demanded environmentally friendly custodial cleaning and paper supplies. The University previously procured such products from Kimberly Clarke and will now procure from them from the White River Paper Company whose products are greener and less expensive. He further noted that the division of Finance and Administration is building a list of recurring contracts such as this one so they may be more clearly tracked and presented to the Board for approval.

The resolution regarding computer equipment has been bid out and is also requiring Board approval. This resolution will also be recurring.

The final resolution seeks authorization to increase the scope of work within the previously approved total funds for the DeGoesbriand Project to accommodate additional fit up requirements for the Substance Research Clinic. The resolution is asking for a reallocation of a portion of the remaining funds. Trustee Deb McEneny suggested the exact amount to be reallocated be included in the resolution.

Chair Boyce asked for a motion to approve the consent agenda, with a proposed amendment to include up to a $140,000 reallocation in the DeGoesbriand Fit-Up Scope Addition resolution as requested. The motion was moved, seconded and all voted in favor to approve the following resolutions:

**Custodial Supplies Contract Resolution**

WHEREAS, University policy requires Board of Trustees approval for any contract over $1,000,000; and

WHEREAS, the University has solicited proposals from various vendors for a vendor managed inventories program for custodial cleaning and paper supplies with the chosen vendor being White River Paper Company; and

WHEREAS, the total payments to White River Paper Company over the three-year base contract period are estimated at $1,200,000;
NOW THEREFORE, BE IT RESOLVED, that the Interim Vice President for Finance and Administration and University Treasurer, or his successor or designee, is hereby authorized to execute a contract with White River Paper for a period of three years, with up to a two-year extension for custodial and paper supplies, in an amount not to exceed $1,200,000.

**Computer Depot Equipment Resale Purchase Resolution**

WHEREAS, the University has solicited proposals from various vendors of desktop and laptop computers and associated equipment for resale by the University Computer Depot to students, University departments, and individual faculty and staff members, with the chosen vendors being Dell and Apple; and

WHEREAS, the total payments to Dell and Apple over the three-year base contract period are estimated at $2,500,000 each per year, distributed according to customer demand but totaling an estimated $5,000,000 per year in computer purchases for resale;

NOW THEREFORE, BE IT RESOLVED, that the Interim Vice President for Finance and Administration and University Treasurer, or his successor or designee, is hereby authorized to execute contracts with Dell and Apple for a period of three years, in an amount not to exceed $5,000,000 per year.

**DeGoesbriand Fit-up Scope Addition**

WHEREAS, an allocation of $500,000 for phase I to fit-up certain spaces in the DeGoesbriand building for various functions from the College of Medicine was approved at the February 2007 Board meeting; and

WHEREAS, phase II was approved at a cost of $1,600,000 at the May 2007 Board meeting increasing the total to $2,100,000 for this two-phase project; and

WHEREAS, $330,490 was reallocated from the DeGoesbriand Project to offset the increased cost of the Colchester Research Facility at the September 2008 Board meeting; and

WHEREAS, another function in the College of Medicine, the substance research clinic in the DeGoesbriand building, has additional fit-up requirements; and

WHEREAS, $565,000 remains available within the previously approved resolution amounts, currently totaling $1,769,510, to accommodate this additional work;

NOW, THEREFORE, BE IT RESOLVED, that the Interim Vice President for Finance and Administration and University Treasurer, or his successor or
designee, is hereby authorized to increase the scope of work by utilizing up to $140,000 within the previously approved total funds for this project; and

BE IT FINALLY RESOLVED, THAT THE Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those people appointed to any of the positions heretofore mentioned, and further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

Other Business

President Daniel Fogel took the opportunity to provide a more detailed overview of the issues faced by the 2010 budget. He reminded the Committee that shortfalls in projected budgets are common, yet the preliminary estimate for FY 2010 is an unprecedented amount of $20,000,000. The administration will be working on strategies to address this deficit in December and January in order to present a revised budget to the Board in February, and then for final Board approval in May.

President Fogel offered the following factors as major contributors to the University’s financial challenges:

- Although returns on investments, including short-term interest on cash, were once stable and predictable sources of income that we could count on each year, that is no longer the case.
- We must correct a “structural budgetary deficit” caused largely by our past practice of funding continuing costs with one-time monies.
- The cost of borrowing money is escalating and terms of credit are unpredictable.
- We are facing current, and anticipate future, reductions in our State appropriation.
- Important commitments such as the recently negotiated faculty contract must be funded.
- Financial aid for students is under stress.
- Energy costs have increased, as have costs for other goods and services.
- Benefits costs are an ongoing challenge.

Chair Ian Boyce asked if President Fogel to share any perspectives from leaders at peer institutions present at the NASULGIC conference indicating they face similar challenges to which the President expressed his surprise at how modest our issues are compared to others. For example, Bob Kennedy of the University of Maine, indicated their budget will be cut by 10%. An administrator from the University of Minnesota declared a budget deficit in the tens of millions of dollars, mostly related to structural gaps. Additionally, the Higher Education Press had previously predicted that universities in oil-rich states would not be affected by national financial storm, which is not the case. The broad context is challenging, but President Fogel reiterated it provides an opportunity for the University to become stronger.
At 12:30 p.m. the Chair entertained a motion to enter into executive session to discuss personnel and contract matters. The motion was seconded and it was voted to enter into executive session. All Trustees and Senior Administration in attendance were asked to remain. Chair Boyce announced there would be a resolution to be voted on once the meeting is reopened to the public.

The meeting was re-opened to the public at 1:50 p.m. and the following resolution was presented for approval:

**Resolution Authorizing President to Conclude Contract Negotiations**

RESOLVED, that the Committee authorizes and directs the President or his designee to conclude contract negotiations pursuant to the status report received today.

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

**Adjournment**

There being no further business, the meeting was adjourned at 1:52 p.m.

Respectfully submitted,

Ian D. Boyce, Chair