Finance/Facilities Committee


Committee Members Absent: Gregory Johnson.

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

Financial Update. Ms. Rebecca Wyke, Vice Chancellor for Finance and Administration and Treasurer, provided a brief financial update.

Managed Investment Pool (including Endowment Fund)
The Fund lost 0.4% in July 2011 and the market value of the Managed Investment Pool at July 31, 2011 was $190.9 million. Changes in market value besides market fluctuation include: contributions and distributions, the UMS contributions to the OPEB Trust and the Maine Maritime Academy’s participation in the fund since January 2009.

Pension Fund
The Pension Fund lost 0.8% in July 2011 and the market value of the Pension Fund at July 31, 2011 was $44.6 million.

Operating Fund
The Operating Fund increased by 0.1% for the month of July and returned 1.7% net of fees as of the calendar year-to-date.

Ms. Wyke reviewed and distributed information about the following three pending State General Fund Bonds:

- Expand necessary capital improvements at the UMS that support the critical disciplines of science, technology, engineering, and math (STEM) to enhance economic development and employment opportunities for Maine citizens
- Create an animal and plant diagnostic facility at UMaine
- Educational opportunities for underserved regions of the State

Revenue Bond Financing Discussion. Ms. Wyke explained that the UMS is proposing to issue revenue bonds to refinance $30 million of debt that comes due on March 1, 2012. The principal payment relates to the 2002 UMS revenue bonds that were issued for 10 years rather than 30 to take advantage of low interest rates on the short end of the yield curve resulting in reduced debt service costs. As part of the current bond financing, the UMS also proposes to borrow $7 million in new money to finance construction and renovation at the UMaine Field
House/Memorial Gym Complex. The debt service related to this portion of the bonds will be funded by the State of Maine as committed by the 124th Legislature. The total of the UMS revenue bonds currently outstanding is $186.8 million. The refinancing portion of the proposed 2012 issuance does not increase the outstanding debt. The statutory ceiling for UMS debt is $220 million. UMS currently pays off bond principal at the rate of approximately $9 million per year.

**FY2011 Annual Report on Gifts and Fund Raising.** Ms. Wyke reviewed the highlights of the FY2011 Annual Report on Gifts and Fund Raising. UMS received cash gifts totaling $18.2 million and as of June 30, 2011, the market value of the UMS endowed and non-endowed gift balances was $155.1 million, an increase of $19.6 million or 14.5% compared to the prior year end balance. The market value of all UMS and affiliated organization endowed funds was $296.5 million as of June 30, 2011, an increase of $48 million or 19.3% from the prior year.

Significant gifts include the following:
- UMaine received pledges in FY2011 including $5.5 million from the Harold Alfond Foundation to renovate Alfond Arena and the Memorial Gym; an anticipated $5 million pledge from New Balance to support athletic facility renovations; a $1 million pledge from Paul Coulombe for scholarships; and a $693 thousand gift-in-kind from Honeywell International, Inc. to benefit the UM Processing Development Center.
- 120 new gift funds were established at UM.
- UMF received a $450 thousand bequest from the Estate of Marion Desmond Allen for the Charles and Marion D. Allen Class of 1935 Scholarship.
- UMM received over $11 thousand in gifts in memory of Joan M. Getchell.
- USM received $1.2 million in support of USM’s property, buildings and equipment with over 99% collected by the USM Foundation.
- USM and UMaine School of Law received gifts and pledge payments for student financial aid totaling $504 thousand and support for USM’s academic divisions totaled $261 thousand.

On a motion by Trustee Murphy, which was seconded by Trustee Medd, the Committee agreed to forward the recommendation to the Consent Agenda with gratitude.

Adjournment.

Ellen Doughty for
J. Kelley Wiltbank, Clerk