A meeting of the Executive Committee of the Board of Trustees of the University of Vermont and State Agricultural College was held on Monday, September 12, 2016, starting at 1:30 p.m., in 427A Waterman Building.

MEMBERS PRESENT: Chair David Daigle*, Ron Lumbra*, Secretary Joan Lenes, President Thomas Sullivan, Bill Botzow*, Bernie Juskiewicz, and Don McCree*

MEMBERS ABSENT: Frank Cioffi


REPRESENTATIVES PRESENT: Faculty Representative Cathy Paris, Foundation Representative Chief Executive Officer (CEO) & President of the UVM Foundation Richard Bundy, Graduate Student Senate Representative Devin Champagne, Staff Council Representative Karmen Swim, and Student Government Association Representative Jason Maulucci

REPRESENTATIVES ABSENT: None

PERSONS ALSO PARTICIPATING: Provost & Senior Vice President David Rosowsky, Vice President for Finance and Treasurer Richard Cate, Vice President for Legal Affairs & General Counsel Francine Bazluke, Vice Provost for Student Affairs Annie Stevens, Vice President for University Relations & Administration Thomas Gustafson, Vice President for Human Resources, Diversity & Multicultural Affairs Wanda Heading-Grant, Vice President for Executive Operations Gary Derr, Chief of Staff & Senior Counsel to the President Sharon Reich Paulsen, Dean for the College of Medicine Rick Morin, and Chief Internal Auditor William Harrison

*via conference call.
**Joined, in person, at 2:02 p.m.

Chair David Daigle called the meeting to order at 1:33 p.m.

Opening Remarks

Chair Daigle reported that the Board retreat, held September 9-10, was a great success and he thanked Trustees for attending and being actively engaged.
President’s Remarks

President Sullivan advised that September 12-16 is Staff Appreciation Week. Earlier today, he attended the Staff Social on the Green, a picnic lunch for all UVM staff he hosts each fall as the kick-off event for the week, and noted the enthusiasm of the event. He thanked Staff Council President Karmen Swim and her team for their work on all of the staff recognition events this week.

President Sullivan next reported that classes have begun and students are settled in. He concluded his remarks by noting that the fall UVM athletic teams have had very successful starts to their seasons.

Chair Daigle asked whether there are any traffic issues around construction areas. President Sullivan replied that traffic is being conducted smoothly so far.

Approval of Minutes

Chair Daigle entertained a motion to approve the minutes from the June 13, 2016 meeting. The motion was made, seconded and it was voted to approve the minutes as presented.

Action Items

Chair Daigle explained that each resolution would be introduced with an opportunity for discussion following. Once all resolutions have been presented, he will present the consent agenda for approval, with the opportunity for resolutions to be voted on separately upon request.

Vice President for Executive Operations Gary Derr was invited to introduce the first resolution, ratifying the inclusion of the Early Childhood Special Education and Early Childhood PreK-3 Programs in the Bachelor of Science in Education Degree in the College of Education and Social Services. He explained that, currently, both majors receive untagged Bachelor of Science degrees. All other undergraduate majors in the Department of Education are awarded Bachelors of Science in Education degrees. The Committee is being asked simply to ratify moving both majors to receive Bachelor of Science and Education degrees, to be in line with other majors in the department. Vice President Derr further noted that on March 3, 2016, the Curricular Affairs Committee of the Faculty Senate approved this request, and it was approved by the Faculty Senate on March 14, 2016; inadvertently, the submission of this request was delayed and not approved by the President and Provost until this summer.

Trustee Bill Botzow requested elaboration regarding the timing of this request and why it is not being presented to the Educational Policy and Institutional Resource (EPIR) Committee. Faculty Senate President Cathy Paris explained that the request is not being presented to EPIR because there is no new curriculum being proposed, and that the only change is that the two majors will receive tagged degrees that are in line with the rest of the Department of Education programs. She noted that the department is interested in having this completed as soon as possible, for housekeeping purposes.
The following resolution was presented for approval:

**Resolution Ratifying the Inclusion of the Early Childhood Special Education Program and the Early Childhood PreK-3 Program in the Bachelor of Science in Education Degree in the College of Education and Social Services**

RESOLVED, that the Executive Committee approves the inclusion of the Early Childhood Special Education and Early Childhood PreK-3 Programs in the Bachelor of Science in Education degree in the College of Education and Social Services, as approved and advanced by the Provost on August 12, 2016, and President on August 21, 2016.

Vice President for Finance and Treasurer Richard Cate was invited to introduce the remaining resolutions. The first resolution he presented was an approval of a contract with KC Mechanical. He explained that the contract is for commercial kitchen equipment repair and maintenance. The term will begin September 12, 2016, and run through May 31, 2019, with the option of two additional one-year renewal periods, for an amount not exceed $1,760,000 in aggregate. The average increase is approximately 7.6 % from the 2011 contract.

Trustee Curt McCormack asked for more details regarding how the contract price was determined. Vice President Cate explained that the $1,760,000 aggregate is a do-not-exceed amount and it may not all be used. The figure was calculated based on past expenses and taking into consideration inflation-related costs.

Trustee Briar Alpert asked if it is typical to use a competitive bid for these type of contracts. Vice President Cate confirmed that a request for proposal (RFP) process is used for most contracts, with the exception of unique circumstances where a company may be the sole provider of a good or service.

The following resolution was presented for approval:

**Resolution Approving Contract with KC Mechanical**

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to execute a contract with KC Mechanical, for commercial kitchen equipment repair and maintenance beginning September 12, 2016 through May 31, 2019, with the option of two additional one-year renewal periods with an amount not to exceed $1,760,000 in aggregate.

Vice President Cate next introduced a resolution approving a contract with Tech Valley Communications. He explained that the contract is for fiber optic annual maintenance fees for a six-year term, with the option of two additional five-year renewal periods, with an amount not to exceed $2,280,000 in aggregate.
The following resolution was presented for approval:

**Resolution Approving Contract with Tech Valley Communications**

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to enter into a contract with Tech Valley Communications (formerly Teljet Longhaul, LLC) for fiber optic annual maintenance fees.

Next, Vice President Cate introduced a resolution approving a contract with Philips Medical Capital. He explained that the College of Medicine has engaged in multiple five-year lease plans over the past years with Philips Medical Capital for a Magnetic Resonance Imaging equipment (MRI) for use in research by the Department of Radiology. The College of Medicine is requesting a lease beginning October 1, 2016, and running through December 31, 2021, which includes an upgrade package for the MRI machine and a buy-out option at the end of the lease. The equipment and upgrade cost over the 63-month lease totals $1,076,790. The monthly maintenance cost for the equipment will remain the same as it was under the previous contract.

The following resolution was presented for approval:

**Resolution Approving Contract with Philips Medical Capital**

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successors or designee, is hereby authorized to enter into a contract with Philips Medical Capital, for equipment, upgrade, and maintenance of the Magnetic Resonance Imaging magnet beginning October 1, 2016, through December 31, 2021, for an amount not to exceed $1,900,000.

Vice President Cate next introduced a resolution authorizing a license agreement with The University of Vermont Medical Center. He stated that the agreement is for 1,048 square feet of library, study, office, lab and learning studio space located in the Medical Education Center at 111 Colchester Avenue. The license is for a ten-year term with automatic five-year renewals until terminated by either party for good cause. There is no annual expense associated with this license.

Chair Daigle asked why there are no annual expenses associated with the agreement. Vice President Cate and Dean for the College of Medicine Rick Morin explained that the University and the UVM Medical Center share several spaces and it is easier to exclude expenses.

The following resolution was presented for approval:

**Resolution Authorizing License Agreement with The University of Vermont Medical Center**

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to negotiate and execute a ten-year license agreement with automatic five-year renewals with The University of Vermont Medical Center for 1,048 square feet of library, study, office, lab and learning studio space located in the
Medical Education Center at 111 Colchester Avenue. The license agreement will begin September 1, 2016, and end August 31, 2026.

BE IT FURTHER 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.

Next, Vice President Cate introduced a resolution authorizing a lease agreement with HVM Corporation. The lease is for 3,291 square feet of office space located at 140 Kennedy Drive in South Burlington, to house the Chittenden County office of UVM Extension as a result of UVM Health and Safety deeming their current space at 655 Spear Street uninhabitable. The Spear Street space is slated for demolition. The lease is for a five-year term with three three-year renewal options, bringing the total aggregate term with optional extensions to 14 years. The annual expense associated with this lease is $72,040. Vice President Cate acknowledged that total cost of the contract was inadvertently omitted from the resolution and requested it be amended to reflect the total cost is not to exceed $990,000 dollars.

The following amended resolution was presented for approval:

**Resolution Authorizing Lease Agreement with HVM Corporation**

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to negotiate and execute a five-year lease agreement with three three-year renewal options with HVM Corporation for 3,291 square feet of office space located at 140 Kennedy Drive, South Burlington, at a total cost not to exceed $990,000. The lease agreement will begin upon completion of fit-up, on or about December 1, 2016, and end November 30, 2021.

BE IT FURTHER 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.

Lastly, Vice President Cate introduced a resolution ratifying revenue contracts. He explained that the Board of Trustees’ resolution regarding delegation and retention of Board authority calls for Board approval of contracts that are valued at more than $1 million or have terms of more than five years. Since this delegation policy was established in 2008, the administration has interpreted the policy as applying only to situations where the University was paying for goods or services and not to situations where the University was receiving payment. Instead, the practice for revenue contracts has been that they were reviewed by the Office of General Counsel and did not pass through the normal procurement approval processes, regardless of the value of the contract or the length of its term. Section 30 of the current version of the Board’s Delegation Resolution requires Board approval for revenue contracts valued in excess of $1 million. Discovery of this discrepancy between policy and practice led to a review of all current revenue contracts.
Vice President Cate explained that Internal Audit, General Counsel, and the Controller offices have reviewed, and created a list of, all revenue contracts still in place, that exceed $1 million and have not been approved by Board. These contracts are included as Exhibit A of the meeting materials. Vice President Cate noted that that, since the meeting materials were originally distributed, Exhibit A has been revised to reflect an additional revenue contract and updated total amount of $17,400,031.46. The Committee is being asked to ratify these contracts. Vice President Cate further explained that the majority of the contracts deal with the Technical Services Partnership (TSP), which provides ongoing management, maintenance, and repair services for medical technology and equipment, and which is the one unit that routinely has revenue contracts in excess of $1 million. There currently are nine TSP contracts whose value exceeds $1 million. The Research Center for Children also has one revenue contract that exceeds the $1 million threshold.

Trustee Don McCree asked how this situation will be avoided in the future. Vice President Cate explained that, going forward, the Controller and General Counsel offices are jointly developing a process that will route all revenue contracts through appropriate approval processes and all future revenue contracts exceeding $1 million will be brought to the Board for approval prior to signing.

Chair Daigle noted that there is a second issue that relates to revenue contracts with terms that exceed five years, but whose value is less than $1 million. Vice President Cate agreed stating that Section 36 of the current Board Delegation Resolution calls for Board approval of contracts whose terms exceed five years, regardless of the value of the contract. Section 30, which relates specifically to revenue contracts, requires approval of revenue contracts whose value exceeds $1 million, but does not explicitly require approval of smaller revenue contracts whose terms exceed five. Because the language fails to differentiate revenue contracts and purchase contracts, there is some ambiguity as to whether the Board intended for Section 36 to apply not only to purchase contracts, but also to smaller contracts. More than 75 such contracts have been identified, most of them with values of less than $20,000 per year. These revenue contracts exceed the five-year threshold because they have been extended year after year in one-year increments. Instead of bringing these small contracts to the Board for ratification, the administration recommends that the Committee on Board Governance consider an amendment to the Board Delegation Resolution that would result in such contracts being approved by the Vice President rather than the Board.

Vice President Cate reiterated that, since the meeting materials were originally distributed, Exhibit A has been revised with soft copies distributed electronically in advance of the meeting and hard copies handed out at the meeting.

The following resolution was presented for approval:

**Resolution Ratifying Revenue Contracts**

WHEREAS, academic and administrative units within the University sometimes generate revenue in the course of their business activities; and
WHEREAS, the administration regularly reviews those revenue-generating activities to ensure compliance with tax law and for other purposes; and

WHEREAS, some of those activities are memorialized by contracts that produce substantial revenue; and

WHEREAS, by its resolution most recently amended on May 21, 2016, the Board has reserved the authority to review and approve revenue contracts that exceed $1 million dollars in aggregate; and

WHEREAS, University departments have previously entered into revenue contracts that exceed the $1 million threshold based on the belief that they did not require Board action;

BE IT RESOLVED, that the Committee hereby ratifies those revenue contracts listed in Exhibit A.

Chair Daigle offered an opportunity for final comments before seeking a motion to approve all resolutions as a consent agenda, including the proposed amendment to the resolution authorizing lease agreement with HVM Corporation. There being no comments, a motion was made, seconded and the consent agenda was unanimously approved as presented and amended.

**October Board Meeting Preparations**

Chair Daigle next shared highlights of the October 21-22, 2016, Board meeting schedule, noting that the University of Vermont Board and the Vermont Agricultural College Board will meet Friday afternoon. He then reviewed the Committee of the Whole agenda, calling to attention updates on the Move Mountains: The Campaign for the University of Vermont and priority capital projects, the relocation of Student Services, and safety management. The Committee will discuss the results of the Economic and Community Impacts of the University of Vermont Report. The Committee will also consider approving a solar panel lease agreement. The academic presentation topic will highlight internationalization.

Educational Policy and Institutional Resource (EPIR) Committee Chair Bill Botzow reviewed the EPIR Agenda. He explained that the Committee will receive annual reports on the following topics: UVM Foundation, enrollment, Career Success Action Plan progress, information technology, and a routine capital projects progress report along with updates from the Faculty Senate Curricular Affairs Committee. EPIR will consider approving the creation of an Institute for Environment, as well as a resolution approving Residential Life FY 2017 deferred maintenance (Converse Hall, Phase 2). The Committee will receive annual reports on diversity and international opportunities. The meeting will conclude with a presentation on Academic Excellence Goal #7: Increase domestic diversity and grow international student enrollments across the University.

Audit Committee Chair Bernie Juskiewicz stated that, as a result of the Audit Committee’s endorsement and referral of proposed revisions to the Audit Committee Charter, he will present those proposed changes at the Committee of the Whole meeting. He noted the proposed revisions
are to the compliance section to ensure consistency with the Committee’s principal responsibilities.

Budget, Finance and Investment (BFI) Committee Chair Don McCree previewed the BFI agenda. He stated that the Committee will approve summer session tuition, as well as the Global Gateway and Pre-Master’s Program International Student tuition setting process. The Investment Subcommittee (ISC) Chair will provide an update on the endowment performance and the Committee will be asked to reaffirm the Endowment Budget Policy and the Endowment Administration Fee Policy. Pending the outcome of the September 28th ISC meeting, upon ISC referral, the Committee will be asked to consider proposed revisions to the Socially Responsible Investing Advisory Council Charge. Vice President Cate’s report will include periodic and status updates on the external audit, dual enrollment, the President’s Strategic Initiatives Fund, revenue contracts, and FY 2016 end-of-year General Fund budget-to-actuals. Chief Executive Officer (CEO) & President of the UVM Foundation Richard Bundy will provide an update on fundraising efforts related to capital projects. The Committee will also consider approval of the Larner Learning Commons Project, Residential Life FY 2017 deferred maintenance (Converse Hall, Phase 2), and authorization of the Billings Library Renovation Project final expenditures. An overview will be provided regarding changes in Government Accounting Standards in relation to the accounting for post-retirement benefits. The meeting will conclude with a discussion concerning deferred maintenance funding. Committee Chair McCree noted that he would not physically be able to attend the October meeting and that Vice Chair Rob Brennan will lead the meeting in his absence.

Executive Session

At 2:02 p.m., Chair Daigle entertained a motion to enter into executive session to discuss contracts and to receive the advice of legal counsel, premature general public knowledge of which would clearly place the University at a substantial disadvantage. He noted that the session would take approximately forty-five (45) minutes and action is expected following. Everyone was excused from the meeting with the exception of Trustees; Provost Rosowsky; Vice Presidents Bazluke, Cate, Gustafson, Heading-Grant and Derr; Chief of Staff & Senior Counsel to the President Sharon Reich Paulsen; and Dean for the College of Medicine Rick Morin.

After the first item, CEO & President of the UVM Foundation Rich Bundy was invited to join. Following the second item, CEO & President Bundy and Dean Morin were excused.

Chief Internal Auditor William Harrison was asked to join for the third item and was excused immediately following.

At 3:05 p.m., the meeting was re-opened to the public.

The following resolutions were presented for approval:

**Amended Authorization Resolution (Western Connecticut Health Network)**

RESOLVED, that the Committee authorizes the administration, on behalf of the College of Medicine, to enter into an affiliation agreement on the updated material term described on this date.
Resolution Accepting Proposed Donor Gift Agreement

RESOLVED, that the Committee hereby authorizes the President to accept the naming request of a donor’s proposed gift to the University of Vermont Foundation, Inc., on the terms and conditions described on this date.

Chair Daigle offered an opportunity for final comments before seeking a motion to approve the resolutions. There being none, a motion was made, seconded and both resolutions were unanimously approved as presented.

Adjournment

There being no further business, the meeting was adjourned at 3:06 p.m.

Respectfully submitted,

Joan Lenes, Secretary
## REVISED - Exhibit A Revenue Contracts

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<tr>
<th>Vendor</th>
<th>Contract Term</th>
<th>Approximate Annual Revenue Contract Amount</th>
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<tr>
<td><strong>TSP Contracts:</strong></td>
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<tr>
<td>Adirondack Health</td>
<td>5-Year Agreement</td>
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<td>5-Year Agreement</td>
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<td>Brattleboro Memorial Hospital</td>
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<td><strong>Other Revenue Contracts:</strong></td>
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<tr>
<td>Research Center for Children</td>
<td>10-year Agreement</td>
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**Grand Total** $17,400,031.46