

**Budget, Finance, and Investment Committee**  
**Summary Report of Meeting**  
**February 9, 2024**

**Vice President's Report:**

The resolution approving non-substantive revisions to the Debt Policy has passed. Vice President Richard Cate spent some time explaining Debt Burden Ratio. This ratio measures the University's ability to repay debt service associated with all outstanding debt and leases and the impact on the overall budget and includes all activities of the University. (e.g., value of retirees' benefit) The defined limit for this ratio is intended to maintain the University's long-time operating flexibility to fund existing requirements and new initiatives. The formula is Annual Debt Service/Total Expenses. The current ratio is 5.5% up from 4.9% in FY 22. The reason for the increase is twofold, first the total debt service increase is due to the recognition of operating lease payments and IT subscription payments as required by new Governmental Accounting Standards Board rules. Secondly, the effect of the decrease in the Other Post Employment Benefits liability of \$240 million reduced our total expenses. Even with the ratio at 5.5% the university is still within the required policy target of <5.75% and is at about the medium range compared to peer institutions.

Due to the timing of the next monthly Executive Committee meeting, the following contracts were brought before the committee for consideration and referral to the Board for approval:

- A 3-year contract extension with American Chemical Society for subscription fees
- A contract with Presidio Networked Solutions for telephony licensing and support. In response to a question about better network solutions, the committee was advised that this contract may indirectly support the effort, however, there are currently 29 buildings that are 20-30 years old on campus so that it may take for a while to improve the condition on the entire campus.
- A contract with The Yuba Group, LLC for continued debt advisory consulting services.
- A uniform rate of \$975 per credit for in-state and out-of-state students in the Sustainable Innovation Masters in Business Administration Program effective with the 2025-2026 and 2026-2027 academic years.

A resolution authorizing negotiation and execution of agreements regarding leasing apartments in a new facility in South Burlington as a bridge until Catamount Woods, a housing project currently underway, is available for undergraduate students. One board member expressed a concern that while UVM negotiates the leasing of real estate for student housing, this may have a negative impact to the VT community which is experiencing a significant shortage of housing. This resolution was endorsed by a vote of 9-1. All other resolutions were unanimously endorsed.

**Report of the Investment Subcommittee (ISC):**

Investment Subcommittee Chair Brennan referred committee members to the supplemental performance update report provided by Prime Buchholz, the university's investment advisor. He reported that the market value of the endowment as of June 30, 2023, was \$812 million, with a total of \$862 million in philanthropic assets. Private Capital Performance results the lagged nature of private markets as they

adjusted slower than the public market. Despite the recent volatile market, UVM has fared well. Below,

Non-Foundation Assets		
Pools		Net Asset Value (\$)
Long-Term Pool as of 12/31/23		\$812,413,762
Non-Foundation Assets	\$588,512,529	
Foundation Assets	\$223,901,233	
Real Estate		\$42,773,768
Student Pool		\$456,635
Green Fund		\$4,894,757
Trusts Held by Others		\$1,538,354
Total		\$862,077,276

\*Real Estate, Student Pool, Green Fund, Trusts Held by Others values provided by UVM (as of 6/30/23)

you find the summary table.

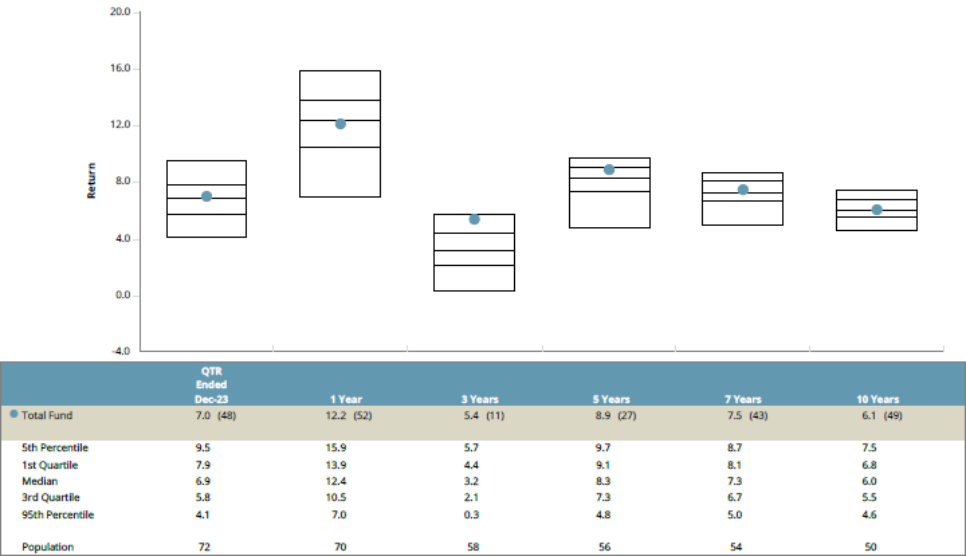
ISC Chair Brennan outlined the history of and the proposal to disband the Investment Subcommittee. The University of Vermont Investment Management Company (UVIMCO) was created in February 2023 to oversee and manage the combined endowment assets of the University and the UVM Foundation. An Investment Management Agreement executed in January 2024 protects the University's interests, including without limitation, the university's interests in receiving information about the activities, affairs, and financial condition of UVIMCO and the funds it manages for the benefit of the University. Therefore, the need for the ISC has become obsolete. A resolution to disband the ISC was unanimously endorsed and referred to the Board for approval.

# Plan Sponsor Peer Group Analysis

All E&P \$250M - \$1B

Prime  
BUCHHOLZ

As of December 31, 2023



**Fiscal Year 2025 Budget:**

President Garimella and Vice President Cate reiterated how difficult it is to maintain the Practice of a tuition freeze, but the university's commitment to offer an affordable education, especially for Vermonters, remains a priority. The Governor has recommended a 3% increase to the university's state appropriation, however, because this may not be officially approved by the legislature until May, it is not yet included in the budget. F&A revenue is expected to grow slightly. The Out-State Tuition rate will increase by 3.5% and a new \$1,000 program fee for majors within the College of Nursing and Health Sciences, the College of Engineering and Mathematical Sciences, and the Grossman School of Business will be implemented. The utilities budget is projected to decrease by 3.1% as a result of cost reduction in natural gas. Due to the higher Healthcare cost, the fringe rate is expected to increase from 43.8% to 52.5%.

Respectfully Submitted by Kunie Renaud

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

**BUDGET, FINANCE AND INVESTMENT COMMITTEE**

**Members:** Chair Don McCree, Vice Chair John Dineen, President Suresh Garimella, Susan Brengle, Robert Brennan, Frank Cioffi, Kevin Christie, Kenny Nguyen, Ed Pagano, Shap Smith, Tristan Toleno, and Catherine Toll

**Representatives:** Faculty Representatives Jane Knodell and Guillermo Rodriguez, Foundation Representative Bob Plante, Alumni Representative Myron Sopher, Staff Representatives Kunie Renaud and Aimee Gale, Student Representatives Evan Siegel and Ashleigh Clark, and Graduate Student Representatives Dan Peipert and Goodness Rex Nze-Igwe

**Friday, February 9, 2024**

1:00 p.m. – 2:00 p.m.

Livak Ballroom (417-419), Dudley H. Davis Center

**AGENDA**

	Item	Enclosure	Discussion Leader(s)	Time
	<b>Call to order</b>			<b>*1:00 p.m.</b>
1.	Approval of October 20, 2023 meeting minutes	Attachment 1	Don McCree	1:00-1:02
2.	Debt policy annual review <ul style="list-style-type: none"><li>Resolution approving revisions to the Debt Policy</li></ul> Annual financial ratios review	Attachment 2; Appendix A Attachment 3	Claire Burlingham Richard Cate	1:02-1:07
3.	Action items: <ul style="list-style-type: none"><li>Resolution approving contract extension with American Chemical Society</li><li>Resolution approving contract with Presidio Networked Solutions</li><li>Resolution approving contract with The Yuba Group, LLC</li><li>Resolution approving the Sustainable Innovation Masters in Business (SI-MBA) graduate tuition for fiscal year 2025</li><li>Resolution authorizing negotiation and execution of real estate contract</li></ul>	Attachment 2	Richard Cate	1:07-1:22
4.	Report of the Investment Subcommittee <ul style="list-style-type: none"><li>Endowment performance update</li><li>Resolution disbanding the Investment Subcommittee</li></ul>	Separate distribution Attachment 2	Rob Brennan	1:22-1:37

	Item	Enclosure	Discussion Leader(s)	Time
5.	Fiscal year 2025 budget <ul style="list-style-type: none"> <li>Preview of key budget assumptions</li> </ul>		Richard Cate Shari Bergquist	1:37-1:52
6.	Vice President's report <ul style="list-style-type: none"> <li>Green Revolving Loan Fund</li> <li>Project updates</li> </ul>	Attachment 4	Richard Cate	1:52-1:57
7.	Other business**		Don McCree	1:57-2:00
	<b>Adjourn</b>			<b>2:00 p.m.</b>

\*Times are approximate.

\*\*Executive session as needed.