

**BUDGET, FINANCE AND INVESTMENT COMMITTEE  
BOARD OF TRUSTEES  
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**

A meeting of the Budget, Finance and Investment Committee of the Board of Trustees of the University of Vermont State and Agricultural College was held on Friday, May 19, 2023, at 2:15 p.m., in the Livak Ballroom, 417-419 Dudley H. Davis Center.

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

**REPRESENTATIVES PRESENT:** Faculty Representative Guillermo Rodriguez, Foundation Representative Bob Plante<sup>1</sup>, Alumni Representative Myron Sopher, and Staff Representative Joshua Tyack

**PERSONS ALSO PARTICIPATING:** Vice President for Finance and Administration Richard Cate, University Budget Director Shari Bergquist, Facilities Management Executive Director Luce Hillman, and University Controller Claire Burlingham

**ABSENT:** Vice Chair John Dineen, Faculty Representative Jane Knodell, Staff Representative Douglas Dickey, Student Representatives Evan Siegel and Ashleigh Clark, and Graduate Student Representatives (vacant)

<sup>1</sup> Participated by phone.

Chair Don McCree called the meeting to order at 2:20 p.m. He began by welcoming new committee members Frank Cioffi, Kenny Nguyen and Tristan Toleno.

### **Approval of minutes**

A motion was made, seconded and voted to approve the minutes of the February 10, 2023, meeting.

### **Fiscal Year 2024 Budget**

Vice President for Finance & Administration Richard Cate noted that as part of the university's Enterprise Risk Management program, officials are required to annually report to the board on identified risks and opportunities. One of those risks is financial sustainability, which is embedded in the budget planning process.

Referring to attachment 2 of the meeting materials, University Budget Director Shari Bergquist reviewed the FY 2024 general fund budget, noting the key assumptions underlying the budget proposal include a flat tuition rate for the fifth year in a row and salary/wage increases per approved union contracts. The incoming first-year class will show increases in students from Vermont, students of color, and first-generation college students.

It was noted that the Governor and the Legislature approved a 3% increase (about \$1.5 million) over the FY 2023 base to UVM's state appropriation which is very much appreciated.

Despite current inflationary pressures, unit operating budgets have only increased 0.7%. Salaries, wages, and benefits represent 70% of general fund expenses and are expected to rise 4.3% in FY 2024. This projected cost reflects existing contract obligations and the administration's best estimate for the contract that has not yet been negotiated.

General fund contributions to the UVM Foundation, library acquisitions, and deferred maintenance are budgeted to be essentially level funded in FY 2024. The practice of incrementally increasing spending on deferred maintenance has been delayed due to the pandemic, inflation, and other budgetary pressures. The committee agreed that a more in-depth discussion and analysis on deferred maintenance will occur at a future meeting, as well as a review of energy efficiency investments.

Overall, the FY 2024 general fund budget projects a 3.5% increase in revenue and 3.5% growth in expenses, with a total of \$417,971,669.

The following resolution was presented to the committee for approval and recommendation to the board:

**Resolution approving fiscal year 2024 budget planning assumptions: general fund**

BE IT RESOLVED, that the Board of Trustees hereby approves the budget planning assumptions for fiscal year 2024, which lead to a general fund operating expense budget for the University of \$417,971,669, and hereby authorizes the President to proceed with detailed budget preparation in accordance with these assumptions.

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

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

Investment Subcommittee Chair Brennan referred committee members to the supplemental performance update report (sent under separate distribution) provided by Prime Buchholz, the university's investment advisor. He reported that the market value of the endowment as of March 31, 2023, was \$753.9 million, with a total of \$808 million in philanthropic assets. Despite the recent volatile market, UVM has fared well.

As recommended by the Investment Subcommittee, the committee was asked to reaffirm the Investment of Endowment Cash policy with no changes, and to reappoint Steven Grossman as advisor to the Investment Subcommittee for a one-year term.

The following resolutions were presented to the committee for approval and recommendation to the board:

**Resolution reaffirming the Investment of Endowment Cash Policy**

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

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

WHEREAS, since its creation, the Investment Subcommittee has been charged with review of the policy, which it most recently reaffirmed on February 13, 2023;

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

*Adopted by: Board of Trustees – May 18, 2019*  
*Reaffirmed by: Board of Trustees – May 15, 2020*  
*Reaffirmed by: Board of Trustees – June 4, 2021*  
*Reaffirmed by: Board of Trustees – May 21, 2022*  
*Reaffirmed by: Board of Trustees -*

**Resolution approving appointment of Investment Subcommittee Advisor**

BE IT RESOLVED, that the Board of Trustees approves the reappointment of Steven Grossman as advisor to the Investment Subcommittee for a one-year period commencing June 1, 2023, subject to the terms and conditions reported on this date.

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

**Facilities modernization and renewal**

Executive Director of Facilities Management Luce Hillman described how her team manages over 5,000,000 square feet of facilities that require continual modernization and renewal through incremental improvements over time. These projects are in addition to the larger capital projects reviewed and approved by the board and are categorized and prioritized annually.

**Other business**

Vice President Cate reminded committee members that annual updates on the capital project pre-funding account, the net tuition stabilization fund, and the net asset balance were submitted in his Vice President’s report, included as attachment 5 in the meeting materials.

**Adjournment**

There being no further business, the meeting was adjourned at 3:17 p.m.

Respectfully submitted, Don McCree, Chair