

UNIVERSITY OF MAINE SYSTEM
Board of Trustees

University of Maine System
January 24, 2005

Board of Trustees Meeting

Present: Charles Johnson, Chair; Judith Andrucki, Barry McCrum, Donald McDowell, James Mullen, Matthew Rodrigue, Wickham Skinner, Margaret Weston, and Lyndel Wishcamper. Absent: Gregory Cyr, James Dowe, Jean Flahive, Susan Gendron, William Johnson, Paul Mitchell, and Victoria Murphy. Chancellor: Joseph Westphal. Faculty Representatives: Dana Humphrey, Carol Kontos, and Allen Salo. Student Representatives: Whitney Bouchard, Brandon Libby, and Leah Malave. University Presidents: Richard Cost, Cynthia Huggins, Theodora Kalikow, Robert Kennedy, Charles Lyons, Richard Pattenaude, and William Shields. Chancellor's Staff: Tracy Bigney, James Breece, John Diamond, Tracy Elliott, Frank Gerry, Elsa Nuñez, Judy Ryan, Kelley Wiltbank, David Wilson, and Joanne Yestranski. Press and Public.

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

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 Mullen, which was seconded by Trustee McCrum, the minutes from the September 20, 2004 Investment Committee, November 3, 2004 Audit Committee and Finance/Facilities Committee, and November 14-15, 2004 Board of Trustees meeting and Committee meetings, were unanimously approved as presented.

Chair's Agenda and Report. Trustee Johnson thanked Ms. Ellen Doughty, Staff Associate for Board Operations, and Ms. Pat Shaw, Staff Assistant for the Chancellor, for their exceptional and additional work in rescheduling the Board meetings and condensing the agenda to one day session on Monday. He also thanked the System Senior Staff for their continued work on significant projects over the past several months.

Chancellor's Agenda and Reports. Chancellor Westphal also thanked the staff for their work over the weekend to rework the Board agenda.

Shared Governance. The Chancellor stated that he has had really good meetings with the Faculty Representatives and have reached an agreement on the further study regarding shared governance. A committee has been developed which is chaired by the Chancellor and includes Trustee Weston and three faculty representatives (Allen Salo, Lucinda Cole, and Dana Humphrey). The Committee will start meeting in February.

Budget. The Chancellor provided a brief overview of the Governor's budget. The Governor introduced his budget to the Legislature. We knew going into the budget process that we faced a monumental challenge for the next biennium. The UMS requested an additional \$6 million in the first year of the biennium and additional \$1.6 in the second year. The Governor agreed to an additional \$1 million in the first year and no additional funding in the second year. We negotiated additional funding in Maine Economic Improvement Fund (MEIF) at \$2 million and \$1.5 for capital maintenance in the first year of the biennium.

State Funded Research Annual Report. Chancellor Westphal thanked Dr. James Breece, Executive Director of Planning and Policy Analysis, for his work on the State Funded Research

Annual Report. Using MEIF funds as leverage, UMaine and USM were awarded a record of \$42.8 million in external grants and contracts for research related specifically to the MEIF initiative's seven targeted areas of economic growth and potential. Maine's seven targeted areas include aquaculture/marine science, biotechnology, advanced materials and composites, environmental technologies, advanced technologies for forestry and agriculture, information technologies, and precision manufacturing. The State of Maine received a 4-for-1 return on investment for its \$10.5 million of MEIF appropriation. Overall, a total of \$53.3 million of university-based research and development activities were conducted in MEIF's seven targeted areas. A total of 857 full-time equivalent positions were created and/or supported as a result of MEIF funds and external grants and contracts.

2005 Chancellor's Report. The 2005 Chancellor's Report - the catalyst for Maine's future – provides an overview of the University of Maine System. Chancellor Westphal expressed his thanks to Mr. John Diamond, Executive Director for External Affairs, and his staff for their work on this document.

Committee Reports/Action.

Academic Affairs Committee – Trustee Skinner, Chair, reported that the Committee agreed to forward to the full Board for approval the Tourism Initiative and the University of Maine at Machias Mission Statement. The Committee also reviewed the Academic Year Calendars and the Graduate School of Biomedical Science (GSBS) at the University of Maine.

Finance/Facilities Committee – Trustee McCrum, Chair, reported that the Committee agreed to forward to the full Board for approval three Facilities Action Items which included the Sale of Property in Freeport – USM, the Lease of Office Space – Technology Law Center – USM, and the Naming of a Building at USM. The Committee was also briefed on the Capital Investment Priorities Update. Trustee Dowe, the Chancellor and Ms. Yestramski have been working with KPMG to address the issues in the Management Letter included in the Audit Report from the external auditors.

Investment Committee – Trustee Wishcamper, Chair, reported that the Committee met on November 15, 2004. The Committee discussed the funding raising activities at UMaine with the departure of Dr. Jeffrey Mills, Vice President for University Advancement and received a presentation from RM Davis who manages the Defined Benefit Pension Plan and Mr. Jay Roney from New England Pension Company reviewed the Endowment and Pension portfolio for the 3rd quarter. Ms. Yestramski and Mr. Michael Soucy, Assistant Treasurer, provided performance information for the Operating Cash portfolio. The next Investment Committee meeting is scheduled for March.

Human Resources and Labor Relations Committee - Trustee Weston, Chair, reported the Committee did not have a quorum; therefore, the agenda items for this Committee was addressed during the Committee of the Whole meeting. The Committee agreed to forward to the full Board for approval on the consent agenda the appointment of Joyce V. Rumery, Dean of Libraries, UM. The Committee also received an update on preparing for collective bargaining contract negotiations.

Consent Agenda. On a motion by Trustee Skinner, which was seconded by Trustee Andrucki, the following recommendations were unanimously approved by the Board. Trustee Wishcamper abstained from voting on the Consent Agenda.

Confirm Student Representative to the Board of Trustees from UM. The Board of Trustees approved the appointment of Mr. Brandon Libby from the University of Maine as the Student Representative to the Board of Trustees for a two-year term effective January, 2005.

Honorary Degree Nominations. The Board of Trustees of the University of Maine System approved the 2005 nominations for Honorary Degrees as proposed.

Tourism Initiative. The Board of Trustees of the University of Maine System approved the Tourism Initiative, as amended.

University of Maine at Machias Mission Statement. The Board of Trustees approved the Mission Statement for the University of Maine at Machias as presented.

Facilities Action Items:

Sale of Property in Freeport – USM. The Board of Trustees authorized the sale of a 0.6 acre parcel of land along Wolfe’s Neck Road at the Stone House property in Freeport, Maine to Eleanor K. S. Morris for \$20,000 plus \$5,000 as reimbursement for legal and other expenses associated with the transaction, and the Board accepted Mrs. Morris’ gift of \$40,000 to be used for repair and maintenance of the Stone House, all subject to approval by University Counsel.

Lease of Office Space – Technology Law Center – USM. The Board of Trustees authorized the leasing of 2,232 square feet of space at 400 Commercial Street in Portland from Berlin Mills Wharf Associates, for a four-year period beginning February 1, 2005, with a three-year renewal option, an initial lease rate of \$13.00 per square feet and a 2.5% annual lease increase, all subject to approval by University Counsel.

Naming a Building at USM. The Board of Trustees approved an exception to Board Policy 803 to permit a naming gift from a current Trustee for the new Muskie School Building at the University of Southern Maine, as amended.

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:

Joyce V. Rumery, Dean of Libraries, UM

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

- Strategic Plan: Implementation Planning Process
- Academic Year Calendars
- Graduate School of Biomedical Science (GSBS) – UM
- Capital Investment Priorities Update
- Preparing for Collective Bargaining Contract Negotiations
- Annual Report on Degrees Conferred (2003-2004)
- Grants and Contracts Annual Report (2003-2004)
- Agenda Calendar
- Summary of Current Statistics

Date of Next Meeting. The next meeting of the Board of Trustees will be held on March 13-14, 2005, at the University of Maine at Machias.

Adjournment.

Ellen Doughty for
J. Kelley Wiltbank, Clerk