

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

**FULL BOARD MEETING**  
*Special meeting*

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

**Tuesday, March 1, 2022**  
1:00 p.m. – 1:30 p.m.  
Memorial Lounge, 338 Waterman Building

**AGENDA**

	Item	Enclosure/ Exemption	Discussion Leader	Time
	<b>Call to order</b>			<b>*1:00 p.m.</b>
1.	Approval of February 5, 2022 minutes	Attachment 1	Ron Lumbra	1:00-1:02
2.	Election of board chair	Attachment 2	Frank Cioffi	1:02-1:04
3.	Chair's remarks		Ron Lumbra	1:04-1:07
4.	President's remarks		Suresh Garimella	1:07-1:10
5.	Action items: <ul style="list-style-type: none"><li>Resolution approving committee and chair appointments</li><li>Approval of 2023 board and retreat dates</li><li>Resolution approving appointment of Investment Subcommittee advisor</li><li>Resolution approving revisions to signatory authority for endowment funds and other invested funds</li><li>Resolution authorizing power purchase and license agreement with iSun, Incorporated</li><li>Resolution approving contract renewal with Safety Systems of Vermont, LLC</li><li>Resolution approving contract with Desire to Learn</li><li>Resolution approving contract with John Wiley &amp; Sons, Incorporated</li></ul>	Attachment 2; Appendices A & B  Attachment 3 Attachment 2  Attachment 2  Attachment 2  Attachment 2  Attachment 2	Ron Lumbra       Richard Cate	1:10-1:25
6.	Other business**		Ron Lumbra	1:25-1:30
	<b>Motion to adjourn</b>			<b>1:30 p.m.</b>

\*Times are approximate.

\*\*Executive session as needed.



**Board of Trustees - Executive Summary**  
**Monday, March 1, 2022**

**Prepared by: Ron Lumbra, Chair-Elect**

**The board will convene to elect the chair, approve annual committee and chair appointments and to consider additional action items as outlined below.**

**ACTION ITEMS**

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**Approval of previous minutes**

The minutes for the February 5, 2022 meeting are included as **attachment 1**.

***Action:*** Motion to approve the minutes.

**Election of board chair**

In accordance with the university charter, this meeting has been scheduled following the election of new trustees so the board may act on the recommendation of the Nominating Committee regarding the office of board chair.

***Action:*** Resolution approving appointment of board chair. **Attachment 2**

**Resolution approving committee and chair appointments**

Included as **appendices A & B** to **attachment 2** are committee and chair appointments for approval. Appointments will take effect once approved.

***Action:*** Resolution approving committee and chair appointments. **Attachment 2**

**Approval of 2023 board and retreat dates**

The board will be asked to approve the meeting and retreat dates for 2023 as proposed in **Attachment 3**.

***Action:*** Motion to approve the dates as proposed.

**Resolution approving appointment of Investment Subcommittee advisor**

The board will be asked to approve the appointment of David Aronoff as advisor to the Investment Subcommittee, for a one-year period commencing April 1, 2021.

***Action:*** Resolution approving the appointment of Investment Subcommittee advisor.  
**Attachment 2**

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**Resolution approving revisions to signatory authority for endowment funds and other invested funds.**

The board will be asked to approve a revised resolution authorizing signatory authority for endowment funds and other invested funds that reflects updated titles of authorized signors.



**Action:** Resolution approving revisions to signatory authority for endowment funds and other invested funds. **Attachment 2**

**Resolution authorizing power purchase agreement with iSun, Incorporated**

The University wishes to enter into a power purchase agreement with a corresponding license agreement with iSun, Incorporated for installation and operation of a solar project at 65 Green Mountain Drive, South Burlington, Vermont and purchase of solar power. This project will contribute to the University's research and carbon footprint reduction goals.

Approval is being requested for a ten-year term power purchase agreement and license agreement with iSun, Incorporated. The annual expense to the University associated with the power purchase agreement will be only that which is associated with the purchase of solar power in lieu of traditional power. There is no revenue associated with the license.

**Action:** Resolution authorizing power purchase and license agreement with iSun, Incorporated. **Attachment 2**

**Resolution approving contract renewal with Safety Systems of Vermont, LLC**

UVM Physical Plant released RFP #22-02-19 in February 2019, for fire alarm annual testing, inspection, maintenance and service for repairs and ADA accommodations. Safety Systems of Vermont, LLC was the successful vendor selected for a three-year contract beginning May 1, 2019 through April 30, 2022, with two one-year options to renew.

Physical Plant is requesting approval to enter into the renewal options with Safety Systems of Vermont, LLC, with an annual 2% annual escalation, for a total amount not to exceed \$1,400,000.

**Action:** Resolution approving two one-year renewal options with Safety Systems of Vermont, LLC, for fire alarm testing, inspection and maintenance. **Attachment 2**

**Resolution approving contract with Desire to Learn**

UVM Center for Teaching and Learning (CTL) released RFP #04-08-22 in August 2021, for a Learning Management System to replace Blackboard. Desire to Learn (D2L) was the successful vendor selected for a five-year contract.

CTL is requesting approval to enter into a five-year contract with D2L, beginning March 25, 2022, through March 24, 2027, for a total amount not to exceed \$1,500,000.

**Action:** Resolution approving a contract with D2L, for learning management system software. **Attachment 2**

**Resolution approving contract with John Wiley & Sons, Incorporated**

UVM Libraries are seeking approval for a three-year contract with John Wiley & Sons, Incorporated for publishing products, mainly journal subscriptions and also e-books and database content. This contract offers Open Access in Wiley journals at no cost to authors and allows access to every journal Wiley publishes.



An annual 2% escalation is included in the contract for the term of January 1, 2022 through December 31, 2024, with a total amount not to exceed \$2,500,000.

***Action:*** Resolution approving contract with John Wiley and Sons, Incorporated for publishing products and subscriptions.

#### OTHER BUSINESS

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Time has been reserved at the end of the meeting for other business, as necessary.



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

A meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Saturday, February 5, 2022, at 8:00 a.m. in the Silver Maple Ballroom, Room 401 at the Dudley H. Davis Center.

**MEMBERS PRESENT:** Chair Ron Lumbra, Vice Chair Cynthia Barnhart, Secretary John Bartholomew, Briar Alpert, David Aronoff, Otto Berkes, Robert Brennan, Frank Cioffi\*, Johannah Donovan, Carolyn Dwyer, President Suresh Garimella, Stephanie Jerome, Kisha Kalra, Don McCree, Carol Ode, Ed Pagano, Lucy Rogers, Shap Smith, Berke Tinaz, Catherine Toll and Samuel Young

**MEMBERS ABSENT:** Kevin “Coach” Christie, John Dineen, Jodi Goldstein and Governor Phil Scott

**OTHER TRUSTEES PRESENT:** Incoming student trustee Kenny Nguyen

**ALSO PARTICIPATING:** Provost and Senior Vice President Patricia Prelock, Vice President for Legal Affairs & General Counsel and Senior Advisor to the President Sharon Reich Paulsen, Vice President for Finance and Administration Richard Cate, Special Assistant to the President Jonathan D’Amore, Chief Communications Officer Joel Seligman and Director of Sustainability Elizabeth Palchak

\* joined the meeting at 8:24 a.m.

Chair Ron Lumbra called the meeting to order at 8:08 a.m.

**Approval of previous meeting minutes**

A motion was made, seconded and it was voted to approve the minutes from the October 29, 2021 meeting as presented.

**Public comment**

Chair Lumbra opened the public comment period by reviewing the process. He then invited Jeffrey Sommer to address the board.

Mr. Sommer, an ’84 alum and parent, expressed concern that UVM should do more regarding prevention of and response to sexual misconduct. He concluded by pledging his family’s support.

**Sustainability activity update**

Elizabeth Palchak, Director of Sustainability, introduced herself and discussed priorities of the Office of Sustainability. Director Palchak stepped into her role in August 2021 after 5 years at VEIC, a sustainable energy company with headquarters in Winooski, VT and offices throughout the country. Her previous position involved policy work and program development with municipalities and utility companies. Director Palchak earned her PhD from UVM investigating behavioral science and energy use and the tools available when thinking about increasing the use of renewable



energy or energy efficiency. She next highlighted the following seven objectives synthesized following a listening tour with faculty, students and staff in her first few months on the job:

- Increase connections with faculty, students and staff
- Continue tracking institutional progress with Sustainability Tracking Assessment and Rating System (STARS)
- Implement the Facilities Sustainability Plan
- Strengthen leadership progression for Eco-Reps and other sustainability-minded students
- Amplify the Sustainable Campus Fund
- Launch the Sustainable Solutions Lab and build new internships and research opportunities for students
- Develop a Comprehensive Sustainability Plan with broad stakeholder input

Director Palchak reminded trustees that the Sustainable Campus Fund was initially the Clean Energy Fund and that the idea for this fund was brought to the board by students in 2007. The fund created an innovative mechanism to support clean energy projects on campus and reduce the university's impact on climate change. The fund generates close to \$250,000 each year for projects to increase sustainability on campus. Recently funded projects included: a pollinator garden on campus for increasing bee and other pollinator habitat; indoor bike parking; and a podcast developed by students that explores sustainability and climate change solutions.

Director Palchak next described the Sustainable Solutions Lab by highlighting the Salt Mitigation Task Force, an example that has become the model for what will formally launch in Fall 2022. The Salt Mitigation Task Force is composed of faculty, extension staff, facilities management staff and the Office of Sustainability staff and students. She explained that the use of salt was identified as a major problem on campus infrastructure and water quality. The cross-campus group was formed to address the problem and find solutions. As a result of a proposal to the Sustainable Campus Fund, \$40,000 was allocated towards internships and materials to run experiments on campus with the goal of reducing salt use while maintaining safety. The process has been very successful with faculty and staff defining the problem, faculty assisting with research questions and students conducting the research and running the pilot. There are plans to generate an inventory of similar research questions with real world implications to enhance student learning and generate sustainability solutions.

Director Palchak concluded by sharing plans for developing a Comprehensive Sustainability Plan. She reported that UVM has a history of sustainability and a strong reputation. To continue the university's leadership role, a plan will be developed to help identify areas for focus including short and long-term goals that are achievable and within the financial capacity of the university. The plan will help develop strategies and a road map for sustainability and is critical to UVM's reputation as a green university. Next steps include identifying focus areas and preliminary themes, soliciting input from the broad campus community and targeted input from external stakeholders, and writing a draft plan. Outcomes will support the current climate planning occurring at the state level in Vermont.



## Committee reports

### Audit Committee

Committee Chair Shap Smith offered a summary report of meetings held on November 8, 2021 and February 3, 2022 at which the committee received presentations and discussed the following:

- In November, Vice President for Finance and Administration Richard Cate, University Controller Claire Burlingham, and Renee Bourget-Place of KPMG presented the draft FY 2021 annual financial report and audit. The audit resulted in no significant deficiencies or material weaknesses.
- The committee received and discussed the annual compliance report, and reviewed the draft work plan for the year.
- At this week's meeting, the FY 2021 NCAA agreed-upon procedures report was presented. No significant adjustments were identified as a result of procedures performed.
- KPMG provided a status report on the Uniform Guidance audit. Three major programs will be audited: the student financial aid cluster, the coronavirus relief fund, and the higher education emergency relief fund. The audit is proceeding smoothly and there are currently no issues to report.
- Chief Internal Auditor Bill Harrison provided a summary of current internal audit projects and the status of audit recommendations. Mr. Harrison also discussed the office's data analytics project aimed at making the audit process more efficient.
- The committee reviewed the results of the 2021 compliance survey. The results will be used to continue to strengthen the University's culture of compliance through outreach and training.

Chair Smith concluded by presenting the resolution included on today's consent agenda accepting the FY 2021 audited financial statements as recommended by the Audit Committee.

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

Chair Don McCree reported that the committee conducted its annual review of the university's debt policy and endorsed the recommendation by management and the university's external debt advisor, The Yuba Group, to add Public Private Partnerships as a tool for debt financing and to strike the requirement that the debt burden ratio ceiling revert back to 5% on June 30, 2023. A resolution approving the proposed revisions is included on today's consent agenda for approval. Chair McCree noted that the university's debt burden ratios are in compliance with the debt policy.

The committee received a report from Investment Subcommittee (ISC) chair Rob Brennan, who indicated the institution's overall performance in the past calendar year was very good. As of December 31, 2021, the university's endowment balance was \$813 million. He noted that number does not reflect market activity from last month and the current balance is \$786 million.

Chair McCree reported that the committee endorsed and is referring for board approval the following action items as recommended by the ISC:



- Revisions to the Statement of Investment Policies and Objectives that include removing redundancies, correcting the distribution rate and switching to a new peer universe. It was noted these changes are a result of the University's new external investment advisor Prime Buchholz's fresh perspective when reviewing the Statement.
- The reappointment of H. Whitney Wagner as advisor the ISC for a one-year period commencing March 1, 2022.

Chair McCree concluded by noting that the FY 2023 budget, approved by the board at the last meeting, is on track and that the committee received an annual report on the Green Revolving Loan Fund.

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

Chair Carolyn Dwyer reported that Provost Patricia Prelock shared highlights from her written report including updates on enrollment and new personnel hires.

College of Arts and Sciences Dean Bill Falls, Associate Dean Kelley Di Dio, Art and Art History Interim Chair Pamela Fraser and Theatre and Dance Assistant Professor Paula Higa introduced the proposal to establish a School of the Arts within the College of Arts and Sciences. The School structure will better support the excellence of the arts faculty and curricula, expand interdisciplinary courses and research opportunities for students, respond to contemporary trends in the arts that are crossing disciplinary barriers, elevate the value of the arts as part of a liberal arts education, and communicate more effectively the importance of the arts for the enrichment of and engagement with diverse communities at UVM and beyond. The proposal includes the creation of the programs of Art & Art History, Music, and Theatre & Dance within the School of the Arts and the termination of the departments of Art & Art History, Music, and Theatre & Dance in the College of Arts and Sciences. The committee unanimously endorsed and refers the proposal to establish a School of the Arts to the board for approval.

The committee also endorsed the following proposals for board approval:

- The relocation of the Geology Program to the Department of Geography and Geosciences and the termination of the Department of Geology in the College of Arts and Sciences.
- The creation of a Micro-Certificate of Graduate Study in Sustainable Family Enterprise in the Graduate College in conjunction with the Grossman School of Business.
- The creation of a BA in Neuroscience in the College of Arts and Sciences.
- Termination of the major in Greek and the minor in Greek Language and Literature in the College of Arts & Sciences, which has had persistently low enrollments in both the major and the minor over recent years. The Greek and Latin MA program will not be affected.
- Termination of the major in Latin and the minor in Latin Language and Literature in the College of Arts & Sciences, which has had persistently low enrollments in both the major and the minor over recent years. The Greek and Latin MA program will not be affected.

Chair Dwyer concluded by reporting the committee also reaffirmed two policies due for annual review by the board for compliance purposes: the Equal Employment Opportunity/Affirmative



Action Policy Statement and the Equal Opportunity in Educational Programs and Activities and Non-Harassment Policy Statement.

Committee on Board Governance

Chair Frank Cioffi reported that the committee met twice since the last board meeting to conduct the annual board and university officers' nomination process.

On November 3, 2021, he issued a memo to trustees reviewing the nominations process and advised the board that the committee would convene on November 8, 2021 to initiate the process. Following that meeting, committee members reached out to individual trustees to solicit nominations.

The committee convened on December 6, 2021 to deliberate on the slate of officers, after which the board was notified of the proposed slate of officers and next steps in the election process.

**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 1, 2022. The election of chair will occur at a special board meeting scheduled on that date.

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>Johannah Donovan</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 Donovan 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, 2022, 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.



**Retiring trustee resolutions**

Chair Lumbra introduced and read the following resolutions. Each retiree was presented with a framed copy.

***Briar L. Alpert (2016–2022)***

WHEREAS, Briar L. Alpert is nearing the completion of his term as Trustee of the University of Vermont and State Agricultural College; and

WHEREAS, Briar Alpert has provided constructive advice, insightful viewpoints and an abiding sense of respect and loyalty to the University during his service as Vice Chair of the Budget, Finance and Investment Committee and the Committee on Board Governance, and as Secretary of the University of Vermont Board; and in his membership on board committees, including the Educational Policy and Institutional Resources Committee and the Investment Subcommittee; and through his service on the Bond Work Group, the Multipurpose Events Center Work Group and the Sustainability Work Group; and

WHEREAS, Briar Alpert has further assisted the University as a charter member and director of the Vermont Center for Emerging Technologies and as a member of the UVM National Campaign Council; and

WHEREAS, Briar Alpert has meaningfully supported the University through his and his wife Susan's generous philanthropy, including a scholarship to provide Vermont students who have financial need and academic merit to pursue an undergraduate degree at the University 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 heartfelt best wishes to Trustee Briar L. Alpert.

***David B. Aronoff (2016–2022)***

WHEREAS, David B. Aronoff is nearing the completion of his term as Trustee of the University of Vermont and State Agricultural College; and

WHEREAS, David Aronoff has provided the board with significant knowledge and experience during his service as Vice Chair and Chair of the University of Vermont Board and leader of the ad hoc Labor Advisory Group; and in his membership on the Audit Committee, Committee on Board Governance and the Investment Subcommittee; and through his service on the Board Governance Work Group; and

WHEREAS, David Aronoff has further assisted the University generously as a member of the UVM National Campaign Council and the UVM Foundation Leadership Council and through his service on the UVM Grossman School of Business and UVM College of Engineering and Mathematics Board of Advisors; and



WHEREAS, David Aronoff and his wife Jessica have been philanthropic leaders for the University, including supporting scholarships and facility expansion and case competitions in the Grossman School of Business;

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 B. Aronoff.

***Berke Tinaz (2020–2022)***

WHEREAS, Berke Tinaz is nearing the completion of his term as Trustee of the University of Vermont and State Agricultural College; and

WHEREAS, Berke Tinaz has served as an insightful, dedicated, and thoughtful member of the board, participating actively and responsibly during his membership on board committees, including the Audit Committee; Educational Policy and Institutional Resources Committee; Budget, Finance and Investment Committee; and the Committee on Board Governance; with additional service to the University as Secretary of, and Senator on, the Graduate Student Senate, and as Graduate Student Senate representative on the Faculty Senate Student Affairs Committee, Plant Biology Department Graduate Student representative, and as assistant coach for UVM's rowing team;

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 Berke Tinaz.

**Approval of consent agenda**

Chair Lumbra presented the following resolutions for approval, reminding trustees that all would be voted on as a consent agenda, including the retiring trustee resolutions just presented. An opportunity for any resolution to be voted on separately was offered.

**COMMITTEE OF THE WHOLE**

**1. Resolution accepting fiscal year 2021 audited financial statements**

WHEREAS, the financial statements of the University of Vermont and State Agricultural College for the fiscal year ended June 30, 2021, 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 2021 were presented to the Audit Committee of the Board of Trustees at the Audit Committee's November 8, 2021 meeting;

WHEREAS, the Audit Committee approved a resolution recommending acceptance of the FY 2021 audited financial statements;



BE IT RESOLVED, that the Board of Trustees hereby accepts the fiscal year 2021 audited financial statements as recommended by the Audit Committee.

## **EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES COMMITTEE**

2. **Resolution approving the establishment of a School of the Arts within the College of Arts and Sciences; the creation of the Programs of Art & Art History, Music, and Theatre & Dance within the School of the Arts; and the termination of the Departments of Art & Art History, Music, and Theatre & Dance in the College of Arts and Sciences**

WHEREAS, a School of the Arts will support the excellence of our arts faculty and curricula, expand interdisciplinary courses and research opportunities for our students, respond to contemporary trends in the arts that are crossing disciplinary barriers, elevate and better promote the value of the arts as part of a liberal arts education, and communicate more effectively the importance of the arts for the enrichment of and engagement with diverse communities at UVM and beyond; and

WHEREAS, the proposal for a School of the Arts has been reviewed and approved by the faculty in the Departments of Art and Art History, Music, and Theatre and Dance; the faculty of the College of Arts and Sciences; the Dean of the College of Arts and Sciences; the Faculty Senate; Provost Patricia Prelock, and President Suresh Garimella; and

WHEREAS, the Programs of Art and Art History, Theatre and Dance, and Music will be created as internal units within the School of the Arts to maintain their unique identities and visibility, and the existing stand-alone Departments of Art and Art History, Theatre and Dance, and Department of Music in the College of Arts and Sciences will be eliminated; and

WHEREAS, the goals of the School of the Arts include the recruitment of more students interested in the arts; strengthening existing learning areas, certificates, majors and minors; better meeting the need for Catamount Core general education arts requirements for students across the university; increasing opportunities for interdisciplinary collaboration for arts faculty and students; increasing the visibility of the arts on campus; improving coordination of arts related events on campus; deepening community engagement in arts related events; expanding collaborations with community arts partners in Vermont and beyond; and advancing fundraising efforts for all units and programs in the School;

BE IT RESOLVED, that the Board of Trustees approves the establishment of a School of the Arts within the College of Arts and Sciences effective July 1, 2022, as detailed in the Provost's report and the presentation made to the Board on this date.



3. **Resolution endorsing the relocation of the Geology Program to the Department of Geography and Geosciences and the termination of the Department of Geology in the College of Arts and Sciences**

WHEREAS, the regular and systematic review of low enrollment/low completion programs is essential to aligning our resources with our priorities and supporting the institution's long-term financial sustainability, and curating our degree offerings is important to providing our students with an array of properly resourced programs that can maintain strong enrollments, fostering the vitality necessary to achieve a high-quality academic experience: and

WHEREAS, since 2018, the College of Arts and Sciences faculty and leadership have been in discussions regarding a reorganization in response to a change in enrollment patterns and the need to focus on academic program curation and stewardship; and

WHEREAS, the enrollments in the Department of Geology have experienced a sustained decline, and the Departments of Geography and Geology have had extensive discussions in recognition of their overlapping scholarship, research, and teaching as well as the significant opportunities for teaching and research collaborations; and

WHEREAS, the Department of Geography has been renamed the Department of Geography and Geosciences to reflect the strengths and expertise of both the Departments of Geography and Geology, and the Geology faculty will be reassigned to this renamed department; and

WHEREAS, the M.S. in Geology formerly housed in the Department of Geology has been moved to the newly renamed department of Geography and Geosciences, and the B.A. and B.S. degrees in Geology as well as the Geology minor have been deactivated,

BE IT RESOLVED, that the Board of Trustees endorses the relocation of the Geology Program to the Department of Geography and Geosciences and approves the termination of the vacated Department of Geology in the College of Arts and Sciences effective July 1, 2022, as approved and advanced by Dean Bill Falls, Provost Patricia Prelock, and President Suresh Garimella.

4. **Resolution approving the creation of a Micro-Certificate of Graduate Study in Sustainable Family Enterprise in the Graduate College in conjunction with the Grossman School of Business**

BE IT RESOLVED, that the Board of Trustees approves the creation of a Micro-Certificate of Graduate Study in Sustainable Family Enterprise in the Graduate College in conjunction with the Grossman School of Business, as approved and advanced by the Provost on December 20, 2021 and the President on December 21, 2021.

5. **Resolution approving the creation of a Bachelor of Arts in Neuroscience in the College of Arts and Sciences**

BE IT RESOLVED, that the Board of Trustees approves the creation of a Bachelor of Arts in Neuroscience in the College of Arts and Sciences, as approved and advanced by the Provost and President on November 16, 2021.



6. **Resolution approving the termination of the major in Greek and the minor in Greek Language and Literature in the College of Arts and Sciences**

BE IT RESOLVED, that the Board of Trustees approves the termination of the major in Greek and minor in Greek Language and Literature in the College of Arts and Sciences, as approved and advanced by the Provost and President on November 16, 2021.

7. **Resolution approving the termination of the major in Latin and the minor in Latin Language and Literature in College of Arts and Sciences**

BE IT RESOLVED, that the Board of Trustees approves the termination of the major in Latin and the minor in Latin Language and Literature in the College of Arts and Sciences, as approved and advanced by the Provost and President on November 16, 2021.

8. **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**

9. **Resolution approving revisions to 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 accepts revisions to the policy, appearing as Appendix C to this document.

10. **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 15, 2021, the Investment Subcommittee reviewed and endorsed proposed revisions 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 that the Board adopt the amended Statement of Investment Policies and Objectives, appearing as Appendix D to this document.

#### **11. 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, 2022, subject to the terms and conditions reported on this date.

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

At 8:55 a.m. the meeting was recessed. The meeting reconvened at 10:17 a.m.

#### **Vermont Agricultural College Board**

Chair Carol Ode reported the board received updates on childcare at UVM, housing initiatives and internship and workforce development. Plans for legislative trustee outreach on March 14, 2022 in that state's 14 counties was discussed.

#### **University of Vermont Board**

Vice Chair Otto Berkes reported that the board reviewed a summary of the Wilbur Trust Fund financial report from July 1, 2021 through November 3, 2021. He noted that the balance grew by \$415,000.

The board voted to appoint Susan Brengle and Kristina Pisanelli to the board, effective March 1, 2022, each for a six-year term, succeeding trustees Briar Alpert and David Aronoff, who will complete their terms of service at the end of this month. He noted that Ms. Brengle brings a wealth of financial knowledge and expertise and Ms. Pisanelli brings expertise in the areas of law and governmental affairs.

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

It was noted that the next class of self-perpetuating trustees to retire from the board in 2024 includes Trustees Otto Berkes, Rob Brennan, and Jodi Goldstein.

#### **Executive session**

At 10:22 a.m., Chair Lumbra entertained a motion to enter into executive session to receive advice of counsel and discuss contracts. He noted the session would last for approximately 45 minutes and action is anticipated 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 Senior Advisor to the President Sharon Reich Paulsen, Vice President for Finance and Administration Richard Cate, Special Assistant to the President Jonathan D'Amore and Chief Communications Officer Joel Seligman.

The meeting re-opened to the public at 11:37 a.m.

Chair Lumbra presented the following resolution:

**Resolution authorizing formulation of an implementation plan for establishment of and the University's participation in a nonprofit investment management subsidiary of the University of Vermont Foundation to oversee and manage the University's and the Foundation's combined endowment assets**

WHEREAS, prior to creation of the University of Vermont Foundation ("the Foundation"), the University had a single endowment ("the legacy endowment");

WHEREAS, following creation of the Foundation, endowment donations primarily have been directed to the Foundation;

WHEREAS, all donations received by the Foundation are for the benefit of the University;

WHEREAS, the UVM Board of Trustees Investment Subcommittee currently manages investment of both the legacy endowment and certain Foundation endowment assets ("the combined endowment");

WHEREAS, the mission of the Foundation is to "secure and manage private support for the benefit of the University of Vermont";

WHEREAS, in light of the increasing value of the combined endowment, including the increasing value of the endowment assets raised by the Foundation, the Foundation board charged an advisory committee to study endowment management and governance options as the University's board and the Foundation's board consider how best to meet their fiduciary responsibilities in the management and investment of the growing endowment;

WHEREAS, a majority of the advisory committee members were individuals who currently or in the past held leadership positions on the UVM Board of Trustees;

WHEREAS, following careful study, the advisory committee has proposed that, in collaboration with UVM, the Foundation should establish a nonprofit investment management subsidiary to oversee and manage the combined endowment assets;

WHEREAS, the UVM Board of Trustees agrees with the concept recommended by the advisory committee;

THEREFORE, BE IT RESOLVED, that the Board of Trustees authorizes the administration to formulate a proposed implementation plan to bring back to the Board for its consideration, in accordance with terms and conditions discussed on this date.

An opportunity for discussion was offered. There being none, a motion was made, seconded and the resolution was unanimously approved.



**Adjournment**

There being no further business, the meeting adjourned at 11:39 a.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
<b>Questions about policies related to Title IX, including sex discrimination, sexual harassment, and all forms of sexual violence</b>	
Title IX Coordinator Office of Affirmative Action and Equal Opportunity	Nick Stanton (802) 656-3368
<b>Questions about disability related issues</b>	
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

- [Accessibility Policy](#)
- [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

<b>Responsible Official:</b>	Vice President for Finance and Administration	<b>Approval Authority:</b>	President and the Chair of the Board of Trustees
<b>Policy Number:</b>	V. 4.23.11	<b>Effective Date:</b>	February 4, 2017
<b>Revision History:</b>	<ul style="list-style-type: none"><li>• V. 7.0.1.1 effective April 7, 2006</li><li>• V. 7.0.1.2 effective September 5, 2008</li><li>• V. 7.0.1.3 effective April 13, 2009</li><li>• V. 7.0.1.4 effective March 8, 2010</li><li>• V. 7.0.1.5 effective May 22, 2011</li><li>• V. 7.0.1.6 effective May 19, 2012</li><li>• V. 7.3.7/V. 7.0.1.7 effective February 9, 2013</li><li>• V. 7.3.8 effective February 8, 2014</li><li>• V. 7.3.9 effective February 7, 2015</li><li>• V. 7.3.10 effective February 6, 2016</li><li>• Reaffirmed as revised by the President and the Chair of the Board of Trustees: February 3, 2018, March 6, 2019</li><li>• Reaffirmed by the President February 3, 2020, February 9, 2021 and the Chair of the Board of Trustees January 30, 2020, February 8, 2021</li><li>• 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</li></ul>		

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University of Vermont Policies and Operating Procedures are subject to amendment. For the official, approved, and most recent version, please visit UVM's [Institutional Policies Website](#).





**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.	
<b>Questions about policies related to Title IX, including sex discrimination, sexual harassment, and all forms of sexual violence</b>	
Title IX Coordinator Office of Affirmative Action and Equal Opportunity	Nick Stanton (802) 656-3368
<b>Questions about disability related issues</b>	
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

<b>Responsible Official:</b>	Vice President for Finance and Administration	<b>Approval Authority:</b>	President and the Chair of the Board of Trustees
<b>Policy Number:</b>	V. 4.24.11	<b>Effective Date:</b>	February 4, 2017
<b>Revision History:</b>	<ul style="list-style-type: none"> <li>• V. 7.0.5.1 effective April 7, 2006</li> <li>• V. 7.0.5.2 effective September 5, 2008</li> <li>• V. 7.0.5.3 effective April 13, 2009</li> <li>• V. 7.0.5.4 effective March 8, 2010</li> <li>• V. 7.0.5.5 effective May 22, 2011</li> <li>• V. 7.0.5.6 effective May 19, 2012</li> <li>• V. 7.4.7/V. 7.0.5.7 effective February 9, 2013</li> <li>• V. 7.4.8 effective February 8, 2014</li> <li>• V. 7.4.9 effective February 7, 2015</li> <li>• V. 7.4.10 effective February 6, 2016</li> <li>• 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</li> </ul>		



	<ul style="list-style-type: none"> <li>• V. 7.4.11 Reaffirmed by the President February 3, 2020, February 9, 2021 and the Chair of the Board of Trustees January 30, 202, February 8, 2021</li> <li>• 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</li> </ul>
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## **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

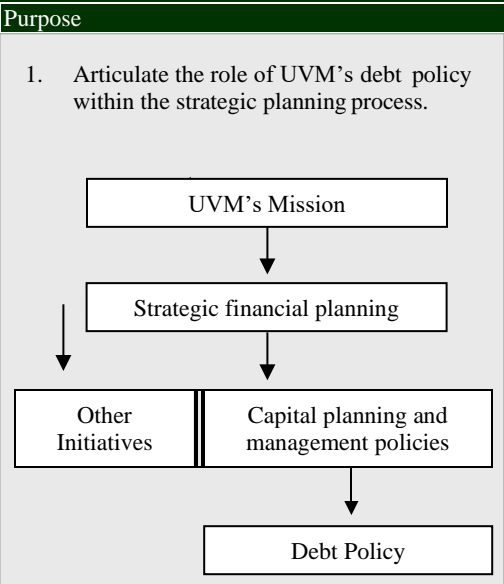
**Revised, February 2022**

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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, [public-private partnerships](#), 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 Administration 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.

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

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 and Administration 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 for Finance and Administration 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 and Administration 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. <ul style="list-style-type: none"> <li>a. Provide bridge funding.</li> <li>b. Provide continual access to capital.</li> <li>c. Issuance on a taxable or tax-exempt basis.</li> </ul>                    |
| 4. Manage derivative products, including swaps.  |
| 5. Consider other financing sources. <ul style="list-style-type: none"> <li>a. Management will explore securitizations, joint ventures and other financial structures to provide for the optimal funding for any project.</li> </ul> |

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.

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*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.

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*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.

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*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.
  - a. Limit variable rate exposure.
  - b. Manage the overall liquidity requirements associated with outstanding debt.
  - c. Target overall variable rate debt exposure.
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;
- (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 service 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.

$$\frac{\text{VARIABLE RATE AND LIQUIDITY EXPOSURE}}{\text{TOTAL LONG-TERM DEBT OUTSTANDING}} > 1.0x$$



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 return<sup>1</sup> (net of investment management fees) that exceeds the amount being distributed for spending and administration, currently set at 5.504.75%. 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

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<sup>1</sup> 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 ~~T~~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~~Total Fund**

There are a number of different benchmarks for assessing performance at the ~~overall~~Total 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.~~

**CPI + Spending/Administration (Currently 5.504.75%)** – this benchmark is composed of a combination of both inflation and expected annual distributions. Comparison with the total return of the Fund provides a method to monitor progress in the overall financial objective, preserving and enhancing the real (i.e., inflation-adjusted) purchasing power of the Fund over time.

**Target BenchmarkPolicy Index** – 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~~Actual Index** – 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.

**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.



~~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.

NACUBO-TIAA Study of Endowments (NTSE) – a universe of over 700 institutions, a broad peer universe against which the ISC compares the Fund's return. In addition to this specific annual study, the ISC may also compare the Fund's results to other relevant institutional investor comparisons.

### **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.

<b>+Asset Class</b>	<b>Market Index Used in <del>Target-</del> <u>Benchmark Policy</u> <u>Index</u><sup>2</sup></b>	<b>Underlying Investments</b>
Public Global Equity	<del>MSCI AC World Index (Net)</del> <u>MSCI ACWI</u>	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.
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<sup>2</sup> Indices used in ~~Target Benchmark~~ Policy Index are effective as of May 18, 2019.



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

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.

### **A. 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.



## **B. PROXY VOTING GUIDELINES**

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

## **C. 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: June 4, 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*



## **BOARD OF TRUSTEES**

**March 1, 2022**

### **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.

### **Resolution approving committee and chair appointments**

BE IT RESOLVED, that the Board of Trustees approves the committee and chair appointments for 2022 as presented today and appearing as appendices A and B to this document.

### **Resolution approving appointment of Investment Subcommittee advisor**

BE IT RESOLVED, that the Board of Trustees approves the appointment of David Aronoff as advisor to the Investment Subcommittee, for a one-year period commencing April 1, 2022, subject to the terms and conditions reported on this date.

### **Resolution approving revisions to signatory authority for endowment funds and other invested funds**

WHEREAS, the Board of Trustees has fiduciary responsibility for the University of Vermont and State Agricultural College endowment funds and other invested funds, such as long-term investment pool, including consolidated endowment funds, and The University of Vermont trust, certain separately invested endowment funds, certain charitable trusts, and the pooled income fund; and

WHEREAS, from time to time documents relating to securities transfers, purchases, and sales are required in connection with the operation of these funds;

BE IT RESOLVED, that the President, Senior Vice President and Provost, Vice President for Finance and Administration, University Controller, and Associate Controller for Financial and Cost Accounting Services, or any officer holding any of the above positions on an interim basis, singly is authorized to execute any and all instruments necessary, proper, and desirable for that purpose.

This resolution supersedes all previous authorizations.

### **Resolution authorizing power purchase and license agreement with iSun, Incorporated**

BE IT RESOLVED, that the Vice President for Finance and Administration, or his successor or designee, is hereby authorized to negotiate and execute a ten-year power purchase agreement and



license agreement with iSun, Inc. for use of a portion of University land at 65 Green Mountain Drive, South Burlington, Vermont for installation and operation of a solar project and purchase of solar power, subject to material terms and conditions reported on this date. The power purchase and license agreement will both begin upon execution of power purchase and license agreements and end 10 years thereafter.

**Resolution approving contract renewal with Safety Systems of Vermont, LLC**

BE IT RESOLVED, that the Vice President for Finance and Administration, or his successor or designee, is hereby authorized to renew a previously approved contract with Safety Systems of Vermont, LLC for fire alarm testing, inspection and maintenance for a total contract term from May 1, 2019 through April 30, 2024, for a total amount not to exceed \$1,400,000.

**Resolution approving contract with Desire to Learn**

BE IT RESOLVED, that the Vice President for Finance and Administration, or his successor or designee, is hereby authorized to enter into a contract with Desire to Learn for learning management system software beginning March 25, 2022, through March 24, 2027, for a total amount not to exceed \$1,500,000.

**Resolution approving contract with John Wiley & Sons, Incorporated**

BE IT RESOLVED, that the Vice President for Finance and Administration, or his successor or designee, is hereby authorized to enter into a contract with John Wiley & Sons, Incorporated for publishing products and subscriptions beginning January 1, 2022 through December 31, 2024, for a total amount not to exceed \$2,500,000.



**The University of Vermont and State Agriculture College Board of Trustees**  
**Standing Committees**  
**Proposed 2022 Assignments – for approval 3/1/2022**

	<b>Audit (7)</b>	<b>Board Governance (8)</b>	<b>Budget, Finance &amp; Investment (10)</b>	<b>Educational Policies &amp; Institutional Resources (14)</b>	<b>Executive (8)</b>	<b>University of Vermont Board* (9)</b>	<b>Vermont Agricultural College Board* (9)</b>
President, <i>ex-officio</i>		X	X	X	X		
Barnhart-26 (VC)				X	VC	X	
Bartholomew-23				X			S
Berkes-24	X			X		VC	
Brengle-28			X			X	
Brennan-24		X	X			X	
Christie-25			X				X
Cioffi-23		C		X	X		
Dineen-26			VC			S	
Donovan-23 (S)		X		X	X		X
Dwyer-25		VC		C	X		
Goldstein-24	VC	X		VC		C	
Jerome-27				X			X
Kalra-23	X	X	X				
Lumbra-22 (C)					C	X	
McCree-26			C		X	X	
Nguyen-24				X			
Ode-25				X			C
Pagano-27	X		X				
Pisanelli-28	X	X		X		X	
Rogers-27				X			X
Scott, <i>ex officio</i>							
Smith-23	C		X		X		VC
Toll-27	X		X				X
Young-25				X			X

C = chair; VC = vice chair; S = secretary

\*annual election of officers in May



**The University of Vermont and State Agriculture College Board of Trustees  
Other Committees & Work Groups  
2022 Assignments – for approval 3/1/2022**

	<b>Ad Hoc Labor Advisory Group (5)</b>	<b>Annual Review Sub- Cmte (4)</b>	<b>Investment Sub-Cmte (3)</b>	<b>Bond Work Group (3)</b>	<b>Presidential Housing Work Group (4)</b>	<b>Board Governance Work Group (4)</b>
President	X					
Barnhart-26 (VC)	Leader					
Bartholomew-23	X					
Brengle-28			X			
Berkes-24						
Brennan-24			C	Leader		
Christie-25						
Cioffi-23		X			X	Leader
Dineen-26	X					
Donovan-23 (S)					X	
Dwyer-25						X
Goldstein-24		VC				
Jerome-27						
Kalra-23						
Lumbra-22 (C)		C			Leader	Ex-officio
McCree-26			VC	X		
Nguyen-24						
Ode-25						
Pagano-27		X				
Pisanelli-28						
Rogers-27						
Scott, <i>ex officio</i>						
Smith-23	X					X
Toll-27				X		
Young-25					X	

C = chair; VC = vice chair; S = secretary



**THE UNIVERSITY OF VERMONT BOARD OF TRUSTEES**  
**MEETING & RETREAT DATES**

**Proposed 2023 Dates:**

Winter Meeting: *Friday-Saturday, 2/10-11*

Special Meeting: *Wednesday, 3/1 (1-2:30 p.m. to elect chair and approve committee assignments)*

Spring Meeting: *Friday-Saturday, 5/19-20 (Commencement 5/21)*

Fall Board Retreat: *Friday-Saturday, 9/8-9 (Labor Day 9/4)*

Fall Meeting: *Friday-Saturday, 10/20-21*