A meeting of the Executive Committee of the Board of Trustees of the University of Vermont and State Agricultural College was held on Monday, June 16, 2014 at 1:00 p.m., in 427A Waterman Building.

MEMBERS PRESENT: Chair Debbie McAneny*, Vice Chair David Daigle**, Bill Botzow*, Frank Cioffi*, Thomas Sullivan and Mark Young*

REPRESENTATIVES PRESENT: Staff Council Representative Catherine Symans, Graduate Student Senate Representative Lane Manning, Student Government Association Representative Aya AL-Namee and Foundation Representative Chief Executive Officer (CEO) & President of the UVM Foundation Richard Bundy

MEMBERS ABSENT: Secretary Joan Lenes

REPRESENTATIVES ABSENT: Faculty Representative Julie Roberts

PERSONS ALSO PARTICIPATING: Provost & Senior Vice President David Rosowsky; Vice President for Legal Affairs and General Counsel Francine Bazlake*; Vice President for Finance Richard Cate; Director for the Center of Health and Wellbeing Jon Porter; Vice President for University Relations and Administration Thomas Gustafson; Vice President for Human Resources, Diversity, and Multicultural Affairs Wanda Heading-Grant; Vice Provost for Student Affairs Annie Stevens***; Special Assistant to the President and Director of State Relations Clarence Davis; and Attorney John J. Collins from the Law Offices of Collins, McMahon & Harris P.L.L.C.****

*via conference call.
**Left the meeting at 2:30 p.m., prior to vote on resolutions following executive session.
***Joined via conference call at 1:39 p.m.
****Joined in person at 2:10 p.m.

Chair Debbie McAneny called the meeting to order at 1:03 p.m. She acknowledged that this is the last meeting for Catherine Symans as Staff Council President and thanked her for her contributions. She also welcomed incoming Staff Council President Renee Berteau.

Approval of Minutes

Chair McAneny entertained a motion to approve the minutes from the April 14, 2014 meeting. The motion was made, seconded and it was voted to approve the minutes as presented.
Opening Remarks

Chair McAneny reported that she and President Sullivan have begun planning for the September 5-6, 2014 Board retreat. Several agenda topics are being discussed as a result of feedback from last year’s Board assessment survey. The primary focuses of the retreat will be Board education and effectiveness.

Chair McAneny next mentioned that the Board is currently in the process of finalizing the annual review of the President, which should be completed in the next month or so. In sum, she reported that the Board is pleased with the significant progress that has been made under Tom Sullivan’s leadership over the past year. She also informed the Executive Committee that President Sullivan has notified her that he does not wish to receive a pay increase for the upcoming fiscal year noting that for the current fiscal year Tom contributed his pay increase to student scholarships and he plans to continue this commitment to make substantial contributions to student scholarships going forward. Chair McAneny concluded by stating “It is moments like these we can all be thankful to have found such a great, generous and humble leader”.

President’s Report

President Sullivan reported that over 100 campus leaders gathered for a successful half-day retreat that was held off-campus. The event covered topics such as the past academic year, and updates on the Investment Based Budget (IBB) model, the FY 2015 budget, and the capital campaign. The group also discussed alignment of these topics with the Strategic Action Plan.

President Sullivan next provided an enrollment update. He explained that, during this time of year, the office of Enrollment Management reviews “summer melt” figures. He was pleased to announce that there is far less “melt” than last year. Enrollment is currently on target with the FY 2015 budget predictions, although exact figures will not be known until after the add/drop date that occurs shortly after the Fall semester begins.

President Sullivan announced that Dr. Richard Galbraith has been appointed Vice President for Research, effective July 1, 2014. Dr. Galbraith joined the University in 1995 and has had many roles at UVM, most recently as Interim Senior Associate Dean for Research in the College of Medicine. He has also participated in a variety of University-wide activities, including serving as a long-time member of the Faculty Senate.

President Sullivan mentioned that, this week, the inaugural faculty winner of the Distinguished University Citizenship and Service Award will be announced.

President Sullivan concluded his report by indicating that semi-finalists interviews are currently under way for Vice President of Enrollment Management. Trustee Bill Botzow asked if President Sullivan was pleased with the applicant pool. President Sullivan replied that he has been thrilled with the high-quality and deep experience of the candidates.
Alumni House Project Status Update

CEO & President of the UVM Foundation Rich Bundy provided an update on the Alumni House project. He noted that Trustees should have seen the announcement of the $5 million gift made by Jack and Shirley Silver, of which funds will be split between the Alumni House and Billings Library. The Silver gift, along with a resolution passed by the Foundation Board of Directors in May, positions the Foundation to begin interior renovations in the House. Interior asbestos abatement will begin next week and permitting with the City is under way for the remaining portion of interior work. Mr. Bundy anticipates that the House will be ready for re-dedication in October 2015, in conjunction with the public launch of the campaign. He requested that Trustees add placeholders to their calendars for the October 11, 2014, groundbreaking for the Jack and Shirley Silver Pavilion. The Pavilion will be a section of Alumni House available for meetings, weddings and banquets.

Action Items

Chair McAneny presented a resolution approving a new Certificate of Graduate Study in Environmental Public Health. She explained that the resolution was endorsed by the Educational Policy and Institutional Resources Committee, at its May 16, 2014 meeting, but that, the resolution inadvertently was not transferred to the consent agenda approved by the Board on May 17, 2014. Therefore, the Committee is being asked to approve the resolution on the Board’s behalf.

The following resolution was presented for approval:

Resolution Approving a New Certificate of Graduate Study in Environmental Public Health

RESOLVED, that the Executive Committee approves the creation of a new Certificate of Graduate Study in Environmental Public Health, in the Graduate College, as approved and advanced by the Provost and President on May 15, 2014.

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

Chair McAneny presented a resolution approving the appointment of Carolyn Dwyer to the Career Services Work Group.

The following resolution was presented for approval:

Resolution Approving Appointment to a Career Services Work Group

RESOLVED, that the Executive Committee approves the appointment of Trustee Carolyn Dwyer to the Career Services Work Group.

A motion was made, seconded and it was unanimously voted to approve the resolution as presented.
Chair McAneny next sought Committee approval to dissolve the Vermont Law School Work Group established in January 2014.

The following resolution was presented for approval:

**Resolution Dissolving the Vermont Law School Work Group**

RESOLVED, that the Executive Committee hereby dissolves the Vermont Law School Work Group established in January, with thanks to its members for their service.

A motion was made, seconded and it was unanimously voted to approve the resolution as presented. Chair McAneny thanked Trustees Bill Botzow, Robert Brennan, Carolyn Dwyer and Dale Rocheleau, who served on the Work Group, for their contributions.

Chair of the Budget, Finance and Investment Committee (BFI) David Daigle presented a resolution regarding re-funding of all, or a portion, of the Series 2005 bonds. He explained that the Bond Work Group pays attention to re-funding opportunities and potential savings for the University’s bonds. The Work Group held a call this morning and concluded that, because current market conditions are favorable to proceed with refunding the Series 2005 bond, it would benefit the University to re-fund approximately $111 million in bonds, resulting in a potential of $6.7 million in savings, including transaction fees. Chair Daigle explained that the re-funding will not impact the University’s potential to issue additional bonds in the future.

Chair Daigle indicated that the re-funding process will take approximately two months to complete and the University can cancel the process at any point up until it is final. The resolution being presented is to authorize further discussion and planning and is not the final resolution; bond counsel will ensure that the entire Board approves a resolution once the details are finalized. This could mean that an off-cycle Board meeting will need to be scheduled over the summer.

Finally, Chair Daigle noted that the Work Group could have decided to wait and combine the Series 2005 re-funding and the STEM bond transaction; however, the Work Group determined that there will still be more of a savings by completing the transactions separately.

Chair McAneny acknowledged that the risk is that the market changes, and the University backs out, before the bond re-funding is finalized. Vice President Cate explained that the cost of backing out would be no more than $100,000. The largest cost pertaining to refunding is the underwriting fee, which the University would not have to pay unless the transaction is finalized.

The following resolution was presented for approval:

**Resolution Approving Issuance of Up to $111 Million of Bonds to Refund All or a Portion of the Series 2005 Bonds**

WHEREAS, based on current market conditions there is a favorable opportunity for refunding all or a portion of the University’s Series 2005 Bonds through the issuance of up to $111,000,000 in bonds; and
WHEREAS, the Chair of the Budget, Finance and Investment Committee has appointed a small working group of Trustees to review and advise the Administration on the final elements of the refunding; and

WHEREAS, at its October 25, 2013, meeting, the Budget, Finance and Investment Committee instructed the Administration to bring back to the Bond Work Group any opportunities for refunding the 2005 issue should market conditions improve; and

WHEREAS, the Bond Work Group met on June 16, 2014, and has recommended that the University refund a major portion of the 2005 bond issue;

NOW, THEREFORE, BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to proceed toward refunding in consultation with the Bond Work Group and to execute any and all contracts and documents necessary to develop a detailed refunding proposal for the issuance of up to $111,000,000 of bonds in order to refund all or a portion of the 2005 issue and pay associated administrative costs, with anticipated net present value savings of not less than 3% of the total par amount of the refunded bonds and costs of issuance not to exceed 1.25% of the par amount of the refunding bonds; and

BE IT FURTHER RESOLVED, that the Vice President for Finance and Treasurer will, after developing the detailed refunding proposal, submit it for approval by the Board of Trustees. The refunding recommendations must be approved by the Board before the bonds can be issued.

Trustee Bill Botzow asked if this will increase how rating agencies view us. Trustee Daigle answered that the refunding will not impact the University’s rating, which is already viewed as quite favorably by rating agencies.

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

Chair McAneny explained that the next six resolutions involve contracts. She noted that each will be introduced, an opportunity for questions offered, and then all resolutions will all be voted on together.

Vice President Cate presented a resolution approving a contract with University Health Plans. He explained that the contract is for basic accident and sickness insurance for students. After final evaluation of all bid responses, University Health Plans was the vendor chosen. University Health Plans will provide a 90/10 co-insurance plan for a premium of $2,463 per student. The contract would begin August 1, 2014 through July 31, 2017, with an amount not to exceed $12,100,000.

Chair McAneny asked that, going forward, she would like the information being presented on new contracts to include what the increased cost or savings is from the previous year.
Vice President Cate explained that there is a small inflationary increase for this contract. Director for the Center of Health and Wellbeing Dr. Jon Porter added that the increase is $150 per student/per year; however, students will see savings due to the reduction of the co-pay from 20% to 10%. He added that 17% of the student body participates in the plan, and that the rest have insurance policies through other sources.

The following resolution was presented for approval:

**Resolution Approving Contract with University Health Plans**

BE IT RESOLVED, that the Vice President for Finance and University Treasurer, or his successor or designee, in consultation with the Director of Health and Wellbeing, and the Director of Risk Management, is hereby authorized to enter into a contract with University Health Plans for student health insurance from August 1, 2014, through July 31, 2017, for an amount not to exceed $12,100,000.

Vice President Cate next introduced a resolution approving a contract for elevator inspection and maintenance service. He explained that Otis Elevator Company was the vendor selected for the three-year contract ending June 30, 2017, with two optional one-year renewals with an amount not to exceed $1,300,000 for all five years. The increase is approximately 5% over last year. He added that Otis Elevator has won the bids for many years as they have, and continue to offer, the best deal.

The following resolution was presented for approval:

**Resolution Approving Contract for Elevator Inspection and Maintenance Service**

BE IT RESOLVED, that the Vice President for Finance and University Treasurer, or his successor or designee, is authorized to enter into contract with Otis Elevator Company for elevator inspection and maintenance for three-years commencing July 1, 2014 through June 30, 2017, with two optional one-year renewals, for an amount not to exceed $1,300,000, for all five years.

Vice President Cate next presented proposed contract extensions for charter bus services. He explained that RFPs were launched for the contracts, but that the administration encountered issues regarding the insurance requirements impeding the University’s ability to award a long-term contract. The administration thus decided to negotiate a one-year extension with the existing vendors to allow adequate time to resolve these issues, with a release of a new RFP later this fall. The administration is looking to extend the existing five-year contract with Premier Coach Company and First Student for one additional year July 1, 2014, through June 30, 2015, in an amount not to exceed $650,000 combined. The cost is the same as the current year.
The following resolution was presented for approval:

**Resolution Approving Contract Extensions for Charter Bus Services**

BE IT RESOLVED, that the Vice President for Finance and University Treasurer, or his successor or designee, is hereby authorized to negotiate one-year extensions with Premier Coach Company (for coach-style bus services) and with First Student (for school bus style services) from July 1, 2014, through June 30, 2015, in an amount not to exceed $650,000 combined.

Vice President Cate presented a resolution approving a contract for fire alarm testing and maintenance. Safety Systems was the vendor selected for a three-year contract ending April 30, 2017, with two optional one-year renewals with an amount not to exceed $1,100,000. The contract has a small inflationary increase.

The following resolution was presented for approval:

**Resolution Approving Contract for Fire Alarm Testing and Maintenance**

BE IT RESOLVED, that the Vice President for Finance and University Treasurer, or his successor or designee, is authorized to enter into a contract with Safety Systems of Vermont for fire alarm testing and maintenance for three years ending April 30, 2017, with two optional one-year renewals for an amount not to exceed $1,100,000, for all five years.

Vice President Cate presented the final contract with STERIS Corporation. He explained that this contract is for Technical Services Partnership (TSP), an income-expense unit that offers healthcare technology management services for client facilities in Vermont, New Hampshire and New York. STERIS Corporation provides preventive maintenance and repair services for hospital sterilizers, operating room lights and operating room tables. By establishing a group contract with STERIS, TSP is able to reduce the overall cost of maintenance on these devices to their clients. The University previously contracted with STERIS Corporation and is recommending renewal of the contract beginning July 1, 2014, through June 30, 2019, for an amount not-to-exceed $2.9 million. This contract has a minor inflationary increase from last year.

The following resolution was presented for approval:

**Resolution Approving Contract with STERIS Corporation**

BE IT RESOLVED, that the Vice President for Finance and University Treasurer, or his successors or designee, in consultation with the Director of Technical Services Partnership (TSP), is authorized to enter into a contract with STERIS Corporation for maintenance management services, for an amount not to exceed $2.9 million, from July 1, 2014, through June 30, 2019.
Chair McAneny invited Vice President for Human Resources, Diversity, and Multicultural Affairs Wanda Heading-Grant to present a resolution approving a contract extension with Blue Cross/Blue Shield (BC/BS). Ms. Heading-Grant explained that the extension related to the University’s move to self-funding. She noted that, in February, the Board approved the amendment and extension of the existing contract for a period of twelve months (July 1, 2014 - June 30, 2015). The University has since negotiated with BCBS to make the self-funding arrangement retroactive to January 1, 2014, which allows UVM to avoid the first six months of the otherwise applicable federal fee (about $600,000). However, because UVM moved to a calendar year cycle, and because these contracts must be in twelve-month cycles for reasons of claims experience evaluations, UVM now needs to extend the existing contract to December 31, 2015. The administration thus seeks authorization to extend the contract for another six months in order to save the University $600,000.

Trustee Daigle asked if this was a resolution that was pulled from the May meeting agenda. Vice President Cate confirmed it had been pulled to allow the administration to clarify certain details.

Trustee Botzow asked if the University is generally viewed as desirable by potential vendors when going out to bid. Vice President Cate replied that the University is viewed favorably and that vendors do compete for our business; however, there is variability in the amount of vendors competing for each bid depending on many factors. For example, there are some contracts that are highly specialized and few vendors exist. Additionally, there are other contracts, such as with building contractors, where many bids are received, but with a significant range in price and quality of service. On a national scale, the University is of large enough size such that it continues to attract specialty vendors.

The following resolution was presented for approval:

**Resolution Approving Contract Extension with Blue Cross/Blue Shield**

WHEREAS, in 2011, the University put out to bid its health insurance program and Blue Cross/Blue Shield was the successful bidder and, in the request for proposal, the University sought bids on plan options, including fully insured and self-funded plans; and

WHEREAS, at its meeting on February 8, 2014, the Board of Trustees approved an amendment to the contract to convert to a Cost Plus health insurance plan and to extend the contract for a period of twelve months until June 30, 2015; and

WHEREAS, since that time, Blue Cross/Blue Shield has worked with the University Administration to make the change to a Cost Plus plan retroactive to January 1, 2014, so as to gain one-time savings; and

WHEREAS, such health insurance contracts must be in place for full-year cycles;

NOW THEREFORE BE IT RESOLVED, that the Vice President for Finance, in consultation with the Vice President for Human Resources, Diversity and Multicultural Affairs, is authorized to negotiate a six-month extension of the previously authorized Cost Plus contract so that it will be in effect until December 31, 2015.
A motion was made, seconded and it was unanimously voted to approve the six contract resolutions as presented above.

**Executive Session**

At 1:39 p.m., Chair McAneny entertained a motion to enter into executive session to consider contracts. She noted that action was anticipated following.

Everyone was excused from the meeting with the exception of Trustees; Provost Rosowsky; Vice Presidents Cate, Gustafson, Heading-Grant, and Bazlueke; CEO and President of the UVM Foundation Rich Bundy; and Special Assistant to the President and Director of State Relations Clarence Davis. Vice Provost for Student Affairs Annie Stevens and Attorney John J. Collins from the Law Offices of Collins, McMahon & Harris P.L.L.C. were asked, respectively, to join the Executive Session for one item. Certain non-trustee participants were excused after their segments of the Executive Session.

**Adjournment**

At 2:40 p.m., the meeting was re-opened to the public.

Chair McAneny presented the following resolution for approval:

**Resolution Authorizing Lease Agreement with Larkin Realty**

BE IT RESOLVED, that the Vice President for Finance and University Treasurer, or his successor, in consultation with the Vice Provost for Student Affairs, is hereby authorized to negotiate and execute a lease with Larkin Realty, consistent with the agreement terms reported today. The lease is for thirty-two dwelling units (125 beds) located at 326 Quarry Hill Road in South Burlington. This initial lease will run for one year at an annual rent and associated costs not to exceed $759,395, with the option to extend the term for an additional two-years (at the University’s sole discretion), at a total cost not to exceed $2,312,529.

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

Chair McAneny presented the following resolution for approval:

**Resolution Authorizing Lease Agreement with the University of Vermont Foundation for Alumni House, 61 Summit Street**

BE IT RESOLVED, that the Vice President for Finance and University Treasurer, or his successor, is hereby authorized to negotiate and execute a lease with the University of Vermont Foundation for the building and land at 61 Summit Street, known as Alumni House, consistent with the agreement terms reported today. The lease’s initial term will
be for five years, and the Foundation may extend the lease for up to five more five-year terms upon one year’s written notice.

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

Chair McAneny presented the following resolution for approval:

**Resolution Amending Resolution Authorizing Fletcher Allen Health Care Agreements Approved by the Board on May 17, 2014**

RESOLVED, that the Executive Committee hereby authorizes the administration to conclude negotiations and to execute all relevant documents consistent with the revised agreement terms reported on this date.

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

There being no further business, the meeting was adjourned at 2:44 p.m.

Respectfully submitted,

Deborah H. McAneny, Chair