A meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Friday, May 16, 2008 at 7:55 a.m. in the Silver Maple Ballroom, room 401 Dudley H. Davis Center and Saturday, May 17, 2008 at 9:00 a.m. in the Livak Ballroom, room 417-419 Dudley H. Davis Center.


MEMBERS ABSENT: James H. Douglas, Johannah L. Donovan, Jeanette White and Robert H. Young

Vice Chair Frank Cioffi called the meeting to order at 8:09 a.m.

Approval of Previous Meeting Minutes

A motion was made, seconded and voted to approve the minutes from the February 23, 2008 meeting as presented.

Election of Board Chair

Vice Chair Cioffi presented the following resolution for approval:

**Resolution Approving Appointment of Board Chair**

RESOLVED, that the Board hereby accepts the recommendation of the Nominating Committee and approves the appointment of Ian Boyce as Chair, effective immediately.

A motion was made, seconded and unanimously voted to approve the election of Board Chair Ian Boyce.

At 8:10 a.m., Chair Ian Boyce entertained a motion for the Board to recess until Saturday morning.

At 9:10 a.m. on Saturday, May 17, the meeting was reconvened.

MEMBERS ABSENT: James H. Douglas, William F. Ruprecht and Jeanette White

ALSO PARTICIPATING: Provost John Hughes, Vice President for Legal Affairs and General Counsel Francine Bazlule, Vice President for Development and Alumni Relations Marcus Diamond, Associate Vice President for Budget and Resource Management Ted Winfield, Vice President for Student and Campus Life Thomas Gustafson, Vice President for Federal, State and Community Relations Karen Meyer and Chief of Staff Gary Derr

Public Comment

Chair Ian Boyce opened the public comment period by requesting that all speakers identify themselves; state their title and the group or organization they are representing, if any; and adhere to the three-minute time limit allotted to each speaker under the protocol.

Sam Morin introduced himself as a representative of both Students for Peace and Global Justice and the Student Labor Action Project (SLAP) and then sat in silence. Chair Ian Boyce asked that Mr. Morin present his comments to the Board or end his comment period. Mr. Morin responded, “our comments fall on deaf ears” and left the presenters’ table.

Jean Marie Pierce, a Vermont resident and member of Students for Peace and Global Justice, began her comments by asking that the Board hold President Fogel accountable for his promises. Ms. Pierce stated that President Fogel has made several positive changes at the University, but has failed to address labor rights issues despite promising to do so. Ms. Pierce said that, from her perspective as a Vermonter, she felt that President Fogel is failing the needs of Vermont workers and she asked that he live up to his words.

William Ottoman, a UVM senior affiliated with various organizations, relayed his concern regarding the sustainability of financial endeavors taken on by the University. He cited that many features of projects such as the Davis Center and the proposed new Athletic Center (currently being evaluated by the Campus Life Task Force II) were wasteful and that money could be spent on more important matters. He encouraged the University to take a more humble approach and focus on good values.

Committee Reports

*Educational Policy and Institutional Resources Committee*

Chair Heath invited Committee members to present their previously assigned reports.

Trustee Beth Rice reported that the Committee approved the addition of the President of the Graduate Student Senate as an *ex officio* member of the Honorary Degree Work Group. The Committee also approved two revisions to policies included in the new University Manual and the Non-Unionized Faculty Handbook, which respectively would authorize the President to approve certain new policies governing appointments and terminations of senior officers of administration and for-cause terminations of non-unionized faculty.
Committee member Johanna Donovan discussed Provost John Hughes’ report concerning the current state of higher education in the United States. His report noted that many state institutions were faced with draconian cuts in state aid, yet Vermont was able to preserve an increase of 2.5 percent. Provost Hughes also recognized recently promoted professors Patricia Julian and Sean Field for their outstanding contributions to the University community.

Chair Martha Heath discussed the status of a new program highlighted by Curricular Affairs Committee Chair Cynthia Forehand: the School of Business Administration’s Masters of Accountancy degree. The Curricular Affairs Committee also approved a request from the federally funded University Transportation Center to be designated as a Matrix Center.

Chair Heath next noted the Committee’s approval of the following resolutions:

- Approval to amend the Honorary Degree Work Group procedure to add the Graduate Student Senate President as an ex officio member.
- Approval of a name change for the Botany Graduate Programs to the MS and PhD in Plant Biology.
- Approval of a three-year contract with Priority One Services, Inc., to provide services for the University’s laboratory animal facilities.

Committee member James Leddy reported on the updated University Strategic Plan as presented by Special Assistant to the Provost Dale Jaffe. The plan has evolved from a statement of seven strategic goals to five goals. The Faculty Senate has approved the revised plan, which has also been critiqued by members of the University Planning Council and other campus community members. The revised plan will be presented to the Board for approval in September.

Chair Heath reported on the status of the Capital Projects Programmatic Review of the proposed Billings Hall renovation. Special Assistant to the Provost Jane Knodell described to the Committee the scope of the proposed renovation, which is aimed to return Billings to its historic role of being a center of learning and research. The renovation will also help Billings become an asset in recruiting outstanding students.

Randolph Meiklejohn, of Schwartz/Silver Architects, discussed with the Committee Billings’ current structure, proposed changes and noted deferred maintenance issues that need to be corrected. The Committee approved a resolution advancing the project to the Budget, Finance and Investment Committee once the non-debt funding goal has been met.

Trustee Susan Hudson-Wilson asked about the ranking of the Billings project; Chair Heath replied that it is in the higher tier, but behind the proposed Cook Commons and McCauley Hall renovations. Special Assistant to the Provost Knodell added that the Billings renovation is an important investment for improving liberal arts education.

Committee member Claire Ayer addressed Vermont student demographics and admissions, as explained by Vice President for Enrollment Management Chris Lucier. Vice President Lucier provided the Committee with statistics indicating a 41% increase of in-state applications from
2001-2008, also noting that the quality of admitted students has improved dramatically. The University’s primary challenge will be maintaining the present level of enrollment of Vermont students as the state’s high school population declines.

Committee member James Betts discussed the Fall 2009 Enrollment Report and noted that the University was targeting 2400 admitted students for the fall semester and that Admissions has already received deposits from 2643 students. Significantly higher numbers of ALANA and Honors College students were also reported.

**Budget, Finance and Investment Committee**

Chair Deborah McAneny began by reporting that the paramount work of the Committee at its meeting involved the budget. Chair McAneny thanked Associate Vice President for Budget and Resource Management Ted Winfield, the entire Administration, and the Committee for getting through the budget challenges. The revised FY 2008 current projections and proposed budget for 2009 were handed out to the Board and it was noted that numbers are best-approximation and will subsequently be finalized.

Chair McAneny next offered an overview of challenges the University’s short-term investments face given the status of capital markets. Although not losing money, these investments are producing less income than projected and will fall short by approximately three million dollars. She noted that David Hertan and Jon Speare, Co-Managing Directors of Commonfund, collaborated with University Treasury personnel to understand the challenges of the Limited Term Asset Pool and reported to the Committee on their findings. They reviewed the policy target allocations of the Limited Term Asset Portfolio and Actual Allocations and stated that the Annual Review will occur at the September Budget, Finance, and Investment Committee meeting. The portfolio and the challenges of the current market and its impact on the FY2008 and FY2009 budgets were also discussed.

Chair McAneny reported that the Committee asked that the allocation asset target policy be reviewed and approved annually by the Investment Subcommittee, with operations remaining under the daily management of the University Treasury team. There was agreement that the portfolio has provided positive results and is producing revenue this year. The shortfall is a budget issue and needs to be addressed as such.

A report on current general fund income and expenses to date and the impact of the decline in the Limited Term Asset Pool was provided to the Committee. The report shows that current operations, including the shortfall in the Limited Term Asset Pool, will use almost all available resources. In addition, there is a range of unbudgeted expenses projected to be $7-$9.5 million, related to Huron Consulting, small capital projects and planning expenses, and special audit expenses. The expected shortfall is still being defined, and work is actively underway to identify potential revenue and expense offsets in the current year. The administration will formulate a plan to address repayment of the deficit. The plan will be presented to the Executive Committee this summer and brought before the Budget, Finance and Investment Committee in September.

Trustee Jim Betts inquired whether there was a projected time frame for Huron’s involvement with the University and also asked if it was necessary to pass the FY 2009 budget for University
affairs to continue. Audit Committee Chair Ed Amidon expressed his optimism that Huron will transition out after the end of this fiscal year and this process is already underway. Chair McAneny explained there were several approaches that could have been taken, but the Committee’s best judgment was to pass the deficit budget with the intent of amending it in September.

Trustee James Leddy asked if the budget deficit was going to roll over and expressed discomfort in deferring corrective action until September. He also inquired as to what steps are currently being taken. President Fogel stated that, once the prospect of a significant deficit became apparent, the administration immediately instituted action to curb FY 2008 non-emergency discretionary spending in order to maximize resources available for the remainder of the fiscal year. The administration has also implemented tighter controls with respect to hiring for vacant or newly created University positions. President Fogel summarized that the approval of the budget, as proposed, is a sound and effective means of ensuring that the University can progress while the administration finalizes the deficit assessment and develops a plan for reconciliation.

Chair McAneny continued her report by identifying the proposed 6% tuition, 10% student fee, and 6% room and meal rate increases for FY 2009. Resolutions for all three increases were unanimously approved by the Committee for recommendation to the full Board. Also, a resolution concerning a proposed FY 2009 operating budget for the University’s Morgan Horse Farm of $357,600, a 1.4% decrease over FY 2008, was passed for recommendation to the full Board.

Investment Sub-Committee Chair Robert Cioffi briefly reviewed the performance for the most recent quarter and fiscal year to date. The University’s returns were -1.5% for the fiscal year-to-date and -5.3% for the last quarter, outperforming the composite index (S&P 500 75%/LB Agg 25%) for the fiscal year-to-date (-6.2%) by 470 bps and for the quarter (-6.6%) by 130 bps. The University’s long-term pool performed well in comparison to the Cambridge (CA) endowment median, exceeding the CA median for the fiscal year-to-date (-2.0) by 50 bps, but was below the median for the quarter (-4.6%) by 70 bps. He also noted this was the first negative quarter in absolute terms in over four years and the first quarter in a few years that University’s endowment did not meet or beat Cambridge’s median. He stated that diversification across manager and asset classes has served the University well. He further noted that returns are more positive for the month of April 2008, with an overall return of 4.056% for the portfolio that month. In July, the Investment Subcommittee will have its annual meeting for review of asset allocation targets and plans to decide on additional new managers. Chair Cioffi also reported the Subcommittee’s recommendation that the Committee approve a resolution to maintain a contract with Cambridge Associates through June 30, 2009 and without significant fee increases.

Trustee Cioffi also provided an update regarding the recent work completed by the Socially Responsible Investing Work Group (SRIWG). Under the leadership of Trustee John Snow, the Work Group recently passed two important resolutions which were brought to the Budget, Finance and Investment Committee and unanimously voted favorably to be presented to the full Board for approval. The first resolution reaffirms continued divestment from Sudan and the other recommends the University’s voting in favor of climate change action. Trustee Snow plans to propose to the Board Governance Committee that it consider the following changes: that the SRIWG report to the Investment Subcommittee; the SRIWG be a standing work group; and SRIWG members be assigned for a longer time to ensure stronger commitments.
Chair McAneny next reported that the Committee performed the financial feasibility review phase on two capital projects previously reviewed and endorsed by the Educational Policy & Institutional Resources Committee: Energy Projects and Regional Fiber Ring IRU Conversion. The Committee was asked to approve financing for the Energy Projects totaling $1.0M in project costs and $1,055,000 in net borrowing authority. The Fiber Ring IRU Conversion totals $1,430,850 and will be covered by previously authorized borrowing and the telecommunications reserve fund. The Committee endorsed both resolutions for recommendation to the full Board.

Chair McAneny concluded her report by reviewing debt management issues. In November 2004, the University appointed UBS and Citibank as its senior managing underwriters, and UBS as dealer for its commercial paper program. On Monday, May 5, 2008, UBS announced that it would be closing its municipal finance department. Currently, the University has $5.685 million of CP outstanding, which matures on September 3, 2008. Appointing Citibank as substitute dealer would minimize any disruption if the University elects to issue additional CP in the coming months, as well as with the September roll-over. The Committee approved and recommends to the Board a resolution relating to the removal of certain agents, the appointment of certain other agents and the approval of certain documents, naming Citibank as dealer for the University’s Commercial Paper Program.

**Board Governance Committee**

Chair Robert Cioffi reported on the Committee’s discussion regarding the Presidential Review process as it has evolved from an informal practice to a formal policy. Proposed revisions to the Presidential Performance Review Policy were presented and recommended favorably by the Committee of the Whole yesterday.

The Board Governance Committee also reviewed the protocol set forth in the Statement of Trustee Responsibilities for individual Trustee responses to inquiries from members of the public. Concern was expressed as to whether the current protocol is unduly limiting as interpreted. Chair Cioffi and General Counsel Francine Bazluke offered to present elaboration on the language in the Statement of Trustee Responsibilities with respect to this issue. Proposed revisions will be discussed at the next Board Governance meeting.

Chair Cioffi next reported that the Committee reviewed the frequency of Board meetings and concluded that the current approach of four meetings annually, with alternate year retreats, is adequate. Members discussed the pros and cons of changes to the meetings schedule in terms of days of the week. The staff has been asked to generate examples of options in that respect.

Following discussion regarding public comment protocol, the Committee concluded that the current protocol is appropriate, with appropriate discretion to be vested in the Chair.

Chair Cioffi concluded by thanking trustees for completing the survey distributed on March 31, 2008, which will assist in creating the retreat agenda. He briefly previewed agenda topics for the next Committee meeting, which will include revisiting its charge, and addressing the issue raised by Trustee John Snow regarding the status of the Socially Responsible Investing Work Group.
Audit Committee

Chair Edwin Amidon provided summary reports for three most recent Audit Committee meetings held on March 26, April 23, and May 12.

The first item discussed concerned grants and contract accounting. Chair Amidon stated that financial reporting is behind schedule, but should be current by the end of this fiscal year. Although PeopleSoft billing went live on March 1, there is an outstanding need to reconcile invoices with prior manual billing. There is also concern regarding a large volume of budget errors waiting for clearance. Huron Consulting’s work will gradually phase out once clean-up is completed. Chair Amidon further advised that KPMG filed the FY 07 A-133 audit by the March 31 deadline; findings included material weakness in the grants and contracting accounting area similar to the FY 07 financial statement audit.

Chair Amidon next reported the IRS has completed its audit of use of commercial paper for the PeopleSoft implementation with a finding favorable to the University’s position.

The Committee discussed the process for obtaining an independent consultant to investigate the absence of required approvals for Huron consulting contracts and appointed a subcommittee to advance the Request For Proposal (RFP) process and identify qualified consultants. The RFP was sent out last Tuesday, the subcommittee will meet on May 28 to review proposals, interviews will be on May 29 and 30, and selection of a recommended and backup firm will occur on June 2 for presentation to the Executive Committee on June 4. The consultant selected will most likely start work no later than June 16 and it is projected that the Committee will receive a report by August 1, 2008.

Chair Amidon noted that outstanding financial reports, true-ups of manual to computer generated invoices, and resolution of budget checking errors are on track to be completed by June 30. Planning for the transition from Huron Consulting to internal staff will occur, the administration is being assisted in analysis of project status and continuing staffing needs by John Evans.

Initial field work has started for the FY 08 financial audit. Some delays have been experienced in receipt of required grants and contracts data. The Committee asked Associate Vice President Winfield to ensure that responses to KPMG are a staffing priority. Committee members expressed concern regarding internal audit and IT security staffing.

The Committee received an update from Vice President Karen Meyer that the FY 09 appropriation bill contains language providing that Global Commitment Medicaid funds in the UVM appropriation shall be used for physician training. This will also be a retroactive guideline for FY 08 when agreement is reached as documented by memorandum. If the federal government disallows this use of Medicaid funds, the State will indemnify the University.

Vermont Agricultural College Board Report

Chair Claire Ayer began her report by thanking Director of Government Relations Gretchen Babcock for her service to the University over the past five years and wished her well as she moves on.
Chair Ayer noted that she was re-elected to the office of Chair, Harry Chen was re-elected to the office of Vice Chair, and Johannah Donovan was elected as Secretary for the coming year.

Vice President for Federal, State and Community Relations Karen Meyer summarized key legislation affecting the University in the recently adjourned 2008 session. The University will receive a 2.5% increase in its FY 2009 state appropriation along with $950,000 in scholarship funds for Vermont students in need and $250,000 for the technology transfer program. The capital appropriation is level at $1.6 million and the University received authority to issue up to $66 million in bonds carrying the state’s “moral obligation” for major maintenance projects.

Vice President Meyer also informed the Board of recent developments in resolving the audit issues surrounding the appropriation of funds to the University from the state’s Global Commitment Fund. Following the February meeting, the Audit Committee sent a letter to the state requesting it agree to language that would allow the University to settle its audit issues and avoid any adverse impact on its federal funding. Agreed-upon language was inserted into the FY 2009 appropriation bill and will be the basis for ongoing discussions with the auditors to resolve these issues.

Director of Community Relations Joe Speidel introduced the Board to the University’s new outreach website and explained how it will be used to communicate with external constituencies. The redesigned website details ways in which the University benefits the community and State such as lifelong learning, arts, cultural and athletics events, expertise and outreach. Also recently added is a Community Relations website that provides links to University resources for students, parents and community members.

Chair Ayer concluded the report by stating future agendas will include time to reflect on how to further integrate the University with the Vermont community.

University of Vermont Board Report

Chair Susan Hudson-Wilson reported that the Board reviewed the Wilbur Trust report which shows that the trust is being merged into the University’s Long-Term Investment Pool as approved by the Board.

Chair Hudson-Wilson also announced that the Board discussed qualifications it will be seeking in nominees for membership in 2010. The Board spent the remainder of its meeting in executive session discussing the appointment and evaluation of public officers.

Campus Life Task Force II Status Update

Chair Ian Boyce reported on the recent progress of the Campus Life Task Force II (CLTF II). Since February, the task force has spent time refining programmatic needs and financial modeling. Additionally, as a result of being elected Board Chair, Chair Boyce asked Trustee Robert Cioffi to serve as the new Chair of CLTF II. Chair Boyce will remain involved with the work of the task force.
Consent Agenda

Chair Boyce introduced the consent agenda and opened the floor to any requests or questions regarding its approval. Trustee James Betts asked that resolution 2 be voted on separately. Trustee John Snow asked that resolutions 7 and 8 also be voted on separately. Resolutions 7 and 8 were presented and an opportunity for discussion offered. Trustee John Snow noted that the resolution reaffirming divestiture from Sudan continues to be well-supported by the UVM community and acknowledged the effort by the students who presented their case regarding proxy voting in favor of climate change action.

(7) Reaffirm Divestiture from Sudan

RESOLVED, that the Board of Trustees approves the re-affirmation of the resolution for Divestment from Sudan adopted by the Board of Trustees on May 18, 2006, and amended by the Executive Committee on June 12, 2006 (stated below);

BE IT FURTHER RESOLVED that the Budget, Finance and Investment Committee, as successor to the Committee on Socially Responsible Investing, will review and reaffirm this resolution on an annual basis.

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 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;

BE IT FURTHER RESOLVED, that the University implement its divestment policy to the fullest extent consistent with its fiduciary responsibilities; and

BE IT FURTHER RESOLVED, that the Socially Responsible Investment Work Group will review and reaffirm this resolution on an annual basis.
(8) Resolution Regarding Proxy Voting in Favor of Climate Change Action

BE IT RESOLVED, the University of Vermont will vote in favor of shareholder proposals that address climate change by calling for actions, reports or disclosures including but not limited to:

- Report on a company’s climate change and/or carbon reduction strategies
- Disclosure of total greenhouse gas (GHG) emissions
- Report and/or reduction of greenhouse gas (GHG) emissions
- Increase energy efficiency of operations and/or products
- Increase investment in renewable energy sources
- Report on activities related to the development of renewable energy sources
- Report on company’s compliance plans with international, national or regional climate agreements
- Report on company’s efforts to adopt a recycling strategy
- Disclosure of risk assessment related to climate change

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

Chair Boyce next presented resolution 2 for approval:

(2) Fiscal Year 2009 Budget Premises: General Fund

RESOLVED, that the Board of Trustees hereby approves the budget premises for Fiscal Year 2009, which lead to a General Fund operating budget for the University of $269,019,000, and authorizes the President to proceed with detailed budget preparation in accordance with these premises.

FURTHER RESOLVED, that in light of currently unbudgeted costs in FY 2008 and FY 2009 associated with actions required to address ongoing operations of elements of the University’s financial and human resources systems, especially grants management, and as yet undefined costs associated with the Board’s engagement of special external auditors, that the President proceed to assess the level and nature of these costs and be prepared to present to the Trustees at their September meeting a full analysis of the costs, the operations plan that they will support and a budget and/or financing plan to address them together with any modifications of the Fiscal Year 2009 budget that may be appropriate.

A motion was made, seconded and the resolution was approved by a vote of 19-2.

Chair Boyce presented the remainder of the consent agenda for approval:
BUDGET, FINANCE AND INVESTMENT COMMITTEE

(1) **Acceptance of Gifts and Grants**

RESOLVED, that the Board of Trustees hereby accepts grants and contracts in the amount of $22,266,868 for the period January 1, 2008, through March 31, 2008, and gifts in the amount of $6,572,445 for the period January 1, 2008, through March 31, 2008.

(3) **Tuition Charges for Fiscal Year 2009**

RESOLVED, that the Board of Trustees hereby approves increases in the following tuition rates effective with the 2008-2009 academic year:

- a. In-state tuition from $10,422 to $11,048 per year, or $460 per credit hour.
- b. Out-of-state tuition from $26,306 to $27,886 per year, or $1,162 per credit hour.
- c. Medical student in-state tuition from $25,460 to $26,680 per year for first-year students; from $25,460 to $26,680 for second-year students; from $25,460 to $26,680 for third-year students; and from $25,290 to $26,680 for fourth-year students. Medical student out-of-state tuition from $44,560 to $46,700 per year for first-year students; from $44,560 to $46,700 for second-year students; from $44,560 to $46,700 for third-year students; and from $44,250 to $46,700 for fourth-year students.

(4) **Room and Meal Plan Rates, Fiscal Year 2009**

RESOLVED, that the Board of Trustees hereby approves room and meal plan rates for Fiscal Year 2009 as follows:

<table>
<thead>
<tr>
<th>Plan Type</th>
<th>Per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Single with Bath</td>
<td>$7,180</td>
</tr>
<tr>
<td>Private Double with Bath</td>
<td>$7,012</td>
</tr>
<tr>
<td>Suite Single with Shared Bath</td>
<td>$6,790</td>
</tr>
<tr>
<td>Suite Double with Shared Bath</td>
<td>$5,864</td>
</tr>
<tr>
<td>Traditional Single</td>
<td>$6,622</td>
</tr>
<tr>
<td>Traditional Double</td>
<td>$5,752</td>
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<tr>
<td>Traditional Triple</td>
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<tr>
<td>Traditional Quad</td>
<td>$3,842</td>
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<tr>
<td>Basic Meal Plan</td>
<td>$2,188</td>
</tr>
<tr>
<td>Average Meal Plan</td>
<td>$2,782</td>
</tr>
<tr>
<td>Carte Blanche Meal Plan</td>
<td>$3,110</td>
</tr>
</tbody>
</table>

(5) **Fees for Fiscal Year 2009**

RESOLVED, that the Board of Trustees approves increases to student fees from $1,632 to $1,796 effective with the 2008-2009 academic year.
(6) Fiscal Year 2009 Operating Budget: Morgan Horse Farm

RESOLVED, that the Board of Trustees approves the recommended operating budget for the Morgan Horse Farm for Fiscal Year 2009 in the amount of $357,600.

(9) Energy Conservation Projects FY 09

WHEREAS, the Educational Policy and Institutional Resources Committee carefully reviewed the program, scope, and preliminary estimate of $1,000,000 for the Energy Conservation Projects FY 09 (the “Project”) at its February 2008 meeting and found it an institutional priority, consistent with the Strategic Capital Plan and worthy of further consideration; and

WHEREAS, the Educational Policy and Institutional Resources Committee endorsed the Project at its February 2008 meeting and remitted it to the Budget, Finance and Investment Committee for financial review and approval at the May 2008 meeting; 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 and the Vice President for Finance and Administration and University Treasurer, or their successors or designees, are hereby authorized to commence the Energy Conservation Projects FY 09 and to execute any and all contracts and documents necessary to undertake the Project at a total cost not to exceed $1,000,000; and

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 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 $1,055,000, included in which shall be Costs of Issuance, as that term is defined in the Resolution, in an amount not to exceed $20,000, and capitalized interest in an amount not to exceed $35,000; 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 $1,055,000 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.

(10) **Regional Optical Fiber Ring IRU Conversion**

WHEREAS, the University has contracted to lease broadband communications (“Regional Optical Fiber Ring”) between campus and off-campus locations; and

WHEREAS, the University has the option of entering into an Indefeasible Right of Use (“IRU”) agreement for the long-term use of that Optical Fiber Ring; and

WHEREAS, it would be financially advantageous for the University to convert that lease into an IRU;

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 execute an Agreement with Teljet Longhaul, Inc., for an Indefeasible Right of Use for that Regional Optical Fiber Ring at a cost of $1,430,850;

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 apply toward the cost of that Agreement: $700,000 of debt financing authorized by the Board for that purpose in May, 2007, and $730,850 in funds maintained in the Telecommunications Reserve Fund for such purposes;

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.

(11) **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, 2008
to June 30, 2009 at a fee to be determined by the Investment Subcommittee Chair.

This resolution supersedes all previous authorizations.

**A Resolution Relating to the Removal of Certain Agents, the Appointment of Certain Other Agenda and the Approval of Certain Document**

WHEREAS, The University of Vermont and State Agricultural College (the "University")
adopted its Commercial Paper Note Resolution (the "CP Resolution") on November 13, 2004,
and thereby established a commercial paper program (the “Commercial Paper Program”);

WHEREAS, in connection with the sale of the notes (the “Notes”) under the Commercial Paper
Program, the University appointed UBS Securities LLC (formerly UBS Financial Inc.) as Dealer
under the CP Resolution and executed and delivered an agreement (the "UBS Dealer
Agreement") between the University and UBS Securities LLC;

WHEREAS, the University desires to terminate UBS Securities LLC as Dealer under the CP
Resolution and to terminate the UBS Dealer Agreement;

WHEREAS, the University desires to appoint Citigroup Global Markets Inc. as Dealer under the
CP Resolution and to execute and deliver an agreement (the "Citigroup Dealer Agreement")
between the University and Citigroup Global Markets Inc.;

WHEREAS, a copy of the form of the Citigroup Dealer Agreement has been filed with the
University;

WHEREAS, the University desires to amend the documents executed, delivered or prepared in
connection with the Commercial Paper Program to reflect the appointment of Citigroup Global
Markets Inc. as Dealer; and

WHEREAS, in connection with the sale of Notes under the Commercial Paper Program, an
Offering Memorandum will be prepared which will present information about the University, the
terms of the Notes and the security for the Notes, among other things.

NOW THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. Termination of UBS Securities LLC as Dealer. The University hereby authorizes the
termination of UBS Securities LLC as Dealer for the Notes under the CP Resolution;

Section 2. Appointment of Citigroup Global Markets Inc. as Dealer. The University hereby
authorizes the appointment of Citigroup Global Markets Inc. as Dealer for the Notes under the
CP Resolution;

Section 3. Actions Effecting Termination and Appointment. Any Officer of the Board, the
President, Senior Vice President and Provost, Vice President for Finance and Administration and
Treasurer, Associate Vice President for Finance and Controller, Associate Vice President for
Budget and Resource Management or their successors (each an “Authorized Officer”) is each hereby authorized to take such actions as may be necessary or desirable to effect the termination of UBS Securities LLC as Dealer for the Notes under the CP Resolution and the appointment of Citigroup Global Markets Inc. as Dealer for the Notes under the CP Resolution;

Section 4. Form of Dealer Agreement. The form of the Citigroup Dealer Agreement, by and between the University and Citigroup Global Markets Inc., as presented at this meeting, is hereby approved (including the fee to be paid to Citigroup Global Markets Inc. set forth in such agreement); and each Authorized Officer is hereby authorized to execute such agreement in the name and on behalf of the University, substantially in such form, with such changes, insertions and omissions as may be approved by said Authorized Officer, said execution being conclusive evidence of such approval;

Section 5. Other Documents. The University hereby authorizes any Authorized Officer of the University to amend any document executed, delivered or prepared in connection with the Commercial Paper Program to reflect the appointment of Citigroup Global Markets Inc. as Dealer under the CP Resolution;

Section 6. Offering Memorandum. The University hereby approves the inclusion of information about the University in the Offering Memorandum consistent with the information in the last official statement or continuing disclosure filing of the University prepared in connection with the University’s bonds with such changes, modifications, additions or deletions therein as shall seem necessary, desirable or appropriate to an Authorized Officer and authorizes the use by the Dealer of such information in connection with the offering and sale of the Notes.

Section 7. Actions of Officers. Each Authorized Officer is hereby authorized, empowered and directed to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate to consummate the transactions contemplated by (i) this Resolution and (ii) the Citigroup Dealer Agreement; except that none of the above shall be authorized or empowered to do anything or execute any document which is in contravention, in any way, of (a) the specific provisions of this Resolution, (b) the Citigroup Dealer Agreement, (c) any agreement to which the University is bound, (d) any rule or regulation of the University or (e) any applicable law, statute, ordinance, rule or regulation of the United States of America or the State of Vermont.

Section 8. Severability of Invalid Provisions. If any one or more of the agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or shall be determined to be against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separable from the remaining agreements and provisions and shall in no way affect the validity of any of the other agreements and provisions hereof or of the Citigroup Dealer Agreement authorized hereunder.

Section 9. Conflicting Provisions. All resolutions or parts thereof of the Board of Trustees of the University in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.
Section 10. Effective Date. This Resolution shall take effect upon its adoption.

EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES COMMITTEE

(13) Resolution Amending Honorary Degrees Work Group Composition

WHEREAS, the Board of Trustees established the Joint Committee on Honorary Degrees on December 4, 1976, and revised the makeup of the Committee on October 14, 2000; and

WHEREAS, in light of the Board’s reorganization of its Committees, the Joint Committee on Honorary Degrees has been retired as a freestanding committee; and

WHEREAS, the Committee on Educational Policy and Institutional Resources now has responsibility for recommending Honorary Degree award recipients; and

WHEREAS, the Board, and its Committee on Educational Policy and Institutional Resources, conclude that the makeup, role, and function of the former Joint Committee on Honorary Degrees are important to retain within the new Committee structure;

THEREFORE, BE IT RESOLVED that:

The Committee on Educational Policy and Institutional Resources (“the Committee”) shall establish an Honorary Degrees work group, to which the following appointments shall be made by the Committee Chair following appropriate consultation:

- A member of the Committee, who will serve as the work group leader
- Two additional members of the Committee, one of whom will be a student trustee
- The University President, ex officio
- The President of the Faculty Senate, ex officio
- The President of the Student Government Association, ex officio
- The President of the Graduate Student Senate, ex officio
- The President of the Senior Class Council, ex officio
- Two additional members of the faculty, to be designated by the Faculty Senate President
- An Alumni Relations representative, to be designated by the Vice President for Development and Alumni Relations
- One administrative officer or staff employee, to be designated by the University President; and

BE IT ALSO RESOLVED, that the Honorary Degrees work group annually shall develop recommendations to the Committee regarding candidates for Honorary Degrees; and the Committee shall convey those recommendations to the full Board of Trustees no later than November of each year; and

BE IT FINALLY RESOLVED that Honorary Degree candidates shall be reviewed under the selection criteria recommended by the outgoing Joint Committee on Honorary Degrees, as
attached hereto, and the Committee shall periodically review the criteria and recommend to the Board any changes the Committee may deem necessary or desirable.

As approved by the Board of Trustees: November 11, 2006
Approved as amended by the Board of Trustees: May 17, 2008

(14) Resolution Approving a Name Change of the M.S. and Ph.D. in Botany

RESOLVED, that the Board of Trustees approves changing the name of the M.S. and Ph.D. in Botany to the M.S. and Ph.D. in Plant Biology, as approved by the Provost on May 5, 2008, and by the President on May 5, 2008.

(15) Billings Hall Renovation

WHEREAS, the Board’s Educational Policy and Institutional Resources Committee has carefully reviewed the program, scope, and preliminary estimate of $17,000,000 for the proposed Billings Hall Renovation and finds it an institutional priority, consistent with the Strategic Capital Plan, and worthy of further review;

THEREFORE, BE IT RESOLVED, that the Educational Policy and Institutional Resources Committee hereby endorses the project and remits it to the Budget, Finance, and Investment Committee for financial review and approval at a future meeting.

(16) Approval of Contract with Priority One Services, Inc. for Laboratory Animal Care Staffing

RESOLVED, that the Board hereby approves the engagement of Priority One Services, Inc. of Alexandria, Virginia, to provide contract staffing for the University’s laboratory animal facilities for a three-year period beginning June 1, 2008, at a base annual cost for the first year of $784,593.

(17) Resolution regarding University Manual and Non-Unionized Faculty Handbook

RESOLVED, that the Committee acknowledges receipt of the administration report of this date regarding retirement of the Officers' Handbook and impending approval by the University President of a University Manual as well as, subject to the favorable review of the Faculty Senate, presidential approval of a Non-Unionized Faculty Handbook; and

BE IT FURTHER RESOLVED, that the Committee specifically acknowledges the new University Manual provisions relating to appointment, performance review, and termination of University officers, Vice Presidents, and other Officers of Administration, as more specifically described and identified in the administration report, and hereby expressly authorizes the President to approve these provisions, subject to the reserved rights of the Board as to the appointment of University officers; and

BE IT FINALLY RESOLVED, that the Committee specifically acknowledges the new Non-Unionized Faculty Handbook provisions regarding for-cause termination of faculty and, again subject to the favorable review of the Faculty Senate, expressly authorizes the President to
approve these provisions, and accordingly hereby revises its Resolution Regarding Delegation and Retention of Board Authority:

(18) Resolution Regarding Delegation and Retention of Board Authority

WHEREAS, this Board has, in its Bylaws and through such policies and resolutions as it may issue from time to time, delegated to the President and other officers of the University certain authority and responsibility for the management of the University and its programs, activities and operations; and

WHEREAS, this Board recognizes the need for prompt and timely management decisions made by qualified University personnel, and thus, through such delegations, authorizes officers of the University to negotiate and enter into contracts and other arrangements to facilitate the objectives of University programs and activities and to conduct related operations; and

WHEREAS, in making such delegation, the Board also assigns to such officers responsibility to make informed and prudent decisions in the best interests of the University and to maintain accountability to the Board through prompt and accurate reports on University programs, activities and operations, including their financial status and impact;

NOW, THEREFORE, BE IT RESOLVED that, subject to its retained authority and responsibility for the general oversight of the University and subject to action that it will take in accordance with its own fiduciary and legal duties, the Board hereby delegates to the President and the officers of the University authority and responsibility to negotiate and enter into contracts and other arrangements to facilitate the objectives of University programs and activities and to conduct related operations, and hereby also recognizes the authority the Board delegates to the Faculty Senate as expressed in the Faculty Senate Constitution and Bylaws, except for the following, which shall require Board approval:

(1) statements of institutional mission, principles and values;

(2) the institutional strategic plan and associated goals, and related strategic financial plans and goals, and all material revisions thereto;

(3) establishment and dissolution of University-affiliated corporations and foundations, and University membership in other corporate entities (but not institutional memberships in professional associations);

(4) appointment of University trustees to the boards of other corporate entities or public bodies in their capacity as University trustees;

(5) appointment and employment of the President, and appointment of other officers of the University in accordance with the University Bylaws;

(6) creation or elimination of, and material changes in, academic programs and departments; establishment of, and appointments to, endowed professorships; with
periodic reports from the administration to the Board of appointments made thereto; and approval of the faculty medical practice plan;

(7) award of academic and honorary degrees;

(8) matters the Faculty Senate may appeal to the Board under the Senate Constitution and Bylaws;

(9) naming of buildings, academic programs and departments;

(10) through its Investment Committee, investment and reinvestment decisions as to all restricted and unrestricted funds; and selection, retention and termination of investment advisors and managers; provided that, the Board must itself approve the endowment spending rate, institutional debt policy, declaration of financial exigency, and dissolution, merger or the sale or pledge or transfer of all or substantially all of the University’s assets;

(11) the institutional annual budget, State appropriation and capital requests, and the annual audited financial statement;

(12) tuition, room and board rates, and student fees;

(13) purchase, sale, exchange, or transfer of complete or partial interests in real property, regardless of location, at a value that equals or exceeds $500,000; authorization of acceptance of compensation in eminent domain proceedings; the lease or sublease of property with annual or aggregate rental value that equals or exceeds $500,000, and renewals thereof; the pursuit or acceptance of historic preservation designation for University property; and adoption of, and material revisions to, a Campus Master Plan;

(14) authorization to make payments in lieu of taxes;

(15) issuance of bonds;

(16) procurement of loans, lines or credit, or other financing, and performance as surety, in amounts or at a value that equals or exceeds $1,000,000;

(17) negotiation and execution of contracts for facilities construction or renovation, and purchase or sale of goods, equipment or services, and all other contracts whose value equals or exceeds $1,000,000, provided that the Board shall approve all contracts for consulting services whose value equals or exceeds $250,000, and shall also authorize, through its Investment Committee, the selection and retention of all investment advisors regardless of contract cost;

(18) selection and retention of independent audit firms to conduct mandatory financial attestation and/or compliance audits, regardless of contract cost; contracts of $10,000 or more for non-audit consulting services with any independent audit firm conducting a
mandatory attestation and/or compliance audit for UVM; and, otherwise, contracts with independent audit firms for consulting services whose value equals or exceeds $250,000;

(19) authorization to settle lawsuits whose value equals or exceeds $500,000; and authorization to file and/or settle lawsuits in which the Board is a named party or a Board-approved policy is in dispute;

(20) all Board self-governance matters reserved to the Board in the University Bylaws, including without limitation the election, appointment and removal of Board officers, approval of Board Committee appointments, and election and appointment of Trustees by the UVM Board; or as otherwise required or permitted by law; and

(21) revisions to University Bylaws; matters required by law, Bylaws, and/or contract; and such other authority as the Board is required to exercise without delegation as a matter of law, or that, in the future and prospectively, it wishes to retain or retrieve in the exercise of its fiduciary duties and sole discretion; and

BE IT FURTHER RESOLVED that, notwithstanding such delegations, through the President or his designees, the administration shall report periodically on matters of institutional management and operations, as the Board may direct and/or as may be appropriate and desirable, including without limitation periodic reporting on gifts and grants; and subject to the terms of (17) and (18) above respectively, retentions of consultants and independent audit firms for consulting services whose value equals or exceeds $100,000; and, subject to the terms of (19) above, settlement of lawsuits whose value equals or exceeds $250,000; and

BE IT FINALLY RESOLVED, that this resolution shall supersede all preexisting delegations prospectively.

Adopted by the Board of Trustees: September 11, 2004
Approved as revised by the Executive Committee: March 14, 2005
Approved as revised by the Board of Trustees: May 19, 2007
Approved as revised by the Board of Trustees: May 17, 2008

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

The Board recessed at 10:46 a.m. for a five minute break

Other Business

At 10:51 a.m., the Chair entertained a motion to enter executive session for the purpose of discussing contracts.

All in attendance were excused from the meeting with the exception of Provost John Hughes, General Counsel Francine Bazluke, Chief of Staff Gary Derr, Vice President for Federal, State
and Community Relations Karen Meyer, Vice President for Student and Campus Life Thomas Gustafson and Associate Vice President for Budget and Resource Management Ted Winfield.

Trustee Jeffrey Davis was recused for a portion of the discussion as was Vice President for Development and Alumni Relations Marcus Diamond.

**Adjournment**

The meeting was re-opened to the public at 12:35 p.m. There being no further business the meeting was adjourned.

Respectfully submitted,

Bill Botzow, Secretary