

## 2005 Resolutions

### February 12, 2005

- 1) Resolution regarding Charge of the Audit Committee
- 2) Revision of Allocation Targets in University Statement of Investment Objectives and Policies
- 3) Approval to Change the Final Examination Policy
- 4) Approval of the Changes to the Standards for Academic Minors
- 5) Approval to Change the Master of Physical Therapy to a Doctorate in Physical Therapy Degree
- 6) Approval to Establish the Master's Entry Program in Nursing
- 7) Approval to change the name of the Women's Studies Program to Women's and Gender Studies Program
- 8) Approval to Establish the Major in Film and Television Studies in the Department of English
- 9) Approval to establish the Integrated Bachelor of Science Program in Environmental Sciences
- 10) Approval to terminate the Bachelor of Science Program in Biomedical Technologies
- 11) 2002 Bond Proceeds Reallocation Resolution
- 12) Utilities Master Planning, Chilled Water System, and Infrastructure Improvement Resolution
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- 21) Alysia Krasnow-Butler (retiring from her term on the Board)
- 22) Colin M. Robinson (retiring from his term on the Board)
- 23) Frank J. Cioffi (retiring from his term on the Board)
- 24) Margaret P. Hummel (retiring from her term on the Board)
- 25) Malcolm F. Severance (retiring from his term on the Board)

### March 14, 2005

- 1) Revising Resolution as to Delegation and Retention of Board Authority
- 2) Resolution regarding the Affiliation Agreement

### May 16, 2005

- 1) Resolution Authorizing Affiliation Agreement

**May 20, 2005**

- 1) Resolution Approving Appointment of Board Chair
- 2) Resolution Approving Committee Appointments

**May 21, 2005**

- 1) Resolution Amending the University's Equal Opportunity Policy Statements
- 2) Classroom Improvements Plan Resolution
- 3) 438 College Street Renovation Resolution
- 4) Given and Rowell Fire Alarm and Sprinkler System Resolution
- 5) Approval to Rename the Licensure Option in the M.Ed. in Curriculum and Instruction Degree to an MAT Degree
- 6) Approval to change the name of the Department of Biomedical Technologies to the Department of Medical Laboratory and Radiation Sciences
- 7) Approval to Terminate the MA degree in Geography
- 8) Approval to Terminate all MAT Degrees (with the exception of the MAT in Classics) and all MST Degrees (with the exception of the MST in Biology) in the College of Arts and Sciences, the College of Engineering and Mathematics (with the exception of the MST in Mathematics), and the College of Agriculture and Life Sciences
- 9) Approval of the Certificate in Medical Laboratory Science in the College of Nursing and Health Science
- 10) Approval of the renaming and structuring of the College of Engineering and Mathematics to the College of Engineering and Mathematical Sciences
- 11) Acceptance of Gifts and Grants
- 12) Fiscal Year 2006 Budget Premises: General University
- 13) Tuition Charges for Fiscal Year 2006
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- 15) Fees for Fiscal Year 2006
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- 18) A Resolution Relating to Financing of Certain Projects
- 19) Amendment: Utilities Master Planning, Chilled Water System, and Infrastructure Improvement Resolution
- 20) Resolution Approving the Appointment of a Fletcher Allen Health Care Trustee
- 21) Resolution Approving Nominations Committee Operational Guidelines
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**July 11, 2005**

- 1) Athletic Track Replacement

**August 27, 2005**

- 1) Establishment of Bank Account
- 2) Establishment of Brokerage Account
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- 5) Signatory Authority – Endowment Funds

- 6) Signatory Authority – UVM Pooled Income Fund
- 7) TD Banknorth – Wire Transfer Agreement
- 8) Investment Advisory Services
- 9) Maintenance of Accounts
- 10) Proxy Votes
- 11) Sponsoring or Co-Sponsoring Shareholder Resolution
- 12) Resolution Accepting Revisions to the Statement of Objectives and Policies Related to Cash Balances
- 13) Naming of Athletic Turf Field
- 14) Approval of Changes to *Officers' Handbook*
- 15) Resolution Authorizing Award of Degrees
- 16) Resolution approving the Mackay-Page Endowed Professorship in Surgical Education
- 17) Acceptance of Gifts and Grants
- 18) 2005 Bond Resolution
- 19) 2002 Bond Proceeds Reallocation Resolution

**October 17, 2005**

- 1) Resolution Approving Appointments to and Charge of the ad hoc Committee on Board Operations
- 2) Resolution Approving the Appointment to the Mackay-Page Endowed Professorship in Surgical Education

**November 19, 2005**

- 1) Acceptance of Fiscal Year 2005 Annual Audit
- 2) Audit Firm for Fiscal Year 2006 Audit
- 3) Authorization for President to Confer Honorary Degrees
- 4) Acceptance of Gifts and Grants
- 5) General University and Morgan Horse Farm FY 2007 State Appropriation Request
- 6) Summer Session Tuition Rates
- 7) Revision of Debt Policy
- 8) Approval to Establish the Certificate of Public Communication offered by the Division of Continuing Education and the College of Agriculture and Life Sciences
- 9) Approval to Rename the Department of Physical Therapy to the Department of Rehabilitation and Movement Science; Move the Athletic Training major from the College of Education and Social Services to the College of Nursing and Health Sciences; Establish a new major in Exercise and Movement Sciences; and to Establish a new minor in Health, Exercise and Fitness.
- 10) State Capital Request FY 2006
- 11) Resolution Regarding the Facilities and Technologies Committee Charge
- 12) Resolution Regarding Approval of Agreement with Fletcher Allen Health Care Authorizing Transfer of Proxy to Designate Trustees

# **CONSENT AGENDA**

**February 12, 2005**

## **AUDIT COMMITTEE**

### **(1) Resolution regarding Charge of the Audit Committee**

WHEREAS, the Board has a standing Audit Committee pursuant to the University Bylaws; and

WHEREAS, the specification of the Committee's responsibilities appears in the Audit Committee Charter and Guidelines approved by the Board on November 13, 2004, as set forth in Attachment A;

THEREFORE, BE IT RESOLVED, that the charge of the Committee is hereby amended for consistency with said Charter and Guidelines.

## **INVESTMENT COMMITTEE**

### **(2) Revision of Allocation Targets in University Statement of Investment Objectives and Policies**

RESOLVED, that Exhibit 1 of the University Statement of Investment Objectives and Policies, shall hereafter read as follows, until further revised by this Board:

#### **EXHIBIT 1 UNIVERSITY OF VERMONT ASSET ALLOCATION STRATEGY**

<b>Strategy</b>	<b>Implementation</b>	<b>Target</b>	<b>Range</b>
U.S Equity	Core exposure to passive index complemented by one or more satellite managers	39.5%	30-50%
Non-U.S. Equity	One or more managers investing in developed and emerging markets	15%	10-20%
<i>Non-US Emerging</i>	<i>A subset of Non U.S. Equity</i>	<i>5%</i>	<i>0-10%</i>
Marketable Alternatives	<sup>1</sup> A group of complementary managers with a distinct approach to investing, each offering attractive levels of expected returns while not being fully correlated with major equity and debt markets	17.5%	12-20%
Real Estate/ Inflation Hedges	If real estate investments are undertaken, exposure will be achieved by investing in one or more commingled funds, offering broad diversification	5%	3-10%

Non-marketable/ Alternatives	Focus will be on high quality of funds, providing a broad range of diversification	2%	0-10%
Fixed Income	One or more managers will be used to provide broad diversification to high quality domestic fixed income	20%	15-30%
Cash & Equivalents	Small amounts of cash may be held for purposes that the Investment Committee deems necessary	1%	0-3%

<sup>1</sup> Alternative Assets include: Distressed Securities, Arbitrage and Hedge Fund

## **ACADEMIC AND STUDENT PROGRAMS COMMITTEE**

### **(3) Approval to Change the Final Examination Policy**

RESOLVED, that the Board of Trustees approves the changes to the Final Examination Policy as approved by the Provost on December 22, 2004 and by the President on January 5, 2005.

### **(4) Approval of the Changes to the Standards for Academic Minors**

RESOLVED, that the Board of Trustees approves the changes to the Standards for Academic Minors Policy as approved by the Provost on December 22, 2004 and by the President on January 5, 2005.

### **(5) Approval to Change the Master of Physical Therapy to a Doctorate in Physical Therapy Degree**

RESOLVED, that the Board of Trustees approves changing the Master of Physical Therapy Degree to a Doctor of Physical Therapy Degree as approved by the Provost on January 13, 2005 and by the President on January 18, 2005.

### **(6) Approval to Establish the Master's Entry Program in Nursing**

RESOLVED, that the Board of Trustees approves the establishment of the Master's Entry Program in Nursing as approved by the Provost on January 13, 2005 and by the President on January 18, 2005.

### **(7) Approval to change the name of the Women's Studies Program to Women's and Gender Studies Program**

RESOLVED, that the Board of Trustees approves changing the name of the Women's Studies Program to Women's and Gender Studies Program as approved by the Provost on January 13, 2005 and by the President on January 18, 2005.

**(8) Approval to Establish the Major in Film and Television Studies in the Department of English**

RESOLVED, that the Board of Trustees approves the establishment of a major in Film and Television Studies in the Department of English as approved by the Provost on January 24, 2005 and by the President on January 27, 2005.

**(9) Approval to establish the Integrated Bachelor of Science Program in Environmental Sciences**

RESOLVED, that the Board of Trustees approves the establishment of the Integrated Bachelor of Science Program in Environmental Sciences as approved by the Provost on January 24, 2005 and by the President on January 27, 2005.

**(10) Approval to terminate the Bachelor of Science Program in Biomedical Technologies**

RESOLVED, that the Board of Trustees approves the termination of the Bachelor of Science Program in Biomedical Technologies as approved by the Provost on January 24, 2005 and by the President on January 27, 2005.

**FACILITIES AND TECHNOLOGIES COMMITTEE  
(\*also approved by the Finance & Budget Committee)**

**(11) 2002 Bond Proceeds Reallocation Resolution**

WHEREAS, the University wishes to manage its debt in the most cost-effective way in accordance with its Board-adopted Debt Policy; and

WHEREAS, in May 2002 the Board of Trustees authorized the issuance of General Obligation Bonds for various capital projects; and

WHEREAS, the University initially authorized the expenditure of 2002 bond proceeds for certain projects which are not yet completed due to construction delays and further authorized the issuance of commercial paper and the expenditure of commercial paper proceeds for certain other projects; and

WHEREAS, the University now wishes to authorize the expenditure of 2002 bond proceeds for a portion of the costs of certain of the projects previously expected to be financed through the issuance of commercial paper,

NOW, THEREFORE, BE IT RESOLVED, that the Vice President for Finance and Administration, or his designee, is hereby authorized to reallocate \$80,192 from the Catamount Apartment project, \$1,229,670 from the Living Learning project, \$12,239,918 from the New Residence Hall project, \$485,736 from the Life Safety System project, \$230,228 from the Family Student Housing project, \$1,000,000 from Stormwater Improvements, \$1,395,082 from the

Gutterson Parking Structure project, \$484,880 from Deferred Maintenance projects, \$219,375 from Energy Conservation projects and \$748,555 from Dewey Research Improvements, all initially expected to be financed with the proceeds of the 2002 bonds, as follows:

- 1) \$2,500,000 to the University Commons (Davis Center) project;
- 2) \$3,113,636 to the Nutrition and Food Sciences Addition to Marsh Life Sciences;
- 3) \$500,000 to WDW Renovation Planning; and
- 4) \$12,000,000 to purchase the Colchester Research Facility.

BE IT FURTHER RESOLVED, that the Board confirms that this reallocation is for the purposes of debt management and does not modify the previously approved scope or budget of these various capital projects.

BE IT FINALLY RESOLVED, that the Board confirms that its earlier authorization of the issuance of commercial paper to pay additional costs of these projects remains in effect.

**(12) Utilities Master Planning, Chilled Water System, and Infrastructure Improvement Resolution**

WHEREAS, as a component of the comprehensive Campus Master Plan, the University's Physical Plant Department has developed a Utilities Master Planning concept that anticipates a tri-generation system and improved campus utilities infrastructure; and

WHEREAS, a present opportunity exists to develop a centralized chilled water system, as an integral part of the proposed tri-generation system, in lieu of individual building-based chiller systems (Phase I of the Utilities Master Planning concept); and

WHEREAS, there is a further need to undertake various near-term projects to both eliminate deferred maintenance and expand the utility infrastructure to better serve the current and future needs of the University (Phase II);

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees approves and adopts the Utilities Master Planning concept with the expectation that each and every project reflected in the concept will be brought to the Board for review and approval.

BE IT FURTHER RESOLVED, that the President, Vice President for Finance and Administration, and their successors or designees are hereby authorized to commence the construction of the infrastructure for a centralized chiller system and to undertake various projects to eliminate deferred maintenance and expand the current utilities infrastructure (Phases I and II of the Utilities Master Planning concept) and to execute any and all contracts and documents necessary to undertake these projects at a total cost not to exceed \$19,000,000.

BE IT FINALLY RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons appointed to any of the positions heretofore mentioned, and further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

**(13) Wing-Davis-Wilks Renovation**

WHEREAS, the Wing-Davis-Wilks residence complex at the south end of the Redstone Campus is in need of renovation and rehabilitation; and

WHEREAS, such renovations have been anticipated, and are included in both the Residential Life Master Plan and the Strategic Financial Plan; and

WHEREAS, in November 2004 the Board of Trustees authorized the expenditure of up to \$2,000,000 to complete a plan and budget for the project, and that work has now been completed;

NOW, THEREFORE, BE IT RESOLVED, that the President, Vice President for Finance and Administration, and their successors or designees are hereby authorized to undertake the renovation of the Wing-Davis-Wilks residential complex and to execute any and all contracts and documents necessary to undertake the project at a total cost, including the \$2M previously approved, not to exceed \$17,700,000.

BE IT FINALLY RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons appointed to any of the positions heretofore mentioned, and further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

**(14) Residential Learning Center Project Revision**

WHEREAS, at its May 2002 meeting the Board of Trustees approved the construction of up to 600 additional residence hall beds at a cost not to exceed \$34,000,000; and

WHEREAS, at its May 2003 meeting the Board increased the scope of the project to approximately 800 beds with an increase in the project budget to \$47,000,000; and

WHEREAS, at its May 2004 meeting the Board recognized that unanticipated site and utility costs, modifications to accommodate the Honors College, LEEDS certification expenses, and market pressures necessitated a further increase in the project budget to \$53,100,000; and,

WHEREAS, continuing market-driven changes in the cost of various construction specialties, including mechanical/electrical systems and structural components, have driven up the project cost to \$60,600,000; and

WHEREAS, every effort has been taken to reduce costs without reducing quality;



NOW, THEREFORE, BE IT RESOLVED, that the Vice President for Finance and Administration is hereby authorized to increase the project budget from \$53,100,000 to \$60,600,000; and

BE IT FINALLY RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons appointed to any of the positions heretofore mentioned, and further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

## **FINANCE AND BUDGET COMMITTEE**

### **(15) Acceptance of Gifts and Grants**

RESOLVED, that the Board of Trustees, hereby accepts gifts in the amount of \$5,390,780.26 for the period October 2, 2004, through December 31, 2004, and grants and contracts in the amount of \$18,811,807 for the period October 1, 2004, through December 31, 2004.

### **(16) Authority to Commence Obtaining Liquidity Facility**

WHEREAS, the University wishes to manage its debt in the most cost-effective way in accordance with its Board-adopted Debt Policy; and

WHEREAS, on November 13, 2004, the University of Vermont Board of Trustees authorized the issuance of commercial paper for various capital projects; and

WHEREAS, the University now wishes to obtain a liquidity facility in the form of a line of credit, revolving credit facility, standby note purchase agreement or similar agreement with a bank, insurance company or other financial institution which would provide funds to pay the principal amount of maturing commercial paper notes if renewal commercial paper notes cannot be issued;

NOW, THEREFORE, BE IT RESOLVED, that the Vice President for Finance and Administration, or his designee, is hereby authorized to develop a recommendation for Board consideration on obtaining a liquidity facility for the purpose of providing funds to pay the principal amount of maturing commercial paper notes if renewal commercial paper notes cannot be issued.

### **(17) Utilities Master Planning, Chilled Water System, and Infrastructure Improvement Resolution**

WHEREAS, as a component of the Comprehensive Campus Master Plan, the University's Physical Plant Department has developed a Utilities Master Plan and Co-Generation concept which includes a tri-generation system for the Central Heating Plant and improved campus utilities infrastructure; and

WHEREAS, an opportunity exists to develop a centralized chilled water system, as an integral part of the proposed tri-generation system, in lieu of individual building based chiller systems; and

WHEREAS, savings in current electrical charges for the Bailey/Howe Library, the Old Mill/Lafayette Complex, the Royal Tyler Theatre; and, avoided power costs for the University Commons and future new facilities can be realized; and

WHEREAS, a centralized chilled water system will be highly efficient and both environmentally responsible and financially prudent; and,

WHEREAS, there is a need to undertake various projects to both eliminate deferred maintenance and expand the utility infrastructure to better serve the current and future needs of the University;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees adopts in the Utilities Master Plan and Co-Generation concept with the expectation that each and every project reflected in the plan be brought to the Board for review and approval.

BE IT FURTHER RESOLVED, that the President, Vice President for Finance and Administration, or their successors or designees, are hereby authorized to (a) commence the construction of the infrastructure for a centralized chiller system and to undertake various projects to eliminate deferred maintenance and expand the current utilities infrastructure (phases I and II of the Utilities Master Plan); (b) execute any and all contracts and documents necessary to undertake the project at a total cost not to exceed \$19,000,000; and (c) obtain internal or external interim financing, including the use of commercial paper, until bonds can be issued for the project.

BE IT FINALLY RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons appointed to any of the positions heretofore mentioned, and further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

Declaration of Official Intent of The University of Vermont to Reimburse Certain Expenditures from Proceeds of Indebtedness

WHEREAS, the University expects to pay certain expenditures (the “Reimbursement Expenditures”) in connection with the Project before the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, the University reasonably expects that debt obligations in an amount not expected to exceed \$19,000,000 will be issued and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the University to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing;

NOW, THEREFORE, the University of Vermont declares:

Section 1. The University of Vermont finds and determines that the foregoing recitals are true and correct.

Section 2. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the University to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 3. The University hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures.

Section 4. This declaration shall take effect from and after its adoption.

**(18) Wing-Davis-Wilks Renovation**

WHEREAS, the Wing-Davis-Wilks residence complex at the south end of the Redstone Campus is in need of renovation and rehabilitation; and

WHEREAS, such renovations have been anticipated, and are included in both the Residential Life Master Plan and the Strategic Financial Plan; and

WHEREAS, the Board of Trustees in November 2004 authorized the expenditure up to \$2,000,000 to complete a plan and budget for the project; and that work has now been completed;

NOW, THEREFORE, BE IT RESOLVED, that the President, Vice President for Finance and Administration, or their successors or designees, are hereby authorized to (a) undertake the renovation of the Wing-Davis-Wilks residential complex; (b) execute any and all contracts and documents necessary to undertake the project at a total cost, including the \$ 2M previously approved, not to exceed \$17,700,000; (c) to obtain internal or external interim financing, including the use of commercial paper, until bonds can be issued for the project.

BE IT FINALLY RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons appointed to any of the positions heretofore mentioned, and further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

**Declaration of Official Intent of The University of Vermont to Reimburse Certain Expenditures from Proceeds of Indebtedness**

WHEREAS, the University expects to pay certain expenditures (the “Reimbursement Expenditures”) in connection with the Wing-Davis-Wilks renovation (“the project”) before the

issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, the University reasonably expects that debt obligations in an amount not expected to exceed \$17,700,000 will be issued and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the University to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing;

NOW, THEREFORE, the University of Vermont declares:

Section 1. The University of Vermont finds and determines that the foregoing recitals are true and correct.

Section 2. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the University to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 3. The University hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures.

Section 4. This declaration shall take effect from and after its adoption.

**(19) Residential Learning Center Project Revision**

WHEREAS, at its May 2002 meeting the Board of Trustees approved the construction of up to 600 additional residence hall beds at a cost not to exceed \$34,000,000; and

WHEREAS, at its May 2003 meeting the Board increased the scope of the project to approximately 800 beds with an increase in the project budget to \$47,000,000; and

WHEREAS, at its May 2004 meeting the Board recognized that unanticipated site and utility costs, modifications to accommodate the Honors College, LEEDS certification expenses and market pressures necessitated a further increase in the project budget to \$53,100,000; and,

WHEREAS, continuing market-driven changes in the cost of various construction specialties, including mechanical/electrical systems and structural components have driven up the project cost to \$60,600,000; and

WHEREAS, every effort has been taken to reduce costs without reducing quality;

NOW, THEREFORE, BE IT RESOLVED, that the Vice President for Finance and Administration is hereby authorized to increase the project budget from \$53,100,000 to \$60,600,000; and

BE IT FINALLY RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons appointed to any of the positions heretofore mentioned, and further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

## **FULL BOARD**

### **(20) Resolution Authorizing Negotiation and Execution of Affiliation Agreement**

WHEREAS, the University and Fletcher Allen Health Care (“FAHC”) (collectively, “the parties”) share certain goals consistent with their respective missions; and

WHEREAS, the University has comprehensively reviewed the nature and extent of the parties’ affiliation and the value exchanges between the parties; and

WHEREAS, the University, through its duly authorized representatives has been engaged in negotiation of a proposed Affiliation Agreement designed to achieve the common goals of the parties, and University objectives, in a manner consistent with University fiduciary duties; and

WHEREAS, the administration has summarized for the Health Education Committee and the Board the proposed material terms of the Affiliation Agreement; and

NOW, THEREFORE, BE IT RESOLVED, that this Board authorizes the President, the Senior Vice President and Provost, and/or the Vice President for Finance and Administration to conclude the negotiations process and, subject to final report to and approval of the Executive Committee, execute an Affiliation Agreement generally consistent with the material terms of which the Board has been advised; and

BE IT FURTHER RESOLVED that, subject to the terms and conditions stated in the Affiliation Agreement, the Board approves FAHC and its subsidiary Fletcher Allen Physicians Corporation as approved and principal clinical practice plans for College of Medicine faculty.

### **(21) Alysia Krasnow-Butler**

WHEREAS, Alysia Krasnow-Butler is nearing the completion of her term as Trustee of The University of Vermont and State Agricultural College; and

WHEREAS, Alysia Krasnow-Butler has been a steadfast contributor and a voice of reason during her service as Secretary and Vice Chair of the Vermont Agricultural College Board, and in her membership on Board Committees, including the Diversity Committee, the Facilities and Technologies Committee, the Advancement and Constituency Committee, the Investment Committee, the Nominating Committee, and the Academic and Student Programs Committee;

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 Alysia Krasnow-Butler.

**(22) Colin M. Robinson**

WHEREAS, Colin Robinson is nearing the completion of his term as Trustee of The University of Vermont and State Agricultural College; and

WHEREAS, Colin Robinson has articulated principled beliefs, clear viewpoints, and new ideas in productive, positive ways during his service as a member on Board Committees, including the Facilities and Technologies Committee and the University Advancement Committee;

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

**(23) Frank J. Cioffi**

WHEREAS, Frank Cioffi is nearing the completion of his term as Trustee of The University of Vermont and State Agricultural College; and

WHEREAS, Frank Cioffi has provided sound advice, constructive direction and an abiding sense of respect and loyalty to the University during his appointment as Vice Chair of the Facilities and Technologies Committee, and in his membership on Board Committees, including the Academic and Student Programs Committee, the Advancement and Constituency Committee, the Diversity Committee, and through his membership on the Campus Master Plan Executive Planning Committee, and the UVM Alumni Council;

WHEREAS, Frank Cioffi began his service to the University as President of the Student Government Association, where he led the successful campaign in the Vermont General Assembly to amend the University Charter and create two permanent voting membership positions for students on the Board of Trustees;

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 Frank J. Cioffi.

**(24) Margaret P. Hummel**

WHEREAS, Margaret Hummel is nearing the completion of her term as Trustee of The University of Vermont and State Agricultural College; and

WHEREAS, Margaret Hummel has offered frank perspectives, alternative outlooks, and a strong sense of “Vermont values” during her service as Board Secretary and during her service as Chair of the Audit Committee, the Committee on Socially Responsible Investing, and the Vermont

Agricultural College Board, and in her membership on Board Committees, including the Executive Committee, the Advancement and Constituency Committee, the Investment Committee, the Finance and Budget Committee, the Nominating Committee and the Debt Subcommittee;

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 Margaret Hummel.

**(25) Malcolm F. Severance**

WHEREAS, Malcolm Severance is nearing the completion of his second term as Trustee of The University of Vermont and State Agricultural College; and

WHEREAS, Malcolm Severance has provided vast institutional memory, strong academic principles, and creative ways of thinking during his service as Chair of the Audit Committee and Vice Chair of the Academic and Student Programs Committee, the Audit Committee, the Finance and Budget Committee, and the Vermont Agricultural College Board, and in his membership on Board Committees, including the Diversity Committee, the Debt Subcommittee, the Executive Committee, and the Joint Committee on Honorary Degrees;

WHEREAS, Malcolm Severance's career at UVM spans thirty-six years (1953-1989), serving the University as professor and administrator including the positions of Assistant Dean of the College of Arts and Sciences, Assistant to the President for Planning and Development and Head of the Business Program, and;

WHEREAS, Malcolm Severance was appointed Professor Emeritus in 1986;

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 Malcolm Severance.

### **Audit Committee Charge**

The Audit Committee is responsible for overseeing the quality and integrity of the University's financial statements, ensuring institutional compliance with mandatory auditing standards, and evaluating institutional systems of risk assessment and internal controls.

The Committee will accordingly review and monitor progress on annual plans for audits and related services; select and interact with independent auditors; assess management's response to audit findings; and evaluate the quality and effectiveness of institutional accounting procedures, the internal audit function, and institutional systems of risk assessment, internal control, and reporting.

A specification of Committee responsibilities will be set forth in a Charter approved by the Board. The Charter will be revised from time to time in light of accounting industry and legal developments applicable to non-profit corporations and institutions of higher education.

The Board shall annually elect no less than four Trustees Members of the Committee.\* Customary representatives may also be appointed to the Committee by the Faculty Senate, Student Government Association, Staff Council and Alumni Council.

\* Pursuant to the University Bylaws, the President does not serve as an *ex officio* Member of this Committee. Article VII, section 7.1.



**EXECUTIVE COMMITTEE**

**March 14, 2005**

**Revising Resolution as to Delegation and Retention of Board Authority**

WHEREAS, on September 11, 2004, the Board approved a Resolution regarding Delegation and Retention of Board Authority;

BE IT RESOLVED, that said Resolution subsection (6) be revised in pertinent part as follows: “establishment of, and appointments to, endowed professorships”.

**Resolution regarding the Affiliation Agreement**

RESOLVED, that the Committee authorizes the President, the Provost, and/or the Vice President for Finance and Administration to execute, on behalf of the University, an agreement again extending the otherwise governing contractual deadline for providing notice to Fletcher Allen Health Care ("FAHC") of any intent not to renew the Affiliation Agreement between the parties; and

BE IT FURTHER RESOLVED, that the deadline shall be extended to June 1, 2005.

## **EXECUTIVE COMMITTEE**

**May 16, 2005**

### **Resolution Authorizing Affiliation Agreement**

WHEREAS, on February 12, 2005, the Board of Trustees authorized the President, the Provost and/or the Vice President for Finance and Administration to conclude negotiations with Fletcher Allen Health Care ("FAHC") and, subject to final report to and approval of the Executive Committee, execute an Affiliation Agreement generally consistent with the material terms of which the Board has been advised; and

WHEREAS, the Provost and/or Vice President thereafter continued negotiations with FAHC officials and have reported to this Committee on the progress of such negotiations; and

WHEREAS, this Committee determines on behalf of itself and the Board that, subject to conclusion of the negotiations in a manner consistent with such report, the resulting Affiliation Agreement will be consistent with the material terms of which the Board has been advised;

NOW, THEREFORE, BE IT RESOLVED, that this Committee authorizes the President, the Provost and/or the Vice President for Finance and Administration to conclude negotiations in a manner consistent with the status report the administration has today presented to this Committee; and

BE IT FURTHER RESOLVED, that the Committee authorizes the President, the Provost and/or the Vice President for Finance and Administration to execute the Affiliation Agreement on behalf of the University.

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

**May 20, 2005**

**Resolution Approving Appointment of Board Chair**

RESOLVED, that the Board hereby accepts the recommendation of the Nominating Committee and approves the appointment of Carl Lisman as Chair, effective immediately.

**Resolution Approving Committee Appointments**

RESOLVED, that the Board hereby approves the Committee appointments set forth in Attachments 3 and 4 hereto, effective immediately.

# CONSENT AGENDA

May 21, 2005

## DIVERSITY COMMITTEE

### (1) Resolution Amending the University's Equal Opportunity Policy Statements

WHEREAS, on February 3, 2005, the administration upon direction of the President announced its intent to interpret the University's Equal Opportunity Policy Statements ("Policies") to prohibit discrimination on the basis of gender identity or expression, effective March 1, 2005; and

WHEREAS, following such announcement, the Committee on Diversity took under advisement formal amendment of the Policies by the Board of Trustees; and

WHEREAS, these meetings involved active Committee and University community discussion, education and debate on the value and importance of relocating 'gender identity or expression' from the current annotation into the text of the Policies;

NOW, THEREFORE, BE IT RESOLVED, that the Committee recommends Board approval of amendment of the Policies to prohibit discrimination on the basis of gender identity or expression in employment and educational programs and activities, as follows and as set forth in Attachments A and B to this Resolution:

1. That the Board of Trustees adopts and affirms the inclusion of 'gender identity or expression' into the text of the University of Vermont (i) Equal Employment Opportunity/Affirmative Action Policy Statement and (ii) Equal Opportunity in Educational Programs and Activities Policy Statement.
2. That the University of Vermont Equal Employment Opportunity/Affirmative Action Policy Statement, be hereby amended to read as follows:

**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 University will accordingly recruit and hire into all positions the most qualified persons in light of job related requirements, and applicants and employees shall be treated in employment matters without regard to unlawful criteria including race, color, religion, ancestry, national origin, sex, sexual orientation, disability, age, positive HIV-related blood test results, status as a disabled or Vietnam Era Veteran, or gender identity or expression, as these terms are defined under applicable law, or any other factor or characteristic protected by law.**

**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.**

3. That the University of Vermont Equal Opportunity in Educational Programs and Activities Policy Statement be hereby amended to read as follows:

**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.**

## **FACILITIES AND TECHNOLOGIES COMMITTEE**

### **(2) Classroom Improvements Plan Resolution**

WHEREAS, the University intends to undertake campus classroom improvements, including the addition or replacement of advanced instructional technology (the "Classroom Improvements Project" or the "Project"); and

WHEREAS, the University has adopted its Commercial Paper Note Resolution (the "Resolution") on November 13, 2004, and thereby established a commercial paper program; and

WHEREAS, it may be beneficial to obtain internal or external interim financing, including the use of commercial paper, until bonds can be issued at the appropriate time for the Project;

NOW, THEREFORE, BE IT RESOLVED, that the President, Vice President for Finance and Administration, or their successors or designees, are hereby authorized to commence a program of classroom improvements in various campus buildings and to execute any and all contracts and documents necessary to undertake the Project at a total project cost not to exceed \$3,000,000; and

BE IT FURTHER RESOLVED, that the President or Vice President for Finance and Administration, or their successors or designees, are hereby authorized to obtain internal or

external interim financing, including the use of commercial paper, until bonds can be issued for the Project; and

BE IT FURTHER RESOLVED, that the external interim financing, including the use of commercial paper, shall be in an amount not to exceed \$3,100,000, included in which shall be Costs of Issuance, as that term is defined in the Resolution, in an amount not to exceed \$0, and capitalized interest in an amount not to exceed \$100,000; and

BE IT FINALLY RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons appointed to any of the positions heretofore mentioned, and further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

Declaration of Official Intent of The University of Vermont to Reimburse Certain Expenditures from Proceeds of Indebtedness

WHEREAS, the University expects to pay certain expenditures (the “Reimbursement Expenditures”) in connection with the Classroom Improvements Project before the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, the University reasonably expects that debt obligations in an amount not expected to exceed \$3,100,000 will be issued and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the University to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing;

NOW, THEREFORE, the University of Vermont declares:

Section 1. The University of Vermont finds and determines that the foregoing recitals are true and correct.

Section 2. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the University to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 3. The University hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures.

Section 4. This declaration shall take effect from and after its adoption.

### **(3) 438 College Street Renovation Resolution**

WHEREAS, the University intends to convert the former nuns' residence at 438 College Street into offices through renovations and the construction of a small accessible addition (the "438 College Street Renovation Project" or the "Project"); and

WHEREAS, the University has adopted its Commercial Paper Note Resolution (the "Resolution") on November 13, 2004, and thereby established a commercial paper program; and

WHEREAS, it may be beneficial to obtain internal or external interim financing, including the use of commercial paper, until bonds can be issued at the appropriate time for the Project;

NOW, THEREFORE, BE IT RESOLVED, that the President, Vice President for Finance and Administration, or their successors or designees, are hereby authorized to commence renovation of the existing building and construction of an addition at 438 College Street, and to execute any and all contracts and documents necessary to undertake the Project at a total project cost not to exceed \$3,000,000; and

BE IT FURTHER RESOLVED, that the President or Vice President for Finance and Administration, or their successors or designees, are hereby authorized to obtain internal or external interim financing, including the use of commercial paper, until bonds can be issued for the Project; and

BE IT FURTHER RESOLVED, that the external interim financing, including the use of commercial paper, shall be in an amount not to exceed \$3,100,000, included in which shall be Costs of Issuance, as that term is defined in the Resolution, in an amount not to exceed \$0, and capitalized interest in an amount not to exceed \$100,000; and

BE IT FINALLY RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons appointed to any of the positions heretofore mentioned, and further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

Declaration of Official Intent of The University of Vermont to Reimburse Certain Expenditures from Proceeds of Indebtedness

WHEREAS, the University expects to pay certain expenditures (the "Reimbursement Expenditures") in connection with the 438 College Street Renovation Project before the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, the University reasonably expects that debt obligations in an amount not expected to exceed \$3,100,000 will be issued and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the University to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing;

NOW, THEREFORE, the University of Vermont declares:

Section 1. The University of Vermont finds and determines that the foregoing recitals are true and correct.

Section 2. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the University to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 3. The University hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures.

Section 4. This declaration shall take effect from and after its adoption.

**(4) Given and Rowell Fire Alarm and Sprinkler System Resolution**

WHEREAS, the University intends to replace the fire alarm and sprinkler systems in the Given and Rowell buildings (the "Given and Rowell Fire Alarm and Sprinkler System Replacement Project" or the "Project"); and

WHEREAS, the University has adopted its Commercial Paper Note Resolution (the "Resolution") on November 13, 2004, and thereby established a commercial paper program; and

WHEREAS, it may be beneficial to obtain internal or external interim financing, including the use of commercial paper, until bonds can be issued at the appropriate time for the Project;

NOW, THEREFORE, BE IT RESOLVED, that the President, Vice President for Finance and Administration, or their successors or designees are hereby authorized to immediately commence the installation of a fire suppression sprinkler system and fire detection-alarm system in the Given and Rowell buildings, to execute any and all contracts and documents necessary to undertake the Project at a total project cost not to exceed \$2,900,000; and

BE IT FURTHER RESOLVED, that the President or Vice President for Finance and Administration, or their successors or designees, are hereby authorized to obtain internal or external interim financing, including the use of commercial paper, until bonds can be issued for the Project; and

BE IT FURTHER RESOLVED, that the external interim financing, including the use of commercial paper, shall be in an amount not to exceed \$3,000,000, included in which shall be Costs of Issuance, as that term is defined in the Resolution, in an amount not to exceed \$0, and capitalized interest in an amount not to exceed \$100,000; and



BE IT FINALLY RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons appointed to any of the positions heretofore mentioned, and further, that any officer of this corporation is hereby authorized to certify this resolution to whom it may concern.

Declaration of Official Intent of The University of Vermont to Reimburse Certain Expenditures from Proceeds of Indebtedness

WHEREAS, the University expects to pay certain expenditures (the “Reimbursement Expenditures”) in connection with the Given and Rowell Fire Alarm and Sprinkler System Replacement Project before the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, the University reasonably expects that debt obligations in an amount not expected to exceed \$3,000,000 will be issued and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures; and

WHEREAS, Section 1.150-2 of the Treasury Regulations requires the University to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing;

NOW, THEREFORE, the University of Vermont declares:

Section 1. The University of Vermont finds and determines that the foregoing recitals are true and correct.

Section 2. This declaration is made solely for purposes of establishing compliance with the requirements of Section 1.150-2 of the Treasury Regulations. This declaration does not bind the University to make any expenditure, incur any indebtedness, or proceed with the Project.

Section 3. The University hereby declares its official intent to use proceeds of indebtedness to reimburse itself for Reimbursement Expenditures.

Section 4. This declaration shall take effect from and after its adoption.

**ACADEMIC AND STUDENT PROGRAMS COMMITTEE**

**(5) Approval to Rename the Licensure Option in the M.Ed. in Curriculum and Instruction Degree to an MAT Degree.**

RESOLVED, that the Board of Trustees approves renaming the licensure option in the M.Ed. in Curriculum and Instruction to an MAT Degree as approved by the Provost on April 25, 2005 and by the President on April 26, 2005.

**(6) Approval to change the name of the Department of Biomedical Technologies to the Department of Medical Laboratory and Radiation Sciences**

RESOLVED, that the Board of Trustees approves changing the name of the Department of Biomedical Technologies to the Department of Medical Laboratory and Radiation Sciences as approved by the Provost on April 20 and by the President on April 26, 2005.

**(7) Approval to Terminate the MA degree in Geography**

RESOLVED, that the Board of Trustees approves the termination of the MA degree in Geography as approved by the Provost on April 20, 2005 and by the President on April 26, 2005.

**(8) Approval to Terminate all MAT Degrees (with the exception of the MAT in Classics) and all MST Degrees (with the exception of the MST in Biology) in the College of Arts and Sciences, the College of Engineering and Mathematics (with the exception of the MST in Mathematics), and the College of Agriculture and Life Sciences**

RESOLVED, that the Board of Trustees approves the termination all MAT Degrees (with the exception of the MAT in Classics) and all MST Degrees (with the exception of the MST in Biology) in the College of Arts and Sciences, the College of Engineering and Mathematics (with the exception of the MST in Mathematics), and the College of Agriculture and Life Sciences as approved by the Provost on April 20, 2005 and by the President on April 26, 2005.

**(9) Approval of the Certificate in Medical Laboratory Science in the College of Nursing and Health Science**

RESOLVED, that the Board of Trustees approves the establishment of the Certificate in Medical Laboratory Science in the College of Nursing and Health Science as approved by the Provost on May 20, 2005 and by the President on May 20, 2005.

**(10) Approval of the renaming and structuring of the College of Engineering and Mathematics to the College of Engineering and Mathematical Sciences**

RESOLVED, that the Board of Trustees approves the renaming of the College of Engineering and Mathematics to the College of Engineering and Mathematical Sciences and the restructuring of the College into the Department of Mathematics and Statistics, the Department of Computer Science, and the School of Engineering as approved by the Provost on May 20, 2005 and by the President on May 20, 2005.

**FINANCE AND BUDGET COMMITTEE**

**(11) Acceptance of Gifts and Grants**

RESOLVED, that the Board of Trustees hereby accepts gifts in the amount of \$4,242,434.80 for the period January 1, 2005 through April 1, 2005 and grants and contracts in the amount of \$24,987,294 for the period January 1, 2005 through March 31, 2005.

**(12) Fiscal Year 2006 Budget Premises: General University**

RESOLVED, that the Board of Trustees hereby approves the budget premises for Fiscal Year 2006 which lead to a General Fund operating budget for the University of \$213,400,000 and authorizes the President to proceed with detailed budget preparation in accordance with these premises.

**(13) Tuition Charges for Fiscal Year 2006**

RESOLVED, that the Board of Trustees hereby approves increases in the following tuition rates effective with the 2005-2006 academic year:

- a. In-state tuition from \$9,088 to \$9,452 per year, or \$394 per credit hour.
- b. Out-of-state tuition from \$22,728 to \$23,638 per year, or \$985 per credit hour.
- c. Medical student in-state tuition from \$23,080 to \$24,000 per year for first-year students; from \$23,080 to \$23,840 for second-year students; from \$22,860 to \$23,610 for third-year students; and from \$22,200 to \$22,930 for fourth-year students.  
Medical student out-of-state tuition from \$40,390 to \$42,010 per year for first-year students; from \$40,390 to \$41,720 for second-year students; from \$40,000 to \$41,320 for third-year students; and from \$38,870 to \$40,150 for fourth-year students.

**(14) Room and Meal Plan Rates, Fiscal Year 2006**

RESOLVED, that the Board of Trustees hereby approves room and meal plan rates for Fiscal Year 2006 as follows:

	<u>per year</u>
Large Single room	\$5,900
Single room	\$5,700
Double room	\$4,936
Triple room	\$3,930
Basic meal plan	\$1,884
Average meal plan	\$2,396
Carte Blanche meal plan	\$2,678

**(15) Fees for Fiscal Year 2006**

RESOLVED, that the Board of Trustees approves increases to student fees from \$1,138 to \$1,296 effective with the 2005-2006 academic year.

**(16) Fiscal Year 2006 Operating Budget: Morgan Horse Farm**

RESOLVED, that the Board of Trustees approves the recommended operating budget for the Morgan Horse Farm for Fiscal Year 2006 in the amount of \$407,039.

**(17) Resolution for Liquidity Facility**

WHEREAS, The University of Vermont and State Agricultural College (the "University") has adopted its Commercial Paper Note Resolution (the "Resolution") on November 13, 2004, and thereby established a commercial paper program (the "Commercial Paper Program");

WHEREAS, in connection with the repayment of the notes (the "Notes") under the Commercial Paper Program the University desires to obtain a liquidity facility in the form of a Revolving Loan Agreement (the "Revolving Loan Agreement") which would be available to be drawn on to pay the Notes;

WHEREAS, proposals to provide the Revolving Loan Agreement have been received from several financial institutions and the Vice President for Finance and Administration recommends that the University enter into a Revolving Loan Agreement with Helaba;

WHEREAS, a copy of the form of the Revolving Loan Agreement and the term sheet provided by Helaba have been filed with the University.

NOW, THEREFORE, BE IT RESOLVED, that the University hereby selects Helaba to provide the liquidity facility for the Notes in the form of a Revolving Loan Agreement;

BE IT FURTHER RESOLVED, that the form of the Revolving Loan Agreement by and between the University and Helaba, as presented at this meeting, is hereby approved; any Officer of the Board, the President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, Associate Vice President for Budget and Resource Management or their successors (each an "Authorized Officer") are each hereby authorized to execute such agreement in the name and on behalf of the University, substantially in such form, as completed to reflect the provisions of the term sheet provided by Helaba and with such changes, insertions and omissions as may be approved by said Authorized Officer, said execution being conclusive evidence of such approval.

This Resolution shall take effect upon its adoption.

**(18) A Resolution Relating to Financing of Certain Projects**

WHEREAS, The University of Vermont and State Agricultural College (the "University") has adopted its Commercial Paper Note Resolution (the "Resolution"), on November 13, 2004, and thereby established a commercial paper program;

WHEREAS, the University has previously approved the undertaking of the following projects: Catamount Apartment project; Life Safety Systems; Family Student Housing; Gutterson Parking Garage; Deferred Maintenance; Energy Conservation; and Stormwater Improvement Ponds (the "Projects"), and has approved the financing of such Projects with the proceeds of its 2002 bonds, and has also previously authorized the commencement of construction and the execution of any and all contracts and documents necessary to undertake the Projects;

WHEREAS, the University now wishes to authorize the use of commercial paper proceeds for the costs of such Projects until additional bonds can be issued at the appropriate time for such Projects;

NOW, THEREFORE, BE IT RESOLVED, that the Vice President for Finance and Administration, or his designee, is hereby authorized to finance the remaining authorized portions of the Projects through the use of commercial paper; and

BE IT FURTHER RESOLVED, that the Board confirms that this use of commercial paper is for the purposes of debt management and does not modify the previously approved scope or budget of these various capital projects; and

BE IT FURTHER RESOLVED, that the authorization of these added approved projects does not amend the scope or structure of the Resolution; and

BE IT FURTHER RESOLVED, that the external interim financing, including the use of commercial paper, shall be in an amount not to exceed \$4,000,000 included in which shall be Costs of Issuance, as such term is defined in the Resolution, in an amount not to exceed \$0, and capitalized interest in an amount not to exceed \$125,000; and,

BE IT FINALLY RESOLVED, that the Secretary or Assistant Secretary will provide certificates of incumbency, as required, showing the names and signatures of those persons appointed to any of the positions heretofore mentioned, and further, that any officer of the University is hereby authorized to certify this resolution to whom it may concern.

**(19) Amendment: Utilities Master Planning, Chilled Water System, and Infrastructure Improvement Resolution**

WHEREAS, at its meeting on February 11, 2005, the Board of Trustees adopted a resolution approving the Utilities Master Plan and Co-Generation concept and authorizing undertaking of Phases I and II of the Utilities Master Plan for a total project cost not to exceed \$19,000,000, and authorized obtaining internal or external interim financing, including the use of commercial paper;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees amends that resolution by adding the following;

BE IT FURTHER RESOLVED, that the external interim financing, including the use of commercial paper, shall be in an amount not to exceed \$19,250,000, included in which shall be Costs of Issuance, as that term is defined in the Resolution (authorizing commercial paper), in an amount not to exceed \$0, and capitalized interest in an amount not to exceed \$ 250,000 and

WHEREAS, the University reasonably expects that debt obligations in an amount not expected to exceed \$19,250,000 will be issued and that certain of the proceeds of such debt obligations will be used to reimburse the Reimbursement Expenditures.

## **COMMITTEE ON HEALTH EDUCATION**

### **(20) Resolution Approving the Appointment of a Fletcher Allen Health Care Trustee**

RESOLVED, that the Board approves the appointment of Marc Monheimer to the Fletcher Allen Health Care Board of Trustees, effective this date.

## **AD HOC COMMITTEE ON NOMINATIONS**

### **(21) Resolution Approving Nominations Committee Operational Guidelines**

RESOLVED, that the Board approves the Operational Guidelines for its Nominations Committee appearing as Attachment C hereto, effective this date.

## **FULL BOARD**

### **(22) Resolution in Recognition of James C. Pizzagalli**

WHEREAS, James C. Pizzagalli served as a member of the Board of Trustees for five years providing focused and effective leadership to the University and a dedicated commitment to enhancing the quality of the University; and

WHEREAS, as Board Chair James Pizzagalli offered constructive guidance and steadfast support during a time of extraordinarily dramatic and positive change at UVM; and

WHEREAS, James Pizzagalli's contributions also include his service as Chair of the Executive and Audit Committees and the Subcommittee for Presidential Evaluation, and Vice Chair and Chair of the Finance and Budget Committee, and Vice Chair of the University of Vermont Board, and in his membership on Board Committees, including the Facilities and Technologies Committee, the Committee on Health Education, and the Nominating Committee; and through his membership on the National Campaign Steering Committee;

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 James C. Pizzagalli.

### **(23) Resolution regarding Presidential Compensation and Contract**

WHEREAS, the Executive Committee subcommittee on presidential evaluation and compensation ("the subcommittee") during the past year engaged in work consistent with its charge; and

WHEREAS, the subcommittee reported its findings and deliberations to the Executive Committee on May 16, 2005; and

WHEREAS, on this date, the Executive Committee reported its associated findings and deliberations to this Board, and the Board has now received such report and itself deliberated;

BE IT RESOLVED, that the Board hereby directs and authorizes the Executive Committee hereafter to finalize and approve a presidential salary award for FY06 and otherwise effect mutually acceptable presidential contract adjustments, in a manner consistent with such deliberations.

## **University Policy**

### **Equal Employment Opportunity/Affirmative Action 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 University will accordingly recruit and hire into all positions the most qualified persons in light of job related requirements, and applicants and employees shall be treated in employment matters without regard to unlawful criteria including race, color, religion, ancestry, national origin, sex(1), sexual orientation, disability, age, positive HIV-related blood test results, or status as a disabled or Vietnam Era Veteran, as these terms are defined under applicable law, or any other factor or characteristic protected by law.

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.

Further, employees and applicants will not be subjected to harassment or retaliation because they have engaged in or may engage in the following: filing a complaint; assisting or participating in an investigation, compliance evaluation, 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 federal, state or local law; opposing any act or practice made unlawful by VEVRAA, requiring equal employment opportunities for individuals with disabilities, disabled veterans, or veterans of the Vietnam Era; or exercising any rights under VEVRAA or the Rehabilitation Act.

Questions regarding this policy statement or compliance with its provisions may be directed to Kathryn Friedman, Executive Director, Office of Affirmative Action and Equal Opportunity, University of Vermont, 428 Waterman Building, Burlington, VT 05405 (802-656-2909). 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 Opportunity.

Sources: Titles VI and VII of the Civil Rights Act of 1964; Immigration and 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; the Uniformed Services Employment and Reemployment Rights Act of 1994; Executive Order 11246 as amended; the Vermont Fair Employment Practices 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 Employment Opportunity/Affirmative Action 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 such laws, and shall not be interpreted as creating any rights, contractual or otherwise, that are greater than exist under such non-discrimination laws. Persons seeking to participate in employment opportunities offered by the University must consult position and program descriptions to determine criteria for eligibility. All such criteria shall be established in a manner consistent with the legal requirements herein referenced.

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(1) The prohibition on sex discrimination shall be interpreted to include discrimination on the basis of gender identity or expression, in a manner consistent with governing law.

## **University Policy**

### **Equal Opportunity in Educational Programs and Activities 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(1), sexual orientation, marital status, or disability, 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.

Questions regarding this policy statement or compliance with its provisions may be directed to David Nestor, Dean of Students, University of Vermont, 41-43 South Prospect Street, Burlington, VT 05405 (802-656-3380), or Kathryn Friedman, Executive Director, Office of Affirmative Action and Equal Opportunity, University of Vermont, 428 Waterman Building, Burlington, VT 05405 (802-656-2909). 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.

Sources: Title VI of the Civil Rights Act of 1964; Title IX of the Higher Education Act 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 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 such laws, and shall not be interpreted as creating any rights, contractual or otherwise, that are greater than exist under such non-discrimination laws. Persons seeking to participate in educational opportunities offered by the University must consult position and program descriptions to determine criteria for eligibility. All such criteria shall be established in a manner consistent with the legal requirements herein referenced.

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(1) The prohibition on sex discrimination shall be interpreted to include discrimination on the basis of gender identity or expression, in a manner consistent with governing law.

**BOARD OF TRUSTEES**

**COMMITTEE ON NOMINATIONS**

**Operational Guidelines**

**1. Committee Charge**

The Committee on Nominations is a standing Committee of the Board established under Article 7.1 of the University Bylaws (“Bylaws”). It is responsible for recommending to the Board a slate of officers as to whom election is held in accordance with Article 6 of the Bylaws.

**2. Committee Appointments**

Subject to the approval of the Board, the Board Chair appoints Committee Members. Such appointments will be made with reasonable regard for the composition of the Board, including the sources of Trustee appointments. All Committee Members must be Trustees.

**3. Election of Officers**

Under Article 6.1 of the Bylaws, the officers of the University are a Chair of the Board, the President, Treasurer, Secretary, Provost “and such other officers as the Board of Trustees may determine”. Any two or more offices may be held by the same person except (a) the offices of President and Secretary and (b) the offices of President and Provost. The Chair of the Board, the President and the Secretary must be members of the Board of Trustees. No trustee may be initially elected Chair of the Board unless he or she has at least two years of his or her term as trustee remaining. The Provost shall be an individual nominated by the President.

Under Article 6.2, all officers other than the President and the Chair are elected annually by the Board at a regular meeting held in February, or at such other time as the Board determines by resolution. Under the University Charter, the Chair must be elected at the first regular meeting following identification of new Trustees, which is typically the annual meeting of the Board in May.<sup>1</sup> The President may be elected at a regular or special meeting and s/he serves for an unspecified term.

The duties of the officers are set forth in Article 6.4 of the Bylaws.

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<sup>1</sup> Since, under the Charter, new Trustees commence their terms on March 1, an incumbent Chair remains in office after March 1 pending either his/her re-election or the election of a new Chair. If the trusteeship term of the Chair expires at the end of February, the Board Vice Chair customarily serves as interim Chair until election of a new Chair.

#### **4. Content and Sequence of Committee Work**

In view of Bylaws specifications, the Committee will customarily begin its work in conjunction with the fall meeting of the Board. Its work will include (a) identification to the Board of the officer positions as to which a vacancy will arise as a result of the expiration of a term; and (b) initiation of a request to Trustees for nominations for vacancies. With respect to the second step, the Committee Chair will contact nominees to determine whether they are interested in standing for election, and consult with Trustees regarding the evolving list of nominees.

The Committee will, after such solicitation and consultation, convene promptly to deliberate on a proposed slate. The Committee will ordinarily advise the Board of its recommended slate of candidates at least 30 (thirty) days before the February meeting of the Board or, in the event of an off-cycle election, reasonably in advance of the next meeting of the Board.

At any meeting at which the election of officers occurs, the Board will conduct such elections in a manner consistent with the Bylaws and Robert's Rules.

#### **5. Eligibility of Committee Members to Stand for Election**

A Committee Member who is nominated for an officer position and who wishes to stand for election will, upon inquiry by the Committee Chair, so advise the Committee through its Chair and resign from the Committee prior to its next meeting. The Committee Chair will advise the Board Chair of such resignation and, in his/her discretion, the Chair will (upon authorization of the Board or its Executive Committee) appoint an alternate Committee Member.

#### **6. Vacancies during a Term of Office**

In the event that an officer becomes temporarily unavailable for such service, the vacancy shall be filled in accordance with the Bylaws or, in the absence of a governing Bylaws provision, with Robert's Rules. If the officer becomes permanently unavailable for service due to resignation, disability or death, with the exception of the offices of the President and Provost the Committee shall convene to identify a recommended candidate to fill the vacancy in a manner consistent with the Bylaws, these Guidelines and governance requirements.

Note: These Guidelines shall be applied in a manner consistent with applicable public access law requirements.

## **EXECUTIVE COMMITTEE**

**July 11, 2005**

### **Athletic Track Replacement**

WHEREAS, the University intends to undertake replacement of its outdoor track (the Project); and

WHEREAS, the University has received private gifts and pledges in support of a portion of the total Project cost; and

WHEREAS, the University is prepared to finance the Project with internal resources, until gift pledges for the Project are fully paid or the Project cost is fully paid from Athletics Department or other University funds;

NOW, THEREFORE, BE IT RESOLVED, that the President, Vice President for Finance and Administration, or their successors or designees are hereby authorized to commence the construction of a new outdoor track and to execute any and all contracts and documents necessary to undertake the Project at a total cost not to exceed \$3,000,000; and

BE IT FURTHER RESOLVED, that the President or Vice President for Finance and Administration, or their successors or designees, are hereby authorized to obtain private gifts and internal financing for the Project.

*As endorsed by the Facilities and Technologies Committee on June 23, 2005.*

## **CONSENT AGENDA**

**August 27, 2005**

### **INVESTMENT COMMITTEE**

#### **(1) Establishment of Bank Account**

BE IT RESOLVED, that the President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, and Associate Vice President for Finance and Controller, or any officer holding any of the above positions on an interim basis, singly is hereby authorized to open commercial checking accounts for the purpose of conducting corporate business; and

BE IT FURTHER RESOLVED, that any combination of two of the following persons: the President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, Assistant Controller for Tax and Treasury Services, Senior Treasury Management Professional, and Treasury Management Professional, or any officer holding any of the above positions on an interim basis, singly are hereby authorized to be signatories on these accounts.

This resolution supersedes all previous authorizations.

#### **(2) Establishment of Brokerage Account**

BE IT RESOLVED, that any combination of two of the following persons: the President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, and Assistant Controller for Tax and Treasury Services, or any officer holding any of the above positions on an interim basis, are hereby authorized to open and close brokerage accounts for the purpose of conducting corporate business; and

BE IT FURTHER RESOLVED, that the President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, Assistant Controller for Tax and Treasury Services, Senior Treasury Management Professional, or any officer holding any of the above positions on an interim basis, singly is hereby authorized to be signatories on these accounts.

This resolution supersedes all previous authorizations.

#### **(3) Transfers between Corporate Accounts**

BE IT RESOLVED, that the Board of Trustees hereby authorizes the President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, Assistant Controller for Tax and Treasury Services,

Senior Treasury Management Professional, and Treasury Management Professional , or any officer holding any of the above positions on an interim basis, to issue telephone instructions to banks for the purpose of conducting University business by making transfers between the University's corporate accounts at banks and the University's accounts at other institutions.

This resolution supersedes all previous authorizations.

**(4) Sale of Securities**

BE IT RESOLVED, that the Board of Trustees hereby authorizes the following officers to sell securities received as contributions to the University: President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, Assistant Controller for Tax and Treasury Services, Senior Treasury Management Professional, or any officer holding any of the above positions on an interim basis; and

BE IT FURTHER RESOLVED, that the President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, Assistant Controller for Tax and Treasury Services, Senior Treasury Management Professional or any officer holding any of the above positions on an interim basis, singly is hereby authorized to execute any and all instruments necessary, proper, and desirable for that purpose; and further that any officer of this Corporation is hereby authorized to certify this resolution to whom it may concern.

This resolution supersedes all previous authorizations.

**(5) Signatory Authority - Endowment Funds**

WHEREAS, from time to time documents relating to securities transfers, purchases, and sales are required in connection with the operation of The University of Vermont and State Agricultural College Consolidated Endowment Funds, The University of Vermont Trust, certain Separately Invested Endowment funds, certain Charitable Trusts and the Pooled Income Fund;

BE IT RESOLVED, that the President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, or any officer holding any of the above positions on an interim basis, singly is hereby authorized to execute any and all instruments necessary, proper, and desirable for that purpose.

This resolution supersedes all previous authorizations.

**(6) Signatory Authority - UVM Pooled Income Fund**

WHEREAS, the Board of Trustees has appointed the University of Vermont and State Agricultural College as the custodian for securities held in connection with the UVM Pooled Income Fund; and



WHEREAS, from time to time documents relating to securities transfers, purchases, and sales are required in connection with the operation of this fund;

BE IT RESOLVED, that the President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, or any officer holding any of the above positions on an interim basis, singly is hereby authorized to execute any and all instruments necessary, proper, and desirable for that purpose, and further that any officer of this corporation is hereby authorized to certify this resolution to who it may concern.

This resolution supersedes all previous authorizations.

**(7) TD Banknorth - Wire Transfer Agreement**

BE IT RESOLVED, that the Board of Trustees hereby authorizes any combination of two of the following persons to enter into and execute the Wire Transfer Agreement and all its Exhibits and Schedules (collectively the "Agreement") between the University of Vermont and State Agricultural College and TD Banknorth: President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, or any officer holding any of the above positions on an interim basis; and

BE IT FINALLY RESOLVED, that the Board of Trustees hereby authorizes any combination of the two of the following persons to execute on behalf of the University additional exhibits to said Agreement in order to, from time to time, select different services: President, Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, or any officer holding any of the above positions on an interim basis; and

BE IT FINALLY RESOLVED, that any officer of this Corporation is hereby authorized to certify this resolution.

This resolution supersedes all previous authorizations.

**(8) Investment Advisory Services**

BE IT RESOLVED, that the President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, or any officer holding any of the above positions on an interim basis, singly is hereby authorized to enter into a contract for the purpose of serving as an investment advisor to the University at a fee of \$XXX for the period July 1, 20XX to June 30, 20XX.

This resolution supersedes all previous authorizations.

**(9) Maintenance of Accounts**

RESOLVED, that any combination of two of the following persons: the President, Senior Vice President and Provost, Vice President for Finance and Administration and Treasurer, Associate

Vice President for Finance and Controller, are hereby authorized and empowered to carry out all legal acts relative to the maintenance of any Bank accounts; and

BE IT FURTHER RESOLVED, that the agreements and authority herein confirmed continue in force until notice of amendment or revocation thereof by proper resolution shall be given to the Bank.

**(10) Proxy Votes**

RESOLVED, that on any particular shareholder issue, the Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, or Senior Treasury Management Professional of the University shall commit the proxy votes of the University in accord with specific guidelines developed by the Committee on Socially Responsible Investing and approved by the Investment Committee of the Board of Trustees; and in the absence of such specific guidelines, except for matters of routine corporate business, the Vice President for Finance and Administration and Treasurer, Associate Vice President for Finance and Controller, or Senior Treasury Management Professional shall cast an abstaining vote; and

BE IT FURTHER RESOLVED that, in any instance when such specific guidelines do not exist, the Committee on Socially Responsible Investing may study the issue and develop a recommendation for the Investment Committee of the Board of Trustees.

**(11) Sponsoring or Co-Sponsoring Shareholder Resolution**

RESOLVED, that any member of the University community may ask that the University become the sponsor or co-sponsor of a shareholder resolution; and

BE IF FURTHER RESOLVED that when such a request is made to the Vice President for Finance and Administration and Treasurer, he/she shall request the Chair of the Committee on Socially Responsible Investing to convene the Committee to study the issue and develop findings and recommendations for the Investment Committee of the Board of Trustees; and

BE IT FINALLY RESOLVED that, following receipt of such report from the Committee on Socially Responsible Investing, the Investment Committee shall, in turn, make recommendation to the Board of Trustees.

**(12) Resolution Accepting Revisions to the Statement of Objectives and Policies Related to Cash Balances**

RESOLVED, that the Board of Trustees accepts the following revised Statement of Objectives and Policies Related to Cash Balances:

**THE UNIVERSITY OF VERMONT**  
**STATEMENT OF OBJECTIVES & POLICIES RELATED TO CASH BALANCES**

**Introduction**

This statement of investment objectives and policies governs the investment of UVM pooled cash. 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 Investment Committee as is considered necessary to achieve cash management and investment requirements.

**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 three 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 three years and which 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.

**Allocation 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 three 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 Merrill Lynch 1-3 Year Government 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 Endowment Fund.

### **Allowable Investments for Asset Groups**

- Short-term pool: Investments in the short-term portfolio are restricted to U. S. Treasury and government agency securities and high quality corporate securities and commercial and bank paper. Investments shall be in marketable securities of the following types and with the noted credit ratings:
1. Debt securities which are 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, which obligations are rated C or better for Vermont banks and B/C or better for out of state banks. No more than 20% of the funds held in the cash pool shall be invested in obligations of the institutions within any single holding company.
  4. Commercial paper rated A-1 or higher by Standard and Poor's or Prime-1 (P1) by Moody's Investor's Service, Inc.
  5. Bankers' acceptances or negotiable certificates of deposit issued by banks, which obligations are rated C or better for Vermont banks and B/C or better for out of state banks. 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.

6. Repurchase agreements secured by the U.S. government and federal agency obligations, which shall have market values of at least 100% of the amount of the repurchase agreement. Repurchase agreements of Vermont based banks having Fitch ratings no lower than C/D with the condition that these repurchase agreements be 102% collateralized with U.S. government Securities.
7. Commingled funds may be used if they are in compliance with the above guidelines.
8. The Commonfund, a non-profit provider of investment products for colleges and universities. No dollar limitations are placed on the amount which can be invested with the Common Fund.

Intermediate-term pool: Investments in the intermediate-term portfolio are restricted to securities which are rated Aaa, Aa, A or Baa by Moody's Investor's Service, Inc. or AAA, AA A or BBB by Standard & Poor's Corporation.

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. The long-term pool shall not exceed 10% of the lowest average operating balance within the past 3 years.

### **Moral, Ethical and Social Considerations**

Cash balances will be invested consistently with the moral, social and ethical criteria adopted by the Investment Committee as related to the Endowment Fund. Social criteria 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 Administration and Treasurer through the Associate Vice President for Finance and 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 is provided discretion to select individual securities and make adjustments to the structure of the portfolio.

### **Administration and Reporting**

The Treasurer will report to the Investment Committee at each meeting, the following:

1. Balances in each asset group
2. Investments in each asset group by manager and investment type or fund
3. Performance for each manager or for each individual investment type within each asset group

The Treasurer has the authority to open accounts with banks, investment firms, or commercial paper institutions in order to implement this investment policy.

*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*

## **FACILITIES AND TECHNOLOGIES COMMITTEE**

### **(13) Naming of Athletic Turf Field**

*(also reviewed and endorsed by the University Advancement Committee)*

WHEREAS, at its February 8, 2003 meeting, the Board of Trustees approved the construction of a new turf field; and

WHEREAS, Reynolds Moulton and Elizabeth Winder have shown tremendous leadership and generosity for a new turf field;

NOW, THEREFORE, BE IT RESOLVED, that the University hereby approves the naming of the turf field currently under construction as the "Reynolds Moulton and Elizabeth Winder Field," to be commonly known as "Moulton-Winder Field."

## ACADEMIC AND STUDENT PROGRAMS COMMITTEE

### **(14) Approval of Changes to Officers' Handbook**

RESOLVED, that the Board of Trustees approves the changes to Section 150 of the *Officers' Handbook* as recommended by the Provost in consultation with the Faculty Senate and approved by the President on July 26, 2005 and as set forth in attachment A to this consent agenda.

### **(15) Resolution Authorizing Award of Degrees**

RESOLVED, that the Board delegates to the President and, in the event of his absence or unavailability, to the Provost, each *ex officio*, the authority to award academic degrees following Faculty Senate approval of the award of those degrees; and

BE IT FURTHER RESOLVED, that this authority will be for the academic year 2005 – 2006 or until the Board revokes its delegation.

### **(16) Resolution Approving the Mackay-Page Endowed Professorship in Surgical Education**

BE IT RESOLVED, that the Board of Trustees approves the establishment of the Albert G. Mackay, M.D. '32 and H. Gordon Page, M.D. '45 Endowed Professorship in Surgical Education in the College of Medicine, Department of Surgery, on the terms and conditions reported by the administration to the Board on this date.

## FINANCE AND BUDGET COMMITTEE

### **(17) Acceptance of Gifts and Grants**

RESOLVED, that the Board of Trustees hereby accepts gifts in the amount of \$6,366,389.62 for the period April 2, 2005, through June 30, 2005, and grants and contracts in the amount of \$44,430,604 for the period April 1, 2005, through June 30, 2005.

### **(18) 2005 Bond Resolution**

(Refer to Attachment B)

### **(19) 2002 Bond Proceeds Reallocation Resolution**

WHEREAS, in May 2002, the Board of Trustees authorized the issuance of General Obligation Bonds for various capital projects; and

WHEREAS, the University now wishes to authorize the expenditure of 2002 bond proceeds for a portion of the costs of certain of the projects previously expected to be financed through the issuance of commercial paper,

NOW, THEREFORE, BE IT RESOLVED, that the Vice President for Finance and Administration, or his designee, is hereby authorized to reallocate \$3,113,636 from the Nutrition and Food Sciences Addition to the Marsh Life Sciences project, \$500,000 from the WDW Renovation Planning project, and \$414,264 from the Life Safety Systems project, all expected to be financed with the proceeds of the 2002 bonds, as follows:

- 1) \$1,229,670 to the Living Learning project;
- 2) \$468,665 to the New Residence Hall project;
- 4) \$230,228 to the Family Student Housing project;
- 5) \$1,395,082 to the Gutterson Parking Structure project;
- 6) \$484,880 to the Deferred Maintenance projects; and
- 7) \$219,375 to the Energy Conservation projects.

BE IT FURTHER RESOLVED, that the Board confirms that this reallocation is for the purposes of debt management and does not modify the previously approved scope or budget of these various capital projects.

BE IT FINALLY RESOLVED, that the Board confirms that its earlier authorization of the issuance of commercial paper to pay additional costs of these projects remains in effect.



## **Proposed New Definitions for the Officers' Handbook.**

### **151. Divisions.**

**151.1** ~~A division is an administrative unit of The University of Vermont which assembles one or more colleges and/or schools with related academic missions.~~

**151.2** ~~The senior administrative officer of a division is the dean of said division. The dean of the division, who may also serve as dean of one of the component units of the division, is responsible for coordinating the work of these units, and shall have such line authority as may be delegated by the Provost.~~

### **152. Colleges and Schools.**

**152.1** *College.* A college is an academic unit with a defined and congruent mission in instruction, research and scholarship, and service. A college presents candidates to the Faculty Senate, which recommends those candidates to the Board of Trustees for the awarding of the appropriate degrees. A college is organized into departments **or departments and schools** and ~~may or may not be a member of a division.~~ (See also Section 153, Graduate College.)

**152.2** *School.* A school is an academic unit with a defined and congruent mission in instruction, research and scholarship, and service, which mission is narrower in scope than that of a college and is ordinarily focused upon professional training. **A school can be freestanding or it can be located within a college. A freestanding school presents candidates to the Faculty Senate,** which recommends those candidates to the Board of Trustees for the awarding of the appropriate degrees. A school may be organized into departments if such departments are of a scale appropriate for efficient administration. **The chief administrative officer for a freestanding school is a dean, otherwise this officer has the title of director.** ~~A school is ordinarily administratively located within a division,~~

**152.3** *Dean.* The dean of each ~~undergraduate~~ college and **freestanding** school ~~and of the Graduate College~~ is responsible to the ~~dean of the division (if one exists) and to the~~ Provost and the President for the effective leadership and administration of the unit under his/her supervision.

### **152.4** Curriculum and Standards Committees.

- a. Colleges and schools shall establish appropriate curriculum committees to advise the dean.
- b. **Freestanding** schools and colleges shall each establish standards committees to advise the dean on matters of tenure, promotion, or reappointment. ~~Separate standards committees shall not be established for a division. Rather, the deans of the constituent schools and/or colleges of a division, after consultation with their respective standards committees, shall submit recommendations concerning tenure, promotion, or reappointment through the dean of the division to the Provost.~~

**156.4** Authority for certifying candidates for undergraduate degrees shall reside exclusively in the colleges and freestanding schools of The University of Vermont. ~~and in schools of The University of Vermont whether or not those schools are constituents of divisions.~~

**158.**Program.

. . . A program is responsible to the dean of a ~~division or~~ college or **freestanding** school, or, in unusual circumstances, to the Provost.

**DEBT SUBCOMMITTEE – AUGUST 25, 2005**

**FINANCE AND BUDGET COMMITTEE – AUGUST 26, 2005**

**UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE BOARD OF TRUSTEES – AUGUST 27, 2005**

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE AUTHORIZING THE APPROVAL, EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS IN CONNECTION WITH THE ISSUANCE OF THE UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE GENERAL OBLIGATION BONDS, SERIES 2005; PROVIDING FOR THE SALE OF SAID BONDS; SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH SAID BONDS ARE TO BE ISSUED; AND PROVIDING FOR CERTAIN OTHER MATTERS IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SAID BONDS.**

WHEREAS, The University of Vermont and State Agricultural College (the "University") is organized and existing as a body corporate which is recognized and utilized as an instrumentality of the State of Vermont for providing public higher education under Act No. 83, approved November 9, 1865, as amended and supplemented by Act No. 67, approved February 21, 1917, Act No. 40, approved March 19, 1925, Act No. 66, approved March 16, 1955, and Act No. 49, approved April 20, 1977, of the Laws of Vermont (collectively, the "Act"); and

WHEREAS, the University is governed by a Board of Trustees (the "Board") and, under the Act, may authorize the issuance of bonds by the University; and

WHEREAS, the University has determined to issue its General Obligation Bonds, Series 2005 (the "Series 2005 Bonds") to provide funds to finance the costs of approved capital improvements to, and rehabilitation of certain buildings of, the University's campus (the "Project") and to provide funds to refund all outstanding commercial paper notes of the University other than the commercial paper that financed the Enterprise Resource Planning System; and

WHEREAS, the University anticipates that it will need to generate between \$150 million to \$160 million of bond proceeds for such purposes (as well as to pay the costs of issuance of the Series 2005 Bonds) and to pay capitalized interest during construction of certain Project components and the Series 2005 Bonds may be sold at a discount so that therefore the University desires to authorize the issuance of the Series 2005 Bonds in an aggregate initial principal amount not to exceed \$165,000,000; and

WHEREAS, the University has issued its General Obligation Bonds, Series 1990 (the "Series 1990 Bonds"), Series 1998 (the "Series 1998 Bonds") and Series 2002 (the "Series 2002

Bonds”) pursuant to the terms of an Indenture dated as of February 1, 1990 (the "Trust Indenture") between the University and the Banknorth, N.A. (as successor to The Howard Bank, N.A.), as trustee (the "Trustee"), as amended and supplemented by the Series 1998 and First Supplemental Indenture (the "First Supplemental Indenture") and the Series 2002 and Second Supplemental Indenture (the "Second Supplemental Indenture"; the Trust Indenture as amended by the First Supplemental Indenture and Second Supplemental Indenture, the “Indenture”), and proposes to issue the Series 2005 Bonds on a parity with the Series 1990 Bonds, Series 1998 Bonds and Series 2002 Bonds pursuant to the terms of the Indenture and a Series 2005 and Third Supplemental Indenture thereto (the "Third Supplemental Indenture") between the University and the Trustee; and

WHEREAS, the University desires to execute and deliver a Bond Purchase Agreement (the "Bond Purchase Agreement") between the University and UBS Financial Services Inc. as representative of itself and other underwriters (the "Underwriters"), pursuant to which the University will sell the Series 2005 Bonds to the Underwriters in accordance with the terms and conditions set forth therein; and

WHEREAS, in connection with the issuance and sale of the Series 2005 Bonds, a Preliminary Official Statement (the "Preliminary Official Statement") and a final Official Statement (the "Official Statement") will be prepared, which will present information about the University, the terms of the Series 2005 Bonds and the security for the Series 2005 Bonds, among other things; and

WHEREAS, the University desires to execute and deliver a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") between the University and the Trustee, pursuant to which the University will be obligated to update certain information in the Official Statement and provide certain other notices to specified repositories in accordance with the terms and conditions set forth therein; and

WHEREAS, copies of the forms of the following documents relating to the transactions described above have been filed with the University:

1. the Third Supplemental Indenture;
2. the Bond Purchase Agreement;
3. the Continuing Disclosure Agreement; and
4. the Preliminary Official Statement;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE AS FOLLOWS:

Issuance of Series 2005 Bonds. That the issuance of the Series 2005 Bonds by the University in the initial principal amount of not more than \$165,000,000 bearing a true interest cost not exceeding 5.75% per annum and maturing not later than October 1, 2045 with a first maturity or sinking fund installment date not later than October 1, 2015 to finance the Project and to provide funds to refund all currently outstanding commercial paper notes of the University

other than the commercial paper notes that financed the Enterprise Resource Planning System are hereby approved and confirmed, and the Board hereby finds and determines that these purposes are necessary and desirable, and the Chairman or Vice Chairman of the Board, or the President or Treasurer of the University, subject to the limitations set forth herein, are authorized, empowered and directed to determine (i) whether a policy of municipal bond insurance should be obtained with respect to all or a portion of the Series 2005 Bonds (based on whether such policy will be cost effective considering both the interest cost of the Series 2005 Bonds if such a policy was obtained and the insurance premium and based on whether the insurer will require that the University comply with certain covenants); and (ii) whether the Series 2005 Bonds should be issued as two or more sub-series of bonds (based on whether the issuance of the Series 2005 Bonds in two or more sub-series will facilitate debt management, marketing of the bonds, or compliance with federal tax law restrictions); and are authorized, empowered and directed to determine the terms of the Series 2005 Bonds subject to the limitations set forth above, including determining the redemption provisions of the Series 2005 Bonds based on financial or structural benefits to the University and marketing considerations; and the form and content of the Series 2005 Bonds set forth in the Third Supplemental Indenture presented to the Board are hereby approved and confirmed and the Chairman, the President, the Senior Vice President and Provost or the Vice President for Finance and Administration and Treasurer and the Secretary or the Assistant Secretary of the Board are authorized, empowered and directed to execute and deliver the Series 2005 Bonds for and on behalf of the University, in substantially the form and content set forth in the Third Supplemental Indenture, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions therein.

Authorization of Third Supplemental Indenture. That the form and content of the Third Supplemental Indenture are hereby approved and confirmed, and the Chairman or Vice Chairman of the Board, or the President or Treasurer of the University and the Secretary or Assistant Secretary of the Board are hereby authorized, empowered and directed to execute and deliver the Third Supplemental Indenture for and on behalf of the University, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as shall to them seem necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Third Supplemental Indenture, the Chairman or Vice Chairman and the Secretary or Assistant Secretary of the Board and all other officers of the Board and the University are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Third Supplemental Indenture as executed.

Authorization of Bond Purchase Agreement. That the Series 2005 Bonds shall be sold to the Underwriters pursuant to the terms of the Bond Purchase Agreement at an underwriters' discount or fee of not more than 0.45% (\$4.50 per \$1,000 bond) of the principal amount of the Series 2005 Bonds. The form and content of the Bond Purchase Agreement are hereby approved and confirmed, and the Chairman or Vice Chairman of the Board, or President or Treasurer of the University is hereby authorized, empowered and directed to execute and deliver the Bond Purchase Agreement for and on behalf of the University, in substantially the form and content

presented to the University, but with such changes, modifications, additions or deletions therein as shall to him or her seem necessary, desirable or appropriate, his execution thereof to constitute conclusive evidence of his approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Bond Purchase Agreement, the Chairman of the Board, the President of the University and all other officers of the Board and the University are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Bond Purchase Agreement as executed.

Authorization of Continuing Disclosure Agreement. That the form and content of the Continuing Disclosure Agreement are hereby approved and confirmed, and the Chairman or Vice Chairman of the Board, or President or Treasurer of the University is hereby authorized, empowered and directed to execute and deliver the Continuing Disclosure Agreement for and on behalf of the University, in substantially the form and content presented to the Board, but with such changes, modifications, additions or deletions therein as shall to him or her seem necessary, desirable or appropriate, his execution thereof to constitute conclusive evidence of his approval of any and all such changes, modifications, additions or deletions therein, and that from and after the execution and delivery of the Continuing Disclosure Agreement, the Chairman of the Board, the President of the University and all other officers of the Board and the University are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Agreement as executed.

Approval of Preliminary Official Statement and Official Statement. The form, terms and content of the Preliminary Official Statement and the Official Statement in substantially the form of the Preliminary Official Statement (but including the terms of the Series 2005 Bonds) are authorized, approved and confirmed, with such changes, modifications, additions or deletions therein as shall seem necessary, desirable or appropriate to the Chairman or Vice Chairman of the Board, or President or Treasurer of the University. The use of the Preliminary Official Statement and of the Official Statement by the Underwriters in connection with the sale of the Series 2005 Bonds is hereby authorized, approved and confirmed. The Chairman or Vice Chairman of the Board, or President or Treasurer of the University is authorized to execute the Official Statement on behalf of the University.

Tax Certificates. The officers of the Board and the University are hereby authorized to execute a certificate in order to evidence the University's compliance with the Internal Revenue Code of 1986, as amended, and the applicable Income Tax Regulations thereunder.

No Personal Liability. No stipulation, obligation or agreement herein contained or contained in the Series 2005 Bonds, the Indenture, the Third Supplemental Indenture, the Bond Purchase Agreement, the Continuing Disclosure Agreement or any other instrument related to the issuance of the Series 2005 Bonds shall be deemed to be a stipulation, obligation or agreement of any officer, agent or employee of the University in his or her individual capacity, and no such officer, agent or employee shall be personally liable on the Series 2005 Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

Actions of Officers. The officers of the Board and of the University are hereby authorized, empowered and directed to do any and all other acts and to execute any and all other documents, which they, in their discretion, deem necessary and appropriate in order to consummate the transactions contemplated by (i) this Resolution, (ii) the Indenture and the Third Supplemental Indenture and (iii) the documents presented to this meeting; except that none of the above shall be authorized or empowered to do anything or execute any document which is in contravention, in any way, of (a) the specific provisions of this Resolution, (b) the specific provisions of the Indenture and the Third Supplemental Indenture, (c) any agreement to which the University is bound, (d) any rule or regulation of the University or (e) any applicable law, statute, ordinance, rule or regulation of the United States of America or the State of Vermont.

Severability of Invalid Provisions. If any one or more of the agreements or provisions herein contained shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining agreements and provisions and shall in no way affect the validity of any of the other agreements and provisions hereof or of the Series 2005 Bonds authorized hereunder.

Section 10. Conflicting Provisions. All resolutions or parts thereof of the Board in conflict with the provisions herein contained are, to the extent of such conflict, hereby superseded and repealed.

Section 11. Effective Date. This Resolution shall take effect upon its adoption.

The resolution was adopted by the following vote: 19-1

AYES: Chair Carl Lisman, Vice Chair Martha Heath, Secretary Thomas Little, Edwin Amidon, Claire Ayer, James Betts, Bill Botzow, Ian Boyce, Frank Cioffi, Robert Cioffi, Daniel Fogel, Christine Hertz, Kathleen Hoyt, Richard Hube, James Leddy, C. Dean Maglaris, Deborah McAneny, Kami Patrizio and John Snow

NAYS: Mark Young

ABSENT: Johannah Donovan, James Douglas, Raymond Pecor, Helen Spaulding and Robert Young

ABSTENTIONS: \_\_\_\_\_

PASSED, ADOPTED AND APPROVED this 27th day of August, 2005.

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

[SEAL]

By \_\_\_\_\_  
Name:  
Secretary or Assistant Secretary



**EXECUTIVE COMMITTEE**

**October 17, 2005**

**Resolution Approving Appointments to and Charge of the ad hoc Committee on Board Operations**

BE IT RESOLVED, that the Executive Committee approves the appointment of Robert Cioffi as Chair, Richard Hube, Jr., as Vice Chair, and Edwin Amidon, Jr., Ian Boyce, Christine Hertz, Thomas Little, and Deborah McAneny as members of the ad hoc Committee on Board Operations;

BE IT FURTHER RESOLVED, that the Committee approves the charge of the ad hoc Committee on Board Operations as stated in Attachment A to this resolution.

**Resolution Approving the Appointment to the Mackay-Page Endowed Professorship in Surgical Education**

RESOLVED, that the Board of Trustees approves the appointment of James Hebert as the Mackay-Page Endowed Professorship in Surgical Education.

***ad hoc* Committee on Board Operations Charge**

The *ad hoc* Committee on Board Operations shall consist of no less than four trustees, including the Chair of the Board *ex officio*, and will review and make recommendations to the Board regarding the current Board Committee structure and associated Committee charges; the desirability and proposed content of a Trustee Code of Conduct designed to advance the Board Conflicts of Interest Policy and/or an articulation of Trustee duties; opportunities for Board self-assessment; the number and sequencing of Board meetings annually; and such other operational matters as the Board Chair may refer to the Committee following consultation with the Board.

## **CONSENT AGENDA**

**November 19, 2005**

### **AUDIT COMMITTEE**

#### **(1) Acceptance of Fiscal Year 2005 Annual Audit**

WHEREAS, the books and accounts of the University of Vermont and State Agricultural College for the Fiscal Year ended June 30, 2005, have been audited by KPMG LLC, Certified Public Accountants, under the supervision of the Auditor of Accounts, State of Vermont, and the report of such audit published in detail in accordance with 16, V.S.A., Section 2281(a);

BE IT RESOLVED, that in accordance with authorization contained in the Bylaws, the Board hereby accepts such audit in lieu of the annual audit, and that the same be considered as the report of the Audit Committee.

#### **(2) Audit Firm for Fiscal Year 2006 Audit**

RESOLVED, that the Board of Trustees authorizes the President and/or Provost to enter into a contract with KPMG LLC, Certified Public Accountants, to conduct the annual audit of the University and other related audits for and during the fiscal year ending June 30, 2006, under the terms and conditions of KPMG LLC's proposal dated November 1, 2002, and contingent upon receipt of a confirmation letter from KPMG LLC, consistent with the terms and conditions of said proposal. The annual audit shall be conducted in compliance with the requirements of the University Bylaws and State and Federal law.

### **COMMITTEE OF THE WHOLE**

#### **(3) Authorization for President to Confer Honorary Degrees**

RESOLVED, that the President be and hereby is authorized to offer and confer honorary degrees at the 2006 Commencement to the individuals recommended by the Joint Committee on Honorary Degrees.

### **FINANCE AND BUDGET COMMITTEE**

#### **(4) Acceptance of Gifts and Grants**

RESOLVED, that the Board of Trustees hereby accepts gifts in the amount of \$2,168,821.60 for the period July 1, 2005 through September 30, 2005 and grants and contracts in the amount of \$38,981,688 for the period July 1, 2005 through September 30, 2005.

**(5) General University and Morgan Horse Farm FY 2007 State Appropriation Request**

RESOLVED, that the President be and hereby is authorized to request from the Governor and the Legislature of the State of Vermont an appropriation for general operations of The University of Vermont in the amount of \$42,234,724 for Fiscal Year 2007, representing a 5% increase in base appropriation and a supplemental request of \$1,000,000;

BE IT FURTHER RESOLVED, that the President be and hereby is authorized to request an appropriation for Fiscal Year 2007 general operations of the Morgan Horse Farm in the amount of \$5,250, representing a 5% increase in base appropriation.

**(6) Summer Session Tuition Rates**

RESOLVED, that the Board of Trustees hereby approves increases in tuition for the Summer Session from \$357 to \$384 per credit hour for in-state students and from \$855 to \$940 per credit hour for out-of-state students. The increases are to become effective with the 2006 summer session.

**(7) Revision of Debt Policy**

WHEREAS, the Board of Trustees of the University of Vermont adopted a Debt Policy, dated September 10, 2004;

WHEREAS, the Debt Subcommittee of the Finance and Budget Committee was charged with the regular review of the Debt Policy;

AND WHEREAS, the Debt Subcommittee has completed that review and is recommending approval of clarifying and corrective changes to the Debt Policy,

NOW, THEREFORE, BE IT RESOLVED, that the University of Vermont hereby adopts the revisions to the Debt Policy as shown in the attached document.

**ACADEMIC AND STUDENT PROGRAMS COMMITTEE**

**(8) Approval to Establish the Certificate of Public Communication offered by the Division of Continuing Education and the College of Agriculture and Life Sciences.**

RESOLVED, that the Board of Trustees approves the establishment of a Certificate of Public Communication offered by the Division of Continuing Education and the College of Agriculture and Life Sciences as approved by the Provost on October 17, 2005 and by the President on October 24, 2005.

**(9) Approval to Rename the Department of Physical Therapy to the Department of Rehabilitation and Movement Science; Move the Athletic Training major from the College of Education and Social Services to the College of Nursing and Health Sciences; Establish a new major in Exercise and Movement Sciences; and to Establish a new minor in Health, Exercise and Fitness.**

RESOLVED, that the Board of Trustees approves the renaming of the Department of Physical Therapy to the Department of Rehabilitation and Movement Science; moving the Athletic Training major from the College of Education and Social Services to the College of Nursing and Health Sciences; establishing a new major in Exercise and Movement Sciences; and establishing a new minor in Health, Exercise and Fitness as approved by the Provost on October 17, 2005 and by the President on October 24, 2005.

**FACILITIES AND TECHNOLOGIES COMMITTEE**

**(10) State Capital Request FY 2006**

RESOLVED, that the President be and is hereby authorized to request up to \$4 million from the Governor and Legislature of the State of Vermont, \$2,387,500 toward the proposed Plant Sciences Building, and the remainder to assist with construction, renovation, and major facility maintenance to the university campus that advances the mission of the university.

**(11) Resolution Regarding the Facilities and Technologies Committee Charge**

WHEREAS, the Board has previously established a standing Committee on Facilities and Technologies; and

WHEREAS, such a standing committee serves as an appropriate venue in which to consider stewardship oversight of the land, facilities, technology and other physical assets of the University; and,

WHEREAS, consideration of such stewardship oversight and related policies by the Committee is both appropriate and desirable;

THEREFORE, BE IT RESOLVED, that the charge of the Committee be amended as set forth in attachment A to this resolution.

**COMMITTEE ON HEALTH EDUCATION**

**(12) Resolution Regarding Approval of Agreement with Fletcher Allen Health Care Authorizing Transfer of Proxy to Designate Trustees**

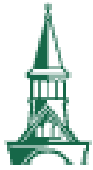
RESOLVED, that the Committee recommends that the Board authorize the President or the Provost to execute all documents necessary to transfer by revocable proxy University rights and

authority as a Class B Member of Fletcher Allen Health Care ("FAHC") to designate trustees to the FAHC Board, subject to the terms and conditions described by the administration on this date, reserving to the University the right and authority to designate the Deans of the Colleges of Medicine and Nursing and Health Science to such Board as ex officio voting members.

## **Facilities and Technologies Committee Charge**

The Facilities and Technologies Committee shall consist of not less than four trustees and shall have responsibility for reviewing the status of, and making recommendations to the Board regarding, the land, facilities, technology, and other physical assets of the University, *including financial stewardship of these assets*. The Committee shall, without limitation, review and assess administrative recommendations regarding the acquisition, sale and/or other disposition of University land; the development, and implementation of the Comprehensive Campus Master Plan, and subsequent revisions thereto; the expansion, renovation or deconstruction of University facilities; the safe, healthy, environmentally responsible and efficient use of such facilities; University uses of technology; and the Committee shall regularly report to the Board regarding these matters.

\* *Italics* reflect revisions made since August draft.



University of Vermont  
Debt Policy  
As Adopted by the Board of Trustees  
September 2004, rev. November 2005

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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 to guide principles and practices. 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.

As the University continues to balance the significant need for both current and future facilities investment, research, teaching, student, and other important needs and competing initiatives for capital from limited resources, the University is implementing this debt policy. This policy, in conjunction with the Strategic Financial Plan 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. Additionally, this policy will provide the foundation for internal procedures to ensure that appropriate reporting and management requirements are in place in order to meet objectives outlined in this policy, and to provide a more efficient process for the ongoing external and internal management of debt in order to optimize its utilization on campus.

Management and the Board of Trustees, acting through the Trustee Debt Subcommittee, 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. Additionally, a set of operating procedures will be established in order to implement the objectives set forth in this policy. The procedures will outline management roles and responsibilities including internal operating controls and fiduciary responsibilities consistent with the long-term objectives of this policy.

The University believes that financial discipline is a critical component of long-term debt management and that the Board and management, operating through the Trustee Debt Subcommittee should establish a limited number of financial ratios and targets/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.

Over time, appropriate financial leverage serves an important role in funding the University's capital investments and should be considered a long-term component of UVM's balance sheet. 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. Debt, especially tax-exempt debt, provides a limited low cost source of funding for capital projects in order to achieve the University's mission and strategic objectives, and, together with other limited resources, should be utilized and allocated appropriately, strategically, judiciously, and equitably.

This 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. Maintaining the highest acceptable credit rating will permit the University to continue to issue debt and finance capital projects at favorable interest rates while meeting its strategic objectives;
- (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 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"> <li>1. Provide mechanism for oversight and review on periodic basis.</li> <li>2. Provide management flexibility to make ongoing financing decisions within the framework of the policy.</li> </ol>

By adopting this policy and regularly reviewing its results and appropriateness with the Trustee Debt Subcommittee, 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 (e.g. commercial paper) ~~consistent with the policy and specific authorizations~~ in accordance with stated procedures.

The Office of the Vice President for Finance and Administration and 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 Trustee Debt Subcommittee will review this policy on an annual basis and report any recommended changes or revisions to the Finance Committee. 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.

In addition, the Trustee Debt Subcommittee will hold regular meetings in order to review short and intermediate term financing needs, market opportunities, and financial performance. This regular review will help the University determine appropriate financial decisions as well as review capital investments and the timing of financing plans responsive to market conditions.

**POLICY RATIOS**

Purpose
<ol style="list-style-type: none"> <li>1. Identify core ratios.             <ol style="list-style-type: none"> <li>a. Operating Statement—Debt Burden Ratio.</li> <li>b. Balance Sheet Leverage—Viability Ratio.</li> </ol> </li> <li>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.</li> </ol>

~~The University believes that financial discipline is a critical component of long term debt management and that the Board and management, operating through the Trustee Debt Subcommittee should establish a limited number of financial ratios and targets 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.~~

This policy establishes ~~guidelines~~ 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 are subject to review periodically.

The policy identifies ratios that (i) are based on current GAAP requirements, including the GASB 34/35 reporting format and (ii) are consistent with ratios utilized in the higher education industry to permit benchmarking.

In addition to the two policy ratios below, the University may consider



tracking other ratios in addition to the policy ratios. Listed below are the policy ratios and guidelines-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.

$$\frac{\text{ANNUAL DEBT SERVICE}}{\text{TOTAL EXPENSES}} < 5\%$$

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 guideline-limit for this ratio is not to be greater than 5.0%. If more than 5.0% of the University’s annual budget were committed to debt service expense, flexibility to devote resources to fund other objectives could be diminished. 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 - Viability Ratio*

This ratio indicates one of the most basic determinants of financial health by measuring the availability of liquid and expendable net 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 viability 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 viability 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 1.0x to ensure that sufficient balance sheet strength is maintained at all times.

$$\frac{\text{UNRESTRICTED NET ASSETS + TEMPORARILY RESTRICTED NET ASSETS - EQUITY IN PLANT}}{\text{AGGREGATE DEBT}} > 1.0x$$

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



*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**

1. Review of all potential funding sources for projects.
2. Maximize tax-exempt University-issued debt.
3. Commercial Paper program.
  - 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.
  - 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. Management will manage the debt portfolio to maximize its utilization of tax-exempt debt relative to taxable debt whenever possible. (In all circumstances, however, individual projects must continue to be identified and tracked to ensure compliance with all tax and reimbursement requirements).

Recognizing the inherent benefit provided by tax-exempt borrowing, the University will prefer to consider maximizing the external maturity of any tax-exempt bond issue, subject to prevailing market conditions and opportunities, budgetary constraints, the useful life of projects being financed, and other considerations. Although debt will be structured to meet the University's comprehensive long-term objectives, 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. Issuing taxable debt reduces the University's overall debt affordability due to higher associated interest expense.

When utilized, taxable debt will be structured to provide maximum repayment flexibility and rapid external principal amortization.

#### *Commercial Paper*

The University is establishing a commercial paper program, which will include both a tax-exempt and taxable series. The CP program can provide substantial financial flexibility to the University including the ability to manage and optimize cash balances, provide an alternative to lease transactions, and other purposes. At this time, however, the University is limiting the use of the program to providing the University with 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, providing greater flexibility regarding the timing and structuring of individual bond transactions. It is expected that the University may consider expanding the permitted use of the CP program at some point in the future.

The University recognizes that the amount of project-related commercial paper is limited by the ratios established by this debt policy, , and the University's available liquidity support however, the University will not include outstanding CP in the variable rate debts exposure, given the expected short-term nature of the CP. The existence and utilization of the commercial paper program has influenced the decision to limit ~~long-term~~ variable rate exposure to no more than 35% of the long-term debt portfolio.

#### *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 Trustee Debt Subcommittee.



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 Trustee Debt Subcommittee and must receive the Subcommittee's recommendation and 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 Trustee Debt Subcommittee. and must receive the Subcommittee's recommendation and Board approval prior to execution.

**PORTFOLIO MANAGEMENT OF DEBT**

**Purpose**

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.
  - 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. Therefore, management will make decisions regarding project prioritization, variable rate allocation, and financing structures within the context of the overall needs and circumstances of the University.

*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 ~~refundings~~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 (i) the University's desire to 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) 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.

#### Overall Exposure

The University recognizes that it may be exposed to short-term interest rates, third-party credit, and other potential risks in areas other than direct University debt (e.g., non-traditional transactions, exposure in the investment portfolio, etc.) and, therefore, exposure will be considered on a comprehensive University-wide basis.

The University recognizes that during some periods it may be desirable to maintain a lower variable-rate allocation within its 35% limit, depending on prevailing long-term rates and/or opportunities in the short-term market.





## GLOSSARY

**Annual Debt Service** – refers to the principal and interest due 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 ~~capitalizable~~ 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.

**GASB 34/35** – Government Accounting Standards Board Statement Nos. 34 and 35. These statements dramatically changed the reporting format for the University effective Fiscal 2002 by consolidating fund balances into net assets and consolidating university-wide activity instead of distinct fund groups. The Statements also require a statement of cash flows and a change in representation of state appropriation and investment income.

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

