A meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Saturday, October 3, 2015, at 8:30 a.m. in the Livak Ballroom, 417-419 Dudley H. Davis Center.

MEMBERS PRESENT: Chair Debbie McAneny, Vice Chair David Daigle, Secretary Joan Lenes, Bill Botzow, David Brandt, Robert Brennan, Frank Cioffi, Richard Gamelli, Bernie Juskiewicz, Samantha Lucas, Ron Lumbra, Curt McCormack, Don McCree, Anne O’Brien, Ed Pagano, Dale Rocheleau, Tom Sullivan, Donna Sweaney, Tristan Toleno*, and Lisa Ventriss

MEMBERS ABSENT: Cynthia Barnhart, Carolyn Dwyer, Kesha Ram, Governor Peter Shumlin, and Jeff Wilson

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 President for Executive Operations Gary Derr, Vice Provost for Student Affairs Annie Stevens, Senior Advisor to the President and Provost John Evans, Director for Capital Planning and Management Bob Vaughan

*via conference call (joined meeting at 9:05 a.m.)

Chair Debbie McAneny called the meeting to order at 8:55 a.m. and commented on the various activities the previous day related to the launch of the Move Mountains, The Campaign for the University of Vermont leading up to the main event last evening, indicating it was one of the best events she’s ever attended.

Approval of Previous Meeting Minutes

A motion was made, seconded and it was voted to approve the minutes from the May 16, 2015, meeting as presented.

Public Comment

Chair McAneny opened the public comment period and acknowledged receipt of a request submitted yesterday. She invited Bonny Filker to address the Board and called to her attention for future reference that the cut-off for accepting public comment requests is 48 hours prior to a meeting.

Ms. Filker introduced herself as a student representative from the Student Climate Culture and thanked the Board for the opportunity to speak to them today regarding her concerns, as a member of the campus community and a science communicator, in the University’s continual investment in fossil fuels. She opined that fossil fuel investment is set up for long-term economic and environmental failure and that money spent in fossil fuels would be better spent making the University carbon neutral. She concluded her remarks by expressing her worries
about the speed at which the environment is drastically changing and the urgency for addressing these changes as they will not go away by ignoring them.

**Committee Reports**

**Audit Committee**

Audit Committee Chair Dale Rocheleau reported that the Committee met on July 13 and September 14, 2015. At both meetings, Grant Thornton provided status reports on the FY 2015 financial statement and OMB Circular A-133 audits. No significant findings or internal control weaknesses were reported.

Over the course of both meetings, Enterprise Risk Management (ERM) Portfolio updates were provided on risks related to research and sponsored project compliance and information security and data privacy.

In July, Director of Compliance Services Tessa Lucey offered an update on the compliance program and work plan activity since the Office’s last report in February 2015. In September, Chief Internal Auditor Bill Harrision offered an update on internal audit activity and the status of internal audit recommendations since the Office’s last report in April 2015.

In September, the Committee received its annual summary report of FY 2015 presidential housing budget expenditures and FY 2015 presidential travel expense reimbursement. Chair Rocheleau noted that the latter report does not include expenses for travel on behalf of the UVM Foundation.

An opportunity for comments and questions was offered. Trustee Botzow inquired how the relationship with the external auditors Grant Thornton is going. Chair Rocheleau responded that Grant Thornton is in their second year of conducting the University’s audit, and that as a result of an assessment of their work, the relationship is improving every day. He concluded by noting that the Committee is monitoring the work done by Grant Thornton along with management’s responses.

**Educational Policy and Institutional Resources Committee** (EPIR)

Committee Chair Bill Botzow reported that the Committee received a routine report from Cathy Paris, Chair of the Faculty Senate Curricular Affairs Committee, and approved for referral to the Board a proposal to create a Minor in Sports Management in the Rubenstein School of Environment and Natural Resources.

The Committee also endorsed for referral to the Budget, Finance & Investment Committee a proposal for this year’s residential life deferred maintenance project. The proposed project is exterior renovation of Converse Hall. The scope of the work will include extensive renovation of the stone exterior as well as the slate roof.
In addition to the Provost’s routine written report, the following written annual reports were provided and an opportunity for authors to offer highlights and entertain questions was offered:

- Capital Projects Progress Reports
- UVM Foundation Report
- Career Success Action Plan Progress
- Enrollment Report
- Information Technology Report
- International Opportunities

Chair Botzow encouraged Trustees to read all of the reports.

Enterprise Risk Management (ERM) Portfolio updates were provided on opportunities related to internationalization and resource research vision. The Director of Global Education Initiatives, Gayle Nunley, briefed the Committee on four principal international initiatives to date including: 1) the 2014 launch of UVM’s Global Gateway Program; 2) the projected launch in 2016 of a Pre-Master’s Program to support graduate-level international enrollment; 3) an expanded UVM travel-study and exchange program array; and 4) the development of international institutional affiliations. Richard Galbraith, Vice President for Research, reported that his office has been working on an internal process to update drafts of the UVM Risk-Opportunity Portfolio Registers to better reflect the office’s vision for future research, scholarship, and creative works at the University. Going forward, the management plan is to continue the work of diversifying the breadth of disciplines included in research and scholarship, and to expand external funding opportunities beyond traditional sources.

Lastly, the Committee received a presentation on the fourth Academic Excellence Goal, Increase Interdisciplinary Teaching and Research. Provost Rosowsky addressed the importance of interdisciplinary teaching noting that this is a core value for the University and that faculty and students are coming to UVM with multiple interests. Vice President Galbraith reported on interdisciplinary research and scholarship including the creation of the Faculty Activity Network (FAN), the creation and launch of a new internal multidisciplinary/interdisciplinary funding program, prioritizing direct support of a variety of humanities-based initiatives, and funding the Honors College Faculty Seminar.

An opportunity for comments and questions was offered. Chair McAneny inquired about the placement of the Minor in Sports Management in the Rubenstein School of Environment and Natural Resources. Provost Rosowsky responded that this new minor is in collaboration with the College of Agriculture and Life Sciences, the College of Education and Social Services, and the School of Business Administration. President Sullivan added that historically, the Parks, Recreation and Tourism program has resided in the Rubenstein School and it made sense to house the program there.

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

BFI Chair David Daigle reported that the Committee approved setting maximum off-campus temporary housing room rates for FY 2017 at $9,316, an increase of 3.5%. The administration is
seeking to set the rates at this time to allow Residential Life to enter into contracts with students prior to the formal budget approval in May 2016.

The Committee also endorsed the administration’s recommendation to set Summer Session (2016) tuition at $428 per credit hour for in-state students and $1,081 per credit hour for out-of-state students. These rates once again reflect a 30% discount of the spring semester tuition which was offered for the first time last year. The Committee also endorsed the proposed tuition rates for the Global Gateway Program, a matriculation preparatory program for approximately 250 international students. All three resolutions appear on today’s consent agenda for approval.

Rob Brennan, Chair of the Investment Subcommittee (ISC), reported that the endowment, as of June 30, 2015, was at $451 million. Due to the volatility in the markets over the last months, the endowment, as of August 31, 2015, was at $433 million, which is down 3.7%. Trustee Brennan, along with other trustees, has been working to manage this volatility. The Committee reviewed a comparison of UVM’s year-to-date performance with its benchmark. As of June 30, 2015, the portfolio returned 1%, which did not beat the benchmark. However, long term it is expected that UVM will exceed its benchmark.

The ISC conducted its annual review of the Endowment Budget Policy, which sets the percentage of the endowment to be further invested, and the Endowment Administration Fee Policy, which sets what is paid to the University for administrative support, including staffing, legal fees, and investment advisor fees. Both policies were recommended for reaffirmation with no changes and BFI approved the policies for referral to the Board.

The Committee received an update on the activity of the Socially Responsible Investing Advisory Council (SRIAC). The Council had its first meeting of the semester on Friday, September 25th, 2015 and, much of that time was spent discussing the next event which will take place on Thursday, October 22nd, 2015 at 5 p.m. in the Livak Ballroom. At this event, four panelists will be speaking on various aspects of socially responsible investing.

ISC Chair Brennan concluded his report by noting that the Subcommittee is working with the administration on clarifying action taken to date on socially responsible investing, e.g. cluster munitions and tobacco. A report in this regard will be made to the Board at its February meeting.

Chair Daigle shared details of Vice President for Finance Richard Cate’s report, which included an update on the status of the FY 2015 external audit. The University is on track for a clean Audit and Grant Thornton is expected to issue an opinion later this month. Additionally, the University had a successful 2015 general bond issue closing on July 15, 2015 with which the necessary capital to fund the STEM Complex and new Residence Hall was secured. The Vice President’s report also included a presentation on Incentive Based Budgeting (IBB) that contrasted the outcome of the past year’s budget from the perspectives of the centralized model that the University has traditionally used and the new IBB model. Lastly, the Committee received end-of-year results of the FY 2015 budget, which were positive and along the lines of what was projected in the last report to the Committee.

Chair Daigle next reported that the Committee discussed the creation of a Liquidity Policy. The objective of the policy is to ensure that the University operates with an adequate level of institutional liquidity (target is $30M) to minimize risk associated with temporary, unforeseen
liquidity needs. Proposed amendments to the University’s Cash Management Policy, to include language regarding liquidity, were distributed at the meeting. However, Committee members would like more time to review the amended policy, and they deferred action until the next meeting in February 2016.

Chair Daigle concluded his report by acknowledging that the Committee approved the administration’s recommendation to utilize $2.0M in available unrestricted residential life plant funds to fund the exterior restoration of Converse Hall, the recommended Residential Life FY 2016 deferred maintenance project.

An opportunity for comments and questions was offered. Trustee Anne O’Brien asked for an overview of the purpose and process of the Socially Responsible Investing Advisory Council (SRIAC). Trustee Brennan responded that the SRIAC was created a few years ago when the Socially Responsible Investing Work Group of the Board of Trustees was dissolved. The Council supports the Vice President for Finance and Treasurer (VPF) in his responsibilities as Liaison to the Investment Subcommittee. The Controller serves as the administrative liaison to the Council and facilitates two town hall meetings on campus each year. The Council takes under consideration issues based on ethical, moral, and socially responsible criteria and will research issues brought to its attention by faculty, staff or students. The Council forwards recommendations related to proxy voting and shareholder advocacy to the VPF. The VPF makes the final recommendation to the Investment Subcommittee. Should the Investment Subcommittee decide to take action on the recommendation, it would refer the action to the Budget, Finance and Investment Committee for approval and recommendation to the Full Board.

Approval of Consent Agenda

Chair McAneny entertained a motion to add to the consent agenda the four resolutions coming out of the Committee of the Whole sessions following executive session discussions. The motion was seconded and approved. An opportunity for discussion on any of the action items coming before the Board was offered. There being none, the following resolutions were presented for approval:

**COMMITTEE OF THE WHOLE**
(endorsed and referred for Board approval following executive session discussion on Friday, October 2, 2015)

**Resolution Approving the Naming of the School of Business**

RESOLVED, that the Board of Trustees hereby approves the name of the School of Business to be known hereafter as, The Grossman School of Business, in recognition of the Grossman Family Foundation’s extraordinary philanthropy through the establishment of faculty and general purpose endowments that support business education at the University of Vermont.
Resolution Authorizing Retention of Enrollment Management Services (160over90)

RESOLVED, that the Committee authorizes the Vice President for Enrollment Management to engage the services of a new firm, 160over90, to assist in the development and implementation of an enrollment management program, at a projected expense over three years not to exceed $1,500,000, plus costs assessed pursuant to an established costs schedule.

Resolution Authorizing Negotiations with The University of Vermont Health Network

RESOLVED, that the Board hereby authorizes the President, or his designee(s), to enter into negotiations with The University of Vermont Health Network, including without limitation University of Vermont Medical Center and University of Vermont Medical Group, regarding possible changes to the governance structure of University of Vermont Medical Group designed to advance the integration of all members of The University of Vermont Health Network into the academic health system, provided that the President, or his designee(s), shall seek the advance final approval of this Board of the material terms of any such agreement.

Resolution Authorization Negotiations with Western Connecticut Health Network

RESOLVED, that the Board hereby authorizes the President, with and through the Dean of the College of Medicine, to negotiate an affiliation agreement with Western Connecticut Health Network for the Network to serve as a site for clinical education of medical students and, potentially, clinical research, such agreement to be negotiated on the material terms described by the Dean in his report on this date.

EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES COMMITTEE

Resolution Approving the Creation of a Minor in Sports Management in the Rubenstein School of Environment & Natural Resources

RESOLVED, that the Board of Trustees approves the creation of a new minor in Sports Management, in the Rubenstein School of Environment & Natural Resources, as approved and advanced by the Provost on May 28, 2015, and the President on May 31, 2015.

Resolution Approving Residential Life FY 2016 Deferred Maintenance (Converse Hall)

WHEREAS, the administration today reported on the strategic and operational need for the Converse Hall 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.
BUDGET, FINANCE AND INVESTMENT COMMITTEE

Resolution Setting Maximum Off-Campus Temporary Housing Room Rates, FY 2017
RESOLVED, that the Board of Trustees hereby sets the maximum off-campus room rates for Fiscal Year 2017 as follows:

| Room (Private Double) | $9,316 |

Resolution Approving Summer Session Tuition
RESOLVED, that the Board of Trustees hereby approves the tuition rate for the Summer Session of $428 per credit hour for in-state students and $1,081 per credit hour for out-of-state students. The changes will become effective for the 2016 Summer Session.

Resolution Approving Summer Global Gateway International Student Tuition
BE IT RESOLVED, that the following rates are established:

For students beginning the three-semester Global Gateway program in the fall 2015, the tuition rate will be $26,150 for the summer 2016 semester.

For students beginning the two and three-semester Global Gateway programs in the spring 2016, the tuition rate will be $26,150 for the summer 2016 semester.

For students beginning the two-semester Global Gateway program in the summer 2016, the tuition rate will be $26,738 for the summer 2016 semester.

All entering students will also be assessed an additional $495 acceptance fee their first semester.

(AS RECOMMENDED BY INVESTMENT SUBCOMMITTEE, July 22, 2015)

Resolution Reaffirming Endowment Administration Fee Policy
RESOLVED, that the Endowment Administration Fee Policy is reaffirmed as reads below:

BE IT RESOLVED, that the Board of Trustees hereby approves a 0.25 percent fee applied to the University endowment for FY 2015-2016 to cover reasonable costs associated with endowment administration, management and operation; and

BE IT FURTHER RESOLVED, that on a fiscal year basis, the fee will be reviewed and assessed annually as 0.25 percent of the average market value of the University endowment for the previous thirteen quarters ending December 31 of the prior calendar year; and
BE IT FINALLY RESOLVED, that the Investment Subcommittee will review and make a recommendation to the Budget, Finance and Investment Committee regarding the reaffirmation or revision of the *Endowment Administration Fee Policy* each year no later than December 31.

*Adopted by: Board of Trustees - September 13, 2003*
*Reaffirmed: Board of Trustees - September 8, 2007*
*Board of Trustees - September 5, 2008*
*Amended: Board of Trustees - October 24, 2009*
*Reaffirmed: Board of Trustees - October 30, 2010*
*Board of Trustees - October 22, 2011*
*Board of Trustees - November 8, 2012*
*Board of Trustees – October 26, 2013*
*Board of Trustees - October 18, 2014*
*Board of Trustees – October 3, 2015*

(AS RECOMMENDED BY INVESTMENT SUBCOMMITTEE, July 22, 2015)

**Resolution Reaffirming the Endowment Budget Policy**

RESOLVED, that the *Endowment Budget Policy* is reaffirmed as reads below:

BE IT RESOLVED, that the annual budget for spending from Endowment be set at 4.5 percent of the average market value for the previous thirteen quarters ending December 31 of the prior calendar year; and

BE IT FINALLY RESOLVED, that the Investment Subcommittee will review and make recommendation to the Budget, Finance and Investment Committee regarding the reaffirmation or revision of the *Endowment Budget Policy* each year no later than December 31.

*Adopted by: Board of Trustees - May 13, 1995*
*Reaffirmed: Board of Trustees - September 8, 2007*
*Board of Trustees - September 5, 2008*
*Board of Trustees - October 24, 2009*
*Board of Trustees - October 30, 2010*
*Board of Trustees - October 22, 2011*
*Board of Trustees - November 8, 2012*
*Board of Trustees - October 26, 2013*
*Board of Trustees - October 18, 2014*
*Board of Trustees – October 3, 2015*
Resolution Approving Residential Life FY 2016 Deferred Maintenance (Converse Hall)

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

THEREFORE, BE IT RESOLVED, that the Committee hereby recommends to the Board that it authorizes the Vice President for Finance and Treasurer or his designee to expend $2,000,000 for project costs, 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 unrestricted plant funds from Residential Life.


Executive Session

At 9:33 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. She noted that no action was anticipated following the session which was expected to last approximately 20 minutes. The motion was made, seconded and approved. Provost Rosowsky; Vice Presidents Cate, Gustafson, Derr and Bazluke; Vice Provost for Student Affairs Annie Stevens; and Senior Advisor to the President & Provost John Evans were invited to remain.

After the first item, Senior Advisor John Evans was excused.

Director for Capital Planning and Management Bob Vaughan joined the meeting for the second item.

At 10:35 a.m., the meeting was re-opened to the public.

Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Debbie McAneny, Chair