

**THE UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE
BOARD OF TRUSTEES**

FULL BOARD

Chair Ron Lumbra, Vice Chair Cynthia Barnhart, Secretary John Bartholomew, Briar Alpert, David Aronoff, Otto Berkes, Robert Brennan, Kevin Christie, Frank Cioffi, John Dineen, Johannah Donovan, Carolyn Dwyer, President Suresh Garimella, Jodi Goldstein, Stephanie Jerome, Kisha Kalra, Donald McCree, Carol Ode, Ed Pagano, Lucy Rogers, Governor Phil Scott, Shap Smith, Berke Tinaz, Catherine Toll and Samuel Young

Friday, June 4, 2021

1:30 p.m. – 2:30 p.m.

This meeting will be held remotely. If interested in listening in, please dial:

1-802-489-6040; Conference ID: 347 524 820#

For any technical issues or questions, please email edickinson@uvm.edu

AGENDA

	Item	Enclosure/ Exemption	Discussion Leader(s)	Time
	Call to order			1:30 p.m.*
1.	Approval of February 5, 2021 and March 15, 2021 meeting minutes	Attachments 1 & 2	Ron Lumbra	1:30-1:32
2.	Public comment		Ron Lumbra	1:32-1:47
3.	Committee reports			1:47-2:13
	Audit		Shap Smith	
	Educational Policy & Institutional Resources		Carolyn Dwyer	
	Budget, Finance & Investment		Don McCree	
4.	VT Agricultural College Board		Shap Smith	
5.	UVM Board		David Aronoff	
6.	Approval of consent agenda	Attachment 3	Ron Lumbra	2:13-2:16
	Motion to enter executive session**			
7.	Collective bargaining update	Labor relations agreements	Sharon Reich Paulsen	2:16-2:21
8.	Litigation update	Advice of legal counsel	Sharon Reich Paulsen	2:21-2:26
	Motion to go out of executive session			
9.	Other business		Ron Lumbra	2:26-2:30
	Motion to adjourn			2:30 p.m.

*Times are approximate.

**The Chair will entertain a motion to enter into executive session for the purpose of discussing collective bargaining and a litigation update from the general counsel. No action is anticipated following.

**BOARD OF TRUSTEES
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**

A special meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Friday, February 5, 2021, at 12:50 p.m. The meeting was held via remote conferencing due to the COVID-19 pandemic.

MEMBERS PRESENT: Chair Ron Lumbra, Vice Chair Cynthia Barnhart, Briar Alpert, David Aronoff, John Bartholomew, Otto Berkes, Robert Brennan, Kevin “Coach” Christie, Frank Cioffi, John Dineen, Johannah Donovan, Carolyn Dwyer, President Suresh Garimella, Jodi Goldstein, David Gringeri, Don McCree, Carol Ode, Ed Pagano¹, Shap Smith, Berke Tinaz², Tristan Toleno³ and Samuel Young

MEMBERS ABSENT: Secretary Curt McCormack and Governor Phil Scott

ALSO PARTICIPATING: Provost and Senior Vice President Patricia Prelock, Vice President for Legal Affairs & General Counsel and Chief of Staff to the President Sharon Reich Paulsen and incoming student trustee Kisha Kalra

¹ Joined at 1:01 p.m.

² Joined at 1:09 p.m.

³ Joined at 1:08 p.m.

Chair Ron Lumbra called the meeting to order at 12:54 p.m.

Approval of previous meeting minutes

A motion was made, seconded and it was voted to approve the minutes from the September 25, 2020 meeting as presented.

Public comment

Chair Lumbra opened the public comment period by reviewing the process. He then invited the following persons to address the board:

Charlotte Mehrtens, Emerita Professor of Geology, summarized the packet of letters provided to trustees expressing support for the UVM Geology Department in opposition to the proposal to terminate the geology major.

Thomas Visser, Professor and Director of the Historic Preservation Program, expressed his view on the importance of preserving the Historic Preservation Program.

Eliza Fehrs, a UVM junior studying liberal arts, expressed concerns regarding proposed cuts in the humanities and the perceived manufactured deficit.

Jackie Lemieux, a UVM sophomore, expressed objection regarding the University’s food service provider Sodexo, citing their alleged involvement with the private prison industry, unfair labor practices, and non-commitment to environmental practices. She encouraged UVM to end their contract with Sodexo.

Cobalt Tolbert, a UVM senior, shared thoughts regarding the recent budget cuts and his desire to see more transparency related to financial decisions and adherence to the stated mission of “shared governance”.

Committee reports

Audit Committee

Committee Chair Shap Smith offered a summary report of the meeting held on November 9, 2020 at which the committee reviewed the draft fiscal year 2020 annual financial report and audit. The audit resulted in no significant deficiencies or material weaknesses and the financial statements were accepted and recommended for board acceptance. A resolution accepting the financial statements appears on today’s consent agenda.

The committee received highlights from Chief Internal Auditor Bill Harrison on current internal audit projects and reviewed the status of open audit recommendations. Chief Internal Auditor Harrison and Director of Compliance Services and Chief Privacy Officer Tessa Lucey presented the draft audit and compliance work plan. The committee reviewed its work plan and eliminated the summer meeting changing the number of meetings per year from five to four.

Educational Policy and Institutional Resources Committee (EPIR)

Chair Carolyn Dwyer reported the committee endorsed the following resolutions for board approval:

- Creation of an Entry-Level Doctorate in Occupational Therapy in the College of Nursing and Health Sciences in conjunction with the Graduate College
- Creation of a Bachelor of Science in Community-Centered Design in the College of Agriculture and Life Sciences
- Termination of the Master of Science in Bioengineering in the Graduate College

The committee also reaffirmed the Equal Employment Opportunity/Affirmative Action policy and the Equal Opportunity in Educational Programs and Activities and Non-Harassment policy.

A presentation and discussion regarding low enrollment/low completion program review was presented by Provost Prelock and Vice Provost for Academic Affairs and Student Success Jennifer Dickinson. The presentation included a status report on the review process for all schools and colleges. Dean of the College of Arts and Sciences Bill Falls gave an update on the specific work taking place within the College of Arts and Sciences. Vice Provost Dickinson reviewed the process of deactivating or terminating programs. Chair Dwyer noted these are challenging times of change and that UVM has an obligation to identify and address programs that are not thriving in order to improve the quality of education for all students.

Budget, Finance and Investment Committee (BFI)

Chair Don McCree reported that the committee endorsed the following resolutions for board approval:

- Tuition rates for fiscal year 2022. For a third consecutive year there will be no increase.
- Reduction in the comprehensive fee and no increase to the student government association and inter residence association fees for fiscal year 2022, which is 2.2% lower than last year.
- Graduate student senate fee for fiscal year 2022.
- Continuous registration fee for graduate students for fiscal year 2022, with no increase from the previous year.

- Room and meal plan rates for FY 2022, which remain at their current rates.
- The committee conducted its annual review of the Debt policy and recommends reaffirmation with no changes.
- At the recommendation of the Investment Subcommittee, the committee approved revisions to the Statement of Investment Policies & Objectives asset class descriptions and target benchmarks and revisions to the resolution on socially responsible investing which was updated to include the board's adoption of a fossil fuel divestment resolution in July 2020.
- The appointment of Whitney Wagner as advisor to the Investment Subcommittee for a one-year period, beginning March 1, 2021.
- The administration's proposal to refund a portion of its outstanding Series 2010B Bonds because interest rates are lower now than they were when the bonds were issued. Because the amount of bonds is only \$13.4M, the administration is proposing to sell the bonds privately to New York Life (NYL), rather than go the public market. The transaction costs of doing so for this amount of bonds will be less and NYL is offering a low, fixed interest rate. The committee endorsed a resolution, prepared by bond counsel, authorizing the sale of bonds and the issuance of notes to pay for them.

Investment Subcommittee Chair Rob Brennan reported a strong end-of-year for the endowment despite the economic environment during the pandemic. As of December 31, 2020, the value of the University's pooled endowment was \$619 million. He noted the University Foundation endowment has an additional \$88 million in restricted philanthropic assets.

The committee received an annual update on the green revolving loan fund including a summary of the approved projects to date representing those that have been initiated, are under way, or completed.

Vice President for Finance and Administration Richard Cate provided an overview of the University's current and future short and medium-term financial constraints. Among the challenges affiliated with the COVID-19 pandemic this year was a significant decline in revenue (less tuition, student fees, and room and board) and a higher than usual amount of student reimbursements. Other lost revenue included that from campus event fees and parking revenue. Most of the COVID-19 related expenses incurred (COVID testing, campus modifications, etc.) have been covered by state and federal relief funds. Factors contributing to the structural gap in the University's base budget include: the state appropriations has remained relatively flat since 2012 (\$42.5M); the University's endowment includes very limited unrestricted funds and most of the cash reserves is targeted and held for major crises.

Vermont Agricultural College Board

Trustee Shap Smith offered the report on behalf of Chair Tristan Toleno. Trustee Smith reported the board discussed legislative updates including the University's request for a \$1M addition to the base budget to support the ongoing efforts of UVM's Office of Engagement, the plan to reorganize and fund the Vermont State Colleges and Vermont's role in distributing funds from the next federal stimulus package. It was noted that President Garimella recently met with the Appropriation and Education committees and received a good reception. The board decided to defer the annual legislative summit and will explore options for proceeding post pandemic and hosting at an off-campus location.

University of Vermont Board

Chair David Aronoff reported that the board reviewed a summary of the Wilbur Trust Fund financial report from July 1, 2020 through November 30, 2020, which has assets totaling \$23 million from which a portion is used to help make tuition more affordable for Vermont high school students. Grant recipients must be certified by their Vermont high school principal or a teacher of the public school

they attended, that they are of good moral character, financially unable to obtain an education, and be of “extraordinarily good” academic standing. During the 2019-2020 academic year, 169 Vermont residents received grants totaling \$885,290 with gifts ranging from \$560-\$11,807.

The remainder of the meeting was in executive session to discuss trustee recruitment and succession planning for future board members.

Board Governance Committee

Chair Frank Cioffi reported that the board was notified via memo on November 9, 2020 that the committee would be convening on November 16, 2020 to initiate the nominations process for board officers. Following that meeting, Board Governance Committee members reached out to individual trustees to solicit nominations. The committee reconvened on December 18, 2020, and at the meeting, guided by input of all participating trustees, and its own deliberations, voted on a slate of candidates. Following the meeting, a memo was issued to the board advising of the slate of board and university officer nominations, to be voted on at today’s meeting

Election of board and university officers

Chair Lumbra reminded trustees, in accordance with the University Charter, the chair is elected at the first meeting after new trustee terms begin on March 1st. The election of chair will occur at a special board meeting scheduled on March 1, 2021 at 1:00 p.m.

Frank Cioffi, Chair of the Board Governance Committee, presented the slate by office and proposed nominee.

Chair:	<u>Ron Lumbra</u> [no action]
Vice Chair:	<u>Cynthia Barnhart</u>
Secretary:	<u>John Bartholomew</u>
Assistant Secretary:	<u>Sharon Reich Paulsen</u>

An opportunity for additional nominations was offered. No further nominations were made. A motion was made, seconded and trustees voted unanimously to elect the proposed slate of board officers. Trustees Barnhart and Bartholomew recused themselves from the vote on the officer positions to which they were nominated.

Next, a motion was entertained for the appointment of the following University officers, by virtue of their office, for a one-year term beginning March 1, 2021, or until their successors take office:

Provost:	<u>Patricia Prelock</u>
Treasurer:	<u>Richard Cate</u>

A motion was made, seconded and trustees voted unanimously to elect the proposed slate of University officers.

Approval of consent agenda

Chair Lumbra presented the following resolutions for approval reminding trustees that all would be voted on as a consent agenda unless anyone wishes to have a separate vote on a particular resolution(s).

COMMITTEE OF THE WHOLE

1. Resolution accepting fiscal year 2020 audited financial statements

WHEREAS, the financial statements of the University of Vermont and State Agricultural College for the fiscal year ended June 30, 2020, have been audited by KPMG LLP, Certified Public Accountants, in accordance with 16 V.S.A. Section 2281(a);

WHEREAS, the audited financial statements for the fiscal year 2020 were presented to the Audit Committee of the Board of Trustees at the Audit Committee's November 9, 2020 meeting;

WHEREAS, the Audit Committee approved a resolution recommending acceptance of the FY 2020 audited financial statements;

BE IT RESOLVED, that the Board of Trustees hereby accepts the FY 2020 audited financial statements as recommended by the Audit Committee.

2. Resolution authorizing resumption of improvements to the On-Campus Multipurpose Center's Recreation and Wellness Facilities and Gutterson Fieldhouse

WHEREAS, on October 27, 2018, the Board of Trustees authorized the administration to spend up to \$95,000,000 for the on-campus Multipurpose Center ("Project") from a combination of gifts, general funds, and up to \$75,000,000 of University debt; and

WHEREAS, in March 2020, construction on the Project was paused due to the Governor's "Stay Home, Stay Safe" Executive Order issued as a result of the COVID-19 pandemic;

WHEREAS, in April 2020, the Board expressed reservation regarding the bond issuance originally scheduled for July 2020 and necessary for completion of the Project, and directed the University to renegotiate capital construction project contracts, including the Multipurpose Center Project contract;

WHEREAS, \$42,500,000 has been expended to date on the Project, including necessary deferred maintenance work;

WHEREAS, the University has determined that improvements to Recreation and Wellness facilities and to the Gutterson Fieldhouse may continue to proceed without the need for the bond issuance originally scheduled for July 2020;

THEREFORE, BE IT RESOLVED, that the Committee of the Whole recommends to the Board that the University be authorized to continue to proceed with improvements to Recreation and Wellness facilities and to the Gutterson Fieldhouse at a cost not to exceed \$22,500,000, to be financed through gifts directed to the Project, funds available from the bond issuance in 2018, and University Reserves previously restricted for the project.

EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES COMMITTEE

3. Resolution approving the creation of an Entry-Level Doctorate in Occupational Therapy in the College of Nursing and Health Sciences in conjunction with the Graduate College

BE IT RESOLVED, that the Board of Trustees approves the creation of an Entry-Level Doctorate in Occupational Therapy in the College of Nursing and Health Sciences, in conjunction with the Graduate College, as approved and advanced by the Provost on December 16, 2020 and President on December 17, 2020.

4. Resolution approving the creation of a Bachelor of Science in Community-Centered Design in the College of Agriculture and Life Sciences

BE IT RESOLVED, that the Board of Trustees approves the creation of Bachelor of Science in Community-Centered Design in the College of Agriculture and Life Sciences as approved and advanced by the Provost on December 16, 2020 and President on December 17, 2020.

5. Resolution approving the termination of the Master of Science in Bioengineering in the Graduate College

BE IT RESOLVED, that the Board of Trustees approves the termination of the Master of Science in Bioengineering in the Graduate College, as approved and advanced by the Provost on February 2, 2021 and President on February 3, 2021.

6. Resolution reaffirming Equal Opportunity policies

BE IT RESOLVED, that the Board of Trustees reaffirms the Equal Employment Opportunity/Affirmative Action policy, attached here as Appendix A; and

BE IT FURTHER RESOLVED, that the Board of Trustees reaffirms the Equal Opportunity in Educational Programs and Activities and Non-Harassment policy, attached here as Appendix B.

BUDGET, FINANCE & INVESTMENT COMMITTEE

7. Resolution reaffirming the Debt policy

WHEREAS, in September 2004, the Board of Trustees 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 2019;

BE IT RESOLVED, that the Board of Trustees hereby reaffirms the policy, appearing as Appendix C to this document.

(As recommended by the Investment Subcommittee on December 16, 2020)

8. Resolution approving revisions to the Statement of Investment Policies and Objectives

WHEREAS, in February 2011, the Board adopted a Statement of Investment Policies and Objectives to govern the investment of UVM's Long-Term Investment Pool, including the Endowment Fund; and

WHEREAS, the Investment Subcommittee is charged with an annual review of the Statement of Investment Policies and Objectives; and

WHEREAS, on December 16, 2020, the Investment Subcommittee endorsed proposed amendments to the Statement of Investment Policies and Objectives for referral to the Budget, Finance & Investment Committee;

BE IT RESOLVED, that the Budget, Finance & Investment Committee hereby recommends the Board of Trustees adopt the amended Statement of Investment Policies and Objectives, appearing as Appendix D to this document.

(As recommended by the Investment Subcommittee on December 16, 2020)

9. Resolution on socially responsible investing

WHEREAS, the University's Policy Statement on Moral, Social and Ethical Considerations in Investment and Shareholder Resolutions holds that the primary objective of investment by the University is to provide a satisfactory return on investment for the support of University operations based upon the Prudent Investor Rule;

WHEREAS, the Board of Trustees in August 2000 passed a resolution to adopt a tobacco-free mandate for its endowment wherever possible;

WHEREAS, the Board of Trustees in May 2006 passed a resolution to adopt and implement a policy of targeted divestment from companies doing business with or otherwise aiding the governing regime of Sudan;

WHEREAS, the Board of Trustees in May 2009 passed a resolution to divest from companies that are materially engaged in the manufacture of cluster munitions as defined by the Oslo Treaty of December 2008 and military equipment and/or weapons containing depleted uranium;

WHEREAS, after careful review the Investment Subcommittee is seeking clarity as to the current intent of these resolutions;

WHEREAS, the Investment Subcommittee reviewed and reapproved each of these resolutions on February 6, 2016;

WHEREAS, five years have passed since the Investment Subcommittee's last review;

WHEREAS, the Investment Subcommittee has again reviewed these resolutions;

WHEREAS, on July 14, 2020, subsequent to the last five-year review, the Board of Trustees passed a fossil fuel divestment resolution;

BE IT RESOLVED, each of the above-referenced resolutions are reaffirmed;

BE IT FURTHER RESOLVED, that the Budget, Finance and Investment Committee will review this resolution at least once every five years.

10. Resolution approving appointment of Investment Subcommittee advisor

BE IT RESOLVED, that the Board of Trustees approves the appointment of H. Whitney Wagner as advisor to the Investment Subcommittee, for a one-year period commencing March 1, 2021, subject to the terms and conditions reported on this date.

11. Resolution approving tuition rates for fiscal year 2022

BE IT RESOLVED, that the Board of Trustees hereby approves the following tuition rates effective with the 2021-2022 academic year, which are the same rates as those charged for the 2019-2020 and 2020-2021 academic years:

In-state tuition \$16,392 per year, or \$683 per credit hour.

Out-of-state tuition \$41,280 per year, or \$1,720 per credit hour.

Medical student in-state tuition \$37,070 per year.

Medical student out-of-state tuition \$64,170 per year.

12. Resolution setting the comprehensive fee, student government association and inter residence association fees for fiscal year 2022

BE IT RESOLVED, that the Board of Trustees hereby sets the following fee rates, the total of which is 2.2% lower than last year:

Comprehensive fee	\$2,388
Student Government Association (SGA) fee	\$222
Inter Residence Association (IRA) fee	\$30

13. Resolution approving graduate student senate fee for fiscal year 2022

BE IT RESOLVED, that the Board of Trustees approves a continuation of the graduate student senate fee effective as follows:

Less than 5 credits, \$7 per semester

5 or more credits, \$10 per semester

14. Resolution approving continuous registration fee for graduate students for fiscal year 2022

BE IT RESOLVED, that the Board of Trustees approves a continuation of the same varying graduate continuous registration fee for the 2021-2022 academic year as was in effect for the 2020-2021 academic year, as follows:

Less than half-time, \$100 per semester

Half to full-time, but not including full-time, \$200 per semester

Full-time, \$300 per semester

15. Resolution approving room and meal plan rates for fiscal year 2022

BE IT RESOLVED, that the Board of Trustees hereby approves the same room and meal plan rates for the 2021-2022 academic year as were in effect for the 2020-2021 academic year, as follows:

Room Rates Per Year

Private Single with Bath	\$10,942
Private Double with Bath	\$9,720
Private Triple with Bath	\$8,058
Suite Single with Shared Bath	\$10,500
Suite Double with Shared Bath	\$9,168
Suite Triple with Bath	\$7,664
Traditional Single	\$10,094
Traditional Double	\$8,756
Traditional Triple	\$6,934
Traditional Quad	\$5,870

Meal Plan Rates

Retail Dining	\$4,568
Residential Unlimited Access (+150 Points per Semester)	\$4,568
Flex Plan (160 meals with \$900 Points per Semester)	\$5,104

16. Resolution approving execution of bond refunding

WHEREAS, the University of Vermont and State Agricultural College (the “University”) previously issued its General Obligation Bonds, Series 2010B (the “Series 2010B Bonds”), pursuant to the terms of an Indenture dated as of February 1, 1990 (the “Trust Indenture”) between the University and The Bank of New York Mellon Trust Company, N.A. (as successor to The Bank of New York Trust Company, N.A. and TD Banknorth, N.A.), as trustee (the “Trustee”), as amended and supplemented, including by the Series 2010B and Seventh Supplemental Indenture dated as of February 18, 2010; and

WHEREAS, a working group of Trustees appointed by the Chair of the University’s Board of Trustees (the “Bond Work Group”) was consulted, and, due to favorable market conditions, recommends to the University’s Board of Trustees (the “Board”) that the University refund all or a portion of the outstanding Series 2010B Bonds (the “Refunded Bonds”); 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, 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 2021 Note (as defined below); and

WHEREAS, the Board has determined that in order to refund the Refunded Bonds and pay associated administrative costs, it is necessary and desirable to authorize the issuance by the University of its Senior Note, Series 2021 in an amount not to exceed \$14 million aggregate principal amount (the “Series 2021 Note”), with anticipated net present value savings resulting from the issuance of the Series 2021 Note of not less than 5.00% of the total par amount of the Refunded Bonds and costs of issuance not to exceed \$250,000; and

WHEREAS, the Board proposes to issue the Series 2021 Note as a general unsecured obligation of the University on a parity with the outstanding General Obligation Bonds, Series 2010A; General Obligation Bonds Series 2012A; General Obligation Bonds, Series 2014; General Obligation Bonds, Series 2015; General Obligation Bonds, Series 2016; General Obligation Bonds, Series 2017; General Obligation Bonds, Series 2019A; and General Obligation Bonds, Series 2019B; and

WHEREAS, NYL Investors LLC, on behalf of one or more of its affiliates or managed accounts (collectively, “New York Life”), has offered to directly purchase the Series 2021 Note in the aggregate principal amount and consistent with the terms described in the term sheet attached hereto as Exhibit A (the “Term Sheet”);

WHEREAS, New York Life’s proposal to purchase the Series 2021 Note provides that it expires if the interest rate for the Series 2021 Note has not been locked on or prior to February 26, 2021 or if the Series 2021 Note financing described herein and in the Term Sheet has not been completed on or prior to May 29, 2021; and

WHEREAS, once the rate for the Series 2021 Note has been locked, a cancellation fee calculated in accordance with the Term Sheet would be due if the issuance of the Series 2021 Note is canceled for any reason; and

WHEREAS, the Board desires to authorize the locking of the interest rate and the execution and delivery of a Note Purchase Agreement (the “Note Purchase Agreement”) between the University and New York Life, pursuant to which the University will sell the Series 2021 Note to New York Life, all in accordance with the terms and conditions set forth therein; and

WHEREAS, the Board desires to authorize and direct the execution and delivery of an Escrow Agreement (the “Escrow Agreement”) between the University and the Trustee, in its capacity as Trustee for the Refunded Bonds (the “Trustee”), if such Escrow Agreement is deemed necessary, desirable or appropriate, pursuant to which the University will direct the Trustee to purchase certain Government Obligations (as defined in the Trust Indenture) and deposit funds necessary to pay the principal and interest on the Refunded Bonds when due and/or the redemption price for the Refunded Bonds on the applicable redemption date; and

WHEREAS, copies of the forms of the following documents relating to the transactions described above have been filed with the University:

1. the Note Purchase Agreement; and
2. the Escrow Agreement.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

Section 1. Issuance of Series 2021 Note.

(a) The Board hereby approves and confirms the issuance by the University of the Series 2021 Note, on a taxable basis, to provide funds to refund all or a portion of the outstanding Refunded Bonds of the University (including the costs of issuance and any other related expenses, certain expenses of New York Life described in the Term Sheet, provided such costs shall not exceed \$250,000. The Series 2021 Note shall bear interest at a rate fixed to maturity determined as described in the Term Sheet, which rate shall not exceed 2.00% per annum, with net present value savings of not less than 5.00% of the par amount of the Refunded

Bonds. The Series 2021 Note shall be in the initial principal amount of not more than \$14 million, shall mature not later than the final maturity date of the Refunded Bonds and shall have a weighted average maturity not exceeding the weighted average maturity of the Refunded Bonds by more than one year.

(b) 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 the terms of the Series 2021 Note and the terms of the sale of the Series 2021 Note (including the maturity dates and amounts, the interest rates, the original issue premium or discount, the redemption provisions of the Series 2021 Note based on financial or structural benefits to the University) subject to the limitations set forth in this resolution and the Note Purchase Agreement. The form and content of the Series 2021 Note as set forth in the Note Purchase Agreement is hereby approved and confirmed. The Vice President for Finance and Treasurer, the President, and the Secretary or the Assistant Secretary of the Board are authorized and directed to execute and deliver the Series 2021 Note for and on behalf of the University, in substantially the form and content set forth in the Note Purchase Agreement, 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 Rate Lock. The Board hereby authorizes and directs the Vice President for Finance and Treasurer, in consultation with the Bond Work Group, to, to lock a fixed interest rate for the Series 2021 Note pursuant to the terms of the Term Sheet.

Section 3. 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 2021 Note, the dates of redemption of such Refunded Bonds; provided that such refunding results in net present value savings of not less than 5.00% of the par amount of the Refunded Bonds as described herein.

Section 4. Authorization of Note Purchase Agreement. The Series 2021 Note shall be sold to New York Life pursuant to the terms of the Note Purchase Agreement. The Series 2021 Note shall be authenticated and delivered to or upon the order of New York Life upon payment of the purchase price set forth in the Note Purchase Agreement. The form and content of the Note Purchase Agreement is hereby approved. The Vice President for Finance and Treasurer and the President each are hereby authorized and directed to execute and deliver the Note 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 Note Purchase Agreement, the Vice President for Finance and Treasurer, the President 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 Note Purchase Agreement as executed.

Section 5. Authorization of Escrow Agreement. The form and content of the Escrow Agreement is hereby approved. The Vice President for Finance and Treasurer and the President each are hereby authorized and directed to determine whether such Escrow Agreement is necessary, desirable or appropriate, and upon such determination, the Vice President for

Finance and Treasurer and the President each are hereby authorized and directed to execute and deliver the Escrow Agreement for and on behalf of the University, if deemed necessary, desirable or appropriate, 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 Agreement, the Vice President for Finance and Treasurer, the President, 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 Agreement as executed.

Section 6. No Personal Liability. No stipulation, obligation or agreement herein contained or contained in the Series 2021 Note, the Note Purchase Agreement, the Escrow Agreement, or any other instrument related to the issuance of the Series 2021 Note 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 2021 Note or be subject to personal liability or accountability by reason of the issuance thereof.

Section 7. 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 this Resolution and 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 Note Purchase Agreement, (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. All acts and deeds heretofore done by the officers of the Board and of the University to effect the financing and other transactions contemplated by foregoing resolutions, including the negotiation, execution, acknowledgment, delivery or filing with any governmental body or authority of the Term Sheet and any other documents, instruments or agreements contemplated thereby, are hereby ratified, confirmed and approved in all respects.

Section 8. 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 2021 Note authorized hereunder.

Section 9. 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 10. Effective Date. This Resolution shall take effect upon its adoption.

Exhibit A Term Sheet

The University of Vermont

Indicative Summary of Pricing and Terms

The following Indicative Summary of Pricing and Terms is for discussion purposes only and is neither a commitment nor an offer to commit to any financing. The execution of binding documentation would be subject to, among other things, satisfactory completion of due diligence and may contain additional or modified terms from those set forth below.

Issuer	The University of Vermont & State Agricultural College
Note Purchasers	One or more affiliates or managed accounts of NYL Investors LLC
Amount	Up to \$[14],000,000
Price	100% (par)
Structure	Note Purchase Agreement
Ranking	Senior Notes ranking <i>pari passu</i> with the University's existing senior unsecured debt, and any guarantees thereof
Maturity and Average Life	Fixed Rate Notes: [8] year final maturity and [5] year average life
Interest Rate¹	5 year Benchmark US Treasury + Fixed Rate Credit Spread with a minimum coupon of [1.50%]
Base Rate	Fixed Rate Notes: On-the-run U.S. Treasury Notes and/or Bonds corresponding to the weighted average life of the Notes, as applicable, using Bloomberg PX1 Screen
Fixed Rate Credit Spread	[125] basis points. Fixed Rate Interest will be calculated on the basis of a 360 day year of twelve 30 day months.
Interest Payment Frequency	Fixed Rate Notes: Semi-annual
Call Protection	Callable at any time at par plus a make-whole amount (not less than zero) equal to the present value of the future debt service on the Notes discounted at T + 20 basis points.
Closing and Note Issuance	Closing (completion of documentation satisfactory to the University and New York Life) to occur within 3 months of rate lock.
Use of Proceeds	Refinance of existing indebtedness

¹ *Indicative new issue pricing is only a description of suggested pricing for a private placement and is intended solely for discussion purposes as of [December 17, 2020]. This material does not constitute a commitment or offer by New York Life, its subsidiaries and/or affiliates to lend any monies or purchase or place any securities and does not create any obligations on the part of New York Life, its subsidiaries and/or affiliates.*

Legal Expenses	Fees of outside counsel that acts as special counsel for New York Life to be paid by the University, whether or not the transaction closes.
Legal Documentation	Term and Conditions to be substantially the same as the Note Purchase Agreement (“NPA”) entered into with a university advised by the University’s advisor executed in April 2015, along with adding a covenant stating that the University will not secure any debt by a pledge of revenue from tuition payments unless the Notes are secured on a parity basis with other senior lenders or noteholders.
Governing Law	New York

This letter is delivered to you on the understanding that, prior to your acceptance hereof, none of this letter or its terms or substance shall be disclosed, directly or indirectly, to any other person or entity (including other note purchasers, lenders, advisors or any similar persons) except (a) to your officers, directors, employees, attorneys, accountants and advisors on a confidential and need-to-know basis, or (b) pursuant to the order of any court or administrative agency in any pending legal or administrative proceeding, or otherwise as required by applicable law or compulsory legal process based on the advice of your legal counsel (in which case you agree to inform us promptly thereof to the extent lawfully permitted to do so).

An opportunity for discussion was offered. There being none, a motion was made, seconded and the consent agenda was unanimously approved as presented.

Adjournment

There being no further business, the meeting adjourned at 1:30 p.m.

Respectfully submitted,

Ron Lumbra, Chair

OFFICE OF AUDIT AND COMPLIANCE SERVICES
UVM.EDU/POLICIES**POLICY****Title:** 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"), or crime victim status, 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. Additionally, the University will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant.

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 concerning the daily operational interpretation of this policy should be directed to the following (in accordance with the policy elaboration and procedures):	
Title(s)/Department(s):	Contact Information:
Director, Office of Affirmative Action and Equal Opportunity	428 Waterman Building (802) 656-3368
Questions about policies related to Title IX, including sex discrimination, sexual harassment, and all forms of sexual violence	
Title IX Coordinator Office of Affirmative Action and Equal Opportunity	Nick Stanton (802) 656-3368
Questions about disability related issues	
ADA/Section 504 Coordinator Office of Affirmative Action and Equal Opportunity	Amber Fulcher (802) 656-0945
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 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

- [Disability Accommodation for Employees and Applicants for Employment](#)
- [Discrimination, Harassment, and Sexual Misconduct Policy](#)
- [Equal Opportunity in Educational Programs and Activities and Non-Harassment](#)
- [Handling and Resolving Discrimination, Harassment, and Sexual Misconduct Complaints](#)

Regulatory References/Citations

- Titles VI and VII of the Civil Rights Act of 1964
- Immigration Reform and Control Act of 1986
- Title IX of the Education Amendments of 1972
- Equal Pay Act of 1963
- Age Discrimination in Employment Act of 1967
- Age Discrimination Act of 1975
- Sections 503 and 504 of the Rehabilitation Act of 1973
- Americans with Disabilities Act of 1990
- Section 402 of the Vietnam-Era Veterans Readjustment Assistance Act of 1974
- Executive Order 11246
- Genetic Information Nondiscrimination Act of 2008
- Vermont Fair Employment Practices Act

About This Policy

Responsible Official:	Vice President for Finance and Administration	Approval Authority:	President and the Chair of the Board of Trustees
Policy Number:	V. 4.23.11	Effective Date:	February 4, 2017
Revision History:	<ul style="list-style-type: none"> • V. 7.0.1.1 effective April 7, 2006 • V. 7.0.1.2 effective September 5, 2008 • V. 7.0.1.3 effective April 13, 2009 • V. 7.0.1.4 effective March 8, 2010 • V. 7.0.1.5 effective May 22, 2011 • V. 7.0.1.6 effective May 19, 2012 • V. 7.3.7/V. 7.0.1.7 effective February 9, 2013 • V. 7.3.8 effective February 8, 2014 • V. 7.3.9 effective February 7, 2015 • V. 7.3.10 effective February 6, 2016 • Reaffirmed as revised by the President and the Chair of the Board of Trustees: February 3, 2018, March 6, 2019 • Reaffirmed by the President February 3, 2020 and the Chair of the Board of Trustees January 30, 2020 • Responsible official officially changed from the Vice President for Human Resources, Diversity and Multicultural Affairs and Vice President for Finance and Administration on May 1, 2020 		

OFFICE OF AUDIT AND COMPLIANCE SERVICES
UVM.EDU/POLICIES

POLICY

Title: 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 concerning the daily operational interpretation of this policy should be directed to the following (in accordance with the policy elaboration and procedures):	
Title(s)/Department(s):	Contact Information:
Questions regarding this policy statement or compliance with its provisions may be directed to:	
Dean of Students	41-43 South Prospect Street Burlington, VT 05405 (802) 656-3380
Or	
Director, Office of Affirmative Action and Equal Opportunity	428 Waterman Building Burlington VT, 0405 (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.	
Questions about policies related to Title IX, including sex discrimination, sexual harassment, and all forms of sexual violence	
Title IX Coordinator Office of Affirmative Action and Equal Opportunity	Nick Stanton (802) 656-3368
Questions about disability related issues	
Student Accessibility Services	Sharon Mone (802) 656-4075
ADA/Section 504 Coordinator Office of Affirmative Action and Equal Opportunity	Amber Fulcher (802) 656-0945

Related Documents/Policies

- [Discrimination, Harassment, and Sexual Misconduct Policy](#)
- [Equal Employment Opportunity/Affirmative Action Policy Statement](#)
- [Handling and Resolving Discrimination, Harassment, and Sexual Misconduct Complaints](#)

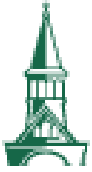
Regulatory References/Citations

- Age Discrimination Act of 1975
- Americans with Disabilities Act of 1990
- Section 504 of the Rehabilitation Act of 1973
- Title VI of the Civil Rights Act of 1964
- Title IX of the Education Amendments of 1972
- Vermont Public Accommodations Act
- Vermont Statutes at Title 16, section 11(a)(26)

About This Policy

Responsible Official:	Vice President for Finance and Administration	Approval Authority:	President and the Chair of the Board of Trustees
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Policy Number:	V. 4.24.11	Effective Date:	February 4, 2017
Revision History:	<ul style="list-style-type: none"> • V. 7.0.5.1 effective April 7, 2006 • V. 7.0.5.2 effective September 5, 2008 • V. 7.0.5.3 effective April 13, 2009 • V. 7.0.5.4 effective March 8, 2010 • V. 7.0.5.5 effective May 22, 2011 • V. 7.0.5.6 effective May 19, 2012 • V. 7.4.7/V. 7.0.5.7 effective February 9, 2013 • V. 7.4.8 effective February 8, 2014 • V. 7.4.9 effective February 7, 2015 • V. 7.4.10 effective February 6, 2016 • V. 7.4.11 Reaffirmed as revised by the President and the Chair of the Board of Trustees: February 3, 2018 and March 6, 2019 • V. 7.4.11 Reaffirmed by the President February 3, 2020 and the Chair of the Board of Trustees January 30, 2020 • Responsible official officially changed from the Vice President for Human Resources, Diversity and Multicultural Affairs to the Vice President for Finance and Administration on May 1, 2020 		



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

Reaffirmed, February 2016

Revised, February 2017

Reaffirmed, February 2018

Revised, February 2019

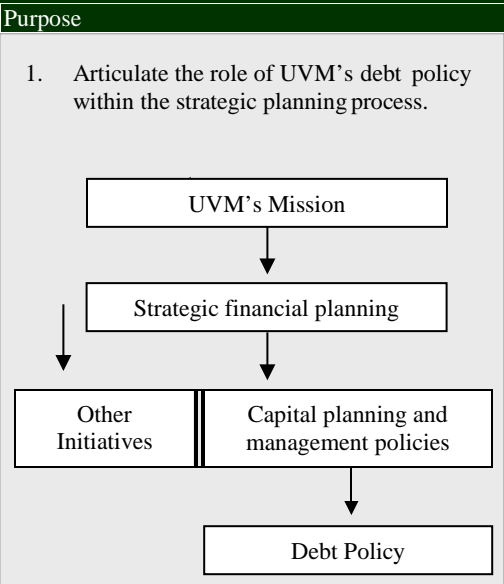
Reaffirmed, January 2020

Reaffirmed, February 2021

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OVERVIEW



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

Purpose

1. Articulate UVM's philosophy regarding debt.
2. Establish objectives for debt policy.
3. Provide for regular review and potential update of policy to reflect evolving needs.

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.
 - a. Operating Statement—Debt Burden Ratio.
 - b. Balance Sheet Leverage—Leverage Ratio.
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 ratios are to be calculated using annual audited financial statements of the University and should not include "Discretely Presented Component Units" of the University such as the University's associated fundraising foundation.

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 primary 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.

$$\frac{\text{ANNUAL DEBT SERVICE}}{\text{TOTAL EXPENSES}} < 5.75\%$$

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 - Leverage Ratio (calculated as Spendable Cash and Investments to Debt)

This ratio indicates one of the most basic determinants of financial health by measuring the availability of liquid and expendable 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 leverage 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 leverage 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 to ensure that sufficient balance sheet strength is maintained at all times.

$$\frac{\text{CASH \& INVESTMENTS} - \text{PERMANENTLY RESTRICTED NET ASSETS} + \text{PLEDGES CLASSIFIED AS PERMANENTLY RESTRICTED NET ASSETS}}{\text{AGGREGATE DEBT}} > 1.0x$$

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

The 1.0x 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 1.0x

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.

To further evaluate the leverage of the University, the Vice President of Finance will report the University's Expendable Financial Assets to Debt ratio. This ratio will be reviewed relative to prior years, peers and rating agency medians and will be calculated with and without the Governmental Accounting Standards for Other Post Retirement Benefits. The Vice President for Finance will report to the appropriate Board of Trustee



committee on any existing conditions that cause notable year-over-year changes in this ratio, particularly relative to peers and rating medians.

$$\frac{\text{UNRESTRICTED NET ASSETS} + \text{TEMPORARILY RESTRICTED NET ASSETS} - \text{EQUITY IN PLANT}}{\text{AGGREGATE DEBT}}$$

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.

TYPES OF FINANCINGS

Purpose

1. Review of all potential funding sources for projects.
2. Maximize tax-exempt University-issued debt.
3. Commercial Paper program.
 - a. Provide bridge funding.
 - b. Provide continual access to capital.
 - c. Issuance on a taxable or tax-exempt basis.
4. Manage derivative products, including swaps.
5. Consider other financing sources.
 - a. Management will explore securitizations, joint ventures and other financial structures to provide for the optimal funding for any project.

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 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.

PORTFOLIO MANAGEMENT OF DEBT

Purpose
1. Permit decisions regarding debt issuance and structure to be made on a portfolio basis, rather than on a per-project basis.
2. Manage variable rate exposure of the debt portfolio. <div><div>a. Limit variable rate exposure.</div><div>b. Manage the overall liquidity requirements associated with outstanding debt.</div><div>c. Target overall variable rate debt exposure.</div></div>
3. Evaluate exposure to other financing vehicles and third parties on a portfolio-wide basis.

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.

VARIABLE RATE AND LIQUIDITY EXPOSURE

TOTAL LONG-TERM DEBT OUTSTANDING

<35%



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 planned principal and interest paid 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.



UNIVERSITY OF VERMONT**STATEMENT OF INVESTMENT POLICIES AND OBJECTIVES****I. INTRODUCTION**

This statement is issued by the Investment Subcommittee (the “ISC”) of the Board of Trustees of the University of Vermont (the “Board”). The ISC was established by the Board and the Budget, Finance and Investment Committee in late 2006 and charged with oversight of investment strategy and investment managers for the Long-Term Investment Pool, including the Endowment Fund, collectively called the “Fund”, of the University. The policy statement will be reviewed annually and modified by the ISC as conditions warrant.

II. FIDUCIARY STANDARDS

The Board, the ISC, the Treasurer and finance staff, and any third-parties (e.g., investment managers) retained to advise the Board, the ISC, the Treasurer and/or finance staff as to investment strategy and management (any and all of whom may be referred to as “Responsible Parties”) shall exercise their responsibilities with respect to the Fund’s assets in compliance with the requirements of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), enacted in the state of Vermont in 2009. In accordance with UPMIFA, key facets of the Responsible Parties’ roles include:

- Acting in good faith, with the care an ordinarily prudent person would exercise;
- Incurring only reasonable costs in investing and managing charitable funds;
- Making decisions about each asset in the context of the portfolio of investments, as part of an overall investment strategy;
- Diversifying investments, unless due to special circumstances, the purposes of the Fund are better served without diversification;
- Disposing of unsuitable assets; and
- In general, developing an investment strategy appropriate for the Fund and the University.

III. RESPONSIBILITIES of INVESTMENT SUBCOMMITTEE

Responsibilities and goals of the ISC include:

- Ensuring that current and future spending requirements are supported while also preserving the real purchasing power of the Fund;
- Achieving an optimum level of return within appropriate risk tolerances;
- Developing a sound and consistent investment policy including asset allocation, diversification and rebalancing guidelines;

- Selecting and maintaining qualified investment managers and advisors;
- Monitoring and evaluating results to ensure that policy guidelines are being adhered to and that policy objectives are being met; and
- Taking action under appropriate circumstances to discharge an investment manager or advisor for failing to perform in terms of stated expectations.

The ISC is authorized to delegate certain responsibilities to staff to assist in properly meeting the overall responsibilities as outlined above.

IV. CONFLICT OF INTEREST POLICY

In addition to the responsibilities set forth in the Board of Trustees' Conflicts of Interest policy, it is the responsibility of the ISC members to disclose to the ISC Chair any situation in which there may be reasonably construed to be a perceived or actual conflict of interest. The ISC Chair will work with the members to determine an appropriate response.

The ISC will generally not consider investments in funds directly managed by a member of the ISC. In addition, a member of the ISC employed by an investment or other firm that provides services to the Fund will recuse him/herself from all discussions and votes on existing or potential investments or other services managed or provided by that firm. The ISC recognizes, however, that certain exceptions to this policy may be appropriate. Such exceptions will be made only upon a majority vote of the disinterested members of the ISC.

In the event that the ISC is considering an investment in an access-constrained investment opportunity, any ISC member wishing to invest for his/her own benefit in such an opportunity shall notify the ISC Chair in writing.

V. MORAL, SOCIAL AND ETHICAL CONSIDERATIONS IN INVESTMENT STRATEGY

The University Statement of Investment Policies and Objectives requires the Board, the Investment Subcommittee (ISC) of the Board Budget, Finance and Investment Committee, the Treasurer, and third parties such as investment managers, to exercise their responsibilities with respect to the Long-Term Investment Pool, including Endowment Fund assets, in compliance with the requirements of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA").

In accordance with UPMIFA, key facets of the Responsible Parties' roles, as paraphrased below, include:

- **Acting in good faith, with the care an ordinarily prudent person would exercise;**
- **Incurring only reasonable costs in investing and managing charitable funds;**
- **Making decisions about each asset in the context of the portfolio of investments, as part of an overall investment strategy;**

- **Diversifying investments, unless due to special circumstances, the purposes of the Fund are better served without diversification;**
- **Disposing of unsuitable assets.**

Achieving the Financial and Investment Objectives of the Fund is essential to provide resources to fulfill the institutional mission of the University. The core responsibility of the ISC is to achieve the Financial and Investment Objectives of the fund in a manner consistent with the requirements of UPMIFA and prudent fiduciary practices.

The primary objective of achieving the Financial and Investment Objectives of the Fund does not preclude consideration of moral, ethical and social criteria in selecting investments or participating in shareholder resolutions that address moral, ethical or social issues. However, the core responsibility of the Board is to steward University assets in a manner consistent with prudent fiduciary practices.

Restrictions on the portfolio made via Board of Trustee resolutions, such as the Resolution on Socially Responsible Investing, may be found on the University of Vermont website (<https://www.uvm.edu/trustees/resolutions>).

VI. FINANCIAL & INVESTMENT OBJECTIVES

The overall financial objective of the Fund is to provide a stable and consistent level of ongoing support for the University's programs through a reasoned spending policy consistent with preserving and enhancing the real (i.e., inflation-adjusted) purchasing power of the Fund over time.

The primary long-term investment objective of the Fund is to attain a real total return¹ (net of investment management fees) that exceeds the amount being distributed for spending and administration, currently set at 4.75%. This will be measured over the long term, capturing a full market cycle, as it is unlikely that the Fund's return will meet or exceed the spending rate in each individual year. Other important investment objectives are to achieve annualized returns in excess of the strategic policy portfolio blended benchmark (defined herein), measured over a full market cycle; and to outperform the median return of a pool of endowment funds of similar size with broadly similar investment objectives and policies.

VII. ASSET ALLOCATION

The policy portfolio for the Fund is a target or "normal" set of investments, based on long-term return, risk and correlation assumptions that balance the organization's need for liquidity, preservation of purchasing power, and risk tolerance. ~~Certain investments are made for capital appreciation and return enhancement: global equities, long/short hedge funds, venture capital and private equity; some are made to protect against unanticipated inflation: real estate, energy, timber, commodities, TIPS; and some are made to protect against deflationary periods and to reduce~~

¹ Real total return is the sum of realized and unrealized capital appreciation (or loss) and current income in the form of dividends and interest, adjusted for inflation as measured by the Consumer Price Index.

volatility: primarily, high quality intermediate bonds for the former and absolute return hedge funds for the latter. The ISC, with input and assistance from staff and external advisors, shall periodically examine the policy portfolio targets and consider adjustments to the asset allocation as may be appropriate (for example, due to a material change in the capital market assumptions). Changes to the policy portfolio targets will be reviewed and approved by the ISC and presented to the Budget, Finance and Investment Committee and the Board, as necessary.

In addition to being diversified across asset classes, the Fund will be diversified within each asset class. This will provide reasonable assurance that the performance of any single security, issuer or class of securities, or active manager will not have a disproportionate impact on the total Fund performance.

The most current asset allocation / strategic policy portfolio for the Fund is attached as **Appendix A**.

VIII. REBALANCING

The Fund's actual asset allocation will be monitored monthly and reviewed by the ISC at its regular meetings relative to established policy portfolio targets and allowable ranges. Adjustments may be constrained by practical limits with respect to liquidity and transaction costs, but rebalancing efforts will be made as practicable. Cash flow in or out of the Fund may create an opportunity to shift the allocation closer toward policy targets. The ISC may at times authorize investments in new or developing asset classes that are not part of the strategic policy portfolio at the time of their adoption, with the intention of revising the policy portfolio shortly thereafter.

IX. PERFORMANCE EVALUATION, BENCHMARKS, and ASSET CLASS CHARACTERISTICS

The performance objectives for the total Fund, each asset class and each manager are outlined below, with the purpose of establishing specific parameters for regular and ongoing review. While performance is measured over both short- and long-term periods, the focus and emphasis of performance evaluation is on longer time periods as represented by a full market cycle.

Overall Fund

There are a number of different benchmarks for assessing performance at the overall Fund level:

Undiversified Benchmark – this simple market benchmark helps the ISC evaluate the value added from a sophisticated investment program versus a portfolio that could be easily replicated through investment in index funds.

Target Benchmark – this custom benchmark compares the total return of the Fund to a blended benchmark based on applying the target policy weights of each underlying asset class to the performance of the asset class benchmarks. The individual asset class benchmarks are discussed in the next section.

Current Allocation Benchmark – this benchmark is composed of the current allocations for each of the underlying composite asset classes weighted against the corresponding returns of their respective benchmarks.

Cambridge Associates’ Universe of Endowment Pool Returns – a universe of over 300 institutions, a broad peer universe against which the ISC compares the Fund’s return. In addition to this broad comparison, the ISC may also compare the Fund’s results to various subsets of this broad universe, which include institutions of similar size and with similar characteristics.

Asset Classes & Managers

Each manager will be expected to outperform (net of fees) a benchmark that is appropriate based on the asset class and style of the manager, over a full market cycle. Performance results will be reviewed with the ISC at its regular meetings and in an interim period when there is a major event (personnel change, for example) at the firm. The manager will be evaluated on long-term performance so that shorter-term failure to meet the benchmark target returns is not an automatic basis for manager termination.

Due to the broad nature of the asset classes and the unique style of managers, it is important to note that the specific benchmark of the individual manager may not necessarily be the same as the benchmark for the particular asset class composite as defined below. For example, the ~~Total U.S. Public Global~~ Equity benchmark is ~~the S&P 500~~ MSCI ACWI but US equity small-cap managers, for example, will be compared to ~~the an~~ appropriate ~~small-cap~~ US equity benchmarks.

+Asset Class	Market Index Used in Target Benchmark ²	Underlying Investments
Public Global Equity	MSCI ACWI	Portfolios are expected to focus on public global, US, international developed, and/or emerging markets.
Marketable Alternatives	Hedge Fund Research Inc. (HFRI) Fund of Funds Composite Index	Investment mandates may include: multi-strategy arbitrage, event arbitrage, distressed securities, credit/capital structure arbitrage and long/short equity investments in global markets.
Private Investments	Weighted Benchmark composed of C/A medians as follows: Private Equity 40% Venture Capital 30% Real Estate 20% Natural Resources 10%	This asset class includes private investment strategies of all types, including but not limited to buyouts, venture capital, secondaries, distressed, real estate, private energy, and similar strategies. Market values

² Indices used in Target Benchmark are effective as of May 18, 2019.

	<u>MSCI ACWI, lagged</u>	and return information is lagged by one quarter, <u>or more</u> , as the underlying investments are not readily valued at the close of the latest quarter.
Public Real Assets	Dynamic benchmark that reflects each underlying investment's individual benchmark and their respective weight within the Real Assets allocation. (The Dynamic benchmark will evolve as asset types are added or removed from the portfolio and as the allocation changes over time.)	Holdings may include natural resource-related equity securities, MLPs, diversified commodities, US issued TIPS and other, similar public investment strategies.
Fixed Income	Bloomberg Barclays Aggregate Bond Index	Holdings may consist of U.S. Treasury bonds, mortgages, and corporate credit investments.

Individual manager accounts will be monitored for consistency of each manager's investment philosophy and process, return relative to objectives, investment risk as measured by asset concentrations, exposure to extreme economic conditions, and market volatility. In the broadest sense, the monitoring process is intended to confirm that the reasons the manager was initially retained still hold true.

X. MANAGER GUIDELINES

Investment managers will be hired for a specific skill set, and the resulting investments will be made either through separately managed accounts or pooled vehicles. Each manager of a separate account will adhere to the firm's stated philosophy and investment strategy. Where investments are in commingled funds, mutual funds, off-shore funds or limited partnerships, the permissible investments are governed by the appropriate fund prospectus or offering memorandum. Some of these products permit the use of derivatives for certain investment strategies and in instances where a manager has demonstrated skill in effectively utilizing these instruments. For example, they may be used in reducing risk or replacing positions to gain flexibility and efficiency.

I. MANAGER REPORTING

Each investment manager of marketable assets will provide monthly portfolio valuations and total return net of all commissions and fees. On a quarterly basis, managers will report current holdings at market value, and purchases and sales for the quarter. Traditional marketable managers with whom UVM is invested through a separate account may be required to reconcile records of holdings, transactions, and dividend/interest income with the Fund's custodian on a periodic basis. Specialty managers (who manage hedge funds and non-marketable partnerships) will report on portfolio details with as much transparency as possible. Each of these managers will provide

annually their most recent audited financial statements, which include the basis of accounting and the auditor's opinion. In addition, each specialty manager will disclose its respective valuation policies and procedures on an annual basis.

Regular communication from all managers concerning investment strategy and outlook is expected. The ISC will regularly review a Watch List that is maintained to highlight managers' relative performance when it is outside the normal range or expected returns, new organizational issues, and/or any significant changes in strategy that raise concerns. Additionally, managers are required to inform the University of Vermont of any significant change in firm ownership, organizational structure, professional personnel, or fundamental investment philosophy. Managers will also send a copy of their form ADV to the University at least annually.

II. PROXY VOTING GUIDELINES

University of Vermont's Endowment Accountant votes the shareholder proxies.

III. GUIDELINES FOR TRANSACTIONS

As a general guideline that should apply to all assets managed, transactions should be entered into on the basis of best execution, which is interpreted normally to mean best realized price.

Adopted by the Board of Trustees on February 5, 2011, to replace the former "Statement of Investment Objectives and Policies," as revised most recently on November 11, 2006.

Approved as revised by the Board of Trustees: February 9, 2013

Approved as revised by the Board of Trustees: February 8, 2014

Approved as revised by the Board of Trustees: February 6, 2016

Approved as revised by the Board of Trustees: February 3, 2017

Approved as revised by the Board of Trustees: May 19, 2018

Approved as revised by the Board of Trustees: October 27, 2018

Approved as revised by the Board of Trustees: May 18, 2019

Reaffirmed by the Board of Trustees: May 15, 2020

Approved as revised by the Board of Trustees:

ASSET ALLOCATION POLICY TARGETS*December 2020*

Asset Class	Target (%)	Allowable Range (%)
Public Global Equity	45.0	30-65
Marketable Alternatives	10.0	5-15
Private Investments	35.0	15-45
Public Real Assets	0.0	0-10
Fixed Income	10.0	5-25
Cash & Cash Equivalents	0.0	0-5

Appendix A Targets last revised by Investment Subcommittee: December 16, 2020

**BOARD OF TRUSTEES
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**

A special meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Monday, March 15, 2021, at 1:00 p.m. The meeting was held via remote conferencing due to the COVID-19 pandemic.

MEMBERS PRESENT: Chair Ron Lumbra, Vice Chair Cynthia Barnhart, Secretary John Bartholomew, Briar Alpert, David Aronoff, Robert Brennan, Frank Cioffi, Kevin “Coach” Christie¹, John Dineen, Johannah Donovan, Carolyn Dwyer, President Suresh Garimella, Stephanie Jerome, Kisha Kalra, Carol Ode², Ed Pagano, Lucy Rogers, Shap Smith, Berke Tinaz, Catherine “Kitty” Toll and Samuel Young

MEMBERS ABSENT: Otto Berkes, Jodi Goldstein, Don McCree and Governor Phil Scott

ALSO PARTICIPATING: Provost and Senior Vice President Patricia Prelock, Vice President for Legal Affairs & General Counsel and Chief of Staff to the President Sharon Reich Paulsen and Vice President for Finance & Administration Richard Cate

Chair Ron Lumbra called the meeting to order at 1:05 p.m. and welcomed new trustees Stephanie Jerome, Kisha Kalra, Lucy Rogers and Kitty Toll to their first official meeting. He also congratulated trustee Ed Pagano whom was re-appointed by Governor Phil Scott for a second 6-year term.

¹ Joined the meeting at 1:10 p.m.

² Joined the meeting at 1:11 p.m.

Approval of previous minutes

A motion was made, seconded and it was voted to approve the minutes from the January 25, 2021 meeting as presented.

Election of board chair

Board Governance Committee Chair Frank Cioffi reminded trustees that the board elected university and board officers other than the chair at the February 5, 2021 meeting, and that, in accordance with the University Charter, the chair election is held in March once new trustees begin their terms.

The following resolution was presented for approval:

Resolution approving appointment of board chair

BE IT RESOLVED, that the Board of Trustees hereby accepts the recommendation of the Nominating Committee and approves the re-appointment of Ron E. Lumbra as chair, effective immediately.

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

Chair's remarks (see full remarks appended on page 6)**President's remarks**

President Suresh Garimella began by welcoming new trustees and congratulating trustee Ed Pagano on his reappointment. He next recognized the exhaustion felt by all community members as a result of the constant demands of the past year. Acknowledging that challenges as a result of COVID-19 guidelines and protocols continue, he shared that his team is partnering with students to develop solutions to help them cope with the pressures they are experiencing. He cited Duke University's decision requiring students to stay in place that went into effect on Saturday, March 13 until Sunday, March 21 as an example of how what has been achieved can be easily lost. He recognized UVM students for their efforts and adherence to the university's protocols and acknowledged the faculty and staff for the enormous amount of work being done to maintain campus operations and offered his sincere thanks to all for their hard work, patience and collaboration during these challenging times.

President Garimella then shared details regarding fall 2021 plans. In a memo to the campus community earlier today the following key points were outlined:

- UVM is planning for a full on-campus fall 2021 semester.
- Contingency plans are being prepared that will allow the university to adjust to Vermont health and safety guidelines for fall reopening when they are available. While this may require some modification to the schedule of courses, plans are designed to minimize the impact of any changes on our students, with a majority of instruction still delivered in person.
- Students with concerns about returning to in-person instruction are strongly encouraged to speak with an academic advisor or their Student Services Office to better understand their options.
- As in previous years, select courses in online and hybrid formats will be offered.
- Every student is encouraged to be vaccinated when they are able.
- No pre-arrival testing is anticipated but initial testing may be instituted early in the semester. This may change as further data and guidance from the Center for Disease Control and Protection emerges.
- The university will observe Vermont quarantine and travel guidance in place at the time of reopening.
- Guidance related to COVID-19 vaccinations will be shared when available.

He concluded by reporting that the administration is working the with State of Vermont on plans for this year's Commencement noting that public health regulations may require in-person attendance to graduates only. Updates will be shared once more information becomes available.

Action items

Chair Lumbra noted the remaining resolutions would be voted on as a consent agenda unless someone requests a separate vote on a particular resolution.

The following resolutions were presented for approval and an opportunity for discussion offered.

Resolution approving committee and chair appointments

BE IT RESOLVED, that the Board of Trustees approves the committee and chair appointments for 2021 as presented today and appearing as appendices A and B to this document.

Retiring Trustee resolutions:***David J. Gringeri (2019–2021)***

WHEREAS, David J. Gringeri has completed his term as Trustee of the University of Vermont and State Agricultural College; and

WHEREAS, David Gringeri has articulated clear and thoughtful perspectives and has participated energetically and constructively during his membership on board committees, including the Audit Committee; Budget, Finance and Investment Committee; Committee on Board Governance; and the Educational Policy and Institutional Resources Committee; and through his service on the Sustainability Work Group; with additional service to the University as a member on the Student Government Association Student Action Committee and Finance Committee; the Grossman School of Business Advisory Committee; and through his leadership as CEO of the Catamount Innovation Fund;

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 J Gringeri.

Curt McCormack (2015–2021, Secretary 2019-2021)

WHEREAS, Curt McCormack has completed his term as Trustee of the University of Vermont and State Agricultural College; and

WHEREAS, Curt McCormack has served and supported the University of Vermont with passion and conviction during his service as Secretary of the Board and in his leadership as Secretary of the Vermont Agricultural College Board; and through his membership on the Audit Committee, Educational Policy and Institutional Resources Committee and the Executive Committee;

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 Curt McCormack.

Tristan D. Toleno (2015-2021)

WHEREAS, Tristan D. Toleno has completed his term as Trustee of the University of Vermont and State Agricultural College; and

WHEREAS, Tristan Toleno has enriched the Board through his effective leadership as Chair of the Vermont Agricultural College Board, discharging his responsibilities with outstanding dedication in service to the greater good of UVM; and

WHEREAS, Tristan Toleno has provided constructive and practical ideas during his service on the Budget, Finance and Investment Committee and Educational Policy and Institutional Resource Committee; and through his service on the ad hoc Labor Advisory Group, Board Governance Work Group and 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 Tristan D. Toleno.

Former trustee resolution:

Bernard C. Juskiewicz (2015–2020)

WHEREAS, Bernard C. Juskiewicz served and enriched the Board with his wise and thoughtful counsel, and through his steadfast support of, and enthusiastic and exceptional dedication to, the greater good of UVM; and

WHEREAS, Bernard Juskiewicz displayed an unwavering commitment to strengthening the quality of the University, and gave generously of his time during his service as Chair of the Audit Committee; and in his membership on the Budget, Finance and Investment Committee, Executive Committee and the Vermont Agricultural College Board; and through his service on the Bond Work Group and Board Governance Work Group; and

WHEREAS, Bernard Juskiewicz was a tireless advocate for UVM whose leadership and many contributions as a trustee and state legislator will have a lasting and profound impact on the University and State of Vermont;

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of Vermont and State Agricultural College expresses its appreciation, affection, and respect to the late Bernard C. Juskiewicz.

Referencing the resolution approving committee and chair assignments, Chair Lumbra highlighted the Sustainability Work Group completed its charge and has been sunsetted and that assignments will take effect once approved.

There being no further discussion, a motion was made, seconded, and the resolutions were unanimously approved as presented.

Approval of 2022 board and retreat dates

Chair Lumbra referred trustees to the 2022 board meeting and retreat dates as proposed in attachment 3 of the meeting materials.

A motion was made, seconded, and voted to approve the 2022 meeting and retreat dates as presented.

Executive session

At 1:23 p.m., Chair Lumbra entertained a motion to enter into executive session for the purpose of discussing labor relations agreements. He noted the session would last for approximately 15 minutes and that there is potential for action following. Everyone was excused from the meeting with the exception of Trustees; Provost & Senior Vice President Patricia Prelock; Vice President for Legal Affairs & General Counsel and Chief of Staff to the President Sharon Reich Paulsen; Vice President for Finance and Treasurer Richard Cate and Special Assistant to the Chief of Staff Erin Dickinson.

The meeting re-opened to the public at 1:47 p.m.

Other business

The following resolution was presented for approval:

Resolution authorizing negotiation of collective bargaining agreement

BE IT RESOLVED, that the Board of Trustees authorizes the administration to negotiate a collective bargaining agreement 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 adjourned at 1:49 p.m.

Respectfully submitted,

Ron Lumbra, Chair

Ron E. Lumbra
UVM Board of Trustees Chair's Report
March 15, 2021

Thank you Board Governance Committee Chair Frank Cioffi for your leadership, to members of the Governance Committee, and to all my fellow trustees. I am profoundly grateful for your trust and support, and am honored to continue to serve as board chair.

This has been a year like few others. A year ago I began my term and had about 10 days of calm before the pandemic struck. The twists and turns that the institution and we the board of trustees have faced over the last year have been extraordinary. I truly appreciate your ability to dig-in, to be agile, and to adjust to the needs of the institution and, despite the disruptions in your personal lives, to forge ahead conducting the work of the University. I'm struck by the wide and varied contributions of the trustees on this board. It's often said that a board is really a team with each member having a specific role to play, and unique opportunity to impact. I saw those contributions on full display this year with people bringing their insights around health and safety, budget and finance, public and community relations, working with state and local government officials, and advising on the strategic future of the University in context with the broader challenges facing academia and the State of Vermont. Many have been called upon to help address and advise on specific situations throughout the year. This is an amazing group of people who support UVM and I'm so pleased with how we've been able to come together as a team to govern and advise the University during this time in our history.

I look back over the past year with a bit of amazement. I am proud that President Garimella and the administrative team have been able to so effectively work to keep our community safe and healthy, along with our faculty, staff, and students to maintain safe operations. I'm pleased with the work of our Budget, Finance & Investment Committee (BFI) and Investment Subcommittee (ISC) to help guide us through this challenging time with both the University budget and uncertain financial markets. With all that is going on we still managed to divest from fossil fuel investments with the leadership of trustee Carolyn Dwyer and the Sustainability Work Group in collaboration with ISC. Additionally, with the BFI leadership of trustees Don McCree and Briar Alpert, and the administration, the phasing of the multi-purpose center has been adjusted as appropriate given the shifting budget challenges we are facing. I'm so appreciative of our legislative and gubernatorial trustees who've helped us secure much needed pandemic relief funding.

I am looking forward to getting back to a normal rhythm and re-emphasizing the focus our North Star, with a clear vision on where UVM is heading and the tremendous opportunity before us. We will focus on the future of UVM as we strive for improved research investment and achieving R1 status and continuing emphasis on the critical land grant mission of the University. We will face challenges and obstacles along the way. Change is difficult and there will be naysayers. I encourage us all to remember we have a job to do: to look out for the best interest of the University over the long term. It's also important to remember the challenges we face are not unique to the University of Vermont, whether they be changing student demographics, concerns with student debt and the cost of higher education, to the appropriate allocation and alignment of resources to meet student needs. We are part of a larger, complex, and highly competitive academic ecosystem.

I'm confident with that in mind we will bring our unique competitive advantages, our legacy and reputation, and the leadership we need to thrive in what will surely be a new environment for higher education in the years to come.

Thank you in advance for all your continued support.

REVISED
CONSENT AGENDA

June 4, 2021

COMMITTEE OF THE WHOLE

1. Resolution authorizing a lease with United States Government, USDA, Agricultural Research Service

BE IT RESOLVED, that the Vice President for Finance and Administration, or his successor or designee, is hereby authorized to negotiate and execute a lease with a term of up to ten years with the United States Government, USDA, Agricultural Research Service for use of office and lab space for the establishment of a Food Systems Research Center, subject to material terms and conditions reported on this date.

EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES COMMITTEE

2. Resolution approving the creation of a Certificate of Graduate Study in Resiliency-Based Approaches with Families, Schools & Communities in the College of Education and Social Services in conjunction with the Graduate College

BE IT RESOLVED, that the Board of Trustees approves the creation of a Certificate in Graduate Study in Resiliency-Based Approaches with Families, Schools & Communities in the College of Education and Social Services, in conjunction with the Graduate College, as approved and advanced by the Provost and President on March 24, 2021.

3. Resolution approving the terminations of 16 Secondary Education minors in the College of Education and Social Services

BE IT RESOLVED, that the Board of Trustees approves the termination of 16 Secondary Education minors in the College of Education and Social Services, as approved and advanced by the Provost and President on April 22, 2021.

4. Resolution approving the termination of the Sustainable Landscape Horticulture major in the College of Agriculture and Life Sciences

BE IT RESOLVED, that the Board of Trustees approves the termination of the Sustainable Landscape Horticulture major in the College of Agriculture and Life Sciences, as approved and advanced by the Provost on April 21, 2021 and President on April 22, 2021.

5. Resolution approving the termination of the Dietetics, Nutrition and Food Sciences major in the College of Agriculture and Life Sciences

BE IT RESOLVED, that the Board of Trustees approves the termination of the Dietetics, Nutrition and Food Sciences major in the College of Agriculture and Life Sciences, as approved and advanced by the Provost on April 21, 2021 and President on April 22, 2021.

6. Resolution approving the creation of a Micro-Certificate of Graduate Study in Agroecology in the Graduate College

BE IT RESOLVED, that the Board of Trustees approves the creation of a Micro-Certificate of Graduate Study in the Graduate College, as approved and advanced by the Provost and President on May 24, 2021.

7. Resolution approving revisions to Hazing Policy

BE IT RESOLVED, that the Board of Trustees approves revisions to the Hazing Policy, appearing as Appendix A to this document.

8. Resolution approving the Vermont State 4-H Foundation, Inc. as an Affiliated Organization

BE IT RESOLVED, that the Board of Trustees hereby approves continuation of the Vermont State 4-H Foundation, Inc. as an affiliated organization of the University of Vermont and State Agricultural College in support of 4-H programs administered by UVM Extension Services, subject to the execution of a Memorandum of Understanding pursuant to the University's Affiliated Organization's Policy.

BE IT FURTHER RESOLVED, that the President is authorized to enter into such a Memorandum of Understanding for a term of three years.

BUDGET, FINANCE & INVESTMENT COMMITTEE

9. Resolution approving fiscal year 2022 budget planning assumptions: general fund

BE IT RESOLVED, that the Board of Trustees hereby approves the budget planning assumptions for fiscal year 2022, which lead to a general fund operating expense budget for the University of \$379,560,000, and hereby authorizes the President to proceed with detailed budget preparation in accordance with these assumptions.

10. Resolution reaffirming the Investment of Endowment Cash Policy

WHEREAS, on May 18, 2019, the Board of Trustees adopted the *Investment of Endowment Cash Policy* as follows:

BE IT RESOLVED, that the Vice President for Finance and Treasurer be authorized to invest and withdraw Endowment cash in a money market or a short-term bond fund to maximize investment return and meet Endowment needs; and

WHEREAS, since its creation, the Investment Subcommittee has been charged with review of the policy, which it most recently reaffirmed on March 17, 2021;

BE IT RESOLVED, that the Budget, Finance & Investment Committee hereby recommends that the Board of Trustees reaffirms the Investment of Endowment Cash Policy.

Adopted by: Board of Trustees – May 18, 2019

*Reaffirmed by: Board of Trustees – May 15, 2020
Board of Trustees –*

11. Resolution approving revision to the Statement of Investment Policies and Objectives

WHEREAS, in February 2011, the Board adopted a Statement of Investment Policies and Objectives to govern the investment of UVM's Long-Term Investment Pool, including the Endowment Fund; and

WHEREAS, the Investment Subcommittee is charged with an annual review of the Statement of Investment Policies and Objectives; and

WHEREAS, on April 21, 2021, the Investment Subcommittee endorsed a proposed amendment to the Statement of Investment Policies and Objectives for referral to the Budget, Finance & Investment Committee;

BE IT RESOLVED, that the Budget, Finance & Investment Committee hereby recommends the Board of Trustees adopt the amended Statement of Investment Policies and Objectives, appearing as Appendix B to this document.

12. Resolution approving appointment of Investment Subcommittee advisor

BE IT RESOLVED, that the Board of Trustees approves the appointment of Steven Grossman as advisor to the Investment Subcommittee, for a one-year period commencing June 1, 2021, subject to the terms and conditions reported on this date.

13. Resolution approving contract extension with Cambridge Associates, LLC

BE IT RESOLVED, that the Vice President for Finance and Administration, or his successor or designee, is hereby authorized to execute a contract extension with Cambridge Associates, LLC for the purpose of providing investment advisory services for a period of July 1, 2021 through September 30, 2021 for a flat fee of \$168,750 plus expenses.

**OFFICE OF AUDIT AND COMPLIANCE SERVICES
UVM.EDU/POLICIES****POLICY****Title:** Hazing**Summary of proposed changes:**

Beyond technical updates and editing, the policy changes include: 1) it is framed around students who are subject to the hazing (versus any UVM community member); 2) the appropriate contacts/references listed in the policy statement have been added; 3) a higher level of oversight as one consequence of hazing has been added; and 4) Counseling and Psychiatry Services (CAPS) and Employee Assistance Program (EAP) have been removed as resources.

Policy Statement

Hazing is strictly prohibited at the University of Vermont.

Hazing means any act committed by a person, whether individually or in concert with others, against a student in connection with joining, pledging, being initiated into, affiliating with, holding office in, or gaining or maintaining membership in any group, organization, department or unit that is a part of or recognized by the University, and that is intended to have the effect of, or should reasonably be expected to have the effect of, socially or physically isolating, humiliating, intimidating, or demeaning the student(s) or otherwise endangering their mental or physical health. Hazing also includes soliciting, directing, aiding, or otherwise participating actively or passively in such acts, and occurs regardless of the consent or willingness of a person to participate in the activity.

Hazing does not include any activity or conduct that furthers legitimate curricular, extracurricular, or military training program goals, provided that (1) the goals are approved by the University employee with oversight responsibility for the organization, such as the organization's advisor or a team's head coach, or the Office of the Provost; and (2) the activity or conduct furthers the goals in a manner that is appropriate, contemplated by the University, and typical and customary for similar programs at other educational institutions.

Information that any member of the University community, a University recognized group or organization, varsity athletics team, or a departmental student affinity or advisory group has allegedly violated this policy will be referred to the appropriate process for investigation and resolution:

- Individual students will be referred through the student conduct process for an alleged violation of this policy.
- Recognized Student Organizations will be referred through the procedures outlined in the Student Organization Misconduct Operating Procedure.

- Varsity athletics teams will be referred to the Director of Athletics for an alleged violation of this policy.
- Departmental student affinity and advisory groups will be referred to the applicable Dean/VP and the Provost for an alleged violation of this policy.
- Faculty and staff will be referred to the appropriate review process in compliance with University policy or applicable collective bargaining agreement for any alleged violation of this policy.

The length of time between an incident and making a disclosure will not affect the willingness of the University to investigate the allegations or to provide support and other services. However, a prompt disclosure may significantly impact the ability of the University to conduct a full investigation.

This policy is intended to be consistent with State law; it will be reviewed periodically and revised in light of legal developments.

Reason for the Policy

Membership in University recognized groups and organizations, varsity athletics, and other departmental student affinity or advisory groups can increase leadership and service potential; provide athletic, recreational, intellectual, and spiritual opportunities; and otherwise contribute positively to personal, professional, and social development. When membership is linked with involvement in hazing activities, the purpose of the endeavor is compromised and can endanger the health and safety of students or other university community members. Hazing is therefore strictly prohibited at the University of Vermont.

Applicability of the Policy

This policy applies to all members of the University community and their guests, regardless of whether the behavior occurs on or off campus, as well as to all University recognized groups and organizations, and varsity athletic teams.

Definitions

Hazing: see Policy Statement above.

Recognized Group or Organization: As defined in the University's Group and Organization Recognition Policy.

Procedures

Understanding the Scope of Hazing Activities

A broad range of behaviors may be considered hazing. The range of activities cross a continuum from minor to more severe forms of conduct. Severity can be measured both by the level of pressure to engage in the conduct (expecting, encouraging, urging, requiring, coercing, forcing, etc.) and the type of the behavior involved (behavior that is very unlikely to cause physical or psychological harm to behavior that is very risky and almost always will result in some degree of harm). Creating an expectation to participate in activities as a condition of joining, affiliating with, or maintaining membership in a group where harm could result is likely to be considered hazing.

Reporting Incidents of Hazing

University employees, as well as contractors, consultants, temporary employees, and volunteers with responsibilities for academic, extracurricular, research, occupational training, or other programs and activities

sponsored by or affiliated with the University are required to report possible hazing incidents in a prompt and effective manner to University Police Services, as detailed in the contact information section of this Policy. Students and all other members of the University community are strongly encouraged to report possible hazing incidents as soon as possible to University Police Services.

The Chief of Police Services, or designee, will promptly take steps to investigate and respond to hazing reports consistent with the exercise of reasonable professional discretion, including the notification of responsible University administrators. Separate and apart from any determination by law enforcement as to whether alleged conduct meets the legal standard for hazing, incidents shall also be reviewed to determine whether the provisions of University policy have been violated, as outlined in the section titled "Administrative Response," below.

University Police Services may refer conduct that may constitute a violation of criminal law to appropriate law enforcement officials, subject to the requirements of governing law.

Benefits to Those Who Report

Individuals who are the target of hazing or who have knowledge of a hazing incident, but did not participate, and who truthfully report such activities shall not be individually charged with a violation of this or related conduct policies in relation to the alleged incident..

When reviewing a case, consideration will be given to whether an organization or group has self-reported a hazing behavior and identified individuals who are responsible for the hazing to an appropriate University administrator, as contemplated in the Administrative Response section of this policy, or UVM Police Services.

Administrative Response

The University's response to hazing allegations will occur through the processes outlined in the Code of Student Conduct, the Student Organization Misconduct Operating Procedure, the Student-Athlete Handbook, the Staff Handbook, the Officers' Manual, or the applicable collective bargaining agreement. Upon completion of a thorough investigation, determinations as to whether hazing occurred are made by the appropriate University official, hearing officer, or hearing body with due consideration of the relevant facts and circumstances.

Individual students may also be subject to review of the same conduct for (1) violation of professional standards related to an academic program; (2) conduct standards associated with Athletics; (3) conduct standards associated with recognized student organizations; (4) Housing and Meal Plan Contract Terms and Conditions; (5) eligibility to participate in other University sponsored programs. Similarly, for employees, since hazing may violate the policy(ies) of more than one institutional governing body, the same incident may be referred to more than one hearing body or go through more than one process.

Recognized Groups and Organizations, varsity athletics teams, and locally sponsored bodies may also be subject to suspension or revocation of University privileges or recognition for policy violations or while an investigation is on-going and until such time that the case is resolved.

Sanctions

University hearing officials or bodies responsible for imposing sanctions upon individuals and/or organizations for violation of this policy may consider factors such as the following:

- Nature of the offense, including whether aggravated conduct occurred and whether it is shown that the conduct was premeditated

- Severity of the harm or damage resulting from the offense
- Disciplinary history of the Respondent(s)/organization
- Whether the Respondent(s)/organization sought to threaten or purposefully intimidate a complainant, witnesses, or others involved in the University's disciplinary process
- Whether there was an active attempt to conceal or hide the violation(s)
- Any leadership role or seniority of the Respondent(s) in the organization relative to which hazing occurred, and/or at what level of the organization the hazing behavior was encouraged, endorsed, or otherwise sponsored
- Whether any offense involved behavior directed at a person's actual or perceived membership in a legally protected category as defined in UVM Policy V.7.4.9, Equal Opportunity in Educational Programs and Activities and Non-Harassment (<https://www.uvm.edu/sites/default/files/UVM-Policies/policies/equaledu.pdf>).
- Sanctions imposed by other University reviews or hearings
- Whether a risk of continued harm, or threat of harm, to the campus community or individual members exists
- Whether there is convincing evidence that a Respondent was provoked or pressured into the situation, even though the Respondent made a conscious choice to participate
- Whether the organization and/or Respondent(s) have individually or collectively expressed a clear understanding of the severity of the offense, including resulting damage, injury or harm
- Whether the organization and/or Respondent(s) have individually or collectively taken steps to positively address their behavior, or otherwise take responsibility for their actions

Hearing officials or bodies responsible for imposing sanctions will do so exercising reasonable discretion in light of factors such as those just described above.

Examples of sanctions that may be imposed upon individuals are:

- Disciplinary suspension or dismissal, or suspension or termination of employment;
- Attendance at, or creation of, educational programs or other trainings;
- Appropriate reflection activities;
- Monetary Fines;
- Restitution; and/or
- Participation in alcohol, drug, or other counseling services

Examples of sanctions that may be imposed upon organizations that knowingly permit, authorize, or condone hazing are:

- Probation;
- Revocation or suspension of the organization's existence or recognition;
- Attendance at, or creation of, educational programs or other trainings;
- Appropriate reflection activities;
- Restitution;
- Cancellation of some or all the organization's activities or events (such as intercollegiate or intramural sports contests); and/or
- Decrease in, or restriction of, the organization's privileges
- Mandatory restructuring or higher level oversight

Contacts

Questions concerning the daily operational interpretation of this policy should be directed to the following (in accordance with the policy elaboration and procedures):	
Title(s)/Department(s):	Contact Information:
To Report an Incident of Hazing, Contact UVM Police Services:	
Emergency Reporting	911
Non-Emergency Reporting	(802) 656-3473
Non-Emergency Reporting	Report a Crime
Anonymous Tip Line	Tip411 -or- 656-TIPS
If you are concerned about the health or welfare of a student and would like to connect them with support, please fill out a Concerning and/or Risky Event (CARE) Form or contact:	
Dean of Students Office	(802) 656-3380 DeanofStudents@uvm.edu Nicholson House
Where behavior may also constitute discrimination or harassment, please contact:	
Affirmative Action and Equal Opportunity	(802) 656-3368 aaeo@uvm.edu 428 Waterman Building
To seek confidential support if you have been the subject of hazing, please contact:	
Center for Health and Wellbeing (24/7) <ul style="list-style-type: none">• Counseling and Psychiatry Services (CAPS)• Student Health Services	(802) 656-3340 (802) 656-3350
Employee Assistance Program (EAP)	(802) 864-EAPØ (3270) Invest EAP

The University official responsible for oversight of this policy is the Vice Provost for Student Affairs.

Forms/Flowcharts/Diagrams

None

Related Documents/Policies

- [Alcohol, Cannabis, Tobacco, and Other Drug Use – Students Policy](#)
- [Code of Student Conduct](#)
- [Designation and Responsibilities of UVM Reporters](#)
- [Discrimination, Harassment, and Sexual Misconduct](#)
- [Group and Organization Recognition Policy](#)
- [Minors; Reporting Abuse or Neglect of and Crimes Procedure](#)
- [Student Organization Misconduct Investigation and Resolution Procedure](#)

Regulatory References/Citations

- [State of Vermont Hazing Law](#)

Training/Education

Training will be provided on an as-needed basis as determined by the Approval Authority or the Responsible Official.

About this Policy

Responsible Official:	Vice Provost for Student Affairs	Approval Authority:	President
Policy Number:	V. 2.19.5	Effective Date:	May 20, 2017
Revision History:	<ul style="list-style-type: none">• V. 3.4.7.1 effective September 8, 2003• V. 3.4.7.2 effective October 20, 2008• V. 2.19.3/V. 3.4.7.3 effective May 18, 2013• V. 2.19.4 amended August 25, 2017		

UNIVERSITY OF VERMONT**STATEMENT OF INVESTMENT POLICIES AND OBJECTIVES****I. INTRODUCTION**

This statement is issued by the Investment Subcommittee (the “ISC”) of the Board of Trustees of the University of Vermont (the “Board”). The ISC was established by the Board and the Budget, Finance and Investment Committee in late 2006 and charged with oversight of investment strategy and investment managers for the Long-Term Investment Pool, including the Endowment Fund, collectively called the “Fund”, of the University. The policy statement will be reviewed annually and modified by the ISC as conditions warrant.

II. FIDUCIARY STANDARDS

The Board, the ISC, the Treasurer and finance staff, and any third-parties (e.g., investment managers) retained to advise the Board, the ISC, the Treasurer and/or finance staff as to investment strategy and management (any and all of whom may be referred to as “Responsible Parties”) shall exercise their responsibilities with respect to the Fund’s assets in compliance with the requirements of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), enacted in the state of Vermont in 2009. In accordance with UPMIFA, key facets of the Responsible Parties’ roles include:

- Acting in good faith, with the care an ordinarily prudent person would exercise;
- Incurring only reasonable costs in investing and managing charitable funds;
- Making decisions about each asset in the context of the portfolio of investments, as part of an overall investment strategy;
- Diversifying investments, unless due to special circumstances, the purposes of the Fund are better served without diversification;
- Disposing of unsuitable assets; and
- In general, developing an investment strategy appropriate for the Fund and the University.

III. RESPONSIBILITIES of INVESTMENT SUBCOMMITTEE

Responsibilities and goals of the ISC include:

- Ensuring that current and future spending requirements are supported while also preserving the real purchasing power of the Fund;
- Achieving an optimum level of return within appropriate risk tolerances;
- Developing a sound and consistent investment policy including asset allocation, diversification and rebalancing guidelines;

- Selecting and maintaining qualified investment managers and advisors;
- Monitoring and evaluating results to ensure that policy guidelines are being adhered to and that policy objectives are being met; and
- Taking action under appropriate circumstances to discharge an investment manager or advisor for failing to perform in terms of stated expectations.

The ISC is authorized to delegate certain responsibilities to staff to assist in properly meeting the overall responsibilities as outlined above.

IV. CONFLICT OF INTEREST POLICY

In addition to the responsibilities set forth in the Board of Trustees' Conflicts of Interest policy, it is the responsibility of the ISC members to disclose to the ISC Chair any situation in which there may be reasonably construed to be a perceived or actual conflict of interest. The ISC Chair will work with the members to determine an appropriate response.

The ISC will generally not consider investments in funds directly managed by a member of the ISC. In addition, a member of the ISC employed by an investment or other firm that provides services to the Fund will recuse him/herself from all discussions and votes on existing or potential investments or other services managed or provided by that firm. The ISC recognizes, however, that certain exceptions to this policy may be appropriate. Such exceptions will be made only upon a majority vote of the disinterested members of the ISC.

In the event that the ISC is considering an investment in an access-constrained investment opportunity, any ISC member wishing to invest for his/her own benefit in such an opportunity shall notify the ISC Chair in writing.

V. MORAL, SOCIAL AND ETHICAL CONSIDERATIONS IN INVESTMENT STRATEGY

The University Statement of Investment Policies and Objectives requires the Board, the Investment Subcommittee (ISC) of the Board Budget, Finance and Investment Committee, the Treasurer, and third parties such as investment managers, to exercise their responsibilities with respect to the Long-Term Investment Pool, including Endowment Fund assets, in compliance with the requirements of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA").

In accordance with UPMIFA, key facets of the Responsible Parties' roles, as paraphrased below, include:

- **Acting in good faith, with the care an ordinarily prudent person would exercise;**
- **Incurring only reasonable costs in investing and managing charitable funds;**
- **Making decisions about each asset in the context of the portfolio of investments, as part of an overall investment strategy;**

- **Diversifying investments, unless due to special circumstances, the purposes of the Fund are better served without diversification;**
- **Disposing of unsuitable assets.**

Achieving the Financial and Investment Objectives of the Fund is essential to provide resources to fulfill the institutional mission of the University. The core responsibility of the ISC is to achieve the Financial and Investment Objectives of the fund in a manner consistent with the requirements of UPMIFA and prudent fiduciary practices.

The primary objective of achieving the Financial and Investment Objectives of the Fund does not preclude consideration of moral, ethical and social criteria in selecting investments or participating in shareholder resolutions that address moral, ethical or social issues. However, the core responsibility of the Board is to steward University assets in a manner consistent with prudent fiduciary practices.

Restrictions on the portfolio made via Board of Trustee resolutions, such as the Resolution on Socially Responsible Investing, may be found on the University of Vermont website (<https://www.uvm.edu/trustees/resolutions>).

VI. FINANCIAL & INVESTMENT OBJECTIVES

The overall financial objective of the Fund is to provide a stable and consistent level of ongoing support for the University's programs through a reasoned spending policy consistent with preserving and enhancing the real (i.e., inflation-adjusted) purchasing power of the Fund over time.

The primary long-term investment objective of the Fund is to attain a real total return¹ (net of investment management fees) that exceeds the amount being distributed for spending and administration, currently set at 4.75%. This will be measured over the long term, capturing a full market cycle, as it is unlikely that the Fund's return will meet or exceed the spending rate in each individual year. Other important investment objectives are to achieve annualized returns in excess of the strategic policy portfolio blended benchmark (defined herein), measured over a full market cycle; and to outperform the median return of a pool of endowment funds of similar size with broadly similar investment objectives and policies.

VII. ASSET ALLOCATION

The policy portfolio for the Fund is a target or "normal" set of investments, based on long-term return, risk and correlation assumptions that balance the organization's need for liquidity, preservation of purchasing power, and risk tolerance. The ISC, with input and assistance from staff and external advisors, shall periodically examine the policy portfolio targets and consider adjustments to the asset allocation as may be appropriate (for example, due to a material change in the capital

¹ Real total return is the sum of realized and unrealized capital appreciation (or loss) and current income in the form of dividends and interest, adjusted for inflation as measured by the Consumer Price Index.

market assumptions). Changes to the policy portfolio targets will be reviewed and approved by the ISC and presented to the Budget, Finance and Investment Committee and the Board, as necessary.

In addition to being diversified across asset classes, the Fund will be diversified within each asset class. This will provide reasonable assurance that the performance of any single security, issuer or class of securities, or active manager will not have a disproportionate impact on the total Fund performance.

The most current asset allocation / strategic policy portfolio for the Fund is attached as **Appendix A**.

VIII. REBALANCING

The Fund's actual asset allocation will be monitored monthly and reviewed by the ISC at its regular meetings relative to established policy portfolio targets and allowable ranges. Adjustments may be constrained by practical limits with respect to liquidity and transaction costs, but rebalancing efforts will be made as practicable. Cash flow in or out of the Fund may create an opportunity to shift the allocation closer toward policy targets. The ISC may at times authorize investments in new or developing asset classes that are not part of the strategic policy portfolio at the time of their adoption, with the intention of revising the policy portfolio shortly thereafter.

IX. PERFORMANCE EVALUATION, BENCHMARKS, and ASSET CLASS CHARACTERISTICS

The performance objectives for the total Fund, each asset class and each manager are outlined below, with the purpose of establishing specific parameters for regular and ongoing review. While performance is measured over both short- and long-term periods, the focus and emphasis of performance evaluation is on longer time periods as represented by a full market cycle.

Overall Fund

There are a number of different benchmarks for assessing performance at the overall Fund level:

Undiversified Benchmark – this simple market benchmark helps the ISC evaluate the value added from a sophisticated investment program versus a portfolio that could be easily replicated through investment in index funds.

Target Benchmark – this custom benchmark compares the total return of the Fund to a blended benchmark based on applying the target policy weights of each underlying asset class to the performance of the asset class benchmarks. The individual asset class benchmarks are discussed in the next section.

Current Allocation Benchmark – this benchmark is composed of the current allocations for each of the underlying composite asset classes weighted against the corresponding returns of their respective benchmarks.

Cambridge Associates' Universe of Endowment Pool Returns – a universe of over 300 institutions, a broad peer universe against which the ISC compares the Fund's return. In addition to this broad comparison, the ISC may also compare the Fund's results to various subsets of this broad universe, which include institutions of similar size and with similar characteristics.

Asset Classes & Managers

Each manager will be expected to outperform (net of fees) a benchmark that is appropriate based on the asset class and style of the manager, over a full market cycle. Performance results will be reviewed with the ISC at its regular meetings and in an interim period when there is a major event (personnel change, for example) at the firm. The manager will be evaluated on long-term performance so that shorter-term failure to meet the benchmark target returns is not an automatic basis for manager termination.

Due to the broad nature of the asset classes and the unique style of managers, it is important to note that the specific benchmark of the individual manager may not necessarily be the same as the benchmark for the particular asset class composite as defined below. For example, the Public Global Equity benchmark is MSCI ACWI but US equity managers, for example, will be compared to an appropriate US equity benchmark.

+Asset Class	Market Index Used in Target Benchmark²	Underlying Investments
Public Global Equity	MSCI ACWI	Portfolios are expected to focus on public global, US, international developed, and/or emerging markets.
Marketable Alternatives	Hedge Fund Research Inc. (HFRI) Fund of Funds Composite Index	Investment mandates may include: multi-strategy arbitrage, event arbitrage, distressed securities, credit/capital structure arbitrage and long/short equity investments in global markets.
Private Investments	MSCI ACWI, lagged	This asset class includes private investment strategies of all types, including but not limited to buyouts, venture capital, secondaries, distressed, real estate, private energy, and similar strategies. Market values and return information is lagged by one quarter, or more, as the underlying investments are not readily valued at the close of the latest quarter.

² Indices used in Target Benchmark are effective as of May 18, 2019.

Fixed Income	Bloomberg Barclays Aggregate Bond Index	Holdings may consist of U.S. Treasury bonds, mortgages, and corporate credit investments.
<u>Cash</u>	<u>Self-benchmarked</u>	<u>Cash and cash equivalents</u>

Individual manager accounts will be monitored for consistency of each manager's investment philosophy and process, return relative to objectives, investment risk as measured by asset concentrations, exposure to extreme economic conditions, and market volatility. In the broadest sense, the monitoring process is intended to confirm that the reasons the manager was initially retained still hold true.

X. MANAGER GUIDELINES

Investment managers will be hired for a specific skill set, and the resulting investments will be made either through separately managed accounts or pooled vehicles. Each manager of a separate account will adhere to the firm's stated philosophy and investment strategy. Where investments are in commingled funds, mutual funds, off-shore funds or limited partnerships, the permissible investments are governed by the appropriate fund prospectus or offering memorandum. Some of these products permit the use of derivatives for certain investment strategies and in instances where a manager has demonstrated skill in effectively utilizing these instruments. For example, they may be used in reducing risk or replacing positions to gain flexibility and efficiency.

I. MANAGER REPORTING

Each investment manager of marketable assets will provide monthly portfolio valuations and total return net of all commissions and fees. On a quarterly basis, managers will report current holdings at market value, and purchases and sales for the quarter. Traditional marketable managers with whom UVM is invested through a separate account may be required to reconcile records of holdings, transactions, and dividend/interest income with the Fund's custodian on a periodic basis. Specialty managers (who manage hedge funds and non-marketable partnerships) will report on portfolio details with as much transparency as possible. Each of these managers will provide annually their most recent audited financial statements, which include the basis of accounting and the auditor's opinion. In addition, each specialty manager will disclose its respective valuation policies and procedures on an annual basis.

Regular communication from all managers concerning investment strategy and outlook is expected. The ISC will regularly review a Watch List that is maintained to highlight managers' relative performance when it is outside the normal range or expected returns, new organizational issues, and/or any significant changes in strategy that raise concerns. Additionally, managers are required to inform the University of Vermont of any significant change in firm ownership, organizational structure, professional personnel, or fundamental investment philosophy. Managers will also send a copy of their form ADV to the University at least annually.

II. PROXY VOTING GUIDELINES

University of Vermont's Endowment Accountant votes the shareholder proxies.

III. GUIDELINES FOR TRANSACTIONS

As a general guideline that should apply to all assets managed, transactions should be entered into on the basis of best execution, which is interpreted normally to mean best realized price.

Adopted by the Board of Trustees on February 5, 2011, to replace the former "Statement of Investment Objectives and Policies," as revised most recently on November 11, 2006.

Approved as revised by the Board of Trustees: February 9, 2013

Approved as revised by the Board of Trustees: February 8, 2014

Approved as revised by the Board of Trustees: February 6, 2016

Approved as revised by the Board of Trustees: February 3, 2017

Approved as revised by the Board of Trustees: May 19, 2018

Approved as revised by the Board of Trustees: October 27, 2018

Approved as revised by the Board of Trustees: May 18, 2019

Reaffirmed by the Board of Trustees: May 15, 2020

Approved as revised by the Board of Trustees: February 5, 2021

Approved as revised by the Board of Trustees:

ASSET ALLOCATION POLICY TARGETS*April 2021*

Asset Class	Target (%)	Allowable Range (%)
Public Global Equity	45.0	30-65
Marketable Alternatives	10.0	5-15
Private Investments	35.0	15-45
Fixed Income	8.0	5-25
Cash & Cash Equivalents	2.0	0-5

Appendix A Targets last revised by Investment Subcommittee: April 21, 2021