EXECUTIVE COMMITTEE
BOARD OF TRUSTEES
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

A meeting of the Executive Committee of the Board of Trustees of the University of Vermont and State Agricultural College was held on Monday, January 11, 2010 at 12:00 p.m., in the President’s Conference Room, 351 Waterman Building.

MEMBERS PRESENT: Chair Ian Boyce*, Claire Ayer, Bill Botzow, Daniel Fogel, Debbie McAneny* and John Snow

REPRESENTATIVES PRESENT: Faculty Representative Jim Burgmeier, Student Government Association Representative Kate Ash (filling in for Bryce Jones) and Staff Council Representative Beth Walsh

ABSENT: Vice Chair Frank Cioffi, Trustee Robert Cioffi and Alumni Council Representative Meg Guzewicz

PERSONS ALSO PARTICIPATING: Vice President for Legal Affairs & General Counsel Francine Bazluke, Vice President for Finance and Administration Richard Cate, Vice President for Executive Operations Gary Derr, Vice President for Student and Campus Life Thomas Gustafson and Interim Vice President for Development and Alumni Relations Kathleen Kelleher

*By means of telephone.

Chair Ian Boyce called the meeting to order at 12:03 p.m.

Approval of Minutes

Chair Boyce entertained a motion to approve the minutes from the December 14, 2009 meeting. The motion was made, seconded and it was voted to approve the minutes.

President’s Report

President Fogel offered brief highlights on the following topics:

- Enrollment - applications look strong with promise for building another class of high quality and diversity (ALANA applications are up 26% from last year to 2,300).
- Research Awards – as of the end of November, awards are ahead of last year.
- Total voluntary support is doing quite well and Development and Alumni Relations is preparing to meet the challenge of reaching the unrestricted fundraising goal.
- The Provost and Faculty Senate continue collaborations on general education. The Faculty Senate is scheduled to meet today to consider a template for Faculty Senate participation in the internal review process of proposals due later this
President Fogel commended Faculty Senate President Jim Burgmeier and Senate members for their engagement in this process.

- A draft pilot of the *dashboard indicators* was issued yesterday to members of the Board Governance focus group appointed to work with the administration in preparation of piloting the *dashboard indicators* to the Board in February. He expressed his gratitude for members of the senior staff for their collaboration, with special recognition paid to Vice President Derr and Director Fred Curran and his colleagues in the Office of Institutional Studies for their efforts.
- Chief Internal Auditor Search – two finalists are on campus today and tomorrow for interviews.

Chair Boyce offered an opportunity for comments and questions. Trustee Botzow, Chair of the Chief Internal Auditor Search Committee, added that there were originally three candidates selected for final interviews for the position of Chief Internal Auditor and that one withdrew for personal and family-related reasons. The two remaining finalists have experience in higher education, one candidate with additional experience in healthcare, the other candidate with the National Science Foundation. If all goes well, the Chief Internal Auditor Search Committee will make their recommendation to the full Audit Committee at its meeting next week.

**Action Items**

Vice President Cate reported that University has negotiated a five-year contract with three manufacturers for general laboratory supplies for a combined value of approximately $7 million dollars, based on the previous five-year purchases. Due to the complexity of the research community and their experiments, a sole-source contract is not being awarded. Awarding contracts to the three selected vendors will allow competitive pricing, discount structure, growth incentives, rebate programs and ease of availability for supplies.

The following resolution was presented for approval:

**Resolution Awarding Contracts for General Laboratory Supplies**

BE IT RESOLVED, that the Vice President for Finance and Administration (or his successor or designee) is hereby authorized to negotiate and execute contracts for the University’s general laboratory supplies and equipment with Thermo Fisher Scientific, Krackeler Scientific, and VWR International. Each contract will be in effect for five years with an ending date of December 31, 2014.

An opportunity for questions was offered. There being none, a motion was made, seconded and it was unanimously voted to approve the resolution as presented.
Vice President Cate reminded members that at the last meeting of the Executive Committee, the Committee approved a resolution authorizing the administration to proceed with issuing the bonds to fund the Aiken project (Series 2010A). At that time the University had been informed by the bond counsel for the Vermont Bond Bank that it was eligible for Recovery Zone Economic Development Bonds, which are taxable bonds that have a 45% interest rate credit back to the issuing institution. At the time, Bond Bank staff thought that their Board would be able to act on this matter by mid-January. Mr. Cate reported that he learned last Friday afternoon, that now appears unlikely and it may be late February before they will take action. After consulting with our debt advisers, in order to avoid potential interest rate risk by waiting, the administration is recommending that the Executive Committee adopt the following resolution amending General Obligation Bonds, Series 2010A. This amendment authorizes the administration to proceed with Build America Bonds (35% interest credit) without having to wait until January 31st as stipulated in the original resolution. Vice President Cate is exploring other options for accessing the Recovery Zone bonds and this resolution will still provide the administration with the means to access them if they get the allocation before pricing.

**Approval of amended resolution regarding New Bond Obligation and Refunding of Existing Bonds**

**GENERAL OBLIGATION BONDS,**

**SERIES 2010A (TAXABLE)**

WHEREAS, pursuant to a resolution adopted on October 24, 2009, the Board of the University delegated to the Executive Committee the authorization to approve the terms of a long-term bond financing, subject to the terms of such resolution; and

WHEREAS, pursuant to a resolution adopted on December 14, 2009, the Executive Committee made certain determinations relating to the General Obligation Bonds, Series 2010A (Taxable) (the “Series 2010A Bonds”); and

WHEREAS, the University may designate the Series 2010A Bonds as “Build America Bonds” as described in the American Recovery and Reinvestment Act of 2009 (for which it would receive a cash subsidy payment from the United States Treasury equal to 35% of the interest payable by the University on the Series 2010A Bonds) without any allocation of issuance authority from the Vermont Bond Bank; and

WHEREAS, the University may designate the Series 2010A Bonds as “Recovery Zone Economic Development Bonds” as described in the American Recovery and Reinvestment Act of 2009 (for which it would receive a cash subsidy payment from the United States Treasury equal to 45% of the interest payable by the University on the Series 2010A Bonds) but only if the Vermont Bond Bank allocates “Recovery Zone Economic Development Bond” issuance authority to the University; and

WHEREAS, the Executive Committee, pursuant to the resolution adopted on December 14, 2009, authorized the President or Vice President for Finance and Administration, and Treasurer of the University to designate the Series 2010A Bonds as
"Recovery Zone Economic Development Bonds" under the American Recovery and Reinvestment Act of 2009, but only if the Vermont Bond Bank allocated “Recovery Zone Economic Development Bond” issuance authority to the University by January 31, 2010; and

WHEREAS, based on discussions between the University and the Vermont Bond Bank, such allocation of “Recovery Zone Economic Development Bond” issuance authority to the University is not likely to occur by January 31, 2010.

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. Designation. The Executive Committee hereby authorizes the President or Vice President for Finance and Administration, and Treasurer of the University to designate the Series 2010A Bonds as “Build America Bonds” under the American Recovery and Reinvestment Act of 2009. Notwithstanding the foregoing, if the Vermont Bond Bank allocates “Recovery Zone Economic Development Bond” issuance authority to the University by the date the 2010A Bonds are priced, then the President or Vice President for Finance and Administration, and Treasurer of the University is hereby authorized to determine whether to instead designate the Series 2010A Bonds as “Recovery Zone Economic Development Bonds” under the American Recovery and Reinvestment Act of 2009.

Section 2. Conflicting Provisions. All prior resolutions or parts thereof of the University in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 3. Effective Date. This Resolution shall take effect upon its adoption.

An opportunity for discussion was offered. Trustee Botzow inquired about the likelihood of a more favorable rate should the University wait. Vice President Cate indicated he believed it was a 50/50 chance and that he favored proceeding now rather than risk the likelihood of rates rising in the future. Trustee McAneny agreed that it was a gamble either way and that she favored approving the resolution as amended.

There being no further discussion, a motion was made, seconded and it was unanimously voted to approve the resolution as presented.

February Board Meeting Preparations

Chair Boyce reported that preparations for the February Board meeting were well under way and that the meeting would begin on Friday, February 5, 2010 with the Committee of the Whole. In addition to the routine reports offered at the morning session, Audit Committee Chair Bill Botzow will offer a summary and entertain questions regarding the PricewaterhouseCoopers (PWC) report in response to the 2008 Deloitte & Touche report on internal controls. The Audit Committee received and reviewed the report at its December meeting and all Trustees will receive a copy in advance of the meeting. The
Committee will reconvene in the afternoon to discuss the *dashboard indicators* referred to earlier in the President’s report.

The Budget, Finance & Investment (BFI) Committee will continue the net assets discussion from their previous meeting and will receive an update on the Strategic Financial Plan. The Educational Policy & Institutional Resources Committee will be able to join BFI for the afternoon portion of their meeting at which the administration will offer an update on FY 2011 budget planning and a proposal for the Center for Health & Wellbeing.

The Educational Policy & Institutional Resources Committee’s primary focus will be on the Research Enterprise and Transdisciplinary Research Initiative. The Board will also be provided with an annual Diversity Report and Associate Vice President Heading-Grant will join the meeting to discuss this important work. The Committee will also receive an update on the status of General Education.

The meeting will conclude on Saturday morning with committee reports, approval of the consent agenda and resolutions for retiring members of the Board.

**Other Business**

At 12:30 p.m., Chair Boyce entertained a motion to enter into executive session to discuss contracts and civil actions. The motion was seconded and approved. All in attendance were excused from the meeting with the exception of Trustees and Vice Presidents Cate, Bazluke, Gustafson, Kelleher and Derr.

**Adjournment**

The meeting was re-opened to the public at 1:12 p.m. There being no further business, the meeting was adjourned.

Respectfully submitted,

Ian D. Boyce, Chair