Trustee Mullen, Chair, convened the meeting.

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 motion of Trustee William Johnson, which was seconded by Trustee Edward Fox, the minutes for July 8, 2002, were unanimously approved as presented.

Chair’s Agenda and Report. Trustee Mullen formally welcomed Richard Cost, President, University of Maine at Fort Kent and thanked the University for hosting the Board meeting. Trustee Mullen spoke about the uncertainty created by the State’s ongoing budget crisis and the University of Maine System budget for the next biennium. He also noted that twenty-five to thirty years ago the State appropriated between 11% and 15% of the general revenue fund to the University System. The most recent decade that range has dropped to 6 to 9% and now stands at just about 7%. The University of Maine System will focus on operating efficiently and most importantly effectively. Steps are being taken to ensure that effectiveness while continuing to provide a strong system of higher education that provides access to opportunity for the people of Maine.

Chancellor’s Agenda and Reports. Chancellor Westphal discussed the proposed budget outlining our priority is our students. A commitment has been made to help our students meet the cost of education by reducing or eliminating the “gap” in financial aid and scholarships that is not tied to good grades but tied to need. We will do our best to prevent any efforts to make education less accessible by raising the tuition and fees of our students. Cooperatively we will work with the public schools and technical colleges in a restructuring effort to not only provide savings but in the long term provide a much better education for our students by enhancing our business and management practices and our ability to provide a quality environment for our students and faculty. We are committed to working with the legislature and the governor to do all we can to be
full participants in the State’s efforts to address this budget crises. The University of Maine System will take the lead in assuring that education must and should be the highest priority in the State. We are committed to working with the University Presidents in making this budget proposal a success.

Committee Reports/Action.

Academic Affairs. Trustee Wickham Skinner, Chair, reported that the Committee approved the Academic Program Inventory noting that there were slightly more reductions in programs than additions in programs. The Faculty Representatives discussed with the Trustees their roles, processes for working together, and evaluated how well it is currently working in an effort to make improvements.

Student Affairs. Trustee Sandra Prescott, Chair, reported that the Student Representatives shared with the Board of Trustees their ideas about future agenda items and how the current process was working in communicating with the Board through the committee process as well as the communications back to the individual universities through their reporting processes. The Board of Trustees was delighted and impressed with the Student Representatives participation and the resources and value they bring to the Board.

Finance/Facilities. Trustee Barry McCrum, Chair, reported that the Committee reviewed an update of the FY2002 financial results; approved the Biennium Plan 2004/2005; the Committee heard a facilities management update; approved capital project budgets for the University of Maine and the University of Maine at Machias; approved two property acquisitions at the University of Maine and the University of Maine at Fort Kent; Gifts, Grants and Awards were accepted; and reviewed the Pension and Endowment Fund annual report.

Investment Committee. Trustee Charles Johnson, Chair, reported that the Committee evaluated and approved the operating cash investment policy; approved Morgan Stanley as the international investment manager; and reviewed other investment managers.

Human Resources and Labor Relations Committee. Trustee Margaret Weston, Chair, reported the Committee approved appointments for Joseph Austin, Dean of Student Life at University of Southern Maine, Frank Bean, Dean of the College of Mathematics and Professional Studies at the University of Maine at Augusta, Margaret Danielson, Dean of the College of Arts and Sciences at the University of Maine at Augusta, and Gary Johnson, Acting Vice President for Academic Affairs at the University of Maine at Fort Kent; approved the appointment of J. Kelley Wiltbank as Interim Clerk; and approved a compensation adjustment and benefit changes for the non-represented employees.

Consent Agenda. On motion of Trustee Donald McDowell, which was seconded by Albert Glickman, the following recommendations were unanimously approved by the Board:

Revised Capital Project Budgets.

The Board of Trustees authorized an increase in the budget for the Dorward Hall Renovation and Addition project at the University of Maine at Machias to $4,300,000, with the construction funding initially coming from an internal loan to be refinanced through the next bond issuance. Additional debt service will be paid from student fees.

The Board of Trustees authorized an increase in the budget for the Memorial Union Expansion project at the University of Maine to $14,707,000, with the funding from reserves, pledges, and a redistribution of, but no increase in, student fees.

It was resolved that for the purposes of Treasury Regulation §1.150-2, the University of Maine System reasonably expects to (1) incur debt to reimburse expenditures (including expenditures made within the last 60 days), such expenditures to be made to pay the cost, or a portion of the cost, of renovating and expanding Dorward Hall at the University of Maine at Machias, primarily to address student housing needs, and (2) that the maximum principal amount of debt to be issued through this Resolution is One Million Dollars ($1,000,000).

Property Acquisitions.

Purchase of Property near Pushaw Pond in Old Town. The Board of Trustees authorized the purchase of approximately 139 acres of land near Pushaw Pond in Old Town from the University of Maine Foundation for a purchase price of $30,000, with funding coming from the proceeds of the sale of Dermeritt Forest land, contingent upon successful completion of an environmental audit and approval of all documents by University Counsel.

Purchase of Property on North Perley Brook Road in Fort Kent. The Board of Trustees authorized the purchase of property on North Perley Brook Road in Fort Kent from Jean Guy and Nadine Landry for $38,000, with funding coming from the proceeds of the 2001 bond referendum, contingent upon successful completion of an environmental audit and approval of all documents by University Counsel.

Acceptance of Gifts, Grants, and Awards. The Board of Trustees accepted with gratitude all gifts, grants, and awards received since the last Board meeting.

Appointments for Trustee Approval. The Board of Trustees approved the appointments at or above the level of Dean or equivalent as recommended by the Chancellor, as follows:

Joseph Austin, Dean of Student Life, UM
Frank Bean, Dean of the College of Mathematics and Professional Studies, UMA
Margaret Danielson, Dean of the College of Arts and Sciences, UMA
Gary Johnson, Acting Vice President for Academic Affairs, UMFK
Appointment of Interim Clerk. The Board of Trustees approved the appointment of J. Kelley Wiltbank as Interim Clerk of the University of Maine System Board of Trustees effective September 1, 2002 until a successor is named.

Compensation Adjustment and Benefits Changes for Non-Represented Employees. The Board of Trustees approved the recommendation of the Chancellor for wage and salary adjustments and changes in benefits for non-represented employees.

**Information Items.** The following items were included in the agenda for information only:
- Academic Program Inventory
- Discussion with Faculty Representatives to the University of Maine System Board of Trustees
- Discussion with Student Representatives to the University of Maine System Board of Trustees
- FY2002 Preliminary Financial Results
- Facilities Management Update
- Pension and Endowment Funds Annual Report
- Board Agenda Calendar
- Summary of Current Statistics

**Date of the Next Meeting.** The next meeting of the Board of Trustees will be November 17-18, 2002, at the University of Maine at Augusta

Adjournment.

Ellen Doughty for
J. Kelley Wiltbank, Interim Clerk