
Committee Members Absent: None.

Trustee Gardner, Chair, called the meeting to order and welcomed everyone. The Clerk performed a roll call of the Committee members present.

Career & Student Success Center and Residence Hall Project Update, USM
USM President Glenn Cummings, USM Chief Business Officer, Mr. Alec Porteous and USM Chief Operations Officer, Ms. Nancy Griffin provided an update on the USM Career & Student Success Center (CSSC) and Residence Hall projects. In January 2020, the Board of Trustees approved USM’s request to enter into an agreement with Capstone Development Partners for the construction and operations of a new residence hall and CSSC on the Portland Campus. This project had been on an aggressive timeline with a plan to open on August 1, 2022; however, the COVID-19 pandemic has had a substantial impact on the project and the scheduled timeline is no longer an option. The project’s design and permitting activities were on track in early March but in mid-March, the City of Portland canceled all face-to-face meetings and all Planning Board meetings, which has thrown off the permitting timeline. While remote work continues, this challenged the timeframe that would allow the project to remain on track for an opening in August 2022.

Trustee Committee members raised questions about the feasibility of continuing on with this project in light of the current financial situation. Ms. Griffin explained that USM is exploring a decrease in the size of the CSSC and is planning to conduct another market demand analysis for the residence hall in the fall of 2020. USM is currently considering a wide variety of elements of the project to confirm the plan, the financial model, the occupancy expectations and a variety of other planning assumptions and estimates continue to be valid. USM is taking time to reevaluate this project in light of the current financial landscape for UMS, the State, and higher education nationally. It has been determined that the direct debt financing structure for the project continues to be the best option at this time. USM has continued to work with Brailsford and Dunlavey on the pro-forma for the project and has reviewed other financial models. They are also working with Capstone Development Partners to explore a new completion date for the project of May 2023. The Wishcamper surface parking lot expansion and the proposed 425 space structured parking facility construction, which are two closely related projects also have been impacted by the Covid-19 pandemic. The full impact of the pandemic is yet to be realized, however, this overall suite of projects remains a top priority for USM and regular updates will continue to be provided to the Committee at future meetings.
It was announced that Ms. Griffin is retiring soon and that this would be the last Finance, Facilities, & Technology Committee (FFT) meeting that she would be attending. President Cummings, and the FFT Committee thanked Ms. Griffin for all of her hard work and dedication in her position at USM and wished her a happy retirement.

**Capital Project Status Report and Bond Projects Update, UMS**

UMS Chief General Services Officer Mr. Chip Gavin and UMS Director of Capital Planning and Project Management Ms. Carolyn McDonough provided an overview of the UMS Capital Project Status and Bond Project Status reports. The Capital Project Status report reflects a total of 27 projects; five new projects have been added. They are ASCC Renovation – Mezzanine Office Expansion at UM; Enrollment/Advancement Center at UMFK; Portland Parking Garage Study, Fitness Equipment Purchase, and Space Renovation at USM; and Folsom 105 Nursing Renovation at UMPI.

While many projects continue to move forward at this time under the various provisions of state and federal pandemic guidance, COVID-19 impacts on capital construction are beginning to surface. UMS has had to move pre-bid and estimate meetings to a virtual format. The process of receiving bids has been moved to a completely electronic process as well. Additionally, some capital projects that were planned to be funded through operating or unrestricted capital are being put on hold while individual campuses work to understand the full financial impact of the pandemic. The UM Ferland Engineering Education & Design Center project is currently on schedule even amidst the challenges of the ongoing pandemic. The ground-breaking ceremony scheduled for April 28th has been changed to a virtual ground breaking, in response to the need for social distancing measures.

The Bond Project Status report reflects twenty-nine (29) projects in progress. These projects are currently estimated to account for more than $38 million of the $49 million in voter approved general obligation bond funding. Just under $6 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 approximately $51.1 million, including the bond funding and other project resources.

**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.

The Classrooms for the Future project completion has increased from 96% in February 2020 to 98% complete in April 2020. 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. The COVID-19 pandemic has affected final work scheduling due to equipment shortages, shipping delays, and workforce availability. Dr. Demers remains confident that the project will be completed during Summer 2020. There will be an increased need for classrooms to have web conferencing availability in order to maintain social distancing practices as UMS moves into the Fall semester. This project will be in addition to the Classrooms for the Future project and Dr. Demers stated that he would be providing initial funding estimates for this upgrade in the near future. Additionally, there is still the risk of high anticipation for additional funding needed to complete the full series of classroom upgrade projects.

The Wireless Infrastructure project completion has remained at 96% complete from February 2020 to April 2020. The revised budget of $13.2 million reflects the additional $415 thousand in contingency...
funds that will be infused back into the project. The COVID-19 pandemic has affected final work at USM due to facility availability and workforce availability. A few projects at USM have recently been completed. Current work includes several additional projects at USM; however, the projects have been paused so that UMS IT can support emergency management of the pandemic. UMS will have to maintain parallel wireless networks for a period of time due to phased funding and there is still 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 increased to 50% complete as of April 2020. All components of the 9.2 upgrade were successfully completed and the project is officially closed. UMS IT is finalizing a plan to utilize a project surplus of ($436,064). Fit/gap sessions with functional stakeholders are completed. Although COVID-19 has required and adjustment to the workflow and projected plan for the project, initial functional testing and student pilot testing has started. There is still some concern around managing change in navigation and the interface for the MaineStreet environment.

The VoIP Implementation Project for UMF, USM, and UMPI is still underway. The project is currently 61% completed at UMF, 50% completed at UMPI and 22% completed at USM. At UMF, additional infrastructure cabling required for Merrill, Admissions and Franklin Hall has been planned and approved. At UMPI, the cabling required for Preble and South Hall has been planned and approved. At USM, deployment has been planned and approved for Luther-Bonney, Science, Brooks Student Center, Bailey Hall, and Upton. The COVID-19 impact will delay the project timeline for all three campuses. Two areas of concern are the on-going probability of future failures of legacy phone systems at UMF/USM and the poor network infrastructure on both campuses posing challenges to the project timeline.

The Brightspace Learning Management System (LMS) Implementation project with a budget of $1.61 million has increased from 30% in February 2020 to 55% complete in April 2020. Brightspace from Desire2Learn will replace Blackboard Learn, the current UMS LMS, with a modern, mobile friendly, cloud-based platform. Blackboard Learn will remain as the default LMS through Summer 2020 with full deployment and conversion of courses to the Brightspace platform to coincide with the start of the Fall 2020 term. Recently completed work includes in-depth administrator training, on demand subscription training for faculty, and partial migration of Summer/Fall 2020 courses from Blackboard to Brightspace. Additionally, final organizational structure, API integration, third-party tool integration, master course template designs, and the login/landing page have been completed. Current work includes finalizing the development of user roles and permissions, Summer 2020 pilot courses, Brightspace Virtual Symposium for Faculty, Fall 2020 course shell creation, and LMS governance planning. Concerns include the very aggressive timeline for completion and the COVID-19 disruption.

**Financial Update, UMS**

UMS Vice Chancellor for Finance & Administration and Treasurer, Mr. Ryan Low provided a brief update on the UMS financial status. Vice Chancellor Low said that he was grateful for the quick planning and action taken by the Chancellor, Campus Presidents, and System leadership in order to try to mitigate the potential impact of COVID-19. Some of the mitigation strategies include administering a new hiring review and approval process, strict purchasing and travel restrictions, and performing a review of all contracts and Request for Proposals (RFP) to find savings. Since approximately mid-March, UMS has been tracking all costs corresponding to the impact of COVID-
19, to maximize any opportunity for reimbursement from the State or Federally. The biggest impact that UMS has realized so far is the approximately $12.7 million in room & board refunds to students who were sent home due to the pandemic. As of right now the pandemic total financial impact for all of UMS is estimated at just under $15 million; however, UMS is still trying to assess the impact on revenues from things such as Summer camps and ticket sales. Vice Chancellor Low expects that the total financial impact will increase by several million dollars and effect both FY2020 and FY2021.

UMS will receive $17.2 million in Cares Act funding, of which at least fifty percent will need to be funneled directly to students. He stated that he expects Cares Act checks to be distributed to students starting the first full week of May. The fifty percent of the Cares Act funding that can be applied directly to UMS pandemic response relief, is helpful but will certainly not cover the full financial impact felt by the System. There are many unknowns for the FY2021 budget including pandemic impact and the likelihood of State appropriations. Since UMS does not know what to expect for State appropriations, the FY2021 budgets that will be presented to the Trustees for approval will not include the 3% State appropriations that were originally requested in the State’s budget. At this point, the System cannot be sure that even the full flat funding originally stated in the State’s budget proposal will be received. Vice Chancellor Low plans to present the proposed FY2021 budget in late June, with the understanding that the full financial impact of COVID-19 and the unknown State appropriations are likely to cause adjustments down the road.

On a positive note, after a review process, S&P Global affirmed UMS’s AA- rating and gave UMS a stable outlook, which should mean UMS will continue to receive favorable interest rates. S&P specifically noted that the prudent measures taken to adjust the pandemic were very impressive and that they felt that UMS had one of the best responses in higher education. S&P was also impressed with the analytics used by UMS such as the Interactive Dashboard and the Multi-year Financial plan. A few areas of improvement noted were the unfavorable regional demographics, the aged physical infrastructure and the use of reserve funding to balance the budget.

**Executive Session**

On a motion by Trustee Donnelly, which was seconded by Trustee Hustus, and approved by a roll call vote of all Trustees present, the Finance, Facilities, & Technology Committee went into Executive Session under the following provision:

- 1 MRSA Section 405 6-C to discuss the condition, acquisition or disposition of real property or economic development if premature disclosure of the information would prejudice the competitive or bargaining position of the UMS.

On a motion by Trustee Erwin, which was seconded by Trustee Hustus, and approved by a roll call vote of all Trustees present, the Committee concluded the Executive Session.

Following the Executive Session, the Committee reconvened the public meeting to take action on the following items:

**East Side Substation Upgrade Agreement, UM**

The University of Maine System acting through the University of Maine requests authorization to enter into an agreement with Emera-Maine which would obligate the University to spend up to $618,126 as a contribution for Emera-Maine’s work to upgrade electrical systems at the East Side substation, critical to the Orono campus. The scope of this project places it within the purview of the Finance/Facilities/Technology Committee to approve on behalf of the Board without further consideration by the full Board. The project itself is expected to cost more than $1 million. The
Finance/Facilities/Technology Committee
April 29, 2020

proposed University’s financial contribution to the project is variable and could be as little as zero depending on a variety of other energy projects and determination currently under consideration by the University. Either way, the work is essential and the University is asking to proceed. The Agreement will not impact the university’s electrical rates. This contract is subject to approval by the Maine Public Utilities Commission (“MPUC”). Upon approval by the parties and the MPUC, Emera-Maine would commence final design and procurement for construction in 2021.

On a motion by Trustee Hustus, which was seconded by Trustee Erwin, and approved by a roll call vote of all Trustees present, the Board of Trustees, acting through the Finance, Facilities and Technology Committee authorized the University of Maine to enter into an agreement with Emera-Maine which would obligate the University to spend up to $618,126 for the East Side Substation Upgrade. Funding for this expenditure, should it be necessary, is to be determined by the University of Maine Chief Business Officer and System Treasurer.

Additional information about the meeting can be found on the Board of Trustees website: https://www.maine.edu/board-of-trustees/wp-content/uploads/sites/12/2020/04/MtgMat-FFT-042920-rev042720-1.pdf

Adjournment.

Heather A. Massey for
Ellen N. Doughty, Clerk