A meeting of the Executive Committee of the Board of Trustees of the University of Vermont and State Agricultural College was held on Monday, July 19, 2010 at 12:00 p.m., in the President’s Conference Room, 351 Waterman Building.

MEMBERS PRESENT: Chair Robert Cioffi*, Vice Chair Harry Chen*, Claire Ayer*, Bill Botzow*, Frank Cioffi*, Daniel Fogel, and Debbie McAneny*

REPRESENTATIVES PRESENT: Student Government Association Representative Kofi Mensah, Staff Council Representative Ida Russin and Graduate Student Senate Representative Dustin Evatt

ABSENT: Trustee Ian Boyce, Alumni Council Representative Ted Madden, and Faculty Representative Jim Burgmeier

PERSONS ALSO PARTICIPATING: Trustee Sam Bain, Interim Provost Jane Knodell, 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, Vice President for Federal, State and Community Affairs Karen Meyer, and Dean of the College of Medicine Frederick Morin

*By means of telephone.

Chair Robert Cioffi called the meeting to order at 12:05 p.m.

Approval of Minutes

Chair Cioffi entertained a motion to approve the minutes from the April 12, 2010 meeting. The motion was made, seconded and it was voted to approve the minutes.

President’s Report (see full report appended to minutes)

Retreat Planning Update

Chair Cioffi provided a brief overview concerning plans for the Board Retreat which will begin Friday, September 10, at 12:00 p.m. and conclude Saturday, September 11, at 1:00 p.m. At the retreat, topics will be facilitated by members of the Board. Discussion questions will be provided to Trustees in advance.
Action Items

Investment Sub-Committee (ISC) Chair Samuel Bain introduced a resolution concerning approval of an investment advisory services contract. A request for proposals (RFP) was issued earlier this year and the ISC, Vice President for Finance and Administration Richard Cate and representatives from procurement reviewed nine full proposals and one partial proposal. The proposals were narrowed to three finalists whom the ISC interviewed at a June 10 meeting held in Boston. After the interviews, the ISC was not ready to make a final decision, but had narrowed the finalists to Cambridge Associates (UVM’s current investment advisors) and NEPC, LLC. In an effort to allow more time to make a final decision, the current contract with Cambridge was extended for an additional month. The ISC reconvened July 12 and decided to recommend that Cambridge Associates continue as the University’s investment advisory firm.

The following resolution was presented for approval:

**Resolution Regarding Investment Advisory Services**

BE IT RESOLVED that the President, Provost, Vice President for Finance and Administration, Controller, or any officer holding any of the above positions on an interim basis, singly is hereby authorized to enter into a contract with Cambridge Associates LLC for the purpose of providing investment advisory services for the period July 1, 2010 to June 30, 2015, at a fee of up to $1,650,000 plus expenses;

BE IT FURTHER RESOLVED that the Investment Subcommittee shall annually conduct a performance of the investment advisory firm.

This resolution supersedes all previous authorizations.

An opportunity for questions was offered. Trustee Bill Botzow asked if there were any specific areas where NEPC was the stronger firm. ISC Chair Bain replied that NEPC strengths were that it is a fast-growing and competent firm with fresh ideas. The ISC’s final decision to recommend Cambridge Associates was influenced by the following factors: their larger firm size, past performance, long-term relationship with UVM, extensive database, larger client base of similar institutions, and lower fees. Chair Bain also indicated that in an effort to refresh the University’s relationship with Cambridge Associates, they will be taking advantage of their services specializing in spending-pattern analysis. Chair Bain note that NEPC may be considered for future advisory services.

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

Vice President Cate introduced a resolution, requested by Development and Alumni Relations, seeking a one-year contract extension to be processed for IDC, whom has
recently been acquired by Harris Connect, LLC. The contract is for on-site management of UVM's on-campus student phone fundraising program. Harris Connect has been a single-source vendor due to the SunGard "SmartCall" software UVM owns for running a phonothon program. A one-year extension is needed in order to prepare a future RFP for Fiscal Year 2012, which would include a review of software.

The total amount for the existing three-year contract (FY08-FY10), plus the one-year extension (in FY11) will reach $1,026,000.

The following resolution was presented for approval:

**Resolution Approving Contract with Harris Connect, LLC**

BE IT RESOLVED, that the Vice President for Finance and Administration, in consultation with the Interim Vice President for Development and Alumni Relations, is authorized to enter into a one-year extension contract with Harris Connect, LLC, for an on-campus student phone fundraising program. The contract covers services from July 1, 2010, through June 30, 2011, and will cost $256,500.

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 introduced a resolution regarding a longstanding agreement between the University and Fletcher Allen Health Care, Inc. which provides excess parking capacity to each other from time-to-time on their respective campuses at a market rate. A new agreement has been crafted and agreed to for a three-year period commencing June 1, 2010. The current plan (subject to change with 30 days notice) provides FAHC with 661 spaces at a fee of $70/month. UVM does not currently rent any spaces from FAHC. Since the anticipated revenue to the University will exceed $1,000,000 over the three year period, Committee approval is being sought in order to execute the agreement.

The following resolution was presented for approval:

**FAHC/UVM Parking Resolution**

RESOLVED, that the Vice President for Finance and Administration (or his successors or designee) is hereby authorized to execute a license agreement with Fletcher Allen Health Care which allows each organization to provide the other with parking spaces from time to time at a market rate. This agreement is for a three-year period commencing on June 1, 2010 with anticipated revenue to exceed $1,000,000.

An opportunity for questions was offered. Trustee Debbie McAneny inquired as to the process for determining market value of the spaces. Vice President Cate replied that the administration researched prices for adjacent lots. He also stated that FAHC has agreed
to pay higher than market value due to the cost savings attained from avoiding the need to build an additional parking garage. He added that this agreement will not affect the University’s current parking capacity and that the lease is very close to the price of their previous agreement.

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

Chair Cioffi moved on to recall that his last Chair’s report, presented to the Board in May, addressed the settlement of the Rubenstein estate. He asked the Committee for a motion to accept this report to recognize this milestone formally and to acknowledge this signal moment in the history of the University and the Rubenstein School of Environment and Natural Resources.

A motion was made, seconded and unanimously voted to accept the May 21, 2010 Chair’s Report to the Board (see full report appended to minutes).

**Other Business**

Chair Cioffi invited Vice President Cate to provide an update regarding a recent agreement made with the Teamsters union. The agreement is a one-year contract that allows for a 1.5% across the board in wages, and adjustments to shift differentials and equipment allowances totaling another 0.6% cost for a projected total cost of 2.1%. Vice President Cate stated that all parties were satisfied with the agreement terms. The contract time frame is aligned with all other UVM labor contracts.

An opportunity for questions was offered. Trustee Bill Botzow asked if there were specific benefits with aligning the time frame of labor contracts. Vice President Cate indicated that it will allow the administration to address items that may affect multiple labor groups concurrently.

At 12:34 p.m., Chair Cioffi entertained a motion to enter into executive session to discuss contract and personnel matters. The motion was seconded and approved. All in attendance were excused from the meeting with the exception of Trustees; Interim Provost Jane Knodell; Vice Presidents Richard Cate, Karen Meyer, Thomas Gustafson, Francine Bazluke, and Gary Derr; and Dean of the College of Medicine Frederick Morin.

At 12:50 p.m., Dean Morin was excused from the meeting.

At 1:10 p.m., Vice Presidents Cate, Meyer, Derr and Gustafson were excused from the meeting.

At 1:25 p.m., Interim Provost Knodell was excused from the meeting.
Adjournment

The meeting was re-opened to the public at 1:30 p.m. There being no further business, the meeting was adjourned.

Respectfully submitted,

Robert Cioffi, Chair
President’s Report
Board of Trustees Executive Committee
July 19, 2010

Three weeks after the close of the fiscal year, it is not too soon to draw some conclusions. First, UVM has maintained the remarkable upward trajectory of recent years, from the move up to 39th in *U.S. News & World Report*’s ranking of national public universities (and the designation as number 8 on the magazine’s list of the top 20 up-and-coming national universities, private as well as public) in August, through the successful completion of the NEASC reaccreditation process in the favorable formal action we received in January, and to the attainment by year’s end of a number of encouraging performance metrics. First, the class that graduated in May had the highest six-year graduation rate in UVM history 76.3% (80.4% for Vermonters). Second, speaking of student achievement, we learned three weeks ago that after signal successes in athletic competition our varsity athletes recorded an unprecedented sixth straight America East Academic Cup with a record gpa of 3.19! Third, private funds raised through DAR registered a 14.6% increase over last year in unrestricted support and a 3.9% increase overall, with total voluntary support second in UVM history only to the final year of our last campaign (2007) and with a material drop in cost per dollar raised, from 31 cents to 24.8 cents. Fourth, total awards through the Office of Sponsored Programs reached a record level, jumping some 13% from $133 million to $150 million, with a $24.6 million increase in non-directed funding (21%), accompanied by significant increases in invention disclosures (from 23 to 32), in patents issued (from 5 to 9), and in agreements licensing University intellectual property (from 6 to 13). Fifth, Jeffords Hall opened on time and under budget. Sixth, we closed the year with the 2010 budget balanced without drawing on reserve authorizations, and with the 2011 budget in balance with an increase in total cost of attendance for students of 3.9%. And, finally, we all owe thanks to Fran Bazluke and Richard Cate for their work as UVM negotiators in the just-announced completion of a new Affiliation Agreement between UVM and FAHC that should serve our conjoined academic health science center well over the course of its five-year term.

All of us in the senior leadership team feel a high sense of urgency that we must prosecute the focus and excel strategy with the utmost nimbleness and intensity in order to maintain the momentum UVM now enjoys and to fulfill our objective of coming out of the recession earlier and stronger than peers. To that end, we will press forward in the coming year in close consultation with deans, chairs, faculty at large, and the Faculty Senate above all on a number of fronts, including implementation and monitoring of the Transdisciplinary Initiative; final shaping and approval of the proposed General Education program; a strengthened, more rigorous Academic Program Review process; and a variety of measures designed to decrease costs while enhancing student learning outcomes and the quality of the student experience. At the same time, various analytic processes are proceeding to help us better understand and resolve some of the questions and challenges we must meet in order to succeed. The University Benefits Advisory Council is actively developing the scenario options that will come to the administration on post-retirement medical benefits before we in turn shape the recommendation we hope
to bring to the Board in October. I have appointed a small group to study the Strategic Capital Plan ranking process and to make recommendations for adjustments in that process that will be brought to me, then tested with a small group of trustees that Rob and I have identified, and finally brought to the full Board. And I am about to ask a group of administrators and trustees (the latter identified in consultation with Rob) to develop an analysis of long-term tuition strategy options for consideration in due course by the full Board.

Finally, I want to report that I am continuing to conduct conversations with groups of UVM donors in order to lay the ground work for a campaign feasibility study that should be completed early in the 2011 calendar year. Should that feasibility study lead the Board to approve, during calendar 2011, our moving forward with campaign planning, then the silent phase of the campaign would extend for three or four years from time of the approval, with the objective of raising 50% to 60% of the target before the public campaign launch. In other words, we have begun a process that does not foresee beginning the public phase of UVM’s next campaign until calendar 2015 (and if in the latter half of that calendar year, then in FY 2016). Lest anyone think that we are rushing into a campaign against strong economic headwinds, I want to emphasize that we are on a time table that would allow completion of this essential step in the pursuit of our achievable but challenging vision for UVM as a premier small research university only in the last few years of the decade ahead, probably at some time between FY 2018 and FY 2020. Rob, if we have time I will be happy to try to answer any questions members of the Board may have. Thank you.
Chair’s Report
Board of Trustees, May 22, 2010

Good morning. I want to begin by thanking all of you for the trust and confidence you have placed in me by electing me Board Chair. I am humbled and honored by this opportunity, and grateful to be following in the footsteps of an extraordinary leader in Ian Boyce. I also want to thank my fellow Board members for all of their work on behalf of our University and I only ask that you continue to work with me and the administration as we navigate the road ahead of us.

As most of you know, I have been on the Board for some time, and in different roles, including being a student Trustee or as I like to say, a Trustee who happens to be student. I would be remiss if I did not mention just a few of the past Trustees and Chairs, in addition to Ian, who have greatly influenced me and who will have my eternal respect and admiration. I have been honored to call these individuals colleagues and friends, they include people like Jack Candon, Eugene Kalkin, Bruce Lisman, Martha Heath, Pam McDermott, Fred Hackett, Carl Lisman, Jim Pizzagalli and the late Steve Waltien. My nearly 2 ½ terms on this Board have been rewarding, and along with many successes have also at times come problems (expected and unexpected), disappointments, and controversy however, I believe that that is the nature of this business. I only hope that in some small way I can accomplish my goal of paying back this institution for all that it has given to me and my family.

I plan to take a bit of a different slant on the Chair's reports during my time in this role. Dan does a terrific job at summarizing important events and milestones that have transpired on our campus since we last met and I will leave that to him. It is my hope that I will be able to do a few things in these reports including: 1. be brief; 2. focus on broad, strategic issues; and 3. directly, and perhaps provocatively, express some perspectives on issues of importance to this enterprise, to Vermont, and to this Board.

So, here we go. As a Vermonter who now lives outside the state, I believe that Vermont, and UVM, have the reputation, the “brand” if you will, that is the envy of people across the country. Of course there are fiscal challenges and worries about the future, but that is unfortunately true everywhere. But this is a very special, I think unlike any other place.

On the wall of my office, I have a photograph of a wonderful Vermont farm and a quote on the bottom of the photo is from Frank Bryan, one of my mentors during my time at UVM. The quote says, “Vermont without farmers would be a very good place, but it could never be Vermont and while there a lot of good places, there is only one Vermont.” I would argue that the same can be said about UVM and also about the relationship between Vermont and its University. There is only one UVM and it has a very unique and unmatched relationship with the state in which it resides.

Today, understandably, Vermonters are deeply concerned about the state’s economic viability and future prospects. Many individuals around the state are working diligently
to attract and nurture entities that will bring clean, well paying businesses and job opportunities into the state to help fuel what is a rather fragile economy. Such enterprises are the gold standard of the type of economic development renaissance that Vermont envisions. I certainly do not need to tell my legislative colleagues how critical it is for Vermont to find more of this type of entity.

Well, indulge me for a moment while I describe one such enterprise that in my opinion, Vermont would love to have. This enterprise is clean and green, with several thousand well-paying jobs with good benefits and its employees pay taxes, pay rent, buy homes, and keep the economy running. This enterprise attracts hundreds of millions of dollars, largely from out of state, to Vermont and those dollars stay right here in Vermont. This entity also creates many other jobs through the millions of dollars of goods and services it purchases year after year from Vermonters. All told, over $1 billion of economic activity could be attributed to this organization’s activities and presence in Vermont.

Moreover, this enterprise educates some 12,000 individuals each year to attain the skills and degrees they will need to be successful in the future. And for those who need assistance paying for this education, substantial levels of financial aid are available, so much so that this institution actually charges nothing to over 30% of the Vermonters who choose to be educated there.

Of course I am speaking of The University of Vermont. I believe that if the economic development professionals from around Vermont heard of an institution such as this, they would be working day and night to attract it to move to Vermont. Fortunately, it is already here and it is an enterprise that is absolutely critical to the future prospects of this state and its people. An organization that has worked hard to be better and more successful, and one that is a huge asset, not a drain, to Vermont’s bottom line. A place that must remain strong and viable not only to survive in the highly competitive national and global higher education marketplace, but to remain an absolutely indispensable element of the survival of this special place that is Vermont. And unlike most state agencies, we must attract students, faculty, and many other employees from across the nation. Students today have literally thousands of options of where to attend college, and remaining a viable national university demands that we not rest on our laurels or depend on the status quo.

To succeed we must continue to focus on our strengths, as we have been working hard to do this year. The Transdisciplinary Research Initiative is a direct result of the Board’s charge to the administration, coming out of last year’s retreat, to focus on a set of compelling academic strengths. The outcomes we are looking at today are the result of an extensive, highly consultative process, and they are the start, not the finish, of this important initiative to reach the goals that the Board is seeking. Likewise, the progress that has been made on the General Education Requirement is impressive, and responsive to our desire to offer a more coherent academic experience to our students as recommended through the NEASC accreditation process of last year.
We need to be as efficient and creative as possible in delivering an outstanding and well rounded educational experience to our students, successfully competing for research dollars, seeking resources from a variety of sources and spending them wisely, and attracting and retaining the very best faculty, students, and staff possible.

We must provide high value in all that we do, whether that is in a classroom or a laboratory, in a volunteer program in the community, on the athletic fields, or in our residence halls. This is a tall order, and it isn’t easy. Controversy is to be expected, but our progress continues. I firmly believe that if UVM is allowed to erode, so will Vermont. Fortunately, I have every confidence that together we have the intelligence, commitment, and collective will to do what is necessary to sustain the success of this great University.

I look forward to working with all of you and when I say all of you, I do not just mean those individuals around this table, but indeed all of those in this room and those others from the important constituent groups across the institution. I hope that we can all work together effectively to get this important work done.

Let me wrap this up with three important news items.

First, I am pleased to announce that the University has successfully executed a restructured agreement with the Steven and Beverly Rubenstein Foundation in conjunction with the settlement of Steve’s estate. This agreement will bring an accelerated flow of funds to the University in the next four years, including $2 million that will be applied directly to the Greening of Aiken Project. This was accomplished in no small part due to the tireless efforts of Ian Boyce, working cooperatively with Beverly and Andy Rubenstein, and I wish to express my thanks to all of them for helping to bring Steve’s vision into reality.

Second, let us take a moment to recognize a very important person, in many ways an unsung hero, who is joining us here for the last time, at least in his official capacity. Fred Curran has worked tirelessly and with distinction at UVM for 42 years. Fred, I hope I got that number right, since you always get the numbers right. He is retiring at the end of June. His service to our Board, and to our University, has been extraordinary, and will be greatly missed. Fred: thank you for all you have done for UVM.

Finally, let me note that we share this weekend with Commencement. In addition to celebrating the successes of our 2,400+ graduates, we have an extraordinary slate of honorary degree recipients, including a heroic and inspirational Commencement speaker this year in Eric Shinseki. In fact, all are genuine heroes in their own right, and we will honor them at dinner tomorrow night.

And another Vermont hero will be honored tomorrow afternoon at the dedication of James M. Jeffords Hall. I had the privilege of working with and for Jim Jeffords in his office during my last two years at UVM, so it is particular honor for me to be a part of
UVM’s honoring of Senator Jeffords. I will be at all of the weekend’s festivities, and I hope that you will as well. It’s a great time to be on this campus.

This concludes the Chair’s Report. Thank you.