UNIVERSITY OF MAINE SYSTEM
Board of Trustees

University of Maine System, Bangor
November 17, 2003

Board of Trustees Meeting


Trustee Johnson, Chair, convened the meeting and welcomed everyone.

Citizen Comment. Citizen comment is a time regularly set aside for comments from the public. No one signed up to speak at the meeting.

Acceptance of Minutes. On a motion by Trustee Mullen, which was seconded by Trustee McCrum, the minutes from the August 19, 2003 Executive Committee meeting, the September 21-22, 2003 Board of Trustees meeting and Committee meetings, and the September 30, 2003 Investment Committee, were unanimously approved as presented.

Chair’s Agenda and Report. Trustee Johnson spoke about the importance of the ERP System, proper management of our limited resources, and during the decision making process keep in the mind the impact those decisions will have on all areas of the University of Maine System. As we move forward during this time of major change, it will be essential to have good processes in place and require good outcomes. The Investment Committee is an example of an area that has seen significant change. With the leadership of Ms. Joanne Yestramski as the Chief Financial Officer, this Committee has transformed from a closed committee to a very open structure and the assets have been managed in a way that created positive outcomes. Trustee Johnson expressed his appreciation to the Audit Committee for their dedicated work in assessing the financial information to ensure that all aspects of the System’s accounting principles and practices were reviewed. This is an important issue nationally because of the recent accounting scandals in large corporations. With the development of the ERP System and the strategic planning process as our key initiatives, the University of Maine System is building a sound, fundamental planning platform which will reduce risk and result in position outcomes. Good communication and a continued high level of trust will be essential as we move forward.
Chancellor’s Agenda and Reports. Chancellor Joseph Westphal talked about his trip to Washington with staff from the University of Maine to meet with the US Army to discuss how the Army could use the wood composite materials being developed at UM. Recently we have received word that UM may receive this Army contract. This is good news. On December 21st the Maine Principals Association will be holding a conference. The Governor, Commissioner of Education and the Chancellor will be delivering the keynote address. The address will focus on aspirations, making the education system better and stronger, connecting K-12 with higher education, and learning results.

Committee Reports/Action.
Academic Affairs Committee – Trustee Skinner, Chair, reported that the Committee agreed to forward to the Board for approval the awarding of academic degrees and a change in Board Policy 304 - Transfer of academic credit. The Committee received a report from Dr. Elsa Nuñez on the academic program inventory as well as an update on the strategic planning process.

Audit Committee – Trustee Fox, Chair, reported that the Committee received the draft financial report for the year ended June 30, 2003. The Audit Committee pressured KMPG, the external auditors, to complete a very extensive review of the financial information to ensure all of the disclose issues were identified and focus on how the remaining changes in accounting standards will impact the UMS. One change in the account policy will require the System to recognize retiree health benefit as an ongoing liability. The Internal Audit staff developed a Risk Assessment and an Internal Audit Plan for the next year.

Finance/Facilities Committee – Trustee McCrum, Chair, reported that the Committee agreed to forward to the Board for approval the Annual Financial Report FY2003, the UMF residence hall, the United States Department of Agriculture Loan/Grant, and the UMS action items which included the System Office Relocation, the UMS Greenland Point Sale, and the Supplemental Appropriation Request FY2005. The Committee reviewed the Official FY2004 Fall Enrollments.

Human Resources and Labor Relations Committee – Trustee Weston, Chair, reported that the Committee agreed to forward to the Board for action the issue of allowing UMF, UM, and USM to enter into law enforcement mutual aid agreements.

Investment Committee – Trustee Dowe, Chair, reported that the Committee met on September 30th. There is an excellent group of Trustees on the Committee and Ms. Joanne Yestramski and Mr. Michael Soucy are a great value to the Committee. The Committee has been working for the past year and a half with New England Pension Consultants and they are doing a fine job for the UMS. The Committee has requested to see all of the financial assets from the universities as well as the foundations to see where they are invested, the performance experience, and the expenses related to those assets. The September results on the pension and endowment funds are very positive compared to the benchmarks.

Student Affairs Committee – Trustee Prescott, Chair, reported that the Committee established three initiatives for the next year. These initiatives are an advisement.
summit, look at leveling our financial aid, and a conference for guidance counselors’ state-wide to look at aspirations and access to education.

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


UMF Residential Hall. The Board of Trustees authorized the construction of a new dormitory at the University of Maine at Farmington at a total cost of approximately $5.7 million, and further that the Board authorized the Treasurer to issue revenue bonds for the project with debt service and operating costs being paid from student fees. In conjunction with this project the Board passed the following resolution:

Reimbursement Resolution:
Be it resolved that, for purposes of Treasury Regulation § 1.150-2, the University of Maine System reasonably expects (1) to incur debt to reimburse expenditures (including expenditures made within the last 60 days) temporarily advanced from funds currently held in the Plant Fund, such expenditures to be made to pay the cost, or a portion of the cost, of constructing a residence hall at the University of Maine at Farmington, primarily to provide additional dormitory space, and (2) that the maximum principal amount of debt to be issued for such construction, including for reimbursement purposes is $5,700,000.

United States Department of Agriculture Loan/Grant. The Board of Trustees approved a loan in the amount of $296,364 from the United States Department of Agriculture, proceeds from such loan to be used for the purchase of compressed video equipment for University College locations, and with terms and conditions to be determined by the System Office Treasurer upon review by University Counsel and conformance with System requirements.

University of Maine System Action Items.

System Office Relocation. The Board of Trustees approved the concept of an exchange of buildings and land owned by the System for City-owned property in downtown Bangor including parking privileges, with terms and conditions of the exchange to be negotiated by System management with review by University Counsel.

UMS Greenland Point Sale. The Board of Trustees approved the sale of Greenland Point property on Long Lake in Princeton, Maine with the proceeds to be used to offset accumulated capital and operating deficits at UMM. Final sale will be contingent upon an acceptable price, approval of documents by University Counsel, and conformance with System requirements.


Law Enforcement Mutual Aid Agreements. The Board of Trustees authorized full-time police officers employed by the University of Maine System who have met the requirements of the Maine Revised Statues, Title 25, Section 2804-C to perform any of
the acts described in MRSA Title 17-A, Section 15 while outside the limits of the property owned by or under control of the University of Maine System if the law enforcement agency of a foreign municipality in which the arrest is to be made has requested assistance from a University of Maine System law enforcement unit in advance by cooperative written agreement between the law enforcement agency of the foreign municipality and the University of Maine System. Agreements must be approved by the Chancellor.

Awarding of Academic Degrees. The Board of Trustees authorized the awarding of degrees in course for the Fall Commencement 2003 and the Spring and Summer Commencements 2004 to those students fully recommended by the appropriate faculties and the Presidents of the respective institutions and/or divisions of the University of Maine System.

Academic Affairs: Board Resolution Policy 304 – Transfer of Academic Credit. The Board of Trustees approved the change in language of Board Policy 304 – Transfer of Academic Credit to reflect a policy that treats transfers inside the System in the same way as transfers from outside the System with a grade of C- or better.

Information Items. The following items were included in the agenda for information only:
- Official FY2004 Fall Enrollments
- UMS’s Advocacy and Outreach Initiative
- Academic Program Inventory Report
- Strategic Planning
- Student Affairs Initiatives for 2003-2004
- Agenda Calendar
- Summary of Current Statistics

Date of the Next Meeting. The next meeting of the Board of Trustees will be January 25-26, 2004, at the University of Maine at Augusta.

Adjournment

Ellen Doughty for
J. Kelley Wiltbank, Clerk