A meeting of the Board of Directors of The University of Vermont and State Agricultural College Foundation, Inc. (“UVM Foundation” or “Foundation”) was held on Monday, June 15, 2015 at 3:00 p.m. in Grasse Mount, Bishop Joyce Room on the University of Vermont campus and via conference call.

PRESENT: Jim Keller (Vice Chair), Richard Ader, Max Ansbacher, Rob Brennan, Rich Bundy, Michele Cohen, Zack Gund, Meg Guzewicz, David Haas, Steve Ifshin, Eugene Kalkin, Debbie McAneny, Don McCree, Pamela McDermott, Karen Meyer, Kristina Pisanelli, Mimi Reardon, Diane Seder, Scott Segal, Tom Sullivan

ABSENT: Dan Burack, Brooks Buxton, Steven Grossman, John Hilton, Bill Shean

PERSONS ALSO PARTICIPATING: Mary Schliecker-Brigham (recording secretary), Kathy DesJardins (Associate Vice President for Advancement Services), Anne Forcier (Executive Director of Board Relations), Kate Laud (Associate Vice President for Finance & Administration), Alan Ryea (Associate Vice President for Alumni Relations)

Jim Keller (Vice Chair) called the meeting to order at 3:04 p.m.

Welcome

Vice Chair Jim Keller welcomed everyone to the meeting and turned it over to Rich Bundy to present his report to the Board.

President’s Report

President and CEO Rich Bundy reported that the Foundation is 15 days from the end of the fiscal year and the current vantage point is extraordinarily good. The May dashboard reports a significant estate committee, $5.8 million, for a professorship in engineering and a large scholarship fund. We’re currently at $38.5 million in receipts and that is a new record, several million more than the $36.2 million raised last year. From a commitments perspective, and as of this afternoon, we are at $55.15 million. That is just shy of a new record and there is still a good chance we could reach $60 million by the end of the fiscal year. We have a few verbal commitments for gifts of $1 million or more, and staff are working on getting that paperwork finalized by the end of the month. Equally exciting is that the Foundation has experienced our first increase in undergraduate alumni donors in more than 12 years. This result is a reflection on the re-organized Annual Fund team working in partnership with the Alumni Association and our Communications staff.

We are just a few days away from a signature moment in the Alumni House project. Zoning permits have been approved and the first appeal period ends on Wednesday of this week. Interior work should start in earnest shortly thereafter. We’ve learned recently that we are not required to have an Act 250 permit for the Pavilion construction, however the appeal period on that decision doesn’t end until July 8th. By the time we meet in the fall we will be well underway on the project. For those of you who are former residents of the Shoeboxes, they are officially coming down today as
demolition started this morning at 7:00 a.m. UVM is running a live webcam of the demolition on their website for those who want to watch.

Following Rich’s report, Jim Keller announced that on behalf of Chair John Hilton and himself, congratulations to Rich and his staff on a great year and the Board looks forward to seeing the final year-end results. We are happy to see the upward trend, commend the Foundation for setting records every year, and look forward to fiscal-year 2016.

Approval of May 1, 2015 Meeting Minutes

The minutes of the Board meeting on Friday, May 1, 2015 were presented for approval. A motion was made by Jim Keller, seconded by Michele Cohen, and the Board voted by roll call to approve the minutes as amended.


Nays: None

Discussion and Approval of FY16 Business Plan and FY16 Budget

Rich presented the final draft of the FY16 business plan and accompanying budget for review, as well as a copy of the FY15 business plan with comments on progress to date. Changes reflected in the FY16 business plan draft represent all of the requests received from the Executive Committee and members of the Board since the May 1, 2015 meeting. These changes reflect greater specificity on proposals and closures of gifts, the addition of a specific objective for the STEM project, and a specific target for the number of undergraduate alumni donors. There were no changes proposed to the other sections of the plan.

With respect to the budget, two summary documents that were discussed by the Finance & Investment Committee at their April 30, 2015 were provided. These documents reflected a few modest changes, but the most important message is we are projecting a 2.3% decrease in revenue, but are presenting a balanced budget without reducing staff. Instead, we balanced the budget by right-sizing travel and conference expenses, reducing event budgets, and focusing on internal opportunities for professional development. We’re focusing the revised corporation & foundation relations position solely on those types of donors, and moving the graduate school alumni body of work formerly assigned to the CFR position to the school and college officers. With that change, the Graduate College is relieved of their funding for a gift officer and we’ve removed that revenue from the budget. The salary line reflects a slight increase for compensation adjustments to more closely align with the University’s salary increase plans for the coming year. Kate Laud has also successfully negotiated a doubling of the interest rate the bank pays us on our cash balances, which is reflected in an increase in that line of projected revenue.

Rich and the management team are comfortable with the business plan presented and recommend them both to the Board for approval.
Draft copies of the FY16 business plan and FY16 budget were presented to the Board for final review and approval. A motion was made by Rich Bundy, seconded by Max Ansbacher, and the Board voted by roll call to approve the FY16 business plan and budget as presented.


Nays: None

In response to the budget outlook of FY16 and need to cut some costs, Jim reported that he and John have been in conversations with Rich to have Foundation Board members begin paying for their hotel rooms instead of the Foundation covering the costs. This conversation has not yet happened at the Board level, but will be added to the next meeting agenda.

Jim again thanked Rich and his staff for the good work putting together the business plan and budget. The FY15 color-coded summary was very effective and seeing all that green -- highlighting accomplishments -- was very encouraging.

Discussion and Consideration of Resolution to Approve Bylaws Change

Jim provided background for the next resolution. Last year, the Governance Committee asked all of the committees to review their charters for consistency with the Foundation Bylaws. The Audit & Stewardship Committee felt that their Charter was accurate, and that, in fact, revisions needed to be made to the Bylaws to reflect best practices. Audit & Stewardship Chair, Max Ansbacher, noted the changes were non-controversial and he was in favor of them. Changes to the Bylaws were vetted and reviewed by Foundation counsel.

A motion was made by Rob Brennan, seconded by Mimi Reardon, and the Board voted by roll call to approve the following resolution:


Absent: Zack Gund

Nays: None

WHEREAS, the Board of Directors (the “Board”) deems it advisable and in the best interests of The University of Vermont and State Agricultural College Foundation, Inc. (the “Foundation”) to amend Foundation Bylaws;
WHEREAS, the Board’s Governance Committee has reviewed and recommends amendment of the Bylaws pertaining to Article XI, Section 5 to further clarify the work and responsibilities of the Audit and Stewardship Committee to read as follows:

Section 5. Audit Committee. There shall be an Audit Committee consisting of no less than five (5) members, none of whom shall be officers of the Foundation and at least one of whom shall have financial expertise. The duties of the Audit Committee shall include ensuring that (a) the financial records of the Foundation are maintained in accordance with generally accepted accounting principles; (b) consistent and reliable financial practices (including internal controls) are followed; and (c) the current financial status of the Foundation is reported to the Board regularly and accurately. The Committee is also responsible for retaining and evaluating the performance of the Foundation’s independent auditors including recommending appointment of the independent auditors to the Board; serving as the liaison between the auditors and the Board; ensuring that the auditors have full access to financial and related records; reviewing the audited financial statements and recommending their acceptance to the Board; circulating the annual IRS Form 990 for review and comment by the Board before submission to the IRS; reviewing the audit management letter and management's response; monitoring compliance with the Foundation's conflicts of interest policy; monitoring the Foundation's compliance with donor intent; and overseeing the processing of whistleblower complaints. Directors who are members of the Finance & Investment Committee may not comprise a majority of the members of the Audit Committee.

NOW, THEREFORE, the Board does hereby resolve as follows:

RESOLVED, the Board hereby amends the Bylaws pertaining to Article XI, Section 5.

Discussion and Approval of Quasi-Endowment Requests

This is the third time the Board has been asked to approve a request for the establishment of quasi-endowments. When donors give funds to the University that are not restricted to an endowment and there are no other restrictions, the Board is required to approve requests from the University to treat these funds as endowments. The dollars are already on the Foundation books and the Board is being asked to allocate $1.146 million in unrestricted current-use gifts as quasi-endowments, some of which will be associated with previously established funds restricted by the original donors. This is a strategy the campus leadership can employ to maximize endowment funding and we anticipate this will become a regular annual request as we work with the campus community to manage donor funds consistent with donor intent, and as the President of the University reviews unrestricted funds.

A motion was made by Diane Seder, seconded by Eugene Kalkin, and the Board voted by roll call to approve the request for quasi-endowments.


Nays: None
Other Business

Looking ahead to planning for October, John, Jim and Rich are amazed at the progress in place and are looking forward to the fall weekend with meetings, gift announcements, and the Friday evening gala. We encourage everyone to be there. Board meetings will be efficient and shortened to accommodate all of the events.

The revised occupancy date for the Alumni House will come in two phases, with the Silver Pavilion completed in December and the main house and landscaping in March 2016. Breadloaf Construction will make up ground once permits are all approved and we are planning for the building to come online in conjunction with the Alumni Association Winter Carnival. This will be an event similar to the traditional winter carnivals of past.

Adjournment

There being no further business, Vice Chair Jim Keller adjourned the meeting 3:45 p.m.

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Scott S. Segal
Secretary, UVM Foundation