

UNIVERSITY OF MAINE SYSTEM
Board of Trustees Meeting

at the University of Maine at Presque Isle
May 19, 2008

Board of Trustees Meeting

Present: Margaret Weston, Chair; Norman Fournier, Tamera Grieshaber, Charles Johnson, Barry McCrum, Marjorie Medd, Paul Mitchell, Charles O'Leary, and Lyndel Wishcamper. **Chancellor:** Richard Pattenaude. **Faculty Representatives:** Terry Colby, Shallee Page, and Bertram Jacobs. **Student Representatives:** Ashley Davis, Kelly Deprez, Jeremy Logan, Kenneth Hoyt, Kristen Cloutier and Cynthia Nesbit. **University Presidents:** Richard Cost, Allyson Handley, Cynthia Huggins, Theodora Kalikow, Robert Kennedy, Joseph Wood, and Donald Zillman. **System Staff:** Tracy Bigney, James Breece, Eduard Dailide, John Diamond, Tracy Elliott, Frank Gerry, Kelley Wiltbank, and Joanne Yestramski. Press and public.

Absent: James Dowe, Jean Flahive, Susan Gendron, Krisandra Horn, William Johnson, Victoria Murphy, 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 person spoke during the citizen comment period:

Ron Mosley, President of AFUM

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

February 27, 2008 – Finance/Facilities & Audit Committee – Chairs Conference Call

March 7, 2008 – Audit & Finance/Facilities Committee Joint Session

March 7, 2008 – Investment Committee

March 9-10, 2008 – Board Meeting and Board Committee Meetings

March 19, 2008 – Ad Hoc Technology Committee

March 21, 2008 – Joint Session of the UMS & MCCS Executive Committees

Chair's Agenda and Report. Trustee Weston thanked President Zillman and the USM staff for hosting the Board meeting. Trustee Weston presented Interim President Joseph Wood with the following resolution:

WHEREAS, Joseph S. Wood has given outstanding service in senior leadership roles within the University of Southern Maine since 2000; and

Whereas, the positions he has held include University Provost and Professor of Geography; and

Whereas, in July 2007, he assumed the position of Interim President of the University of Southern Maine; and

Whereas, during the past eight years, he has worked with members of the Board of Trustees frequently, closely, and constructively to advance the Board's responsibilities as the University System's governing body; and

Whereas, during his presidency, he served as a valued advisor and member of the Chancellor's Council of Presidents; and

Whereas, President Wood has managed the planning and implementation of USM's "Moving Forward" initiative to position the University for the future; and

Whereas, President Wood has been a successful and respected leader during a difficult and challenging period of transition; and

Whereas, President Wood will soon complete his appointment as Interim President and as Provost; therefore

Be it known to all that we, the University of Maine System Board of Trustees, offer our most sincere gratitude, thanks, and best wishes to President Joseph S. Wood for his outstanding contributions to the University of Southern Maine and to the quality of higher education in Maine.

Approved on the 19th day of May, 2008, by a grateful University of Maine System Board of Trustees.

Trustee Weston thanked the Trustees who participated in the commencement ceremonies at the campuses. She strongly encouraged all of the Trustees to take part because it is a very rewarding experience. This has been a difficult year with challenging economic times. The Board is grateful to the Legislature for preserving the funding for the UMS; however, the UMS received flat funding and that does not cover the rising costs of energy, health care, food, labor, and funding for the retiree health care. The UMS has taken tough actions by eliminating 139 positions, eliminating \$15.7 million from the budget, and limiting the operating expense increases to 15.6%. The Board is faced with a tuition increase that is much higher than it would have like to put forward. Maine's public universities are still a great value. The UMS has committed to increasing financial aid by over 11%.

Chancellor's Report. Chancellor Pattenaude thanked Trustees Charles "Wick" Johnson and Margaret Weston for their ten years of service, dedication, and leadership to the UMS Board of Trustees. President Cost and his staff were commended for their outstanding job of responding; getting organized; taking care of the faculty, staff, and students; and working with the community during the flooding in the Fort Kent area. This was a team effort and thanks are also extended to UMPI for temporarily housing and taking care of the displaced students and the System Office staff for the advice, equipment, and support. UMFK's leadership team had received advanced training from the University of Maine on disaster preparedness and disaster response. This training had made enormous difference in UMFK's ability to respond to the emergency. UM is now generously providing the training, advice, and guidance to the other campuses.

Chancellor Pattenaude continued by stating these are challenging times and the UMS has been carefully analyzing the budget, reducing costs, and increasing efficiencies. This year and next year the UMS is wrestling with significant and often times unforeseen costs and factors that will impact income. The tuition increase is greater than we like. The UMS has worked very hard to mirror the tuition increase with increases in financial aid. The UMS' attention will be focused on the budget, cost control, and increasing efficiencies so that the UMS can meet our promise as a public university. We have to take time to recognize and celebrate the many good things and great progress that are happening on the campuses including passing bonds, significant return on R&D funds, record private fund raising, new endeavors, new and energetic leadership, new mission at UMM, creative energy initiative, and the implementation of the four course four credit system for a more academically intensive curriculum. We are building a better, stronger, and more efficient University of Maine System which is the goal of the Agenda for Action, the Trustees and the Presidents.

Committee Reports/Action.

Academic Affairs and Student Affairs Committees – Trustee Medd thanked Trustee Weston for her leadership and reported that the Academic and Student Affairs Committee received an update on the University of Maine at Presque Isle from President Zillman and an overview on the Maine Economic Outlook for 2008 and beyond from Vice Chancellor Breece. The Committee agreed to forward to the consent agenda the establishment of the RN to BSN degree program at the UMA.

Ad Hoc Technology Committee – Trustee McCrum reported that the Committee received an Oracle Insight assessment of the PeopleSoft modules that have been implemented. The Committee also had an update of the MaineStreet Student System, the Spectrum Lease, and the Regional Optical Network (RON).

Audit Committee – Trustee Wishcamper thanked Trustees Weston and Johnson for their leadership and reported that the Committee met on May 9 and received an Audit Plan for the coming year from KPMG and a report and plan from PricewaterhouseCoopers (PWC). PWC was engaged to review USM's financial controls and reporting systems. PWC will move on sequentially to the other campuses to review financial controls, reporting systems, transparency, and reliability. The Committee also received a report on the UMS risk assessment and risk overview.

Finance/Facilities Committee - Trustee Wishcamper reported the Committee moved to the consent agenda the FY09 Budget and Recommended Student Charges, the Section 115 Trust for GASB 45 Funding, establishment of the Named Professorship – Donald A. Grant Professorship in Mechanical Engineering, several facilities items, and the renaming of the Student Technology Center at UMA to the Richard J. Randall Student Technology Center. The Committee received updates on the Capital Projects, the FY07 Student Financial Aid Report, and several finance and facilities related Board policies.

Human Resources and Labor Relations Committee – Trustee O'Leary reported that the Committee received an overview of the Workforce Management at UMS and forwarded to the consent agenda the Appointment of President Zillman at UMPI and Appointments for Trustee Approval.

Investment Committee – Trustee Charles Johnson reported that the Committee met on April 8 and seven representatives from Maine Maritime Academy (MMA) were present to observe how the UMS operates the investment of its endowments and how the System works with the partners we invest for. The UMS can add value to the MMA investments and it is likely that the MMA endowment will be moved under the UMS umbrella. At the April 8th meeting the Committee agreed to add two new non-Trustee, non-voting members to the Investment Committee which are Chris Robinson from Portland and James Mullen, a former Trustee. The reason the Committee agreed to the change in membership for a maximum of 5 non-voting, non-Trustee members is to allow the constituents can have representative at the table and to bring in broader knowledge and continuity. The State Street manager provided a presentation on the small cap index fund. The Pension Plan was down approximately 5.5% for the first quarter and .4% for the trailing year with \$60 million in the Fund. The Endowment Fund, at approximately \$117 million, was down 6% in the quarter and 2.1% for the trailing year. At the next meeting with Committee will have a discussion with the State Treasurer about UMS' exposure in the MainSail II pooled investments. The Investment Guidelines were also updated.

Consent Agenda. On a motion by Trustee McCrum, which was seconded by Trustee Medd, 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.

Election of Board Officers. The Board of Trustees approved the Board of Trustees slate of officers for 2008-2009, Trustee Lyndel Wishcamper, Chair and Trustee Barry McCrum, Vice Chair.

Confirmation of Boards of Visitors. The Board of Trustees confirmed the campus Board of Visitors appointments, as amended.

UMA RN to BSN Degree Program. The Board of Trustees approved the establishment of an RN to BSN degree program at the University of Maine at Augusta.

FY09 Budget and Recommended Student Charges. The Board of Trustees approved the FY2009 Operating Budget and Recommend Student Charges and in-state tuition rates and the Board authorized the universities to charge non-resident students at the rate as presented, which rates shall be authorized by the passage of the amendments to Policy 703.

Appointment of President at UMPI. The Board of Trustees appointed Donald Zillman as President of the University of Maine at Presque Isle for a two-year term effective July 1, 2008 and ending June 30, 2010 at an annual salary of \$149,500.

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

Jeffrey E. Hecker, Dean, College of Liberal Arts and Sciences, UM
Susan J. Hunter, Vice President for Academic Affairs and Provost, UM
Rosa S. Redonnett, Executive Director of Student Affairs, UMS

Section 115 Trust for GASB 45 Funding. The Board of Trustees approved the establishment of a Section 115 Trust to fund post-employment retiree medical costs.

Establishment of the Donald A. Grant Professorship in Mechanical Engineering. The Board of Trustees approved the establishment of the Donald A. Grant Professorship in Mechanical Engineering.

Lewiston-Auburn College Classroom Improvements – USM. The Board of Trustees authorized the Lewiston-Auburn College Classroom Improvements Project with a total project cost of \$835,000.

Aubert Hall Chemistry Lab Upgrades – UM. The Board of Trustees approved the modernization of teaching and research laboratories at Aubert Hall at a total project cost of \$6 million.

Lewiston Hall Property Transfer – UMA. The Board of Trustees authorized the property exchange between the University of Maine System and the Maine Public Broadcasting subject to review and approval of the negotiated terms and conditions of the transfer by the Chief Financial Officer and University Counsel.

Renaming of the Student Technology Center – UMA. The Board of Trustees approved the renaming of the Student Technology Center to the “Richard J. Randall Student Technology Center”.

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

University of Maine at Presque Isle Update
Maine Economic Outlook: 2008 and Beyond
Workforce Management in UMS
Update on Collective Bargaining
Capital Projects Status Report
Review of Board of Trustees Policies – 703, 705 & 710
FY07 Student Financial Aid Report and Update
Ad Hoc Technology Committee Updates: Oracle Insight, Spectrum Lease, Regional Optical Network
(RON), and MaineStreet Student System
Summary of Current Statistics
Agenda Calendar

Date of Next Meeting. The next meeting of the Board of Trustees will be July 14, 2008 at the University of Maine at Augusta – University College of Bangor.

Adjournment.

Ellen Doughty for
J. Kelley Wiltbank, Clerk