A meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Saturday, May 17, 2014, at 8:30 a.m. in the Livak Ballroom, 417-419 Dudley H. Davis Center.

MEMBERS PRESENT: Vice Chair David Daigle, Secretary Joan Lenes, Bill Botzow, Christopher Bray, Robert Brennan, Frank Cioffi, Richard Gamelli, Samantha Lucas, Ron Lumbra, Anne O’Brien, David Potter, Kesha Ram, Dale Rocheleau, President Thomas Sullivan, Donna Sweeny, Raj Thakrar, Lisa Ventriss, Jeff Wilson and Mark Young

MEMBERS ABSENT: Chair Deborah McAneny, Carolyn Branagan, Carolyn Dwyer, Donald McCree and Governor Peter Shumlin

ALSO PARTICIPATING: Provost David Rosowksy, Vice President for Finance and Administration Richard Cate and Vice Provost for Student Affairs Annie Stevens

Vice Chair David Daigle called the meeting to order at 8:36 a.m.

Approval of Previous Meeting Minutes

A motion was made, seconded and it was voted to approve the minutes from the February 7 and March 17, 2014 meetings as presented.

Public Comment

Vice Chair Daigle opened the public comment period and invited Dr. Martha Lang, a local community member, to address the Board. Dr. Lang shared her thoughts regarding the University’s lease of the Taft School from the City of Burlington. She believes the University’s intended use as an art studio space is not a good idea and feels the space should be maintained for traditional school purposes as intended by Mr. Taft when he bequeathed his homestead to the City of Burlington in 1927.

Committee Reports

Audit Committee

Chair Mark Young reported that the Audit Committee met on April 28 and reminded trustees that the Committee is alternating routine reports by Internal Audit and Compliance at each meeting. Last month, Chief Compliance Officer Anna Drummond provided an update on the FY 2014 Compliance Work Plan. She reviewed the Office’s efforts in the areas of the Violence Against Women Reauthorization Act, the Office of Management and Budget Uniform Guidance, Export Controls, the Patient Protection and Affordable Care Act, and employment issues. Ms. Drummond also reviewed the Compliance Work Plan Log of Open and Outstanding Matters, which reports and tracks the status of all compliance topics and related observations and recommendations that the Compliance Office has reported upon over the past four years. The
Committee was updated on Ethics and Compliance Reporting and Help Line activity and reviewed a summary of help line statistics since its inception, including an analysis of the University’s cumulative experience in these measures in comparison with industry experience. An overall increase in reports to the helpline was noted as a positive trend.

Representatives from Grant Thornton, the new external auditors, attended the meeting and outlined the plan for the FY 2014 annual audit of the financial statements and compliance audits, and provided an overview of the eight areas of focus in this year’s audit. Chair Young noted that the independent auditors will focus more on materiality in their first year and look at many areas to get a better sense of the University.

The meeting concluded with a presentation on information security and data privacy in the context of UVM’s Enterprise Risk Management (ERM) program. A more multifaceted presentation on information security and data privacy will be presented at the September Committee meeting.

_Educational Policy and Institutional Resources Committee (EPIR)_

Chair Bill Botzow began his report by inviting Provost Rosowsky to introduce the 2014 Research Report (_Discovery, Innovation, Impact_) distributed to Trustees. Provost Rosowsky explained that the report was a joint project between his office and the office of Interim Vice President for Research John Evans. The report is intended to provide a single sourcebook to highlight the scope, depth and quality of the research done at UVM. The report will be distributed next week to a broad audience and a digital copy will be available on the university’s website.

Chair Botzow reported that the Provost offered brief highlights from his written report, which discussed accomplishments and institutional evolution in four key areas: academic excellence, student success, STEM initiatives and the budget. All trustees were encouraged to read the Provost’s report included in the report section of the Board Book.

Chair Botzow noted that the theme of yesterday’s meeting was student experience and, as such, the Provost offered a brief presentation on the third of the eight Academic Excellence Goals: _Improve student advising, both academic and pre-professional/career_. Based on data provided by the National Survey of Student Engagement (NSSE), UVM is currently below the 75% target for advising. A number of activities have been outlined to improve those results, for example, creating a four-year advising plan for students.

The Committee heard from Jennifer Prue, Chair of the Faculty Senate Student Affairs Committee, who reported on efforts to strengthen academic advising. All trustees were encouraged to read her report included as attachment 5 in the EPIR section of the meeting materials. The report -- which is currently being vetted internally with a number of constituency groups -- is based on an assessment of the present system of advising, a gap analysis, a vision for what advising should be, and the best thinking of faculty, staff and students. The report proposes a new vision to define, strengthen and support academic advising through a number of actions, including an Advising Center that should be established in a central location on campus near the Career + Experience Hub in the Davis Center.
The Committee received an update on the meeting of the Career Services Work Group held on the afternoon of Thursday, May 15th. Work Group leader Frank Cioffi reported that student and faculty leaders were invited to the meeting to discuss next steps for advancing the Career Success Action Plan. It was noted that UVM graduates were surveyed six months after graduation, but the response rate was very low and that the challenge of how to reach more graduates and increase survey participation must be addressed. At the meeting, the Work Group reviewed a September 2013 New York Times article related to the Wake Forest Career Program along with a TEDx Talk video (“Career Services Must Die”) by Andy Chan of Wake Forest University. Work Group leader Cioffi requested that the article and video link be issued to all Trustees.

Chair Botzow noted that the Committee also received an update on progress on the Career Success Action Plan since the last meeting, with a focus on internships. Director of Career Services Pamela Gardner reported that they are trying to create more internship opportunities on campus as well as more on-campus employment opportunities. It was noted that the lack of resources for students to take advantage of internship opportunities was an issue. Chair Botzow invited Vice Provost for Student Affairs Annie Stevens to update Trustees on staff hired to lead this strategic initiative. Vice Provost Stevens noted that, in addition to Director Gardner, who has over 20 years of experience, an internship coordinator, student employment manager, and an employee relations professional have been hired since the Career + Experience Hub opened last fall.

Chair Botzow concluded his report by noting that the following action items endorsed by the Committee for full Board consideration:

- A resolution endorsing the completion of the Science, Technology, Engineering & Mathematics (STEM) Project Design for referral to the Budget, Finance & Investment Committee.
- A resolution approving the chiller plant expansion project for referral to the Budget, Finance & Investment Committee.
- A resolution designating the Carse Land as a Natural Area.
- A resolution approving the creation of a new minor in Music Technology and Business in the Department of Music and Dance.
- A resolution approving the creation of a new Certificate of Graduate Study in Environmental Public Health.

An opportunity for discussion was offered. President Sullivan credited former Trustee Pamela McDermott for her initiation of the conversation around career services and expressed his appreciation to her and all of the staff leading of the strategic initiatives under way to enhance career services at the University.

Vice Chair David Daigle commended Provost Rosowsky and Interim Vice President Evans on the Research Report, which celebrates the successes of the University. He also congratulated Dr. Evans on his upcoming retirement and thanked him for his service and many contributions to UVM.
Chair Daigle reported that the Committee reviewed the FY 2015 general fund budget parameters, including a proposed 3.4% tuition rate increase and increases in room and meal rates and student fees. President Sullivan noted that this is the second-lowest tuition rate increase in the last 36 years, with the lowest increase of 2.9% having occurred last year. The general fund budget proposal is $309,152,000. Chair Daigle noted that the budget was not influenced by the changes to the 40% rule recently passed by the legislature; however, the next fiscal year budget will incorporate these changes.

The Committee unanimously approved a resolution for additional funding for Phase I of the Miller Research Complex for recommendation to the Board. $1.8M was previously approved by the Board and an additional $1.2M is proposed from the College of Agriculture and Life Sciences one-time research endowment and gift fund balance to successfully complete the first phase.

The Committee unanimously approved and recommends Board approval of $5.0M for the completion of the next phase of the STEM project, which includes completion of the design, development, and construction documents and completion of the bid process. This is in addition to the $2.0M previously approved and expended for program study and schematic drawings.

Upon referral of the matter by EPIR, the Committee unanimously approved spending $10.0M to expand the existing chilling/heating plant. This request evolved from the STEM project design work and will result in significant equipment and utilities savings. In addition, the expansion is designed to be able to add capacity and service additional buildings in the future. Funding for this project will come from a combination of reallocated project funds, plant fund net assets, and a loan from the Green Revolving Loan.

Also in conjunction with the STEM project design completion funding, the Committee considered the creation of a capital project prefunding account, to be initially funded with $10.0M sourced from the University’s Treasury Operations account, to be used for temporarily funding pre-construction development and design costs. The account would be managed in accordance with the following:

1. The Account will be capped at $10.0 million.
2. Internal transfers for any specific capital project are subject to approval by the Board, and requests must be accompanied by a plan for reimbursement.
3. Upon receipt of all project funding, the fund will be replenished.

The Committee endorsed the creation of the capital project prefunding account, by a vote of 8 to 1, for Board approval.

Based on criteria developed at the April BFI planning meeting, the Committee considered the creation of a $4.5M net tuition stabilization fund. The creation of the fund will mitigate some uncertainty about budget adoption processes, specifically trying to forecast net tuition since there is not complete certainty regarding enrollment and net tuition numbers until well into the fiscal year. The administration projects to use $3.2M of the $7.7M of one-time funds authorized by the
Board for use in FY 2014 to supplement net tuition revenue. The creation of the net tuition stabilization fund would be subject to specific conditions including:

- The fund will only be used to offset shortfalls in undergraduate net tuition revenue and will be capped at $4.5 million.
- The President will authorize the use of these funds only after determining that appropriate efforts have been made to offset net tuition revenue shortfalls by other available means.
- Any withdrawals from the fund must be re-paid within two years.
- Any undergraduate net tuition revenues in a particular year that exceed the budgeted amount will be transferred into the Fund until the point at which the assets of the Fund equal $4.5 million.
- The administration will report at the annual BFI budget planning meeting on any withdrawals from or deposits into the Fund.
- This resolution will be reviewed at the end of a five-year period after it has been implemented.

The Committee endorsed the creation of the net tuition stabilization fund by a vote of 8 to 1 for full Board approval.

Investment Subcommittee Chair Robert Brennan reported that Subcommittee membership has changed since the last meeting: he, David Daigle and Don McCree currently serve and former Trustees Robert Cioffi and Sam Bain have been invited to serve as non-voting advisors.

Trustee Brennan reported that the Subcommittee met in February for its annual asset allocation review and that modest changes were made to asset allocation targets. As of March 31, 2014, the endowment was $426M, up 1.4% calendar year-to-date, and there is a possibility of a double-digit return for the full fiscal year.

Committee Chair Daigle concluded his report by sharing that the Committee received an update on the Socially Responsible Investing Advisory Council (SRIAC). Based on recommendations from the most recent town hall meeting, the SRIAC is researching companies engaged in the production of GMOs. Lastly, the Committee reaffirmed UVM’s divestment from companies doing business in the Sudan.

_Vermont Agricultural College Board_

Trustee David Potter reported that the Vermont Agricultural College elected its officers for the year and invited newly elected Chair Christopher Bray to offer the report. Trustee Bray reported that Kesha Ram was elected as Vice Chair and Joan Lenes was re-elected as Secretary, for one-year terms.

In other business, Trustee O’Brien updated the Board on the Legislative Summit on Educational Policy held on campus on January 13th and that planning is under way for the next Legislative Summit in November. The goal of the Summit is to build stronger relationships with the legislature and the University. Special Assistant to the President & Director of State Relations Clarence Davis gave an update on the new internship program that is being launched in partnership with the Governor’s Office.
Chair Bray concluded by thanking Trustee Potter for his leadership. President Sullivan thanked Chair Bray and Trustee O’Brien for taking the lead in organizing the Legislative Summit, which he deemed a terrific success.

University of Vermont Board

Chair David Daigle reported that he was re-elected Chair and Lisa Ventriss and that Dale Rocheleau were re-elected Vice Chair and Secretary, respectively, for one-year terms.

The Board conducted its routine review of the Wilbur Trust Fund Financial Statement report and met in executive session for the remainder of the meeting.

Chair Daigle offered an update on the remaining vacant seat on the UVM Board, noting that the Board is actively seeking candidates with a STEM-related background. The Board feels good about the quality of the pool of candidates, some of whom have engineering degrees from the UVM. He concluded by noting that the Board is taking its time and is comfortable waiting to find the person who has the appropriate skills set.

Approval of Consent Agenda

Vice Chair Daigle presented the revised consent agenda. An opportunity for discussion on any of the action items coming before the Board was offered. Resolutions #1, 10, 19 and 21 were requested to be voted on separately from the consent agenda. The remainder of the revised consent agenda was presented for approval:

COMMITTEE OF THE WHOLE

2. Resolution Regarding Presidential Evaluation and FY 2015 Compensation

WHEREAS, on this date the annual review subcommittee (“the subcommittee”) has reported on the status of its work to this Board;

BE IT RESOLVED, that the Board hereby authorizes the Board Chair to finalize the President’s annual performance evaluation and compensation for FY 2015 following such additional consultation with the subcommittee as she deems necessary or desirable; and

BE IT FURTHER RESOLVED, that the Board Chair shall report her final actions to the Board in due course.

3. Resolution Authorizing Fletcher Allen Health Care Agreements

WHEREAS, UVM and Fletcher Allen Health Care, UVM Medical Group, Fletcher Allen Partners, and Fletcher Allen Partners Affiliates have engaged in discussions regarding the further advancement of their individual and shared goals with respect to the provision of effectively delivered, high-quality health care services and health sciences education and research; and

WHEREAS, UVM and those entities wish to enter into new arrangements to facilitate this advancement;
BE IT RESOLVED, that the Board authorizes the President to enter into a comprehensive affiliation agreement with Fletcher Allen Health Care, UVM Medical Group, Fletcher Allen Partners, and Fletcher Allen Partners Affiliates to succeed the University’s current affiliation agreement with Fletcher Allen Health Care and UVM Medical Group, the material terms of the agreement to be consistent with the report of the administration on this date; and

BE IT FURTHER RESOLVED, that the Board authorizes the President, or his designee(s), to negotiate real estate and related transaction agreements with Fletcher Allen Health Care to accommodate construction of a new inpatient facility, the material terms of the agreements to be consistent with the report of the administration on this date, provided that, before entering into any specific real property or other transaction that requires approval under the Board’s reserved rights resolution, the President or his designee will seek specific authorization from the Board or its Executive Committee; and

BE IT FINALLY RESOLVED, that the parties may exercise their respective rights and obligations only when the revised affiliation agreement and the real estate and related transaction agreements are fully executed by all parties.

EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES COMMITTEE

4. Resolution Approving STEM Project Design Completion

WHEREAS, the Educational Policy and Institutional Resources Committee has reviewed carefully the schematic design for the proposed STEM facilities project and finds the project to be an institutional priority worthy of further review;

THEREFORE, BE IT RESOLVED, that the Educational Policy and Institutional Resources Committee hereby endorses the completion of the project design and refers it to the Budget, Finance, and Investment Committee for financial review and approval of the design cost.

5. Resolution Approving Chiller Plant Expansion Project

WHEREAS, the Educational Policy and Institutional Resources Committee has reviewed carefully the program and preliminary estimate of $10,000,000 for the proposed expansion of the existing Chiller Plant and finds the project to be an institutional priority worthy of further review; and

WHEREAS, the design of the University’s STEM project is ongoing, and there are different options for providing chilled water to the facilities for air conditioning; and

WHEREAS, significant energy cost savings for the STEM and other currently planned projects can be achieved by expanding the existing central heat/chilling plant rather than installing standalone electric chillers;

THEREFORE, BE IT RESOLVED, that the Educational Policy and Institutional Resources Committee hereby endorses the project and refers it to the Budget, Finance, and Investment Committee for financial review and approval.
6. **Resolution Designating the Carse Land as a Natural Area**

BE IT RESOLVED, that the Board approves the proposal to designate the Carse Land in Hinesburg as a Natural Area, subject to the Natural Areas Regulations adopted by the Board on April 20, 1974, and revised on July 11, 2011.

BE IT FURTHER RESOLVED, that the Board’s resolution of April 20, 1974, is amended to include the Carse Land in the University’s list of designated Natural Areas.

7. **Resolution Approving the Creation of a new Minor in Music Technology and Business in the Department of Music and Dance, College of Arts & Sciences**

RESOLVED, that the Board of Trustees approves the creation of a new minor in Music Technology and Business in the Department of Music and Dance as approved and advanced by the Provost on April 25, 2014, and the President on April 30, 2014.

**BUDGET, FINANCE AND INVESTMENT COMMITTEE**

(As recommended by the Investment Subcommittee on March 26, 2014)

8. **Resolution Reaffirming Divestiture from Sudan**

WHEREAS, the Board of Trustees approved a resolution for Divestment from Sudan on May 20, 2006;

WHEREAS, the resolution was amended by the Executive Committee on June 12, 2006, to include annual review and reaffirmation;

WHEREAS, the Committee on Socially Responsible Investing was dissolved as part of a new committee structure approved by the Board in September 2006 and implemented in November 2006;

WHEREAS, the Board established a Socially Responsible Investing (SRI) Work Group in September 2008; and

WHEREAS, in November 2012 the Board dissolved the SRI Work Group and authorized the creation of the Socially Responsible Investing Advisory Council;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees reaffirms its Resolution for Divestment from Sudan, as re-stated below.

BE IT FURTHER RESOLVED, that the Budget, Finance and Investment Committee will review 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 Investing Advisory Council will review and, if appropriate, reaffirm this resolution on an annual basis.

9. Resolution Approving Funding for the Miller Research Complex Phase I

WHEREAS, the Board of Trustees approved the Miller Research Complex Phase I Project for $1,800,000 at its October 2013 meeting; and,

WHEREAS, the current design estimates for the project equate to a cost of $3,000,000; and

WHEREAS, the College of Agriculture and Life Sciences has budgeted an additional $1,200,000 of its one-time research endowment and gift funds for this project;

NOW, THEREFORE, BE IT RESOLVED, that the Vice President for Finance and University Treasurer, or his successor or designee, is hereby authorized to utilize the College of Agriculture and Life Sciences one-time research endowment and gift funds to finance the $3,000,000 Miller Research Complex Phase I project; 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 people appointed to any of the positions heretofore mentioned, and further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.
11. Resolution Approving Tuition Charges for Fiscal Year 2015

RESOLVED, that the Board of Trustees hereby approves increases in the following tuition rates effective with the 2014-2015 academic year:

- In-state tuition from $13,728 to $14,184 per year, or and $591 per credit hour.
- Out-of-state tuition from $34,656 to $35,832 per year, or and $1,493 per credit hour.
- Medical student in-state tuition from $30,940 to $32,020 per year.
- Medical student out-of-state tuition from $54,160 to $56,060 per year.

12. Resolution Approving Online Tuition Rate for Fiscal Year 2015

RESOLVED, that the Board of Trustees hereby approves the continuation of variable tuition rates for programs that are offered exclusively online. Consistent with the Board resolution in 2011, online tuition rates for the fall 2014 semester are set at a minimum rate of $591 and a maximum rate of $1,493 per credit hour for the 2014-15 academic year. The rate will be determined by the Provost, based on demand for the program and assessment of the national market for similar online programs.

13. Resolution Approving Global Gateway International Student Tuition

WHEREAS, the University, after a request-for-proposal process, entered into an agreement with Study Group, an international private-sector provider of education and training for international students, to provide services to UVM in support of the University’s recruitment of academically qualified and diverse international students and its development of an international pathways program; and

WHEREAS, this program will prepare undergraduate international students to successfully matriculate to degree status, persist, and graduate, and to will further support the University’s larger internationalization efforts; and

WHEREAS, the two-semester program is comprised of credit-bearing instruction and the three-semester program is comprised of non-credit bearing instruction in the first semester followed by two semesters of credit-bearing instruction; and

WHEREAS, the students need to be charged on a total cost-of-attendance basis that includes tuition, room and board, and all other fees and costs associated with enrollment at the University in a manner in accordance with the terms and conditions set forth in the agreement between the University of Vermont and Study Group;

THEREFORE, BE IT RESOLVED, that the following rates are established:

For students beginning the two-semester program in the fall 2014, the rates are $26,888 for the fall semester and $26,388 for the spring semester.

For students beginning the two-semester program in the spring 2015, the rate is $26,388 for the spring semester. The summer semester rate will be determined at the October 2014 Board meeting.
For students beginning the three-semester program in the fall 2014, the rates are $14,972 for the fall semester and $26,388 for the spring semester. The summer semester rate will be determined at the October 2014 Board meeting.

For students entering the three-semester program in the spring 2015, the rate is $14,472 for the spring. The summer semester rates will be determined at the October 2014 Board meeting.

All entering students will also be assessed an additional $475 acceptance fee their first semester.

14. Resolution Approving Room and Meal Plan Rates, Fiscal Year 2015

RESOLVED, that the Board of Trustees hereby approves room and meal plan rates for Fiscal Year 2015 as follows:

<table>
<thead>
<tr>
<th>Type</th>
<th>Rate per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Single with Bath</td>
<td>$8,886</td>
</tr>
<tr>
<td>Private Double with Bath</td>
<td>$8,680</td>
</tr>
<tr>
<td>Suite Single with Shared Bath</td>
<td>$8,400</td>
</tr>
<tr>
<td>Suite Double with Shared Bath</td>
<td>$7,256</td>
</tr>
<tr>
<td>Traditional Single</td>
<td>$8,198</td>
</tr>
<tr>
<td>Traditional Double</td>
<td>$7,116</td>
</tr>
<tr>
<td>Traditional Triple</td>
<td>$5,676</td>
</tr>
<tr>
<td>Retail Dining</td>
<td>$3,664</td>
</tr>
<tr>
<td>Residential Unlimited Access (+100 Points)</td>
<td>$3,664</td>
</tr>
<tr>
<td>Residential Unlimited Access (+300 Points)</td>
<td>$4,096</td>
</tr>
</tbody>
</table>

15. Resolution Approving Student Fees for Fiscal Year 2015

RESOLVED, that the Board of Trustees approves increases to student fees from $1,990 to $2,042 effective with the 2014-2015 academic year.

16. Resolution Approving Graduate Student Senate Fee for Fiscal Year 2015

RESOLVED, that the Board of Trustees approves a continuation of the Graduate Student Senate fee in the amount of $20 for the academic year.

17. Resolution Approving Graduate Continuous Registration Fee for Fiscal Year 2015

RESOLVED, that the Board of Trustees approves a continuation of a varying Graduate Continuous Registration fee, effective with the 2014-2015 academic year, as follows:

- Less than half-time: $100 per semester
- Half to less than full-time: $200 per semester
- Full-time: $300 per semester
18. **Resolution Approving Fiscal Year 2015 Budget Planning Assumptions: General Fund**

RESOLVED, that the Board of Trustees hereby approves the budget planning assumptions for Fiscal Year 2015, which lead to a General Fund operating expense budget for the University of $309,152,000, and hereby authorizes the President to proceed with detailed budget preparation in accordance with these assumptions.

20. **Resolution Approving STEM Project Design Completion Funding**

WHEREAS, the next phase of the STEM facilities project is the completion of the design, development, and construction documents and completion of the bid process; and

WHEREAS, the cost of this additional work is estimated at $5.0 million; and

WHEREAS, total project costs are anticipated to be $104 million, of which at least $26 million is expected from non-debt funding sources; and

WHEREAS, the administration will bring forward a request to the Board to issue bonds for the project only when at least $16 million in documented, legally binding, non-debt funding commitments have been secured, comprised of cash received, or pledges that are due within five years, or the present value, as calculated according to the standards of the American Council on Gift Annuities, of estate gifts from donors that are at least 70 years of age;

NOW, THEREFORE, BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to make internal loans from the Capital Project Cost Prefunding Account to the STEM project account of up to $7.0 million (which shall include the $2 million of STEM design costs previously authorized by the Board), for the purpose of funding the completion of the design phases of the STEM project.

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

Vice Chair Daigle presented resolution #1 for approval:

1. **Resolution Approving Extension of City of Burlington and University of Vermont Letter of Agreement**

RESOLVED, that the Board hereby authorizes the administration to extend the City of Burlington and University of Vermont Letter of Agreement, which became effective September 26, 2007, for an additional year from the date of its expiration through June 30, 2015.

A motion was made, seconded and it was unanimously voted to approve the resolution. Trustees Kesha Ram and Dale Rocheleau recused themselves from the vote.

Vice Chair Daigle presented resolution #21 for approval:
21. Resolution Approving Chiller Plant Expansion Project Financing Plan

WHEREAS, the design of the University’s STEM project is ongoing and there are different options for providing chilled water to the facilities for air conditioning; and

WHEREAS, significant energy cost savings for the STEM and other currently planned projects can be achieved by expanding the existing central heat/chilling plant rather than installing standalone electric chillers; and

WHEREAS, the total project cost is estimated to be $10 million and a plan has been submitted by the administration to use a combination of reallocated project funds, plant fund net assets, facilities renewal reserves, and a loan from the Green Revolving Loan as described below;

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Capital Allocation</th>
<th>Source of Capital</th>
<th>Annual Operating Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>STEM, including Votey</td>
<td>$2,000,000</td>
<td>STEM Project</td>
<td>$300,000</td>
</tr>
<tr>
<td>Billings</td>
<td>$1,200,000</td>
<td>Billings Project</td>
<td>$120,000</td>
</tr>
<tr>
<td>Kalkin</td>
<td></td>
<td></td>
<td>$50,000</td>
</tr>
<tr>
<td>New Residence Hall</td>
<td>$1,200,000</td>
<td>Developer of Project</td>
<td>Developer pays</td>
</tr>
<tr>
<td>Stafford</td>
<td>$800,000</td>
<td>Plant Fund Net Assets Facilities Renewal Funds</td>
<td>$150,000</td>
</tr>
<tr>
<td>Fleming Capacity*</td>
<td>$900,000</td>
<td>Plant Fund Net Assets Facilities Renewal Funds</td>
<td></td>
</tr>
<tr>
<td>Williams Capacity*</td>
<td>$900,000</td>
<td>Plant Fund Net Assets Facilities Renewal Funds</td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>$7,000,000</td>
<td></td>
<td>$620,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Green Revolving Loan Fund</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$10,000,000</td>
<td></td>
<td>$620,000</td>
</tr>
</tbody>
</table>

*Funding for interior improvements not yet available so connection will not occur for some time.

NOW, THEREFORE, BE IT RESOLVED, that, subject to an affirmative vote by the Board of Trustees of the matters listed below, the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to fund the Chiller Plant Expansion Project as described in the table above.
1. Issuance of the bonds for the STEM project.
2. Funding of the Billings renovation project.

A motion was made and an opportunity for discussion offered. In follow up to concerns he expressed at yesterday’s Budget, Finance & Investment Committee meeting regarding using resources from the Energy Efficiency Revolving Loan Fund, Trustee Young asked the Board to consider striking the requirement to guarantee the loans from the fund with net assets. There was discussion about whether the Executive Committee should consider this over the summer or if the discussion should occur at the next full Board meeting in the fall. There was consensus that this conversation should be added to the October Board meeting agenda.

There being no further discussion, the motion was seconded and it was unanimously voted to approve the resolution as amended.

Vice Chair Daigle presented resolution #10 for approval:

**10. Resolution Authorizing the Creation of the Capital Project Prefunding Account**

WHEREAS, the University often incurs pre-construction development and design costs for strategic capital projects before adequate gift and bond proceeds are received; and

WHEREAS, the administration proposes to assign and allocate certain unencumbered unrestricted net assets to create a fund designated as the “Capital Project Prefunding Account,” to be used for temporarily funding pre-construction development and design costs;

NOW, THEREFORE, BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to create a “Capital Project Prefunding Account” to be initially funded with $10.0 million sourced from the University’s Treasury Operations account, and to manage this Account in accordance with the following:

- The Account will be capped at $10.0 million.
- Internal transfers for any specific capital project are subject to approval by the Board, and requests must be accompanied by a plan for reimbursement.
- Upon receipt of all project funding, the fund will be replenished.

A motion was made and an opportunity for discussion offered. Trustee Rocheleau requested that the resolution be amended to include the following additional language regarding management of the account (the same language included in the net tuition stabilization fund resolution):

- The administration will report at the annual BFI budget planning meeting on any withdrawals from or deposits into the Fund.
- This resolution will be reviewed at the end of a five-year period after it has been implemented.

There being no further discussion, the motion was seconded and it was voted to approve the resolution with the requested amendment with one nay by Trustee Mark Young.
Chair David Daigle presented resolution #19 for approval:

19. Resolution Approving Net Tuition Stabilization Fund

WHEREAS, over the past several years, there have been modest variances both positive and negative between the amount of actual and budgeted net undergraduate tuition revenues; and

WHEREAS, because of the timing of enrollment decisions for each semester, there is not complete certainty regarding enrollment and net tuition numbers until well into the fiscal year; and

WHEREAS, the administration projects to use an estimated $3.2 million of the $7.7 million of one-time funds authorized by the Board for use in FY 2014 to supplement net tuition revenue;

NOW, THEREFORE, BE IT RESOLVED, that the administration is authorized to create a Net Tuition Stabilization Fund (“Fund”) in the amount of $4.5 million that will be subject to the following conditions:

- The fund will only be used to offset shortfalls in undergraduate net tuition revenue and will be capped at $4.5 million.
- The President will authorize the use of these funds only after determining that appropriate efforts have been made to offset net tuition revenue shortfalls by other available means.
- Any withdrawals from the fund must be repaid within two years.
- Any undergraduate net tuition revenues in a particular year that exceed the budgeted amount will be transferred into the fund until the point at which the assets of the Fund equal $4.5 million.
- The administration will report at the annual BFI budget planning meeting on any withdrawals from or deposits into the Fund.
- This resolution will be reviewed at the end of a five-year period after it has been implemented.

A motion was made and an opportunity for discussion offered. Following a brief discussion regarding the use of the fund as a management tool and the process for repaying withdrawals from the fund, the motion was seconded, and it was voted to approve the resolution as presented with one nay by Trustee Mark Young.

Adjournment

There being no further business, the meeting was adjourned at 10:05 a.m.

Respectfully submitted,

Joan Lenes, Secretary