UNIVERSITY OF MAINE SYSTEM  
Board of Trustees 

University of Southern Maine  
June 2, 2003  

Board of Trustees Meeting 

Present: James Mullen, Chair; Judith Andrucki, Gregory Cyr, James Dowe, 
Edward Fox, Albert Glickman, Charles Johnson, William Johnson, Barry 
McCrum, Donald McDowell, Sandra Prescott, Matthew Rodrigue, 
Wickham Skinner, Margaret Weston and Lyndel Wishcamper. Absent: 
Susan Gendron. Faculty Representatives: Rachel Albert, Grace Denison, 
Bruno Hicks, Dana Humphrey, Gillian Jordan, Sherrie Sprangers, and 
Allen Salo. Student Representatives: Whitney Bouchard, Marylou 
Dougherty, Sarah Knight, Leah Malave, Benjamin Meiklejohn, Karen Ouellette, 
and Molly Phipps. Chancellor Joseph Westphal. University Presidents: 
Richard Cost, Nancy Hensel, Theodora Kalikow, Robert Kennedy (for 
Peter Hoff), Charles Lyons, Richard Pattenauade, and David Rosen. 
Chancellor’s Staff: Tracy Bigney, James Breece, John Diamond, Frank 
Gerry, John Lismik, Judy Ryan, Kelley Wiltbank, and Joanne Yestramski. 
Public and press.

Trustee Mullen, Chair, convened the meeting.

Citizen Comment. Citizen Comment is a time regularly set aside for comments from the public. 
Loraine Lowell spoke on creating career opportunities in Maine and Jeffrey Dorman spoke on 
 improving employee retention.

Acceptance of Minutes. On a motion by Trustee Dowe, which was seconded by Trustee 
McCrum, the minutes for the Investment Committee on December 5, 2002, March 7 and 
May 6, 2003; Committee meetings and the Board Meeting on March 23-24, 2003; and the Audit 
Committee and the Executive Committee on April 18, 2003, were unanimously approved as 
presented.

Chair’s Agenda and Report. Trustee Mullen welcomed everyone and thanked President 
Pattenauade and the staff at the University of Southern Maine for hosting the Board of Trustees 
meetings. Trustee Mullen noted that this year marks the 125th anniversary for USM and the 
Trustees were pleased to participate in the ribbon cutting ceremony for the Bioscience Building. 
He also thanked the Trustees, Presidents, faculties and staffs for all the hard work to make the 
commencement exercises a special occasion for the students. A brief moment of silence was 
observed to honor President John Joseph whose spirit, enthusiasm, and vision will live on at the 
University of Maine at Machias. Trustee Mullen thanked Trustee Skinner for stepping in to 
continue the graduation ceremonies at UMM and David Rosen for agreeing to delay his departure 
to take on the Interim President position through the summer.

Trustee Mullen continued by stating the Trustees make decisions based on the best interests of the 
University of Maine System, the students, and the State of Maine in mind. The best interest of 
the System and the State would be the reappointment of Trustees Prescott and Weston whose first
terms are expiring and who are eligible for a second five year term. Both of these Trustees are experienced, dedicated leaders on the Board, both are chairs of Committees, both serve on the Executive Committee, and it takes a year or more for a new Trustee to be orientated and become a productive, contributing member of the Board. He feels that neither the System nor the State would be better off to replace two experienced Trustees in leadership positions with two neophytes. Without the reappointment of Trustees Prescott and Weston it would leave the Board with one female and that would not be in the best interest of our constituencies. Holding new appointments for one to two years would serve the best interest for everyone.

Trustee Mullen continued by stating that one of the most important items on the agenda for this meeting is the approval of the FY2004 budget and establishing tuition rates. He reminded everyone about the arrangement the System had with the Legislature that in return to modest increases in State appropriations the UMS would agree to keep tuition increases at or below the level of inflation. This worked very well and as a result our students paid less for a quality education than they would have at similar institutions in the other New England states. However over the past few years a number of factors have been at work which have lead us to some very challenging times now. This year with the State’s budget difficulties, the USM has received four budget cuts totaling $9.4 million, increases in health care costs, and compensation increases totaling $16 million. The Chancellor, Presidents and their staffs are to be commended in dealing with this through enrollment increase, cost reallocations, and reductions. For the FY2004, the USM anticipates being flat funded by the state with $15 million in unavoidable increases in operating costs.

Trustee Mullen added that the UMS has core principles and values that need to be protected as we try to balance the budget. We must protect our investment in quality. We have to enhance programs that support our core missions. We have to protect our investment in student recruitment and retention. We must provide fair and equitable compensation increases for our faculty and staff personnel and continue to bolster need based financial aid. We also cannot lose a step in research and development for our economic future is dependent on it. Investments in our technology infrastructure must continue to enable us to realize more efficiency and cost savings. One of the options to present a balanced budget was to raise tuition by as much as 23%. Some tuition increase was inevitable and the good new is that we are able to hold that increase to 7% with a portion of these revenues being allocated to support an 8% increase in financial aid for our needier students.

Trustee Mullen thanked the Chancellor, the Presidents and their staffs, the System Staff, faculty, students, and Trustees for their commitment, hard work, good humor and support while he has served as the Chair of the Board of Trustees for the past four years.

**Chancellor’s Agenda and Reports.** Chancellor Westphal commented that John Joseph was a great President, colleague, good friend, and will be missed. He thanked the Presidents for their contribution and hard work on the budget process. Chancellor Westphal thanked Trustee Mullen for his leadership on the Board, being a great friend and mentor, and his good humor. He also thanked Trustee McDowell for his leadership as Vice Chair and his dedication to the University of Maine System.

**Committee Reports/Action.**

**Audit Committee** – Trustee Fox, Chair, reported that the Committee selected KPMG as the external auditor for the upcoming year. The Committee has worked on the area of risk
assessment, the Risk Review Committee, and reviewed compliance issues with the new procedures and processes.

**Student Affairs Committee** – Trustee Prescott, Chair, reported that the Committee conducted the final review of the Student Conduct Code and agreed to forward the revised Code to the full Board for action. Trustee Prescott thanked the Board of Trustees and the Chancellor for supporting the Machias community during the difficult time since the death of John Joseph.

**Finance/Facilities Committee** – Trustee McCrum, Chair, reported that the Committee reviewed the proposed FY2004 Operating Budget and Student Charges and a discussion on the UMPI Health & Physical Education Complex to begin construction prior to fundraising being completed.

**Investment Committee** – Trustee Charles Johnson, Chair, reported that the Committee continued their work on finding ways to maximize the return on the Endowment and Pension Funds while minimizing the risk and Fidelity was selected as the Market Neutral Investment manager.

**Academic Affairs Committee** – Trustee Skinner, Chair, reported that the Committee reviewed the annual report of named chairs and professorships, a discussion on the strategic planning process at UMM lead by Interim President David Rosen and the Chair and Vice Chair of the UMM Board of Visitors, and had a discussion of measuring quality lead by the seven Chief Academic Officers.

**Human Resources and Labor Relations Committee** – Trustee Weston, Chair, reported that the Committee agreed to forward to the full Board for action the appointments of Cynthia E. Huggins, Acting Vice President for Academic Affairs, UMM; Evelyn S. Silver, Associate Vice President for Personnel and Academic Services, UM; and Ann Leffler, Dean of Liberal Arts and Sciences with tenure, UM. Tracy Bigney, Executive Director of Human Resources provided a presentation on the UMS Compensation status.

Trustee Mullen thanked Trustee McDowell for his support, resource, and leadership as Vice Chair.

**Consent Agenda.** On a motion by Trustee McDowell, which was seconded by Trustee William Johnson, the following recommendations were unanimously approved by the Board:

- **FY2004 Operating Budgets and Proposed Student Charges.** The Board of Trustees approved the FY2004 Operating Budget and Student Charges as presented.

- **UMPI Health & Physical Education Complex.** The Board of Trustees authorized UMPI to bid and begin construction of the Health & Physical Education Complex while the fund raising process continues, with an internal loan, if needed, in the last quarter of 2004, if fund raising goals are not yet met as well as the resolution for the sale of bonds if needed.

**Resolution for Exclusion of Certain Directors or Officers.** The Board of Trustees approved the Resolution for Exclusion of Certain Directors or Officers as follows:

- **Whereas,** current Department of Defense directives contain a provision making it mandatory that the Chair of the Board and all principal officers (such as President, Senior Vice President, Secretary, Treasurer, and those occupying similar positions) meet the
personnel security clearances requirements established for a contractor’s facility security clearance; and

Whereas, said Department of Defense Regulations permit the exclusion from the personnel clearance requirements of certain members of the Board of Trustees and other officers, provided that this action is recorded in corporate minutes.

Now Therefore Be it Declared that the Chair of the Board, at least an official quorum of the Board of Directors (the executive committee of six members of the Board of Directors), and all principal officers (such as, President, Senior Vice President, Secretary, Treasurer, and those occupying similar positions) at the present time do possess, or shall be processed for, the required security clearance; and

Be It Resolved that in the future, when any individual enters upon any duties as Chair of the Board, as a replacement for one of the cleared quorum of the Board, or as one of the principal officers of this corporation, (such as, President, Senior Vice President, Secretary, Treasurer, and those occupying similar positions), such individual shall immediately make application for the required security clearance; and

Be It Resolved Further that the following members of the Board of Trustees and other officers shall not require, shall not have, and can be effectively excluded from access to CLASSIFIED information in the possession of the University and do not occupy positions that would enable them to affect adversely University policies of practices in the performance of classified contracts for the Department of Defense or the User Agencies of its Industrial Security Program: Judith W. Andrucki, Gregory G. Cyr, P. James Dowe, Edward A. Fox, Susan A. Gendron, Albert B. Glickman, Charles L. Johnson, III, William D. Johnson, Barry D. McCrum, Donald L. McDowell, James D. Mullen, Sandra K. Prescott, Matthew C. Rodrigue, Wickham Skinner, Margaret A. Weston, and Lyndel J. Wishcamper; Chancellor, Joseph W. Westphal; Chief Financial Officer and Treasurer, Joanne L. Yestramski; Clerk of the Board, J. Kelley Wiltbank; Executive Vice President and Provost, Robert Kennedy; Vice President for Research, Deirdre Mageean.

University of Maine System Board of Trustees Meeting Calendar. The Board of Trustees approved the Calendar of Board Meetings for 2003-2004, as presented.

Board of Visitor Confirmations. The Board of Trustees confirmed the campus Board of Visitor appointments, as presented with the addition of Mr. Dick Arnold at UMFK.

Report of the Nominating Committee. The Board of Trustees approved the Board of Trustees slate of officers for 2003-2004, to be Charles “Wick” Johnson, III as Chair and Wickham Skinner as Vice Chair.

Revised Student Conduct Code. The Board of Trustees approved the proposed revisions to the University of Maine System Student Conduct Code.

Appointments for Trustee Approval. The Board of Trustees approved the appointments to positions at or above the level of Dean or equivalent and appointments as Professor with tenure as recommended by the Chancellor, as follows:
Cynthia E. Huggins, Acting Vice President for Academic Affairs, UMM with an effective date of June 1
Evelyn S. Silver, Associate Vice President for Personnel and Academic Services, UM
Ann Leffler, Dean of Liberal Arts and Sciences with tenure, UM

**Information Items.** The following items were included in the agenda for information only:
- UMS Compensation: Comparisons and Goals
- Annual Report of Named Chairs and Professorships
- An Open Discussion of the Strategic Planning Process at the University of Maine at Machias
- An Open Discussion on Measuring Academic Quality
- Discussion on the Relevance of the June 10 Bond Referendum to University-based Research and Development
- Board Agenda Calendar
- Summary of Current Statistics

**Date of the Next Meeting.** The next meeting of the Board of Trustees will be September 21-22, 2003, at the Darling Marine Center in Walpole.

Adjournment.

Ellen Doughty for
J. Kelley Wiltbank, Clerk