Trustee Johnson, Chair, convened the meeting.

**Citizen Comment.** Citizen comment is a time regularly set aside for comments from the public. Eva Szillery spoke about the MMSTEC grant and MMSETTS program and Janine Bonk spoke about the impacts of the PeopleSoft implementation.

**Acceptance of Minutes.** On a motion by Trustee William Johnson, which was seconded by Trustee Fox, the minutes from the October 29, 2003 Audit Committee as amended, January 5, 2004 Executive Committee and Strategic Planning Committee and the January 25-26, 2004 Board meeting and Committee meetings were unanimously approved as presented.

**Chair’s Agenda and Report.** Trustee Johnson welcomed everyone and thanked the UMF staff for hosting the Board of Trustees meeting. The Trustees particularly enjoyed having lunch with the UMF students. Trustee Johnson reminded the Trustees to talk to the Board Office if they are interested in being a Trustee representative at the 2004 commencements. He congratulated and thanked UMFK and the entire Fort Kent community for hosting the World Cup Biathlon event in March. It is not very often that Maine is recognized on a global level and Fort Kent is to be commended for their efforts in this event. Trustee Johnson wished President Nancy Hensel good luck in her new assignment in Washington D.C. and thanked her for her years of service to the University of Maine System. A thank you was extended to Molly Phipps and Patric Edward for their work as Student Representatives to the Board of Trustees.

Trustee Johnson talked about the challenges that face the System. It is not an easy task to keep up-to-date on current issues while not losing sight of the long term challenges as well as
legislative impacts. He thanked the System staff for keeping on track and focused on the tasks that need attention.

We have been working on the Strategic Plan for almost one year and we are in the process of revising the timeline. It has become apparent that our Strategic Plan needs to take into consideration the statewide issues such as the Governor’s K-16 program and the Community College System. The State has an inability to fund its enterprises including the University of Maine System. We have been able to deal with this under funding on an annual bases but this is no longer an appropriate approach. The UMS will have to look at long-term strategies with a well thought out process. Major tuition increases are not the long term solution for fiscal deficits. The Strategic Plan will allow us to focus on the key elements by putting value where it is needed.

**Chancellor’s Agenda and Reports.**

*Budget.* Chancellor Westphal provided a brief update on the budget. The Governor has submitted a supplement budget but in FY05 the State has a large budget gap. The Chancellor has been working with the Presidents on the UMS FY05 budget.

*Strategic Plan.* The UMS Strategic Plan will outline the guiding principles and strategic directions for the next several years. The Plan will not get into a great deal of detailed. The guiding principles will have to be clear and explained and the rollout of the Plan will be a meticulous process. It will be important for people to have an opportunity to discuss the plan and provide feedback. The UMS has never developed this type of strategic plan. The Governor wants our Strategic Plan to fit into the broader vision or framework of the State; therefore, the rollout of the Plan will be a little different than original anticipated and we will be ready to discuss the Plan in the Fall. Visits to each university by the Trustees, the Chancellor and Vice Chancellor will be scheduled as part of the discussion and open dialogue process. In the meantime, the universities must continue with the day to day decisions and operations.

**Committee Reports/Action.**

*Finance/Facilities Committee* – Trustee McCrum, Chair, reported that the Committee reviewed the Shawn Walsh Hockey Center Expansion at Alfond Area at UM, the Swap Transaction Termination Authorization and agreed to forward the recommendations to the full Board of action. The Committee also discussed several information items – Facilities Information Update which included the Proposed State Referendum Bond, System Office Move to Downtown Bangor, Energy Conservation, Planned Group Development at University College of Bangor, and the Construction Status Report; the Official FY2004 Enrollments, FY2003 State Funded Research Annual Report, and the New System Office Funding Model.

*Academic Affairs Committee* – Trustee William Johnson, Chair pro tem, reported that the Committee agreed to forward to the full Board two action items which included a Bachelor of Arts in Geology at UMF and tenure for 43 people for 2004. The Committee has agreed to review and update the tenure policy.
Human Resources and Labor Relations Committee – Trustee Weston, Chair, reported that the Committee that a discussion in executive session of the Board’s goals for collective bargaining relationships and how to achieve those goals.

Investment Committee – Ms. Joanne Yestramski, Chief Financial Officer and Treasurer reported the Committee met on March 4 and approved a manager for the Absolute Return Strategy for the Operating Cash portfolio and approved delaying the implementation of the spending policy reduction to 5.0% until FY06. The Committee had a Real Estate Educational Presentation and reviewed the endowment and pension performance.

Student Affairs – Trustee Prescott reported that the Committee had a presentation from three speakers who reported on the outcomes of the first campus Security Summit which was held at Colby College on February 5, 2004. This Summit included staff from the public and private higher education institutions in Maine.

Consent Agenda. On a motion by Trustee Mullen, which was seconded by Trustee Fox, the following recommendations were approved by the Board:


Extension of the Chancellor’s Employment Contract. The Board of Trustees approved an extension of the Chancellor’s employment contract.

Honorary Degree Nominations. The Board of Trustees approved (as excepted) the 2004 nominations for Honorary Degrees.

Shawn Walsh Hockey Center Expansion at Alfond Arena, UM. The Board of Trustees approved the updating and expansion of the Alfond Hockey Arena/Walsh Training Center in the amount of $3.5 million dollars. Funding will be from a combination of private donations and increased ticket revenue and will include a $1 million dollar internal loan to be repaid in five years.

Tenure Nominations 2004. The Board of Trustees approved the recommendations for tenure submitted by the institutions of the University of Maine System in 2004. Approvals will take effect September 1, 2004.

Bachelor of Arts in Geology, UMF. The Board of Trustees approved the establishment of the Bachelor of Arts in Geology at the University of Maine at Farmington.

Swap Transaction Termination Authorization. The Board of Trustees approved the swap transaction termination authorization with the following resolution:
WHEREAS, in connection with the issuance of the University of Maine System (the “System”) Revenue Bonds, Series 2002 (the “Bonds”) and the financing of certain projects with the proceeds of the Bonds, the System executed a swap transaction effective as of June 12, 2002 (the “Transaction”) pursuant to a Master Agreement with UBS AG dated as of May 30, 2002;

NOW, THEREFORE, be it hereby voted and resolved by the Board of Trustees (the “Board”) of the System as follows:

1. The Chief Financial Officer and Treasurer of the System is authorized to terminate the Transaction, in whole at any time or in part from time to time, on such terms and conditions as the Chief Financial Officer and Treasurer determines are necessary or convenient, such determination to be conclusively evidenced by her execution of such agreements and instruments as are necessary to effect any such termination.

2. The Chancellor of the System, the Chief Financial Officer and Treasurer of the System and, with the express written approval of the Chief Financial Officer and Treasurer, the Clerk or University Counsel, or any one of them, is hereby authorized and empowered in the name of the System and on behalf of the System to do or cause to be done all such acts and things as maybe necessary or convenient or desirable in order to accomplish any such termination of the Transaction and to carry out this Resolution.

3. The Resolution shall take effect immediately.

**Information Items.** The following items were included in the agenda for information only:
- Overview: Campus Security Summit
- Official FY2004 Enrollments
- FY2003 State Funded Research Annual Report
- New System Office Funding Model
- Discussion of the Board’s goals for collective bargaining relationships and how to achieve those goals
- Agenda Calendar
- Summary of Current Statistics

**Date of Next Meeting.** The next meeting of the Board of Trustees will be held on May 23-24, 2004, at the University of Maine System in Bangor.

Adjournment.

Ellen Doughty for
J. Kelley Wiltbank, Clerk