A meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Saturday, May 20, 2006 at 8:30 a.m. in Memorial Lounge, room 338 Waterman Building.

MEMBERS PRESENT: Chair Carl Lisman, Vice Chair Martha Heath, Secretary Thomas Little, Edwin Amidon, Jr., Claire Ayer, James Betts, Bill Botzow, Ian Boyce, Frank Cioffi, Robert Cioffi, Johanna Donovan, Daniel Fogel, John Hilton, Jr., Kathleen Hoyt, James Leddy, Deborah McAneny, Kami Patrizio, Raymond C. Pecor, Jr., John Snow, Stirling Winder, Mark Young, and Robert Young

MEMBERS ABSENT: James Douglas, Richard Hube, Jr., and Susan Hudson-Wilson

ALSO PARTICIPATING: Provost John Bramley, Vice President for Finance and Administration and Treasurer Michael Gower, Vice President and General Counsel Francine Bazluke, Vice President for Student and Campus Life Thomas Gustafson, Vice President for State and Federal Relations Karen Meyer, Chief of Staff Gary Derr, Faculty Senate President Justin Joffe and Staff Council President Kathie Merchant

Chair Carl Lisman called the meeting to order at 8:35 a.m.

Faculty Senate Report

Professor Joffe reported that the Faculty Senate has met twice since the last Trustees meeting. He briefly summarized some of the accomplishments of the Senate since last September, and provided more details of Senate Committee activities in a handout distributed to Trustees containing the Committees’ annual reports to the Senate.

He considered two events at the Senate’s April meeting to be among the highlights of the year, namely the adoption of a university-wide diversity requirement and a discussion of the health component of UVM’s mission. The Senate approved the establishment of the diversity requirement by a large majority; dissent being based only on concerns about possible constraints on electives for students in some units. Professor Joffe paid tribute to outgoing Vice Provost Willi Coleman, the outgoing chair of the Curricular Affairs Committee, James Burgmeier, and Robert Lawson, chair of the President’s Commission on Racial Diversity, for their leadership and hard work in designing and promoting the proposal. He noted some of the ideas and intentions encapsulated in the diversity requirement had been circulating for over 25 years, and that the actual passage of the requirement represented an historic moment.

Professor Joffe reported that the discussion of the health component of UVM’s mission at the April meeting, based on white papers from the Deans of the Colleges of Nursing and Health Sciences and Medicine, was led by Dean Betty Rambur and Senior Associate Dean Russ Tracy. This discussion helped flesh-out and clarify the understanding of what
this component of the vision might entail in practice, as well as starting the process of having this, like our aim to be a “green” university, start to permeate our thinking.

He then outlined two important changes in the Senate Constitution and Bylaws in the past year, one intended to insure continuity by establishing a position of President Elect (the first incumbent being Professor Jane Knodell, who assumes that office July 1, 2006 and then takes over the presidency a year later), the second the establishment of a sixth standing committee on Educational and Research Technologies, the functions which had been being served by a Subcommittee of the Facilities and Physical Planning Committee; the Senate believed that a standing committee would be a more effective way of doing the job.

Professor Joffe noted that the Senate’s ad hoc Committee on Faculty Governance would continue its work in the fall, examining the complexities of a system in which there are two governance bodies, the Faculty Senate and United Academics, with areas of responsibility that although conceptually separate often interact, a system made even more complex by having a sizeable group of faculty who are represented by the Senate but not by the Union. The need was to find ways to increase the likelihood that this duality would be synergistic rather than otherwise and to find ways to work together productively. The Committee had become involved, as part of its activity, in a thorough examination of the draft of the proposed replacement for the Officer’s Handbook and the reconciliation of this with the fact that much of the old Handbook is displaced by the terms of the Collective Bargaining Agreement, but not for College of Medicine (COM) faculty, suggesting that that College might need to have a handbook of its own, and one that is compatible with the new university-wide handbook, but also cover matters where all but COM faculty are governed by the Collective Bargaining Agreement.

A copy of the report of this Committee was included in the handout. He noted that Leah Burke (COM) will take over as chair of this Committee in the fall, due to the retirement of the current chair, Jean Held. Professor Joffe said that Professor Held will be sorely missed; she had long been a reasonable but passionate voice for faculty, and a person who devoted endless energy to promoting the interests of faculty, the strength of her own College, and the best interests of entire University. She had served as Vice Chair and Chair of the Faculty Senate and was one of the architects of the new Senate.

Professor Joffe provided some data on the heavy workload of the various standing Senate Committees and said that even the more detailed summaries contained in the individual Committees’ reports in the handout didn’t fully capture the extent of their effort.

He paid tribute to the dedication, collegiality, and courtesy of all those with whom he worked, not only faculty but people from every part of the institution, including, particularly the President and Provost and the Board of Trustees. He found it evident that their efforts were intended to do what was in the best interests of the University and was quite convinced that the University is on track to achieving the vision with spectacular success and probably ahead of schedule, and that that would be due to the extraordinary dedication of all involved.
He concluded by thanking Provost Bramley for his massive contribution to the progress we are making – and by saying that the outgoing Provost’s contribution would be a very tough act to follow. Professor Joffe is hoping that he will return to UVM in a different role after his well-deserved leave, perhaps as a Faculty Senator, so that he could continue to have the pleasure he’s had for 15 years or so of arguing with Professor Bramley, and learning from him.

Staff Council Report

Kathie Merchant, in her final report as Council President, shared with the Board her experience as President for the last nineteen months. She was elected President in December 2005 during a period of transition for the Council and came in at a time that the staff were being solicited to start a union on campus. Since then she has worked to lead the Council in becoming a vital advisory body of significant influence. She reported that the issues have improved due to the collaboration with the Administration. In addition, the Council maintains a strong presence on campus with representation on university-wide committee and boards. Examples of recent appointments include representation on the Basic Needs and Equitable Compensation Task Force (Mary Lafayette), the Provost's Search (Jane Graiko and Patty Redmond), and the search for an Associate Vice President for Human Resources (Beth Wright). The Council also maintains staff appointments on each Board of Trustees Committees, the Athletics Review Board (Jane Graiko), Transportation and Parking Advisory Committee (Pamela Carter and Scott Edelstein), The Dining Services Board (Eileen Hanerfeld), and soon a university-wide committee reviewing benefits.

Mrs. Merchant went on to report that Staff Council recognition has never been stronger. The Council presents a formal report to the Board of Trustees each session and this month marks the first time that the Staff Council President will address graduates during Commencement.

In closing, she thanked the committee chairs, Eileen Hanerfeld, Mary Lafayette, Pam Carter, Deb Bryan, Diane Trono, Susan Swain and Mike Cook indicating that their committee leadership has strengthened the Council.

Public Comment

David Shiman spoke to the Board in his capacity of President of United Academics and provided the Board a copy of his comments. He spoke specifically to the five senior lecturers and one lecturer non-reappointments in the College of Education and Social Services expressing his opinion about the toll he believes the process has taken on the individuals and on the morale in the college.
Committee Reports

Audit Committee

Chair Mark Young reported that the Committee reviewed the Institutional Compliance Program, Institutional Risk Assessment Program and Audit Services Reports. Chuck Jefferis, Associate Vice President for Institutional Risk Assessment and Audit Services, provided a summary of the internal audits conducted in FY2006 and the draft audit plan for FY 2007.

At the request of the Committee, Bonnie Cauthon, Associate Vice President of University Financial Services, presented a Financial Status Reports Update on Grant and Contract Administrative Services. She reviewed the issues that were brought up in the OMB Circular A-133 audit and reviewed the University’s plan to resolve these issues.

Upon a motion made and seconded, the Committee’s report was accepted.

Investment Committee

Chair Robert Cioffi reported that the University returns were 4.4% for the quarter, 11.4% for the fiscal year to date, and 13.2% for the cumulative trailing 1 year, compared to respective Cambridge Associates means for the periods of 5.4%, 13.1%, and 15.4%; with 65 institutions, from a universe of 282, reporting. UVM returns were ahead of the composite index (S&P 500 75%/LB Agg 25%) of 3.0% for the quarter, 7.4% for the calendar year and 9.3 % for the cumulative trailing one year.

Chair Cioffi provided a brief a report on the Wilbur Fund and explained the reason the fund was separately invested from the long-term pool. He noted that the while the fund had underperformed, compared to the long-term pool, by 30 basis points annually since inception, that this was actually good performance since the size of the fund did not allow it to invest in as diverse a group of managers as the larger pool. An example of this is the hedge fund managers who frequently have large minimums for fund entry.

Trustee Boyce reported on the activities of the hedge fund working group, noting that they had reviewed a group of potential managers provided by Cambridge Associates and interviewed two fund of funds managers, Barlow Partners and Forester Partners, and one multi-strategy manager, Mason Capital. Mr. Boyce and Chair Cioffi both recommended Barlow for addition to the portfolio, citing the long and positive track record, with only two negative quarters, and the manageable number of managers. The Committee passed a motion for Barlow Partners to be added to the hedge fund portfolio to fill its fund of funds allocation, targeted at 33% of the hedge fund portfolio. It was understood that the investment of the targeted amount, $14.3 million, would take place over time subject to the exit rules of the other Hedge Fund managers.

The Committee passed a resolution changing language in the Committee on Socially Responsible Investing (CSRI) charter from “prudent person principle” to “prudent investor rule”.

Trustee Snow provided a recap of the meeting of the CSRI, held on April 19th. At this meeting Jeff Skoldberg, a member of STAND (Students Take Action Now – Darfur) gave a presentation regarding the issue of genocide in the Darfur region of Sudan. A resolution from the CSRI urging that the University adopt a policy of targeted divestment from companies doing business with or aiding the governing regime of Sudan was approved by the Committee and will be recommended for the Board’s consideration.

The Committee discussed a proposed amendment to the Investment Policy for the long-term pool and upon further amendments approved the resolution and approved the resolution for recommendation to the full Board. The amended section specifies restrictions on portfolio concentration.

Vice President Gower provided a report on his research into other universities regarding their use of alumni with investment expertise as an investment resource. Roger Stone and Bob Honstein (two alumni) attended the meeting and spoke on how they each viewed the role of an alumni advisory group to the University. There was discussion from board members in regards to the alumni group and their role and relationship with the Investment Committee. The Committee agreed that a good next step was to form a working sub-group to develop some proposals for further review and also look into any governance issues that may be implicated by the idea.

The Committee selected Cambridge Associates to continue as its advisor based on a three-year proposal, of which the first year will end on June 30, 2006. The Committee passed a resolution to continue the engagement another year and authorized Chair Cioffi to negotiate a final fee for the year, July 1, 2006 to June 30, 2007.

Upon a motion made and seconded, the Committee’s report was accepted.

*Debt Subcommittee*

Chair Kathleen Hoyt reported that Vice President Gower presented to the subcommittee the reworked version of the Debt Management Policy, initially developed by Ms. McAneny and Mr. Maglaris and other members of the subcommittee. The April 19th meeting was devoted to making changes and revisions, including addressing liquidity, and approved at that time. This version was presented to the Finance and Budget Committee meeting on Friday and will be recommended for the Board’s approval.

President Fogel discussed the necessary capital projects that support the strategic plan. He thanked the subcommittee for their tireless efforts and quality of work done over the last two years. He noted the following analyses are being performed: 1) continued detailed review of University assets, 2) public and private support, and 3) assessing the programs for efficiency and cost containment. He cited the campus of the late 1980’s and the downturn in enrollment, campus conditions, and reputation and how much this has turned around. He emphasized that if this momentum is slowed or even delayed, we will have greater risks before us. He discussed the advantages of using the University’s non-
profit bonding capacity over other sources of funds for making critical investments, including the advantages of debt over use of institutional funds, philanthropic contributions, sale or lease and leaseback arrangements, and third-party (developer) financing. He emphasized that he was not asking the Board for a change in policy at the present time but expressed the hope that over the next six to nine months the Debt Subcommittee and the Board as a whole might undertake a process of deliberations that could potentially “move the wall back a bit,” providing more flexibility to pursue essential investments before the University enters a fourth year under the current debt policy.

In line with the capital projects financing, Vice President Gower requested that the subcommittee recommend the authorization of an additional financing of $1.5M to complete required stormwater projects on the Redstone Campus and Centennial Field area. $1M of financing has already been approved as part of the 2005 bond issue. It is necessary that this project be commenced this summer. This does not put the University out of compliance with the debt ratios. The subcommittee unanimously moved this recommendation and forwarded the resolution to the Finance and Budget Committee for their consideration.

Vice President Gower reported the Treasury Office is moving forward to closing out the June 30, 2006 balance sheet and moving into PeopleSoft on July 1st. They will start tracking this information in PeopleSoft and reporting in a new format at the September meeting.

Upon a motion made and seconded, the Committee’s report was accepted.

**Academic and Student Programs**

Chair Martha Heath reported that the Committee received reports from Dr. James Burgmeier, Chair of the Faculty Senate Curricular Affairs Committee, outgoing Student Government Association President Sarah Poirier and incoming President Seth Bowden, and Rachel Weston, Graduate Student President.

Vice President Lauck Parke provided a brief report on first-year first-time deposits. Vice President Parke reported that Provost John Bramley had set a total target of 2200 (600 Vermonters and 1600 out of state) and currently there are 2380 paid admitted students. After summer melt, we should end up very close to 2200. In addition, not only have the number of students increased, but the quality of the students has also improved. Don Honeman, Dean of Enrollment Planning and Admissions, reported that the University has received strong endorsements from Vermont high school guidance counselors in the strengthening of our standards.

Associate Vice President Dave Dummit provided a brief update on graduate college applications and enrollments. Total enrollment for the graduate college is 1300 which is an increase of 2% over 2005-2006. Currently there are a total of 1888 applications for the Fall ’06 semester in contrast to 1726 in May 2005.
Continuing Education Co-Directors Cynthia Belliveau and Carol Vallet provided the Committee with an overview of Continuing Education and reported on CE’s accomplishments since that department’s restructuring four years ago in the face of significant budgetary and programmatic challenges. Four years ago, the program was $10M in debt and losing $1M per year. As of this year, Continuing Education reported revenue of $14M with the program returning $3.6M back to the University. Co-Directors Belliveau and Vallet outlined four strategic objectives in the areas of diversity, partnerships, technology and revenue.

Athletics Director Robert Corran reported on the NCAA certification process which UVM is engaged in and which is required every ten years. Other highlights of Director Corran’s report included student-athlete services with a focus on academic performance, campus leadership and community service, campus spirit, marketing and fundraising. Challenges remain in the area of facilities, of which many are inadequate to support the current student enrollment.

Vice President Fran Carr provided a short report on new research directions at the University. With the continuing decline in Federal investment in research, two university-wide initiatives at the University seek competitive federal grant support to leverage new directions in research and education: The National Institutes of Health-Clinical Translational Science Award (NIH-CTSA), which is an example of a new initiative to advance research and graduate education; and the Experimental Program to Stimulate Competitive Research, Research Infrastructure Improvement (EPSCoR RII) program which is an example of several ongoing efforts across the campus reflecting broad collaborations and multidisciplinary endeavors.

The Committee approved establishing a six-credit undergraduate diversity graduation requirement. The resolution is included on the consent agenda for the Board’s consideration.

Upon a motion made and seconded, the Committee’s report was accepted.

Facilities and Technologies

Chair Robert Young reported that the Committee approved the Comprehensive Campus Master Plan that was developed over the last three years.

Vice President Gower, assisted by colleagues, previewed plans for the following projects that will be brought for approval at a later date: UVM Regional Network and Farrell Hall Renovations. He indicated that a Strategic Capital Plan update would be provided in conjunction with a discussion of deferred maintenance at the special summer meeting.

Vice President Gower discussed the successful “go-live” of the Human Resources/Payroll system in April and the impending implementation for financial, procurement, and research administration functions. Mr. Gower reviewed anticipated changes to the budget to cover additional costs of required PeopleSoft system modifications, costs
related to a delay in the Human Resources module “go-live date” and project staff supplementation by Oracle. There was significant discussion regarding the budget shortfall. Chair Young formally asked Vice President Gower for a written memo to the Committee concerning the ‘lessons learned’ about this cost overrun, and how the administration and the Board can better communicate on these issues in the future.

The Committee reviewed and unanimously approved, for consideration by the Finance and Budget Committee, a resolution to upgrade the southwest stormwater facility to Vermont’s 2002 standards, and to improve Centennial Field area drainage, including making minor modifications to the adjacent stormwater facility.

After further discussion about Project CATalyst, the Committee voted to request Vice President Gower to prepare a resolution increasing the Project CATalyst budget from $26,000,000 to $30,500,000. The resolution was submitted to the Finance and Budget Committee for consideration.

Upon a motion made and seconded, the Committee’s report was accepted.

University Advancement Committee

Chair Frank Cioffi welcomed William Neidt, new Vice President for Development and Alumni Relations. Vice President Neidt elaborated on his background and his passions for higher education, fundraising, and being a part of the UVM community.

Associate Vice President Michael Schultz reported that The Campaign for the University of Vermont stands at $224,353,345 or 90% of the overall goal. The Campaign will wind up its final year with a strong push in Vermont. A recent $5M gift will be added to this total once it has been booked.

Alan Ryea, Director of Alumni and Parent Programs, reported on Catamount Cares, a nation-wide UVM community service program involving students and alumni. In its second year the program grew to fourteen sites around the country and had a 20% increase in the number of people who registered. It is a great tribute to the late Ellie McNamara’58 whose idea it was to begin the project.

Vice President Thomas Gustafson discussed how college and university rankings work and why we care. Jeff Wakefield, Assistant Director of University Communications, discussed the influence of college rankings. The number of companies doing rankings is growing as demand continues to increase. Fred Curran, Director of Institutional Studies, reported on how the most well-known ranking report U.S. News and World Report’s builds its rankings.

Upon a motion made and seconded, the Committee’s report was accepted.
Finance and Budget Committee

Chair Kathleen Hoyt reported that the resolution to accept gifts and grants was approved by the Committee for recommendation to the full board, and is on the consent agenda.

Associate Vice President Ted Winfield reported to the Committee on the FY 2006 budget status for the third quarter. Estimated resource and expenditure changes were discussed. The net result of current year projections is a contingency balance of $2,619,867.

Changes to the FY 2007 budget since the March meeting were reviewed and discussed. The most significant change is in the projection of energy costs, which increased by $1.2M. The projected cost is reflected fully in the energy cost line in the budget and netted out of the contingency line item, keeping the budget in balance. Further, changes in revenue and expense projections in both Athletics and the College of Medicine have resulted in an increase in both revenue and expenditures of $1.2M, for a total general fund budget of $233.6M for FY 2007. The general fund budget resolution was approved by the Committee for recommendation to the full Board.

The Committee considered tuition rate increases of 4.0% for Vermont students and 5% for out-of-state students and tuition rate increases for the College of Medicine of 2.0% for each of the four class years, for both Vermont and out-of-state students. The tuition resolutions were approved by the Committee for recommendation to the full Board.

A Student Fee increase of $196 (15.1%), from $1,296 to $1,492, for FY 2007 was approved by the Committee for recommendation to the full Board.

Room and meal rates for FY 2007 were approved by the Committee for recommendation to the full Board. The predominate traditional double room rate is proposed to increase 4.3% and the average meal plan rate is proposed to increase 4.0%, for a total combined room and meal plan rate increase of 4.2%.

The UVM Morgan Horse Farm is a self-sustaining operation which generates the majority of its revenue from the sale of horses. The FY 2007 operating budget of $389,140 represents a 2.39% decrease over FY 2006, in part due to a decrease in visitor admissions in the current year. The Committee approved the Morgan Horse Farm budget resolution presented for recommendation to the full Board.

Chair Hoyt reported on the meetings of the Debt Subcommittee held on April 19 and May 18, 2006. Topics included a review of the Debt Management Policy, Treasury Office status report, and a discussion that included President Fogel on debt planning. The resolution to incorporate a series of new elements in the Debt Management Policy was approved by the Committee for recommendation to the full Board.

The Committee was asked to authorize financing to complete required stormwater projects for an additional $1.59M beyond the $1M authorized in the 2005 bond issue. The Committee approved the resolution for recommendation to the full Board.
Following discussion at the Facilities and Technologies Committee meeting, Vice President Gower reviewed updated projections for the Project Catalyst ERP implementation. Based on current information, there is a 15% cost increase over the original $26.0M project cost approved 2 years ago. The increase in project costs including projected financing costs totals $4.75M. The Committee discussed the difficulty that this change presents, both to the timely understanding of the costs and to its implications for the use of debt in FY 2007. Going forward there is an important need to recognize and plan for appropriate contingencies to minimize surprises and to have a solid base from which to make any future required capital commitments. The Committee approved a resolution revising the Project CATalyst budget for recommendation to the full Board.

Upon a motion made and seconded, the Committee’s report was accepted.

**Diversity Committee**

Chair Thomas Little reported that Willi Coleman, Vice Provost for Multicultural Affairs, reported on the state of the six areas that report to the Multicultural Affairs office: the Abenaki/Native American Outreach Program, the Henderson Fellows Program, the Curriculum and Faculty Diversity Plan, the Faculty Resource Network, the Center for Cultural Pluralism, and the Central Diversity Fund Project, which supports campus-wide programs and activities that focus on diversity. Vice Provost Coleman reported that all of the programs are on a more firm foundation from which they can move forward and that includes having the mission and program objective “evolve” without being lost. As the Center for Cultural Pluralism is both a physical location and an educational program, Dr. Coleman urged the Committee to keep an eye out for space for the Center due to the serious competition for space on campus.

LuAnn Rolley, Interim Director of the Women’s Center, provided a brief report on the activities of the President’s Commission on the Status of Women. Director Rolley reported on current trends in headcount enrollment by student level by gender, full-time headcount faculty by gender, and full-time headcount staff by gender. Future initiatives include continued examination of gender-based and sexual violence reports on campus, utilizing the campus climate survey data and making recommendations to the President, and creating a status of women report formulating key indicators on the status of women.

Jackie Weinstock, Associate Professor of Integrated Professional Studies, reported on the results of the 2005 campus climate survey. Results were analyzed by a consulting firm but the analysis was largely descriptive and a more sophisticated analysis was required. Two UVM statisticians conducted the analysis. The Campus Climate Committee will be working on a preparing a more substantial report focusing on the following categories: disabilities, sexual orientation, self-identified gender identity, and religious or spiritual affiliation. A complete final report will be ready by the beginning of the fall semester.

Sherwood Smith, Assistant Professor and Director of Integrated Professional Studies, Cultural Pluralism & Racial Equality, provided the Committee with an informative and
compelling introduction to the concept of whiteness and white privilege. He addressed the benefits of understanding these concepts, in relation to the work of the Committee and the Board as a whole. The Committee responded with interest and asked for additional Committee time to continue this work, expressing the desire to have the Board and University leadership engage in similar work.

Upon a motion made and seconded, the Committee’s report was accepted.

*Ad hoc Committee on Board Operations*

Chair Cioffi reported that the Committee discussed a possible public comment protocol additional to current practice. Committee members discussed the pros and cons of such a protocol and the Committee clarified operational aspects. A new draft of the protocol will be generated for further Committee discussion and referral of the issue to the Board.

Vice President Francine Bazluke summarized the status of development of a Board Policy Manual. A mock-up was made available for Committee member perusal.

The Committee discussed a working list of communications periodically distributed to Trustees. Committee members discussed the prospect of recommending to Trustees specific categories of communications for routine Trustee review and the possibility of offering Trustees an opt-out for specific categories of communications. Vice President Bazluke also suggested introducing new Trustees to the communications summary during their initial orientation. A revised list of communications will be developed.

Chair Cioffi summarized the earlier deliberations of the Committee regarding possible changes to the structure of Board Committees, and solicited related comment from Association of Governing Boards consultant Robert Woodbury. Trustee responses to the survey distributed in preparation for the June Board retreat will be reviewed to determine whether and, if so, how best to integrate full Board discussion of options into the retreat.

The Committee briefly reviewed the status of plans for the upcoming Board retreat. An agenda will be finalized by Board Chair Lisman, President Fogel, and Committee Chair Cioffi once survey results are analyzed.

Chair Cioffi appointed Ian Boyce, Thomas Little and Deborah McAneny to a work group whose focus will be on the enhancement of the Trustee orientation program.

Upon a motion made and seconded, the Committee’s report was accepted.

*University of Vermont Board*

Chair Robert Cioffi reported that the University of Vermont Board approved the Wilbur Trust report.
Chair Thomas Little reported that he was re-elected to the office of Chair and that Edwin Amidon, Jr. was re-elected to the office of Secretary for the coming year.

Director of Government Relations Gretchen Babcock reported on key legislation affecting the University in the recently-concluded legislative session. She reviewed the University’s FY 2007 general and capital appropriations, which, combined with new scholarship funds, produced a 10.79% increase in state funding for the next fiscal year. In addition, the state’s capital contribution was up almost 6% to $1,800,000.

Other legislation of importance to the University included the “Next Generation Initiative,” a legislative compromise that combined parts of the Governor’s original scholarship proposal with various legislative alternatives to create a new scholarship fund for Vermont students and a study commission charged with finding ways to encourage Vermonters to live and work in the state. The University is pleased with the outcome and the attention it brought to the serious demographic and affordability challenges facing the state. Vermont’s new health care reform legislation affects the University by creating financial and administrative costs as a result of assessments placed on certain temporary and part-time workers to whom the University does not offer health coverage.

Chair Little read the Vermont General Assembly’s House Concurrent Resolution 358 thanking John Bramley for his extraordinary service as University of Vermont Provost.

The Board continued its discussion of the University’s land grant mission begun at the last meeting and growing out of the concept paper written by Provost Bramley. Provost Bramley challenged the Board to modernize historic land grant concepts, including the nomenclature, and make them relevant to the internal decision making and program development at the University. He indicated that some of these ideas are being incorporated into the new vision document being prepared by the president, new provost, and himself, which will be presented to the full Board later this year.

The Board also discussed the issue of whether the University is serving Vermonters appropriately, particularly as reflected in the numbers of Vermont students being admitted. The Board was supportive of the increasing selectivity and quality of admitted students and felt the challenge is one of maintaining optimum communications between the University and the public, especially parents, counselors and students themselves.

Chair Little agreed to incorporate the Board’s ideas about a modernized land grant mission and the University’s service to Vermont as reflected in resident student levels into a new work plan that will be distributed to the Board in the near future.

The Board briefly discussed recruitment of new legislatively-elected trustees to replace those whose terms expire in February 2007 and expressed the need to develop materials that describe the job of a University Trustee to be used as a recruitment tool.
Committee on Health Education

Chair Robert Young indicated that Provost Bramley reported on the status of the College of Medicine leadership. President Fogel, Provost Bramley and Provost-Elect Hughes met with the department chairs to solicit their feedback on the appointment of the interim dean and the search process for the permanent dean. Later this month, the President and Provost will be hosting an open meeting for the faculty and staff of the College of Medicine to discuss the search process. A number of strong internal nominations have been received. In early June the candidates will be interviewed and it is anticipated that an appointment will be made shortly thereafter. The search process for the permanent dean is under way with the issuance of an RFP for the search and it is expected that we will have identified the firm by July 1, 2006.

The Committee then discussed challenges and opportunities facing the College of Medicine. The Committee agreed to meet for an information and education session to brief the Committee members of the structure of the College of Medicine and its relationship with Fletcher Allen Health Care.

Upon a motion made and seconded, the Committee’s report was accepted.

Chair Lisman presented the following resolution adopting the Statement of Trustee Responsibilities:

Resolution Adopting the Statement of Trustee Responsibilities

RESOLVED, that the Board of Trustees accepts and adopts the Statement of Trustee Responsibilities developed and recommended by the ad hoc Committee on Board Operations as set forth in Attachment A.

Attachment A

UNIVERSITY OF VERMONT AND STATE AGRICULTURE COLLEGE
BOARD OF TRUSTEES

TRUSTEE RESPONSIBILITIES

Trusteeship is exciting, rewarding, and demanding; it requires commitment, time, intellectual energy, and effort. Major responsibilities include but are not limited to the following:

Standard of Care

A Trustee shall at all times discharge his or her duties as a Trustee in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner the Trustee reasonably believes to be in the best interests of the University.
Diligence

A Trustee shall carefully prepare for, and regularly attend, all scheduled Board meetings and the meetings of Committees to which he or she is assigned.

A Trustee should allocate the necessary commitment of time to be effective in meetings and participate actively in the group discussion.

A Trustee shall exercise his or her best judgment in making decisions which affect the course of the University.

A Trustee is expected to become knowledgeable in all aspects of the University including its governance, mission, strategic plans, and programs. In addition, in order to increase understanding of the University, its culture and community, a Trustee is encouraged to participate in the life of the University through attendance at its functions and social events.

A Trustee must be committed to the principles of equal opportunity and non-discrimination to all students, faculty and staff as well as to the University policy statement on diversity.

Loyalty

A Trustee may challenge the judgment of others when he or she deems it necessary to do so, and shall vote his or her individual convictions after listening to others. A Trustee must, however, be willing to work with fellow Board members in the best interests of the University and should support Board decisions publicly.

A Trustee shall maintain the confidential nature of Executive Session.

A Trustee shall support the President’s role as chief executive, to whom the Board has delegated responsibility for personnel, management and administrative matters. Furthermore, a Trustee shall communicate promptly and as appropriate any significant concern or complaint of which he or she becomes aware to the President or Board Chair.

A Trustee shall recognize that the President is the spokesperson for the University and the Chair is the spokesperson for the Board unless otherwise designated.

A Trustee should support the University’s fundraising activities through participation in fund drives according to their personal circumstances, and/or related activities.

A Trustee should have an abiding interest in higher education and in furtherance of the mission of this University.
Conflicts Avoidance

The constituency of each Trustee is the University, regardless of the source of appointment. A Trustee shall act independently for the benefit of the University of Vermont as a whole and not for the benefit of a particular program or interest.

A Trustee shall comply with the letter and spirit of the University Board of Trustees Conflict of Interest Policy.

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

Consent Agenda

Chair Lisman presented the consent agenda for approval. Trustee Snow requested that resolution #14 be voted on separately. Trustee Boyce requested that resolution #6 be voted on separately. Trustees Robert Cioffi requested that resolutions #1 and #2 be voted on separately.

The remainder of the consent agenda was presented for approval:

INVESTMENT COMMITTEE

(3) Resolution Revising Section F of the University Statement of Investment Objectives and Policies

RESOLVED, that section F of the University Statement of Investment Objectives and Policies, shall hereafter read as revised below:

F. Guidelines for the Equity Fund

1. The objective for the Equity Fund is to outperform the S&P 500 stock index (net of fees) as well as the Cambridge Associates’ equity manager median (See Section J - Definitions).

2. The Equity Fund will be broadly diversified according to economic sector, industry, number of holdings and other investment characteristics. However, it is recognized that in order to achieve its investment objective, the Equity Fund must be actively managed and therefore cannot be fully diversified.

3. Decisions as to individual security selection, security size and quality, number of industries and holdings, current income levels, turnover and the other tools employed by active managers are left to broad manager discretion, subject to the usual standards of fiduciary prudence. Index options, individual security options, and currency futures utilized by the equity managers may only be used to reduce total portfolio risk or to efficiently manage market exposure. The notional value
of any derivative securities in the manager’s portfolio may not, in aggregate, exceed 25% of the value of the portfolio’s assets. No single derivative transaction will constitute more than 5% of the portfolio’s assets. Credit counterparties will have at least a “AA” rating. Derivative securities may not be used to increase market exposure beyond 200% of the underlying equity capital or to decrease it below 0%. The portfolio may not be leveraged or net short. This paragraph does not apply to mutual fund investments which follow their own investment guidelines detailed in the prospectus.

4. Unless otherwise instructed, an equity manager may at his/her discretion hold investment reserves of either cash or bonds, but with the understanding that performance will be measured against stock indexes as described in the paragraph above.

5. For purposes of this Statement, a diversified investment manager is one who generally holds securities in more than 40 companies, while a nondiversified investment manager is one who generally holds securities in fewer than 40 companies. A diversified investment manager may not purchase a security if at the time of purchase the security accounts for more than 5% of the manager’s entire portfolio. This restriction shall not apply to nondiversified investment managers, since the restriction may unnecessarily impair their performance.

6. If the University invests in mutual funds, the fund manager shall adhere to the guidelines contained in its prospectus or other written presentation to the Investment Committee or its consultants.

7. All investment managers are expected to maintain the risk controls described in their presentations to the Investment Committee or its consultants.

(4) Resolution Regarding Investment Advisory Services

BE IT RESOLVED, that the President, Provost, Vice President for Finance and Administration, Associate Vice President for Finance and Controller, or any officer holding the above positions on an interim basis, singly is authorized to enter into a contract with Cambridge Associates LLC for the purpose of serving as an investment advisor to the University for the period July 1, 2006 to June 30, 2007 at a fee to be determined by the Investment Committee Chair.

This resolution supersedes all previous authorizations.

FACILITIES AND TECHNOLOGIES COMMITTEE

(5) Campus Master Plan Resolution

WHEREAS, the University desires to revise and update its 1997 Campus Master Plan, to align it with the University’s Ten-Year Vision and Strategic and Academic Plans; and,
WHEREAS, the revised 2006 Campus Master Plan has been developed in collaboration with campus stakeholders and local communities in which University property is located; and

WHEREAS, the Campus Master Plan Executive Committee, comprised of senior executive officers and three trustees, has reviewed and approved the work of Campus Planning Services staff, various content experts, consultants, and the Campus Master Plan Advisory Committee; and,

WHEREAS, the Board of Trustees Facilities and Technologies Committee has reviewed the draft of the plan in detail and finds it to be a sound and comprehensive master plan for the University;

THEREFORE, BE IT RESOLVED, that the Board of Trustees hereby adopts the 2006 Campus Master Plan and authorizes the President, his successors, and his designees to utilize this plan to guide future campus development, land acquisition, and land disposal; and

BE IT FURTHER RESOLVED, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

FINANCE AND BUDGET COMMITTEE

(7) Acceptance of Gifts and Grants

RESOLVED, that the Board of Trustees hereby accepts gifts in the amount of $4,249,027.47 for the period December 30, 2005, through March 31, 2006, and grants and contracts in the amount of $28,147,193 for the period January 1, 2006, through March 31, 2006.

(8) Fiscal Year 2007 Budget Premises: General University

RESOLVED, that the Board of Trustees hereby approves the budget premises for Fiscal Year 2007, which lead to a General Fund operating budget for the University of $233,633,000, and authorizes the President to proceed with detailed budget preparation in accordance with these premises.

(9) Tuition Charges for Fiscal Year 2007

RESOLVED, that the Board of Trustees hereby approves increases in the following tuition rates effective with the 2006-2007 academic year:

a. In-state tuition from $9,452 to $9,832 per year, or $410 per credit hour.

b. Out-of-state tuition from $23,638 to $24,816 per year, or $1,034 per credit hour.
c. Medical student in-state tuition from $24,000 to $24,480 per year for first-year students; from $24,000 to $24,480 for second-year students; from $23,840 to $24,320 for third-year students; and from $23,610 to $24,080 for fourth-year students. Medical student out-of-state tuition from $42,010 to $42,850 per year for first-year students; from $42,010 to $42,850 for second-year students; from $41,720 to $42,550 for third-year students; and from $41,320 to $42,150 for fourth-year students.

(10) **Room and Meal Plan Rates, Fiscal Year 2007**

RESOLVED, that the Board of Trustees hereby approves room and meal plan rates for Fiscal Year 2007 as follows:

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Single with Bath</td>
<td>$6,450</td>
</tr>
<tr>
<td>Private Double with Bath</td>
<td>$6,300</td>
</tr>
<tr>
<td>Suite Single with Shared Bath</td>
<td>$6,100</td>
</tr>
<tr>
<td>Suite Double with Shared Bath</td>
<td>$5,250</td>
</tr>
<tr>
<td>Traditional Single</td>
<td>$5,950</td>
</tr>
<tr>
<td>Traditional Double</td>
<td>$5,150</td>
</tr>
<tr>
<td>Traditional Triple</td>
<td><strong>$4,120</strong></td>
</tr>
<tr>
<td>Traditional Quad</td>
<td>$3,450</td>
</tr>
<tr>
<td>Basic Meal Plan</td>
<td>$1,960</td>
</tr>
<tr>
<td>Average Meal Plan</td>
<td>$2,492</td>
</tr>
<tr>
<td>Carte Blanche Meal Plan</td>
<td>$2,786</td>
</tr>
</tbody>
</table>

(11) **Fees for Fiscal Year 2007**

RESOLVED, that the Board of Trustees approves increases to student fees from $1,296 to $1,492 effective with the 2006-2007 academic year.

(12) **Fiscal Year 2007 Operating Budget: Morgan Horse Farm**

RESOLVED, that the Board of Trustees approves the recommended operating budget for the Morgan Horse Farm for Fiscal Year 2007 in the amount of $389,140.

(13) **Stormwater Project**

WHEREAS, the University intends to upgrade its southwest stormwater facility, to reconfigure affected parking, and to improve the Centennial Field area drainage, including making minor improvements to the adjacent stormwater facility, at a total estimated project cost of $2,500,000 (the “Project”); and
WHEREAS, the University has adopted its Commercial Paper Note Resolution (the “Resolution”) on November 13, 2004, and thereby established a commercial paper program; and

WHEREAS, the University has bond proceeds of $1,000,000 towards the Project included within its 2005 bond issuance; and

WHEREAS, it may be beneficial to obtain internal or external interim financing, including the use of commercial paper, to pay costs of the Project in excess of the amount of outstanding bond proceeds available therefore, until additional bonds can be issued at the appropriate time for the Project;

NOW THEREFORE, BE IT RESOLVED, that the President and the Vice President for Finance and Administration and University Treasurer, or their successors or designees, are hereby authorized to commence the Stormwater Project and to execute any and all contracts and documents necessary to undertake the Project at a total project cost not to exceed $2,500,000.

BE IT FURTHER RESOLVED, that the President and the Vice President for Finance and Administration and University Treasurer, or their successors or designees, are hereby authorized to obtain internal or external interim financing, including the use of commercial paper, until additional bonds can be issued for the project; and

BE IT FURTHER RESOLVED, that the external interim financing, including the use of commercial paper, shall be in an amount not to exceed $1,585,000, including in which shall be Costs of Issuance, as that term is defined in the Resolution, in an amount not to exceed $30,000, and capitalized interest in an amount not to exceed $55,000; and

BE IT FINALLY RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons 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; and

WHEREAS, the University expects to pay certain expenditures (the “Reimbursement Expenditures”) in connection with 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 $1,585,000 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 of Vermont declares:

Section 1. The University of Vermont 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.

(15) Debt Management Guidelines

WHEREAS, the University Board of Trustees adopted a Debt Policy to guide the portfolio management of debt in September, 2004 and revised it in November, 2005; and

WHEREAS, the Debt Policy allows for, with the approval of the Board of Trustees, a variety of debt structures; and

WHEREAS, the University Treasurer has developed a Debt Management Policy in consultation with the Debt Subcommittee;

NOW THEREFORE, BE IT RESOLVED that the Board of Trustees accepts the accompanying Debt Management Policy as the basis for specific implementation of policies and procedures by Treasury Operations; and

BE IT FURTHER RESOLVED that the Vice President for Finance and Administration and University Treasurer will regularly report to the Board of Trustees on the activities and performance of Treasury Operations as specified in the Debt Management Policy; and

BE IT FINALLY RESOLVED that nothing in the Debt Management Policy should be construed as superseding reserved authority of the Board of Trustees.

University of Vermont
Debt Management Policy

I. Overview
The University’s debt will be managed by Treasury Operations in accordance with the following Debt Management Policy. (Treasury Operations encompasses the working activities of the Treasurer’s office within the University.) This policy is a supplement to the University’s Debt Policy.
II. Objectives:

1. To clarify the role of treasury operations as it relates to the overall management of the University’s debt including, but not limited to, external debt payments, internal debt payments and processes, the investment of excess funds, debt covenant monitoring, and financial reporting and performance measures.

2. To provide an appropriate corporate governance structure for i) the investment and/or use of excess funds held by treasury operations and related to the University’s debt service payments (both internal and external), and ii) to the establishment of a blended rate to be utilized internally for budgeting and collecting debt service payments at the operating unit level, and iii) for the regular monitoring and reporting of all matters related to the University’s debt.

III. Payments:

External

Treasury Operations is responsible for making external debt payments. External payments of interest and principal will be made according to schedules established by the respective debt instruments.

Internal

a) Treasury Operations is also responsible for the collection of debt service payments from internal operating units. Internal operating units will make debt service payments annually to Treasury Operations in accordance with a Memorandum of Understanding between the operating unit and Treasury Operations. A Memorandum of Understanding shall be established for each internal loan detailing a specific debt payment schedule. The debt payment schedule shall be determined by utilizing a blended interest rate. Internal debt service payments will be structured as level debt service payments of principal and interest, amortized over a period shorter than or equal to the useful life of the project as defined under the University’s policy for capital assets, but in no event will the period be longer than the term of the external debt. The Debt Subcommittee may authorize an alternative payment schedule for a project if circumstances warrant it.

The rate will be recalculated following each new long-term debt issue, retirement of debt, or annually in the absence of a new debt issue. The blended rate will be reviewed at least annually (as part of the budget process) by the Debt Subcommittee and the Finance and Budget Committee and adjusted as needed. Any other adjustments in the blended rate for any reason whatsoever shall follow the same approval process.
IV. Liquidity and Investments

Investment

1. Debt Proceeds:

   a) Proceeds from issuance of long-term debt will be held in separate construction funds and accounted for separately.

2. Treasury Operations Cash:

   a) Treasury Operations will maintain a forecast of cash requirements needed to meet external debt service obligations and operating costs. The forecast will recognize liquidity needs to meet those obligations and costs together with the source of funds by which they will be met. The forecast will be updated at least twice a year and will look forward on a rolling 18 month basis. The forecast will demonstrate the sources for meeting projected payments during that 18 month period (see reporting below)

   b) Treasury Operations, as a part of the forecast of cash requirements, will be responsible for determining short-term liquidity needs for external payments or other approved use. These funds will be invested in the Limited Term Investment Pool in accordance with the University of Vermont Statement of Objectives & Policies Related to Cash Balances (“Cash Policy”) of the Board of Trustees.

   c) The balance of net assets held in Treasury Operations will be invested by purchasing shares in the Consolidated Long Term Investment Pool with the consent of the Investment Committee. Similar to a term endowment, all earnings will be re-invested. Shares may be liquidated as needed within the standards for notice of withdrawal as defined from time to time by the Investment Committee. The forecast of cash requirements will provide a plan for liquidation of shares to the Investment Committee as required to meet the defined payment obligations and meeting notice of withdrawal requirements.

   d) All capital projects for which management seeks internal debt financing will be subject to the same internal approvals as externally-financed projects in accordance with the parameters established by the Board for project approval.

V. Planning, Reporting and Monitoring

Planning

Planning for debt service payments shall be an integral part of the planning and forecasting process for the Strategic Financial Plan. The debt service schedules utilized to forecast the liquidity needs will be incorporated into each new iteration of the financial planning model. It is Treasury Operations’ responsibility to
monitor debt service liquidity needs as part of the financial planning and budgeting processes.

**Investment performance**
The investment performance of all net assets held and invested by Treasury Operations shall be reviewed quarterly by the Investment Committee and the Debt Subcommittee. Investment performance shall be reported by category (long term, short term, or internal loan, and totals), by quarter, by year-to-date and since inception (of performance reporting).

**Accounting and Reporting**

1. **Accounting:** All transactions for external debt and internal loans will be recorded in the general ledger of the University and will be reported in accordance with generally accepted accounting principles.

2. **University Financial Statements:** All Board of Trustee members will be provided annually with a copy of the audited University of Vermont Annual Financial Statements.

3. **Treasury Operations Financial Statements:** Unaudited financial statements will be presented showing the position and changes in net assets of Treasury Operations on a semi-annual basis (December 31 and June 30).

4. **Statement of Changes for the Consolidated Long Term Investment Pool:** The Treasurer will provide this statement quarterly to the Investment Committee.

5. **Treasury Operations Investments:** The Treasurer will provide reports on the investment of Treasury Operation managed funds and net assets to the Investment Committee at each meeting.

6. **Commercial Paper Update:** The Treasurer will provide a quarterly update on the Commercial Paper program to the Debt Subcommittee.

7. **Refinancing/Repayment Opportunities:** At least annually the Treasurer will report to the Debt Subcommittee and Finance and Budget Committee regarding the financial situation of the University, in conjunction with the debt, and will recommend any beneficial opportunities to refinance the debt, restructure the debt, or accelerate principal payments.

8. **Forecast of Cash Requirements:** Twice a year, the Treasurer will prepare and present a forecast of cash requirements to both the Debt Subcommittee and the Investment Committee. The forecast will define payment requirements and sources to meet all payment obligations for the coming 18 months.
**Monitoring Debt Covenants**

Treasury operations shall be responsible for monitoring the compliance with all debt covenants and immediately reporting any and all matters of non-compliance to the Debt Subcommittee.

Continuing Disclosure Agreement: The University will deliver certain financial and operating information relating to the University, including audited financial statements, and to report certain events relating to the Bonds (e.g., principal and interest payment delinquencies) to the nationally recognized municipal securities information repositories, rating agencies, bond insurers, and liquidity providers.

This policy shall be reviewed annually by the Debt Subcommittee and amended from time to time as appropriate.

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

Chair Lisman presented resolutions 1 and 2 for approval:

1. **Resolution Revising Committee on Socially Responsible Investment Charter**

   RESOLVED, that the **POLICY STATEMENT ON MORAL, SOCIAL AND ETHICAL CONSIDERATIONS IN INVESTMENT AND SHAREHOLDER RESOLUTIONS** shall hereafter read as revised below:

   The primary objective of investment by the University is to provide a satisfactory return on investment for the support of University operations based upon the Prudent Investor Rule.

   However, this policy of fiscal prudence shall not preclude the University from considering moral, ethical, and social criteria in determining companies in which to invest.

   The University will take an active role on request in pursuing shareholder resolutions through proxy resolutions and other means in order to further its goal of investing in firms that produce safe and useful products in accord with moral, ethical, and social criteria.

2. **Resolution for Divestment from Sudan**

   WHEREAS, the University’s Policy Statement on Moral, Social and Ethical Considerations in Investment and Shareholder Resolutions holds that the primary objective of investment by the University is to provide a satisfactory return on investment for the support of University operations based upon the Prudent Investor Rule; and
WHEREAS, the Policy Statement also holds, however, that the policy of fiscal prudence shall not preclude the University from considering moral, ethical, and social criteria in determining companies in which to invest; and

WHEREAS, a balanced group of the University community has been convened as the Committee on Socially Responsible Investing and has studied the issue of genocide in the Darfur region of Sudan and has made recommendations to the Investment Committee of the Board of Trustees;

THEREFORE, BE IT RESOLVED that the University will adopt and implement a policy of targeted divestment from companies doing business with or otherwise aiding the governing regime of Sudan based on the model developed by the Sudan Divestment Task Force to the fullest extent possible consistent with its fiduciary responsibilities; and

BE IT FURTHER RESOLVED that the Committee on Socially Responsible Investment will review and reaffirm this resolution on an annual basis.

A motion was made, seconded and it was unanimously voted to approve resolutions 1 and 2 as presented.

Chair Lisman presented resolution number 6 for approval:

**ACADEMIC AND STUDENT PROGRAMS COMMITTEE**

**(6) Approval to Establish a Six-Credit Undergraduate Diversity Graduation Requirement**

RESOLVED, that the Board of Trustees approves the establishment of six-credit undergraduate diversity graduation requirement as approved by the Provost on April 13, 2006, and by the President on April 17, 2006.

A motion was made, seconded and it was unanimously voted to approve resolution 6 as presented.

Chair Lisman presented resolution number 14 for approval:

**(14) Project Catalyst Budget Revision**

WHEREAS, The Board of Trustees authorized on May 22, 2004 an ERP Systems Project at a cost not to exceed $26,000,000; and

WHEREAS, the University intends to increase the project budget from $26,000,000 to $30,500,000 to cover additional costs of Peoplesoft implementation, including system modifications, costs related to a delay in the Human resource module “go-live” date and staff supplements; and
WHEREAS, the University has adopted its Commercial Paper Note Resolution (the “Resolution”) on November 13, 2004, and thereby established a commercial paper program; and

WHEREAS, it may be beneficial to obtain internal or external interim financing, including the use of commercial paper, until bonds can be issued at the appropriate time for the Project;

NOW THEREFORE, BE IT RESOLVED, that the President or Vice President for Finance and Administration and University Treasurer, or their successors or designees, are hereby authorized to increase the ERP Systems project budget from $26,000,000 to $30,500,000, and to execute any and all contracts and documents necessary;

BE IT FURTHER RESOLVED, that the President, Vice President for Finance and Administration and University Treasurer, or their successors or designees, are hereby authorized to obtain internal or external interim financing, including the use of commercial paper, until bonds can be issued for the project; and

BE IT FURTHER RESOLVED, that the external interim financing, including the use of commercial paper, shall be in an amount not to exceed $4,750,000 including in which shall be Costs of Issuance, as that term is defined in the Resolution, in an amount not to exceed $90,000, and capitalized interest in an amount not to exceed $160,000 and

BE IT FINALLY RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons 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; and

WHEREAS, the University expects to pay certain expenditures (the “Reimbursement Expenditures”) in connection with 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 $4,750,000 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 of Vermont declares:

Section 1. The University of Vermont 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.

A motion was made, seconded and it was voted to approve resolution 14 by a vote of 21-1.

Chair Lisman next read and presented the following resolution in honor of Andrew John Bramley for his service as Provost and Senior Vice President:

WHEREAS, Andrew John Bramley served with distinction, humanity, wit, and wisdom as Provost, providing focused and effective leadership to the University, and an unwavering commitment to enhancing the academic excellence of the University as well as the present and future prospects of the people and State of Vermont;

WHEREAS, John has been a primary architect and leader of UVM’s dramatic and swift resurgence of educational quality, national prestige, and strong fiscal health,

WHEREAS, John has been a clear voice for realistic and purposeful action in a sometimes unreal and chaotic world, and

WHEREAS, John has dedicated himself generously and intensively to the advancement of the institutional mission and the accompanying success of UVM’s students, faculty, staff, President, and Board of Trustees, and

WHEREAS, John has earned the abiding respect and gratitude of the University of Vermont community in general, and this Board of Trustees in particular,

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of Vermont and State Agricultural College expresses its deep appreciation, genuine affection, and heartfelt best wishes to Dr. Andrew John Bramley.

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

At 10:50 a.m., the Chair entertained a motion to enter into executive session to consider contracts. The motion was seconded and approved. All in attendance were excused from the meeting with the exception of Provost Bramley, Vice President for Finance and Administration Michael Gower, Vice President for State and Federal Relations Karen
Meyer, Vice President for Student and Campus Life Thomas Gustafson, Vice President and General Counsel Francine Bazluke, and Chief of Staff Gary Derr.

The meeting was re-opened to the public at 12:38 p.m.

Other Business

Chair Lisman presented the following resolution for approval:

WHEREAS, Union Institute University and Vermont College (“UI”) has invited the University of Vermont and State Agricultural College (“UVM”) to submit an offer for the purchase of its Montpelier campus, including land and facilities; and

WHEREAS, UVM wishes to explore the desirability of such acquisition in relation to strategic and financial plans; capital needs and current capital investment plans; financial feasibility; and existing as well as projected space and facilities needs; and

WHEREAS, exploration of the desirability and feasibility of such acquisition will require additional due diligence;

THEREFORE, BE IT RESOLVED, that the Board of Trustees authorizes the administration, through the Senior Vice President and Provost and/or the Vice President for Finance and Administration, or their successors, to continue due diligence regarding this possible acquisition, addressing without limitation its desirability in relation to strategic and financial plans; capital needs and current capital investment plans; financial feasibility; existing as well as projected space and facilities needs; and the suitability of the UI Montpelier campus for existing and projected programmatic and operational needs in light of significant relevant considerations;

BE IT FURTHER RESOLVED, that the Board of Trustees authorizes the administration, through the Senior Vice President and Provost and/or the Vice President for Finance and Administration, or their successors; and

BE IT FURTHER RESOLVED, that the administration, through the Senior Vice President and Provost and/or the Vice President for Finance and Administration, or their successors, shall report periodically to the Board, through the full Board and/or its Executive Committee (“the Board”), on the status of the above-described due diligence; and

BE IT FURTHER RESOLVED that, if following such due diligence, the administration determines that the proposed acquisition is desirable and feasible, it shall so advise the Board and seek approval from the Board of all material terms and conditions of any proposed purchase offer to UI prior to the advancement of any such offer by UVM; and
BE IT FINALLY RESOLVED, that the administration, through the Senior Vice President and Provost, shall also explore through customary institutional channels the desirability and feasibility of assumption of UI degree programs of interest to UVM in view of current and projected curricular needs.

A motion was made, seconded and it was voted to not approve the resolution by a vote of 8-11 with one abstention.

Adjournment

There being no further business the meeting was adjourned at 12:43 p.m.

Respectfully submitted,

Thomas A. Little, Secretary