

**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 20, 2022 at 1:45 p.m., in the Livak Ballroom, 417-419 Dudley H. Davis Center.

**MEMBERS PRESENT:** Chair Don McCree, Vice Chair John Dineen, President Suresh Garimella, Susan Brengle, Robert Brennan, Kevin Christie<sup>1</sup>, Ed Pagano, Shap Smith and Catherine Toll

**REPRESENTATIVES PRESENT:** Alumni Representative Myron Sopher, Staff Representatives Joshua Tyack, and Renee Berteau

**PERSONS ALSO PARTICIPATING:** Vice President for Finance and Administration Richard Cate, University Budget Director Shari Bergquist, Facilities Management Executive Director Luce Hillman, University Controller Claire Burlingham, and incoming Financial & Physical Planning Committee co-chair Guillermo Rodriguez (on behalf of Faculty Representative Jane Knodell)

**ABSENT:** Trustee Kisha Kalra, Faculty Representatives Jane Knodell and Cory Teuscher, Foundation Representative Bob Plante, Student Representatives Evan Siegel and Lana Al-Namee, and Graduate Student Representatives Rosie Chapina and Alison Hall

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

Chair Don McCree called the meeting to order at 1:45 p.m. He began by welcoming new committee members Sue Brengle, Kisha Kalra and Shap Smith. He thanked representatives Lana Al-Namee and Rosie Chapina for their service and offered congratulations on their pending graduation.

### **Approval of minutes**

A motion was made, seconded and voted to approve the minutes of the February 4, 2022 meeting.

### **Fiscal Year 2023 Budget**

Vice President for Finance & Administration Richard Cate and University Budget Director Bergquist reviewed the FY 2023 general fund budget, noting the key assumptions underlying the budget proposal include a flat tuition rate for the fourth year in a row, a \$250 reduction in the graduate comprehensive fee, salary and wage increases as per approved union contracts, and estimated allocations for contracts currently being negotiated.

The UVM Staff United bargaining unit voted in a contract today which included wages and benefits increases for its represented staff.

The Governor and the Legislature approved a \$10 million increase to UVM's state appropriation which is very much appreciated. A portion of this increase will be used to fund increased costs of salaries and benefits mentioned above, with the remainder being held in reserve for operations.

The deferred maintenance budget is the same as last year because of constrained resources. Due to needs all across the campus, the hope is to increase the budget in the future.

Current inflation has impacted the university's operating expenditures. The cost of many goods and services are fixed under existing contracts and so could be accurately budgeted, but such things as natural gas, gasoline, and some supplies and equipment are subject to change. Therefore, the administration will adjust the budget as needed to address increased costs beyond what has been budgeted.

Overall, the FY 2023 general fund budget projects a 6.2% increase in revenue and 6.2% growth in expenses, with a total of \$403,863,000.

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

**Resolution approving fiscal year 2023 budget planning assumptions: general fund**

BE IT RESOLVED, that the Board of Trustees hereby approves the budget planning assumptions for fiscal year 2023, which lead to a general fund operating expense budget for the University of \$403,863,000, 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.

Members expressed an interest in a future discussion on the sustainability of keeping a flat tuition.

**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, 2022, was \$788.2 million, however, due to the volatility of the market since then, it stands at about \$740 million.

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 for 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 22, 2022;

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 -*

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

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

**Voluntary payment for services with the City of Burlington**

A resolution recommending a three-year extension of the letter agreement with the City of Burlington for voluntary payment for services, such as fire services, was presented to the committee for approval for recommendation to the board:

**Resolution approving extension of the voluntary payment for services letter agreement with the City of Burlington**

WHEREAS, on September 8, 2007, the Board of Trustees authorized the administration to enter into a letter agreement with the City of Burlington regarding a voluntary payment for services;

WHEREAS, the Board has since then approved extensions of the voluntary payment for services letter agreement;

WHEREAS, the current Letter of Agreement (“the Agreement”) for the voluntary payment of services, entered into in June of 2019, has been extended once and is set to expire on June 30, 2022;

THEREFORE, BE IT RESOLVED, that the Board of Trustees hereby approves extension of the Agreement for an additional three-year period on the same terms and conditions, expiring on June 30, 2025, with a total payment to the City in the aggregate not to exceed \$4,500,000 for the three-year term of the agreement, and authorizes the Vice President for Finance and Administration, or his successor or designee, to negotiate and execute an amendment to the Agreement to so extend its term.

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

### **AstroTurf Corporation**

Vice President Cate explained that the amount to exceed of a contract to replace turf on the Moulton Winder field hockey field is over \$1,000,000, therefore requiring Board approval.

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

#### **Resolution approving contract with AstroTurf Corporation**

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 AstroTurf Corporation for the turf replacement of the Moulton Winder Field from May 2, 2022 through November 30, 2022, for an amount not to exceed \$1,700,000.

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

### **Hills Agricultural Science Building renovation project expenditure**

Facilities Management Executive Director Hillman outlined the project scope of the Hills building renovation as reviewed and endorsed by the Education Policy & Institutional Resources Committee. This will be a complete renovation that adheres to historic preservation codes, with a completion date of August 2023.

USDA Agricultural Research Service (ARS) scientists will share this space with UVM scientists and students, collaborating on research projects. Federal funds from ARS, combined with a \$10 million grant from another federal source, will be used to pay the majority of the \$32 million construction cost. Reserves previously designated for deferred maintenance and facilities projects will fund the remainder.

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

#### **Resolution authorizing Hills Agricultural Science Building renovation project expenditures**

WHEREAS, on June 4, 2021, the Board of Trustees authorized the administration to negotiate and execute a lease with a term of up to ten years with the United States Government, USDA, Agricultural Research Service for use of office and lab space for the establishment of a Food Systems Research Center at the Hills Building; and

WHEREAS, on April 13, 2022, the administration reviewed with the Executive Committee the scope of the federal funding that has been acquired to fully renovate the Hills Building to house the Food Systems Research Center and a new Institute;

THEREFORE, BE IT RESOLVED, that the Budget, Finance & Investment Committee hereby recommends to the Board that it authorize total Project expenditures of up to \$32,000,000 to fund the Hills Building Project; and

BE IT FURTHER RESOLVED, that the funding for the Project expenditures referenced above be drawn from a combination of federal grants, the lease with the Agricultural Research Service, and university reserves allocated for deferred maintenance projects.

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

### **Other business**

Vice President Cate reminded the committee that annual updates on the capital project pre-funding account and the net tuition stabilization fund 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 2:40 p.m.

Respectfully submitted,

Don McCree, Chair