The Executive Committee of the Board of Trustees of the University of Vermont and State Agricultural College held a meeting on Monday, September 17, 2018, at 1:30 p.m., in 427A Waterman Building.

MEMBERS PRESENT: Chair David Daigle*, Vice Chair Ron Lumbra*, Secretary Donna Sweeney*, President Thomas Sullivan, Frank Cioffi* Bernard Juskiewicz, and Don McCree*

MEMBERS ABSENT: None

REPRESENTATIVES PRESENT: Faculty Representative Cathy Paris, Foundation Representative President and CEO Shane Jacobson*, and Student Government Association (SGA) Representative Ethan Foley

REPRESENTATIVES ABSENT: Staff Council Representative Stephen Lunna and Graduate Student Senate Representative Joseph Campbell

PERSONS ALSO PARTICIPATING: Provost & Senior Vice President David Rosowsky, Vice President for Legal Affairs & General Counsel, and Senior Advisor to the President Sharon Reich Paulsen, Vice President for Finance and Treasurer Richard Cate*, Vice President for University Relations and Administration Thomas Gustafson, Vice President for Executive Operations Gary Derr, Vice President for Human Resources, Diversity and Multicultural Affairs Wanda Heading-Grant, Director of Capital Planning and Management Robert Vaughan, and Employee Relations Manager Mary Brodsky.

*Joined by phone.

Chair David Daigle called the meeting to order at 1:31 p.m.

Opening Remarks

Chair Daigle reported that the September 7-8, 2018 University of Vermont Board of Trustees Retreat was successful and productive. He thanked all attendees for their participation. He also acknowledged that the Presidential Search Committee held its first meeting on September 11, 2018 and is scheduled to meet twice in October and again in November.

President’s Report

President Sullivan reported that earlier today he and Leslie attended the Staff Social on the Green, a picnic lunch for UVM staff that he hosts each fall as the kick-off event for Staff Appreciation week. He noted that there were over a 1,000 attendees at the event. He next shared enrollment data available to date including:
- Number of first year students = 2,531
- Total enrollment = 13,346 of which 10,612 are undergraduates
- First year admit rate = 67%, yield = 18% (both are the same as last year)
- Historical highest SAT score (1,265)
- 22% of the first year class are Vermont students (30% of total undergraduate are Vermont students)
- Gender of first year class = 63% women and 37% men
- Transfer students = 448; of those 43% are from Vermont and 57 from out-of-state; gender breakdown is 50/50
- Medical students = 466 of which 129 are from Vermont (28%)
- Retention rate = 87%; up 2%
- 4-year graduation rate remains the same at 64%

In follow up to a question that came up during the recent Board retreat regarding transfer students, President Sullivan shared that as of a June 2018 report, 20 students left the University for academic reasons, 21 for financial reasons, 23 for mental health reasons, 20 due to campus climate/personal reasons, and 7 students transferred due to other medical reasons.

**Action Items**

Before introducing resolutions for approval, Vice President Cate acknowledged that a number of requests before the Committee are extensions of existing agreements, the aggregate total length of which exceeds five-years, therefore necessitating Board approval. He began by reporting that the University wishes to enter into a Memorandum of Understanding (MOU) with the Springfield School District for continued use of office space at the Howard Dean Education Center located at 307 South Street, Springfield, Vermont. The term of the MOU is for three-years with one three-year renewal option. When combined with the previous Master Agreement, the term exceeds five years. Annual expense associated with this Memorandum of Understanding is $11,836 in 2019, with increases based on building operating costs, and paid by Extension.

The following resolution was presented for approval:

**Resolution Authorizing a Memorandum of Understanding with the Springfield School District for continued use of office space at the Howard Dean Education Center at 307 South Street, Springfield, Vermont.**

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to negotiate and execute a three-year Memorandum of Understanding with one three-year renewal option with the Springfield School District for continued use of office space at the Howard Dean Education Center located at 307 Main Street, Springfield, Vermont, subject to material terms and conditions reported on this date. This Memorandum of Understanding will begin January 1, 2019 and end December 31, 2025, if all renewal options are exercised.
Vice President Cate reported that the University wishes to enter into a one-year lease amendment with The Trinity Children’s Center, Incorporated for continued use of daycare space at 34 Fletcher Place, Burlington, Vermont. When combined with the previous lease, which expires June 30, 2018, the term exceeds five years. There is no annual rental income associated with this lease. However, Trinity Children’s Center will reimburse the University for operating costs of $42,000/year, which includes utilities, cleaning and trash removal.

The following resolution was presented for approval:

**Resolution Authorizing Lease Amendment with Trinity Children’s Center, Incorporated for continued use of daycare space at 34 Fletcher Place, Burlington, Vermont.**

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to negotiate and execute a one-year lease amendment with Trinity Children’s Center, Inc. for continued use of daycare space at 34 Fletcher Place, Burlington, Vermont, subject to material terms and conditions reported on this date. This lease amendment will begin July 1, 2018 and end June 30, 2019.

Vice President Cate next introduced a resolution authorizing a two-year lease amendment with BioMosaics, Incorporated to extend the current lease agreement for 305 square feet of University office and lab space located at 655 Spear Street, Burlington, Vermont. Combined with the existing lease agreement, which expires October 31, 2018, the aggregate term exceeds five years. Annual rental income associated with this lease is $11,468.

The following resolution was presented for approval:

**Resolution Authorizing Lease Extension with BioMosaics, Incorporated for office and lab space at 655 Spear Street, Burlington, Vermont**

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to negotiate and execute a two-year extension of the existing lease agreement with BioMosaics, Incorporated for office and lab space located at 655 Spear Street, Burlington, Vermont. The lease agreement extension will begin November 1, 2018, and end October 31, 2020.

Vice President Cate reported the University has contracted with Staples, Incorporated for general office supplies since 2012. After concluding an RFP and diligent evaluations of three bid responses by the RFP committee, the University is requesting approval for a three-year contract with Staples, with two one-year renewal options that will allow the University to retain favorable discounts and contract pricing on hundreds of products and continue to offer a 13% discount directly to departmental budgets when placing orders. Staples is committed to green initiatives, providing the highest level of customer service, and has local stores across Vermont.

The following resolution was presented for approval:
Resolution Approving Contract with Staples, Incorporated

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to execute a contract with Staples, Incorporated for general office supplies, beginning December 1, 2018 through November 30, 2021, with two one-year renewal options, for an amount not to exceed $5,000,000.

Vice President Cate next introduced a resolution approving a three-year contract renewal with EBSCO, Incorporated, the major supplier of scholarly journals in the academic library market. EBSCO consolidates billing and subscriptions for thousands of journals and also publishes and/or hosts cost-effective third-party access to specialized and essential scholarly databases that meet the multidisciplinary needs of our researchers and students. The materials they provide include books, journals, microforms, databases, media materials, memberships, licenses, and unique collections of primary sources.

Since EBSCO, Inc. is one of the largest vendors of periodicals and scholarly databases in North America, they are considered a single sole source vendor and have been a vendor with UVM for decades. The UVM Libraries negotiated an annual increase of 4.2% over the contract term compared to the 6-7% regular annual increase.

The following resolution was presented for approval:

Resolution Approving Contract with EBSCO, Incorporated

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, in consultation with the Dean of Libraries, is hereby authorized to enter into a contract with EBSCO, Inc. as subscription agent for library acquisitions from November 1, 2018, through December 31, 2021, for an amount not to exceed $8,000,000.

Vice President Cate went on to introduce a resolution approving a contract with the Center for Research Libraries for memberships, licenses, and unique collections of primary source materials for the Libraries.

The Center for Research Libraries (CRL) is an academic library consortium that negotiates on behalf of member libraries for better prices and access to content including data mining (analyzing large data sets) of research articles. They currently offer three-year contracts for Wiley, Springer and Sage, among other special offers for exclusive content from foreign publishers.

UVM Libraries have worked with CRL for a number of years, which previously went under the name of NERL - Northeast Center for Research Libraries. The Libraries negotiated an annual increase of 4.4% for this three-year contract compared to the 6-7% regular annual increase.

The following resolution was presented for approval:
Resolution Approving Contract with Center for Research Libraries

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, in consultation with the Dean of Libraries, is hereby authorized to enter into contract with Center for Research Libraries for memberships, licenses, and unique collection of primary source materials for the Libraries beginning January 1, 2019, through December 31, 2021, for an amount not to exceed $2,200,000.

Chair Daigle expressed his concerns regarding the inflation of prices that occur with each of these contract renewals and the fact there are no alternative options for the services they provide. Provost Rosowsky acknowledged the problem, however, solving it may ultimately require assistance from Congress.

Vice President Cate reported that the UVM Graduate College entered in a five-year Master Services Agreement with CollegeNet in December 2013, to provide an application portal for interested students; a faculty and administrative portal for review of applications; a portal for letters of recommendation; and a PDF of the application together with all materials. Additionally, the system allows for detailed tracking of applicant status, reporting capabilities to complete various annual surveys on apply, admit and enroll rates, demographics, residential, etc.

The current contract expires on December 19, 2018, and CollegeNet has offered a three-year extension at a flat fee rate of $14,500 annually, with a 0% annual increase.

The administration is requesting approval of a three-year extension through December 19, 2021, for a total amount of $43,500. This extension requires Board approval because it extends the term of the original contract beyond five years.

The following resolution was presented for approval:

Resolution Approving Contract Extension with CollegeNet

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to renew a contract with CollegeNet for on-line student application portal services from December 20, 2018, through December 19, 2021, for an amount not to exceed $43,500.

Vice President Cate reported that several years ago, the University installed brick pavers in a part of the median between South Prospect Street and the sidewalk in front of the Waterman Building. The University has since installed pavers in the rest of the median because so many pedestrians cross the area that the grass cannot grow. A portion of the median is owned by UVM and a portion is in the City’s right-of-way. The City is offering a 20-year license for a cost of $4,050.

The following resolution was presented for approval:
Resolution Authorizing License Agreement with the City of Burlington to Install City Pavers in the City’s Right-of-Way

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to enter into a license agreement with the City of Burlington related to installing and maintaining brick pavers within the city right-of-way in the greenbelt adjacent to South Prospect Street, the term of which will extend from September 18, 2018 through April 30, 2038, at a cost of $4,050.

Vice President Cate reminded the Committee that on February 3, 2018, the Board of Trustees authorized the administration to initiate short-term borrowing of $4 million to fund deferred maintenance projects in Fiscal Years 2018 and 2019. The short-term note was to be repaid with the proceeds from a long-term debt issue in 2019. After reviewing the short-term borrowing options and the associated costs, the Vice President for Finance and Treasurer decided that it would be more cost effective for the University to borrow from its own unencumbered, unrestricted net assets and then reimburse the net assets from the proceeds of the long-term debt issue. The original resolution authorizing the short-term borrowing did not envision this reimbursement approach. Bond Counsel now advises that the administration needs Board authorization to reimburse itself once the bonds are issued in 2019. Thus, the administration is now seeking said authorization.

The following resolution was presented for approval:

Declaration of Official Intent of the University to Reimburse Certain Expenditures from Proceeds of Indebtedness

WHEREAS, the University expects to pay certain expenditures (the “Reimbursement Expenditures”) for deferred maintenance projects included on the Deferred Maintenance Fiscal Year 2019 Plan (as it may be amended from time to time) (the “Project”) before the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, the University reasonably expects that debt obligations in an amount not expected to exceed $4 million will be issued and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the University to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing;

NOW, THEREFORE, the University hereby declares:

Section 1. The University finds and determines that the foregoing recitals are true and correct.

Section 2. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This
declaration does not bind the University to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 3. The University hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures.

Section 4. This declaration shall take effect from and after its adoption.

Vice President Cate presented a resolution establishing an Investment Policy and Objectives for the Planned Giving Program, as reviewed and endorsed by the Investment Subcommittee on July 18, 2018 and included as appendix A on the consent agenda. He noted that the University owns a class of assets that include gift annuities, pooled income funds, and charitable remainder unitrusts (approximately $14 million). This class of assets are invested with a custodian and there is a need to provide investment guidance to the custodian for the management of these funds.

The following resolution was presented for approval:

**Resolution Approving the Investment Policy and Objectives for the Planned Giving Program**

WHEREAS, the University owns a class of assets known as the Life Income Portfolio; and

WHEREAS, the Life Income Portfolios refer to a variety of different gift vehicles, including charitable remainder trusts, annuity trusts, charitable lead trusts, and gift annuities; and

WHEREAS, there is a need to establish a clear set of investment objectives for the University’s Life Income Plan Portfolios; and

WHEREAS, the investment allocation targets and allowable ranges have been developed by State Street Global Advisors with recognition of the University’s portfolio makeup; and

WHEREAS, the benchmark investment allocation targets and allowable ranges have been reviewed by Cambridge Associates and reflect their input; and

WHEREAS, the University will periodically compare the actual investment allocations to the policy’s investment allocation targets and allowable ranges to ensure that State Street Global Advisors is in compliance with the policy; and

WHEREAS, the University Administration will report regularly to the Investment Subcommittee on the Planned Giving Program;
NOW, THEREFORE, BE IT RESOLVED, that the Executive Committee hereby approves the Investment Policy and Objectives for the Planned Giving Program, appearing as Appendix A to this document.

Before Vice President Cate introduced the final resolution, Chair Daigle invited Vice President Sharon Reich Paulsen to explain why this request is coming before the Board. She noted that the request is related to a large federal research grant and that such grants often include subcontracts with other institutions for particular areas of expertise. This particular grant will likely exceed the $1 million threshold for Board approval. Since the Resolution Regarding Board Delegation and Retention of Authority does not exclude federal research grant subcontracts, it was determined it would be best to bring this request forward to the Committee.

Vice President Cate introduced the resolution approving a subcontract payment to Arizona State University. He reported that UVM is the recipient of an $18 million, Patient-Centered Outcomes Research Institute (PCORI) award, with a five-year period of performance, beginning April 1, 2016 ending March 31, 2021. This study is comparing two ways of delivering health care to see which is better at improving health and functioning in adults with both physical and behavioral health problems.

UVM subcontracts to Arizona State University (ASU) for the production of an on-line learning management system that delivers curriculum and training to the medical providers, behavioral health providers (usually psychologists or social workers), nurses, staff and managers at primary care practices on how best to deliver integrated behavioral health services to patients within the primary care practices.

Arizona State University to date has been paid $683,780 under the sub award, in connection with its services. It is anticipated ASU ultimately will do work that would entitle ASU to be paid up to $1,726,134.

The following resolution was presented for approval:

**Resolution Approving Subcontract Payment to Arizona State University**

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to make subcontract payments to Arizona State University in connection with the University’s Patient-Centered Outcomes Research Institute award, for the period April 1, 2016 through March 31, 2021, for a total amount not to exceed $1,726,134.

Chair Daigle offered an opportunity for final discussion before seeking a motion to approve the resolutions above as a consent agenda. There being none, a motion was made, seconded and the consent agenda was unanimously approved as presented.
October Board Meeting Preparations

Chair Daigle highlighted the October 26-27, 2018 Board meeting schedule and Committee Chairs reviewed their individual draft agendas.

Deferred Maintenance Projects Update

Robert Vaughan, Director of Capital Planning and Management, presented updates on three small deferred maintenance projects. He noted that the projects fall within the $1-2 million range, and while they do not require Board approval, the Committee is being apprised of changes in the project scope since they were reported to the Board.

The first project is an increase to an existing project that was proposed in May 2018 as a $1.4 million project to address interior deferred maintenance on Converse Hall. The current proposal is to increase that amount to $1.7 million to capture additional scope to include kitchen upgrades, radiator improvements and additional interior painting. The additional funding will be provided from the existing Residential Life Plant Improvement funds.

The second project is the Royal Tyler Theatre Exterior Deferred Maintenance Project. The project began this summer as a roof replacement project that was below the limit of this category of cost. As the work began, the conditions of the masonry and windows created the need to expand the scope to include those components, as well as expanding the roof scope to add plywood sheathing and insulation to the roof. The total project will cost $1.9 million and will be funded through the existing deferred maintenance funds of Physical Plant.

The third project is an emergency repair for the existing underground Steam Distribution System. It was discovered that a 400-foot section of underground steam pipe adjacent to the Harris-Millis Residential Complex had deteriorated and needed to be replaced. The existing pipe was excavated and removed, with replacement pipe ordered for expedited manufacturing. The fund source for this project coming from the positive fund balance from 2018 and the project cost has been estimated at $1.4 million.

Approval of Minutes

Chair Daigle entertained a motion to approve the minutes from the August 13, 2018 meeting. The motion was made, seconded and it was voted to approve the minutes as presented.

Executive Session

At 2:33 p.m., Chair Daigle entertained a motion to enter into executive session to discuss contracts and collective bargaining, premature general public knowledge of which would clearly place the University at a substantial disadvantage. The motion was made, seconded and approved. Chair Daigle indicated that action is anticipated following and that the session would take approximately fifteen (15) minutes. Everyone was excused from the meeting with the exception of Trustees; Provost Rosowsky, Vice Presidents Richard Cate, Gary Derr, Sharon
Reich Paulsen Tom Gustafson, Wanda Heading-Grant and Employee Relations Manager Mary Brodsky.

Vice President Heading-Grant and Ms. Brodsky were excused from the meeting at 2:40 p.m.

At 2:52 p.m., the meeting was re-opened to the public.

Chair Daigle presented the following resolution for approval:

**Resolution Approving Agreement with the City of Burlington for Special Police Patrons**

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to execute a contract with the City of Burlington for special police patrols beginning in September 2018 and extending through December 8, 2018, for an amount not to exceed $47,000.

An opportunity for discussion was offered. There being none, a motion was made, seconded and the resolution was unanimously approved as presented.

**Adjournment**

There being no further business, the meeting was adjourned at 2:53 p.m.

Respectfully submitted,

David Daigle,
Chair