

**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, October 20, 2023 at 2:30 p.m., in the Silver Maple Ballroom, 401 Dudley H. Davis Center.

MEMBERS PRESENT: Chair Don McCree,¹ Vice Chair John Dineen, President Suresh Garimella, Susan Brengle, Robert Brennan¹, Frank Cioffi, Kevin Christie, Kenny Nguyen, Ed Pagano, Shap Smith, Tristan Toleno², and Catherine Toll

REPRESENTATIVES PRESENT: Faculty Representative Guillermo Rodriguez, Foundation Representative Bob Plante², Alumni Representative Myron Sopher, Staff Representatives Kunie Renaud, Student Representatives Evan Siegel and Ashleigh Clark, and Graduate Student Representatives Dan Peipert and Goodness Rex Nze-Igwe

PERSONS ALSO PARTICIPATING: Provost Patricia Prelock, Vice President for Finance & Administration Richard Cate, University Budget Director Shari Bergquist, University Controller Claire Burlingham, Vice President for Legal Affairs & General Counsel Trenten Klingerman, Vice Provost for Enrollment Management Jay Jacobs, and Chief of Staff to the President Jonathan D'Amore

TRUSTEES ALSO IN ATTENDANCE: Cynthia Barnhart, Otto Berkes, Katelynn Briere, Carolyn Dwyer, Jodi Goldstein, Stephanie Jerome, Ron Lumbra, Carol Ode, Kristina Pisanelli, Lucy Rogers, and Sam Young

ABSENT: Faculty Representative Jane Knodell

¹ Joined the meeting by phone at 3:00 p.m.

² Joined the meeting by phone

Vice Chair John Dineen called the meeting to order at 2:30 p.m. He began by welcoming new staff representative Kunie Renaud and graduate student representatives Dan Peipert and Goodness Rex Nze-Igwe to the committee and acknowledged trustee Tristan Toleno's and foundation representative Bob Plante's participation by phone.

Approval of minutes

A motion was made, seconded, and voted to approve the minutes of the May 19, 2023, meeting.

Vice President's Report

- **External audit update**

University Controller Claire Burlingham reported that the university's external auditor, KPMG, is in the final stages of completing its fieldwork on the fiscal year 2023 financial statement audit, and she is expecting an unqualified opinion with no material weaknesses or significant deficiencies. The final report will be presented to the Audit Committee at

its November 6, 2023 meeting. Vice President Cate congratulated Controller Burlingham and her team on their excellent work as this is the 13th consecutive year that UVM has received a clean report.

Vice President Cate presented the following updates:

- **Dual enrollment**

The administration is required to report annually on the number of high school students who were enrolled in UVM classes in the past year. For fiscal year 2023, there were 346 high school students who took classes at UVM through the Dual Enrollment Voucher Program and 93 additional high school students were enrolled outside the program.

- **Project updates**

Referencing attachment 2 of the committee packet, Vice President Cate explained that construction projects less than \$2 million do not require board approval, but that the administration is required to provide a report to the board on those projects costing more than \$1 million. The attachment provided status updates on the following projects, all of which are under \$2 million:

- Howe Library building envelope
- Wadhams House and barn
- Main district energy plant, Central Campus
- Multipurpose roof renovations
- University Place sidewalk
- Fleming Museum improvements
- Pomeroy Barn demolition

Vice President Cate made special note that UVM recently received a 2023 preservation award from Preservation Burlington for the work done on the Wadhams House and Barn. This award is intended to honor recent restoration work done on an institutional property.

Report of the Investment Subcommittee (ISC)

ISC Vice Chair Sue Brengle referred committee members to the supplemental performance update report (sent under separate distribution) provided by Prime Buchholz, the university's investment advisor. She noted that the market faced another challenging quarter as the higher interest rate environment continues. However, UVM's endowment has experienced a consistent uptick in performance, and as of August 31, 2023, its balance was \$798 million.

As recommended by the Investment Subcommittee, the committee was asked to reaffirm the Endowment Budget policy and the Endowment Administration Fee policy.

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

Resolution reaffirming the Endowment Budget Policy

RESOLVED, that the *Endowment Budget Policy* is reaffirmed as reads below:

BE IT RESOLVED, that the annual budget for spending from Endowment be set at 4.5 percent of the average market value for the previous thirteen quarters ending December 31 of the prior calendar year; and

BE IT FINALLY RESOLVED, that the Investment Subcommittee will review and make recommendation to the Budget, Finance and Investment Committee regarding the reaffirmation or revision of the *Endowment Budget Policy* each year no later than December 31.

Adopted by: Board of Trustees - May 13, 1995
Reaffirmed: Board of Trustees - September 8, 2007
Board of Trustees - September 5, 2008
Board of Trustees - October 24, 2009
Board of Trustees - October 30, 2010
Board of Trustees - October 22, 2011
Board of Trustees - November 8, 2012
Board of Trustees - October 26, 2013
Board of Trustees - October 18, 2014
Board of Trustees - October 3, 2015
Board of Trustees - October 22, 2016
Board of Trustees - October 20, 2017
Board of Trustees - October 27, 2018
Board of Trustees - January 31, 2020
Board of Trustees - September 25, 2020
Board of Trustees - October 29, 2021
Board of Trustees - October 29, 2022
Board of Trustees -

Resolution reaffirming the Endowment Administration Fee Policy

RESOLVED, that the *Endowment Administration Fee policy* is reaffirmed as reads below:

BE IT FURTHER RESOLVED, that the Board of Trustees hereby approves that an endowment management fee equal to 100 basis points, 80 of which shall flow to the University of Vermont Foundation and 20 of which shall flow to the University, shall be applied to the University endowment beginning as of July 1, ~~2024~~~~2022~~ and continuing through June 30, ~~2025~~~~2024~~; and

BE IT FURTHER RESOLVED, that calculation of the endowment management fee will be based on the average market value of the University endowment for the previous thirteen quarters ending December 31 of the prior calendar year; and

BE IT FINALLY RESOLVED, that the Investment Subcommittee will review and make a recommendation to the Budget, Finance and Investment Committee regarding the reaffirmation or revision of the *Endowment Administration Fee Policy* each year no later than December 31.

Adopted by: Board of Trustees - September 13, 2003
Reaffirmed: Board of Trustees - September 8, 2007
Board of Trustees - September 5, 2008
Amended: Board of Trustees - October 24, 2009
Reaffirmed: Board of Trustees - October 30, 2010
Board of Trustees - October 22, 2011
Board of Trustees - November 8, 2012
Board of Trustees - October 26, 2013
Board of Trustees - October 18, 2014
Board of Trustees - October 3, 2015
Board of Trustees - October 22, 2016
Board of Trustees - October 21, 2017
Board of Trustees - January 31, 2020
Board of Trustees - May 15, 2020
Amended: Board of Trustees - September 25, 2020
Board of Trustees - October 29, 2021
Board of Trustees - October 29, 2022
Board of Trustees -

A motion was made, seconded, and the resolutions were unanimously approved as presented for recommendation to the board.

Executive Session

At 3:00 p.m. Vice Chair Dineen entertained a motion to go into executive session for the purpose of discussing records exempt from disclosure under provisions of the Public Records Act. Everyone was excused from the meeting with the exception of Trustees, Provost Patty Prelock, Vice Presidents Trent Klingerman and Richard Cate, Vice Provost for Enrollment Management Jay Jacobs, University Budget Director Shari Bergquist, University Controller Claire Burlingham, and Chief of Staff to the President Jonathan D'Amore.

The meeting re-opened to the public at 3:42 p.m.

Fiscal year 2025 tuition and fees

President Garimella 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. He announced that voting on tuition and fee resolutions will be deferred to allow for further discussion and will be addressed at a special board meeting.

Adjournment

There being no further business, the meeting was adjourned at 3:52 p.m.

Respectfully submitted,

John Dineen, Vice Chair