Resolution Approving Amendments to the University of Vermont Debt Policy and Policies Regarding the Funding of Capital Projects

WHEREAS the University wishes effectively to address the essential capital needs of the campus, it hereby commits to the following actions:

RESOLVED:

That the University of Vermont Debt Policy shall hereafter read as shown in the attached document, hereby amending the University’s Debt Policy to permit a maximum Debt Burden Ratio of 6% and a minimum Viability Ratio of 0.8, until further revised by this Board;

That the Board recognizes an annual target of $11.5M of capital expenditures for deferred and on-going maintenance, classroom maintenance, infrastructure, and energy efficiency projects;

That for all other capital projects, sources of funding other than debt be secured so that non-debt funding of no less than an average of 25% of these projects is required as part of the capital approval process; further, that the minimum 25% average non-debt contribution is a target to be exceeded if at all possible; and, further, that the 25% benchmark is subject to upward revision to reflect increases over time in the University’s ability to secure non-debt funding;

That the President adopt a series of pledging and naming procedures and requirements designed to produce higher levels of giving for building projects and to strengthen the commitment of potential donors;

That, in addition to annual reviews of the debt policy, the Board conduct a comprehensive assessment of all capital requirements and sources every three years commencing at its November 2010 meeting in order to update and to reaffirm or amend, as appropriate, the policies and practices of the University to assure the best use of capital in conjunction with institutional financial status and requirements;

That the Board directs the Administration to develop and implement a plan to lower the debt burden ratio to 5% by 2017;

That the Board and the Administration shall monitor and adjust as appropriate the plan to lower the debt burden ratio as part of the annual debt policy reviews and of the triennial assessment of all capital requirements and sources; and

BE IT FINALLY RESOLVED, that this academic year the University assess the feasibility of including an increased amount in the University’s annual operating budget designated for recurring capital expenditures, including deferred and on-going maintenance, energy efficiency projects, infrastructure upgrades for instruction and research, and academic classroom improvement.