Trustee Fournier, Chair, called the meeting to order and welcomed everyone. He noted that a 15th item will be added to the agenda, which is a work plan for the Committee.

**FINANCE ISSUES**

**Strategic Integration Target # 2: Financial Management Structure.** Dr. Rebecca Wyke, Vice Chancellor for Finance and Administration and Treasurer, provided an update on the process to develop the new financial management structure and its progress. The Board of Trustees 2014 Strategic Outcomes were approved on July 21, 2014. The Strategic Integration Target 2 reads as follows:

Develop and implement a comprehensive financial management structure for the entire System that enhances transparency, enables appropriate fiscal control, and advances comprehensive intra-system collaboration. New model review September 2014; implementation in FY15.

Vice Chancellor Wyke presented four potential operational models. The draft plan will be ready for presentation at the September Board of Trustees meeting and a feedback tool will be made available on the [ThinkMissionExcellence.maine.edu](http://ThinkMissionExcellence.maine.edu) website for the purpose of taking comments on the plan. It is anticipated that the final plan for the new financial management structure will be presented to the Board of Trustees at the November meeting.

**Human Resources Administrative Review Update.** Vice Chancellor Wyke provided an update on the Human Resources Administrative Review for Lynda Dec, who could not join the meeting. The Human Resources Administrative Review was chartered by the Board of Trustees in May 2012. Phase I of the Review, approved in July 2013, has been completed and Phase II is being developed to support the strategic goals of the University System.

Phase II of the Administrative Review will include a service delivery model that moves all repetitive and transactional work from the campuses and either centralizes, outsources, or automates the work to gain efficiencies. Centers of Excellence will be established to support other human resources functions for the University System. Strategic Human Resource Business Partners will be located on each campus in support of the strategic mission and goals of their respective University.

The draft Phase II plan will be ready for presentation at the September Board of Trustees meeting and a
feedback tool will be made available on the ThinkMissionExcellence.maine.edu website for the purpose of taking comments on the plan. It is anticipated that the final Phase II plan will be presented to the Board of Trustees at the November meeting.

**TECHNOLOGY ISSUES**

**Review of Projects with a Value of $250,000 or Greater.** Mr. Richard Thompson, Chief Information Officer, reviewed the projects that are on schedule, behind schedule and new initiatives. He provided an update on the Data Center Capacity and Security, Facilities Software Project – IWMS, and the UMaine Telecommunications Update.

**US:IT Transitions.** Mr. Thompson provided a report on the University Services Information Technology transitions currently underway. He described implementation of a core component of the Administrative Review Plan, a unified, shared technology support center and described the support process. He said this was well planned by IT staff from across the system, and the successful launch serves as a benchmark for other initiatives at various stages of completion.

**Information Technology 5-Year Capital Plan.** Mr. Thompson discussed a draft of a 5-Year Information Technology Capital Plan for UMS. This Plan captures necessary and anticipated technology investments to sustain regulatory compliance, operational efficiencies and known strategic opportunities. He highlighted the expenses associated with the projects and the timeline. Mr. Thompson said this plan will become a living document to capture projects as they are considered, approved and budgeted. Trustee Collins asked whether the system could save money by moving to one voice over internet protocol phone system and Mr. Thompson agreed. Also discussed were software purchasing and the use of cloud software.

**FACILITIES ISSUES**

**Authorization to dispose of Stone House, USM.** The University of Southern Maine has requested permission to dispose of the property at 642 Wolfe’s Neck Road in Freeport, Maine. The parcel consists of an approximately 4-acre lot and a 10,000 square foot building known as the Stone House. Policy 802 requires approval of the Board of Trustees for the sale or other transfer of real property whenever the value is greater than $50,000. The appraised value of the parcel and structure are expected to exceed that threshold. The Town of Freeport Assessor’s Office values the property at $1.15 million.

USM Chief Financial Officer Richard Campbell joined the meeting to provide an overview of the issues involved. The property is subject to certain gift constraints and the University has been and continues to work in collaboration with the Wolfe’s Neck Farm Foundation which, pursuant to the gift, is to advise the University regarding the property and is to direct the disposition of the house should disposition occur.

The Stone House is located approximately 22.5 miles from USM’s Portland campus. The primary use of the property is for 40-days a year between June 15th and October 15th, and then again during the month of January. The total number of people utilizing the property over the 40 days of use is approximately 250. The primary uses are for a Masters in Fine Arts (MFA) in Creative Writing, the Stone Coast Writers’ Conference and a summer Book Arts program. These programs can be relocated to a suitable alternative location.
The Stone House is under-utilized and needs extensive renewal. The Stone House is the largest USM facility identified by Sightlines as having a low utilization rate and being in poor condition. Because USM’s over-abundance of buildings that are in the “over fifty year old” renovation age category, which includes this building, and the much higher than normal levels and rate of accrual of deferred maintenance such buildings demand, USM is taking steps to reduce the amount of square footage in this age category. The Stone House would be the third major building disposal at USM in the last five years. The National Landmark Home was designed by renowned Maine architect John Calvin Stevens as a summer residence and occupies a location with deeded water views of both the Harraseeket River and Casco Bay.

The building and property have significant deferred maintenance and major infrastructure improvements needs. Though in working order for a seasonal house designed more than 95 years ago, it needs extensive work to make it suitable as a year-round conference center or meeting location with all levels of the facility compliant with standards established by the Americans with Disabilities Act. The estimated amount of maintenance and infrastructure work is approximately $8,500,000. Additionally, a property of this type as a University facility would require an annual operation/maintenance budget of between $75,000 and $110,000, after all systems and the building were restored so that it would not again fall into disrepair.

The property uses are limited by deed restrictions and zoning requirements. Changes to the exterior of the house are limited by deed and, because of the environmentally and regulatory sensitive nature of the land, care will need to be taken when working on the septic and water systems. Additionally, because of the history of the house and the close association with the Wolfe’s Neck Farm Foundation, care must be taken to ensure the property maintains the special characteristics of such a diverse piece of property (ecology, conservation, marine life, land use planning and coastline development).

The April 23, 1984 (amended August 16, 1985) Memorandum of Agreement between Mrs. Smith, the American Farm Land Trust, and the University of Southern Maine establishes a special process that must be followed if the Stone House, referenced as the “Main House” cannot be operated as a conference center and retreat. It states that:

“… the Board of Directors of the Foundation shall direct appropriate disposition of the Maine House (including a sale to private owners as one possible disposition) consistent with the spirit of this Agreement.”

Upon approval of the necessary resolution by the Board of Trustees, USM will continue to work with the Wolfe’s Neck Farm Foundation to define and execute a public process with opportunity for community engagement that complies with the spirit of the agreement and which seeks to preserve and solidify the future of this unique house and property. USM will regularly report on the status of the disposition process. Trustee Turner asked for more details on what the committee is authorizing, and CFO Campbell and Chip Gavin said this is the first step in the process and the Board would have the opportunity to review the details of any transaction before it goes forward.

On a motion by Trustee Collins, which was seconded by Trustee Turner, the Finance/Facilities/Technology Committee forward this item to the Consent Agenda at the September 21-22, 2014, Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees authorize the sale or other transfer of property located at 642 Wolfe’s Neck Road, Freeport, Maine following a public engagement process and subject to the written concurrence of the Chair of the Board of Directors of the Wolfe’s Neck Farm Foundation on
behalf of that Board consistent with the terms of the gift agreement which transferred the property to the University as well as review and approval of the final terms and conditions by the University of Maine System Vice Chancellor of Finance and Administration and General Counsel.

**Central Heat Plan Replacement, USM.** The University of Southern Maine requests approval for the expenditure of up to $3 million to replace the existing Portland Central Heat Plant boilers, related boiler room equipment switch gear, the main distribution panel and the transformer serving the Central Heat Plant and the adjacent Woodbury Campus Center.

CFO Richard Campbell said the main buildings on the USM Portland campus are heated by a low pressure steam generation and distribution system that supplies steam and returns condensate to the central heat plant. Boilers 1 and 2 burn #6 fuel oil and were installed in 1964. Boiler 3 has dual fuel capacity as a result of replacing the burners in 2010 and was installed in 1970. Either natural gas or #2 fuel oil is burned, depending on which fuel is more cost effective at any given time.

The American Society of Heating, Refrigerating and Air Conditioning Engineers, (ASHRAE) estimates the service life of these types of boilers to be 30 years. USM’s have been in service for 44-50 years. A condition assessment done in 2012 concluded that the boilers’ critical components have undergone thermal stress cycles beyond the expected service life, thereby making it impracticable for any type of further life extension. There should be no expectation of continued reliable service for these boilers and a complete catastrophic equipment failure is possible. A life extension, though financially impractical, would require replacement of all major components consisting of burner, tubes and tube sheets, refractory, insulation, boiler jacket and controls.

USM retained an engineering firm to prepare a central heat plant assessment, study options, and make recommendations. This study was informed by information in the 2010 Utility Master Plan and the goals of the President’s Council on Climate Neutrality.

Several options were presented and considered for replacement of the existing boilers at the plant. Considering many factors, including efficiency, carbon footprint, capital and operating costs, and available space, the decision was made to replace the existing boilers with dual fuel boilers of like size utilizing natural gas and #2 fuel oil. This project will also include building improvements to adhere to current codes and accommodate the three replacement boilers.

The following scope will be included in the overall Central Heat Plant Replacement and infrastructure improvements project.

- Replace three existing low pressure steam boilers and all associated piping and equipment. Include solar preheated hot water make up water, stack economizers, full system automation and coordination with the building automation system, ventilation and combustion air make up, and an environmentally controlled control room.
- Installation of a permanent standby emergency generator to provide reliable full power requirements to operate the central heat plant during an extended electrical outage. This will maintain the ability to provide steam distribution throughout the campus during an extended electrical outage.
- Building exterior upgrades include new windows and doors, masonry repointing, roof replacement, chimney removal, and refurbishing the existing oil tank for #2 oil.
• Building interior upgrades to include a new control room, bathroom facility, maintenance area, and mechanical area.
• Electrical upgrades include new switch gear, main distribution panel, and transformer for the Central Heat Plant and Woodbury Campus Center.

This project will improve efficiency resulting in an approximate fuel savings of 11%; in FY 2014 that would have reduced costs by $63,000. Additional savings will be realized by equipment reliability, significantly reduced repair costs, and reduced overtime labor for emergency repairs. While savings are significant, this project is not being undertaken for energy savings. Rather, the purpose is the fundamental need to reliably heat and operate the involved facilities as cost-effectively as possible.

USM has accumulated approximately $3 million in University E&G funds for this project. Because of the lead time necessary to order the specialized equipment, construction is estimated to start at the end of the 2014-2015 heating season to be in operation by October 1, 2015. There will be no increase in square footage from this project. The estimated renovation age and net asset value of the plant currently stand at 49 years and 36 percent respectively. The project will re-set the renovation age to the equivalent of a new building and the net asset value is expected to increase to 100 percent, new status.

On a motion by Trustee Collins, which was seconded by Trustee Turner, the Finance/Facilities/Technology Committee forward this item to the Consent Agenda at the September 21-22, 2014 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees authorizes the University of Southern Maine to expend up to $3,000,000 in University E&G funds to replace the Portland Central Heat Plant and related equipment.

Boardman Hall STEM Lab Renovation, UM. The University of Maine requests approval to expend up to $610,000 of General Obligation Bond Funds approved by voters to renovate room 18 and associated support space in Boardman Hall which is used by Civil Engineering students.

This request is pursuant to Board Policy 701 which requires projects with a total cost of more than $500,000 to be considered by the Board of Trustees or its Finance/Facilities/Technology Committee. In this case, the request can be approved directly by the Committee and does not need to be forwarded to the Consent Agenda.

Boardman Hall Room 18 is a laboratory for studying and teaching about concrete and is original to the building. Primarily this room is used to provide Materials courses for Civil Engineering. Boardman Hall was built in 1948 and this lab was part of the original construction. The lab has received very minor alterations since it was built.

The proposed schedule for the project is to complete design during the fall and early winter of 2014 followed by construction during the summer of 2015. The scope of work includes improvements to material handling operations, heating and ventilating (including dust control and air quality), plumbing/drainage systems and general laboratory layout and aesthetics. This will address current code and safety concerns and will include minor asbestos remediation.

This project does not increase space at UM. It will improve the Net Asset Value. The estimated renovation age and net asset value of the original Boardman Hall (excluding the Edwards wing – built in
‘90) is 65 years and 32 percent, respectively. As a whole the building net asset value is 76 percent. No increase in operating costs is expected.

On a motion by Trustee Turner, which was seconded by Trustee Collins, the Finance/Facilities/Technology Committee of the Board of Trustees authorizes expenditures of up to $610,000 from the proceeds of General Obligation Bond funds approved by voters in November 2013 to upgrade room 18 and associated support space in Boardman Hall.

**Little Hall STEM Classroom Renovation, UM.** The University of Maine requests approval to expend up to $1,740,000 of General Obligation Bond Funds approved by voters in November 2013 to renovate first floor lecture halls in Little Hall. University of Maine CFO Judy Ryan outlined the request.

This request is pursuant to Board Policy 701 which requires projects with a total cost of more than $500,000 to be considered by the Board of Trustees or its Finance/Facilities/Technology Committee. In this case, the request is to approve and to forward this matter to the Consent Agenda of the Board of Trustees.

The renovation includes at a minimum transformation of room 130 into a collaborative learning classroom including new seating which allows collaboration among students, improvements to the electrical, audio visual, heating, ventilation and air conditioning systems as well as asbestos remediation. The renovation may also include building system improvements to rooms 140, 120 and 110. Primarily these rooms are used as lecture halls for Psychology, Math, and Computer Science. Little Hall was built in 1965. These lecture halls have had minimal renovations since they were originally constructed. Seating was replaced in 2010.

The proposed schedule for the project is to complete design during the fall and early winter of 2014 followed by construction during the summer of 2015. This project does not increase the amount of space at UM. It will improve the Net Asset Value. The most recent estimated renovation age of the facility is 50 years and the estimated net asset value stands at approximately 53 percent. A slight decrease in operating costs is expected due to the newer, more efficient air handling equipment and lighting.

On a motion by Trustee Turner, which was seconded by Trustee Collins, the Finance/Facilities/Technology Committee voted to forward this item to the Consent Agenda at the September 21-22, 2014 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees authorizes the expenditure of up to $1,740,000 from the proceeds of General Obligation Bond funds approved by voters in November 2013 to upgrade first floor lecture halls in Little Hall.

**Capital Projects Status Report.** Chair Fournier moved Tab 11 up on the agenda, until the committee once again had a quorum. Mr. Chip Gavin, System Director of Facilities Management and General Services, explained that the Capital Projects Status Report reflects a net total of 25 projects. Three projects have been added per Board actions. The three new projects appearing on the report for the first time are: Science Labs Renovations (Preble and Ricker Halls) at UMF, Natural Gas Central Heating Plant at UMF, and Compressed Natural Gas (CNG) Heating Conversion at UMM.

No projects have been removed since the last report.

Five projects are complete and will be removed from the next report. They are: Fogler Library HVAC Upgrades at UM; Estabrooke Repurposing & Renovations and International Study Center at UM;
Gorham Central Heat Plant Replacement at USM; Gorham Water Tank Refurbishment at USM; and, International Study Center at USM.

The LAC Nursing Lab Renovation at USM had a typographical error in the Original and Current Approved Estimate on the report in July. The Board approved amount is $600,000 but was shown at that time as $800,000.

**Wells Commons Dish Room Renovation, UM.** CFO Ryan and Dan Sturrup, dining service manager at the University of Maine explained the project. The University of Maine requests approval to expend up to $1,300,000 of Dining Reserve funds to provide an expanded dish room function at Wells Commons to accommodate greatly increased meal service at this location following changes introduced in 2012 to increase diner satisfaction.

The customer-focused meal service changes resulted in an increase of more than 70 percent in the number of meals being served, to a current daily total of approximately 2,200 meals across breakfast, lunch and dinner.

This request is pursuant to Board Policy 701 which requires projects with a total cost of more than $500,000 to be considered by the Board of Trustees or its Finance/Facilities/Technology Committee. In this case, the request is to approve and to forward to the Consent Agenda of the Board of Trustees.

For diners, the project includes renovating the existing convenience store and coffee service area. By rearranging this area, the project will improve the dining experience further with a single, centrally located beverage station.

For effective and safe operations, the project will create a new full service dish room with a pass through drop off area, trayless accumulator and dish machine. This is needed because of both the increase in diners and a change from disposable to non-disposable dishware that occurred as part of the customer-focused meal plan changes in 2012. The current dish room which dates to 2007 is only 130 square feet and was intended only to handle incidental dish wares in a facility which, at that time, used primarily disposable dish wares.

From 2008 to 2011, the low volume in meals being served prompted the additional changes in 2012 to attract customers. The subsequent increase in meals being served has caused a tremendous strain in keeping the dining area clean and clear and has created safety concerns because of the challenges that staff face each day in the limited space. This renovation will provide the much needed larger dish room with the capacity to handle the increased number of wares.

The proposed schedule for the project is to complete design during the fall and early winter of 2014 followed by construction during the summer of 2015.

This project does not increase the amount of space at UM. Wells Commons has an estimated renovation age of 7 years and an estimated net asset value of approximately 90 percent. Due to the reduction in waste and the efficiency of the new equipment a reduction in operating costs of approximately $0.30 per meal, or more than $150,000 per year is expected. The reduction in waste is also in line with the Green Campus Initiative. Trustee Medd asked about changes in the meal plan, and Trustee Nelson asked who would be most affected by these changes.
On a motion by Trustee Nelson, which was seconded by Trustee Medd, the Finance/Facilities/Technology Committee voted to forward this item to the Consent Agenda at the September 21-22, 2014 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees authorizes the expenditure of up to $1,300,000 from Dining Reserve funds to renovate the Dish Room at Wells Commons and to make associated improvements.


Two properties were acquired which are as follows:
- A gift of 75 acres and a building from Raynold and Sandra Gauvin of Mapleton intended to benefit the University of Maine at Presque Isle was accepted by the Board of Trustees on September 23, 2013.
- Also, the University acquired approximately 58 acres to be added to the Hirundo Wildlife Preserve as part of a legal settlement and as approved by the Finance, Facilities and Technology Committee pursuant to the Trustees delegation of authority matrix on February 14, 2014.

As a Lessor, the University is engaged in agreements covering uses such as early education and childcare centers, research labs, innovation offices, and cell tower locations. As a Lessee, agreements include uses such as athletic fields, radio tower space, university college centers, office space, parking facilities, research locations and utility purposes.

The net change in lease activity was relatively nominal. Compared with the prior year, the University’s costs were reduced approximately $22,000 or 1.3 percent statewide. Total revenue was down approximately $3,700 or less than 1 percent statewide.

In addition to the normal ebb and flow of lease costs, this year’s approximate $22,000 overall decline in annualized costs is explained largely by the ending of a $76,000 lease for sensor technology research and support space in Orono for the University of Maine and a $43,000 increase in cost associated with a new lease for the University of Maine Museum of Art in Bangor as approved by Trustees May 19, 2014.

Trustee Turner asked what the land leased by UM is used for. Mr. Gavin said traditionally, that land is used for forestry research, and Professor Robert Rice concurred.

Facilities Management Administrative Review Update. Mr. Gavin provided an update regarding the status of the Facilities Management Administrative Review project, including fall outreach plans and the team’s anticipated reporting timeline. Mr. Gavin said the team will be reaching out to stakeholders and will conduct another round of campus visits. He said the team is on schedule and will submit the report to the chancellor early next calendar year. Chair Fournier thanked Mr. Gavin and Ryan Low for their work on this process.

System-Wide Annual Energy and Sustainability Report. Mr. Gavin and Michael Schwartz, Energy Manager at UM Facilities, provided a brief update on energy and sustainability projects. The report provides examples of various energy or sustainability projects across the System and reports that Sightlines has documented that the seven Universities have cumulatively reduced their total Carbon Footprint by 22% since 2006, despite a slight increase in year-over-year emissions from 2012 to 2013, which was largely attributed to weather-induced energy consumption in the winter of 2012-2013. UMS remains a strong performer in the energy area compared with its own historical performance and
compared with other higher education institutions in our climate zone, according to the Sightlines analysis.

Trustee Collins asked how the system monitors and enforces the anti-idling policy for UM vehicles.

**Finance/Facilities/Technology Committee Work plan.** Chair Fournier introduced the FY2015 work plan and asked the Committee for feedback. The Committee discussed changing the time of the request for appropriation from the September meeting to the July meeting in future fiscal years.

Adjournment.

Peter Cook for
Tracy B. Bigney, Clerk of the Board