

UNIVERSITY OF MAINE SYSTEM

Board of Trustees Meeting
at the University of Maine System
Rudman Conference Room, 253 Estabrooke Hall, Orono

June 26, 2019

Finance/Facilities/Technology Committee

Present: Committee Members: Karl Turner, Chair; Sam Collins (at UMFK) Jim Donnelly, James Erwin (at USM), Mark Gardner (by phone), David MacMahon (at USM), and Kelly Martin (by phone). **Presidents:** Becky Wyke and Glenn Cummings (at USM). **System Staff:** Chip Gavin, Ryan Low, David Demers, Ellen Doughty, and Tracy Elliott. **Other Participants:** Claire Strickland, Ben Shaw (at UMPI), Carolyn McDonough, Pam Ashby (at UMFK), Buster Neel, Nancy Davis Griffin (at USM), Jon Henry (at USM), Dan Sturup, Sheri Stevens, Alex Porteous (at USM), Dana Humprey, Sam Warren (at USM), and Laurie Gardner (at UMF).

Committee Members Absent: Gregory Johnson.

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

Projects with a Value of \$250,000 or Greater. Chief Information Officer Dr. David Demers provided information on projects with a value of \$250,000 or greater.

Classrooms for the Future project completion has increased to 89% as of June 2019. The revised budget of \$4.945 million for the project reflects the additional \$582,730 allocation provided from project contingency funds, which has allowed for additional sites and rooms to be included in the project. Final work is underway for Summer 2019. Some risks include asbestos testing and abatement considerations at USM, along with high anticipation for additional funding to complete the full series of projects.

The Wireless Infrastructure project completion has increased from 85% complete in April 2019 to 87% complete in June 2019. The revised budget of \$13.2 million reflects the additional \$415 thousand in contingency funds that will be infused back into the project. UMF underground fiber replacement, along with projects at UMFK, UMPI and UM have recently been completed. Current work includes a fiber infrastructure project at UMF, along with additional projects at UM and USM. The need for testing and remediation of asbestos containing materials at USM has been identified and the USM project is still expected to be completed within the allocated timeline. Additionally, because of budgeting constraints UMS IT is not able to remove all of the aged architecture on campuses. This means that UMS will have to maintain parallel wireless networks for a period of time due to phased funding. There is high anticipation for additional funding to complete this effort.

The MaineStreet Improvements project report shows that the Campus Solutions (CS) upgrade to move from version 9.0 to version 9.2 is 100% complete and the Peoplesoft User Experience (UX) enhancement project is 15% complete as of June 2019. Both of these projects work in tandem to enhance the overall core Peoplesoft environment that the UMS students, faculty, and staff use on a daily basis. The upgrades will make the program much more mobile friendly and add additional automations. All components of the CS 9.2 upgrade were successfully completed and the targeted Go-Live date of June 11, 2019 was achieved. The project will close under-budget. The contract for a 3rd party UX enhancement application has been executed with HighPoint CX. Additionally, the

project team has been established for evaluation and initial rollout will coincide with the Fall 2019 term.

The VoIP Implementation for UMF and UMPI are underway. The project is 5% completed at UMF and 3% completed at UMPI. At UMF the analog handsets will be repurposed for use in buildings where IP phones will be challenging to support. At UMPI the IP phone rollout in Wieden Hall and the Library will commence on June 17th. The full rollout of VoIP will occur on a building-by-building basis based on infrastructure capacity and will take up to 2 years for full completion. Additionally, the plan for UMF will require multiple transitions for end users.

University of Maine Residence Hall IT Infrastructure Improvement Projects. UM Chief Business Officer Ms. Claire Strickland provided an update on the ITS infrastructure projects which the University of Maine has undertaken since 2016 and is currently performing in their residence halls. After the completion of the upgrades in the four residence halls, it was determined that the current project timeline was too long. UM Auxiliary Services collaborated with ITS to develop an infrastructure plan that met the current and trending needs of the students which was to focus on Wi-Fi only. This allowed the campus to shorten the installation schedule, but still did not provide the boost needed to complete the installation in all of the nineteen buildings which also have other maintenance and renewal needs such as updating electronic locks, expanding digital signage, various bathroom renovations, etc.

This year the university is exploring an opportunity with a third party vendor in an effort to compress the implementation timeline. The desire is that by May 2020, all 19 of the current residence halls will have been upgraded with new wiring, new and additional Wi-Fi access points, and sufficient wiring infrastructure to support current and anticipated services in the future. Altogether these projects total \$4.3 million and are funded by UM's Auxiliary Services Housing department, using both operating and reserve funding. These projects will ensure the students receive the connectivity they have come to expect, both now and in the near future.

Financial Update. UMS Vice Chancellor for Finance, Administration & Treasurer Mr. Ryan Low presented an update on the FY2020 UMS budget adjustments and the FY2021 budget impact of the State Appropriations. The UMS budgets were originally developed based on a 3% State Appropriation increase for each year of the biennium. Vice Chancellor Low and the campus Chief Business Officers are working to make adjustments to the FY2020 and FY2021 budgets based on the approved State Appropriation of 3.35% for FY2020 and flat for FY2021.

It is anticipated that budget adjustments for FY2020 will be finalized for the August 28th Finance, Facilities, Technology Committee and will be forwarded to the Board for approval at the September 15-16, 2019 meeting. The impact of a flat State Appropriation for FY2021 results in approximately \$5.8 million decrease to E&G, a \$637,390 decrease to Early College and a \$516,500 decrease for Adults Learners.

Short-Term Housing Lease Amendment, UMA. UMA President Rebecca Wyke, Interim Chief Business Officer Mr. Buster Neel, and Vice President for Enrollment Management and Marketing Mr. Jon Henry requested approval to amend the lease with Mastway Development, LLC (also known as SC-One, LLC and SC-Erskine, LLC) to add as many as 48 additional beds for student housing in the Erskine Building located at 2 Coos Lane, Hallowell, Maine.

Demand for an initial launch of 39 beds previously approved by the Board of Trustees already has exceeded that available supply, with 70 applications and 25 deposits now in place for the initial 33

non-staff beds available this fall. Twenty-four students are currently on the waiting list. The lease amendment costs for the proposed new beds, as with the initial beds, are to be paid by the University from student housing fees from residents of the facility and from tuition revenue associated with increases in credit hours resulting from the availability of the expanded number of beds.

In addition to the lease amendment commitment, the University has made an initial installment of \$40,520 to Mastway Development, LLC, for an exclusive option to lease the Erskine Building for a period of 90 days beginning May 2, 2019 and for the preparation of building and site plans to determine the building fit out and to finalize the construction budgets. The University will also invest approximately \$15,000 to furnish a common student lounge.

On a motion by Trustee Donnelly, which was seconded by Trustee Gardner, the Finance, Facilities and Technology Committee agreed to forward this item to the July 15, 2019, Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees authorizes the University of Maine System acting through the University of Maine at Augusta to enter a lease amendment for approximately 16,400 additional square feet of student residential space with Mastway Development, LLC or its successor organization for a duration in the range of five years and a cost of up to \$2,044,800 subject to review and approval of the final terms and conditions by the University's General Counsel and Treasurer.

Lease Renewal Request, UMA. UMA Interim Chief Business Officer Mr. Buster Neel requested approval to renew a lease for the University of Maine at Augusta Rockland Center. The proposed lease would have an initial term of three years with two additional three year renewal options. The Center's current annual rent is \$187,457. Under the terms of the landlord's proposed renewal, the rent will increase by 2% annually. The rent covers all operating costs, including plowing and sanding, heating and air conditioning, and common area maintenance and cleaning. The University pays for its electricity.

UMA Rockland Center is UMA's largest and most successful center, serving more than 600 students annually. The University has operated an off-campus center in the mid-coast region since the mid 1970's when it opened Midcoast Community College Services, located in Rockland. The Center has been located in several different places since it first opened and moved to its present location in 2007 at The Breakwater Marketplace on Route 1.

On a motion by Trustee Donnelly, which was seconded by Trustee Gardner, the Finance, Facilities and Technology Committee agreed to forward this item to the July 15, 2019, Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees authorizes the University of Maine System acting through the University of Maine at Augusta to enter into a lease for the UMA Rockland Center located in the Breakwater Marketplace in Rockport for a term of up to 9 years including discretionary renewals and cost of up to approximately \$1.865 million over the full term, subject to review and approval of the final terms and conditions by the University's General Counsel and Treasurer.

Update Public Private Partnership Dining Hall Investment, USM. Vice President of Enrollment Management and Student Affairs Ms. Nancy Griffin requested authorization to increase the approved budget for the public private partnership (PPP) renovation project at the dining hall in Brooks Student

Center in Gorham by up to \$456,000, or 23%. The funding for this additional work is through campus auxiliary reserves.

In October and November of 2018 the Board approved a \$2 million project through the university's partnership with Sodexo to make improvements to the Brooks Student Center in Gorham. During the design and existing conditions investigation processes it was determined that additional scope items, which were not part of the original proposed project by Sodexo, were needed, and the ceiling of the facility is being removed as part of the work. This makes it advantageous to the University to tackle additional scope, including air handlers and general exhaust for the building, asbestos abatement, and other above ceiling work while the ceiling is already removed.

On a motion by Trustee Gardner, which was seconded by Trustee Donnelly, the Finance, Facilities and Technology Committee agreed to forward this item to the July 15, 2019, Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees authorizes the University of Maine System acting through the University of Southern Maine to increase the total project authorization for the PPP Dining Hall Investment project at Brooks Hall by \$456,000, bringing the project to a new total budget of \$2.456 million, from funds to be determined by the University of Southern Maine Chief Business Officer and the University of Maine System Treasurer.

Machine Tool Lab Budget Increase, UM. UMS Director of Capital Planning and Project Management, Ms. Carolyn McDonough and College of Engineering Dean Dr. Dana Humphrey requested approval to increase the authorization for the Machine Tool Lab replacement building to \$2,855,000 from an original total project cost estimate of \$2.4 million and a currently authorized construction budget of \$1.5 million.

Soon after excavation began, unsuitable and unexpected hazardous materials were discovered in the soils at the time of removal. A plan was created to handle the materials as required by law. This change in process is expected to cost the project upwards of \$425,000 by the time all of the impacts are absorbed. With that, the new project budget is \$2,855,000. The full project budget will still be covered by the currently approved \$9,000,000 for the EEDC project.

On a motion by Trustee Donnelly, which was seconded by Trustee Gardner, the Finance, Facilities and Technology Committee agreed to forward this item to the July 15, 2019, Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees authorizes the University of Maine System acting through the University of Maine to expend up to \$2.855 million from funds already authorized for the EEDC project to construct a new facility to house the relocated Machine Tool Lab program.

Residence Hall Market Demand and Project Update, USM. USM President Glenn Cummings, Vice President of Enrollment Management and Student Affairs Ms. Nancy Griffin, Chief Business Officer Mr. Alec Porteous and Mr. Brad Noyce from Brailsford and Dunlavey provided an update for the demand for housing at the USM campus in Portland. USM has issued a qualifications-based, public, competitive solicitation in search of potential partners for the project. That solicitation is currently active in the marketplace. Exactly how the University pursues this residential project, whether through the active solicitation or some other mechanism, remains to be determined and confirmed based on ongoing diligence by the University. A so-called P3 public-private partnership remains an option, as do other mechanisms.

Mr. Brad Noyce from Brailsford & Dunlavey explained the companion briefing that validated the demand for housing.

Capital Project Status Report and Bond Projects Report. UMS Director of Capital Planning and Project Management Ms. Carolyn McDonough provided an overview of the Capital Projects and Bond Projects reports. The Capital Project report reflects a total of 21 projects, with one project having been removed since the previous report, and one new project having been added.

The Bond Projects report outlines a total of twenty projects. These projects are currently estimated to account for slightly more than \$29 million of the \$49 million in voter approved general obligation bond funding and approximately \$1 million of that has been expended. Supplemental funding is being leveraged for some of these projects and the total estimated project value across all funds currently stands at more than \$33 million, including the bond funding.

Five-Year Capital Plan, UMS. UMS Chief General Services Officer Mr. Chip Gavin provided information on the details of the five year capital plan. Pursuant to prior adopted directives of Trustees, a three-tiered planning process for capital projects is in place. The three tiers include the one year capital plan, the campus Master Plans, and the five year capital plan. The total identified five year project plan across all funding sources is approximately \$617,000,000. While the one-year plan is highly pragmatic and reflects only the work a campus actually expects to achieve and has funds to accomplish, the five-year plan is permitted to be more aspirational. As a result of this and the long-term nature of the plan, many of the funds needed to implement it are not yet identified. The funding breakdown of the plan includes approximately \$50 million in general obligation bonds; \$31 million in proposed revenue bonds; \$68 million from gifts; \$50 million from campus AUX and E&G funds; and more than \$412 million from sources yet to be determined.

Additional information about the meeting can be found on the Board of Trustees website:
<http://staticweb.maine.edu/wp-content/uploads/2019/06/MtgMat-FFT-062619-rev0625191.pdf?0fa197>

Adjournment.

Ellen N. Doughty, Clerk