A meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Saturday, February 7, 2015, at 8:30 a.m. in the Livak Ballroom, 417-419 Dudley H. Davis Center.

MEMBERS PRESENT: Chair Deborah McAneny, Vice Chair David Daigle, Secretary Joan Lenes, Cynthia Barnhart, Bill Botzow, Christopher Bray, Robert Brennan, Frank Cioffi, Carolyn Dwyer, Richard Gamelli, Samantha Lucas, Ron Lumbra, Donald McCree, David Potter, Dale Rocheleau, President Thomas Sullivan, Donna Sweaney, Raj Thakrar, Lisa Ventriss, Jeff Wilson and Mark Young

MEMBERS ABSENT: Carolyn Branagan, Anne O’Brien, Kesha Ram, and Governor Peter Shumlin

ALSO PARTICIPATING: Provost David Rosowksy, Vice President for Legal Affairs and General Counsel Fran Bazluke, Vice President for Finance and Treasurer Richard Cate, Vice President for University Relations and Administration Thomas Gustafson, Vice Provost for Student Affairs Annie Stevens, Special Assistant to the President & Director of State Relations Clarence Davis, and Chief Internal Auditor William Harrison

Chair Debbie McAneny called the meeting to order at 8:40 a.m.

Approval of Previous Meeting Minutes

A motion was made, seconded and it was voted to approve the minutes from the October 18, 2014 meeting as presented.

Public Comment

Chair McAneny opened the public comment period and invited Daniela Escobar to address the Board. Ms. Escobar introduced herself as a member of student government, the Honors College, and the Rubenstei School of Environment and Natural Resources. She is also a member of the Student Climate Culture Group and is here today in that capacity to speak on the topic of divestment from fossil fuels and reinvestment into a just economy. Ms. Escobar shared that this issue is close to her heart and those of many other students on campus. She said that they do not believe that the University’s current economic portfolio is one that reflects responsibility, justice, and integrity, the values outlined in the University’s Our Common Ground statement.

Ms. Escobar further shared her belief that the University has the chance to make a statement and to be part of a larger paradigm shift. She acknowledged that the Board is working for the students’ best interests, but feels the Board is not prepared for open discussion with all of the students whom it says it represents. While the Student Climate Culture Group appreciates the invitation that was extended yesterday to meet with members of the Investment Subcommittee
today, on behalf of the Group, she is formally requesting an opportunity to present its divestment and reinvestment proposal to the full Board at the next meeting in May.

Committee Reports

Audit Committee

Chair Mark Young reported that the Committee met twice since the last Board meeting. At the November 10, 2014, meeting, Grant Thornton presented its report on the audited FY 2014 financial statements, which resulted in no material weaknesses. Two internal control matters were classified as significant deficiencies related to the timeliness of recognition of certain activities and accounting for certain split interest agreements. Chair Young assured Trustees that a “significant deficiency” is not as serious as it sounds.

Also in November, Chief Risk Officer Al Turgeon provided a status update on the Enterprise Risk Management program, noting modest changes to the portfolio-register compared to 2013. Information Security Officer (ISO) Dean Williams provided updates on Payment Card Industry Data Security Standards (PCI DSS) requirements, the increase in phishing attacks at the University, and the University’s incident response preparations and information security operations education efforts. Additionally, Chief Internal Auditor William Harrison provided an update regarding internal audit activity and the status of the recruitment for the Director of Compliance Services position. He also reviewed the status of the FY 2014 Audit Plan and presented the FY 2015 Audit and Compliance Work Plan.

At yesterday afternoon’s meeting, Assistant Director of Compliance Services Erica Heffner offered an update on the Compliance program and work plan activity since the Office’s last report in September 2014. Results of the Office of Compliance Services fifth annual compliance awareness survey were reviewed and a similar or slightly decreased awareness and cultural measures was noted from the prior year. University Controller Claire Burlingham and Associate Vice President for Research Administration Jennifer Gagnon provided an update on the University’s Uniform Guidance compliance plan. The Committee also spent time in executive session with the external auditor to discuss its first audit year experience.

Finally, Committee Chair Young noted, at the Committee recommendation, a resolution accepting the Fiscal Year 2014 Audited Financial Statements is included on today’s consent agenda for Board approval.

Educational Policy and Institutional Resources Committee (EPIR)

Chair Bill Botzow reported that the Provost offered brief highlights from his written report, which provided updates on the implementation of incentive-based budgeting, academic excellence and the STEM Initiative. All Trustees were encouraged to read the Provost’s report
included in the report section of the Board book. An opportunity for questions and comments on the following reports was offered:

- Annual Human Resources, Diversity & Multicultural Affairs Report- Chair Botzow noted that the University was the 2014 recipient of the INSIGHT Into Diversity’s Higher Education Excellence in Diversity Award and congratulated Vice President Heading-Grant.
- Annual Deferred Maintenance Report – the Committee suggested that it would be helpful to have a chart or graph showing the status of deferred maintenance with projections several years out. Director of Capital Planning and Management Bob Vaughan reviewed a proposal for a two-phase deferred maintenance project for Southwick Hall, which was endorsed and referred to the Budget, Finance & Investment Committee.
- Capital Projects Progress Reports – this routine report offers updates on projects under way and projects completed since the last meeting. Chair Botzow shared his favorite line from the report is “on-time and on budget”.

Cathy Paris, Faculty Senate Curricular Affairs Committee Chair, reviewed action items for consideration today and previewed a proposal from the College of Medicine for a new M.S. Program in Medical Sciences. This item is pending approval by the Faculty Senate at its February 9 meeting and, if approved, will be an action item for the March 16 special Board meeting. Another item that is pending action by the Faculty Senate at the February 9 meeting is a proposal for a new General Education requirement in Sustainability. Faculty Senate President Julie Roberts and Professor Deane Wang provided a brief overview. Pending approval by the Senate, this will also come before the Board for action at the March 16 meeting.

Action items endorsed by the Committee and included on today’s consent agenda for Board approval include:

- A resolution approving a new minor in Musical Theatre in the College of Arts & Sciences.
- A resolution approving termination of the Post-Master’s Certificate in the College of Nursing and Health Sciences.
- A resolution approving deferred maintenance to the exterior of Southwick Hall.
- A resolution reaffirming the equal opportunity statements with no changes at this time.

Provost Rosowsky, Associate Provost for Teaching and Learning Brian Reed, and John Ryan, Director of Institutional Research discussed Academic Excellence Goals #1 & 2, which call for increasing the percentage of undergraduate students graduating in four years and improving undergraduate student retention in years 1-4. There are two main categories of variables/factors that influence the probability of persistence and timely completion: 1) pre-entry characteristics: academic preparation, rigor of high school curriculum, motivation, support (including financial); and 2) college experience: academic and social integration, student engagement, high impact practices, “challenge and support”, first-year experience.

Trustee Lisa Ventriss offered an update on the Career Services Work Group meeting held the previous afternoon. There is increased activity in the Career & Experience Hub with very strong student involvement as career and peer mentors. Additionally, while there is an increased level of student engagement in undergraduate research, challenges remain in finding additional funding.
Chair Botzow concluded by reporting the Provost updated the Committee on progress made since the last meeting regarding strategies to address the current distributive system responsible for University marketing and communication. Vice President Gustafson and Vice President for Enrollment Management Stacey Kostell are leading this effort and next steps include gathering data on the outside perception of the UVM “brand.” Findings will be presented to the Board at a future meeting.

**Budget, Finance and Investment Committee (BFI)**

Chair David Daigle reported that the Committee conducted its annual review of the Debt Policy and debt ratios and corrected the reference to the debt policy limit for the viability ratio from 1.0 to 0.8. The amended resolution is included on today’s consent agenda.

The Committee also conducted its annual review of net assets, which total $189 million at the end of FY 2014. Included as attachment 4 in the BFI materials is a memo detailing the establishment of the individual unrestricted net asset accounts and how they are funded. The Committee is recommending for Board approval the creation of the President’s Strategic Initiatives Fund to allow for the accumulation of resources from one-time sources that are not part of the University’s annual operating budget. The use of this fund will be to deploy and invest in opportunities to advance the University’s Strategic Action Plan. The recent utilities reimbursement from the City of Burlington to the University is an example of sources for this fund. Annual reports from the Vice President for Finance, current policies in place, and annual audits, will assure accountability and transparency.

Investment Subcommittee (ISC) Chair Rob Brennan offered a brief report, noting that the University’s endowment was $436 million at the end of December 2014. The performance does not yet reflect the private investment program and Cambridge Associates anticipates it will trend positively when included. The Hedge Fund Program is in line with its goal to reduce risk and find non-correlative sources of returns as expressed by Standard Deviation.

After receiving a brief history from Controller Claire Burlingham of the University’s role as a part of Genesis Limited, an insurance and reinsurance captive domiciled in Bermuda, and Pinnacle Consortium, a Vermont-based risk retention group, the Committee voted unanimously to approve the resolution approving the merger of Genesis Limited and Pinnacle Consortium of Higher Education for recommendation to the full Board.

Provost Rosowsky, Vice President for Finance and Treasurer Richard Cate, and Budget Director Alberto Citarella provided an overview of the Incentive-Based Budgeting (IBB) implementation process. The guiding principles for IBB, and how IBB connects to the University’s academic excellence goals, were reviewed along with the project objectives, status and what is to be expected moving forward. The University is on track for implementation on July 1, 2015. It was reiterated that IBB is a budget tool that permits decentralization of decision making to the local academic units and permits greater consultation about financial decision making in each college.

Key budget assumptions for FY 2016 were previewed and will be further discussed at the off-cycle BFI planning meeting on April 13, 2015. Chair Daigle noted that the results of collective bargaining and additional debt service, as a result of recently authorized bond financing, need to be built into the budget. Looking at comparative tuition data, it was noted that UVM continues to be on the high end of public institutions and at the low end of private institutions. It was
further noted that, taking into consideration gross tuition, UVM is highly competitive when looking at public institutions.

Chair Daigle reported on the following action items that were endorsed by the Committee and are included on today’s consent agenda for Board approval:

- A resolution setting maximum room and meal plan rates and other fees for FY 2016 – rates are set annually at this time of year to allow Residential Life to enter into contracts with students prior to formal budget approval in May.
- A resolution approving Vermont Dual Enrollment Program rates - currently the prevailing reimbursement rate from the state is lower than undergraduate tuition. As such, the administration is seeking to improve operational efficiency by establishing a tuition rate equal to the value of the voucher presented by each student. This program does not displace currently enrolled UVM students from courses, but rather is an opportunity to attract more Vermont students to the University.

The Committee next reviewed the funding proposal for the STEM Initiative, the single largest project in the University’s history. To fund the non-debt portion of the project, the University will use up to $9.8 million of unencumbered net assets to cover the difference between private gifts on hand and the $26 million non-debt portion of the funding. Delaying the process until the funds are fully identified would not allow the University to take advantage of current low bond rates and would result in higher construction costs. Any net assets used for the project will be replenished as additional private funds are received.

Currently, approximately $17M in non-debt funding has been secured from the following sources: the Capital Project Pre-Funding Account (already allocated by prior Board resolution), proceeds from the University of Vermont Medical Center Affiliation Agreement, current commitments secured by the UVM Foundation, and use of unencumbered, unrestricted net assets.

In addition, the Committee considered the issuance of General Obligation Bonds in the amount of $80 million and the refunding of 2005, 2007, and 2009 bonds.

The Committee voted unanimously to authorize the use of University funds for the non-debt portion of the STEM project and issuance of General Obligation Bonds, Series 2015 for recommendation to the full Board. Authorizing resolutions are included on today’s consent agenda.

The Committee also reviewed and endorsed the following capital projects which are included on today’s consent agenda for Board approval:

- A resolution authorizing Southwick deferred maintenance project expenditures - the total project cost is $2 million sourced by State capital appropriations and unrestricted plant funds within the Physical Plant Department’s general fund.
- A resolution authorizing expenditures for completion of design of the Billings Library renovation project - to complete the project design and construction document phase of this project, the administration is requesting authorization to expend $500,000 of gift funds.
• A resolution authorizing expenditures for Phase I of the Miller Research Complex – this project was proposed and approved by the Board in October 2013 for $1.8 million and subsequently reauthorized for up to $3 million. Additional funding is required to successfully complete the first phase of rebuilding the College of Agriculture and Life Sciences’ (CALS) facilities. The College is seeking an additional approval to increase the cost by $1.1 million for a new total of $4.1 million to add the research barn and fit-up components through the use of additional gift funds.

Chair Daigle concluded his report by noting that the Committee received the first quarter general fund budget to actuals report and that revenue and expense percentages are on track. At his request, the administration will try to look at these numbers historically.

**Board Governance Committee**

Chair Frank Cioffi reported that the Committee met twice since the last Board meeting. On November 3, 2014, the Committee met to initiate the nominations process for Board and University Officers and reviewed and endorsed the proposed changes to the Committee’s charge that were reviewed at yesterday’s Committee of the Whole meeting. Included on today’s consent agenda is a resolution approving those changes.

He reminded Trustees that, in a memo to Trustees on October 27, 2014, he reviewed the nominations process and following the November 3 Committee meeting, Committee members solicited nominations from Trustees individually. The Committee reconvened on December 9, 2014 and, at the conclusion of that meeting, guided by the input of all participating Trustees, and its own deliberations, a memo was issued to Trustees advising of the following slate of Board officers:

- Chair: Debbie McAneny
- Vice Chair: David Daigle
- Secretary: Joan Lenes
- Assistant Sec’y: Francine Bazluke

Following Committee reports today, the Board will vote on the slate for Vice Chair, Secretary and Assistant Secretary, along with the slate for University officers. In accordance with the University Charter, the Chair is elected at the first meeting following the election of new Trustees. The election of Chair will occur at a special Board meeting scheduled on March 16 at 1:00 p.m.

**Vermont Agricultural College Board**

Chair Chris Bray reported that the Vermont Agricultural College Board previewed a video detailing the importance of maintaining and improving federal student financial aid. The video is titled “Competitive Advantage – Preserving the Legacy” and, at his request, the web link will be sent to all Trustees once the video is posted on-line.

Special Assistant to the President & Director of State Relations Clarence Davis updated the Board on the legislative summit held on campus last November noting its success and its
continued generation of goodwill in the Legislature. It is anticipated the date and topic for the next summit will be finalized in May and will be related to a topic the Legislature is working on as to which the University has expertise and can provide assistance.

As a point of information, Vice President Cate briefed Board members on the potential impact of a payroll tax proposed by Governor Shumlin, indicating that the cost to the University would be $2M annually.

The Board also discussed the legislative process that will occur February 19, 2015 to elect legislative Trustees to replace retiring trustees, including himself, Carolyn Branagan, and David Potter. He noted that he is running for re-election and that other legislators have also expressed interest in running at this time.

University of Vermont Board

Chair David Daigle reported that the Board conducted its routine review of the Wilbur Trust Fund Financial Statement report and performed its annual review of the Wilbur Trust Grant and Scholarship Awards report. He reminded Trustees that the Wilbur Trust Fund was established in 1928 and currently has assets totaling $21.5 million from which a portion is used to help make tuition more affordable for Vermont high school students. Chair Daigle noted that, in academic year 2013-2014, 119 Vermont residents received grants and awards totaling $540,034. Last year, 292 students received grants totaling and $723,826 and, in 2013, $805,562 was awarded to 199 Vermont high school students.

The University of Vermont Board met in executive session for the remainder of the meeting to discuss the appointment/evaluation of public officers. The next class of UVM Board members will complete their terms in February 2016.

Election of Board Officers

Chair McAneny announced that the Board would next be electing the following Board officers: Vice Chair, Secretary and Assistant Secretary, along with University officers, and that each officer elected will take office effective March 1, 2015. Trustees were again reminded that, in accordance with the University Charter, the Chair is elected at the first meeting following the election of new Trustees.

She then asked Frank Cioffi, Chair of the Board Governance Committee, to identify the slate by office and proposed nominee.

Committee Chair Cioffi presented the following slate:

Chair: Deborah McAneny [no action]
Vice Chair: David Daigle
Secretary: Joan Lenes
Assistant Secretary: Francine Bazluke

Chair McAneny asked for additional nominations. No further nominations were made.

In accordance with the Bylaws, Board Chair McAneny next entertained a motion for appointment of the following University officers by virtue of their office for a one-year term beginning March 1, 2015, or until their successors take office:

Provost: David Rosowsky
Treasurer: Richard Cate


Chair McAneny acknowledged that Thomas Sullivan continues as President, his appointment as previously approved by the Board.

Retiring Trustees

Chair McAneny recognized and thanked retiring trustees Carolyn Branagan, Christopher Bray, David Potter, Raj Thakrar and Mark Young. She read and presented for approval the following resolutions in recognition of their service on the Board. Each retiring trustee was presented with a framed copy of their resolution.

Carolyn W. Branagan (2009-2015)

WHEREAS, Carolyn W. Branagan is nearing the completion of her term as Trustee of the University of Vermont and State Agricultural College; and

WHEREAS, Carolyn Branagan has offered valuable service and insightful perspectives to the Board in membership on the Audit Committee, the Budget, Finance & Investment Committee, the Committee on Board Governance and the Vermont Agricultural College Board; and through her service on the Presidential Housing Work Group;

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of Vermont and State Agricultural College expresses its appreciation, affection and heartfelt best wishes to Trustee Carolyn W. Branagan.
Christopher A. Bray (2009-2015)

WHEREAS, Christopher A. Bray is nearing the completion of his term as Trustee of the University of Vermont and State Agricultural College; and

WHEREAS, as Christopher Bray has supported and served the Board through his leadership as Chair of the Vermont Agricultural College Board and through his membership on the Audit Committee, the Educational Policy & Institutional Resources Committee, the Committee Board Governance and the Vermont Agricultural College Board; and through his service on the Foundation Work Group, the Honorary Degree Work Group and the UVM/Fletcher Allen Health Care Affiliation Agreement Work Group;

THEREFORE BE IT RESOLVED, that the Board of Trustees of The University of Vermont and State Agricultural College expresses its appreciation, affection, and heartfelt best wishes to Trustee Christopher A. Bray.

David E. Potter (2009-2015)

WHEREAS, David E. Potter is nearing the completion of his term as Trustee of The University of Vermont and State Agricultural College; and

WHEREAS, David Potter has provided constructive advice and sound leadership in the Vermont tradition of common sense and active participation during his service as Vice Chair and Chair of the Vermont Agricultural College Board and Vice Chair of the Educational Policy & Institutional Resources Committee; and in his membership on Board Committees including the Audit Committee, the Educational Policy & Institutional Resources Committee, and through his service on the Honorary Degree Work Group;

THEREFORE, BE IT RESOLVED, that the Board of Trustees of The University of Vermont and State Agricultural College expresses its appreciation, affection, and heartfelt best wishes to Trustee David E. Potter.


WHEREAS, Raj Kiran Thakrar is nearing the completion of his term as Trustee of the University of Vermont and State Agricultural College; and

WHEREAS, Raj Thakrar has articulated clear and thoughtful perspectives and has participated actively and constructively during his service on Board Committees including the Audit Committee, the Educational Policy & Institutional Resources Committee, the Budget, Finance & Investment Committee and the Committee on Board Governance, all the while pursuing his medical degree;

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of Vermont State and Agricultural College expresses its appreciation, affection, and heartfelt best wishes to Trustee Raj Kiran Thakrar.


WHEREAS, Mark S. Young is nearing the completion of his second term as Trustee of The University of Vermont and State Agricultural College;
WHEREAS, Mark Young has provided sound advice, provocative viewpoints and effective strategies to the University during his appointment as Vice Chair and Chair of the Audit Committee and as a member of the Budget, Finance & Investment Committee, the Executive Committee, and the Presidential Annual Review Subcommittee, and through his leadership of the Foundation Work Group and service on the ad hoc Labor Advisory Group and the Bond Work Group;

THEREFORE, BE IT RESOLVED, that the Board of Trustees of The University of Vermont and State Agricultural College expresses its appreciation, affection and heartfelt best wishes to Trustee Mark S. Young.


Approval of Consent Agenda

An opportunity for discussion on any of the action items coming before the Board was offered. Vice Chair Daigle requested resolution #16 be voted on separately and Trustee Mark Young requested that the General Obligations Bonds, Series 2015 (appendix F) be voted on separately.

The remainder of the consent agenda was presented for approval. Chair McAneny noted any changes made to resolutions as a result of Committee discussions and resolutions endorsed following executive session are noted in tracked changes:

1. **Resolution Approving Revisions to the Committee on Board Governance Charge**

RESOLVED, that the Board hereby approves revisions to the Committee on Board Governance charge appearing as Appendix A to this document.

2. **Acceptance of Fiscal Year 2014 Audited Financial Statements**

WHEREAS, the financial statements of the University of Vermont and State Agricultural College for the Fiscal Year ended June 30, 2014, have been audited by Grant Thornton LLP, Certified Public Accountants, and the report of the audit has been published in detail in accordance with 16 V.S.A. Section 2281(a);

BE IT RESOLVED, that the Board hereby accepts the FY 2014 Audited Financial Statements as recommended by the Audit Committee and presented today and acknowledges receipt of the FY 2014 Financial Report.
3. **Resolution Approving Presidential Housing Work Group Charge and Appointments**

RESOLVED, that the Board hereby approves the appointment of Trustees Debbie McAneny (leader), Frank Cioffi, Joan Lenes and Dale Rocheleau to the Presidential Housing Work Group and the charge appearing as Appendix B to this document.

4. **Resolution Authorizing Agreement with Learfield Sports, Inc.**

BE IT RESOLVED, that the Vice President for University Relations and Administration, or his successor, is hereby authorized to negotiate and execute a multi-media rights agreement with Learfield Sports, LLC, or its affiliate, Catamount Sports Properties, LLC, for a ten-year term beginning July 1, 2015. In exchange for exclusive worldwide sponsorship and marketing rights relating to the University’s Athletics teams and programs, the University will receive guaranteed annual payments ranging from $750,000 to $1 million per year, along with a signing bonus and a share of Learfield’s adjusted gross revenues over certain specified thresholds.

5. **Resolution Regarding the Sale of 308 South Prospect Street**

RESOLVED, that the Committee hereby authorizes the Vice President for Finance and Treasurer to negotiate and execute a contract for the sale of the residence and real property located at 308 South Prospect St., Burlington, on the terms reported on this date.

6. **Resolution Authorizing Chittenden/Buckham/Wills Residence Halls Demolition Project**

WHEREAS, the University put out to bid various services associated with the demolition of the Chittenden, Buckham and Wills (CBW) residence halls; and

WHEREAS, the primary elements of the project will include demolition, hazardous materials abatement, and design and construction of the portion of the Green Mountain Walkway that will traverse the site, which will entail multiple contracts;

THEREFORE, BE IT RESOLVED, that the Committee hereby recommends to the Board that it authorize the Vice President for Finance or his designee to expend up to $2,000,000 to complete the CBW demolition project; and

BE IT FURTHER RESOLVED, that the funds for such expenditures be drawn from funds due to the University from the University of Vermont Health Network under the terms of the June 18, 2014, agreement between the University and Fletcher Allen Health Care, Inc.

7. **Resolution Authorizing Loan to UVM Foundation for Alumni House**

WHEREAS, the University of Vermont Foundation (Foundation) has planned a $9.9 million renovation of Alumni House; and

WHEREAS, the Foundation is planning to pay for the renovation project with a combination of private gifts, reserves, and loans; and
WHEREAS, one of the private funding sources is a commitment for an estate gift that has an actuarially estimated value of approximately $2.7 million, the receipt of which is not expected for several years;

NOW THEREFORE, BE IT RESOLVED, that the Committee hereby recommends to the Board that it authorize the Vice President for Finance and Treasurer, or his designee, to use a portion of the net assets of the University to extend a non-interest bearing loan to the Foundation in the amount of $2.7 million subject to a note from the Foundation that calls for full repayment of the loan immediately upon receipt of the aforementioned estate gift.

EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES COMMITTEE

8. Resolution Approving the Creation of a New Minor in Musical Theatre in the Department of Theatre and the Department of Music and Dance, College of Arts & Sciences

RESOLVED, that the Board of Trustees approves the creation of a new minor in Musical Theatre in the Department of Theatre and the Department of Music and Dance as approved and advanced by the Provost on December 15, 2014, and the President on December 16, 2014.

9. Resolution Approving the Termination of the Post-Master’s Certificate in the College of Nursing and Health Sciences

RESOLVED, that the Board of Trustees approves the termination of the Post-Master’s Certificate in the College of Nursing & Health Sciences as approved and advanced by the Provost on December 15, 2014, and the President on December 16, 2014.

10. Resolution Approving Southwick Deferred Maintenance

WHEREAS, the administration today reported on the strategic and operational need for the Southwick Deferred Maintenance Project and the associated program scope;

THEREFORE, BE IT RESOLVED that the Committee hereby approves the conceptual scope that the administration presented on this date and refers the Project to the Budget, Finance & Investment Committee for financial review and approval.

11. Resolution Reaffirming Equal Opportunity Statements


BUDGET, FINANCE AND INVESTMENT COMMITTEE

12. Resolution Reaffirming Approving Revision to Debt Policy with No Changes

WHEREAS, in September 2004, the Board adopted a Debt Policy to guide the portfolio management of debt, to be reviewed annually; and
WHEREAS, since its creation in 2006, the Budget, Finance, and Investment Committee has been charged with the annual review of the Debt Policy, which it most recently revised in February 2014;

BE IT RESOLVED, that the Board hereby reaffirms approves the Policy as amended appearing as Appendix E to this document.

13. Resolution Endorsing the Creation of the President’s Strategic Initiatives Fund

WHEREAS, it is critical to the success and advancement of the University that resources be invested in strategic initiatives that enhance the quality and affordability of this institution; and

WHEREAS, it is consistent with this objective to establish a President’s Strategic Initiative Fund (“Fund”) to allow for the accumulation of resources from one-time sources of revenue that are not part of the University’s annual operating budget; and

WHEREAS, the funds to be deposited in the account will consist of: non-operating individual receipts of less than $1 million deposited at the President’s discretion, non-operating individual receipts of $1 million or more as authorized by the Board, and donor designated gifts of any amount; and the administration will provide to the Board an annual report detailing deposits into and withdrawals from the fund; and

WHEREAS, the use and expenditure of funds will be subject to customary governance expectations with respect to the allocation and utilization of resources, including without limitation such approvals as may otherwise be required by the Board;

BE IT RESOLVED, that the Committee hereby endorses the establishment of the Fund, and recommends its approval by the Board of Trustees.


WHEREAS, the University, beginning in July of 2003, began obtaining its general liability and other related insurance coverage through Genesis Limited (“Genesis”), an insurance and reinsurance captive domiciled in Bermuda, of which UVM is a member and shareholder; and

WHEREAS, in 2004 the sixteen (16) shareholders of Genesis established a Vermont-based Risk Retention Group (RRG), as an unincorporated association that functions as a reciprocal insurance company, qualifying as an RRG under Vermont law, as well as jointly formed, and became shareholder members of a Vermont limited liability corporation (“L.L.C.”) that acts as an "attorney in fact" for the RRG in accordance with the requirements of Vermont law; and

WHEREAS, in the next eighteen (18) months, Genesis and its (now) 17 shareholders wish to close Genesis and merge its off-shore operations and assets into its Vermont RRG for purposes of greater administrative efficiencies and cost savings; and

WHEREAS, such merger requires the unanimous vote of all seventeen (17) shareholders; and

WHEREAS, University administrators have performed due diligence with respect to issues involved in such a merger, and consider the advantages and disadvantages;
NOW THEREFORE, BE IT RESOLVED, that the Board authorizes the Vice President for Finance and Treasurer, through UVM’s duly authorized Director on the Genesis Board of Directors and UVM’s duly authorized Subscriber on the RRG’s Subscribers Committee, to cast UVM’s vote in an upcoming shareholder meeting to approve such a merger, having concluded that it would be in UVM's best interests to authorize the merger of the companies; and

BE IT FURTHER RESOLVED, that the Board authorizes the President, Provost or Vice President for Finance and Treasurer, or their successors, to execute and deliver any necessary association agreements, shareholder or subscriber agreements, operating agreements, and all other necessary agreements, instruments and documents necessary to effect such merger and to take all other appropriate steps to obtain the full benefit of participation in such merger in a manner that they or their duly authorized designees deem to be in the University's best interests in light of appropriate fiduciary and business considerations.

15. Resolution Setting Maximum Room and Meal Plan Rates and Other Fees, Fiscal Year 2016

RESOLVED, that the Board of Trustees hereby sets the maximum room and meal plan rates and other fees for Fiscal Year 2016 as follows:

<table>
<thead>
<tr>
<th>Room (Standard Double)</th>
<th>$7,376</th>
</tr>
</thead>
<tbody>
<tr>
<td>Predominate Meal Plan</td>
<td>$3,774</td>
</tr>
<tr>
<td>UG Student Government Association (SGA) Fee</td>
<td>$174</td>
</tr>
<tr>
<td>UG Inter Residence Association (IRA) Fee</td>
<td>$30</td>
</tr>
<tr>
<td>Total Comprehensive Fee</td>
<td>$1,900</td>
</tr>
</tbody>
</table>

18. Resolution Authorizing Southwick Deferred Maintenance Project Expenditure

WHEREAS, the administration today reported on the estimated cost for completion of the Southwick Deferred Maintenance Project and presented a funding plan;

THEREFORE, BE IT RESOLVED, that the Committee hereby recommends to the Board that it authorize the $2,000,000 project expenditures, to be expended in a manner consistent with the report made on this date; and

BE IT FURTHER RESOLVED, that the $2,000,000 of funds for such expenditures be drawn from the Physical Plant general funds.

19. Resolution Authorizing Expenditures for Completion of Design of the Billings Library Renovation Project

WHEREAS, on October 17, 2014, the Board authorized the administration to complete the design of the Billings Library Renovation, including the schematic design phase and generation of a Project cost estimate and funding plan; and

WHEREAS, the administration today provided a project status update, an estimate of the cost of completion of the Project design, and a Project funding plan;
THEREFORE, BE IT RESOLVED, that the Committee hereby recommends to the Board that it authorize the administration to expend up to $500,000 to complete the project design, including construction drawings, at a cost consistent with its report of this date; and

BE IT FURTHER RESOLVED, that the funds for such expenditures be drawn from gift funds.

20. Resolution Authorizing Expenditures for Miller Research Complex Phase I

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

WHEREAS, the Board approved an additional $1,200,000 at its May 2014 meeting for a project cost of $3,000,000; and

WHEREAS, the administration today reported on the final Miller Research Complex Phase I bid results and the total Project Cost estimate of $4,100,000;
WHEREAS, the College of Agriculture and Life Sciences has budgeted an additional $1,100,000 of its one-time research endowment and future gift funds for this project;

THEREFORE, BE IT RESOLVED, that the Committee hereby recommends to the Board that it authorize the administration to incur the cost of the balance of the expenditures associated with the Project, such expenditures not to exceed $4,100,000; and

BE IT FURTHER RESOLVED that the funds for such expenditures be drawn from the following sources: one-time research endowment and gift funds.

21. Resolution Approving Dual Enrollment Voucher Program Rates

WHEREAS, the University participates in the Vermont Dual Enrollment Voucher program, a statewide program for Vermont high school juniors and seniors to access two college courses with tuition fully reimbursed by Next Generation Funds, a Vermont State Legislative funded program, and

WHEREAS, the reimbursement from the program typically takes the form of a voucher set at the prevailing rate for the Community College of Vermont, which has historically been lower than the University’s rate,

THEREFORE, BE IT RESOLVED, that for students enrolling via the Dual Enrollment program, the Board of Trustees hereby approves the establishment of a tuition rate equal to the value of the voucher presented by each student for each course to be reimbursed.

Ventriss – Yes, Jeff Wilson – Yes, and Mark Young – Yes. The consent agenda was unanimously approved as presented.

Chair McAneny next presented resolution #16 for approval:

**16. Resolution Approving Use of University Funds for Non-Debt Portion of STEM Project**

WHEREAS, on May 16, 2014, the Board of Trustees authorized funding for the design and development of the STEM project and directed the administration to bring forward a request to issue bonds for the project only when at least $16 million in __documented, legally binding__ non-debt funding commitments had been secured: and

WHEREAS, __at least 16.4 million in documented, legally binding__ non-debt funding commitments have been secured, and the UVM Foundation leadership believes that there is a high likelihood that the remaining $9.0 million will be secured;

NOW, THEREFORE, BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to use the following sources of funds to pay for the $26 million non-debt portion of the $104 million STEM Project: $7 million from the Capital Project Pre-funding Account, which has already been allocated by prior Board resolution, $6 million from the proceeds of the University of Vermont Medical Center Affiliation Agreement, $4.4 million from current commitments secured by the UVM Foundation, and $9.8 million of unencumbered, unrestricted University net assets; and

BE IT FURTHER RESOLVED, that University net assets used for this are to be replenished by private gifts designated for the STEM project as they are received.

An opportunity for discussion was offered. Vice Chair Daigle reported that based on information that became available during the BFI Committee meeting and the recalculation of numbers following the meeting that he would like to offer the following additional amendments:

- amend $16.4 to $17 million in paragraph 2 to reflect the current amount of secured non-debt commitments
- keep the words “documented, legally binding” in paragraphs 1 and 2
- amend the $9.6 million reference to remaining non-debt funding in the second paragraph to $9.0 million
- amend the $3.2 million reference to current commitments secured by the UVM Foundation in the third paragraph to 4.4 million.

Chair McAneny sought approval from BFI Committee members to move the resolution as further amended. There being consensus from all Committee members, a motion was made, seconded and Trustees voted on the resolution as follows: Cynthia Barnhart – Yes, Bill Botzow – Yes, Chris Bray – Yes, Robert Brennan – Yes, Frank Cioffi – Yes, David Daigle – Yes, Carolyn Dywer – Yes, Richard Gamelli – Yes, Joan Lenes – Yes, Samantha Lucas – Yes, Ron Lumbra – Yes, Debbie McAneny – Yes, Don McCree – Yes, Dave Potter – Yes, Dale Rocheleau – Yes, Tom Sullivan – Yes, Donna Sweaney – Yes, Raj Thakrar – Yes, Lisa Ventriss – Yes, Jeff Wilson – Yes, and Mark Young – Yes. The resolution was unanimously approved as further revised.
Chair McAneny next presented resolution #17 General Obligation Bonds, Series 2015 for approval (see appendix F).


At 9:55 a.m. the Chair called for a brief break.

**Executive Session**

At 10:00 a.m., Chair McAneny entertained a motion to enter into executive session to consider contracts, premature general public knowledge of which would clearly place the University at substantial disadvantage, and the evaluation and appointment of a public official. She noted that no action was anticipated following the session which was expected to last approximately forty minutes. The motion was made, seconded and approved. Vice Presidents Rosowsky, Cate, Gustafson, and Bazluke; Vice Provost Stevens; and Special Assistant to the President Clarence Davis were invited to remain. Chief Internal Auditor Bill Harrison was invited to join for the next-to-last topic.

All senior leaders except for Provost Rosowsky and Vice President Bazluke were excused for the last topic.

At 11:15 a.m., the meeting was re-opened to the public.

**Adjournment**

There being no further business, the meeting was adjourned.

Respectfully submitted,

Joan Lenes, Secretary
The Committee shall periodically review the University Bylaws and Board of Trustees’ (“Board”) standards for Trustee conduct, such as the Statement of Trustee Responsibilities and the Trustee Conflicts of Interest policy, and make appropriate related recommendations to the Board.

The Committee shall serve as the nominating committee of the Board for candidates for Board and University officer appointments.

The Committee shall periodically offer recommendations to the Board regarding new Trustees’ orientation, and training and development programs for continuing Trustees, including Board retreats. The development of these recommendations will occur in active consultation with the President and/or the President’s designees.

The Committee shall initiate and oversee Board and Committee self-assessments to maximize Board performance effectiveness.

The Committee shall consider and make recommendations to the Board regarding such other Board policy and protocol matters as the Board Chair may refer to the Committee with notice to the Board, following his or her consultation with the Board.

Approved by the Board of Trustees: September 9, 2006
Amended by the Board Governance Committee: November 3, 2014
Approved by the Board of Trustees:
**Presidential Housing Work Group Charge**

The charge of the Board of Trustees’ Presidential Housing Work Group is to review periodically the suitability of the President’s Official Residence (“Englesby House”) for its intended purposes and to make associated recommendations to the Board. The Work Group also reviews and authorizes any special capital projects, including improvements to the grounds, which would not be considered routine maintenance or upkeep. Finally, the Work Group monitors compliance with the President’s Official Residence University Operating Procedure. The Chair of the Board serves as the Leader of the Work Group and appointments are made annually by the Chair following consultation and authorization by the Board.
Equal Employment Opportunity/Affirmative Action Policy Statement

Policy Statement

The University of Vermont and State Agricultural College is committed to a policy of equal employment opportunity and to a program of affirmative action in order to fulfill that policy. The President of the University fully supports the University’s equal employment opportunity policy and the University’s affirmative action program.

The University will accordingly recruit, hire, train, and promote persons in all positions and ensure that all other personnel actions are administered without regard to unlawful criteria including race, color, religion, ancestry, national origin, place of birth, sex, sexual orientation, disability, age, positive HIV-related blood test results, genetic information, gender identity or expression, or status as a disabled veteran, recently separated veteran, active duty wartime or campaign badge veteran, or Armed Forces service medal veteran (collectively “protected veterans”), as these terms are defined under applicable law, or any other factor or characteristic protected by law, and ensure that all employment decisions are based only on valid job requirements.

In addition, the University of Vermont recognizes that discriminatory harassment and sexual harassment are forms of unlawful discrimination, and it is, therefore, the policy of the University that discriminatory harassment and sexual harassment will not be tolerated. The University also prohibits unlawful harassment on the basis of other characteristics protected by law.

Further, employees and applicants will not be subjected to harassment, intimidation, threats, coercion, or retaliation because they have engaged in or may engage in the following: filing a complaint or assisting or participating in an investigation regarding alleged discrimination or harassment as prohibited in the policy statement above; filing a complaint or assisting or
participating in an investigation, compliance evaluation, hearing, or any other activity related to the administration of the Vietnam Era Veterans' Readjustment Assistance Act of 1974 ("VEVRAA"), Section 503 of the Rehabilitation Act of 1973 ("Rehabilitation Act"), or the Affirmative Action provisions of any other federal, state or local law; opposing any act or practice made unlawful by VEVRAA or any other federal, state, or local law requiring equal employment opportunities for individuals with disabilities or protected veterans; or exercising any other rights protected by VEVRAA or the Rehabilitation Act.

The University of Vermont maintains an audit and reporting system that: measures the effectiveness of the University’s affirmative action program; indicates any need for remedial action; determines the degree to which the University’s objectives have been attained; measures the University’s compliance with its affirmative action obligations; and determines whether individuals with disabilities and veterans have had the opportunity to participate in all University sponsored educational, training, recreational and social activities.

Sources: Titles VI and VII of the Civil Rights Act of 1964; the Immigration Reform and Control Act of 1986; Title IX of the Education Amendments of 1972; the Equal Pay Act of 1963; the Age Discrimination in Employment Act of 1967; the Age Discrimination Act of 1975; Sections 503 and 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; Section 402 of the Vietnam-Era Veterans Readjustment Assistance Act of 1974; Executive Order 11246; the Genetic Information Nondiscrimination Act of 2008; and the Vermont Fair Employment Practices Act, all as amended; and such other federal, state and local non-discrimination laws as may apply.

Note: This Statement of Policy is the official University of Vermont Equal Educational Opportunity Policy Statement and supersedes all prior policy statements regarding its subject matter. It may be modified only by written statement issued by the President as Chief Executive Officer of the University or by formal action by the University of Vermont and State Agricultural College Board of Trustees. This Policy Statement is designed to express the University’s intent and commitment to comply with the requirements of federal, state, and local non-discrimination laws. It shall be applied co-extensively with those non-discrimination laws and shall not be interpreted as creating any rights, contractual or otherwise, that are greater than exist under those laws.

Contacts

Questions regarding this policy statement or compliance with its provisions may be directed to:

Director, Office of Affirmative Action and Equal Opportunity

University of Vermont
428 Waterman Building
Burlington, VT 05405
(802) 656-3368

Questions about policies related to Title IX, including sex discrimination, sexual harassment, and all forms of sexual violence may be directed to the University’s Title IX Coordinator:
Questions about disability related issues may be directed to the University’s Section 504 Coordinator:

Questions may also be directed to government agencies having oversight and enforcement authority with respect to the referenced laws. A complete listing of such agencies may be obtained from the Office of Affirmative Action and Equal Employment Opportunity.

The Vice President for Human Resources, Diversity and Multicultural Affairs is the University official responsible for the interpretation and administration of this policy.

The University has developed an Affirmative Action Plan. The portions of the plan required for disclosure are available for inspection during normal business hours; contact the University’s Public Records Officer at (802) 656-8937.

Related Documents/Policies

Equal Opportunity in Educational Programs and Activities and Non-Harassment
http://www.uvm.edu/~uvmppg/ppg/student/equaledu.pdf
Sexual Harassment Policy – Employees
http://www.uvm.edu/~uvmppg/ppg/hr/sexharasemp.pdf

Procedures for Investigating and Resolving Discrimination Complaints

Effective Date

Approved by:

E. Thomas Sullivan,
President
February 7, 2015

Deborah H. McAneny
Chair Board of Trustees
February 7, 2015
Equal Opportunity in Educational Programs and Activities and Non-Harassment

Policy Statement

The University of Vermont and State Agricultural College is committed to a policy of equal educational opportunity. The University therefore prohibits discrimination on the basis of unlawful criteria such as race, color, religion, national or ethnic origin, age, sex, sexual orientation, marital status, disability, or gender identity or expression, as those terms are defined under applicable law, in admitting students to its programs and facilities and in administering its admissions policies, educational policies, scholarship and loan programs, athletic programs, and other institutionally administered programs or activities made available to students at the University. The University also prohibits harassment, as defined in the Vermont Statutes at Title 16, section 11(a)(26). Unlawful harassment is a form of discrimination and is therefore prohibited. Sources: Title VI of the Civil Rights Act of 1964; Title IX of the Education Amendments of 1972; the Age Discrimination Act of 1975; Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Vermont Public Accommodations Act; and such other federal, state, and local non-discrimination laws as may apply.

Note: This Statement of Policy is the official University of Vermont Equal Educational Opportunity Policy Statement and supersedes all prior statements regarding its subject matter. It may be modified only by written statement issued by the President as Chief Executive Officer of the University or by formal action by the University of Vermont and State Agricultural College Board of Trustees. This Policy Statement is designed to express the University's intent and commitment to comply with the requirements of federal, state, and local non-discrimination laws. It shall be applied co-extensively with those non-discrimination laws and shall not be interpreted as creating any rights, contractual or otherwise, that are greater than exist under those laws.
Contacts

Questions regarding this policy statement or compliance with its provisions may be directed to:

Dean of Students
University of Vermont
41-43 South Prospect Street
Burlington, VT 05405
(802) 656-3380

or to:

Director, Office of Affirmative Action and Equal Opportunity
University of Vermont
428 Waterman Building
Burlington, VT 05405
(802) 656-3368

Questions may also be directed to government agencies having oversight and enforcement authority with respect to the referenced laws. A complete listing of those agencies may be obtained from the Office of Affirmative Action and Equal Opportunity.

The Vice President for Human Resources, Diversity and Multicultural Affairs is the University official responsible for the interpretation and administration of this policy.

**Title IX Coordinator**

Questions about policies related to Title IX, including sex discrimination, sexual harassment, and all forms of sexual violence, may be directed to the University’s Title IX Coordinator:

Director, Office of Affirmative Action and Equal Opportunity 656-3368

**Section 504 Coordinator**

Questions about disability related issues may be directed to the University’s Section 504 Coordinator:

Director, Office of Affirmative Action and Equal Opportunity 656-3368
Related Documents/Policies

Equal Employment Opportunity/Affirmative Action Policy Statement
http://www.uvm.edu/~uvmppg/ppg/general_html/affirm.pdf
Harassment – Students
http://www.uvm.edu/~uvmppg/ppg/student/studentharas.pdf

Procedures for Investigating and Resolving Discrimination Complaints

Sexual Harassment Policy – Students
http://www.uvm.edu/~uvmppg/ppg/student/sexharasstudent.pdf

Effective Date

Approved by:

E. Thomas Sullivan,
President
February 7, 2015

Deborah H. McAneny
Chair Board of Trustees
February 7, 2015
University of Vermont
Debt Policy
As Adopted by the Board of Trustees
September 2004, revised November 2005,
Revised, November 2006,
Revised, December 2007,
Reaffirmed, December 2008,
Revised, October 2009
Revised, October 2010
Reaffirmed, October 2011
Revised, May 2013
Revised, February 2014
Revised, February 2015

TABLE OF CONTENTS
Overview.............................................................. 1
Introduction and Objectives .................................... 2
Oversight............................................................... 3
Policy Ratios.......................................................... 3
Types of Financings ................................................. 5
Portfolio Management of Debt................................. 7
OVERVIEW

Purpose

1. Articulate the role of UVM’s debt policy within the strategic planning process.

The University of Vermont’s strategic planning is a long-term process that establishes University-wide priorities as well as University and divisional programmatic objectives. The University’s strategic plan identifies specific goals and initiatives, including capital plans that identify necessary and desired University facility investments. To fund its plan, the University will continue to utilize a mix of financing sources including State and Federal sources, philanthropy, internal reserves, and external University-supported debt.

This policy, in conjunction with the strategic and capital planning, will aid management in ensuring that an appropriate mix and types of funding sources are utilized and that the University’s debt capacity is allocated strategically. A UVM-specific debt policy is appropriate to ensure adequate financial strength to service existing and proposed debt, maintain leverage within an acceptable risk tolerance while investing in priority capital projects, maintain a strong financial profile to ensure a competitive position relative to its peers, and maintain the budgetary capacity to invest in other initiatives.

Management and the Board of Trustees, acting through the appropriate Board of Trustee committee, will assess this policy on an ongoing basis to ensure that it remains responsive to UVM’s evolving academic, research and strategic priorities and financial position.

The University believes that financial discipline is a critical component of long-term debt management and that the Board and management, operating through the appropriate Board of Trustee committee should establish a limited number of financial ratios and limits in order to manage debt within acceptable ranges consistent with UVM’s objectives. These measures will be monitored and reported on in light of UVM’s evolving strategic initiatives and capital needs.
INTRODUCTION AND OBJECTIVES

<table>
<thead>
<tr>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Articulate UVM’s philosophy regarding debt.</td>
</tr>
<tr>
<td>2. Establish objectives for debt policy.</td>
</tr>
<tr>
<td>3. Provide for regular review and potential update of policy to reflect evolving needs.</td>
</tr>
</tbody>
</table>

Just as investments represent an integral component of assets, debt is viewed to be a long-term component of liabilities that therefore should be managed on a long-term portfolio-basis consistent with the institution’s policy objectives, with an overarching objective of managing the balance sheet.

The objectives of the policy are to:

(i) Maintain the University’s access to capital. Management will utilize and issue debt in order to provide timely access to capital to fund project priorities that have been approved by the Board;

(ii) Manage the University’s credit to meet its long-term strategic objectives while maintaining creditworthiness consistent with the most favorable relative cost of capital and borrowing terms.

(iii) Limit risk of the University’s debt portfolio. Debt will be managed on a portfolio, rather than a transactional or project-specific, basis. Management’s continuing objective of incurring the lowest achievable long-term risk-adjusted cost of capital will be balanced with the goal of appropriately limiting exposure to market shifts within acceptable budgetary parameters. Various types of debt structures and financial instruments will be considered, monitored, and managed within the framework established in this policy and according to internal management procedures; and

(iv) Permit the optimization of the investment of the University’s working capital and cash balances. Management will explore various options and alternatives to internal cash holdings regarding the optimal funding mechanism for short-term equipment needs, bridge financing and cash requirements. Management recognizes that working capital requirements, debt management, and the investment of cash/net assets should be viewed comprehensively in order to optimize overall funding and investment return strategies.

In addition to establishing a framework relating to the administration of debt, the policy provides for periodic updates pertaining to UVM’s debt capacity and financial management to both internal and external parties.
OVERSIGHT

Purpose

1. Provide mechanism for oversight and review on periodic basis.
2. Provide management flexibility to make ongoing financing decisions within the framework of the policy.

By adopting this policy and regularly reviewing it with the appropriate Board of Trustee committee, management will follow and report on guidelines and requirements regarding debt utilization. With appropriate authorizations consistent with the policy, management will have flexibility to implement specific financial transactions and utilize approved financing vehicles in accordance with stated procedures.

The Office of the Vice President for Finance and University Treasurer will manage all funding sources, including debt, for capital projects authorized by the Board. The structure of any individual transaction (e.g., maturity, interest rate mode, use of derivative products, other financing structures) will be based upon overall University needs to ensure that (i) long-term costs to the University and its operating units are minimized consistent within the context of other strategic objectives and (ii) overall risk does not exceed acceptable levels as defined in this policy.

Because this debt policy is a living document, the appropriate Board of Trustee committee will review this policy on an annual basis and report any recommended changes or revisions to the Board of Trustees. This review process is necessary to ensure that the policy remains consistent with the University’s objectives and responsive to evolving practices, competitive pressures in the external environment, and financial indicators.

POLICY RATIOS

Purpose

1. Identify core ratios.
2. Clearly communicate with key parties such as rating agencies the University’s philosophy regarding debt and management’s ongoing assessment of debt capacity and affordability.

This policy establishes limits to measure the total amount of outstanding debt compared to University balance-sheet resources and the annual operating budget. These ratios can be derived from the financial statements and other information and are subject to review periodically.

The policy identifies ratios that (i) are based on current GAAP requirements and (ii) are consistent with ratios utilized in the higher education industry to permit benchmarking.

In addition to the two policy ratios below, the University may consider tracking other ratios in addition to the policy ratios. Listed below are the policy ratios and limits that will be followed.

Ratio 1 – Debt Burden Ratio

This ratio measures the University’s ability to repay debt service associated with all outstanding debt and the impact on the overall budget and includes all activities of the University. The defined limit for this ratio is intended to maintain the University’s long-term operating flexibility to fund existing requirements and new initiatives, although the University may target a desired ratio below this limit.

\[
\frac{\text{ANNUAL DEBT SERVICE}}{\text{TOTAL EXPENSES}} \leq 5.75\%
\]

The measure is based on aggregate operating expenses as opposed to operating revenues because expenses typically are more stable (e.g., no one-time operating gifts, investment return, variability of State funding) and better reflect the operating base of the University. Management
recognizes that a growing expense base would make this ratio appear more attractive. The limit for this ratio is not to be greater than 5.75% until June 30, 2023 and will revert to 5% thereafter. This ratio will be adjusted to include the impact of non-amortizing or non-traditional debt structures that could result in significant single year fluctuations, as well as an assumption of an appropriate variable rate.

Ratio 2 - Viability Ratio (also called Expendable Financial Assets to Debt)

This ratio indicates one of the most basic determinants of financial health by measuring the availability of liquid and expendable net assets compared to aggregate debt. The ratio measures the medium to long-term health of the University’s balance sheet and debt capacity and is a critical component of universities with the highest credit quality.

Many factors influence the viability ratio, affecting both the assets (e.g., investment performance, philanthropy) and liabilities (e.g., timing of bond issues), and therefore the ratio is best examined in the context of changing market conditions so that it accurately reflects relative financial strength. For example, a viability ratio that is acceptable and entirely appropriate in one market condition may be relatively stronger or weaker in other market environments.

This policy establishes a debt policy limit (floor) for this ratio of \( 1.0 \times 0.8 \) to ensure that sufficient balance sheet strength is maintained at all times.

\[
\frac{\text{UNRESTRICTED NET ASSETS} + \text{TEMPORARILY RESTRICTED NET ASSETS} - \text{EQUITY IN PLANT}}{\text{AGGREGATE DEBT}} > 0.8x
\]

This ratio will include any financings that impact the University credit, including guarantees of third-party debt.

The 0.8x limit is recognized as a limit, and not a long-term objective. Over time, to remain competitive and retain the flexibility to invest in future strategic initiatives, UVM will want to target and maintain a ratio above 0.8x.

Annually, based on the results of the audited financial statements, the Vice President for Finance will report to the appropriate Board of Trustee committee on the actual ratio results and any existing conditions that put the University out of compliance with this policy. In the event that the University is out of compliance with the policy, the appropriate Board of Trustee committee will take up the matter for consideration and make recommendations it deems appropriate to the Board of Trustees.

Ratios as a Credit Factor

The University has established its ratios and associated ratio limits based on internally-established guidelines. The ratios and limits are not intended to provide a long-term target or track a specific rating, but rather will enable the maintenance of the University’s competitive financial profile and complement the capital planning process. The debt policy will be shared with external credit analysts and other third parties in order to provide them with the context regarding UVM’s assessment of self-determined debt capacity and affordability, which is subject to ongoing review.
The University recognizes that there are numerous types of financing structures and funding sources available, each with specific benefits, risks, and costs. All potential funding sources will be reviewed by management within the context of the debt policy and the overall portfolio to ensure that any financial product or structure is consistent with UVM’s objectives. Regardless of what financing structure(s) is(are) utilized, a full understanding of the transaction, including (i) quantification of potential risks and benefits, and (ii) analysis of the impact on University creditworthiness and debt capacity, will be required. Any financial transaction which, in management’s opinion utilizes the University’s credit, will be subject to the limits set forth in this policy regardless of source. **Tax-Exempt Debt**

The University recognizes that debt will remain a long-term component of the University’s capitalization over the foreseeable future due in part to its continued need for capital and the substantial economic benefits associated with tax-exempt debt. Therefore, financial transactions will be managed on a portfolio basis with a long-term perspective. (In all circumstances, however, individual projects must continue to be identified and tracked to ensure compliance with all tax and reimbursement requirements).

Debt will be structured to meet the University’s comprehensive long-term objectives, and each project being financed will be required to provide a sound business plan, including the source of repayment for the debt and appropriate and realistic repayment terms. Among other things, the repayment terms will require that the loan term is no greater than the expected componentized useful life of the asset financed. Additionally, the financed project will be required to budget and fund principal payments on a fully amortized basis.

**Taxable Debt**

While all of the University’s capital projects may not qualify for tax-exempt debt, taxable debt should only be used in appropriate cases as it generally represents a more expensive source of capital relative to tax-exempt issuance.

**Commercial Paper**

The CP program can provide substantial financial flexibility to the University including the ability to manage and optimize cash balances, and provide an alternative to lease transactions, and other purposes. CP can offer the University interim financing for capital projects in anticipation of the receipt of funding either in the form of future philanthropy or the issuance of long-term debt for permanent financing, as well as offer greater flexibility regarding the timing and structuring of individual bond transactions.

**Derivative Products**

Management recognizes that derivative products may enable more opportunistic and flexible management of the debt portfolio. Derivative products, including interest rate swaps, may be employed primarily to manage or hedge the University’s interest rate exposure for a specific period of time. The University will utilize a framework to evaluate potential derivative instruments through consideration of (i) its variable rate allocation, (ii) market and interest rate conditions, (iii) impact on future financing flexibility, and (iv) the compensation for assuming risks, or the costs for eliminating certain risks and exposure. In addition, the

---

### Types of Financings

<table>
<thead>
<tr>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Review of all potential funding sources for projects.</td>
</tr>
<tr>
<td>2. Maximize tax-exempt University-issued debt.</td>
</tr>
<tr>
<td>3. Commercial Paper program.</td>
</tr>
<tr>
<td>a. Provide bridge funding.</td>
</tr>
<tr>
<td>4. Manage derivative products, including swaps.</td>
</tr>
<tr>
<td>5. Consider other financing sources.</td>
</tr>
<tr>
<td>a. Management will explore securitizations, joint ventures and other financial structures to provide for the optimal funding for any project.</td>
</tr>
</tbody>
</table>
University will analyze and quantify the cost/benefit of any derivative instrument relative to achieving desirable long-term capital structure objectives. Under no circumstances will a derivative transaction be utilized that is not understood fully by management or that imposes inappropriate risk on the University. Risks include but are not limited to tax risk, interest rate risk, liquidity risk, counterparty credit risk, basis risk, and any other potential risks either imposed or removed through the execution of any transaction. In addition, management will consider and disclose the potential impact of any derivative product on the University’s financial statements and the appropriate treatment in calculating the debt policy ratios. The University will regularly report on the status and performance of its derivative products, if any, to the appropriate Board of Trustee committee. Given the risks and complexity associated with derivative products, they will be considered more seriously only when: (i) conventional financing sources are relatively more expensive (e.g. exceed the portfolio blended interest rate, and (ii) can achieve desired financial objectives more efficiently or at a significantly lower risk-adjusted cost than traditional structures. Management is required to present any recommended derivative product to the appropriate Board of Trustee committee and must receive Board approval prior to execution.

### Other Financing Sources

The University recognizes that a variety of transactions, not limited to debt insured directly by UVM, may impact the University’s credit while the University’s limited debt capacity and substantial capital needs require the consideration of various financing alternatives, including possible opportunities for alternative and non-traditional transaction structures. The University recognizes these types of transactions may also impact the University’s credit and also often can be more expensive than traditional University debt structures.

Therefore all non-traditional financing structures including guarantees and third party debt can only be considered once the economic benefit and the likely impact on the University’s debt capacity and credit has been determined. Specifically, for any third-party or developer based financing, management will ensure the full credit impact of the structure is evaluated and quantified to the extent possible prior to execution and the analysis must be presented to the appropriate Board of Trustee committees and must receive Board approval prior to execution.
The University considers its debt portfolio holistically; that is, it optimizes the portfolio of debt for the entire University rather than on a project-by-project basis, and takes into account the University’s cash and investments.

Variable Rate Debt

It is recognized that a degree of exposure to variable interest rates within the University’s debt portfolio may be desirable in order to:

(i) take advantage of repayment/restructuring flexibility;
(ii) benefit from historically lower average interest costs; and
(iii) diversify the debt portfolio; and,
(iv) provide a hedge to short-term working capital balances

Management will monitor overall interest rate exposure, analyze and quantify potential risks, and coordinate appropriate fixed/variable allocation strategies. The portfolio allocation to variable rate debt may be managed or adjusted through (i) the issuance of debt (potentially new issues and refunding), (ii) and the use of interest rate swaps and other derivative products. While the utilization of commercial paper impacts the University’s variable rate exposure, outstanding CP will not be included in the ratio, given the expected interim financing purpose.

Recognizing the desire to manage interest rate risk, the amount of variable rate debt outstanding shall not exceed 35% of the University’s outstanding debt. This limit is based on the University’s desire to (i) limit annual variances in its debt portfolio, (ii) provide sufficient structuring flexibility to management, (iii) keep the University’s variable rate allocation within acceptable external parameters, (iv) utilize variable rate debt (and/or swaps) to optimize debt portfolio allocation and minimize costs, and (v) take into account liquidity needs and exposures for the portfolio, including consideration of the commercial paper program.

The University will exclude from this calculation project-related commercial paper used in advance of expected long-term financing since this commercial paper is used for interim purposes and should not be included in the University’s desired long-term variable rate allocation calculation. The numerator, Variable Rate and Liquidity Exposure, is defined as including all variable rate debt, not adjusted for any floating to fixed swaps, if any, and plus any fixed to floating swaps, if any. Thus, any variable rate debt that is affected by floating-to-fixed interest rate swaps will be considered variable rate debt for the purposes of this calculation since it impacts the University’s liquidity requirements and exposes the institution to counterparty credit exposure. Note that this ratio measures interest rate exposure and liquidity exposure/requirements directly.
GLOSSARY

**Annual Debt Service** – refers to the principal and interest due on long-term debt in a fiscal year.

**Bridge Financing** – refers to any type of financing used to “bridge” a period of time. For universities, it generally refers to financings that provide funding in advance of a long-term bond issue or the receipt of gift funding.

**Capital Project** – refers to physical facilities or equipment or software that may be capitalized.

**Commercial Paper** – an alternative to bank line for stronger rated borrowers, commercial paper is short-term promissory notes issued on the open market as an obligation of the borrower. The maturity of commercial paper is less than 270 days, and for most universities, the average maturity of all paper is between 30-50 days. Registration and disclosure for commercial paper is significantly less than traditional university bonds.

**Derivative Products** – generally referred to transactions which are an exchange of specified cash flows for a period of time. The most common types of derivatives are floating-rate-to-fixed-rate or fixed-rate-to-floating-rate swaps.

**GAAP** – refers to Generally Accepted Accounting Principles.

**Leverage** – long-term debt as a component of the total assets of the University. “High leverage” indicates an institution that has a considerable portion of its assets that are debt financed.
For approval: February 7, 2015

GENERAL OBLIGATION BONDS,
SERIES 2015


WHEREAS, a working group of Trustees appointed by the Chair of the Budget, Finance and Investment Committee of the University’s Board of Trustees (the “Bond Work Group”) met on January 22, 2015, and, due to favorable market conditions, recommends to the University’s Board of Trustees (the “Board”) that the University (i) refund all or a portion of the outstanding Series 2005 Bonds (the “Series 2005 Refunded Bonds”), all or a portion of the outstanding Series 2007 Bonds (the “Series 2007 Refunded Bonds”) and all or a portion of the outstanding Series 2009 Bonds (the “Series 2009 Refunded Bonds” and collectively with the Series 2005 Refunded Bonds and the Series 2007 Refunded Bonds, the “Refunded Bonds”) and (ii) finance the cost of certain capital projects of the University which have been authorized by the Board prior to the date hereof (including authorized reimbursements for prior University capital expenditures) as more particularly described on Exhibit A attached hereto (the “New Money Project”); and

WHEREAS, the Board has determined that it is desirable to authorize the Vice President for Finance and Treasurer, or his successor or designee, to proceed toward the refunding of the Refunded Bonds and the financing of the New Money Project, in consultation with the Bond Work Group, and to execute any and all contracts and documents necessary for the issuance by the University of the Series 2015 Bonds (as defined below); and
WHEREAS, the Board has determined that in order to (i) refund the Refunded Bonds, (ii) finance the cost of the New Money Project and (iii) pay associated administrative costs, it is necessary and desirable to authorize (i) the issuance by the University of its General Obligation Bonds, Series 2015 in amounts not to exceed $80,000,000 aggregate principal amount allocable to the New Money Project, $84,000,000 aggregate principal amount allocable to the refunding of the Series 2005 Refunded Bonds, $79,000,000 aggregate principal amount allocable to the refunding of the Series 2007 Refunded Bonds and $73,000,000 aggregate principal amount allocable to the refunding of the Series 2009 Refunded Bonds (collectively, the “Series 2015 Bonds”), in one or more series, at one or more times, with anticipated net present value savings of not less than 3% of the total par amount of the Refunded Bonds and costs of issuance not to exceed 1.25% of the par amount of the Series 2015 Bonds and (ii) the execution of a supplemental indenture between the University and the Trustee, establishing the amount of the Series 2015 Bonds and the details thereof and describing the Refunded Bonds and the New Money Project; and

WHEREAS, the Board proposes to issue the Series 2015 Bonds on a parity with the outstanding Series 2005 Bonds, Series 2007 Bonds, Series 2009 Bonds, Series 2010 Bonds, Series 2012A Bonds and Series 2014 Bonds (the Series 1990 Bonds, the Series 1998 Bonds and the Series 2002 Bonds being no longer outstanding) pursuant to the terms of the Indenture and one or more Supplemental Indentures thereto relating to the Series 2015 Bonds (collectively, the “Supplemental Indentures”), between the University and the Trustee; and

WHEREAS, the Board desires to authorize the execution and delivery of one or more Bond Purchase Agreements (together, the “Bond Purchase Agreement”) among the University, Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated (the “Underwriters”), pursuant to which the University will sell the Series 2015 Bonds to the Underwriters in accordance with the terms and conditions set forth therein; and

WHEREAS, the Board desires to authorize the execution and delivery of one or more Escrow Agreements (collectively, the “Escrow Agreements”) between the University and the Trustee, in its capacity as Trustee for each series of the Refunded Bonds, pursuant to which the University will direct the Trustee to purchase state and local government securities and deposit funds necessary to pay the redemption price for the applicable series of Refunded Bonds on the applicable redemption date; and

WHEREAS, in connection with the issuance and sale of the Series 2015 Bonds, one or more Preliminary Official Statements (collectively, the “Preliminary Official Statement”) and final Official Statements (collectively, the “Official Statements”) will be prepared by the University, which will present information about the University, the terms of the Series 2015 Bonds and the security for the Series 2015 Bonds, among other things; and

WHEREAS, the Board desires to authorize the execution and delivery of one or more Continuing Disclosure Agreement (collectively, the “Continuing Disclosure Agreements”) between the University and the Trustee, pursuant to which the University will be obligated to update certain information in the applicable Official Statement and provide certain other notices to the specified repository in accordance with the terms and conditions set forth therein; and
WHEREAS, copies of the forms of the following documents relating to the transactions described above have been filed with the University:

1. the Supplemental Indentures;
2. the Bond Purchase Agreements;
3. the Escrow Agreements;
4. the Preliminary Official Statements (including Appendix A thereto); and
5. the Continuing Disclosure Agreements;

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. **Issuance of Series 2015 Bonds.** The Board hereby approves and confirms the issuance by the University of the Series 2015 Bonds, in one or more series, at one or more times, to provide funds (i) to refund all or a portion of the outstanding Refunded Bonds of the University and (ii) to finance the cost of the New Money Project (including the costs of issuance and any other related expenses, including the Underwriter’s discount and its expenses, provided such costs shall not exceed 1.25% of the par amount of the Series 2015 Bonds). The Series 2015 Bonds shall bear a true interest cost not exceeding 5.00% per annum with net present value savings of the portion of the Series 2015 Bonds allocable to the Refunded Bonds not less than 3% of the par amount of the Refunded Bonds. The portion of the Series 2015 Bonds allocable to the New Money Project shall be in the initial principal amount of not more than $80 million and shall mature not later than 35 years from their dated date. The portion of the Series 2015 Bonds allocable to the refunding of the Series 2005 Refunded Bonds shall be in the initial principal amount of not more than $84 million, shall mature not later than the final maturity date of the Series 2005 Refunding Bonds and shall have a weighted average maturity not exceeding the weighted average maturity of the Series 2005 Refunded Bonds by more than two years. The portion of the Series 2015 Bonds allocable to the refunding of the Series 2007 Refunded Bonds shall be in the initial principal amount of not more than $79 million, shall mature not later than the final maturity date of the Series 2007 Refunding Bonds and shall have a weighted average maturity not exceeding the weighted average maturity of the Series 2007 Refunded Bonds by more than two years. The portion of the Series 2015 Bonds allocable to the refunding of the Series 2009 Refunded Bonds shall be in the initial principal amount of not more than $73 million, shall mature not later than the final maturity date of the Series 2009 Refunding Bonds and shall have a weighted average maturity not exceeding the weighted average maturity of the Series 2009 Refunded Bonds by more than two years. If the Series 2015 Bonds are issued at more than one time, each issuance of the Series 2015 Bonds shall comply with the limitations contained in this Resolution; provided that the aggregate principal amount of Series 2015 Bonds shall not exceed the limitations on principal amount set forth herein. The Board hereby finds and determines that these purposes are necessary and desirable and hereby authorizes the Vice President for Finance and Treasurer, in consultation with the Bond Work Group, to determine (i) whether the Series 2015 Bonds should be issued as two or more sub-series of bonds, issued together or at different times (based on whether the issuance of the Series 2015 Bonds in two or more sub-series, issued together or at different times, will facilitate debt management or marketing of the Series 2015 Bonds or compliance with federal tax law restrictions or is expected to maximize present value savings or otherwise reduce interest rate or other costs) and (ii) the terms of the Series 2015 Bonds and the terms of the sale of the Series 2015 Bonds
(including the maturity dates and amounts, the interest rates, the original issue premium or discount, the redemption provisions of the Series 2015 Bonds based on financial or structural benefits to the University and marketing considerations and the underwriters’ compensation) subject to the limitations set forth in this resolution and the applicable Supplemental Indenture. The form and content of the Series 2015 Bonds as set forth in the applicable Supplemental Indenture are hereby approved and confirmed. The Vice President for Finance and Treasurer, and the Secretary or the Assistant Secretary of the Board are authorized and directed to execute and deliver the Series 2015 Bonds for and on behalf of the University, in substantially the form and content set forth in the applicable Supplemental Indenture, but with such changes, additions or deletions as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, additions or deletions.

Section 2. **Authorization to Determine Refunded Bond Redemptions.** The Board hereby authorizes and directs the Vice President for Finance and Treasurer, in consultation with the Bond Work Group, to determine which maturities (or portions of maturities) of the Refunded Bonds shall be refunded with the proceeds of the Series 2015 Bonds and the dates of redemption of such Refunded Bonds; provided that such refunding results in net present value savings of not less than 3% of the par amount of the Refunded Bonds (from each issuance of Series 2015 Bonds if issued at more than one time).

Section 3. **Authorization of Supplemental Indentures.** The Board hereby approves and confirms the form and content of one or more Supplemental Indentures. The Vice President for Finance and Treasurer, and the Secretary or Assistant Secretary of the Board are hereby authorized and directed to execute and deliver one or more Supplemental Indentures for and on behalf of the University, in substantially the form and content made available to the Board, but with such changes, additions or deletions as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, additions or deletions. From and after the execution and delivery of the Supplemental Indentures, the Vice President for Finance and Treasurer, and the Secretary or Assistant Secretary of the Board and all other officers of the Board and the University are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Supplemental Indentures as executed.

Section 4. **Authorization of Bond Purchase Agreement.** The Series 2015 Bonds shall be awarded and sold to the Underwriters pursuant to the terms of one or more Bond Purchase Agreements at an aggregate underwriters’ discount or fee to be determined by the Vice President for Finance and Treasurer in consultation with the Bond Work Group, of not more than 0.30% ($3.00 per $1,000 bond) plus an additional amount to cover out-of-pocket expenses of the Underwriters. The Series 2015 Bonds shall be authenticated and delivered to or upon the order of the Underwriters upon payment of the purchase price set forth in the Bond Purchase Agreement. The form and content of the Bond Purchase Agreement is hereby approved. The Vice President for Finance and Treasurer is hereby authorized and directed to execute and deliver the Bond Purchase Agreement for and on behalf of the University, in substantially the form and content made available to the University, but with such changes, additions or deletions as shall to him seem necessary, desirable or appropriate, his execution
thereof to constitute conclusive evidence of his approval of any and all such changes, additions or deletions therein. From and after the execution and delivery of the Bond Purchase Agreement, the Vice President for Finance and Treasurer and all other officers of the Board and the University are hereby authorized and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Bond Purchase Agreement as executed.

Section 5. Authorization of Escrow Agreements. The form and content of one or more Escrow Agreements is hereby approved. The Vice President for Finance and Treasurer is hereby authorized and directed to execute and deliver one or more Escrow Agreements for and on behalf of the University, in substantially the form and content made available to the Board, but with such changes, additions or deletions as shall to him seem necessary, desirable or appropriate, his execution thereof to constitute conclusive evidence of his approval of any and all such changes, modifications, additions or deletions. From and after the execution and delivery of the Escrow Agreements, the Vice President for Finance and Treasurer and all other officers of the Board and the University are hereby authorized and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Escrow Agreements as executed.

Section 6. Authorization of Continuing Disclosure Agreements. The form and content of one or more Continuing Disclosure Agreements is hereby approved. The Vice President for Finance and Treasurer is hereby authorized and directed to execute and deliver one or more Continuing Disclosure Agreements for and on behalf of the University, in substantially the form and content made available to the Board, but with such changes, additions or deletions as shall to him seem necessary, desirable or appropriate, his execution thereof to constitute conclusive evidence of his approval of any and all such changes, modifications, additions or deletions. From and after the execution and delivery of the Continuing Disclosure Agreements, the Vice President for Finance and Treasurer and all other officers of the Board and the University are hereby authorized and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Agreements as executed.

Section 7. Approval of Preliminary Official Statements and Official Statements. The form, terms and content of the Preliminary Official Statements and the Official Statements in substantially the form of the Preliminary Official Statements (but including the terms of the Series 2015 Bonds) is authorized, approved and confirmed, with such changes, additions or deletions therein as shall seem necessary, desirable or appropriate to the Vice President for Finance and Treasurer. The use of the Preliminary Official Statements and of the Official Statements by the Underwriters in connection with the sale of the Series 2015 Bonds is hereby authorized, approved and confirmed. The Vice President for Finance and Treasurer is authorized to execute the Official Statements on behalf of the University.

Section 8. Tax Certificates. The Vice President for Finance and Treasurer and Treasurer of the University is hereby authorized to execute certificates in order to evidence the University’s compliance with the Internal Revenue Code of 1986 and the applicable Income Tax Regulations thereunder.
Section 9. No Personal Liability. No stipulation, obligation or agreement herein contained or contained in the Series 2015 Bonds, the Indenture, the Supplemental Indentures, the Bond Purchase Agreement, the Escrow Agreements, the Continuing Disclosure Agreements or any other instrument related to the issuance of the Series 2015 Bonds shall be deemed a stipulation, obligation or agreement of any officer, agent or employee of the University in his or her individual capacity, and no such officer, agent or employee shall be personally liable on the Series 2015 Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

Section 10. Actions of Officers. The officers of the Board and of the University are hereby authorized 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 in order to consummate the transactions contemplated by (i) this Resolution, (ii) the Indenture and the Supplemental Indentures and (iii) the documents presented to this meeting or made available for review: 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 specific provisions of the Indenture or the Supplemental Indentures, (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 11. 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 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 Series 2015 Bonds authorized hereunder.

Section 12. Conflicting Provisions. All prior resolutions or parts thereof of the University in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 14. Effective Date. This Resolution shall take effect upon its adoption.
Exhibit A

New Money Project Description

The New Money Project shall consist of the development of the Science Technology Engineering and Mathematics complex including (i) demolition of Angell Hall and the Cook Building; (ii) construction of a research / teaching lab building and a classroom / office building and (iii) renovation of Votey Hall.