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

Acceptance of Minutes. On a motion by Trustee William Johnson, which was seconded by Trustee Andrucki, the minutes from the July 6, 2004 - Investment Committee meetings, September 7, 2004 – Strategic Planning Task Force, and the September 19-20, 2004 – Committee meetings and Board of Trustees meeting, were unanimously approved as presented.

Chair’s Agenda and Report. Trustee Johnson thanked President Pattenaude, Dean VanZandt and the faculty and staff at the Lewiston-Auburn College for hosting the Board of Trustees meeting. Last Saturday night many of the Trustees attended the annual awards dinner for the Spurwick Institute. At an annual dinner the organization presents a Humanitarian of the Year Award. This year’s award was given to Lyndel and Carol Wishcamper and the Board congratulates both of them on this honor.

At this Board meeting we made a format change for the meetings with the student representatives and faculty representatives. The Board meet with each group individually – the student representatives at breakfast and the faculty representatives during lunch. We will consider continuing this change. Yesterday the Board received an update on the Strategic Plan and a presentation on the Lewiston-Auburn College and a tour of the facility. In the Finance and Facilities Committee meeting the Board received the annual financial report and we can see the System is well run financially but there are many challenges ahead. Today the Board was provided information on the Tourism Initiative which is critically important and one of the most significant pieces to the initiative is that it is a collaborative program between campuses. The Board reviewed the mission statement for UMM which speaks to the mission that the campus has developed over the past several years and it also speaks of
the reality of the consortium. A new program proposal was discussed for UMA – a Bachelor of Applied Science. This program is critical because it allows associate degrees programs from the Community College System to move up into the bachelor degree realm with some of the restrictions removed. The Board recommended the awarding of academic degrees. In the Human Resources and Labor Relations Committee we were provided an overview of the UMS medical plan and saw the challenges that we are facing regarding our medical plan. The nomination of Cynthia Huggins as Interim President at UMM was discussed. The Financial Aid Task Force provided a presentation on their work.

**Chancellor’s Agenda and Reports.** Chancellor Westphal review the UMS budget and outlined the State’s budget has a $1 billion gap. The UMS submitted a flat budget to the Governor. The UMS Strategic Plan identified cost savings but we will not be realized these savings until the strategic plan is completely implemented. We hope the State Appropriations will maintain at the same level without any further decreases. The campuses and the System worked very hard to have a balanced budget. The impact of taxes is a major priority and what that impact will be in the short or long term with revenue is unknown at this point.

Chancellor Westphal thanked the faculty and student representatives for their discussions and we hope to strengthen the dialog between these groups. He also thanked the Presidents and appreciates their assistance in shaping the agenda for the Board. President Kennedy was thanked for taking on the role as President. Jeff Mills, Vice President of University Advancement and President of the Alumni Association, was acknowledged for his work at UM and we all wish him well in his new career. Chancellor Westphal also thanked President Shields for his work at UMPI.

**Committee Reports/Action.**

**Academic Affairs Committee** – Trustee Skinner, Chair, reported that the Committee agreed to forward to the full Board for approval the establishment of a Bachelor of Applied Science at UMA and the Awarding of Academic Degrees. The Committee also received a briefing on the Tourism Initiative, the UMM Mission Statement, and the Fall 2004 Enrollments.

**Audit Committee** – Trustee Dowe, Chair, thanked the Committee for their work. The Audit Committee has two characteristics that are important to their work. First, they are very independent and second they are independent minded. He also thanked Tracy Elliot, Director of Internal Audit and her staff for their great work. The Committee met on November 3, 2004 with KPMG. In their management letter they stated a couple comments that are important. The first is the journal entries and they were urging a better trail of documentation and better policies and procedures to support those entries. Secondly the Committee approved the audit plan and reviewed the risk assessment plan. The Committee also discussed with the auditors that we felt it would be useful for the Chancellor to come back to the Audit Committee with some recommendations on resource allocations, particularly to the audit function, finance, accounting, and risk management. The Committee is looking forward to a report by the Chancellor of these resource allocations.

**Finance/Facilities Committee** – Trustee McCrum, Chair, reported that the Committee agreed to forward to the full Board for approval three action items which included the

**Human Resources and Labor Relations Committee** – Trustee Weston, Chair, reported that the Committee agreed to forward to the full Board for approval the appointment of Dr. Cynthia E. Huggins, Interim President for the UMM and Mr. Stuart Swain, Acting Associate Vice President for Academic Affairs for the UMM. The Committee also received an informative review of the University of Maine System medical plan by Mr. Thomas Hopkins.

**Investment Committee** – Trustee Wishcamper, Chair, reported that the Committee met on September 30, 2004 to review the investment performance and approve an allocation from the endowment fund into a real estate fund. The Investment Committee will meet today at the Hilton Garden Inn following the Board of Trustees meeting. He expressed his thanks to Joanne Yestramski, Chief Financial Officer and Treasure, for her work on the investment performance.

**Student Affairs Committee** – Trustee William Johnson, Chair, reported that the Committee met with the Student Representatives during breakfast and the main issue discussed was how we can improve the graduate student activities between UM and USM. During the Student Affairs Committee we were provided an update on the work of the Financial Aid Task Force with a presentation by Ellen Cost, Interim Director of Financial Aid at UMFK, and Dr. John Beacon, Assistant Provost and Dean of Enrollment Management at UM, who discussed possible strategies for centralization of financial aid functions. Through a grant of $300 thousand by the David Family Foundation the UMS employed the services of a Consultant, Jim Scannell from Scannell & Kurz, who provided a presentation of the project.

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


- **University of Southern Maine Intent to Undertake a Major Fund Raising Campaign.** The Board of Trustees authorized a $25,000,000 major fundraising campaign for USM for capital projects, additional endowment, and to create the University Commons.

- **Expansion of Lewiston-Auburn College.** The Board of Trustees authorized, subject to review and approval by University Counsel, the purchase of property located at 57-61 Westminster Street in Lewiston from the Lewiston Development Corporation for $700,000 and authorized expenditure of the remaining $1.3 million of bond funds for renovation of the Lewiston-Auburn College facilities to meet the growing academic needs of the institution and community.

- **Establishment of a Bachelor of Applied Science at the University of Maine at Augusta.** The Board of Trustees approved the establishment of the Bachelor of Applied Science at the University of Maine at Augusta.
Awarding of Academic Degrees. The Board of Trustees authorized the awarding of degrees in course for the Fall Commencement 2004 and the Spring and Summer Commencements 2005 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.

Appointment of Interim President of University of Maine at Machias. The Board of Trustees confirmed the appointment of Dr. Cynthia E. Huggins as Interim President of the University of Maine at Machias effective January 1, 2005. Dr. Huggins’ term will be approximately six months, or until a successor President assumes the post.

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

   Stuart Swain, Acting Associate Vice President for Academic Affairs, UMM

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

   Strategic Plan Update
   Tourism Initiative
   University of Maine at Machias Mission Statement
   Fall 2004 Enrollments
   UMS Medical Plan Review
   Update on the Work of the Financial Aid Task Force
   Agenda Calendar

Date of Next Meeting. The next meeting of the Board of Trustees will be held on January 23-24, 2005, at the University of Maine System, Bangor.

Adjournment.

Ellen Doughty for
J. Kelley Wiltbank, Clerk