

**BUDGET, FINANCE AND INVESTMENT COMMITTEE
BOARD OF TRUSTEES
UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE**

A meeting of the Budget, Finance and Investment Committee of the Board of Trustees of the University of Vermont State and Agricultural College was held on Friday, August 10, 2012 at 2:30 p.m., in Room 427A Waterman Building.

MEMBERS PRESENT: Chair Debbie McAneny*, Vice Chair Samuel Bain*, Carolyn Branagan, Robert Brennan*, David Daigle*, Joan Lenes*, and Mark Young*

REPRESENTATIVES PRESENT: Alumni Representative Afi Ahmadi*, Staff Representative Eric Hoefel*, and Graduate Student Representative Jennifer Rousseau*

OTHER TRUSTEES PRESENT: Board Chair Robert Cioffi*

PERSONS ALSO PARTICIPATING: Vice President for Finance and Administration Richard Cate and Senior Associate General Counsel Lucy Singer

ABSENT: President Thomas Sullivan, Trustees Kyle DeVivo, Kesha Ram and Lisa Ventriss, Faculty Representatives Albert Joy and Donald Ross, Alumni Representative Walter Blasberg, Graduate Student Representative Elizabeth Pope and Student Representatives Samantha Holland and Andrew Dougherty

* By means of conference telephone.

Chair McAneny called the meeting to order at 2:33 p.m.

Capital Project Approval

Vice President Cate reviewed the details of his memo issued earlier today that provided an update on the results of recent bids for immediate needs maintenance work at Englesby House. He reminded the Committee that in February the Board authorized the expenditure of \$875,000, utilizing up to \$590,000 from the University's treasury operations account and \$285,000 from undesignated gifts. In May, he advised the Board that additional code and safety issues had been identified during the demolition process (primarily exterior brick walls and chimney failures – approximately \$200,000) and that handicap accessibility issues would need to be addressed. At that time, General Counsel had ruled that additional Board action was not required because the Board had approved the original project and none of the contracts were large enough to rise to the Board's contract approval threshold.

At the time of the Board meeting, only estimates for heating, plumbing, and electrical were available. Because of the complexity of undertaking the work in a 100 year-old historic building, the interior design and bidding process took longer. Bids for this work were recently received, the results of which are that mechanical costs will exceed the original estimate by \$100,000 due to code requirements and the greater than anticipated complexity of systems and installation. The

demolition process also revealed the need for additional interior work than was originally anticipated, at an estimate of \$60,000.

The total estimate for these essential, life-safety issues will put the project \$360,000 over the original budget of \$875,000. The estimate for addressing the ADA requirements is up to an additional \$90,000. Interim solutions will be put into place and permanently addressed next year to allow additional time required for permitting.

Following discussions with the Presidential Housing Work Group about the subsequent costs, it was decided that the Administration should seek an affirmative recommendation from the BFI Committee and then ask the Executive Committee to ratify the additional expenditures to ensure compliance with the recently adopted University Operating Procedure related to the maintenance and renovation of Englesby House.

Vice President Cate concluded by noting that undesignated private funds have been identified to cover the remaining needs as just described.

Chair Cioffi presented the following resolution for approval:

Resolution Authorizing Additional Englesby House Maintenance

WHEREAS, on February 4, 2012 regarding Englesby House, the Board of Trustees authorized the Vice President for Finance and Administration and University Treasurer, or his successor or designee, “to implement the immediate needs maintenance work in a manner consistent with the proposal, utilizing up to \$590,000 from the University’s treasury operations account and \$285,000 from undesignated private gifts”; and

WHEREAS, during construction other needs have been identified, primarily related to safety improvements and code requirements;

NOW, THEREFORE, BE IT RESOLVED, that the Vice President for Finance and Administration and University Treasurer, or his successor or designee, is hereby authorized to implement additional immediate needs maintenance work at Englesby House at a total additional cost of up to \$450,000, to be funded entirely from undesignated private gifts.

A motion was made, and an opportunity for discussion offered. Chair McAneny reminded Committee members of the sensitivity of this topic and that when the original estimate came in at over 2 million dollars that the budget was trimmed down. While she wished the maintenance could be less expensive, she feels strongly that the work needs to be done to restore this historic building.

Trustee Daigle sought clarification on the reference to undesignated funds and inquired about the necessity of including that language in the resolution. Vice President Cate responded that it is the University’s practice to include specification of funds sources when monies do not come from the general fund.

The Committee agreed that it was necessary for the additional code, safety and ADA issues to be addressed. There was consensus among the Committee that reference to the building's designation as a historic structure should be added to the resolution. Vice President Cate confirmed that Englesby House is listed in the National Register of Historic Places and the Committee agreed that reference to this should be included in the resolution.

The motion was seconded and it was unanimously voted to endorse and remit the resolution to the Executive Committee for approval with the proposed amendment of adding reference to the National Register of Historic Places.

Adjournment

There being no further business, the meeting adjourned at 2:50 p.m.

Respectfully Submitted,

Debbie McAneny, Chair