

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

COMMITTEE ON BOARD GOVERNANCE

Chair Frank Cioffi, Vice Chair Carolyn Dwyer, Katelynn Giroux, Jodi Goldstein, Stephanie Jerome, Kristina Pisanelli, and Suresh Garimella
(*ex-officio*)

Monday, April 29, 2024

2:30 p.m. – 3:30 p.m.

President's Conference Room, 351 Waterman Building
(via remote conferencing)

AGENDA

	Item	Enclosure/ Exemption	Discussion Leader	Time
	Call to Order			*2:30 p.m.
1.	Approval of December 12, 2023 meeting minutes	Attachment 1	Frank Cioffi	2:30-2:35
2.	Review of proposed revisions to <i>Resolution Regarding Delegation and Retention of Board Authority</i>	Attachments 2 & 3	Frank Cioffi	2:35-3:25
3.	Other business**		Frank Cioffi	3:25-3:30
	Motion to adjourn			3:30 p.m.

*Times are approximate.

**Executive session as needed.

Committee on Board Governance

Monday, April 29, 2024

Prepared by: Frank Cioffi, Chair

At our meeting we will approve minutes from our previous meeting and review proposed revisions to the *Resolution Regarding Delegation and Retention of Board Authority*.

ACTION ITEMS

Approval of previous minutes

The minutes from the December 12, 2023 meeting are included as **Attachment 1**.

Action: Motion to approve the minutes.

Review of proposed revisions to the *Resolution Regarding Delegation and Retention of Board Authority*

Last spring, the Executive Committee discussed the approval thresholds included in the Board's *Resolution Regarding Delegation and Retention of Authority* ("resolution") included as **attachment 2** and last updated in October 2017. Following that discussion, the administration was directed to review and consider updates to the *resolution* that balanced the important interests of transparency to the Board and ensuring that the Board is efficiently engaged on the most important and strategic issues facing the university.

Included as **attachment 3** are proposed changes for the committee's review and consideration. The *resolution* has been reordered into categories for ease of reading and to find items of retained authority. The most significant suggested changes are:

- Transfers of real estate – increase Board retained authority (the \$ amount that the administration is required to seek board approval) from \$1M to \$2M
- Leases – increase from \$500K to \$2M
- Annual Capital Projects Reporting – increase from \$1M to \$2M to \$2M to \$5M
- Purchasing Contracts – increase from \$1M to \$2M
- The settlement of legal claims or lawsuits – increase from \$250,000 to \$1M, regardless of insurance coverage
- Contracts/Leases with values lower than the Board's retained authority but for longer term – increase term requiring approval from 5 years to 10 years

The proposed changes have been carefully considered by Vice President for Finance & Administration Richard Cate and his team, endorsed by Budget, Finance & Investment Committee Chair Don McCree, and reviewed by Board Chair Ron Lumbra and President Garimella.

Additionally, based on feedback received during discussions with the Executive Committee, sections have been added to the *resolution* for the periodic notice to the Finance & Investment Committee or Executive Committee on the following:

- Capital projects with an aggregate cost of greater than \$2M and less than \$5M
- Annual update on transfer of UVM interests in real property at a value greater than \$500K and less than or equal to \$2M
- Notice of lengthy (10+ years) contract or lease renewal terms
- Professional services contracts with an aggregate cost of greater than \$500K, when such costs were not authorized previously through the customary capital projects approval process, and if the type of contract is not otherwise addressed in the *resolution*
- Revenue generating contracts for goods or services provided or generated by the university at a cost to the contractee of more than \$2M over the term of the contract
- Renewal of any previously approved contract or lease that calls for an annual increase in cost exceeding 5% per year

Action: Motion to endorse and refer proposed revisions to the Board for approval.

OTHER BUSINESS

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

**COMMITTEE ON BOARD GOVERNANCE
BOARD OF TRUSTEES
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**

A meeting of the Committee on Board Governance of the Board of Trustees of the University of Vermont and State Agricultural College was held on Tuesday, December 12, 2023, at 12:00 p.m., in the President's Conference Room, 351 Waterman Building, via remote conferencing.

MEMBERS PRESENT: Chair Frank Cioffi, Vice Chair Carolyn Dwyer, Robert Brennan, Jodi Goldstein, Kenny Nguyen, and President Suresh Garimella, *ex-officio*

ABSENT: Kristina Pisanelli

PERSONS ALSO PARTICIPATING: Board Chair Ron Lumbra, Vice President for Legal Affairs & General Counsel Trenten Klingerman, and Trustee Coordinator Corinne Thompson

Chair Frank Cioffi called the meeting to order at 12:00 p.m.

Approval of minutes

Chair Cioffi presented the minutes from the December 1, 2023 meeting for approval. A motion was made, seconded, and it was voted to approve the minutes as presented.

Approval of slate of board and university officers for 2024

Chair Cioffi thanked committee members for their outreach to individual trustees to solicit nominations and presented the following slate of candidates for board and university officers:

Chair: Ron Lumbra
Vice Chair: Cynthia Barnhart
Secretary: Catherine Toll

Assistant Secretary to the Board: Trenten Klingerman
Provost and Senior Vice President: Patricia Prelock
Treasurer: Richard Cate

A motion was made, seconded and the committee unanimously approved the slate of candidates as presented.

Chair Cioffi outlined the next steps in the process. The proposed slate for vice chair and secretary and university officers will be recommended to the board for approval at the February 10, 2024 meeting. The election of chair will occur at a special meeting to be held on March 1, 2024 after new trustees begin their terms.

Adjournment

There being no further business, the meeting was adjourned at 12:05 p.m.

Respectfully submitted,

Frank Cioffi, Chair

UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE
BOARD OF TRUSTEES

Resolution Regarding Delegation and Retention of Board Authority

WHEREAS, this Board has, in its Bylaws and through such policies and resolutions as it may issue from time to time, delegated to the President and other officers of the University certain authority and responsibility for the management of the University and its programs, activities and operations; and

WHEREAS, this Board recognizes the need for prompt and timely management decisions made by qualified University personnel, and thus, through such delegations, authorizes officers of the University to negotiate and enter into contracts and other arrangements to facilitate the objectives of University programs and activities and to conduct related operations; and

WHEREAS, in making such delegation, the Board also assigns to such officer's responsibility to make informed and prudent decisions in the best interests of the University and to maintain accountability to the Board through prompt and accurate reports on University programs, activities and operations, including their financial status and impact;

NOW, THEREFORE, BE IT RESOLVED that, subject to its retained authority and responsibility for the general oversight of the University, and reserving to itself the power to act on its own initiative as necessary to the fulfillment of its own fiduciary and legal duties, the Board hereby delegates to the President and the officers of the University authority and responsibility to negotiate and enter into contracts and other arrangements to facilitate the objectives of University programs and activities and to conduct related operations, and hereby also recognizes the authority the Board delegates to the Faculty Senate as expressed in the Faculty Senate Constitution and Bylaws, except for the following, which shall require Board approval:

- (1) Statements of institutional mission, principles and values;
- (2) The institutional strategic plan and associated goals, and related strategic financial plans and goals, and all material revisions thereto;
- (3) The establishment and dissolution of University-affiliated corporations and foundations, and material revisions to those affiliation agreements;
- (4) University membership in other corporate entities (but not institutional memberships in professional associations);

- (5) The appointment of University Trustees to the boards of other corporate entities or public bodies in their capacity as University Trustees;
- (6) The appointment and employment of the President, election of the other officers of the Board and the University in accordance with the University Bylaws;
- (7) Employment severance payments in excess of the standard amount University policy specifies for officials who report to the President;
- (8) The creation, elimination or substantial revisions of, an academic unit, curriculum, research or service endeavor, as defined in the University Manual;
- (9) The establishment of faculty clinical practice plans;
- (10) Matters the Faculty Senate may appeal to the Board under the Senate Constitution and Bylaws;
- (11) The naming of, and name removal from, academic units, buildings and academic programs;
- (12) Through the Investment Subcommittee of the Budget, Finance and Investment Committee the selection, retention and termination of investment advisors and managers for the Long-Term Investment Pool; provided that the Board must itself approve policies for the Long-Term Investment Pool and the Limited Term Asset Pool;
- (13) The endowment spending rate, and the endowment administration fee;
- (14) Declaration of financial exigency, and the dissolution, merger or the sale or pledge or transfer of all or substantially all of the University's assets;
- (15) The General Fund budget;
- (16) Acceptance of the annual audited financial statements;
- (17) Tuition, room and board rates, student fees, and in-state status regulations for purposes of determining tuition;
- (18) The purchase, sale, exchange, or transfer ("transfer") of complete or partial UVM interests in real property valued greater than \$1,000,000 provided that the administration shall report at least once annually on transfer of such interests at a value greater than \$500,000 and less than or equal to \$1,000,000;

- (19) University acceptance of compensation in eminent domain proceedings;
- (20) The lease or sublease of property with annual or aggregate rental value that equals or exceeds \$500,000, and renewals thereof;
- (21) The pursuit or acceptance of historic preservation designation for University property;
- (22) The Campus Master Plan, and material revisions thereto;
- (23) Payments in lieu of taxes to a government entity or payment of fees for municipal services rendered by or through a government entity and, in either instance, voluntarily;
- (24) Issuance of bonds;
- (25) Institutional debt policy;
- (26) The procurement of loans, lines of credit, or other financing, and performance as surety, in amounts or at a value greater than \$1,000,000, or entry into any financial derivative contract with a notional value greater than \$1,000,000;
- (27) The program design of a capital project and authorization to proceed with a capital project at an aggregate cost of greater than \$2,000,000, at a specified not-to-exceed cost, provided that the administration shall report to the Board on capital projects with an aggregate cost of greater than \$1,000,000 and less than or equal to \$2,000,000 as plans are developed and before projects are initiated;
- (28) A contract with a vendor for purchase of goods or equipment or the procurement of services, at an aggregate cost of greater than \$1,000,000, when such costs were not authorized previously through the customary capital projects approval process;
- (29) A contract with a vendor for professional services at an aggregate cost of greater than \$250,000 when such costs were not authorized previously through the customary capital projects approval process, and if the type of contact is not otherwise addressed in this resolution;
- (30) Revenue-generating contracts for goods or services provided or generated by the University at a cost to the contractee of more than \$1,000,000 over the term of contract;

- (31) The selection and retention of independent audit firm to conduct the annual audit of financial statements;
- (32) Contracts for non-audit services with the audit firm that is conducting the annual audit of financial statements at an aggregate cost greater than \$25,000;
- (33) The material terms of collective bargaining agreements and, within the context of approval of the annual budget, the annual salary pool for non-union-represented employees;
- (34) The settlement of legal claims or lawsuits at a cost greater than \$250,000, regardless of insurance coverage;
- (35) Authorization to file or settle lawsuits in which the Board, or a Trustee or an Officer of the University is a named party (and, in the latter two instances, *ex officio*), or a Board-approved policy is in dispute;
- (36) A contract or lease whose term, including potential or proposed renewals, exceeds five (5) years, regardless of contract value or amount, provided that Board approval is not required for a) licenses and option agreements, confidentiality agreements, materials transfer agreements, or other similar arrangements administered by the University's Office of Technology Commercialization, or b) revenue generating contracts for goods or services provided or generated by the University at an aggregate cost to the contractee of less than \$500,000;
- (37) All self-governance matters reserved to the Board in the University Bylaws, or as otherwise required or permitted by law;
- (38) Material revisions to the University Manual or to the College of Medicine Faculty Handbook;
- (39) Institutional policies, including material revisions thereto, and such other authority as the Board is required to exercise without delegation as a matter of law or that, in the future and prospectively, authority that it wishes to retain or resume in the exercise of its fiduciary duties and its sole discretion;

AND BE IT FURTHER RESOLVED, that notwithstanding such delegations, through the President or his designees the administration shall report periodically on matters of institutional management and operations as the Board may direct and/or as may be appropriate and desirable, including without limitation periodic reporting on gifts and grants; and

BE IT FINALLY RESOLVED, that this resolution shall supersede all preexisting resolutions regarding delegation and retention of Board authority.

Adopted by the Board of Trustees: September 11, 2004
Approved as revised by the Executive Committee: March 14, 2005
Approved as revised by the Board of Trustees: May 19, 2007
Approved as revised by the Board of Trustees: May 17, 2008
Approved as revised by the Board of Trustees: September 5, 2008
Approved as revised by the Board of Trustees: February 7, 2009
Approved as revised by the Board of Trustees: February 6, 2010
Approved as revised by the Board of Trustees: March 8, 2010
Approved as revised by the Board of Trustees: February 5, 2011
Approved as revised by the Board of Trustees: March 14, 2011
Approved as revised by the Board of Trustees: May 19, 2012
Approved as revised by the Board of Trustees: November 8, 2012
Approved as revised by the Board of Trustees: March 11, 2013
Approved as revised by the Board of Trustees: September 15, 2014
Approved as revised by the Board of Trustees: March 16, 2015
Approved as revised by the Board of Trustees: May 21, 2016
Approved as revised by the Executive Committee: December 12, 2016
Approved as revised by the Board of Trustees: October 21, 2017

UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE BOARD OF TRUSTEES

Resolution Regarding Delegation and Retention of Board Authority

WHEREAS, this Board has, in its Bylaws and through such policies and resolutions as it may issue from time to time, delegated to the President and other officers of the University certain authority and responsibility for the management of the University and its programs, activities and operations; and

WHEREAS, this Board recognizes the need for prompt and timely management decisions made by qualified University personnel, and thus, through such delegations, authorizes officers of the University to negotiate and enter into contracts and other arrangements to facilitate the objectives of University programs and activities and to conduct related operations; and

WHEREAS, in making such delegation, the Board also assigns to such officer's responsibility to make informed and prudent decisions in the best interests of the University and to maintain accountability to the Board through prompt and accurate reports on University programs, activities and operations, including their financial status and impact;

NOW, THEREFORE, BE IT RESOLVED that, subject to its retained authority and responsibility for the general oversight of the University, and reserving to itself the power to act on its own initiative as necessary to the fulfillment of its own fiduciary and legal duties, the Board hereby delegates to the President ~~and the officers~~ of the University authority and responsibility to negotiate and enter into contracts and other arrangements to facilitate the objectives of University programs and activities and to conduct related operations, and hereby also recognizes the authority the Board delegates to the Faculty Senate as expressed in the Faculty Senate Constitution and Bylaws, except for ~~the following those matters identified herein~~, which shall require Board approval ~~or notice to the Board as set forth below~~:

I. Strategic Mission, Vision, and Values

The Board shall retain the authority to approve the following:

- A. Statements of institutional mission, principles, and values; and
- B. The institutional strategic plan and associated goals, and related strategic financial plans and goals, and all material revisions thereto;

II. Corporate Structure and Governance

The Board shall retain the authority to approve the following:

- A. The establishment and dissolution of University-affiliated corporations and foundations, and material revisions to those affiliation agreements;
- B. The establishment and dissolution of University-affiliated corporations and foundations, and material revisions to those affiliation agreements;
- C. University membership in other corporate entities (but not institutional memberships in professional associations);

- D. The appointment of University Trustees to the boards of other corporate entities or public bodies in their capacity as University Trustees; and
- E. The appointment and employment of the President, election of the other officers of the Board and the University in accordance with the University Bylaws;
- F. The creation, elimination, or substantial revisions of, an academic unit, curriculum, research, or service endeavor, as defined in the University Manual;
- G. The establishment of faculty clinical practice plans;
- H. Matters the Faculty Senate may appeal to the Board under the Senate Constitution and Bylaws;
- I. All self-governance matters reserved to the Board in the University Bylaws, or as otherwise required or permitted by law;
- J. Material revisions to the University Manual or to the College of Medicine Faculty Handbook; and
- K. Institutional policies, including material revisions thereto, and such other authority as the Board is required to exercise without delegation as a matter of law or that, in the future and prospectively, authority that it wishes to retain or resume in the exercise of its fiduciary duties and in its sole discretion;

III. **Budget, Finance, and Investment**

The Board shall retain the authority to approve the following:

- A. The General Fund budget;
- B. Acceptance of the annual audited financial statements;
- C. Tuition, room and board rates, student fees, and in-state status regulations for purposes of determining tuition;
- D. The endowment spending rate, and the endowment administration fee;
- E. Institutional debt policy;
- F. Issuance of bonds;
- G. Declaration of financial exigency, and the dissolution, merger or the sale or pledge or transfer of all or substantially all of the University's assets;
- H. ~~Through the Investment Subcommittee of the Budget, Finance and Investment Committee the selection, retention and termination of investment advisors and managers for the Long-Term Investment Pool; provided that the Board must itself approve~~ Long-Term Investment Pool and the Limited Term Asset Pool ~~policies~~;
- I. The procurement of loans, lines of credit, or other financing, and performance as surety, in amounts or at a value greater than \$1,000,000, or entry into any financial derivative contract with a notional value greater than \$1,000,000; and
- J. The selection and retention of independent audit firm to conduct the annual audit of financial statements;

IV. Real Estate and Facilities

The Board shall retain the authority to approve the following:

- A. The naming of, and name removal from, academic units, buildings and academic programs;
- B. The program design of a capital project and authorization to proceed with a capital project at an aggregate cost of greater than \$52,000,000, at a specified not-to-exceed cost;
- C. The purchase, sale, lease, sublease, license, exchange, or transfer (“Transfer”) of complete or partial UVM interests in real property, including easements, valued greater than \$42,000,000, and renewals thereof;
- D. University acceptance of compensation in eminent domain proceedings;
- ~~E. The lease or sublease of property with annual or aggregate rental value that equals or exceeds \$500,000, and renewals thereof;~~
- ~~F.E.~~ The pursuit or acceptance of historic preservation designation for University property; and
- ~~G.F.~~ The Campus Master-Plan, and material revisions thereto;

The Administration must notify the Board or the Executive Committee of the following transactions:

- ~~H.G.~~ Capital projects with an aggregate cost of greater than \$42,000,000 and less than or equal to \$25,000,000 as plans are developed and before projects are initiated;
- ~~H.H.~~ At least once annually ~~on any~~ transfer of ~~such~~ UVM-interests in real property at a value greater than \$500,000 and less than or equal to \$42,000,000;

V. Other Contracts and Written Instruments

The Board shall retain the authority to approve the following:

- A. Payments in lieu of taxes to a government entity or payment of fees for municipal services rendered by or through a government entity and, in either instance, voluntarily;
- B. The material terms of collective bargaining agreements and, within the context of approval of the annual budget, the annual salary pool for non-union-represented employees;
- C. A contract with a vendor for purchase of goods or equipment or the procurement of services, at an aggregate cost of greater than \$42,000,000, when such costs were not authorized previously through the customary capital projects approval process;
- ~~D. A contract or lease whose term, including potential or proposed renewals, exceeds five (5) years, regardless of contract value or amount, provided that Board approval is not required for a) licenses and option agreements, confidentiality agreements;~~
- ~~E.D.~~ The settlement of legal claims or lawsuits at a cost greater than \$2501,000,000, regardless of insurance coverage;

Commented [TK1]: Strike the “a)” but leave the exception - moved to h)

~~F.E.~~ Contracts for non-audit services with the audit firm that is conducting the annual audit of financial statements at an aggregate cost greater than \$25,000;

~~G.~~ Revenue-generating contracts for goods or services provided or generated by the University at a cost to the contractee of more than \$1,000,000 over the term of contract;

~~H.F.~~ Employment severance payments in excess of the standard amount University policy specifies for officials who report to the President;

~~H.G.~~ A contract or lease whose initial term exceeds ten (10) years, regardless of contract value or amount, provided that Board approval is not required for licenses and option agreements, confidentiality agreements, materials transfer agreements, or other similar arrangements administered by the University's Office of Technology Commercialization;

~~H.H.~~ Authorization to file or settle lawsuits in which the Board, or a Trustee or an Officer of the University is a named party (and, in the latter two instances, ex officio), or a Board-approved policy is in dispute;

~~K.L.~~ Nothing in this section V. is intended to include a requirement of board approval for awards, subawards, contracts or subcontracts administered by Sponsored Projects Administration;

The Administration must notify the Board or the Executive Committee of the following transactions:

~~L.J.~~ The renewal of any existing contract or lease whose renewal term, exceeds ten (10) years, regardless of contract value or amount, provided that notice is not required for licenses and option agreements, confidentiality agreements, materials transfer agreements, or other similar arrangements administered by the University's Office of Technology Commercialization;

~~M.K.~~ A contract with a vendor for professional services at an aggregate cost of greater than \$500,000 when such costs were not authorized previously through the customary capital projects approval process, and if the type of contact is not otherwise addressed in this resolution;

~~L.~~ Revenue-generating contracts for goods or services provided or generated by the University at a cost to the contractee of more than \$2,000,000 over the term of contract;

~~N.M.~~ The renewal of any existing previously approved contract or lease that calls for an annual increase in cost exceeding 5% per year.

Commented [TK2]: I recommend moving this to the Administration will provide Notice category

Commented [TK3]: This used to be \$250,000 and require approval

AND BE IT FURTHER RESOLVED, that notwithstanding such delegations, through the President or his designees the administration shall report periodically on matters of institutional management and operations as the Board may direct and/or as may be appropriate and desirable, including without limitation periodic reporting on gifts and grants; and

BE IT FINALLY RESOLVED, that this resolution shall supersede all preexisting resolutions regarding delegation and retention of Board authority.

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