

F. Endowment Fund report

Dan Roland, BOR Investment Advisor, provided his written report for the past quarter and also a summary of the Fund's market value. He said the market value of COM's Land-Grant Endowment Fund, as of 8/31/07, was \$6,064,505 (Six million sixty four thousand five hundred five dollars). He said "year-to-date" performance is 5.8%.

He said his office has move to another location; June report is already sent out. He said the major financial market issue that is heard a lot in the media is the "sub-prime" problem. It is considered a "bubble" in that there was a period of time when the lending rate was low which cause the housing sector of the market to expand wildly. Some construction companies were also involved with lending funds to buyers as rather low rates. Many large financial institutions loaned funds at rates that were below the regular prime rates; and even to borrowers who would not have been qualified for loans under the normal scrutiny and lending regulations. Now that the housing market is slowing down, the "sub-prime" loans are creating problems with the companies that provided them. Many borrowers cannot keep up with the payments, and have lost their property, as the interest rate begins to be adjusted upward. This has resulted in substantial loss for many lenders as well.

But, he said, "over time, the market will come back" to normal. He said most of the issues are "normal market adjustments" after these kinds of "bubble", as a result of speculation and ill-advised business posturing, burst.

After his presentation, he invited the Board and the meeting participants to a dinner.

G. New Business

Executive Director Singeo reported that the COM-FSM position titled "Assistant Campus Director" is being reviewed and it has been decided that a more appropriate title that will be proposed to the COM-FSM Board will be "CRE Coordinator". According to discussions with the COM-FSM officials, it is proposed that the "CRE Coordinator" position will oversee not just the extension agents, extension specialists but also the researchers. The CRE Coordinators will also continue to have split assignment of 50% as extension agents; and another 50% as administrator of the CRE programs.

After some discussion, it was noted that the salary for the positions (Assistant Campus Directors) is quite high although the incumbents in these positions do not administer the campus, except the few land-grant employees and programs. It is felt that the salary level for these positions are benchmarked too high and should be evaluated in the future. In addition, the 50% extension fte's salary, in some cases, have gone beyond the authorized extension agent salary pay level so it is creating an inconsistency in the salary budgets.

After some discussion, the Board agreed to express support for the proposed new position title "CRE Coordinator" but would defer the decision to the COM-FSM Board to make. However, the COM Board recommended that any step increase for these positions should be put on hold until COM-FSM Board has made a decision regarding the new position title; and the compensation for said position.

The Board agreed to make this expression of support as one of the directives of this meeting. Motion carried.

H. Old Businesses

Executive Director Singeo said there were three subject matters the Board had discussed and approved during the June Board meeting, unfortunately, due to lack of time the decisions were not included in the Directives of the last meeting. He said they are noted here and would be included in the directives of this meeting. The three items include: 1. Use of federal travel policy on actual hotel costs when COM per diem is too low; 2. Consideration for a cost of living adjustment; 3. Ratification of reprogramming requests for salary of Dr. Verma and J. Phillip.

Because these items were previously discussed and approved by the Board and have been noted in the Minutes of that meeting, the Board agreed to make its prior decisions on these three items reflected in the form of directives of this meeting. Motion was approved.

I. Next Board Meeting

It was decided that the next Board meeting will be held in Honolulu, Hawaii on a date to be determined based on the next PREL Board meeting.

J. Reading/Approval of Directives

Draft directives were discussed and finalized. After the directives were read out publicly, it was moved (WK) and seconded (GE) that the proposed directives be adopted. Motion carried unanimously.

K. Adjournment

There being no further items on the agenda, Chairman Emesiochl called for motion to adjourn. It was moved (WK) and seconded (GE) that the meeting be adjourned.

Chairman said thank you to everybody for a good meeting and said he was looking forward to seeing everybody in the Hawaii meeting.

Motion to adjourn approved.

Adopted this _____ day of November, 2007, Honolulu, Hawaii

By: _____
Chairman, Board of Regents, COM

Attested by: _____
Secretary/Treasurer, BOR, COM