

UNIVERSITY OF MAINE SYSTEM

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

August 28, 2019

Finance/Facilities/Technology Committee

Present: Committee Members: Samuel Collins, Chair Pro tem; Timothy Doak (at UMPI), James Donnelly (by phone), Trevor Hustus (at USM), James Erwin (at USM), Patricia Riley (by phone), David MacMahon (at USM), and Kelly Martin (by phone). **Chancellor:** Dannel Malloy. **Presidents:** Becky Wyke (by phone), Joan Ferrini-Mundy (at USM), Edward Serna (at UMF) and Glenn Cummings (at USM). **System Staff:** Chip Gavin (at USM), Sam Warren (at USM), Ryan Low, Gretchen Catlin, Miriam White, James Thelen (at USM), David Demers, Ellen Doughty, and Tracy Elliott. **Other Participants:** Claire Strickland, Ben Shaw (at UMPI), Carolyn McDonough, Pam Ashby (at UMF), Buster Neel (at UMA), Nancy Davis Griffin (at USM), John Souther (at USM), Kimberly Whitehead, Sheri Stevens, Alec Porteous (at USM), Heather Leslie, Fred Servello, Dana Humprey, and Laurie Gardner (at UMF).

Committee Members Absent: Gregory Johnson and Mark Gardner.

Trustee Collins, Chair Pro tem, 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 from 89% in June 2019 to 94% complete in August 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. Planning has begun for final room scoring/assessment in early Fall with distribution of final reports to campuses by the end of the Fall semester. Additionally, there is high anticipation for additional funding to complete the full series of projects.

The Wireless Infrastructure project completion has increased from 87% complete in June 2019 to 90% complete in August 2019. The revised budget of \$13.2 million reflects the additional \$415 thousand in contingency funds that will be infused back into the project. The schedule has been adjusted to accommodate completion of asbestos abatement efforts. Work is expected to extend through Spring 2020. UMF underground fiber replacement, along with projects at UMF, UMPI, USM, and UM have recently been completed. Current work includes the lighting 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. 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 remains at 15% complete as of August 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 2019 was achieved. The project will close under-budget. Initial installation of the HighPoint CX application has been completed in a test environment. Communication planning is underway to officially launch the UX Enhancements initiative. One concern is that of managing change in navigation and interface for the MaineStreet environment.

The VoIP Implementation for UMF and UMPI are underway. The project is 15% completed at UMF and 5% completed at UMPI. At UMF the priority is focused on moving lines off the legacy Avaya system. A total of 123 VoIP phones have been deployed in buildings with suitable infrastructure and 146 analog phones have been connected to VoIP gateways. At UMPI the IP phone rollout in Wieden Hall and the Library is underway and additional cabling is planned for Preble, Normal, and South to support VoIP phones. USM has been added to the VoIP project. The USM project budget has been initiated, the initial assessment of analog and digital handsets is nearly complete, and planning is underway to determine optimal buildings to target for initial deployment of VoIP phones. The on-going probability of future failures of legacy phone systems at UMF/USM and poor network infrastructure on both campuses posing challenges to the project timeline, are possible risks as UMS moves forward with the project.

FY2020 Finance, Facilities & Technology Committee Work Plan. UMS Vice Chancellor for Finance, Administration & Treasurer Mr. Ryan Low presented the FY2020 Finance, Facilities & Technology Committee Work Plan for review in preparation for inclusion in the September 15-16, 2019 Board of Trustee meeting materials. Annually, a work plan for the Finance, Facilities & Technology Committee is formulated and is intended to cover both action items required for governance of the University of Maine System and those topics of importance and interest to the Board.

FY2020 Proposed Operating Budget Revision. Vice Chancellor Low presented information on the FY2020 Proposed Operating Budget Revision. Based on current enrollment projections, each university was given the opportunity to review their FY2020 budget (approved by the Board of Trustees in May 2019) and submit a revised budget for approval, if warranted. The University of Maine is requesting that their FY2020 budget be amended to include a reduction of 6,523 budgeted credit hours (90% out-of-state; 10% in-state). This change equates to 0.1% growth over FY2019 actual credit hours and basically flat when compared to FY2019 budgeted credit hours. This reduction in UMaine's budgeted credit hours will change the budgeted UMS Enrollment increase from 1.7% to 0.7% when compared to the FY2019 budget and from 3.6% to 2.6% when compared to FY2019 actual enrollments. As a result of reduced credit hours, UMaine is reducing their E&G revenue budget by \$4.2 million and their Auxiliary revenue budget by \$0.8 million for a total of \$5 million. Reductions in expense budgets such as compensation and supplies will offset the projected reduction in budgeted revenue. UMaine will continue to have a balanced budget.

On a motion by Trustee Hustus, which was seconded by Trustee Martin, the Finance, Facilities and Technology Committee agreed to forward this item to the September 15-16, 2019 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees accepts the recommendations of the Finance, Facilities and Technology Committee and approves the revised FY2020 Operating Budget for UMaine and the System.

Handley Hall HVAC System Upgrade Project, UMA. UMA Executive Director of Administrative Services, Ms. Sheri Stevens provided information on UMA's request to spend up to \$575,000 for upgrades to the heating, ventilation and air conditioning (HVAC) system for Handley Hall located in downtown Augusta. This project will be funded with voter-approved 2018 bond funds as well as campus funds. The existing HVAC system in Handley Hall includes minimal cooling and that part of the system is failing and needs to be replaced. The new system will provide cooling to the five occupied floors of the building and will consist of energy efficient ductless mini-split heat pumps which will provide efficient cooling and redundant heating throughout the building. The fifth floor will utilize heat recovery technology that will provide the ability to transfer heat to other floors of the building while cooling the fifth floor. The design for this project is nearly complete and ready for bid. The project is expected to go to bid in the Fall of 2019 calendar year with construction to be completed during winter break. The proposed budget has been adjusted to account for the current bidding climate that exists in the mechanical trades and an updated estimate for construction.

On a motion by Trustee Riley, which was seconded by Trustee Doak, the Board of Trustees acting through the Finance, Facilities and Technology Committee authorized the University of Maine at Augusta to expend up to \$575,000 from 2018 State Bond and Campus funds for the Handley Hall HVAC System upgrade project.

Enterprise Risk Management, UMS. UMS Risk Manager, Ms. Gretchen Catlin presented an update regarding the implementation of Enterprise Risk Management (ERM). Enterprise Risk Management involves identifying, monitoring and mitigating significant fundamental threats to the University's ability to carry out its mission, extending for example to financial and strategic risks in addition to hazards which would be considered more traditionally operational or insurable. Risk Management is preliminarily tracking 15 University risks. Four of those risks have been assigned to the Finance, Facilities, & Technology (FFT) Committee for oversight. Each risk is also assigned a leader who is responsible for implementing mitigation and control strategies. Ms. Catlin included a brief overview of the University's ERM program and addressed current efforts to control and mitigate risks identified for oversight through the FFT Committee.

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 Projects report reflects a total of 21 projects; no projects have been removed or added since the previous report. Two projects will be removed from the following report due to completion. They are the University of Maine's Barrows Hall ESRB Lab Renovations project and the University of Maine at Machias' project Compressed Natural Gas Heating Conversion.

The special portion of this report calling out only bond projects now reflects twenty-three projects in progress. These projects are currently estimated to account for almost \$30 million of the \$49 million in voter approved general obligation bond funding and approximately \$2 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. Sixteen of these bond projects do not have budgets that meet the threshold for Board of Trustees consideration, and are therefore not present on the Capital Projects Status Report. Two of the projects, UMA's Augusta Welcome Center and USM's Nursing Simulation Lab currently have approved budgets below the Board of Trustees threshold, as noted, but, as planning progresses, those full budgets will exceed to Trustee threshold and they will be brought forward for timely Trustee consideration.

Annual Real Estate & Lease Report, UMS. UMS Chief General Services Officer Mr. Chip Gavin provided information on the UMS Annual Real Estate & Lease Report. Two dispositions by transfer of land previously approved by Board action occurred within the fiscal year and one disposition occurred which did not require Board consideration. These three transfers resulted in a disposition of a combined 1.66 acres of land and 8,542 gross square feet of facility space from UMPI, USM and UMF. UMF and UM acquired real property in FY2019. UMF acquired through purchase a 10,384-square-foot building and 3.18 acres at 274 Front Street in Farmington to replace the Sweatt-Winter Childcare Center on campus. As part of the authorization by Trustees to purchase this property, UMF is disposing of facilities at 110/112 Maguire Street and 228 Main Street by demolition. Additionally, the cost and revenue associated with real property leases across the University of Maine System both increased during the period, with revenue increases outpacing cost increases.

Darling Marine Center Waterfront Infrastructure Improvement, UM. UM Chief Business Officer, Ms. Claire Strickland provided information on UM's request to increase the total authorization for the previously-approved Darling Marine Center Waterfront Infrastructure Improvement project by up to \$2,200,000, for a new total of up to \$5,200,000. The additional funding comes from potential new funds from the Economic Development Association (EDA) and various matching fund sources already identified by the campus. The requested increased authorization is contingent on and will be exercised only if the EDA funds become available. This request follows the receipt of bids earlier this year which greatly exceeded pre-bid estimates and the prior budget authorization such that no contract was awarded at that time. The project has been reconsidered and further funding sought since that time.

The work of the project involves replacement of the existing pier, which is closed for most uses due to its deterioration, and renovations to the flowing seawater laboratory on site at the Darling Marine Center on the Damariscotta River in Walpole, Maine. The need for the project continues and is heightened by the recently approved \$20 million grant from the National Science Foundation's Established Program to Stimulate Competitive Research (EPSCoR). The flowing seawater facility, research vessels and shoreside support provided by the pier are critical assets for this work.

On a motion by Trustee Donnelly, which was seconded by Trustee Martin, the Finance, Facilities and Technology Committee agreed to forward this item to the Consent Agenda at the September 15-16, 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 \$5,200,000 for the Darling Marine Center Waterfront Infrastructure Improvement project pending authorization from the EDA of additional grant funding and the University's match.

Additional information about the meeting can be found on the Board of Trustees website:
<http://staticweb.maine.edu/wp-content/uploads/2019/08/MtgMat-FFT-082819-rev082319.pdf?0fa197>

Adjournment.

Heather A. Massey for
Ellen N. Doughty, Clerk