

UNIVERSITY OF MAINE SYSTEM

Board of Trustees Meeting

at the University of Maine

January 14, 2008

Board of Trustees Meeting

Present: Margaret Weston, Chair; James Dowe, Jean Flahive, Norman Fournier, Charles Johnson, Krisandra Horn, Barry McCrum, Marjorie Medd, Victoria Murphy, Charles O'Leary, and Lyndel Wishcamper. **Chancellor:** Richard Pattenaude. **Faculty Representatives:** Shallee Page, Kenneth Orosz, Robert Rice and Fred Walker. **Student Representatives:** Kristen Cloutier, Kelly Deprez, Marie Follayttar, and Jeremy Logan. **University Presidents:** Richard Cost, Cynthia Huggins, Theodora Kalikow, Robert Kennedy, Joseph Wood, and Donald Zillman. **System Staff:** James Breece, Tracy Bigney, Eduard Dailide, John Diamond, Tracy Elliott, Frank Gerry, John Lisnik, Kelley Wiltbank, and Joanne Yestramski. **Press and Public.**

Absent: William Johnson, Susan Gendron, Tamera Grieshaber, Paul Mitchell, and Wayne Newell.

Trustee Weston, Chair, called the meeting to order and welcomed everyone.

Citizen Comment. Citizen Comment is a time regularly set aside for comments from the public. The following people spoke during the citizen comment period:

Ron Mosley
Jim McClymer

Acceptance of Minutes. On a motion by Trustee O'Leary, which was seconded by Trustee Medd, the minutes from the following meetings were unanimously approved as presented:

October 15, 2007 – Ad Hoc Technology Committee
October 29, 2007 – Audit Committee
November 4, 2007 – Audit Committee and Finance/Facilities Committees Joint Session
November 4-5, 2007 – Board Committee Meetings and Board of Trustees Meeting
November 29, 2007 – Executive Committee and Finance/Facilities Committees Joint Session

Chair's Agenda and Report. Trustee Weston thanked President Kennedy and the UM staff for hosting the Board meeting. She also thanked President Kennedy for his update on UM and appreciated learning about some of the new and exciting projects at the University of Maine. Trustee Weston thanked the UMA Presidential Search Committee, Chaired by Trustee Charles Johnson, for their work. The UMS and the Maine Community College System Executive Committees hope to meet in February or early March. Trustee Weston asked the Board to forward to her by email questions and issues for discussion for this joint session.

Chancellor's Report. Chancellor Pattenaude thanked President Kennedy for hosting the Board meeting and thanked all of the attendees for their flexibility with the meeting schedule.

Agenda for Action. Chancellor Pattenaude explained that the recommendations and suggestions from the meeting yesterday have been incorporated into the revised Agenda for Action document. The next step will be coordinate work groups to make progress and continue to measure our progress and goals.

Committee Reports/Action.

Academic Affairs and Student Affairs Committees – Trustee Medd reported that the Committee received an update from UM and forwarded to the consent agenda the Program Proposals and Program Eliminations. The Committee reviewed the Academic Year Calendars, the 2006-2007 Annual Report on Degrees Confirmed, and the Academic Policy Audit.

Ad Hoc Technology Committee – Trustee McCrum reported that the Committee's focus to this point has been with PeopleSoft. After the Oracle assessment in February, the Committee will schedule a meeting.

Audit Committee - Trustee Wishcamper reported that the Committee met to review the Management Letter from KPMG which made recommendations for more accountability for financial results at the campus level, better interim reporting, and more timely year-end reporting at the campus and System level. PricewaterhouseCoopers (PWC) has been engaged as the internal auditors and the first task that PWC will be working on is the USM financial review.

Finance/Facilities Committee – Trustee Dowe reported that the Committee recommended internal loans to USM and UMM and several campus capital projects to the consent agenda.

Human Resources and Labor Relations Committee – Trustee Flahive reported that the Committee received a presentation on the Strategic Vision of Human Resources. The Committee recommended the adoption of the GASB 45 Standard and Plan and the appointment of the President at UMA to the consent agenda. The Human Resources and Labor Relations Committee officially welcomes Dr. Allyson Handley to the UMS.

Investment Committee – Trustee Charles Johnson reported that the Committee met on November 28 and the Commonfund Manager attended to present information on the Absolute Return Fund. Asset Allocations were also discussed for the Pension Plan and the Endowment Fund. The Investment Committee will consider adding up to three outside members to the Committee who are not Trustees. The rationale for the additional Committee members is to have people with expertise in the investment field and continuity of membership on the Committee. The Endowment Fund at the end of November was valued at \$125 million, an increase of 3% since June 30th. The Pension fund was valued at \$67 million which is an increase of 2.5%. The Operating Cash will be the challenging area.

USM Search Committee – Trustee Wishcamper stated that four finalists for the USM Presidential Search have been selected for campus visits the end of January. Following the Candidates' visits, the Committee will meet and review the feedback and will forward a recommendation to the Chancellor in February.

UMS Agenda for Action. On a motion by Trustee Medd, which was seconded by Trustee Dowe, the Board of Trustees endorsed the University of Maine System Agenda for Action.

Consent Agenda. On a motion by Trustee McCrum, which was seconded by Trustee O'Leary, the following recommendations were unanimously approved by the Board:

Proposed Changes to Board of Trustees Bylaws. The Board of Trustees approved the discharge of the Strategic Planning Subcommittee and approved the proposed language to amend the Bylaws to allow participation and vote by telephone, Polycom, or other similar

technology if there is a serious medical condition which makes it inadvisable or impossible for the Trustee to attend the meeting.

Confirm Student Representative to the Board of Trustees - UMM. The Board of Trustees approved the appointment of the Student Representative to the Board of Trustees from UMM, as presented.

2008 Honorary Degree Nominations. The Board of Trustees of the UMS approved the 2008 nominations for Honorary Degrees, as presented.

2009 Honorary Degree Nominations. The Board of Trustees of the UMS approved the 2009 nominations for Honorary Degrees, as discussed.

Approval of USM and UMM Internal Loans for Operating Deficits. The Board of Trustees endorsed the amendments to Administrative Practice Letter III-C: System Internal Loans authorizing the issuance of loans for campus operating deficits, subject to approval of loans over \$250,000 by the Board of Trustees. The Board of Trustees approved the System internal loan for USM deficit repayment schedule for up to \$8.2 million to be paid in full by June 30, 2014. The Board of Trustees approved the System internal loan for UMM deficit repayment schedule for up to \$1.3 million to be paid in full by June 30, 2013.

Folsom-Pullen Hall Renovations, Phase 1 – UMPI. The Board of Trustees authorized the Fosom-Pullen Hall Renovations, Phase 1 project with a total project cost of \$2.8 million.

Preble-Ricker Hall Renovations – UMF. The Board of Trustees authorized the renovations to Preble-Ricker Hall at a total project cost of \$2.6 million.

Belfast Hall/Library Relocation Project – UMA. The Board of Trustees authorized the renovations to Belfast Hall and the relocation of the library at a total project cost of \$1.5 million.

Colvin Hall Renovations, Phase 3 – UM. The Board of Trustees authorized renovations to Colvin Hall at a total project cost of \$2.3 million.

Stodder Hall Graduate Center Renovation – UM. The Board of Trustees authorized renovations to and sprinklering of Stodder Hall at a cost of \$4.3 million to create a graduate center and graduate residence facility on the University of Maine campus.

Athletic Field Turf Projects – UM. The Board of Trustees authorized the replacement of turf at the Morse Field, the creation of a new artificial turf field hockey field, and the replacement of natural turf with artificial turf at the Mahaney Baseball Diamond, at a cost of \$2.2 million. The Board of Trustees also authorized the acceptance of a generous \$1 million gift from Phillip H. and Susan K Morse to support the athletic field turf projects at the University of Maine.

Spectrum Lease and Capital Project. The Board of Trustees authorized Ms. Joanne Yestramski, CFO, to negotiate a contract with the vendor who has submitted the best

response to the RFP and report back to the Chairs of the Finance/Facilities Committee and the Ad Hoc Technology Committee.

Lease of Space to New Cingular Wireless PCS, LLC – UM. The Board of Trustees authorized the leasing of approximately 240 square feet on the roof of York Commons, Orono Campus, to New Cingular Wireless PCS, LLC, for a period of five (5) years, with the option to renew four additional five (5) year terms, subject to review and approval of all lease documents by the System Office and University Counsel.

Adoption of GASB 45 Standard and Plan. The Board of Trustees adopted the Statement 45 of the Governmental Accounting Standards Board (GASB) for post employment benefits other than pensions, with the following changes to policy and actions:

- a. Effective July 1, 2007, to be eligible for retiree health insurance coverage full-time regular employees will be required to complete ten (10) years of continuous, regular, full-time service after age 45. Eligible part-time regular employees in “Benefits Regular,” “Shared Appointment,” or “Partial/Phased Retirement” status will be required to complete ten years of continuous full-time equivalent regular service by the date of retirement at age 55 or older. Part-time faculty continue to be eligible at age 65 with the equivalent of ten years of full-time service immediately preceding retirement.
- b. Employees who retire on or after July 1, 2010 will be required to pay a contribution to the premium for their own health insurance coverage once they become eligible for Medicare. The premium contribution will be 15% for retirees who completed at least ten but fewer than twenty full-time equivalent years of service at the time of retirement; 10% for those who completed twenty but fewer than thirty years of full-time equivalent service; and 7% for those who completed thirty or more years of full-time equivalent service.
- c. Effective April 1, 2008, retirees may make a one-time election to cease coverage under the UMS Group Health Plan and then may later elect to receive coverage again, provided that the election of coverage occurs no later than ninety (90) days after they become eligible for Medicare and that they document continuous health insurance coverage for themselves and dependents during the period for which they were not covered in the UMS Group Health Plan. Eligibility and premium contribution for retiree health coverage shall be based on the date of retirement and length of service, unaffected by the election to opt out and then re-elect coverage.
- d. The Chief Financial Officer and Treasurer is authorized to establish a VEBA trust fund of post employment benefits other than pensions. A decision about funding for fiscal year 2008 will be made in the summer of 2008.
- e. Board policy 411 is amended to reflect the changes. The definition of retirement is amended as described above. Separation from service at age 65 or older will no longer be considered retirement if the employee did not complete at least ten years of full-time equivalent service.

Appointment of President at UMA. The Board of Trustees appointed Dr. Allyson Handley as President of the University of Maine at Augusta for a two-year term effective March 1, 2008 and ending June 30, 2010 at an annual salary of \$137,000.

UMF Master of Science in Education. The Board of Trustees approved the establishment of a Master of Science in Education at the University of Maine at Farmington.

UMFK Proposal for the Center for Rural Sustainable Development. The Board of Trustees approved the establishment of a Center for Rural Sustainable Development at the University of Maine at Fort Kent.

UMA Program Eliminations. The Board of Trustees approved the elimination of the following Associates Degree programs at the University of Maine at Augusta: Associate of Arts in Art and the Associate of Applied Arts in Graphic Arts.

Information Items. The following items were included in the agenda for information only:

Transition of University College Reporting to UMA
Financial Oversight Plan – Progress Report
Proposed Revisions to Board of Trustees Policy 710 – Operating & Capital Budgets
Reporting of Efficiency Initiatives: Operational Audit II & Administrative Savings Group
Human Resources Strategic Role and Goals
Update on Collective Bargaining
UM Update
Academic Year Calendars
2006-2007 Annual Report on Degrees Conferred
Academic Policy Audit
Grants and Contracts Annual Report 2006-2007
Agenda Calendar

Date of Next Meeting. The next meeting of the Board of Trustees will be March 9-10, 2008 at the University of Southern Maine.

Adjournment.

Ellen Doughty for
J. Kelley Wiltbank, Clerk