A meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Monday, March 6, 2017, starting at 1:00 p.m., in 427A Waterman Building.


MEMBERS ABSENT: Carolyn Dwyer, Governor Phil Scott

ALSO PARTICIPATING: Provost David Rosowksy; Vice President for Finance and Treasurer Richard Cate; Vice President for University Relations and Administration Thomas Gustafson; Vice President for Human Resources, Diversity and Multicultural Affairs Wanda Heading-Grant; Vice President for Executive Operations Gary Derr; Vice President for Legal Affairs and General Counsel Fran Bazluke; Chief of Staff and Senior Counsel to the President Sharon Reich Paulsen; Assistant Provost and Chief of Staff Kerry Castano; and Labor & Employee Relations Manager Mary Brodsky

*participated via phone.
*joined by phone at 1:31 p.m.

Chair David Daigle called the meeting to order at 1:03 p.m.

Approval of Previous Meeting Minutes

A motion was made, seconded and it was voted to approve the minutes from the February 4, 2017, meeting as presented.

Chair Daigle pointed out, for the benefit of new Trustees, that the minutes included a resolution that authorized the Vice President for Finance & Treasurer to hire KPMG as the new external auditor.

Public Comment

There were no requests for public comment.

Election of Board Chair

Frank Cioffi, Chair of Board Governance Committee, reminded Trustees that, in February, the Board elected the following University and Board Officers:
He advised that, in accordance with the University Charter, the Chair election is held the first meeting following the election of new Trustees.

The following resolution was presented for approval:

**Resolution Approving Appointment of Board Chair**

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

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

**Chair’s Remarks**

Chair Daigle thanked the Board for re-electing him as Chair. He moved on to recognize the UVM Men’s basketball team for a successful season and wished the team luck in its conference semi-final game this evening.

Chair Daigle next welcomed the following new Trustees to the Board: the students’ appointed Trustee Caitlin McHugh; Governor Phil Scott; and legislatively-elected Trustees Johannah Donovan, John Bartholomew, and Shap Smith. Chair Daigle noted that Johannah Donovan is serving her second term on the Board, after retiring in 2011.

Chair Daigle next reported that a five-year Presidential Comprehensive Review will be conducted this year. He stated that, for efficiency, the comprehensive review will be coordinated with the annual presidential review process and that the Committees will meet jointly.

Lastly, Chair Daigle acknowledged a recent incident at Middlebury College where controversial writer Charles Murray was prevented from providing a public lecture as a result of protests. Chair Daigle reminded the Board that UVM welcomes and encourages freedom of speech, which is also highly supported by President Tom Sullivan. He stated that President Sullivan plans to have conversations with campus leaders on how to handle similar situations that might arise at UVM. In those conversations, President Sullivan will also affirm the University’s commitment to free speech, regardless of where the topic may fall on the spectrum of supported and opposed viewpoints.
President’s Report

President Tom Sullivan congratulated Chair Daigle for his re-election to the Board. He seconded Chair Daigle’s comments about the very successful UVM athletic teams this year, including the men’s basketball team who are undefeated in conference play. He next provided a brief update on the Move Mountains: The Campaign for the University of Vermont. He stated that, as of last week, the campaign has raised over $410 million, which is 85% of the total goal.

President Sullivan next reported that the search for the UVM Foundation President & CEO has been narrowed to a small group of finalists and that there is hope to make an announcement of the person chosen for the position at the end of this month. He added that the candidate pool is impressively strong.

Trustee Frank Cioffi asked if the UVM Board of Trustees will be involved with the UVM Foundation President & CEO selection process. President Sullivan stated that the Board will be involved by means of the three members who also serve on the UVM Foundation Board and those on the search committee.

Action Items

Chair Daigle presented a resolution approving Committee and Chair appointments, indicating that appointments will take effect once approved. He stated that the appointments reflect assignments for new Trustees, as well as some re-assignments of returning Trustees. He specifically called to attention that Trustee Ron Lumba will be moving from the Educational Policy and Institutional Resources Committee (EPIR) to the Budget, Finance and Investment Committee (BFI) and that Trustee Jeff Wilson will be moving from BFI to EPIR. Chair Daigle also noted that, as to EPIR, Trustee Donna Sweaney will serve as Chair and Trustee Carolyn Dwyer as Vice Chair.

The following resolution was presented for approval:

**Resolution Approving Committee and Chair Appointments**

RESOLVED, that the Board of Trustees approves the Committee and Chair appointments for 2017 as presented today and appearing as Appendices A and B to this document.

Provost David Rosowsky introduced a resolution establishing a flat tuition rate for elective summer internship credits. He explained that the proposal provides more flexibility and opportunities for summer internships, while also bringing them fully into federal compliance. He invited Assistant Provost and Chief of Staff Kerry Castano to provide more details.

Assistant Provost Castano explained that the new summer internship option will allow for more access. She said that a notable change of the proposal is that the new option will be offered at a tuition rate of $100 per credit, and that the credit will not count towards graduation eligibility. She emphasized that, although the tuition is discounted, the experience is not reduced. She advised Trustees that the proposal received the support of Faculty Senate’s Curricular Affairs
Committee. Assistant Provost Castano added that faculty can be further educated about internship programs on campus.

Trustee Frank Cioffi, who is the President of the Greater Burlington Industrial Corporation (GBIC), said that GBIC hosts approximately four to six UVM interns per year. He added that the quality of the students has been outstanding.

Provost Rosowsky pointed out that the internship programs are a direct response to the President’s Strategic Action Plan’s goal that calls for increased accessibility.

Chair Daigle asked for elaboration on the compliance issues. Assistant Provost Castano explained that, previously, faculty members were awarding credit for the students’ summer work in the fall semester, but that a federal law, Title IV, requires that credit must be awarded during the time the academic experience occurred.

Vice President for Finance and Treasurer Richard Cate added that the revenues from the summer internship credit has no revenue impact to the University’s budget.

Trustee Cynthia Barnhart, who is Chancellor of Massachusetts Institute of Technology (MIT), stated that MIT just completed an analysis of its elective summer internship credit program and arrived at a similar proposal.

The following resolution was presented for approval:

Resolution Establishing Flat Tuition Rate for Elective Summer Internship Credit

RESOLVED, that the Board of Trustees hereby approves the establishment of a flat tuition rate for elective summer internship credit in situations where students either are not being compensated, or are being compensated at a rate of pay below minimum wage, for their work as interns; and

BE IT FURTHER RESOLVED, that the summer internship tuition rate will go into effect for the 2017 Summer Session at a cost of $100 per credit hour.

Vice President Cate introduced a resolution authorizing the initiation of activities leading up to bond refunding, advising that this is the fifth opportunity that has arisen in four years to refinance. Specifically, the University has an opportunity to re-fund the remainder of its outstanding 2007 bonds, which have a par value of $65 million. If municipal bond interest rates remain in their current range between now and June, and the University opts to re-fund these bonds, the University could achieve a present value savings, over the terms of the bonds, of approximately $6 - $7 million. Vice President Cate consulted with the Trustee Bond Work Group and is recommending to the Board that the administration initiate the processes necessary to price the bonds. The proposed issue would also include the first $4 million of debt for deferred maintenance that was authorized by the Board in February. Final authority for the issuance would be subject to the approval of the Full Board at the May meeting. If circumstances change significantly between now and then, there would be an opportunity to take a different course at that time.
In reference to the $4 million of debt, Trustee Robert Brennan asked if the term would be blended with longer refinancing. Vice President Cate affirmed it would.

Chair Daigle asked whether, if the Board provides final authority for the issuance in May, the University be able to go to market immediately. Vice President Cate explained that the opportunity would be in June and the close date would be July 3rd.

Trustee Robert Brennan noted that there is a very real prospect of rates increasing every day and asked if this possibility has been accounted for. Vice President Cate acknowledged the possibility, but explained that long-term municipal bond rates are not necessarily correlated. He added that he will go forward with the plan to refund if the rate remains less than 65 basis points between now and June.

The following resolution was presented for approval:

**Resolution Authorizing the Initiation of Activities Leading up to Bond Refunding**

WHEREAS, the University from time to time refunds some of its existing long-term debt in order to take advantage of lower interest rates; and

WHEREAS, the Board of Trustees Bond Work Group recommends authorizing the Vice President of Finance and Treasurer to bring to the Board of Trustees, at its May 2017 meeting, a detailed proposal and accompanying resolution for the refunding of up to $65 million (par value) of outstanding 2007 bonds; and

WHEREAS, in order to make all of the necessary preparations for the bond refunding, the Vice President for Finance and Treasurer must engage bond counsel, underwriters, debt advisors and other relevant consultants;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees endorses the Vice President for Finance and Treasurer’s intention to enter into all necessary contracts associated with preparing for the 2017 bond issue to refund 2007 Bonds and issue $4 million of new debt, funding such obligations from the University’s Treasury Operations account, with the understanding that the actual bond issuance is subject to the approval of the Board of Trustees at its May 2017 meeting.

Vice President Cate next presented a resolution regarding Votey infrastructure deferred maintenance. He explained that the Board approved the project in February 2016. Last month, however, the University received competitive bids that will increase the project cost from $4.0 to $4.9 million. He explained that the $900,000 increase in cost is due to the project occurring in a much more constrained time frame, as well as the determination that the project will now include a roof replacement. Vice President Cate added that, even with the additional $900,000 for the project, it is still costing $600,000 less than the original projection. He also stated that the cost is already incorporated in the budget for deferred maintenance. The reason that the Board is being asked to approve the increased amount is because the February 2016 project approval was for a project cost of $4 million.
Trustee Curt McCormack asked why it is necessary to act on the approval now. Vice President Cate reiterated that it is related to the need to complete the project in a more compressed time frame, as well as to cover additional costs to complete infrastructure improvements.

The following resolution was presented for approval:

**Votey Infrastructure Deferred Maintenance Resolution**

WHEREAS, the Board of Trustees approved $4,000,000 for project costs at the February 5, 2016 Board meeting to address the Votey Infrastructure Deferred Maintenance; and

WHEREAS, the administration today reported on the estimated $900,000 of increased cost, due to efficiencies to compress the timeframe for completion rather than closing the building and disrupting ongoing academic activities and increased cost of scope, for the Votey Infrastructure Deferred Maintenance Project and presented a funding plan,

THEREFORE, BE IT RESOLVED, that the Board of Trustees authorizes the Vice President for Finance and Treasurer, or his designee, to expend an additional $900,000 for project costs, to be expended in a manner consistent with the report made on this date; and

BE IT FURTHER RESOLVED, that the $900,000 of funds for such expenditures be drawn from deferred maintenance funding.

Chair Daigle offered an opportunity for final comments before seeking a motion to approve the remainder of consent agenda. There being none, a motion was made, seconded and the remainder of the consent agenda was unanimously approved as presented. Trustee Bernie Juskiewicz was not in attendance for the consent agenda vote.

**Executive Session**

At 1:30 p.m., Chair Daigle 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 collective bargaining. He noted that action was anticipated following the session which was expected to last approximately 20 minutes. The motion was made, seconded and approved.

Provost David Rosowsky; Vice Presidents Tom Gustafson, Richard Cate, Gary Derr, Wanda Heading-Grant, and Fran Bazluke; Chief of Staff & Senior Counsel to the President Sharon Reich Paulsen; and Labor & Employee Relations Manager Mary Brodsky were invited to remain.

Following the first item, all in attendance, including President Sullivan, were excused with the exception of Trustees and Vice Presidents Bazluke, Gustafson, and Derr.

At 2:30 p.m., the meeting was re-opened to the public.
The following resolution was presented for approval:

**Resolution Authorizing Negotiation and Settlement of United Academics Collective Bargaining Agreement**

RESOLVED, that the Board hereby authorizes the administration to negotiate and settle a collective bargaining agreement with United Academics relative to the full-time faculty bargaining unit on the material terms reported on this date.

A motion was made, seconded and the resolution was unanimously approved as presented.

**Adjournment**

There being no further business, the meeting was adjourned at 2:31 p.m.

Respectfully submitted,

David Daigle, Chair
The University of Vermont and State Agriculture College
Board of Trustees Standing Committees
2017 Assignments - Approved 3/6/17

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C = chair; VC = vice chair; S = secretary
The University of Vermont and State Agriculture College  
Board of Trustees Other Committees & Work Groups  
2017 Assignments - Approved 3/6/17

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C = chair; VC = Vice Chair; Sec’y = Secretary  
*membership also serves as *Advisory Group* for Senior Administration Appointments