

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

FULL BOARD

Chair Ron Lumbra, Vice Chair Cynthia Barnhart, Secretary Curt McCormack, Briar Alpert, David Aronoff, John Bartholomew, Otto Berkes, Robert Brennan, Kevin Christie, Frank Cioffi, John Dineen, Johannah Donovan, Carolyn Dwyer, President Suresh Garimella, Jodi Goldstein, David Gringeri, Donald McCree, Carol Ode, Ed Pagano, Governor Phil Scott, Shap Smith, Berke Tinaz, Tristan Toleno and Samuel Young

Friday, May 15, 2020

11:35 a.m. – 12:30 p.m.

**This meeting will be held remotely. If interested in listening in, please dial:
1-802-489-6040; Conference ID: 497 223 154#*

For any technical issues or questions, please email edickinson@uvm.edu.

Note this meeting adjourned at 11:58 a.m.

AGENDA

	Item	Enclosure/ Exemption	Discussion Leader(s)	Time
	Call to order			11:35 a.m.*
1.	Approval of January 31, 2020, March 2, 2020 and April 6, 2020 meeting minutes	Attachments 1-3	Ron Lumbra	11:35-11:40
2.	Public comment		Ron Lumbra	11:40-11:55
3.	Committee reports			
	Audit		Shap Smith	11:55-12:00
	Educational Policy & Institutional Resources		Carolyn Dwyer	12:00-12:05
	Budget, Finance & Investment		Don McCree	12:05-12:10
4.	VT Agricultural College Board		Tristan Toleno	12:10-12:15
5.	UVM Board		David Aronoff	12:15-12:20
6.	Approval of consent agenda	Attachment 4	Ron Lumbra	12:20-12:25
7.	Other business**		Ron Lumbra	12:25-12:30
	Motion to adjourn			12:30 p.m.

*Time is approximate.

** Executive session as needed.

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

A meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Friday, January 31, 2020, at 2:30 p.m. in the Silver Maple Ballroom, 401 at the Dudley H. Davis Center.

MEMBERS PRESENT: Chair David Daigle, Vice Chair Ron Lumbra, Secretary Curt McCormack, Briar Alpert, David Aronoff, Cynthia Barnhart, John Bartholomew, Otto Berkes, Robert Brennan, Kevin “Coach” Christie, Frank Cioffi, Johannah Donovan, Carolyn Dwyer, President Suresh Garimella, Jodi Goldstein, David Gringeri, Sidney Hilker, Bernard Juskiewicz, Don McCree, Ed Pagano, Shap Smith, Tristan Toleno, and Samuel Young

MEMBERS ABSENT: Governor Phil Scott and Carol Ode

ALSO PARTICIPATING: Incoming Trustee Berke Tinaz

Chair David Daigle called the meeting to order at 2:34 p.m.

Board Governance Committee report

Committee Chair Frank Cioffi reported that the committee met yesterday to review proposed amendments to the *Guidelines for the Selection of Trustees* and noted that all board policies and guidelines are revisited periodically by university and board leadership. He briefly reviewed the various sources for appointing members to the board and acknowledged that the guidelines are intended as a resource for the recruitment of trustees regardless of their source of appointment.

Chair Cioffi further reported that trustees already have received a copy of the proposed amendments, which received unanimous support from the Governance Committee. The following resolution was presented for approval:

Resolution approving amendments to the *Guidelines for Selection of University Trustees*

BE IT RESOLVED, that the Board of Trustees hereby approves the amendments to the *Guidelines for Selection of University Trustees* appearing as Appendix D to this document.

An opportunity for final comments was offered. There being none, a motion was made, seconded, and the resolution was unanimously approved.

Public comment

Chair Daigle opened the public comment period by reviewing the process. He then invited the following persons to address the board:

Benjamin Wagner, a UVM junior and representative from UVM-affiliated group Organize, who shared concerns about investments and urged the board to act on the group’s proposal to divest from fossil fuels and to adhere to the university’s vision statement “to be among the nation’s premier small research universities preeminent in our

comprehensive commitment to liberal education, environment, health and public service.”

Paul Bierman, Professor of Geology and Natural Resources, expressed his view of the importance of diversifying the membership of the board of trustees, and presented a copy of a petition in support of further diversification. Professor Bierman also urged trustees to divest from fossil fuels and to pledge to decarbonize UVM.

Julie Roberts, President of United Academics and Professor of Linguistics, reported collective bargaining negotiations began last week. She shared themes and priorities that emerged from a meeting with faculty, this past fall, including salaries, workload concerns, job security for non-tenured faculty, and a provision to increase support and retain faculty of color and other underrepresented groups.

Zoe Kennedy, a UVM sophomore, shared concerns regarding Sodexo, the university’s food service provider. She reported on allegations that private prisons operated by Sodexo have systemic issues that result in human rights abuses for inmates and prison workers, and she encouraged UVM to end their contract with Sodexo.

Sophie Smith, a UVM junior majoring in environmental studies and chair of the Student Government Association Committee on Environment, expressed support for Organize’s proposal to divest from fossil fuels and shared concerns regarding UVM’s stated environmental values and the economic implications of climate change. She distributed a document to trustees that asked the board to adopt a resolution assuring the campus community of its commitment to the environment and to create an advisory committee to make a recommendation about divestment.

Approval of previous meeting minutes

A motion was made, seconded and it was voted to approve the minutes from the October 26, 2019 meeting as presented.

Committee reports

Audit Committee

Trustee David Gringeri offered a summary report of meetings held on November 4, 2019 and January 30, 2020. At the November meeting, the committee reviewed the draft fiscal year (FY) 2019 annual financial report and audit. The audit resulted in no significant deficiencies or material weaknesses and the financial statements were accepted and recommended for board acceptance. A resolution accepting the financial statements appears on today’s consent agenda for approval.

Also in November, the committee reviewed highlights from Director of Compliance Services and Chief Privacy Officer Tessa Lucey’s annual report. The committee reviewed its work plan for the year and the draft 2020 audit and compliance work plan.

At yesterday afternoon’s meeting, the committee received a presentation on the FY 2019 NCAA Agreed-Upon Procedures report and management’s response. University Controller Claire Burlingham and KPMG reported no significant adjustments were identified as a result of the

procedures performed. Controller Burlingham also reported the results of the Uniform Guidance audit pertaining to federally sponsored programs. No findings related to compliance and internal control were identified during the audit.

Additionally, the following updates were provided:

- Chief Internal Auditor Bill Harrison provided a summary of current internal audit projects and reviewed the status of open audit recommendations.
- Director Lucey presented the results of the 2019 compliance survey. Overall, the results continue to show some level of improvement across most measures and indicate that the culture of compliance continues to move in the right direction.
- Vice President for Operations and Public Safety Gary Derr and Chief Risk & Public Safety Officer Al Turgeon provided a status update on the enterprise risk management (ERM) program. The ERM review process will be shifting to a biennial schedule.
- Lastly, the committee reviewed the results of the 2019 committee assessment survey. Overall, the survey participants agreed that the committee performs effectively.

Educational Policy and Institutional Resources Committee (EPIR)

Committee Chair Carolyn Dwyer reported that the committee had an incredibly engaging meeting. Provost & Senior Vice President Patricia Prelock led a discussion about transforming the existing academic excellence goals to a more current set of academic goals that support the president's strategic academic priorities, including: (1) student success and access, (2) enhancing our research portfolio, and (3) meeting our land grant mission. The committee discussed the university's current and potential role in each, as well as the process that will be employed to develop the new goals. The committee looks forward to receiving updates as this process unfolds.

The committee heard from students involved in a variety of clubs about the value of club engagement and how it supports personal, professional, and career development. Presenters included the vice president of the Indian Students' Association, the president of the UVM Forestry Club/Student Chapter of the Society of American Foresters, the co-director of Camp Kesem and the president of the Women in Business Club. The students tied their experiences in their respective clubs to the land-grant mission as well as noting career opportunities as a result of their club participation.

The committee endorsed the following academic proposals for board approval:

1. Termination of the Master of Education in Reading and Language Arts in the College of Education and Social Services in conjunction with the Graduate College. The degree is dormant and has not accepted students since 2011. All other M.Ed. programs remain.
2. The termination of the Bachelor of Arts in Engineering in the College of Engineering and Mathematical Sciences due to low enrollment since inception. All other B.S. degrees in Engineering remain.

3. The creation of a minor in Bioinformatics in the College of Agriculture and Life Sciences.
4. The creation of a minor in Biosecurity in the College of Agriculture and Life Sciences.
5. Termination of the Bachelor of Music degree in the College of Arts and Sciences due to low enrollment since inception. The B.A. in music remains.
6. The creation of a post-professional Doctorate of Occupational Therapy in the College of Nursing and Health Sciences in conjunction with the Graduate College.

The committee also reaffirmed the Equal Employment Opportunity/Affirmative Action and Equal Opportunity in Educational Programs and Activities and Non-Harassment policy statements. Both policies were reformatted in the new policy template, which includes a regulatory reference/citation section that lists laws, acts, statues, and regulations for which the policy was developed.

The meeting concluded with an opportunity for members to ask questions regarding the following written reports:

- Provost report
- Annual Vice President for Human Resources, Diversity & Multicultural Affairs report
- Annual student affairs report
- Capital projects progress reports

Budget, Finance and Investment Committee (BFI)

Chair Don McCree reported that the committee had a productive meeting and unanimously endorsed resolutions for approval by the board including:

1. \$49 million in expenditures to complete the development and construction of the Firestone Medical Research Building with sources of funding coming from a combination of the Larner College of Medicine Dean's reserves, University Medical Education Association, UVM Medical Group, the President's Fund and the Dean's Fund.
2. An increase in expenditures for the Recital Hall expansion and renovation project with additional funding from the donors to retain program priorities and the remaining balance from existing reserves from the UVM Foundation and the University.
3. The committee conducted their annual review of the university Debt policy and recommend reaffirmation with no changes.
- 4 & 5. At the recommendation of the Investment Subcommittee, the committee reaffirmed the Endowment Budget and the Endowment Administrative Fee policies with no changes.
6. All FY 2021 student fees, with no increase in comprehensive fees with the exception of the athletic/recreation fee (\$130 per semester beginning fall 2020, and an additional

\$70 per semester beginning in fall 2021), which was approved at the May 2019 board meeting for the multi-purpose center.

7. Room and meal plan rates for FY 2021. Based on new program additions/changes, facility renovations, and debt payment responsibilities, the predominant residence hall traditional double room will increase 3.00% over the current year's rate, not to exceed \$8,756. The predominant meal plan will increase 3.5% over the current year's rate, not to exceed \$4,568, based on UVM's contract with Sodexo.
8. The appointment of Whitney Wagner and David Daigle as advisors to the Investment Subcommittee for a one-year period, beginning March 1, 2020.

Investment Subcommittee Chair Rob Brennan reported that all asset classes had a positive return and the market value of the endowment as of December 31, 2019, was \$565 million. He noted that the UVM Foundation has \$31 million in assets not invested in the endowment.

As of December 31, 2019, the university's general fund is at 84% of its revenue, and has spent 53% of its expense budget. It is expected that the university will meet its budget targets this fiscal year.

The committee reviewed the funding mechanisms the university uses for various active capital projects and conducted its annual review of net assets and green revolving loan fund. Net assets totaled \$260.5 million at the end of FY 2019. In keeping with the amendments to the Cash Management and Liquidity policy, the unencumbered unrestricted liquidity pool exceeds \$30 million by \$4.6 million. The green revolving loan fund balance as of November 30, 2019 is \$10.4 million.

Lastly, the UVM Foundation reported commitments totaling \$33.2 million for the on-campus multipurpose center and projects to have cash receipts for the project totaling \$15.6 million by December of 2021.

Vermont Agricultural College Board

Chair Tristan Toleno reported that the Vermont Agricultural College Board discussed and unanimously endorsed the recommended amendments to the *Guidelines for the Selection of University Trustees*.

The board discussed multiple bills in the 2020 legislative session including: Minimum wage; paid family leave; UVM board gender parity; compensation for athletes; and bills related to increasing the primary care workforce.

The board also debriefed the 2019 legislative summit on innovations in education and research for the benefit of Vermont, which was held at UVM's Larner College of Medicine, and planning for this year's summit. The board acknowledged that attendance continues to be a challenge and considered options for maximizing participation. It was suggested rotating the date between the fall and spring semesters as well as alternating the location of the event between the UVM campus and Montpelier. Primary Care Workforce and the Center on Rural Addiction's work were suggested as possible topics for this year. The board will continue to discuss these options.

University of Vermont Board

Chair Ron Lumbra reported that the University of Vermont Board also reviewed, discussed, and unanimously endorsed the recommended amendments to the *Guidelines for the Selection of University Trustees*.

The board reviewed a summary of the Wilbur Trust Fund financial report from July 1, 2019 through November 30, 2019. Chair Lumbra reminded trustees that the Wilbur Trust Fund was established by James Benjamin Wilbur and funds are invested under the oversight of the Investment Subcommittee. He noted the Wilbur Trust currently has assets totaling \$22 million, from which a portion is used to help make tuition more affordable for Vermont high school students. Annually, at this time of year, the board receives a report on recipients who have received grants in the previous academic year. He noted that the report includes charts tracking recipients by gender and ethnicity over the last ten years. Chair Lumbra further noted that in academic year 2018-2019, one hundred ninety-nine Vermont residents received grants totaling \$931,803.

The remainder of the meeting was held in executive session to discuss trustee recruitment and succession planning for future board members. At the conclusion of executive session, the board re-appointed Don McCree and appointed John Dineen, both effective March 1, 2020, for six-year terms. Mr. Dineen is a 1986 alum from New Hampshire and has a diverse skillset in the fields of health care and finance, having served as CEO of GE Healthcare and currently as an advisor for a private equity firm.

Chair Lumbra reported that in addition to Trustee McCree, he and Cynthia Barnhart were due to complete their terms of service on February 29, 2020. He reminded trustees that on December 11, 2019 the board met off-cycle to approve the appointment of Trustee Barnhart to an additional six-year term, commencing on March 1, 2020. Additionally, as a result of Board Chair David Daigle's decision to step down as chair, and resign his seat on the board at the end of February 2020, the board appointed Chair Lumbra to fill the remaining two-years of the term being vacated by Board Chair Daigle.

Lastly, the board voted to elect David Aronoff as Chair, Jodi Goldstein as Vice Chair, and Briar Alpert as Secretary. Each officer will serve one-year terms through May 2020.

Board Governance Committee

Chair Cioffi reported that the committee convened on December 12, 2019 to initiate the nominations process. On December 17, 2019, Board Chair David Daigle informed all trustees that he would not seek re-election as chair and intended to step down from the board at the end of February to facilitate an orderly transition of board leadership.

On that same day, Chair Cioffi informed trustees that Vice Chair Ron Lumbra was willing to stand for election as chair, trustee Cynthia Barnhart was willing to stand for election as vice chair, and incumbent Secretary Curt McCormack was willing to stand for re-election. Trustees were informed that nominations occurred at the December 12, 2019 Committee on Board Governance meeting and that trustees Lumbra and Barnhart were eligible to stand for election because of action taken at the December 11, 2019 UVM Board meeting. Following these communications, Committee on Board Governance members reached out to individual trustees to solicit nominations.

The committee convened on January 6, 2020, and at the meeting, guided by input of all participating trustees, and its own deliberations, voted on a slate of candidates. Following the meeting, a memo was issued to the board advising of the slate of board and university officer nominations, to be voted on at today's meeting.

Election of Board Officers

Chair Daigle reminded trustees, in accordance with the University Charter, the chair is elected at the first meeting after new trustee terms begin on March 1st. The election of chair will occur at a special board meeting scheduled on March 2, 2020 at 1:00 p.m.

Chair Daigle acknowledged that he will continue in office through the expiration of his term on February 29, 2020, after which the Vice Chair serves as Interim Chair until the new chair is elected on March 2, 2020.

He then asked Frank Cioffi, Chair of the Board Governance Committee, to identify the slate by office and proposed nominee.

Committee Chair Cioffi presented the following slate:

Chair:	<u>Ron Lumbra</u> [no action]
Vice Chair:	<u>Cynthia Barnhart</u>
Secretary:	<u>Curt McCormack</u>
Assistant Secretary:	<u>Sharon Reich Paulsen</u>

Chair Daigle asked for additional nominations. No further nominations were made. A motion was made, seconded and Trustees voted unanimously to elect the proposed slate of board officers.

In accordance with the bylaws, Board Chair Daigle next entertained a motion for appointment of the following university officers, by virtue of their office, for a one-year term beginning March 1, 2020, or until their successors take office:

Provost:	<u>Patricia Prelock</u>
Treasurer:	<u>Richard Cate</u>

A motion was made, seconded and trustees voted unanimously to elect the proposed slate of university officers. Trustees Barhnart and McCormack recused themselves from the vote on the officer positions to which they were nominated.

Retiring Trustees

Chair Daigle recognized and thanked Trustee Sidney Hilker who will be completing her term at the end of February. Chair Daigle then read a resolution in recognition of Ms. Hilker's service on the board and presented her with a framed copy.

Vice Chair Ron Lumbra recognized and thanked Chair David Daigle, who will conclude his chairmanship and step off the board at the end of February. Vice Chair Lumbra read a resolution

in recognition of Chair Daigle's leadership and service on the board, and presented him with a framed copy.

Approval of consent agenda

Chair Daigle introduced the revised consent agenda, noting that resolutions presented and endorsed following executive sessions at this morning's Committee of the Whole and Budget, Finance & Investment meetings (#2 & #17), and retiring trustee resolutions (#18-19), have been added. Additionally, resolution #15 was revised at the Budget, Finance & Investment meeting to include the graduate student fee and the amount of the comprehensive fee was corrected from \$2,188 to \$2,448.

An opportunity for discussion was offered. There being none, Chair Daigle presented the following resolutions to be voted on as a consent agenda:

COMMITTEE OF THE WHOLE

1. Acceptance of fiscal year 2019 audited financial statements

WHEREAS, the financial statements of the University of Vermont and State Agricultural College for the fiscal year ended June 30, 2019, have been audited by KPMG LLP, Certified Public Accountants, in accordance with 16 V.S.A. Section 2281(a);

BE IT RESOLVED, that the Board of Trustees hereby accepts the FY 2019 audited financial statements as recommended by the Audit Committee and presented today, and acknowledges receipt of the FY 2019 financial report.

2. Resolution authorizing negotiation of collective bargaining agreements with United Academics and United Electrical

BE IT RESOLVED, that the Board of Trustees authorizes the administration to negotiate collective bargaining agreements with United Academics and United Electrical on the material terms reported on this date.

EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES COMMITTEE

3. Resolution approving the termination of the Master of Education in Reading and Language Arts in the College of Education and Social Services in conjunction with the Graduate College

BE IT RESOLVED, that the Board of Trustees approves the termination of the Master of Education in Reading and Language Arts in the College of Education and Social Services in conjunction with the Graduate College, as approved and advanced by the Provost on December 16, 2019 and President on December 19, 2019.

4. Resolution approving the termination of the Bachelor of Arts in Engineering in the College of Engineering and Mathematical Sciences

BE IT RESOLVED, that the Board of Trustees approves the termination of the Bachelor of Arts in Engineering in the College of Engineering and Mathematical Sciences, as approved and advanced by the Provost and President on December 19, 2019.

5. Resolution approving the creation of a minor in Bioinformatics in the College of Agriculture and Life Sciences

BE IT RESOLVED, that the Board of Trustees approves the creation of a minor in Bioinformatics in the College of Agriculture and Life Sciences, as approved and advanced by the Provost on December 16, 2019 and the President on December 19, 2019.

6. Resolution approving the creation of a minor in Biosecurity in the College of Agriculture and Life Sciences

BE IT RESOLVED, that the Board of Trustees approves the creation of a minor in Biosecurity in the College of Agriculture and Life Sciences, as approved and advanced by the Provost and President on December 19, 2019.

7. Resolution approving the termination of the Bachelor of Music degree in the College of Arts and Sciences

BE IT RESOLVED, that the Board of Trustees approves the termination of the Bachelor of Music degree in the College of Arts and Sciences, as approved and advanced by the Provost and President on January 28, 2020.

8. Resolution approving the creation of a post-professional Doctorate of Occupational Therapy in the College of Nursing and Health Sciences in conjunction with the Graduate College

BE IT RESOLVED, that the Board of Trustees approves the creation of a post-professional Doctorate of Occupational Therapy in the College of Nursing and Health Sciences in conjunction with the Graduate College, as approved and advanced by the Provost and Provost on January 28, 2020.

9. Resolution Reaffirming Equal Opportunity Policies

BE IT RESOLVED, that the Board of Trustees reaffirms the Equal Employment Opportunity/Affirmative Action Policy, attached here as Appendix A; and

BE IT FURTHER RESOLVED, that the Board of Trustees reaffirms the Equal Opportunity in Educational Programs and Activities and Non-Harassment Policy, attached here as Appendix B.

BUDGET, FINANCE & INVESTMENT COMMITTEE

10. Resolution authorizing expenditures for the development and construction of the Firestone Medical Research Building project

WHEREAS, on June 11, 2018, the Executive Committee approved the University's recognition of Steven N. Firestone, M.D. '69 as naming gift donor for a project heretofore called the Firestone Medical Research Building; and

WHEREAS, on October 26, 2018, the Board of Trustees authorized the expenditure of \$6 million to undertake the expenditures necessary to complete the project design, including construction drawings for the project; and

WHEREAS, on May 18, 2019, the Educational Policy & Institutional Resources Committee approved the project scope for the project and referred it to the Budget, Finance & Investment Committee for future financial review; and

WHEREAS, the administration has presented a plan for funding the project without debt;

THEREFORE, BE IT RESOLVED, that the Board of Trustees authorizes the administration to undertake the expenditures necessary to complete the design and construction of the project at a cost consistent with its report of this date, with the understanding that bids for the construction cost have not yet been received and the administration will seek further authorization from the Board, prior to commencing construction, should the project cost exceed \$49 million; and

BE IT FURTHER RESOLVED, that the \$49 million in funds for total expenditures for the project be drawn from gift funds, dean's reserves, university general fund reserves, and reserves of the University Medical Education Associates.

11. Resolution authorizing expenditures for the Recital Hall expansion and renovation project

WHEREAS, on July 3, 2018, the Executive Committee approved the Recital Hall expansion and renovation project at a cost not to exceed \$3,300,000;

WHEREAS, the administration today reported on a revised expenditure and funding plan that would increase the project cost by an additional \$1,004,000; and

WHEREAS, the University has received a written pledge commitment that would fund \$247,000 of the increase from additional gift funds, and the UVM Foundation and the University will provide the remaining \$757,000 from available reserves;

BE IT RESOLVED, that the Board of Trustees authorizes an additional \$1,004,000 for the Recital Hall expansion and renovation project for a total expenditure of \$4,304,000, to be expended in a manner consistent with the report made on this date.

This resolution supplements the resolution approved by the Executive Committee on July 3, 2018.

12. Resolution reaffirming the Debt policy

WHEREAS, in September 2004, the Board of Trustees adopted a Debt policy to guide the portfolio management of debt, to be reviewed annually; and

WHEREAS, since its creation in 2006, the Budget, Finance, and Investment Committee has been charged with the annual review of the Debt policy, which it most recently revised in February 2019;

BE IT RESOLVED, that the Board of Trustees hereby reaffirms the policy, appearing as Appendix C to this document.

13. Resolution reaffirming the Endowment Budget policy

WHEREAS, on October 30, 2019, the Investment Subcommittee met, reviewed, and discussed the Endowment Budget policy;

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

BE IT FURTHER RESOLVED, that the annual budget for spending from the 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*

14. Resolution reaffirming the Endowment Administration Fee policy

WHEREAS, on November 19, 2019, the Investment Subcommittee met, reviewed and discussed 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 a 0.25 percent fee applied to the University endowment for Fiscal Year 2020 to cover reasonable costs associated with endowment administration, management and operation; and

BE IT FURTHER RESOLVED, that calculation of the 0.25 percent 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

15. Resolution setting the comprehensive fee, student government association, graduate student and inter residence association fees for fiscal year 2021

BE IT RESOLVED, that the Board of Trustees hereby sets the following fee rates:

Student Government Association (SGA) Fee	\$222
Inter Residence Association (IRA) Fee	\$30
Comprehensive Fee	\$2,448
Graduate Student Fee	\$10

16. Resolution approving room and meal plan rates for fiscal year 2021

BE IT RESOLVED, that the Board of Trustees hereby approves room and meal plan rates for fiscal year 2021 as follows:

Room Rates Per Year

Private Single with Bath \$10,942

Private Double with Bath \$9,720

Private Triple with Bath	\$8058
Suite Single with Shared Bath	\$10,500
Suite Double with Shared Bath	\$9,168
Suite Triple with Bath	\$7,664
Traditional Single	\$10,094
Traditional Double	\$8,756
Traditional Triple	\$6,934
Traditional Quad	\$5,870

Meal Plan Rates

Retail Dining	\$4,568
Residential Unlimited Access (+150 Points per Semester)	\$4,568
Flex Plan (160 meals with \$900 Points per Semester)	\$5,104

17. Resolution approving appointment of Investment Subcommittee advisors

BE IT RESOLVED, that the Board of Trustees approves the appointments of H. Whitney Wagner and David A. Daigle as advisors to the Investment Subcommittee, for a one-year period commencing March 1, 2020, subject to the terms and conditions reported on this date.

FULL BOARD

18-19. Retiring Trustee Resolutions

David A. Daigle (2010-2020)

WHEREAS, David A. Daigle is nearing the completion of his second consecutive term as Trustee of the University of Vermont and State Agricultural College; and

WHEREAS, David Daigle has served the University of Vermont as a thoughtful, energetic, and dedicated member of the Board of Trustees for ten years including four years of resolute, insightful and outstanding leadership as Board Chair, , always discharging his responsibilities with focus, fortitude and extraordinary dedication to his alma mater ;

WHEREAS, David Daigle enriched the board through his services as chair of the ad hoc Presidential Comprehensive Review Committee, chair of the Annual Review Subcommittee, vice chair and chair of the Budget, Finance & Investment Committee, vice chair and chair of the Executive Committee, vice chair of the Investment Subcommittee, chair of the Presidential Housing Work Group, co-chair of the Presidential Search Committee, and chair of the University of Vermont Board, with additional service as a member of the Board Governance Work Group, the Honorary Degree Work Group, the Internationalization Work Group, the ad hoc Labor Advisory Group, the Work Group on Medical, Nursing and Health Sciences Education and Research, and leader of the Bond Work Group;

WHEREAS, David Daigle has further assisted the University generously as a member of the UVM Foundation Board of Directors, the UVM Foundation Leadership Council, the UVM National Campaign Steering Committee, the UVM National Campaign Council, the UVM Class Gift Committee, and as co-chair of the former Business School Board of Advisors;

WHEREAS, David Daigle has further enriched the university through his family's generous philanthropy designed to enhance the university's ability to attract and retain high quality faculty; to attract deserving, high-achieving students from throughout Vermont; and to support the on-campus multipurpose center project, designated to enhance student health and wellness on campus, as well as programs that encourage all UVM students to lead healthier lives;

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of Vermont and State Agricultural College expresses its appreciation, affection, and heartfelt best wishes to Trustee David A. Daigle.

Sidney JB Hilker (2018–2020)

WHEREAS, Sidney JB Hilker is nearing the completion of her term as Trustee of the University of Vermont and State Agricultural College; and

WHEREAS, Sidney Hilker has served as an insightful, dedicated, and thoughtful member of the board, providing constructive participation, articulate perspectives, sound advice, and positivity during her membership on board committees, including the Audit Committee; Budget, Finance and Investment Committee; Committee on Board Governance; and the Educational Policy and Institutional Resources Committee; and through her service on the Annual Review Subcommittee, Presidential Search Committee, and the Renaming Advisory Committee, all while pursuing her medical degree;

THEREFORE, BE IT RESOLVED, that the Board of Trustees of the University of Vermont and State Agricultural College expresses its appreciation, affection, and heartfelt best wishes to Trustee Sidney JB Hilker.

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

Adjournment

There being no further business, the meeting adjourned at 3:35 p.m.

Respectfully submitted,

David A. Daigle, Chair



OFFICE OF AUDIT AND COMPLIANCE SERVICES
UVM.EDU/POLICIES



POLICY

Title: Equal Employment Opportunity/Affirmative Action Policy
Statement

Policy Statement

The University of Vermont and State Agricultural College is committed to a policy of equal employment opportunity and to a program of affirmative action in order to fulfill that policy. The President of the University fully supports the University's equal employment opportunity policy and the University's affirmative action program.

The University will accordingly recruit, hire, train, and promote persons in all positions and ensure that all other personnel actions are administered without regard to unlawful criteria including race, color, religion, ancestry, national origin, place of birth, sex, sexual orientation, disability, age, positive HIV-related blood test results, genetic information, gender identity or expression, or status as a disabled veteran, recently separated veteran, active duty wartime or campaign badge veteran, or Armed Forces service medal veteran (collectively "protected veterans"), or crime victim status, as these terms are defined under applicable law, or any other factor or characteristic protected by law, and ensure that all employment decisions are based only on valid job requirements.

In addition, the University of Vermont recognizes that discriminatory harassment and sexual harassment are forms of unlawful discrimination, and it is, therefore, the policy of the University that discriminatory harassment and sexual harassment will not be tolerated. The University also prohibits unlawful harassment on the basis of other characteristics protected by law.

Further, employees and applicants will not be subjected to harassment, intimidation, threats, coercion, or retaliation because they have engaged in or may engage in the following: filing a complaint or assisting or participating in an investigation regarding alleged discrimination or harassment as prohibited in the policy statement above; filing a complaint or assisting or participating in an investigation, compliance evaluation, hearing, or any other activity related to the administration of the Vietnam Era Veterans' Readjustment Assistance Act of 1974 ("VEVRAA"), Section 503 of the Rehabilitation Act of 1973 ("Rehabilitation Act"), or the Affirmative Action provisions of any other federal, state or local law; opposing any act or practice made unlawful by VEVRAA or any other federal, state, or local law requiring equal employment opportunities for individuals with disabilities or protected veterans; or exercising any other rights protected by VEVRAA or the Rehabilitation Act. Additionally, the University will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant.

The University of Vermont maintains an audit and reporting system that: measures the effectiveness of the University's affirmative action program; indicates any need for remedial action; determines the degree to

which the University's objectives have been attained; measures the University's compliance with its affirmative action obligations; and determines whether individuals with disabilities and veterans have had the opportunity to participate in all University sponsored educational, training, recreational and social activities.

Sources: Titles VI and VII of the Civil Rights Act of 1964; the Immigration Reform and Control Act of 1986; Title IX of the Education Amendments of 1972; the Equal Pay Act of 1963; the Age Discrimination in Employment Act of 1967; the Age Discrimination Act of 1975; Sections 503 and 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; Section 402 of the Vietnam-Era Veterans Readjustment Assistance Act of 1974; Executive Order 11246; the Genetic Information Nondiscrimination Act of 2008; and the Vermont Fair Employment Practices Act, all as amended; and such other federal, state and local non-discrimination laws as may apply.

Note: This Statement of Policy is the official University of Vermont Equal Educational Opportunity Policy Statement and supersedes all prior policy statements regarding its subject matter. It may be modified only by written statement issued by the President as Chief Executive Officer of the University or by formal action by the University of Vermont and State Agricultural College Board of Trustees. This Policy Statement is designed to express the University's intent and commitment to comply with the requirements of federal, state, and local non-discrimination laws. It shall be applied co extensively with those non-discrimination laws and shall not be interpreted as creating any rights, contractual or otherwise, that are greater than exist under those laws.

Contacts

Questions concerning the daily operational interpretation of this policy should be directed to the following (in accordance with the policy elaboration and procedures):	
Title(s)/Department(s):	Contact Information:
Director, Office of Affirmative Action and Equal Opportunity	428 Waterman Building (802) 656-3368
Questions about policies related to Title IX, including sex discrimination, sexual harassment, and all forms of sexual violence	
Title IX Coordinator Office of Affirmative Action and Equal Opportunity	Nick Stanton (802) 656-3368
Questions about disability related issues	
ADA/Section 504 Coordinator Office of Affirmative Action and Equal Opportunity	Amber Fulcher (802) 656-0945
Questions may also be directed to government agencies having oversight and enforcement authority with respect to the referenced laws. A complete listing of such agencies may be obtained from the Office of Affirmative Action and Equal Employment Opportunity.	
The University has developed an Affirmative Action Plan. The portions of the plan required for disclosure are available for inspection during normal business hours; contact the University's Public Records Officer at (802) 656-8937.	

Related Documents/Policies

- [Discrimination and Harassment Policy](#)
- [Equal Opportunity in Educational Programs and Activities and Non-Harassment](#)
- [Procedures for Investigating and Resolving Discrimination Complaints](#)
- [Sexual Harassment & Misconduct](#)

Regulatory References/Citations

- Titles VI and VII of the Civil Rights Act of 1964
- Immigration Reform and Control Act of 1986
- Title IX of the Education Amendments of 1972
- Equal Pay Act of 1963
- Age Discrimination in Employment Act of 1967
- Age Discrimination Act of 1975
- Sections 503 and 504 of the Rehabilitation Act of 1973
- Americans with Disabilities Act of 1990
- Section 402 of the Vietnam-Era Veterans Readjustment Assistance Act of 1974
- Executive Order 11246
- Genetic Information Nondiscrimination Act of 2008
- Vermont Fair Employment Practices Act

About This Policy

Responsible Official:	Vice President for Human Resources, Diversity and Multicultural Affairs	Approval Authority:	President and the Chair of the Board of Trustees
Policy Number:	V. 7.3.11	Effective Date:	February 4, 2017
Revision History:	V. 7.0.1.1 effective April 7, 2006 V. 7.0.1.2 effective September 5, 2008 V. 7.0.1.3 effective April 13, 2009 V. 7.0.1.4 effective March 8, 2010 V. 7.0.1.5 effective May 22, 2011 V. 7.0.1.6 effective May 19, 2012 V. 7.3.7/V. 7.0.1.7 effective February 9, 2013 V. 7.3.8 effective February 8, 2014 V. 7.3.9 effective February 7, 2015 V. 7.3.10 effective February 6, 2016 V. 7.3.11 Reaffirmed as revised by the President and the Chair of the Board of Trustees: February 3, 2018, March 6, 2019, January 31, 2020		



OFFICE OF AUDIT AND COMPLIANCE SERVICES
UVM.EDU/POLICIES



POLICY

Title: Equal Opportunity in Educational Programs and Activities and Non-Harassment

Policy Statement

The University of Vermont and State Agricultural College is committed to a policy of equal educational opportunity. The University therefore prohibits discrimination on the basis of unlawful criteria such as race, color, religion, national or ethnic origin, age, sex, sexual orientation, marital status, disability, or gender identity or expression, as those terms are defined under applicable law, in admitting students to its programs and facilities and in administering its admissions policies, educational policies, scholarship and loan programs, athletic programs, and other institutionally administered programs or activities made available to students at the University. The University also prohibits harassment, as defined in the Vermont Statutes at Title 16, section 11(a)(26). Unlawful harassment is a form of discrimination and is therefore prohibited. Sources: Title VI of the Civil Rights Act of 1964; Title IX of the Education Amendments of 1972; the Age Discrimination Act of 1975; Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Vermont Public Accommodations Act; and such other federal, state, and local non-discrimination laws as may apply.

Note: This Statement of Policy is the official University of Vermont Equal Educational Opportunity Policy Statement and supersedes all prior statements regarding its subject matter. It may be modified only by written statement issued by the President as Chief Executive Officer of the University or by formal action by the University of Vermont and State Agricultural College Board of Trustees. This Policy Statement is designed to express the University's intent and commitment to comply with the requirements of federal, state, and local non-discrimination laws. It shall be applied co-extensively with those non-discrimination laws and shall not be interpreted as creating any rights, contractual or otherwise, that are greater than exist under those laws.

Contacts

Questions concerning the daily operational interpretation of this policy should be directed to the following (in accordance with the policy elaboration and procedures):	
Title(s)/Department(s):	Contact Information:
Questions regarding this policy statement or compliance with its provisions may be directed to:	
Dean of Students	41-43 South Prospect Street Burlington, VT 05405 (802) 656-3380
Or	
Director, Office of Affirmative Action and Equal Opportunity	428 Waterman Building Burlington VT, 0405 (802) 656-3368
Questions may also be directed to government agencies having oversight and enforcement authority with respect to the referenced laws. A complete listing of those agencies may be obtained from the Office of Affirmative Action and Equal Opportunity.	
Questions about policies related to Title IX, including sex discrimination, sexual harassment, and all forms of sexual violence	
Title IX Coordinator Office of Affirmative Action and Equal Opportunity	Nick Stanton (802) 656-3368
Questions about disability related issues	
Student Accessibility Services	Sharon Mone (802) 656-4075
ADA/Section 504 Coordinator Office of Affirmative Action and Equal Opportunity	Amber Fulcher (802) 656-0945

Related Documents/Policies

- [Discrimination and Harassment Policy](#)
- [Equal Employment Opportunity/Affirmative Action Policy Statement](#)
- [Procedural Guidelines for Handling and Resolving Discrimination Complaints](#)
- [Sexual Harassment & Misconduct](#)

Regulatory References/Citations

- Age Discrimination Act of 1975
- Americans with Disabilities Act of 1990
- Section 504 of the Rehabilitation Act of 1973
- Title VI of the Civil Rights Act of 1964
- Title IX of the Education Amendments of 1972
- Vermont Public Accommodations Act
- Vermont Statutes at Title 16, section 11(a)(26)

About This Policy

Responsible Official:	Vice President for Human Resources, Diversity and Multicultural Affairs	Approval Authority:	President and the Chair of the Board of Trustees
Policy Number:	V. 7.4.11	Effective Date:	February 4, 2017
Revision History:	<ul style="list-style-type: none"> • V. 7.0.5.1 effective April 7, 2006 • V. 7.0.5.2 effective September 5, 2008 • V. 7.0.5.3 effective April 13, 2009 • V. 7.0.5.4 effective March 8, 2010 • V. 7.0.5.5 effective May 22, 2011 • V. 7.0.5.6 effective May 19, 2012 • V. 7.4.7/V. 7.0.5.7 effective February 9, 2013 • V. 7.4.8 effective February 8, 2014 • V. 7.4.9 effective February 7, 2015 • V. 7.4.10 effective February 6, 2016 • V. 7.4.11 Reaffirmed as revised by the President and the Chair of the Board of Trustees: February 3, 2018 and March 6, 2019; January 31, 2020 		



University of Vermont Debt Policy

As Adopted by the Board of Trustees
September 2004, revised November 2005,
Revised, November 2006,
Revised, December 2007,
Reaffirmed, December 2008,
Revised, October 2009
Revised, October 2010
Reaffirmed, October 2011
Revised, May 2013
Revised, February 2014
Revised, February 2015
Reaffirmed, February 2016
Revised, February 2017
Reaffirmed, February 2018
Revised, February 2019
Reaffirmed, January 2020

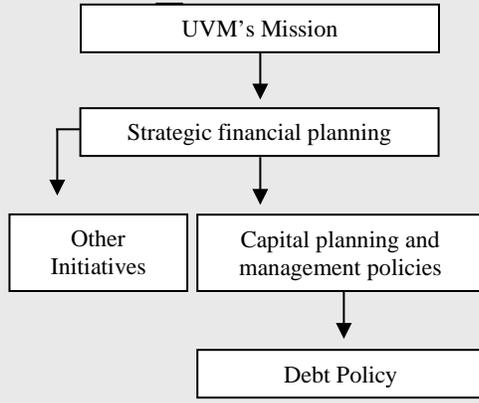
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OVERVIEW

Purpose

1. Articulate the role of UVM's debt policy within the strategic planning process.



The University of Vermont’s strategic planning is a long-term process that establishes University-wide priorities as well as University and divisional programmatic objectives. The University’s strategic plan identifies specific goals and initiatives, including capital plans that identify necessary and desired University facility investments. To fund its plan, the University will continue to utilize a mix of financing sources including State and Federal sources, philanthropy, internal reserves, and external University-supported debt.

This policy, in conjunction with the strategic and capital planning, will aid management in ensuring that an appropriate mix and types of funding sources are utilized and that the University’s debt capacity is allocated strategically. A UVM-specific debt policy is appropriate to ensure adequate financial strength to service existing and proposed debt, maintain leverage within an acceptable risk tolerance while investing in priority capital projects, maintain a strong financial profile to ensure a competitive position relative to its peers, and maintain the budgetary capacity to invest in other initiatives.

Management and the Board of Trustees, acting through the appropriate Board of Trustee committee, will assess this policy on an ongoing basis to ensure that it remains responsive to UVM’s evolving academic, research and strategic priorities and financial position.

The University believes that financial discipline is a critical component of long-term debt management and that the Board and management, operating through the appropriate Board of Trustee committee should establish a limited number of financial ratios and limits in order to manage debt within acceptable ranges consistent with UVM’s objectives. These measures will be monitored and reported on in light of UVM’s evolving strategic initiatives and capital needs.



INTRODUCTION AND OBJECTIVES

Purpose

1. Articulate UVM's philosophy regarding debt.
2. Establish objectives for debt policy.
3. Provide for regular review and potential update of policy to reflect evolving needs.

Just as investments represent an integral component of assets, debt is viewed to be a long-term component of liabilities that therefore should be managed on a long-term portfolio-basis consistent with the institution's policy objectives, with an overarching objective of managing the balance sheet.

The objectives of the policy are to:

- (i) Maintain the University's access to capital. Management will utilize and issue debt in order to provide timely access to capital to fund project priorities that have been approved by the Board;
- (ii) Manage the University's credit to meet its long-term strategic objectives while maintaining creditworthiness consistent with the most favorable relative cost of capital and borrowing terms.
- (iii) Limit risk of the University's debt portfolio. Debt will be managed on a portfolio, rather than a transactional or project-specific, basis. Management's continuing objective of incurring the lowest achievable long-term risk-adjusted cost of capital will be balanced with the goal of appropriately limiting exposure to market shifts within acceptable budgetary parameters. Various types of debt structures and financial instruments will be considered, monitored, and managed within the framework established in this policy and according to internal management procedures; and
- (iv) Permit the optimization of the investment of the University's working capital and cash balances. Management will explore various options and alternatives to internal cash holdings regarding the optimal funding mechanism for short-term equipment needs, bridge financing and cash requirements. Management recognizes that working capital requirements, debt management, and the investment of cash/net assets should be viewed comprehensively in order to optimize overall funding and investment return strategies.

In addition to establishing a framework relating to the administration of debt, the policy provides for periodic updates pertaining to UVM's debt capacity and financial management to both internal and external parties.



OVERSIGHT

Purpose
<ol style="list-style-type: none"> 1. Provide mechanism for oversight and review on periodic basis. 2. Provide management flexibility to make ongoing financing decisions within the framework of the policy.

By adopting this policy and regularly reviewing it with the appropriate Board of Trustee committee, management will follow and report on guidelines and requirements regarding debt utilization. With appropriate authorizations consistent with the policy, management will have flexibility to implement specific financial transactions and utilize approved financing vehicles in accordance with stated procedures.

The Office of the Vice President for Finance and University Treasurer will manage all funding sources, including debt, for capital projects authorized by the Board. The structure of any individual transaction (e.g., maturity, interest rate mode, use of derivative products, other financing structures) will be based upon overall University needs to ensure that (i) long-term costs to the University and its operating units are minimized consistent within the context of other strategic objectives and (ii) overall risk does not exceed acceptable levels as defined in this policy.

Because this debt policy is a living document, the appropriate Board of Trustee committee will review this policy on an annual basis and report any recommended changes or revisions to the Board of Trustees. This review process is necessary to ensure that the policy remains consistent with the University’s objectives and responsive to evolving practices, competitive pressures in the external environment, and financial indicators.

POLICY RATIOS

Purpose
<ol style="list-style-type: none"> 1. Identify core ratios. <ol style="list-style-type: none"> a. Operating Statement—Debt Burden Ratio. b. Balance Sheet Leverage—Leverage Ratio. 2. Clearly communicate with key parties such as rating agencies the University’s philosophy regarding debt and management’s ongoing assessment of debt capacity and affordability.

This policy establishes limits to measure the total amount of outstanding debt compared to University balance-sheet resources and the annual operating budget. These ratios can be derived from the financial statements and other information and are subject to review periodically. The ratios are to be calculated using annual audited financial statements of the University and should not include “Discretely Presented Component Units” of the University such as the University’s associated fundraising foundation.

The policy identifies ratios that (i) are based on current GAAP requirements and (ii) are consistent with ratios utilized in the higher education industry to permit benchmarking.

In addition to the two primary policy ratios below, the University may consider tracking other ratios in addition to the policy ratios. Listed below are the policy ratios and limits that will be followed.

Ratio 1 – Debt Burden Ratio

This ratio measures the University’s ability to repay debt service associated with all outstanding debt and the impact on the overall budget and includes all activities of the University. The defined limit for this ratio is intended to maintain the University’s long-term operating flexibility to fund existing requirements and new initiatives, although the University may target a desired ratio below this limit.

$$\frac{\text{ANNUAL DEBT SERVICE}}{\text{TOTAL EXPENSES}} < 5.75\%$$

The measure is based on aggregate operating expenses as opposed to operating revenues because expenses typically are more stable (e.g., no one-



time operating gifts, investment return, variability of State funding) and better reflect the operating base of the University. Management recognizes that a growing expense base would make this ratio appear more attractive. The limit for this ratio is not to be greater than 5.75% until June 30, 2023 and will revert to 5% thereafter. This ratio will be adjusted to include the impact of non-amortizing or non-traditional debt structures that could result in significant single year fluctuations, as well as an assumption of an appropriate variable rate.

Ratio 2 - Leverage Ratio (calculated as Spendable Cash and Investments to Debt)

This ratio indicates one of the most basic determinants of financial health by measuring the availability of liquid and expendable assets compared to aggregate debt. The ratio measures the medium to long-term health of the University's balance sheet and debt capacity and is a critical component of universities with the highest credit quality.

Many factors influence the leverage ratio, affecting both the assets (e.g., investment performance, philanthropy) and liabilities (e.g., timing of bond issues), and therefore the ratio is best examined in the context of changing market conditions so that it accurately reflects relative financial strength. For example, a leverage ratio that is acceptable and entirely appropriate in one market condition may be relatively stronger or weaker in other market environments.

This policy establishes a debt policy limit (floor) for this ratio of 1.0 to ensure that sufficient balance sheet strength is maintained at all times.

$$\frac{\text{CASH \& INVESTMENTS} - \text{PERMANENTLY RESTRICTED NET ASSETS} + \text{PLEDGES CLASSIFIED AS PERMANENTLY RESTRICTED NET ASSETS}}{\text{AGGREGATE DEBT}} > 1.0x$$

This ratio will include any financings that impact the University credit, including guarantees of third-party debt.

The 1.0x limit is recognized as a limit, and not a long-term objective. Over time, to remain competitive and retain the flexibility to invest in future strategic initiatives, UVM will want to target and maintain a ratio above 1.0x

Annually, based on the results of the audited financial statements, the Vice President for Finance will report to the appropriate Board of Trustee committee on the actual ratio results and any existing conditions that put the University out of compliance with this policy. In the event that the University is out of compliance with the policy, the appropriate Board of Trustee committee will take up the matter for consideration and make recommendations it deems appropriate to the Board of Trustees.

To further evaluate the leverage of the University, the Vice President of Finance will report the University's Expendable Financial Assets to Debt ratio. This ratio will be reviewed relative to prior years, peers and rating agency medians and will be calculated with and without the Governmental Accounting Standards for Other Post Retirement Benefits. The Vice President for Finance will report to the appropriate Board of Trustee



committee on any existing conditions that cause notable year-over-year changes in this ratio, particularly relative to peers and rating medians.

$$\frac{\text{UNRESTRICTED NET ASSETS} + \text{TEMPORARILY RESTRICTED NET ASSETS} - \text{EQUITY IN PLANT}}{\text{AGGREGATE DEBT}}$$

Ratios as a Credit Factor

The University has established its ratios and associated ratio limits based on internally-established guidelines. The ratios and limits are not intended to provide a long-term target or track a specific rating, but rather will enable the maintenance of the University’s competitive financial profile and complement the capital planning process.

The debt policy will be shared with external credit analysts and other third parties in order to provide them with the context regarding UVM’s assessment of self-determined debt capacity and affordability, which is subject to ongoing review.

TYPES OF FINANCINGS

Purpose
<ol style="list-style-type: none"> 1. Review of all potential funding sources for projects. 2. Maximize tax-exempt University-issued debt. 3. Commercial Paper program. <ol style="list-style-type: none"> a. Provide bridge funding. b. Provide continual access to capital. c. Issuance on a taxable or tax-exempt basis. 4. Manage derivative products, including swaps. 5. Consider other financing sources. <ol style="list-style-type: none"> a. Management will explore securitizations, joint ventures and other financial structures to provide for the optimal funding for any project.

The University recognizes that there are numerous types of financing structures and funding sources available, each with specific benefits, risks, and costs. All potential funding sources will be reviewed by management within the context of the debt policy and the overall portfolio to ensure that any financial product or structure is consistent with UVM’s objectives. Regardless of what financing structure(s) is(are) utilized, a full understanding of the transaction, including (i) quantification of potential risks and benefits, and (ii) analysis of the impact on University creditworthiness and debt capacity, will be required. Any financial transaction which, in management’s opinion utilizes the University’s credit, will be subject to the limits set forth in this policy regardless of source.

Tax-Exempt Debt

The University recognizes that debt will remain a long-term component of the University’s capitalization over the foreseeable future due in part to its continued need for capital and the substantial economic benefits associated with tax-exempt debt. Therefore, financial transactions will be managed on a portfolio basis with a long-term perspective. (In all circumstances, however, individual projects must continue to be identified and tracked to ensure compliance with all tax and reimbursement requirements).

Debt will be structured to meet the University’s comprehensive long-term objectives, and each project being financed will be required to provide a sound business plan, including the source of repayment for the debt and appropriate and realistic repayment terms. Among other things, the repayment terms will require that the loan term is no greater than the expected componentized useful life of the asset financed. Additionally, the financed project will be required to budget and fund principal payments on a fully amortized basis.

Taxable Debt

While all of the University’s capital projects may not qualify for tax-exempt debt, taxable debt should only be used in appropriate cases as it generally



represents a more expensive source of capital relative to tax-exempt issuance.

Commercial Paper

The CP program can provide substantial financial flexibility to the University including the ability to manage and optimize cash balances, and provide an alternative to lease transactions, and other purposes. CP can offer the University interim financing for capital projects in anticipation of the receipt of funding either in the form of future philanthropy or the issuance of long-term debt for permanent financing, as well as offer greater flexibility regarding the timing and structuring of individual bond transactions.

Derivative Products

Management recognizes that derivative products may enable more opportunistic and flexible management of the debt portfolio. Derivative products, including interest rate swaps, may be employed primarily to manage or hedge the University's interest rate exposure for a specific period of time. The University will utilize a framework to evaluate potential derivative instruments through consideration of (i) its variable rate allocation, (ii) market and interest rate conditions, (iii) impact on future financing flexibility, and (iv) the compensation for assuming risks, or the costs for eliminating certain risks and exposure. In addition, the University will analyze and quantify the cost/benefit of any derivative instrument relative to achieving desirable long-term capital structure objectives. Under no circumstances will a derivative transaction be utilized that is not understood fully by management or that imposes inappropriate risk on the University. Risks include but are not limited to tax risk, interest rate risk, liquidity risk, counterparty credit risk, basis risk, and any other potential risks either imposed or removed through the execution of any transaction. In addition, management will consider and disclose the potential impact of any derivative product on the University's financial statements and the appropriate treatment in calculating the debt policy ratios. The University will regularly report on the status and performance of its derivative products, if any, to the appropriate Board of Trustee committee. Given the risks and complexity associated with derivative products, they will be considered more seriously only when: (i) conventional financing sources are relatively more expensive (e.g. exceed the portfolio blended interest rate, and (ii) can achieve desired financial objectives more efficiently or at a significantly lower risk-adjusted cost than traditional structures. Management is required to present any recommended derivative product to the appropriate Board of Trustee committee and must receive Board approval prior to execution.

Other Financing Sources

The University recognizes that a variety of transactions, not limited to debt insured directly by UVM, may impact the University's credit while the University's limited debt capacity and substantial capital needs require the consideration of various financing alternatives, including possible opportunities for alternative and non-traditional transaction structures. The University recognizes these types of transactions may also impact the University's credit and also often can be more expensive than traditional University debt structures.



Therefore all non-traditional financing structures including guarantees and third party debt can only be considered once the economic benefit and the likely impact on the University's debt capacity and credit has been determined. Specifically, for any third-party or developer based financing, management will ensure the full credit impact of the structure is evaluated and quantified to the extent possible prior to execution and the analysis must be presented to the appropriate Board of Trustee committees and must receive Board approval prior to execution.

PORTFOLIO MANAGEMENT OF DEBT

Purpose
<ol style="list-style-type: none"> 1. Permit decisions regarding debt issuance and structure to be made on a portfolio basis, rather than on a per-project basis. 2. Manage variable rate exposure of the debt portfolio. <ol style="list-style-type: none"> a. Limit variable rate exposure. b. Manage the overall liquidity requirements associated with outstanding debt. c. Target overall variable rate debt exposure. 3. Evaluate exposure to other financing vehicles and third parties on a portfolio-wide basis.

The University considers its debt portfolio holistically; that is, it optimizes the portfolio of debt for the entire University rather than on a project-by-project basis, and takes into account the University's cash and investments.

Variable Rate Debt

It is recognized that a degree of exposure to variable interest rates within the University's debt portfolio may be desirable in order to:

- (i) take advantage of repayment/restructuring flexibility;
- (ii) benefit from historically lower average interest costs; and
- (iii) diversify the debt portfolio; and,
- (iv) provide a hedge to short-term working capital balances

Management will monitor overall interest rate exposure, analyze and quantify potential risks, and coordinate appropriate fixed/variable allocation strategies. The portfolio allocation to variable rate debt may be managed or adjusted through (i) the issuance of debt (potentially new issues and refunding), (ii) and the use of interest rate swaps and other derivative products. While the utilization of commercial paper impacts the University's variable rate exposure, outstanding CP will not be included in the ratio, given the expected interim financing purpose.

Recognizing the desire to manage interest rate risk, the amount of variable rate debt outstanding shall not exceed 35% of the University's outstanding debt. This limit is based on the University's desire to (i) limit annual variances in its debt portfolio, (ii) provide sufficient structuring flexibility to management, (iii) keep the University's variable rate allocation within acceptable external parameters, (iv) utilize variable rate debt (and/or swaps) to optimize debt portfolio allocation and minimize costs, and (v) take into account liquidity needs and exposures for the portfolio, including consideration of the commercial paper program.

$$\frac{\text{VARIABLE RATE AND LIQUIDITY EXPOSURE}}{\text{TOTAL LONG-TERM DEBT OUTSTANDING}} < 35\%$$



The University will exclude from this calculation project-related commercial paper used in advance of expected long-term financing since this commercial paper is used for interim purposes and should not be included in the University's desired long-term variable rate allocation calculation. The numerator, *Variable Rate and Liquidity Exposure*, is defined as including all variable rate debt, not adjusted for any floating to fixed swaps, if any, and plus any fixed to floating swaps, if any. Thus, any variable rate debt that is affected by floating-to-fixed interest rate swaps will be considered variable rate debt for the purposes of this calculation since it impacts the University's liquidity requirements and exposes the institution to counterparty credit exposure. Note that this ratio measures interest rate exposure and liquidity exposure/requirements directly.

GLOSSARY

Annual Debt Service – refers to the planned principal and interest paid on long-term debt in a fiscal year.

Bridge Financing – refers to any type of financing used to “bridge” a period of time. For universities, it generally refers to financings that provide funding in advance of a long-term bond issue or the receipt of gift funding.

Capital Project – refers to physical facilities or equipment or software that may be capitalized.

Commercial Paper – an alternative to bank line for stronger rated borrowers, commercial paper is short-term promissory notes issued on the open market as an obligation of the borrower. The maturity of commercial paper is less than 270 days, and for most universities, the average maturity of all paper is between 30-50 days. Registration and disclosure for commercial paper is significantly less than traditional university bonds.

Derivative Products – generally referred to transactions which are an exchange of specified cash flows for a period of time. The most common types of derivatives are floating-rate-to-fixed-rate or fixed-rate-to-floating-rate swaps.

GAAP – refers to Generally Accepted Accounting Principles.

Leverage – long-term debt as a component of the total assets of the University. “High leverage” indicates an institution that has a considerable portion of its assets that are debt financed.



UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

BOARD OF TRUSTEES

Guidelines for Selection of University Trustees

With full deference to the discretion of the bodies and officials who appoint trustees to the University of Vermont and Agricultural College Board, the Board offers the guidelines set forth below for trustee selection. These criteria acknowledge desired competencies and the value of having trustees who reflect the diversity from which the University draws its students and faculty. A trustee's qualifications should encompass:

- Endorsement of the vision and mission of the institution
- Capacity to understand a large, complex organization
- High integrity and sensitivity to conflicts of interest
- ProvenStrong leadership and strong decision-making skills
- Commitment to the best interests of the University as a whole as well as the larger communities within which it operates
- Full acceptance of trustee responsibilities (as set forth in the Statement of Trustee Responsibilities), including preparation for and regular attendance at Committee and Board meetings and prompt completion of all work required of a trustee and participation in the life of the University through attendance at ceremonial and social events, as feasible
- Support of the principles articulated in Our Common Ground

In addition, the Board strives to include in its composition trustees who have the following skills and/or experience, recognizing that the University and the Board are best served by having a Board comprised of members with complementary skills and experience, and who reflect diversity in its many forms, including but not limited to gender, race, and ethnicity. The Board should include members who have:

- Financial acumen
- Knowledge of nonprofit organizations or other relevant sectors
- Experience in higher education or with issues facing educational institutions
- Appreciation of the diverse constituencies of which the University is comprised
- Familiarity with the regulatory and political processes
- Fundraising experience
- Familiarity with the needs of the community, the state, and the geographical areas and populations specially served by the University

Board and Committee Leadership, the University President and a student trustee selected by the Board Chair, will meet at least once annually as vacancies arise to discuss the Board's compositional needs.

Attachments:

✓ Strategic Action Plan

✓ Board Bylaws

~~[↖—Conflict of Interest Policy](#)~~

~~[↖—Board Schedule and Workload Expectations \(appended\)](#)~~

Approved by the Executive Committee: January 8, 2007

Amendments endorsed by the Committee on Board Governance: September 24, 2010

Approved as amended by the Board of Trustees: October 30, 2010

Amendments endorsed by the Committee on Board Governance: December 10, 2012

Approved as amended by the Executive Committee: December 10, 2012

Amendments endorsed by the Committee on Board Governance: January 30, 2020

Approved as amended by the Board of Trustees: January 31, 2020

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

A special meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Monday, March 2, 2020, at 1:00 p.m. in Memorial Lounge, 338 Waterman Building.

MEMBERS PRESENT: Chair Ron Lumbra¹, Vice Chair Cynthia Barnhart¹, Briar Alpert¹, David Aronoff², Robert Brennan¹, Frank Cioffi¹, John Dineen³, Johannah Donovan, Carolyn Dwyer, President Suresh Garimella, David Gringeri, Bernard Juskiewicz¹, Don McCree¹, Ed Pagano¹, Shap Smith¹, Berke Tinaz, and Tristan Toleno¹

MEMBERS ABSENT: Secretary Curt McCormack, John Bartholomew, Otto Berkes, Kevin “Coach” Christie, Jodi Goldstein, Carol Ode, Governor Phil Scott, and Samuel Young

ALSO PARTICIPATING: Vice President for Finance and Treasurer Richard Cate

¹Joined by phone.

²Joined by phone at 1:17 p.m.

³Joined by phone at 1:09 p.m.

Vice Chair Cynthia Barnhart called the meeting to order at 1:03 p.m.

Election of Board Chair

Committee on Board Governance Chair Frank Cioffi reminded Trustees that the Board elected university and board officers other than the chair in February, and that, in accordance with the University Charter, the chair election is held in March once new trustees begin their terms.

The following resolution was presented for approval:

Resolution approving appointment of board chair

BE IT RESOLVED, that the Board of Trustees hereby accepts the recommendation of the Nominating Committee and approves the appointment of Ron E. Lumbra as chair, effective immediately.

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

Chair’s remarks

Chair Ron Lumbra expressed his honor and appreciation for being appointed chair. He also thanked trustees for the input they have shared and encouraged them to continue open communication during his tenure.

Next, Chair Lumbra welcomed new trustees Berke Tinaz and John Dineen. He also called to attention that Trustee Otto Berkes was a featured alumnus in IMPACT, a publication produced by UVM’s Graduate College.

Action Items

Chair Lumbra presented a resolution authorizing appointments to a Sustainability Work Group. He explained that the purpose of the work group is to advise the board within the coming year regarding fast moving trends around sustainability issues.

The following resolution was presented for approval:

Resolution authorizing appointments to a Sustainability Work Group

BE IT RESOLVED, that the Board of Trustees approves the following appointments to a trustee work group established to advise the board within the coming year regarding fast moving trends around sustainable investment and provide perspective to the board on fossil fuel divestment: Carolyn Dwyer (leader), Briar Alpert, Robert Brennan, Suresh Garimella, Jodi Goldstein, David Gringeri, Carol Ode, Ed Pagano, and Shapleigh Smith.

Chair Lumbra next presented resolutions disbanding the Renaming Advisory Committee and the Work Group on Medical, Nursing and Health Sciences Education and Research as both groups completed their work.

The following resolutions was presented for approval:

Resolution disbanding the Renaming Advisory Committee

WHEREAS, in March 2018, the Board of Trustees established the Renaming Advisory Committee to evaluate proposals to remove a name from a building, academic unit or academic program, utilizing the principles and criteria developed and adopted by Yale University and unanimously endorsed by a University of Vermont work group;

WHEREAS, the advisory committee considered and made a recommendation to the board regarding renaming the Bailey/Howe Library to the Howe Library;

WHEREAS, the advisory committee has completed its work;

THEREFORE, BE IT RESOLVED, that the Board of Trustees hereby disbands the Renaming Advisory Committee, with thanks to its members for their service.

Resolution disbanding the Work Group on Medical, Nursing and Health Sciences Education and Research

WHEREAS, in February 2013, the UVM/Fletcher Allen Health Care Affiliation Agreement Work Group was reconstituted as the Work Group on Medical, Nursing and Health Sciences Education and Research;

WHEREAS, the work group has completed its work;

THEREFORE, BE IT RESOLVED, that the Board of Trustees hereby disbands the Work Group on Medical, Nursing and Health Sciences Education and Research, with thanks to its members for their service.

Chair Lumbrá presented committee and chair appointments for 2020 which will take effect once approved.

The following resolution was presented for approval:

Resolution approving committee and chair appointments

BE IT RESOLVED, that the Board of Trustees approves the committee and chair appointments for 2020 as presented today and appearing as appendices A and B to this document.

Vice President for Finance and Treasurer Richard Cate presented a resolution authorizing a license agreement with Green Mountain Club, Inc. The long-term license agreement is for continued operation of a foot path, commonly known as the Long Trail, and a shelter, commonly known as Butler Lodge, on a section of Mount Mansfield in Stowe, Vermont that is owned by the university. All prior licenses for this use have expired.

The following resolution was presented for approval:

Resolution authorizing license agreement with Green Mountain Club, Incorporated

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to negotiate and execute a five-year license agreement with four five-year renewal options with the Green Mountain Club, Incorporated for continued use of a portion of university land on Mt. Mansfield in Stowe, Vermont for a foot path, commonly known as the Long Trail, and a shelter, commonly known as Butler Lodge, subject to material terms and conditions reported on this date. This license agreement will begin April 1, 2020 and end June 30, 2044, if all renewal options are exercised.

Vice President Cate next presented a resolution authorizing a license and stormwater drainage agreement with the City of South Burlington, Vermont. The agreement is for continued use of portions of university land located at the Horticultural Research Complex, 65 Green Mountain Drive, South Burlington, Vermont for stormwater drainage. This license replaces one dated November 17, 1965, and will support the City of South Burlington's Bartlett Brook Flow Restoration Plan.

Trustee Frank Cioffi asked if the university is charged a stormwater fee. Vice President Cate replied that UVM pays stormwater fees for Burlington and South Burlington. However, he noted that the fees are negotiated based on other agreements between the entities, such as services provided.

The following resolution was presented for approval:

Resolution authorizing license and stormwater drainage agreement with the City of South Burlington, Vermont

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to negotiate and execute a five-year license and stormwater drainage agreement with four five-year renewal options with the City of South Burlington for continued use of a portion of university land for stormwater drainage, located at the Horticulture Research Complex, 65 Mountainview Drive, South Burlington, Vermont, subject to material terms and conditions reported on this date. This license and stormwater drainage agreement will begin January 1, 2020 and end December 31, 2045, if all renewal options are exercised.

Vice President Cate moved on to present a resolution authorizing a lease agreement with Bullrock Solar, LLC. The long-term lease agreement is for installation of solar power generation facilities on UVM property. Under this lease, Bullrock Solar, LLC would install solar photovoltaic panels at 290 East Avenue (UVM Rescue), 705 Spear Street (George D. Aiken Forestry) and 690 Spear Street (East Compost Pad) at Bullrock's expense. Following questions raised by several trustees, the board decided to table the agreement pending provision of additional information.

Next, Vice President Cate presented a resolution approving a contract renewal with Apple, Inc. The UVM Computer Depot is requesting the renewal contracts for purchases of desktop and laptop computers for resale to students, university departments, and individual faculty and staff members. The UVM Computer Depot also performs technical support services on Apple products. The Apple contract averages \$2,500,000 per year, driven and based on customer demand.

Apple is electing to only provide one-year renewal contracts that will begin May 1, 2020 and end April 30, 2021. The Computer Depot is requesting board approval for four additional one-year renewals thereafter with an end date of April 30, 2025.

Apple Inc. has been a vendor with UVM in previous years, as Apple is a sole source direct manufacturer nationally. UVM also has a similar contract with Dell Corporation.

Trustee Johanna Donovan asked if the university profits from the computer sales, to which Vice President Cate answered that there is a modest profit.

The following resolution was presented for approval:

Resolution approving contract renewal with Apple Inc.

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to negotiate renewal contracts with Apple Inc. for the purchase of computers and related equipment for resale beginning May 1, 2020 through April 30, 2025, in an amount not to exceed \$12,500,000 in aggregate.

Lastly, Vice President Cate presented a resolution approving a contract renewal with Progress Software Corporation. In April 2015, the Larner College of Medicine (LCOM) engaged in a five-year contract with Progress Software Corporation for a license of Sitefinity Professional Edition. Sitefinity is an application software used by application developers and programmers for the management of LCOM's public facing web content. The annual license fee is \$4,500.

The following resolution was presented for approval:

Resolution approving contract renewal with Progress Software Corporation

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to enter into a renewal contract with Progress Software Corporation for the Larner College of Medicine to purchase software to maintain its public website beginning April 23, 2020 through April 22, 2021, with four optional one-year renewals for an amount not to exceed \$25,000 in aggregate.

Chair Lumbra presented a resolution in memoriam for Robert B. Vaughan, former Director of Capital Planning and Management, who passed away on February 10, 2020.

The following resolution was presented for approval:

Resolution in memoriam for Robert B. Vaughan

The University of Vermont Board of Trustees wishes to include in its official records a special recognition in memory of Robert "Bob" Vaughan, beloved friend and colleague of many and devoted member of the university community for nearly 20 years and who made a lasting and profound impact on the University of Vermont. Bob and his team helped to physically transform the UVM campus by designing and constructing a number of new buildings and rejuvenating many historic structures. The board desires to convey to Mrs. Denise Vaughan and family its sincere and heartfelt condolences on the passing of a most dedicated member of the UVM community.

BE IT THEREFORE RESOLVED, that this expression of sympathy and recognition with respect to the late Robert B. Vaughan be entered into the minutes of the Board of Trustees of the University of Vermont.

Chair Lumbra offered an opportunity for final comments before seeking a motion to approve the resolutions above as a consent agenda, noting that the Bullrock Solar LLC resolution has been removed. There being none, a motion was made, seconded and the consent agenda was unanimously approved as presented.

Adjournment

There being no further business, the meeting adjourned at 1:33 p.m.

Respectfully submitted,

Ron Lumbra, Chair

Vermont and State Agriculture College Board of Trustees
Standing Committees
2020 Assignments – approved 3/2/2020

	Audit (7)	Board Governance (8)	Budget, Finance & Investment (11)	Educational Policies & Institutional Resources (13)	Executive (8)	University of Vermont Board* (9)	Vermont Agricultural College Board* (9)
President, <i>ex-officio</i>		X	X	X	X		
Alpert-22		VC	VC			S	
Aronoff-22	X		X			C	
Barnhart-26 (VC)				X	VC	X	
Bartholomew-23				X			S
Berkes-24	X			X		X	
Brennan-24		X	X			X	
Christie-25			X				X
Cioffi-23		C		X	X		
Dineen-26			X			X	
Donovan-23		X		X			X
Dwyer-25		X		C	X		
Goldstein-24		X		VC		VC	
Gringeri-21		X	X				
Juskiewicz-21	C		X		X		X
Lumbra-22 (C)					C	X	
McCormack-21 (S)	X			X	X		X
McCree-26			C		X	X	
Ode-25				X			X
Pagano-21	X		X				
Scott, <i>ex officio</i>							
Smith-23	VC			X			VC
Tinaz-22	X			X			
Toleno-21			X				C
Young-25				X			X

C = chair; VC = vice chair; S = secretary

*annual election of officers in May

**The University of Vermont and State Agriculture College Board of Trustees Other Committees & Work Groups
2020 Assignments – approved 3/2/2020**

	Ad Hoc Labor Advisory Group (8)	Annual Review Sub-Cmte (4)	Investment Sub-Cmte (4)	UVM/UVMMC Joint Strategic Planning Group (2)	Bond Work Group (4)	Presidential Housing Work Group (4)	Board Governance Work Group (7)	Sustainability Work Group (9)
President	X							X
Alpert-22			X	X	X			X
Aronoff-22	Leader		X				X	
Barnhart-26 (VC)	X							
Bartholomew-23	X							
Berkes-24								
Brennan-24			C		Leader			X
Christie-25	X							
Cioffi-23		X				X	Leader	
Dineen-26								
Donovan-23						X		
Dwyer-25	X						X	Leader
Goldstein-24		VC						X
Gringeri-21								X
Juskiewicz-21					X		X	
Lumbra-22 (C)		C				Leader	Ex-officio	
McCormack-21 (S)								
McCree-26			VC		X			
Ode-25								X
Pagano-21		X						X
Scott, <i>ex officio</i>								
Smith-23	X			X			X	X
Tinaz-22								
Toleno-21	X						X	
Young-25						X		

C = chair; VC = vice chair; S = secretary

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

A special meeting of the Board of Trustees of the University of Vermont and State Agricultural College was held on Monday, April 6, 2020, at 10:30 a.m. The meeting was held via remote conferencing due to the COVID-19 pandemic.

MEMBERS PRESENT: Chair Ron Lumbra, Secretary Curt McCormack, Briar Alpert, David Aronoff, John Bartholomew, Otto Berkes, Robert Brennan, Kevin “Coach” Christie, Frank Cioffi, John Dineen, Johannah Donovan, Carolyn Dwyer, President Suresh Garimella, Jodi Goldstein, David Gringeri, Don McCree*, Carol Ode, Ed Pagano, Shap Smith, Berke Tinaz, Tristan Toleno and Samuel Young

MEMBERS ABSENT: Governor Phil Scott, Vice Chair Cynthia Barnhart, and Bernard Juskiwicz

ALSO PARTICIPATING: Vice President for Legal Affairs & General Counsel and Chief of Staff to the President Sharon Reich Paulsen, Vice President for Finance and Treasurer Richard Cate, and Special Assistant to the Chief of Staff Erin Dickinson

*Attended until 11:02 a.m.

Chair Ron Lumbra called the meeting to order at 10:32 a.m.

Executive Session

Chair Lumbra entertained a motion to enter into executive session for the purpose of discussing contracts, premature general public knowledge of which would clearly place the University at a substantial disadvantage. The motion was made, seconded and approved. Chair Lumbra indicated potential action following the session, which would take approximately one hour and twenty minutes. Vice Presidents Sharon Reich Paulsen and Richard Cate, and Special Assistant Erin Dickinson were invited to remain.

At 11:50 a.m., the meeting was re-opened to the public.

The following resolution was presented for approval:

Resolution Approving Budgetary Actions in Response to Uncertainties Resulting from the COVID-19 Pandemic

WHEREAS, the COVID-19 pandemic has had and continues to have a substantial impact on financial conditions across the globe, in higher education across the country, and at the University of Vermont;

WHEREAS, the Governor of the State of Vermont has issued a “Stay Home, Stay Safe” executive order in response to the pandemic that, among other things, suspends all construction projects currently underway except construction necessary to support the COVID-19 response or to maintain critical infrastructure;

WHEREAS, the President has reviewed with the Board cost-cutting measures being undertaken and contemplated to address the uncertainty in the financial environment both generally and in higher education;

WHEREAS, due to the uncertainty of revenue and expense forecasts in light of COVID-19 impacts, the President has recommended to the Board of Trustees that a three-month interim budget be adopted and that final budget assumptions for fiscal year 2021 be presented to the Board at a subsequent meeting;

THEREFORE, BE IT RESOLVED, that the Board of Trustees hereby approves the budget planning assumptions for the period from July 1, 2020 through September 30, 2020, which lead to a general fund operating expense budget for that period for the University in an amount not to exceed \$125,000,000;

BE IT FURTHER RESOLVED, that the Board authorizes the President to renegotiate capital construction project contracts; and

BE IT FURTHER RESOLVED, that the President present to the Board by September 15, 2020 budget assumptions for the entire 2021 fiscal year.

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

President Suresh Garimella noted that universities everywhere are facing unknowns related to the COVID-19 crisis. As such, it is important to get past some of the uncertainty before presenting next year's budget. He extended his appreciation to the Board for helping position UVM for success beyond the current crisis.

Chair Lumbra thanked the UVM administration for their immense efforts in navigating university operations through the trials of the COVID-19 pandemic. Chair Lumbra gave special thanks to President Suresh Garimella for his outstanding leadership, as well as his generosity in donating his April 2020 salary to be used to create a special fund to address pandemic-related issues.

Adjournment

There being no further business, the meeting adjourned at 11:55 a.m.

Respectfully submitted,

Ron Lumbra, Chair

DRAFT
CONSENT AGENDA

May 15, 2020

COMMITTEE OF THE WHOLE

1. Resolution recommending adoption of the 2020 University Strategic Imperatives Statement

WHEREAS, the administration presented to this Committee for review and approval the 2020 University Strategic Imperatives Statement, titled *Amplifying our Impact*, appearing as Appendix A to this document;

WHEREAS, all faculty, staff, and students received a survey soliciting feedback on a draft of *Amplifying our Impact*; and

WHEREAS, the administration reported today regarding the nearly 1,200 survey responses that were received;

THEREFORE, BE IT RESOLVED, that the Committee hereby recommends Board approval and adoption of the Strategic Imperatives Statement, *Amplifying our Impact*.

2. Resolution approving Audit Committee assignments

BE IT RESOLVED, that the Board of Trustees approves the following appointments to the Audit Committee, effective immediately: Shap Smith as Chair and Jodi Goldstein as Vice Chair.

3. Resolution in memoriam for Bernard C. Juskiewicz

The University of Vermont Board of Trustees wishes to include in its official records a special recognition in memory of Bernard “Bernie” Juskiewicz, beloved colleague, friend, and devoted supporter of the University and dedicated fan of UVM athletics, especially men’s basketball. Bernie was a tireless advocate for UVM whose leadership and many contributions as a trustee and state legislator will have a lasting and profound impact. The Board desires to convey to Mrs. Suzan Juskiewicz and family its sincere and heartfelt condolences on the passing of a most distinguished member of the UVM community and citizen of the State of Vermont.

BE IT THEREFORE RESOLVED, that this expression of sympathy and recognition with respect to the late Bernard C. Juskiewicz be entered into the minutes of the Board of Trustees of the University of Vermont.

EDUCATIONAL POLICY AND INSTITUTIONAL RESOURCES COMMITTEE

The following resolutions are pending approval by the Faculty Senate on 5/14/2020 and subsequent approval by the President and Provost:

4. Resolution approving the creation of a PhD in Sustainable Development Policy, Economics and Governance in the College of Agriculture and Life Sciences in conjunction with the Graduate College

BE IT RESOLVED, that the Board of Trustees approves the creation of a PhD in Sustainable Development Policy, Economics and Governance in the College of Agriculture and Life Sciences in conjunction with the Graduate College, as approved and advanced by the Provost and President on May 14, 2020.

5. Resolution approving the creation of an Undergraduate Certificate in Place-Based Education in the College of Education and Social Services and the Rubenstein School of Environment and Natural Resources

BE IT RESOLVED, that the Board of Trustees approves the creation of an Undergraduate Certificate in Place-Based Education in the College of Education and Social Services and the Rubenstein School of Environment and Natural Resources, as approved and advanced by the Provost and President on May 14, 2020.

6. Resolution approving the Catamount Core Curriculum expanded General Education requirements

WHEREAS, on May 21, 2011, the Board of Trustees approved the General Education proposal as approved by

- the Curricular Affairs Committee of the Faculty Senate on April 14, 2011;
- the Executive Council of the Faculty Senate on April 20, 2011; and
- the Faculty Senate on May 19, 2011;

and as approved and advanced by the Provost and the President on May 19, 2011; and

WHEREAS, on May 13, 2013, the Board approved the establishment of a three-credit Undergraduate Foundational Writing and Informational Literacy Requirement;

WHEREAS, on March 16, 2015, the Board approved the establishment of a sustainable learning outcome as a General Education requirement;

WHEREAS, on May 20, 2017, the Board approved the establishment of a quantitative reasoning outcome as a General Education requirement;

WHEREAS, a General Education Alignment Task Force designed the “Catamount Core Curriculum,” in collaboration with ad hoc faculty committees and through five open forums and a Faculty Senate comment process, resulting in the Faculty Senate’s approval of the guiding

principles, three main curricular areas of Liberal Arts, Core Skills, and Common Ground Values, and the addition of seven new named requirements including:

- the establishment of a 6-credit Arts and Humanities General Education requirement
- the establishment of a 6-credit Social Sciences General Education requirement
- the establishment of a 6-credit Natural Sciences General Education requirement
- the establishment of a 3-credit Mathematics General Education requirement
- the establishment of a 3-credit Quantitative and Data Literacy General Education requirement
- the establishment of a 3-credit Communications 2 General Education requirement to be fulfilled with an approved Writing and Information Literacy 2 or Oral Communication and Information Literacy course
- the establishment of a 3-credit Global Citizenship General Education requirement

THEREFORE, BE IT RESOLVED, that the Board of Trustees approves the expanded General Education Proposal named the “Catamount Core Curriculum” to be implemented in one or two phases beginning with the class entering in 2022, as approved by the Faculty Senate on votes dated May 4, 2020 and May 14, 2020 and advanced by the Provost and President May 14, 2020.

BUDGET, FINANCE & INVESTMENT COMMITTEE

7. Resolution approving tuition for fiscal year 2021

BE IT RESOLVED, that the Board of Trustees hereby approves the following tuition rates effective with the 2020-2021 academic year, which are the same rates as those charged for the 2019-2020 academic year:

- In-state tuition \$16,392 per year, or \$683 per credit hour.
- Out-of-state tuition \$41,280 per year, or \$1,720 per credit hour.
- Medical student in-state tuition \$37,070 per year.
- Medical student out-of-state tuition \$64,170 per year.

8. Resolution approving continuous registration fee for graduate students for fiscal year 2021

BE IT RESOLVED, that the Board of Trustees approves a continuation of a varying graduate continuous registration fee, effective with the 2020-2021 academic year, as follows:

- Less than half-time, \$100 per semester
- Half to full-time, but not including full-time, \$200 per semester
- Full-time, \$300 per semester

9. 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 11, 2020;

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

Reaffirmed: Board of Trustees –

10. Resolution approving revisions to the Cash Management and Liquidity policy

WHEREAS, in October 1993, the Board of Trustees adopted the Cash Management policy to govern the investment of UVM pooled cash; and

WHEREAS, in February 2016, the Board of Trustees revised and re-named the scope of the Cash Management policy as the Cash Management and Liquidity policy to establish a minimum liquidity target for the university comprised of liquid funds that are unrestricted, unencumbered general fund net assets; and

WHEREAS, the Investment Subcommittee is charged with an annual review of the Cash Management and Liquidity policy; and

WHEREAS, on February 11, 2020, the Investment Subcommittee reviewed revisions to the Cash Management and Liquidity policy;

BE IT RESOLVED, that the Budget, Finance & Investment Committee hereby recommends that the Board of Trustees adopt the amended Cash Management and Liquidity policy, appearing as Appendix B to this document.

11. Resolution to reaffirm the Statement of Investment Policies and Objectives

WHEREAS, in February 2011, the Board adopted a Statement of Investment Policies and Objectives to govern the investment of UVM's Long-Term Investment Pool, including the Endowment Fund; and

WHEREAS, the Investment Subcommittee is charged with an annual review of the Statement of Investment Policies and Objectives; and

WHEREAS, on March 10, 2020, the Investment Subcommittee reviewed the Statement of Investment Policies and Objectives,

THEREFORE, BE IT RESOLVED, that the Investment Subcommittee hereby recommends the Statement of Investment Policies and Objectives, appearing as Appendix C to this document, for reaffirmation and referral to the Board of Trustees.

12. Resolution approving contract extension with Cambridge Associates

BE IT RESOLVED, that the Vice President for Finance and Treasurer, or his successor or designee, is hereby authorized to execute a renewal contract with Cambridge Associates, LLC for the purpose of providing investment advisory services for a period of one year from July 1, 2020 through June 30, 2021 at a flat fee of \$675,000 plus expenses.

BE IT FURTHER RESOLVED that the Investment Subcommittee shall annually review the performance of the investment advisory firm.

This resolution supersedes all previous authorizations.

13. Resolution affirming the Endowment Administration Fee policy

WHEREAS, on May 12, 2020, the Investment Subcommittee met, reviewed and discussed 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 an endowment management fee equal to 25 basis points to be applied to the University endowment from July 1, 2020 through December 31, 2020, and which shall flow to the University; and

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 January 1, 2021; 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
Amended: Board of Trustees -

University of Vermont

Amplifying our Impact

The University of Vermont is poised and ready to build upon our reputation as a premier research institution focused on sustainable solutions with local, national, and global applications and impact. Our distinctive strengths align with the most pressing needs of our time: the health of our societies and the health of our environment. And we pursue these interconnected issues through the cross-disciplinary research and collaboration that comes more easily at a public research university of our size and scale. Our setting in the state of Vermont, with its deep-seated commitment to the interplay between education and a healthy democracy, enables us to be nimble while still providing the depth of analysis that contemporary challenges demand.

To more fully realize our significant potential, we must view all our endeavors through the lens of enhancing student success—on campus and beyond—while drawing upon our unique strengths as one of the nation’s first land grant universities. This will require steadfast focus, discipline, and the pragmatism for which Vermont is known. The approach will be three-pronged, but the efforts will be interrelated, working in concert with one another.

Ensuring Student Success

UVM has historically served its students extremely well. We have a culture of strong faculty mentorship, and staff dedicated to our students’ growth. The connection between health and well-being and academic achievement is promoted holistically. We must continue to build on that legacy by making their success and that of our alumni a core measure of all we do. This means offering a vibrant educational experience, ensuring that UVM is affordable and accessible for a broad and diverse population, and providing support and meaningful opportunity well beyond graduation day.

To ensure that we extend UVM’s appeal to a wide cross-section of talented students, while enhancing the quality of education offered and safeguarding our financial stability and sustainability, we must:

- Provide an unparalleled educational experience for our students by continually enhancing course offerings through rigorous evaluation and evolution, and alignment with a liberal arts foundation and societal demands. Exposure to the humanities—and the critical thought this engenders—will position our graduates for success in the broadest range of pursuits.
- Carefully evaluate expenses to minimize costs and make a UVM education more affordable and accessible.
- Grow corporate, foundation, federal and philanthropic partnerships to develop new internship, research, study-abroad and service-learning opportunities, while enhancing existing programs.
- Enhance online offerings and programs that promote efficient course and degree completion with targeted support for first-generation and non-traditional learners.
- Attract a larger cohort of graduate students by enhancing their academic experience and research opportunities.
- Accelerate our success in recruiting students from areas beyond the Northeast, as well as internationally.
- Provide an environment that fosters diversity of all kinds, including diversity of thought.
- Envision programming that leverages campus assets on a year-round basis to increase and strengthen connections to UVM while building financial resources.
- Welcome nontraditional students to new professional, certificate, and online programs.

Investing in our Distinctive Research Strengths

UVM benefits from the powerful combination of a liberal arts core and the comprehensive academic resources of a major research institution. This dual nature has also positioned our faculty as leaders across multiple disciplines that support investigation and discovery in areas key to the university’s reach and reputation.

In particular, UVM has built distinctive research strengths that align with the urgent—and interdependent—need to support the health of our environment and our societies:

- **Healthy Societies:** Our cross-disciplinary work is strengthened by collaboration and research in areas ranging from immunobiology and microbiology, to data mining, mapping and analysis, to ethics, historical context and communication. This will drive actions with broad application including substance abuse prevention and rehabilitation, and immunobiology, microbiology, infectious disease treatment, vaccine testing, and public health campaigns.
- **Healthy Environment:** Faculty, researchers, and practitioners from throughout UVM collaborate to create new knowledge and establish best practice in areas related to sustainable farming, food systems and business solutions, and the protection of water systems. Leveraging our strength in engineering, machine learning and complex systems will provide pathways for the development of scalable solutions.

Strategic investment of available resources will accelerate and enhance these distinctive strengths, positioning us as the preeminent institution for innovative and sustainability-focused solutions. At the same time, the intersections between these areas provide opportunity for investigation, innovation, and impactful discovery in areas dedicated to the associated economic, ethical, and policy considerations. Targeted support will create research opportunities that span disciplines and foster pathways for collaboration. Our students will be among the greatest beneficiaries of this focused investment.

Cultivating these areas of research strength will leverage the unique characteristics of the state of Vermont. As one of the smallest states in the nation, with a thriving participatory democracy, Vermont offers a microcosm for national programs to be piloted at manageable scale.

Articulation of distinctive strengths will also grow corporate, philanthropic, foundation, and federal partnerships to enhance UVM's research portfolio, impact and recognition, and make enriching new opportunities available to faculty and students.

Fulfilling our Land Grant Mission

As one of the nation's first land grant institutions, the University of Vermont's alignment with the state is fitting. We are nationally acclaimed for helping Vermonters tackle everything from farm viability to complex environmental issues to business growth. We support commercialization and job creation initiatives in the state, and our partnerships with large corporations enable the possibility of attracting satellite operations, jobs, and a talented workforce to the state.

UVM's partnership with the state includes more than 200 programs designed to help Vermont and Vermonters. For example, the Rural Center of Excellence on Substance Use Disorders confronts the opioid epidemic with innovative new approaches, while Vermont EPSCoR and the Vermont Biomedical Research Network attract millions in federal funding and make sophisticated technology and learning opportunities available throughout the state. But to better realize the vision of the Land-Grant Act's author Vermont Senator Justin Morrill, we must create a more streamlined gateway for Vermonters to learn about and access the many resources UVM offers. Efforts to set up that front door—inviting the community to engage more fully with UVM—are underway.

Engaging with the state not only helps Vermont, but also benefits the university by strengthening its connection to entrepreneurship, hands-on learning, problem-solving and critical thinking, all ideals championed by alumnus, educator, and noted philosopher John Dewey. This enriches the educational experience of our students and broadens our faculty's research portfolios.

Summary

The University of Vermont's future success will be assured by following these three strategic imperatives: student success and experience; focusing on and expanding upon our distinctive research strengths; and better-realizing our land-grant mission by partnering with our communities, businesses, and state. Doing so effectively will require insightful leadership, unprecedented collaboration, and our decisive collective action. This commitment to explore without reservation while working as one, resonates with our state motto, "freedom and unity." And it will enable us to amplify our impact for years to come.

UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE BOARD OF TRUSTEES

CASH MANAGEMENT AND LIQUIDITY POLICY**Introduction**

This Cash Management and Liquidity Policy governs the investment of UVM pooled cash and sets the minimum liquidity target for the University. The pooled cash includes all funds of the University other than the funds that are held in the University endowment and certain plant, restricted and loan reserves, for which separate investment guidelines have been established. This statement will be subject to periodic review and possible modification by the Budget, Finance and Investment Committee, as the Committee considers necessary to achieve cash management and investment and liquidity requirements.

I. Cash Management**Investment Objectives**

University pooled cash for purposes of investment allocation shall be divided into three asset groups as follows:

- | | |
|-------------------------|---|
| Short-term pool: | Cash that is expected to be needed for normal operating expenditures within a one-year period. The primary objective is preservation of principal and liquidity. Maximization of investment income without undue exposure to risk is a secondary objective. |
| Intermediate-term pool: | Cash that is expected to be needed within a period of one year to six years. The primary objectives are preservation of principal and maximization of investment income without undue exposure to risk. |
| Long-term pool: | Cash that is not expected to be needed for operational purposes for a period exceeding six years and/or that may be designated as a permanent core. The primary investment objective is to achieve consistent long-term growth of the pool with limited exposure to risk. |

Maturity Guidelines

- | | |
|------------------|---|
| Short-term pool: | The average weighted maturity for a short-term portfolio shall be between one day and one year. |
|------------------|---|

Intermediate-term pool: The average weighted maturity for intermediate-term portfolio shall be between one year and six years.

Long-term pool: Permanent core cash may be invested in any investment that is allowable under the University's *Statement of Objectives and Policies* for the Endowment Fund and that meets the overall objective of achieving consistent long-term growth of the pool with limited exposure to risk.

Performance Objectives

Short-term pool: The benchmark for the short-term portfolio shall be total return that meets or exceeds the yield of three-month U. S Treasury securities.

Intermediate-term pool: The benchmark for intermediate-term portfolio shall be total return that meets or exceeds the Bloomberg Barclays 1-5 Year U.S. Treasury Bond Index.

Long-term pool: The benchmark for the investment of the long-term pool shall correspond to the benchmarks for each asset class as specified in the University's *Statement of Objectives and Policies* for the Long Term Investment Pool, including the Endowment Fund.

Allowable Investments for Asset Groups

For all of the asset groups described below, the Treasurer will develop in conjunction with the Board of Trustees Investment Subcommittee (ISC) a list of approved funds and fund managers from which the Treasurer may select managers as appropriate. This list will be reviewed and approved annually by the ISC.

Short-term and

Intermediate-term Pool: Investments in the short-term and intermediate-term portfolio are restricted to U.S. Treasury and government agency securities, money markets, high quality corporate and asset-backed securities, and commercial and bank paper, whereas the intermediate-term pool may have maturities up to six years. Investments shall be in marketable securities of the following types and with the noted credit ratings:

1. Debt securities rated Aaa, Aa, A or Baa by Moody's Investor's Service, Inc. or AAA, AA, A or BBB by Standard & Poor's Corporation.
2. Obligations of, or guaranteed by, the United States of America, its agencies or instrumentalities.

3. Obligations of, or guaranteed by, national or state banks or bank holding companies rated ~~BBB~~ or better. No more than 20% of the funds held in the cash pool shall be invested in debt obligations of institutions within any single holding company.
4. Asset-backed securities (ABS) rated Aaa by Moody's Investor's Service, Inc. or AAA by Standard & Poor's Corporation.
5. Commercial paper rated A-1 or higher by Standard and Poor's or Prime-1 (P1) by Moody's Investor's Service, Inc.
6. Bankers' acceptances or negotiable certificates of deposit issued by banks rated ~~BB-B~~ or better. No more than 20% of the funds held in the cash pool shall be invested in certificates of deposit, bankers' acceptances or floating rate notes of the institutions within any single holding company.
7. Repurchase agreements of banks having Fitch ratings no lower than ~~BBB~~ secured by the U.S. government and federal agency obligations with market values of at least 100% of the amount of the repurchase agreement.
8. Commingled funds may be used if they are in compliance with the above guidelines.

~~The Commonfund, a non-profit provider of investment products for colleges and universities~~

Long-term pool:

Investment of the long-term pool shall be restricted to those that are allowable under the University's *Statement of Objectives and Policies* for the Endowment Fund and that meet the overall objective of achieving consistent long-term growth of the pool with limited exposure to risk.

Moral, Ethical and Social Considerations

Cash balances will be invested consistently with the moral, social and ethical criteria adopted by the Board of Trustees on recommendation of its Budget, Finance and Investment Committee as related to the Long Term Investment Pool, including the Endowment Fund. Criteria for socially responsible investing shall include, where advisable and consistent with investment quality, return, and safety guidelines, the use of community and State institutions for investment purposes. Where returns are reasonably equal (within 10 basis points), preferences will be given to Vermont-based financial institutions.

Investment Management Responsibility and Structure

Cash management and investment responsibility resides with the Vice President for Finance and Treasurer through the Controller.

1. Investments may be made internally using allowable instruments and institutions; OR,
2. Investment managers may be engaged to invest University assets consistent with this Policy. Subject to this Policy and a written agreement between the University and the investment manager, the investment manager will be given discretion to select individual securities and to make adjustments to the structure of the portfolio.

I. Liquidity

This Cash Management and Liquidity Policy establishes a Minimum Liquidity Target for the University of \$30 million, subject to future modification by the Budget, Finance, and Investment Committee. Liquid funds that are unrestricted, unencumbered General Fund Net Assets (as such capitalized term is used in the audited financial statements of the University) shall be used to satisfy the Minimum Liquidity Target. For the purposes of this Policy, General Fund Net Assets that are restricted in their use, or otherwise encumbered by Board or administrative action, shall not be available to satisfy the Minimum Liquidity Target. The objective of this policy is to ensure that the University operates with an adequate level of institutional liquidity to minimize risk associated with temporary, unforeseen liquidity needs.

II. Administration and Reporting

- A. The Treasurer will report to the Budget, Finance and Investment Committee annually, the following:
 1. Cash balances in each asset group;
 2. Investments in each asset group by manager and investment type or fund; and
 3. Performance of each individual investment type within each asset group.
 4. A schedule of unrestricted, unencumbered General Fund Net Assets compared to the Minimum Liquidity Target.
- B. As delegated by the Board of Trustees through its resolutions, specified University officials, including the Treasurer, are authorized to open accounts with banks, investment firms, or commercial paper institutions, and/or to execute purchases and sales, in order to implement this Cash Management and Liquidity Policy.
- C. This Cash Management and Liquidity Policy will be subject to annual review by the Investment Subcommittee and the elements of the policy related to liquidity will be subject to annual review by the Budget, Finance, and Investment Committee.

Adopted by the Board of Trustees: October 15, 1993
Revised by the Board of Trustees: October 12, 2002
Revised by the Board of Trustees: August 27, 2005
Revised by the Board of Trustees: November 11, 2006
Revised by the Board of Trustees: February 5, 2010
Revised by the Board of Trustees: October 3, 2015
Revised by the Board of Trustees: February 6, 2016
Revised by the Board of Trustees: February 4, 2017
Revised by the Board of Trustees: February 2, 2019
Revised by the Board of Trustees:

UNIVERSITY OF VERMONT**STATEMENT OF INVESTMENT POLICIES AND OBJECTIVES****I. INTRODUCTION**

This statement is issued by the Investment Subcommittee (the “ISC”) of the Board of Trustees of the University of Vermont (the “Board”). The ISC was established by the Board and the Budget, Finance and Investment Committee in late 2006 and charged with oversight of investment strategy and investment managers for the Long-Term Investment Pool, including the Endowment Fund, collectively called the “Fund”, of the University. The policy statement will be reviewed annually and modified by the ISC as conditions warrant.

II. FIDUCIARY STANDARDS

The Board, the ISC, the Treasurer and finance staff, and any third-parties (e.g., investment managers) retained to advise the Board, the ISC, the Treasurer and/or finance staff as to investment strategy and management (any and all of whom may be referred to as “Responsible Parties”) shall exercise their responsibilities with respect to the Fund’s assets in compliance with the requirements of the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”), enacted in the state of Vermont in 2009. In accordance with UPMIFA, key facets of the Responsible Parties’ roles include:

- Acting in good faith, with the care an ordinarily prudent person would exercise;
- Incurring only reasonable costs in investing and managing charitable funds;
- Making decisions about each asset in the context of the portfolio of investments, as part of an overall investment strategy;
- Diversifying investments, unless due to special circumstances, the purposes of the Fund are better served without diversification;
- Disposing of unsuitable assets; and
- In general, developing an investment strategy appropriate for the Fund and the University.

III. RESPONSIBILITIES of INVESTMENT SUBCOMMITTEE

Responsibilities and goals of the ISC include:

- Ensuring that current and future spending requirements are supported while also preserving the real purchasing power of the Fund;
- Achieving an optimum level of return within appropriate risk tolerances;
- Developing a sound and consistent investment policy including asset allocation, diversification and rebalancing guidelines;
- Selecting and maintaining qualified investment managers and advisors;
- Monitoring and evaluating results to ensure that policy guidelines are being adhered to and that policy objectives are being met; and
- Taking action under appropriate circumstances to discharge an investment manager or advisor for failing to perform in terms of stated expectations.

The ISC is authorized to delegate certain responsibilities to staff to assist in properly meeting the overall responsibilities as outlined above.

IV. CONFLICT OF INTEREST POLICY

In addition to the responsibilities set forth in the Board of Trustees' Conflicts of Interest policy, it is the responsibility of the ISC members to disclose to the ISC Chair any situation in which there may be reasonably construed to be a perceived or actual conflict of interest. The ISC Chair will work with the members to determine an appropriate response.

The ISC will generally not consider investments in funds directly managed by a member of the ISC. In addition, a member of the ISC employed by an investment or other firm that provides services to the Fund will recuse him/herself from all discussions and votes on existing or potential investments or other services managed or provided by that firm. The ISC recognizes, however, that certain exceptions to this policy may be appropriate. Such exceptions will be made only upon a majority vote of the disinterested members of the ISC.

In the event that the ISC is considering an investment in an access-constrained investment opportunity, any ISC member wishing to invest for his/her own benefit in such an opportunity shall notify the ISC Chair in writing.

V. MORAL, SOCIAL AND ETHICAL CONSIDERATIONS IN INVESTMENT STRATEGY

The University Statement of Investment Policies and Objectives requires the Board, the Investment Subcommittee (ISC) of the Board Budget, Finance and Investment Committee, the Treasurer, and third parties such as investment managers, to exercise their responsibilities with respect to the Long-Term Investment Pool, including Endowment Fund assets, in compliance with the requirements of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA").

In accordance with UPMIFA, key facets of the Responsible Parties' roles, as paraphrased below, include:

- **Acting in good faith, with the care an ordinarily prudent person would exercise;**
- **Incurring only reasonable costs in investing and managing charitable funds;**
- **Making decisions about each asset in the context of the portfolio of investments, as part of an overall investment strategy;**
- **Diversifying investments, unless due to special circumstances, the purposes of the Fund are better served without diversification;**
- **Disposing of unsuitable assets.**

Achieving the Financial and Investment Objectives of the Fund is essential to provide resources to fulfill the institutional mission of the University. The core responsibility of the ISC is to achieve the Financial and Investment Objectives of the fund in a manner consistent with the requirements of UPMIFA and prudent fiduciary practices.

The primary objective of achieving the Financial and Investment Objectives of the Fund does not preclude consideration of moral, ethical and social criteria in selecting investments or participating in shareholder resolutions that address moral, ethical or social issues. However, the core responsibility of the Board is to steward University assets in a manner consistent with prudent fiduciary practices.

VI. FINANCIAL & INVESTMENT OBJECTIVES

The overall financial objective of the Fund is to provide a stable and consistent level of ongoing support for the University's programs through a reasoned spending policy consistent with preserving and enhancing the real (i.e., inflation-adjusted) purchasing power of the Fund over time.

The primary long-term investment objective of the Fund is to attain a real total return¹ (net of investment management fees) that exceeds the amount being distributed for spending and administration, currently set at 4.75%. This will be measured over the long term, capturing a full market cycle, as it is unlikely that the Fund's return will meet or exceed the spending rate in each individual year. Other important investment objectives are to achieve annualized returns in excess of the strategic policy portfolio blended benchmark (defined herein), measured over a full market cycle; and to outperform the median return of a pool of endowment funds of similar size with broadly similar investment objectives and policies.

VII. ASSET ALLOCATION

The policy portfolio for the Fund is a target or "normal" set of investments, based on long-term return, risk and correlation assumptions that balance the organization's need for liquidity, preservation of purchasing power, and risk tolerance. Certain investments are made for capital appreciation and return enhancement: global equities, long/short hedge funds, venture capital and private equity; some are made to protect against unanticipated inflation: real estate, energy, timber, commodities, TIPS; and some are made to protect against deflationary periods and to reduce volatility: primarily, high quality intermediate bonds for the former and absolute return hedge funds for the latter. The ISC, with input and assistance from staff and external advisors, shall periodically examine the policy portfolio targets and consider adjustments to the asset allocation as may be appropriate (for example, due to a material change in the capital market assumptions). Changes to the policy portfolio targets will be reviewed and approved by the ISC and presented to the Budget, Finance and Investment Committee and the Board, as necessary.

In addition to being diversified across asset classes, the Fund will be diversified within each asset class. This will provide reasonable assurance that the performance of any single security, issuer or class of securities, or active manager will not have a disproportionate impact on the total Fund performance.

The most current asset allocation / strategic policy portfolio for the Fund is attached as **Appendix A**.

VIII. REBALANCING

The Fund's actual asset allocation will be monitored monthly and reviewed by the ISC at its regular meetings relative to established policy portfolio targets and allowable ranges. Adjustments may be constrained by practical limits with respect to liquidity and transaction costs, but rebalancing efforts will be made as practicable. Cash flow in or out of the Fund may create an opportunity to shift the allocation closer toward policy targets. The ISC may at times authorize investments in new or developing asset classes that are not part of the strategic policy portfolio at the time of their adoption, with the intention of revising the policy portfolio shortly thereafter.

¹ Real total return is the sum of realized and unrealized capital appreciation (or loss) and current income in the form of dividends and interest, adjusted for inflation as measured by the Consumer Price Index.

IX. PERFORMANCE EVALUATION, BENCHMARKS, and ASSET CLASS CHARACTERISTICS

The performance objectives for the total Fund, each asset class and each manager are outlined below, with the purpose of establishing specific parameters for regular and ongoing review. While performance is measured over both short- and long-term periods, the focus and emphasis of performance evaluation is on longer time periods as represented by a full market cycle.

Overall Fund

There are a number of different benchmarks for assessing performance at the overall Fund level:

Undiversified Benchmark – this simple market benchmark helps the ISC evaluate the value added from a sophisticated investment program versus a portfolio that could be easily replicated through investment in index funds.

Target Benchmark – this custom benchmark compares the total return of the Fund to a blended benchmark based on applying the target policy weights of each underlying asset class to the performance of the asset class benchmarks. The individual asset class benchmarks are discussed in the next section.

Current Allocation Benchmark – this benchmark is composed of the current allocations for each of the underlying composite asset classes weighted against the corresponding returns of their respective benchmarks.

Cambridge Associates' Universe of Endowment Pool Returns – a universe of over 300 institutions, a broad peer universe against which the ISC compares the Fund's return. In addition to this broad comparison, the ISC may also compare the Fund's results to various subsets of this broad universe, which include institutions of similar size and with similar characteristics.

Asset Classes & Managers

Each manager will be expected to outperform (net of fees) a benchmark that is appropriate based on the asset class and style of the manager, over a full market cycle. Performance results will be reviewed with the ISC at its regular meetings and in an interim period when there is a major event (personnel change, for example) at the firm. The manager will be evaluated on long-term performance so that shorter-term failure to meet the benchmark target returns is not an automatic basis for manager termination.

Due to the broad nature of the asset classes and the unique style of managers, it is important to note that the specific benchmark of the individual manager may not necessarily be the same as the benchmark for the particular asset class composite as defined below. For example, the Total U.S. Equity benchmark is the S&P 500 but small cap managers, for example, will be compared to the appropriate small cap benchmarks.

+Asset Class	Market Index Used in Target Benchmark ²	Underlying Investments
Public Global Equity	MSCI ACWI	Portfolios are expected to focus on public global, US, international developed, and/or emerging markets.
Marketable Alternatives	Hedge Fund Research Inc. (HFRI) Fund of Funds Composite Index	Investment mandates may include: multi-strategy arbitrage, event arbitrage, distressed securities, credit/capital structure arbitrage and long/short equity investments in global markets.
Private Investments	Weighted Benchmark composed of C A medians as follows: Private Equity 40% Venture Capital 30% Real Estate 20% Natural Resources 10%	This asset class includes private investment strategies of all types, including but not limited to buyouts, venture capital, secondaries, distressed, real estate, private energy, and similar strategies. Market values and return information is lagged by one quarter, as the underlying investments are not readily valued at the close of the latest quarter.
Public Real Assets	Dynamic benchmark that reflects each underlying investment's individual benchmark and their respective weight within the Real Assets allocation. <i>(The Dynamic benchmark will evolve as asset types are added or removed from the portfolio and as the allocation changes over time.)</i>	Holdings may include natural resource related equity securities, MLPs, diversified commodities, US issued TIPS and other, similar public investment strategies.
Fixed Income	Bloomberg Barclays Aggregate Bond Index	Holdings may consist of U.S. Treasury bonds, mortgages, and corporate credit investments.

Individual manager accounts will be monitored for consistency of each manager's investment philosophy and process, return relative to objectives, investment risk as measured by asset concentrations, exposure to extreme economic conditions, and market volatility. In the broadest sense, the monitoring process is intended to confirm that the reasons the manager was initially retained still hold true.

² Indices used in Target Benchmark are effective as of May 18, 2019.

X. MANAGER GUIDELINES

Investment managers will be hired for a specific skill set, and the resulting investments will be made either through separately managed accounts or pooled vehicles. Each manager of a separate account will adhere to the firm's stated philosophy and investment strategy. Where investments are in commingled funds, mutual funds, off-shore funds or limited partnerships, the permissible investments are governed by the appropriate fund prospectus or offering memorandum. Some of these products permit the use of derivatives for certain investment strategies and in instances where a manager has demonstrated skill in effectively utilizing these instruments. For example, they may be used in reducing risk or replacing positions to gain flexibility and efficiency.

XI. MANAGER REPORTING

Each investment manager of marketable assets will provide monthly portfolio valuations and total return net of all commissions and fees. On a quarterly basis, managers will report current holdings at market value, and purchases and sales for the quarter. Traditional marketable managers with whom UVM is invested through a separate account may be required to reconcile records of holdings, transactions, and dividend/interest income with the Fund's custodian on a periodic basis. Specialty managers (who manage hedge funds and non-marketable partnerships) will report on portfolio details with as much transparency as possible. Each of these managers will provide annually their most recent audited financial statements, which include the basis of accounting and the auditor's opinion. In addition, each specialty manager will disclose its respective valuation policies and procedures on an annual basis.

Regular communication from all managers concerning investment strategy and outlook is expected. The ISC will regularly review a Watch List that is maintained to highlight managers' relative performance when it is outside the normal range or expected returns, new organizational issues, and/or any significant changes in strategy that raise concerns. Additionally, managers are required to inform the University of Vermont of any significant change in firm ownership, organizational structure, professional personnel, or fundamental investment philosophy. Managers will also send a copy of their form ADV to the University at least annually.

XII. PROXY VOTING GUIDELINES

University of Vermont's Endowment Accountant votes the shareholder proxies.

XIII. GUIDELINES FOR TRANSACTIONS

As a general guideline that should apply to all assets managed, transactions should be entered into on the basis of best execution, which is interpreted normally to mean best realized price.

Adopted by the Board of Trustees on February 5, 2011, to replace the former “Statement of Investment Objectives and Policies,” as revised most recently on November 11, 2006.

Approved as revised by the Board of Trustees: February 9, 2013

Approved as revised by the Board of Trustees: February 8, 2014

Approved as revised by the Board of Trustees: February 6, 2016

Approved as revised by the Board of Trustees: February 3, 2017

Approved as revised by the Board of Trustees: May 19, 2018

Approved as revised by the Board of Trustees: October 27, 2018

Approved as revised by the Board of Trustees: May 18, 2019

Reaffirmed by the Board of Trustees:

APPENDIX A**ASSET ALLOCATION POLICY TARGETS***March 2020*

Asset Class	Target (%)	Allowable Range (%)
Public Global Equity	45.0	30-65
Marketable Alternatives	15.0	10-20
Private Investments	25.0	15-35
Public Real Assets	5.0	0-10
Fixed Income	10.0	5-25
Cash & Cash Equivalents	0.0	0-5

Appendix A Targets last revised by Investment Subcommittee: March 10, 2020