

UNIVERSITY OF MAINE SYSTEM
Board of Trustees Meeting

at the University College of Bangor
July 14, 2008

Board of Trustees Meeting

Present: Lyndel Wishcamper, Chair; James Dowe, Jean Flahive, Norman Fournier, Krisandra Horn, Tamera Grieshaber, Charles Johnson, William Johnson, Barry McCrum, Marjorie Medd, Paul Mitchell, Victoria Murphy, Wayne Newell, Charles O’Leary, and Margaret Weston. **Chancellor:** Richard Pattenau. **Faculty Representatives:** Raymond Albert, Ann Blanke (for Terry Colby), Harold Jones, Shallee Page, Robert Rice, and Bertram Jacobs. **Student Representatives:** Chelsey Everest, Marie Follayttar, Kenneth Hoyt, Cynthia Nesbit, and Charles Weiss. **University Presidents:** Selma Botman, Richard Cost, Allyson Handley, Cynthia Huggins, Theodora Kalikow, Robert Kennedy, and Donald Zillman. **System Staff:** Tracy Bigney, James Breece, Eduard Dailide, John Diamond, Tracy Elliott, Frank Gerry, Rosa Redonnett, Kelley Wiltbank, and Joanne Yestramski. Press and public.

Absent: Susan Gendron.

Trustee Wishcamper, 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 persons spoke during the citizen comment period:

Ron Mosley
Marie Follayttar
Chelsey Everest

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

April 8, 2008 – Investment Committee
May 9, 2008 – Audit Committee
May 9, 2008 – Finance/Facilities Committee
May 18-19, 2008 – Board Meeting and Board Committee Meetings

Chair’s Agenda and Report. Trustee Wishcamper thanked President Handley and the UMA/UCB staff for hosting the Board meeting. He commented that he would like to have monthly updates to the Board from the Chancellor by email to keep the Board informed on current issues. Trustee Wishcamper asked the Board of Trustees to provide feedback to the Board Chair on how the Board meetings and the agenda can be more effective. In keeping with improving the effectiveness of the Board, he distributed an article – “What’s Your Board’s Culture”. The article discusses the importance of an engaged Board and the relationship with the Board and the Chief Executive Officer.

Chancellor’s Report. Chancellor Pattenau welcomed Trustee Wishcamper as Chair of the Board and thanked Trustee Weston for her leadership and dedication as the past Chair. Dr. Selma Botman was introduced and welcomed as the new President at USM.

Chancellor Pattenau distributed a document “UMS Response to Difficult Economic Times: A Status Report”. This document was developed to outline the immediate steps that are being taken

by the UMS to keep higher education affordable and accessible to Maine citizens. These actions include helping students through programmatic changes, increase use of technology, and increase financial aid assistance; actions to save money and reduce ongoing financial obligations in FY 09; current energy savings initiatives; and long-term cost savings/revenue enhancement initiatives. In addition, the Board of Trustees has authorized the Chancellor to develop a Study Group to assess the role, size, and structure of the System Office. He thanked the staff at the campuses and the System Office for their tough decisions and courageous work for the benefit of our students.

Committee Reports/Action.

Academic Affairs and Student Affairs Committees – Trustees William Johnson and Medd reported that the Academic and Student Affairs Committees received an update on the University of Maine at Augusta from President Handley and a campus update on the Student Loan situation.

Finance/Facilities Committee – Trustee Dowe reported the Committee received updates from the UMS CFO and moved to the consent agenda certain Board Policies, a Gift of Property at UM, the Sale of Old Town Transfer Station, a Purchase of Property at UMFK, and Use of Proceeds from the Sale of Portland Hall at USM

Investment Committee – Trustee Charles Johnson reported that the Committee met on June 27, 2008 to review the allocation of investments in the Endowment Fund. The Pension Plan increased by 1.2%, the Endowment Plan increased by 1.8%, and the Operating Cash fund increased by 2.5% over the past year. The State Treasurer, David Lemoine, was present to discuss the impact of the MainSail II fund. The UMS risk of loss in this fund is approximately \$1.3 million. The Committee drafted and approved a new custodial and investment agreement. Maine Maritime Academy (MMA) and the Maine Community College System (MCCS) are considering moving their investments to be invested with UMS. It is anticipated that MMA Board of Trustees will be voting within the next four to six weeks to move its endowments to the UMS which is approximately \$13 million. MCCS is currently evaluating moving its endowment fund to the UMS as well.

Human Resources and Labor Relations – Trustee Flahive reported that the Committee met in Executive Session and there were no action items to move to the consent agenda.

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

Confirm Faculty and Student Representatives to the Board of Trustees. The Board of Trustees approved the appointments of the Faculty and Student Representatives to the Board of Trustees, as presented.

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, shall be excluded from 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), unless excluded 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, newly appointed 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 or practices in the performance of classified contracts for the Department of Defense or the User Agencies of its Industrial Security Program: P. James Dowe; Jean M. Flahive; Norman L. Fournier; Susan A. Gendron; Tamera L. Grieshaber; Krisandra A. Horn; Charles L. Johnson III; William D. Johnson; Barry D. McCrum; Marjorie Murray Medd; Paul J. Mitchell; Victoria M. Murphy; Wayne A. Newell; Charles J. O'Leary; Margaret A. Weston; Lyndel J. Wishcamper; Chancellor, Richard Pattenaude; Chief Financial Officer and Treasurer, Joanne L. Yestramski; and Clerk of the Board, J. Kelley Wiltbank.

Proposed Board of Trustees Bylaws Changes: creation of permanent Technology Committee and change to commencement date of incoming Board Officers. The Board of Trustees approved the change of the term for Board Officers to commence at the conclusion of the annual meeting and the establishment of a permanent Technology Committee.

Reappointment of Chancellor. The Board of Trustees extended the appointment of Dr. Richard L. Pattenaude as Chancellor for a two-year term ending June 30, 2010.

Approval of Board Policies 703, 705, 710 and 711. The Board of Trustees approved policies 703, 705, 710 and 711 as presented.

Acquisition of Schoener Trust Property, UM. The Board of Trustees accepted the donation of approximately 158 acres of land from the Schoener Revocable Trust, with the understanding that the University will abide by the provisions of a conservation easement affecting the premises that is held by the Lower Kennebec Regional Land Trust, subject to review and approval by University Counsel.

Sale of Old Town Transfer Station, UM. The Board of Trustees approved the sale of the Old Town Transfer Station to the City of Old Town subject to review and approval by University Counsel.

Purchase of Property, UMFK. The Board of Trustees authorized the purchase of property in support of the University of Maine at Fort Kent Campus Master Plan with funding from an internal loan, subject to review and approval by the Chancellor and University Counsel.

Use of Proceeds from Portland Hall Sale, USM. The Board of Trustees authorized the use of proceeds from the disposition of Portland Hall to fund capital projects at the University of Southern Maine including University Commons, deferred maintenance, and facilities renewal projects.

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

- University of Maine at Augusta Update
- Student Loans – Update from the Campuses
- CFO Update
- Update on Collective Bargaining
- Annual Report of Named Chairs and Professorships
- Summary of Current Statistics
- Agenda Calendar

Date of Next Meeting. The next meeting of the Board of Trustees will be September 14-15, 2008 at the University of Maine.

Adjournment.

Ellen Doughty for
J. Kelley Wiltbank, Clerk