UNIVERSITY OF MAINE SYSTEM  
Board of Trustees Meeting  
at the University of Maine System  
October 30, 2013  

Finance/Facilities/Technology Committee  


Present by Polycom: Committee Members: Trustees: Norman Fournier, Chair (at UMFK); Samuel Collins (at UMPI), Tyler Hadyniak (at UMF), Marjorie Medd (at USM) and Karl Turner (at USM). Faculty Representative: Ray Albert (at UMFK), Cathleen McAnneny (UMF) and Robert Rice (at UM). Student Representative: Shawn Staples (at UMA). Presidents: Cynthia Huggins (at UMM). Other Attendees: Dick Campbell (at USM), Stewart Harvey (at UM), and Janet Waldron (at UM).  

Committee Members Absent: Paul Mitchell and Victoria Murphy.  

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

FY2013 Annual Report on Gifts, Fund Raising and Endowments. Ms. Tracy Elliott, Director of Finance and Controller, reviewed the University of Maine System (UMS) Annual Report on Gifts, Fund Raising and Endowments for the year ended June 30, 2013. The report included:  

- Total gifts received by restriction type, donor type, campus and purpose.  
- The UMS gift balances by fiscal year which includes pledges outstanding, non-endowed gift balances and endowment market values.  
- UMS affiliated fund raising organizations' gifts received and endowment balances.  
- The financial status of capital campaigns.  

The UMS received $21.6 million in gifts in FY2012 and $15.7 million in FY2013. All gifts received fulfill the policy requirements of the Board of Trustees and the UMS follows the intent of its donors. The UMS expresses its gratitude for all gifts, donations and bequests received during Fiscal Year 2013.  

Authorization to Lease Space in Augusta, USM. Mr. Dick Campbell, Chief Finance Officer at USM, explained that the University of Southern Maine is proposing to enter into new five-year lease for space in Augusta to be occupied by the Cutler Institute at an estimated total cost over five years of $864,730.20 and an annual cost of $172,946. The Institute already occupies leased space in Augusta. Since the current lease originated in 2011, the Cutler Institute has experienced a reduction in programs and people and consequently needs less space. The Cutler Institute's interest in securing space in closer proximity to the State House office complex has precipitated the current request for alternative, smaller, lower-cost space.  

The proposed lease is for less space at a lower cost but for more time at an alternative site. The full term at the alternative space would cost an estimated 3 percent less than remaining in the current space for the remainder of the existing lease. The proposed space would cost an estimated 47 percent less on an annualized basis and the base rent would cost approximately 18 percent less per square compared with the status quo. This updated lease would be in lieu of fulfilling the 33 months remaining on the existing five-year lease in Augusta. The existing lease was authorized by the Trustees in May, 2011. The proposed site is controlled by the same lessor as the existing space and the parties are agreeing to
terminate the current lease as part of the transition to the alternative space. The current lease involves approximately 18,105 square feet of office space at 45 Commerce Drive in Augusta, Maine. The base rent is $17 per square foot plus internal electricity usage. The initial term began on July 1, 2011 and expires on June 30, 2016. The monthly cost for rent and internal electricity is estimated at $26,948.75. This lease will cost an estimated $889,308 over the remaining 33 months, or $323,385 per annum. The proposed lease would be for approximately 11,239 square feet at 14 Chestnut Street in Augusta. The base rent is $14 per square foot plus internal electricity usage. The term would be for 5 years with a 5 year renewal option. The monthly cost for rent and internal electricity is estimated at $14,412.17. The proposed lease will cost an estimated $864,730 over the full 60 months, which is $172,946.04 per annum. The cost of the lease will be paid by University E&G funds generated by the recovery of indirect costs from grants and contracts in the Cutler Institute.

On a motion by Trustee Turner, which was seconded by Trustee Medd, the Finance/Facilities/Technology Committee agreed to forward to the Consent Agenda at the November 17 & 18, 2013 Board of Trustees meeting for approval the authorization for the University of Maine System acting through the University of Southern Maine to lease approximately 11,239 square feet at 14 Chestnut Street in Augusta, ME for a period of five (5) years, with the option to renew for one additional five (5) year term and to terminate its lease at 45 Commerce Drive. The final terms, including rate, associated costs and other terms, shall be negotiated by the University of Southern Maine in the best economic interest of the University, subject to review and approval by the University of Maine System Vice Chancellor of Finance and Administration and General Counsel.

**Stewart Commons Studio Art/New Media Complex Adjustment, UM.** Ms. Janet Waldron, Senior Vice President for Administration & Finance, explained the proposal to adjust the total budget for the Stewart Commons Studio Art/New Media Complex Project at the University of Maine by $300,000 or approximately 3 percent to an updated total of $10,342,000. Funding for this increase will be from gift money. The Board originally approved a $5.6 million estimate for this project in July 2009. The Board approved an increase to $9.3 million in September 2010; the Chancellor approved an increase to $9.5 million in May 2012; and the Board approved a new total of $10.042 million in July 2012. The overall project was completed as expected during 2013 within the approved budget limit. The current requested adjustment of $300,000 will allow the programs to purchase new and replacement equipment and furniture over the budgeted project amount for the new building. The equipment and furniture will replace old equipment and furniture which is beyond its useful life and augment other equipment and furniture, enabling the further expansion of course offerings in the new, state of the art building.

On a motion by Trustee Turner, which was seconded by Trustee Collins, the Finance/Facilities/Technology Committee agreed to forward to the Consent Agenda of the November 17 & 18, 2013 Board of Trustees meeting for approval an increase to $10,342,000 in the budget for the Stewart Commons Studio Art/New Media Complex Project at the University of Maine, with the cost being funded by gifts.

**Capital Projects Status Report.** Mr. Chip Gavin, System Director of Facilities Management and General Services, provided an overview of the Capital Projects Status Report. The report reflected a total of 19 projects. Two projects will be removed from the report after this cycle because they are complete.

**Facilities Management Administrative Review Update.** Mr. Gavin provided an update on the Facilities Management Administrative Review. The Facilities Management Administrative Review website has been launched. The Review Team has been meeting and communication is a priority through the process. The Team is reviewing the data and planning site visits.
Theft of Keys and Follow Up Actions at USM. Mr. Gavin and Mr. Campbell provided the Committee with an update on the theft of keys at USM and the follow-up actions. Following a theft of keys from a university van sometime during the evening of October 21 or the early morning of October 22, the University of Southern Maine has implemented extensive follow-up actions to maintain the security of its facilities and to inform the USM community. The current preliminary cost estimate would not require the project to be considered by the Finance and Facilities Committee or full Board of Trustees. The final cost remains uncertain at this time.

Sometime after the University closed on Monday night, October 21, and 5:45 a.m. Tuesday morning, October 22, 2013, materials were stolen from a university van parked on the Portland Campus. A custodian noted tools and other materials on the ground around the van and immediately contacted USM Police. An officer was immediately dispatched. The officer found that rear and side doors of the vehicle were not secured and there were no signs of forcible entry. Staff from the System-wide Information Technology Services area to which the vehicle was assigned subsequently determined that a tool belt with sets of master keys for the Portland and Gorham campuses had been stolen.

Plans to begin immediate lock replacement were developed. Locks on external entry doors were replaced first. The highest priority was given to replace locks in service doors to residence halls. The main entrances to all residence halls have electronic key access. The next buildings to be addressed were the main classroom buildings and support buildings where protected (FERPA, HIPAA, etc.) data is held. Additional Police and other staff have been assigned to work evening and weekend hours until all buildings are re-secured. The USM community was first notified of the theft, steps being taken to address it, and reminding them of the importance of securing records in locked files and good computer security practices at 2:30 p.m. on October 22, 2013. Email to all current USM faculty, staff, and students has been supplemented by email, telephone and face-to-face communication. The initial email has been augmented by two updates, one containing information about how faculty and staff can secure access to buildings during non-business hours until they are issued replacement keys for the exterior doors.

USM Facilities is reviewing key management policies and procedures, giving particular attention to those followed in other departments assigned master and/or sub-master keys. This is in addition to beginning to design and plan for re-keying the campus. This plan may include the greater use of electronic keys and locks. The Information Services Technology team is likewise reviewing its policies and procedures regarding the facility access required by various technicians and personnel. The cost of re-keying is presently unknown. While an exact count is not available, USM has approximately 5,600 interior and exterior doors. This includes those already secured by electronic locks. If the locks and keys were replaced with traditional keys and cores, the estimated cost would be between $200,000 and $400,000. As a specific current plan, projects have been created in the usual process to carry out this work with a total cost estimate of $350,000. The former is for E&G buildings and the latter is for Auxiliary buildings at the Portland and Gorham campuses of USM. Information about the costs associated with partially or completely converting some of these units to electronic access is not known at this time. The University also is exploring the extent of its insurance coverage.

Adjournment.

Ellen Doughty for
J. Kelley Wiltbank, Clerk