UNIVERSITY OF MAINE SYSTEM
Board of Trustees Meeting
at the University of Maine at Augusta
March 14, 2011

Committee of the Whole


Absent: Stephen Bowen, Victoria Murphy, Wayne Newell and Charles O’Leary.

Trustee Wishcamper called the meeting to order and welcomed everyone.

Executive Session
On a motion by Trustee Johnson, which was seconded by Trustee Mitchell, the Committee of the Whole agreed to go into Executive Session under provisions of 1 MRSA Section 405 6A & D for the purpose of discussing personnel and collective bargaining issues.

On a motion by Trustee Fournier, which was seconded by Trustee Medd, the Committee of the Whole concluded the Executive Session.

Chair’s Comments. Trustee Wishcamper welcomed everyone and thanked President Handley and UMA for hosting the Board of Trustees meeting. He encouraged everyone to take time to view the student posters on the wall outside the meeting room.

Chancellor Comments. Chancellor Pattenaude commented that he will need to leave the Board meeting briefly to meet with the Legislature regarding the UMS Appropriation Request.

Approval of the Board Meeting Calendar for 2011-2012 and 2012-2013. Trustee Wishcamper presented the proposed Board Meeting Calendar for 2011-2012 and 2012-2013 as follows:

**2011-2012**
- July 18, 2011 – UMS
- September 19, 2011 – UMS
- November 13-14, 2011 – USM
- January 23, 2012 – UMS
- March 19, 2012 – UM
- May 20-21, 2012 – UMS

**2012-2013**
- July 9, 2012 – UMS
- September 24, 2012 – UMS
- November 4-5, 2012 – UMPI
- January 28, 2013 – UMS
- March 18, 2013 – USM - LAC
- May 19-20, 2013 - UMS
On a motion by Trustee Johnson, which was seconded by Trustee Mitchell, the Committee of the Whole agreed to forward the recommendation to the Consent Agenda.

**Appointment of the Trustee Nominating Committee.** The Board of Trustees authorized the Chair to appoint members of the Board of Trustees to the Trustee Nominating Committee for the purpose of presenting the names of members of the Board of Trustees to serve as Chair and Vice Chair for the Board from May 2011 to May 2012. The following Trustees agreed to serve as the Nominating Committee: Kevin McCarthy, Chair; Eleanor Baker, and Michelle Hood.

On a motion by Trustee Medd, which was seconded by Trustee Collins, the Committee of the Whole agreed to forward the recommendation to the Consent Agenda.

**FY2012 Endowment Distribution Rate.** Ms. Rebecca Wyke, Vice Chancellor for Finance and Administration and Treasurer, explained the UMS Endowment Distribution formula is designed to smooth the impact of volatile investment returns as campus budgets depend on these endowment revenue streams to fund scholarships and other endowed spending. On February 24, 2011, the Shared Services Advisory Council recommended using a 4.75% spending rate for FY2012, moving to a 4.5% spending rate for FY2013. Reducing the rate from 5% which has been used for a number of years, allows UMS to be more in line with other educational endowments and better preserve corpus. Easing the rate down over a two year period was recommended given reductions in other funding sources and ongoing budget challenges. A 4.75% spending rate results in a distribution rate for FY2012 of $12.69255 per share. Using this rate, $4.8 million in endowed funds is estimated to be distributed and available for spending in FY2012. The net effect is an estimated $74 thousand decline in total endowment distributions when compared to FY2011.

On a motion by Trustee Johnson, which was seconded by Trustee Baker, the Committee of the Whole agreed to forward the recommendation to the Consent Agenda.

**Updated Investment Committee Charge.** Ms. Wyke explained the Board of Trustee Committee charges, duties, and responsibilities are being reviewed and updated in order to allow more time for strategic discussions at the Board of Trustees meetings and to have more effective and efficient Committee meetings.

Board approval is requested to update and modify the Investment Committee Charge. The updated Charge includes language to reflect the management of the “Managed Investment Pool” which includes the Endowment, Pension and Operating Cash Funds. Language reflecting a standard of prudent stewardship of the investments has been added as well as placing a level of accountability on the Treasurer and staff to properly manage UMS investments subject to Committee oversight. She also noted that to broaden the Committee’s investment knowledge and background three non-Trustee, non-voting members with significant expertise have been added to the Committee.

On a motion by Trustee Collins, which was seconded by Trustee McCarthy, the Committee of the Whole agreed to forward the recommendation to the Consent Agenda.

**Confirm Student Representative to the Board of Trustees.** Chancellor Pattenaude discussed the nominations for the Student Representative to the Board of Trustees. The nomination was forwarded through the respective campus President to the Chancellor for submission to the Board for approval as follows:
Student Representative:
   Brianna Hughes, Graduate Student, UM (two year term)

On a motion by Trustee Johnson, which was seconded by Trustee Mitchell, the Committee of the Whole agreed to forward the recommendation to the Consent Agenda.

Adjournment.

Ellen Doughty for
J. Kelley Wiltbank, Clerk