A meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Saturday, September 11, 2004 at 9:15 a.m. in Memorial Lounge, room 338 Waterman Building.

MEMBERS PRESENT: Chair James Pizzagalli, Vice Chair Martha Heath, Secretary Margaret Hummel, Edwin Amidon, James Betts, Frank Cioffi, Robert Cioffi, Daniel Fogel, Christine Hertz, Kathleen Hoyt, Alysia Krasnow-Butler, Thomas Little, Dean Maglaris, Deborah McAneny, Colin Robinson, Malcolm Severance, Helen Spaulding, John Snow, and Mark Young

MEMBERS ABSENT: Governor James Douglas, Richard Hube, James Leddy, Carl Lisman, Raymond Pecor, and Robert Young

ALSO PARTICIPATING: Provost John Bramley, Vice President for Legal Affairs and General Counsel Francine Bazluke, Faculty Senate President Michael Gurdon, and Assistant Vice President for Student and Campus Life Annie Stevens

Chair James Pizzagalli called the meeting to order at 9:20 a.m.

Chair Pizzagalli noted the Trustee manual distributed to all Trustees intended as a reference guide containing information about the University, and particularly thanked Trustee Coordinator Corinne Thompson for her work on the manual. The manual will be supplemented with updated information as it becomes available. Additional copies are available upon request through Corinne.

President Fogel expressed his personal regret and that of his colleagues that Trustees expressed surprise at the Marsh Life Sciences proposal and the circumstances surrounding its presentation. He and Chairman Pizzagalli have spoken and they have resolved to work together to prevent a similar situation from occurring in the future.

Chair Pizzagalli reviewed the revised agenda, noting the withdrawal of certain resolutions from the consent agenda, to allow for discussion. The Chairs of the Facilities and Technologies and Finance and Budget Committees will discuss those resolutions during their Committee reports and the resolutions will be addressed at that time.

The Chair entertained a motion to change the order of the meeting agenda. The motion was seconded and it was voted to approve the revised agenda order.

**Faculty Senate Report**

Faculty Senate President and Professor Gurdon reported that the Senate Executive Council has appointed a new Faculty Ombudsperson, Professor Brenda Hamel-Bissell, from the College of Nursing and Health Sciences. Toward the end of summer, two
reports were completed. The Ad Hoc Committee on Post-Tenure Review submitted its recommendations. In addition, at the request of the Provost, Vice Provost Denise Youngblood and Professor Gurdon conducted an evaluation of the Faculty Mentoring Program in which incoming junior faculty are paired with senior faculty outside their own department. The goals of the Program are to improve faculty retention and enhance the probability of career success. There was very positive feedback from mentors and mentees surveyed and continuation of the Program is recommended. Professor Gurdon also indicated that he, Professor Burgmeier and Provost Bramley are finalizing the instrument to be used for assessment of the performance of deans and chairs. He also stated that he had met with several graduate students who wish to find ways of incorporating the perspective of their constituency into Faculty Senate decision-making processes, and that he has invited that input into relevant standing Senate Committees.

On a more personal level, and flowing from his representative position, Professor Gurdon was involved during the summer in a number of budget hearing presentations by academic and non-academic units. He had agreed to be on the Advisory Committee for Community-University Partnerships and Service-Learning. He has become a member of the Faculty/Staff Campaign Steering Committee designed to encourage more wide-spread participation. In terms of aspirations for the coming year, Professor Gurdon will propose to Senators that they devote a significant portion of a number of their meetings to debating the meaning and application of critical academic components incorporated within the strategic plan.

Consent Agenda

Chair Pizzagalli entertained a motion to approve the consent agenda:

**COMMITTEE OF THE WHOLE**

(1) **Resolution Approving Committee Assignments for New Trustee**

RESOLVED, that the Board approves the appointment of Trustee Deborah McAneny to the Facilities and Technologies and Finance and Budget Committees.

(2) **Resolution Regarding Delegation and Retention of Board Authority**

WHEREAS, this Board has, in its Bylaws and through such policies and resolutions as it may issue from time to time, delegated to the President and other officers of the University certain authority and responsibility for the management of the University and its programs, activities and operations; and

WHEREAS, this Board recognizes the need for prompt and timely management decisions made by qualified University personnel, and thus, through such delegations, authorizes officers of the University to negotiate and enter into
contracts and other arrangements to facilitate the objectives of University programs and activities and to conduct related operations; and

WHEREAS, in making such delegation, the Board also assigns to such officers responsibility to make informed and prudent decisions in the best interests of the University and to maintain accountability to the Board through prompt and accurate reports on University programs, activities and operations, including their financial status and impact;

NOW, THEREFORE, BE IT RESOLVED that, subject to its retained authority and responsibility for the general oversight of the University and subject to action that it will take in accordance with its own fiduciary and legal duties, the Board hereby delegates to the President and the officers of the University authority and responsibility to negotiate and enter into contracts and other arrangements to facilitate the objectives of University programs and activities and to conduct related operations, and hereby also recognizes the authority the Board delegates to the Faculty Senate as expressed in the Faculty Senate Constitution and Bylaws, except for the following, which shall require Board approval:

(1) statements of institutional mission, principles and values;

(2) the institutional strategic plan and associated goals, and related strategic financial plans and goals, and all material revisions thereto;

(3) establishment and dissolution of University-affiliated corporations and foundations, and University membership in other corporate entities (but not institutional memberships in professional associations);

(4) appointment of University trustees to the boards of other corporate entities or public bodies in their capacity as University trustees;

(5) appointment and employment of the President, and appointment of other officers of the University in accordance with the University Bylaws;

(6) creation or elimination of, and material changes in, academic programs and departments; establishment of, and appointments to, endowed chairs; and approval of the faculty medical practice plan;

(7) award of academic and honorary degrees;
(8) matters the Faculty Senate may appeal to the Board under the Senate Constitution and Bylaws;

(9) naming of buildings, academic programs and departments;

(10) termination of tenured faculty for cause;

(11) through its Investment Committee, investment and reinvestment decisions as to all restricted and unrestricted funds; and selection, retention and termination of investment advisors and managers; provided that, the Board must itself approve the endowment spending rate, institutional debt policy, declaration of financial exigency, and dissolution, merger or the sale or pledge or transfer of all or substantially all of the University’s assets;

(12) the institutional annual budget, State appropriation and capital requests, and the annual audited financial statement;

(13) tuition, room and board rates, and student fees;

(14) purchase, sale, exchange, or transfer of complete or partial interests in real property, regardless of location, at a value that equals or exceeds $500,000; authorization of acceptance of compensation in eminent domain proceedings; the lease or sublease of property with annual or aggregate rental value that equals or exceeds $500,000, and renewals thereof; the pursuit or acceptance of historic preservation designation for University property; and adoption of, and material revisions to, a Campus Master Plan;

(15) authorization to make payments in lieu of taxes;

(16) issuance of bonds;

(17) procurement of loans, lines or credit, or other financing, and performance as surety, in amounts or at a value that equals or exceeds $1,000,000;

(18) negotiation and execution of contracts for facilities construction or renovation, and purchase or sale of goods, equipment or services, and all other contracts whose value equals or exceeds $1,000,000, provided that the Board shall approve all contracts for consulting services whose value equals or exceeds $250,000, and shall also authorize, through its Investment Committee, the selection and retention of all investment advisors regardless of contract cost;
(19) selection and retention of independent audit firms to conduct mandatory financial attestation and/or compliance audits, regardless of contract cost; contracts of $10,000 or more for non-audit consulting services with any independent audit firm conducting a mandatory attestation and/or compliance audit for UVM; and, otherwise, contracts with independent audit firms for consulting services whose value equals or exceeds $250,000;

(20) authorization to settle lawsuits whose value equals or exceeds $500,000; and authorization to file and/or settle lawsuits in which the Board is a named party or a Board-approved policy is in dispute;

(21) all Board self-governance matters reserved to the Board in the University Bylaws, including without limitation the election, appointment and removal of Board officers, approval of Board Committee appointments, and election and appointment of Trustees by the UVM Board; or as otherwise required or permitted by law; and

(22) revisions to University Bylaws; matters required by law, Bylaws, and/or contract; and such other authority as the Board is required to exercise without delegation as a matter of law, or that, in the future and prospectively, it wishes to retain or retrieve in the exercise of its fiduciary duties and sole discretion;

AND BE IT FURTHER RESOLVED that, notwithstanding such delegations, through the President or his designees, the administration shall report periodically on matters of institutional management and operations, as the Board may direct and/or as may be appropriate and desirable, including without limitation periodic reporting on gifts and grants; and subject to the terms of (18) and (19) above respectively, retentions of consultants and independent audit firms for consulting services whose value equals or exceeds $100,000; and, subject to the terms of (20) above, settlement of lawsuits whose value equals or exceeds $250,000; and

BE IT FINALLY RESOLVED, that this resolution shall supersede all preexisting delegations prospectively.
INVESTMENT COMMITTEE

(3) Resolution Revising Section E of University Statement of Investment Objectives and Policies

RESOLVED, that Section E of the University Statement of Investment Objectives and Policies shall hereafter read as revised below, until further revised by this Board:

E. Guidelines for the Fixed Income Fund

1. The objective of the Fixed Income Fund is to outperform the Lehman Brothers Aggregate Bond Index (net of fees) as well as the Cambridge Associates bond manager median. (See Section J - Definitions) Performance will be monitored on a regular basis and evaluated over a running three- to five-year period.

2. Money market instruments as well as fixed income securities may be used in the Fixed Income Fund, but equities and convertible bonds are excluded. The fixed income fund manager is expected to employ so-called active management techniques such as interest rate anticipation and intersectoral arbitrage, but changes in average duration should usually be moderate and incremental. Since the fund is designed as a deflation hedge, an average (See Section J - Definitions) duration within one year of the Lehman Aggregate Index should be maintained.

3. With the exception of US Treasury, agency and agency mortgage issues, no more than 5% of the portfolio may be invested in the obligations of any one issuer.

4. The weighted average portfolio quality must be rated at least A1 by Moody’s and/or A+ by Standard & Poor’s. Individual investments must be rated at least BBB/B at the time of purchase. No more than 20% of the Account’s assets may be rated below Baa/BBB- at time of purchase. Issues downgraded below B/B- must be disposed of in a prudent manner with a target disposition within ninety days after the date of the downgrade. In the case of split-rated issues, the lower of the two ratings will prevail. If an issue is not rated by either Moody’s or Standard & Poor’s, the rating of another Nationally Recognized Statistical Rating Organization (NRSRO) may be used. These NRSROs include Fitch and IBCA.

5. The aggregate notional value of derivative instruments such as options, futures, index- based securities (swaps), or derivative mortgage backed securities may be used up to a limit of 25% of the manager’s portfolio. No derivative transaction will constitute more than 5% of the portfolio’s
assets. Credit counterparties will have at least a “AA” rating. Derivatives transactions may be entered into for hedging purposes, return enhancement, or as a substitute for a specific instrument, but not for speculative purposes or as a means to circumvent other stated objectives and policies. Under no circumstances should the use of derivatives lengthen the duration of the portfolio beyond 150% of the duration of the Lehman Brother’s Aggregate Index.

ACADEMIC AND STUDENT PROGRAMS COMMITTEE

(4) Resolution Authorizing Award of Degrees

RESOLVED, that the Board delegates to the President and, in the event of his absence or unavailability, to the Provost, each ex officio, the authority to award academic degrees following Faculty Senate approval of the award of those degrees; and

BE IT FURTHER RESOLVED that this authority will be for the academic year 2004 – 2005 or until the Board revokes its delegation.

(5) Resolution Approving the Revised Student Harassment Policy

RESOLVED, that the Board approves the revised Student Harassment Policy effective July 1, 2004.

(6) Resolution Appointing the Endowed Professorship in Radiation Therapy

RESOLVED, that the Board of Trustees approves the appointment of Ahmad Chaudhry to the Endowed Professorship in Radiation Therapy.

FACILITIES AND TECHNOLOGIES COMMITTEE

(7) Shelburne Pond Property Gift Acceptance

WHEREAS, the Nature Conservancy is the owner of a parcel of land in the Town of Shelburne that it wishes to convey to the University for inclusion in the University’s H. Laurence Achilles Natural Area; and

WHEREAS, the parcel consists of approximately 38 acres of the former Mallette Farm located at the northwest corner of Shelburne Pond, and abuts the University’s 2000 Mallette addition to its H. Laurence Achilles Natural Area; and

WHEREAS, the property is significant for educational and scientific purposes because it has diverse habitats of hard ground and marshland, and because it
borders the only large undeveloped natural pond remaining in western Vermont; and

WHEREAS, the University is willing to accept this parcel of land to be added to its H. Laurence Achilles Natural Area, to ensure its preservation and its continued use as an educational and research resource to the University;

THEREFORE, BE IT RESOLVED, that the Board of Trustees hereby authorizes the President or Vice President for Finance and Administration, or their successors, to negotiate the acquisition of the property as a gift and to execute any and all instruments necessary to accomplish that purpose. The terms of the deed shall include the right of first refusal in favor of The Nature Conservancy if the University should wish to convey any of these lands in the future; and

BE IT FINALLY RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons appointed to any of the positions heretofore mentioned and, further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

FINANCE AND BUDGET COMMITTEE

(8) Acceptance of Gifts and Grants

RESOLVED, that the Board of Trustees hereby accepts gifts in the amount of $4,319,719.05 for the period April 3, 2004, through June 30, 2004, and grants and contracts in the amount of $36,697,913 for the period April 1, 2004, through June 30, 2004.

(9) Authorization to Commence Development of Commercial Paper Program

WHEREAS, the University of Vermont intends to advance its vision through a strategic capital plan that includes targeted investment in buildings, facilities, and computing infrastructure; and

WHEREAS, it may be beneficial to obtain internal or external interim financing until bonds can be issued for the projects at the appropriate time;

NOW, THEREFORE, BE IT RESOLVED, that the President and the Vice President for Finance and Administration and University Treasurer, or their successors or designees, are hereby authorized, subject to final Board of Trustees approval, to commence development of a Commercial Paper Program, to include taxable and tax-exempt series, through (i) selection of an investment bank to act as dealer (for the Commercial Paper Program) and/or underwriter (for a bond issue) and negotiation of a dealer agreement, (ii) selection of a commercial bank
to act as issuing and paying agent and negotiation of the issuing and paying agent agreement, (iii) selection of a bank or other financial institution to act as liquidity provider and negotiation of a revolving loan or other agreement, and (iv) preparation of a Tax Certificate with the aid of University bond counsel.

(10) Declaration of Official Intent of the University of Vermont to Reimburse Certain Expenditures from Proceeds of Indebtedness

WHEREAS, the University of Vermont intends to purchase, construct, or renovate certain buildings, facilities, and computing infrastructure, including the following: University Commons Project, Colchester Research Facility, Nutrition and Food Sciences Project and ERP Project, Residential Learning Center (each described in the May 21, 2004 resolution of the Facilities and Technologies Committee), and Living, Learning Residential Halls Renovations (described in resolution of May 11, 2002 and amended on May 16, 2003), (the “Projects”); and

WHEREAS, the University expects to pay certain expenditures (the “Reimbursement Expenditures”) in connection with the Projects before the issuance of indebtedness for the purpose of financing costs associated with the Projects on a long-term basis; and

WHEREAS, the University reasonably expects that debt obligations in an amount not expected to exceed $150 million will be issued and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the University to declare its reasonable official intent to reimburse prior expenditures for the Projects with proceeds of a subsequent borrowing;

NOW, THEREFORE, the University of Vermont declares:

Section 1. The University of Vermont finds and determines that the foregoing recitals are true and correct.

Section 2. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the University of Vermont to make any expenditure, incur any indebtedness, or proceed with the Projects.

Section 3. The University of Vermont hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures.

Section 4. This declaration shall take effect from and after its adoption.
The motion was seconded and it was unanimously voted to approve the consent agenda as presented.

**Committee Reports**

*Investment Committee*

Chair Robert Cioffi reported that the endowment continues to out-perform with great performances by individual managers. Cambridge Associates reviewed the performance numbers for the consolidated endowment through June 30, 2004. The portfolio for that ending date totaled $236.8 million.

The Committee accepted changes to the policy for fixed income, which provides more specific guidelines regarding acceptable grades of investments held and requirements that fall below investment grade.

Chair Cioffi and Member Little met with Highline and Davidson Kempner this past quarter and noted that these two hedge fund firms had different strengths, but the meetings reaffirmed that remaining with both managers was currently advisable. The Committee will continue discussions on hedge funds at the November meeting.

The Committee will work with the Debt Sub-Committee on decisions regarding the internal investment of funds. A joint meeting with the Finance and Budget Committee to consider a total balance sheet approach to debt and investment management is recommended.

Upon motion made and seconded, the Committee’s report was accepted.

*Academic and Student Programs Committee*

Chair Martha Heath reported that the Committee received an overview of new programs in residential life focusing on initiatives related to student and campus life and implementing a community standards model.

The Chair of the Curricular Affairs Committee reported on the one completed action and the Committee’s goal to have all outstanding memorandums of understanding related to academic program review completed by the November meeting. The President of the Student Government Association reported on plans for the upcoming academic year.

Provost Bramley provided an extensive overview of significant progress made on several key strategic initiatives around academic planning and reviewed an outline of initiatives currently under way. He also reviewed the Academic Unit Performance Indicators that track several key data sets of the Schools and Colleges.

Vice President for Research Frances Carr reviewed highlights of the University’s research programs and graduate education annual reports. Additionally, the research
White Paper detailing the future agenda for research efforts was discussed. Chair Heath recommended that all Trustees read the White Paper.

Vice President for Undergraduate Education Lauck Parke presented an overview of strategic enrollment management focusing on areas currently underway and plans for the future. The Committee discussed its oversight role of the University’s enrollment management plan in collaboration with the University Advancement Committee.

The Committee endorsed the three action items included on the consent agenda.

Upon motion made and seconded, the Committee’s report was accepted.

Finance and Budget Committee

Chair Kathleen Hoyt reminded Trustees that, in addition to providing a summary report of the Committee meeting, she would be presenting resolutions discussed by both the Finance and Budget and Facilities and Technologies Committee.

Vice President Gower reviewed with the Committee the development process of the FY 2006 budget. Planning for the FY 2006 budget will start to be built using the assumptions from the Strategic Financial Plan. The Committee will discuss this further in November.

Updates to the Strategic Financial Plan in preparation for its first quarterly report were reported. Comparison results between the financial plan and actual FY 2004 numbers will be presented in November, upon finalization of the FY 2004 financial results.

The resolution to authorize the steps needed to develop a commercial paper program was approved and included on the consent agenda.

Financing plans for several capital projects approved by the Facilities and Technologies Committee were reviewed and discussed and will be presented for approval by both Committees.

Chair Hoyt presented the following resolution for approval:

Adoption of Debt Policy and Establishment of Debt Sub-Committee

WHEREAS, the University of Vermont has a strategic plan that calls for a variety of capital investments to further the overall purposes of that plan; and

WHEREAS, the University desires to effectively manage access to capital; to manage its credit to meet its long-term strategic objectives while maintaining creditworthiness consistent with the most favorable relative cost of capital and borrowing terms; to limit risk to its debt portfolio; and to permit the optimization of the investment of the University’s working capital and cash balances; and
WHEREAS, these goals warrant an organized and consistent means to define and manage the use of debt as a source to provide capital for the initiatives needed to support the institution and its strategic plan;

NOW, THEREFORE, BE IT RESOLVED, that the University of Vermont hereby adopts the attached Debt Policy, dated September 10, 2004.

BE IT FURTHER RESOLVED, that a permanent Debt Subcommittee of the Finance and Budget Committee is hereby established and charged with the regular review of the Debt Policy and related oversight responsibilities as defined in that Policy.

Chair Hoyt reported that the Committee reviewed the draft Debt Policy which was developed over the summer by the Debt Sub-Committee. The Committee reviewed and debated the merits of the financial measures reflected in the policy. The Committee voted 6-4 to leave the measures as written. After much discussion the resolution was amended to include “maintaining creditworthiness consistent with the most” in the second paragraph. The amended resolution to adopt the policy and authorize the Debt Sub-Committee to monitor the policy on an ongoing basis was approved by the Committee for recommendation to the full Board (9-1).

A motion was made, seconded and it was voted to approve the resolution as presented (18-1).

Chair Hoyt presented the University Commons resolution for approval:

**University Commons Resolution**

WHEREAS, the Board of Trustees authorized at its February 2003 meeting the programmatic planning phase for a University Commons (the “University Commons Project”); and

WHEREAS, the Board subsequently authorized at its May 2003 meeting the next phase of the University Commons Project including architect selection, project design, and permitting process initiation; and

WHEREAS, through due diligence it has been demonstrated to the Board that the University Commons will assist the University in advancing its strategic objectives, including academic program and student quality; and

WHEREAS, the Board has been presented the complete design and financing plan for the project;

NOW, THEREFORE, BE IT RESOLVED, that the President, Vice President for Finance and Administration, or their successors or designees are hereby
authorized to commence construction and to execute any and all contracts and documents necessary to undertake the University Commons project at a total cost not to exceed $70,000,000; and

BE IT FURTHER RESOLVED, that the administration is hereby authorized to deconstruct the Carrigan Dairy Sciences Building, the UVM Bookstore Building, and the building at 622 Main Street, and to relocate the Johnson House from 590 Main Street to 617 Main Street, as part of the University Commons Project; and

BE IT FURTHER RESOLVED, that, until bonds are issued for the project, the President or Vice President for Finance and Administration, or their successors or designees, are hereby authorized to obtain internal or external interim financing via the issuance of commercial paper, utilization of lines of credit, or other financing vehicles as authorized by the Board, and

BE IT FINALLY RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons appointed to any of the positions heretofore mentioned, and further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

Chair Hoyt noted that the Finance and Budget Committee approved the resolution authorizing the financing of the University Commons for recommendation to the full Board (9-1).

Vice Chair Frank Cioffi reported that the Facilities and Technologies Committee unanimously approved the resolution for recommendation to the full Board (8-0).

Student Trustee Christine Hertz motioned to bring the resolution to the full Board for discussion and a vote. The motion was seconded by Student Trustee Colin Robinson.

In discussion, Trustee Edwin Amidon explained that he would be voting “no” on the University Commons resolution because of concerns that the $70 million price was too high, although it was his opinion that a new student center is needed and financing plans for the $70 million capital expenditure were sound.

Trustee Mark Young inquired whether the project cost is actually $70 million plus the Nutrition and Food Sciences project expense. Due to the removal of the Chilled Water System project resolution, and his assumption that the University Commons project cost does not include chillers at this time, he suggested that the vote on the University Commons be deferred until the Nutrition and Food Sciences project resolution is discussed and approved.

Trustee Malcolm Severance inquired whether the $70 million included expenses for deconstruction, relocation and related necessary activities to complete this project. Vice President Gower responded that the project cost does include financing for such
activities, and that it also includes a portion of the financing to be applied towards a centralized chilled water system.

A motion was made, seconded and voted to defer approval of the University Commons resolution until the Nutrition and Food Sciences Project resolution was discussed.

Provost Bramley offered an overview of the evolution of the project. The long-term plan of the College of Agriculture and Life Sciences is to consolidate the various programs of the Department of Nutrition and Food Sciences into a single facility. The deconstruction of Carrigan Hall necessitates the relocation of the Food Sciences program. A number of months were spent looking at a variety of options, and it became obvious that the existing space could not be used, temporary accommodations would be costly, and the most cost effective approach would be limited expansion to the Marsh Life Sciences Building. This alternative would offer a permanent location, allow departments to come together, and free up space in Terrill Hall, addressing their critical space needs.

Trustee Frank Cioffi reported that the Facilities and Technologies Committee first discussed this project at its August meeting and, after much discussion yesterday, the Committee amended the resolution to reflect that this project be subject to an accelerated review process by the newly selected master planning consultants. The Committee unanimously endorsed the resolution as amended to go before the full Board (8-0).

Trustee Hoyt reported that the Finance and Budget Committee approved the resolution as amended by the Facilities and Technologies Committee for recommendation to the full Board (9-1).

Trustee Mark Young offered a motion to bring the Nutrition and Food Sciences Project resolution to the full Board for discussion and a vote.

Trustee Dean Maglaris requested that the resolution be further amended to include that the Master Planning consultants will report its findings to the Executive Committee at its October 18, 2004 meeting.

The following amended resolution was presented for approval:

Nutrition and Food Sciences Project Resolution

WHEREAS, the long-term plan of the College of Agriculture and Life Sciences is to consolidate the various programs of the Department of Nutrition and Food Sciences into a single facility; and,

WHEREAS, the deconstruction of Carrigan Dairy Science Building necessitates the relocation of the Food Sciences program; and
WHEREAS, the construction of a 15,000 square foot addition to Marsh Life Sciences would allow for the ultimate consolidation of these units, once the Plant Sciences Building is built; and

WHEREAS, this consolidation and those resulting from the program of the Plant Sciences Building are both integral components of the education and research planning for Life Sciences in the College of Agriculture and Life Sciences;

NOW, THEREFORE, BE IT RESOLVED, that the President, Vice President for Finance and Administration, or their successors or designees, are hereby authorized to commence design and construction of a Nutrition and Food Sciences addition to Marsh Life Sciences (the “Nutrition and Food Sciences Project”), and to execute any and all contracts and documents necessary to undertake the project at a total cost not to exceed $6,850,000; and

BE IT FURTHER RESOLVED, that, until bonds are issued for the project, the President or Vice President for Finance and Administration, or their successors or designees, are hereby authorized to obtain internal or external interim financing via the issuance of commercial paper, utilization of lines of credit, or other financing vehicles as authorized by the Board, and

BE IT FURTHER RESOLVED, that construction shall not commence until the University’s retained Master Planning consultants have reviewed and endorsed the project; and

BE IF FURTHER RESOLVED, that the retained Master Planning consultants will report its findings to the Executive Committee at its October 18, 2004 meeting, and the administration will submit such report to the Executive Committee for its approval; and

BE IT FINALLY RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons appointed to any of the positions heretofore mentioned, and further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

The motion was seconded and it was voted to approve the resolution as amended by a vote of 16-2 and one abstention.

The discussion returned to the University Commons resolution. Chair Pizzagalli clarified that it was at the May 2003 meeting that the Board approved plans for the University Commons. The Board had discussion around both plans, and ultimately decided that it was not feasible to go forward with two designs, thus selecting the $70 million project. Trustee Amidon respectfully offered that that was not his recollection, and also reiterated that his inability to vote for this project was not related to the new student center concept, but rather the $70 million cost.
Student Trustee Hertz remarked that the University Commons project has the overwhelming support of students. She added that students have trust in the Board, the administration and the developers to make the right decisions.

Trustee John Snow commented that he takes great comfort that the sub-committee thoroughly researched this project, and that he was fully aware this vote was coming before the Board at this meeting. He further commented he felt he had every opportunity to ask questions and access to information to make an informed decision.

A motion was made, seconded and it was voted to approve the University Commons resolution as previously presented by a vote of 17-2.

Chair Hoyt and Vice Chair Frank Cioffi presented the Colchester Research Facility resolution for discussion:

**Colchester Research Facility Resolution**

WHEREAS, the Board of Trustees authorized at its September 2003 meeting a site analysis, schematic design drawings, and a financial plan for a combined life sciences facility to replace the Hills building, provide additional research space for the College of Medicine (to replace space leased in the Colchester Business Park), and provide for the co-location of State Health Department and Public Safety forensic laboratories; and

WHEREAS, the Board was advised by the administration at its May 2004 meeting that such a plan presented significant obstacles and challenges; and

WHEREAS, further financial analysis has confirmed that the best solution would be to acquire the currently leased Aquatec property in Colchester and an abutting lot on which additional research space could be constructed; and

WHEREAS, the State of Vermont has decided to move forward with its portion of the proposed project independent of the University;

NOW, THEREFORE, BE IT RESOLVED, that the President, Vice President for Finance and Administration, or their successors or designees are hereby authorized to exercise existing options to acquire the Aquatec [property]* at 208 South Park, Colchester, Vermont, and the abutting undeveloped Lot #1, subject to due diligence, and to execute any and all contracts and documents necessary to undertake this purchase at a total cost not to exceed $12,000,000; and

BE IT FURTHER RESOLVED, that the President or Vice President for Finance and Administration, or their successors or designees, are authorized to renovate portions of the former Aquatec building and provide for freezer storage at a cost
not to exceed $1,800,000, and to execute any and all documents necessary to undertake this project (the “Colchester Research Facility”); and

BE IT FURTHER RESOLVED, that, until bonds are issued for the project, the President or Vice President for Finance and Administration, or their successors or designees, are hereby authorized to obtain internal or external interim financing via the issuance of commercial paper, utilization of lines of credit, or other financing vehicles as authorized by the Board, and

BE IT FINALLY RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons appointed to any of the positions heretofore mentioned, and further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

Chair Pizzagalli acknowledged a conflict of interest and Vice Chair Heath presided over the discussion.

Chair Hoyt reported the Finance and Budget Committee amended the resolution to include “subject to due diligence” in the fifth paragraph of the resolution.

Vice Chair Cioffi reported the Facilities and Technologies Committee changed the word “building” to “property” in the fifth paragraph of the resolution.

Both Committees unanimously voted to recommend the resolution as amended to the full Board for approval.

A motion was made, seconded and it was voted to approve the amended Colchester Research Facility resolution as presented by a vote of 18-0 and one abstention.

Chair Pizzagalli resumed presiding over the meeting.

Upon motion made and seconded, the Finance and Budget Committee’s report was accepted.

Facilities and Technologies Committee

Vice Chair Frank Cioffi reported that the Committee received an overview of the Information Technology master planning process, and that an expanded report is expected at the November meeting.

Hargreaves Associates, a nationally respected planning firm, has been retained to develop phase three of the Comprehensive Master Plan, which includes developing campus building design standards and guidelines. An integrated comprehensive master plan will be presented to the Board in the spring of 2005.
As previously mentioned, the Chilled Water System Project resolution was deferred until the November meeting when a more in-depth discussion concerning an entire tri-generation system can occur.

The Committee endorsed a resolution authorizing the acceptance of a 38-acre parcel of land located on the shores of Shelburne Pond that is being given to the University by The Nature Conservancy as an addition to the University’s H. Laurence Achilles Natural Areas. This resolution was included on the consent agenda and adopted by the Board. The University now owns approximately 1,032 acres surrounding the pond.

Vice President Gower provided a brief update on the status of the Enterprise Resource Planning (ERP) project, including the selection of a systems integrator.

Upon motion made and seconded, the Committee’s report was accepted.

*University Advancement Committee*

Vice Chair Helen Spaulding reported that Provost Bramley presented a Strategic Enrollment Management overview and that the University Advancement and Academic and Student Programs Committee will share oversight of this critical part of advancing the vision.

The Committee received a report from David Kaufman on the purpose and activities of the UVM Parents’ Council. Mr. Kaufman and his wife Jane are co-chairs. The Council, established in 2000, is an advisory group of parents that fosters communication between the University administration, current UVM parents, students, and families. Members of the Parents’ Council serve as advocates for parents and students by providing recommendations and advice to the UVM administration. The Committee also reviewed “Parents’ Connection” the on-line parent information center.

Vice President for Development and Alumni Relations deGroot presented a mid-point report on The Campaign for the University of Vermont. The Campaign has raised 65% of its $250 million goal.

Committee priorities were discussed and a work plan through May 2005 was established.

Upon motion made and seconded, the Committee’s report was accepted.

*Diversity Committee*

Chair Thomas Little reported that the Committee reviewed the 2003-2004 Annual Report from the Office of Multicultural Affairs (OMA), which provides diversity opportunities through three main categories: support for curriculum and faculty diversity, support for co-curricular program and events, and freestanding or conjoined projects. At the
Committee’s August meeting, a booklet describing the diversity organizational structure, diversity resources, programming and institutional data was distributed. Copies will be made available to all Trustees.

The Committee continued discussions begun at the August meeting around the Committee’s charge. An outline was presented for discussion expressing the institution’s commitment to diversity, including the meaning of diversity, how it is a “core institutional value,” and what its educational and post-graduate values are to its students. A draft charge will be prepared and circulated to Committee members in advance of the November meeting, the final version ultimately to be submitted as a recommendation to the full Board for its approval.

The Committee discussed topics for the next meeting, including a presentation by Student Affairs on efforts made by the Division to succeed in meeting its diversity goals; a report on admission and retention statistics for students, faculty and staff; and an update from the President’s Commission on Racial Diversity.

Upon motion made and seconded, the Committee’s report was accepted.

Annie Stevens, Assistant Director of Student Affairs, briefly addressed the Board, offering her thanks to Trustees and the administration for their guidance and direction in moving forward with the vision for the University. She cited examples of successful efforts, including the addition of sprinkler systems to residence halls, standing room only at student events each night, and the support of the Campus Master Plan and University Commons. Ms. Stevens concluded her comments by sharing her hopes that the same leadership and passion be directed towards diversity efforts.

**Audit Committee**

Chair Margaret Hummel reported that the Committee reviewed with Vice President Gower the status of interim audit observations noted by KPMG at the May meeting. Each observation was resolved by the close of the fiscal year.

Associate Vice President Charles Jefferis discussed the revised Charter for the Office of Institutional Risk Assessment and Audit Services. These two functions, though related, are distinct, in that Audit remains as a line function with independence required for its mission, whereas Institutional Risk Assessment addresses anticipation of business risk and will work with management to mitigate and address risk appropriately. The Committee accepted the revised charter with a few suggested edits. The Committee reviewed in detail the draft Committee charge and redefining the Audit Committee to the Audit and Compliance Committee. The Committee concluded that a few items required clarification as well as consultation with General Counsel. The draft charge will be revised based on Committee member comments and consultation with Vice President Francine Bazlue. Member Carl Lisman offered to review the draft as well. Chair Hummel will meet with members of the administration to review any remaining issues.
and a draft will be sent to Committee members in advance of the regular Board mailing to allow time for additional review.

The Committee agreed to meet on the Thursday afternoon before the November Board meeting to ensure enough time to review the revised charge, receive the audit report for FY 2003-2004 from KPMG, and perform its annual contract review for audit services.

Upon motion made and seconded, the Committee’s report was accepted.

Committee on Health Education

Vice Chair Heath reported on behalf of Chair Robert Young that the Committee met in executive session to discuss contractual matters and the appointment of public officers.

Upon motion made and seconded, the Committee’s report was accepted.

University of Vermont Board

Chair Robert Cioffi reported that the Board elected Deborah McAneny to fill the unexpired term of Anne Dodge, and met for the remainder of the meeting in executive session to discuss the appointment and evaluation of public officers.

Vermont Agricultural College Board

Vice Chair Mark Young reported on behalf of Chair Richard Hube that the Board received a report on the President’s 2004 summer-fall outreach visits with community, business, media, and political leaders outside of Chittenden County. The purpose of these visits is to communicate the University’s vision and assess how the University is meeting community needs across the State.

The President reported that there was agreement at a recent meeting with the Chancellor of the Vermont State Colleges (VSC) and the Secretary of Administration that the Governor should recommend and the Legislature should fund equal annual capital appropriations for both VSC and UVM, thus ending the $1 million and $3 million alternate appropriations of recent years. He also reported on meetings with higher education chief executives and the gubernatorial candidates regarding State support for higher education in the next budget cycle. The Board felt that UVM and its higher education partners should request a percentage budget increase reflective of true institutional needs, and not be constrained by other State fiscal challenges.

It was reported the University has received the $100,000 supplemental appropriation for operating expenses of the Vermont Center for Emerging Technologies.
The Board will continue discussions of utility and advisability of earmarking State appropriations to specific University programs and additional developments in the higher education appropriations strategy at the November meeting.

**Other Business**

At 11:30 a.m. a motion was entertained and it was voted to enter into executive session to consider a contractual matter. The meeting was re-opened to the public at 11:35 a.m.

A motion was made, seconded and it was voted to approve the minutes from the May 21 and 22, 2004 meetings as presented.

**Adjournment**

There being no further business, the meeting was adjourned.

Respectfully submitted,

Margaret P. Hummel, Secretary