

UNIVERSITY OF MAINE SYSTEM
Board of Trustees Meeting

Zoom Meeting
January 6, 2021

Finance/Facilities/Technology Committee

Present: Committee Members: James Donnelly, Chair; Timothy Doak, Sam Collins, Mark Gardner, Trevor Hustus, David MacMahon, Trish Riley, Emily Cain, James Erwin, and Kelly Martin. **Chancellor:** Dannel Malloy. **Presidents:** Joan Ferrini-Mundy, Edward Serna, Ray Rice, Rebecca Wyke, and Glenn Cummings. **Faculty Representative:** Harlan Onsrud. **System Staff:** Ryan Low, Ellen Doughty, Robert Placido, James Thelen, Chip Gavin, Tracy Elliott, Darla Reynolds, Dan Demeritt, Sam Warren and David Demers. **Other Participants:** Joanne Yestramski, Leigh Saufley, Carolyn McDonough, Stewart Harvey, Kevin Carr, Alec Porteous, Brad Noyes, Jeanne Paquette, Liam Riordan, and Ainsley Wallace.

Committee Members Absent: None.

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

EXECUTIVE SESSION

On a motion by Trustee MacMahon, which was seconded by Trustee Riley, and approved by a roll call vote of all Trustees present, the Finance, Facilities and Technology Committee agreed to go into Executive Session under the provision of:

- 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 Gardner, which was seconded by Trustee Riley, and approved by a roll call vote of all Trustees present, the Committee concluded Executive Session.

Following the Executive Session, Chair Donnelly reconvened the public meeting. Chair Donnelly thanked Trustee Gardner for his leadership as Chair of the Finance, Facilities and Technology Committee for the past several years. The following items were discussed:

Chancellor's Task Force on Vaccine Planning and Partnership Briefing, UMS

Chancellor Dannel Malloy explained that he has appointed a Vaccine Planning and Partnership Task Force to coordinate and report on the work underway across the campuses to plan for and support the distribution of vaccines for COVID-19. The vaccine will not be required due to the emergency authorization. This will likely be reassessed at a future date when there is permanent approval of the vaccine. The task force will be led by:

- University of Maine President Joan Ferrini-Mundy, Chair
- UMS Chief of Staff and General Counsel James Thelen
- UMS Chief Facilities Management and General Services Officer Chip Gavin
- UMS Executive Director of Public Affairs Dan Demeritt

UM President Joan Ferrini-Mundy explained the task force is charged with expanding and facilitating the use of university resources to assist with vaccine distribution, recommending needed changes to UMS immunization requirements, and contributing to student and public awareness about the efficacy and safety of FDA-approved vaccines.

The task force is engaging with university scientists, Maine CDC, nursing and public health program leaders, academic and student affairs leadership, communicators, and facilities and emergency response team members.

Authorization Portland Commons and Career & Student Success Center, USM

USM President Glenn Cummings, USM Chief Business Officer Alec Porteous, and Brailsford & Dunlavey representative Brad Noyes, provided updated information about the USM's authorization request to expend up to an additional \$92 million to proceed with construction of the Portland Commons residence hall and the Career and Student Success Center (CSSC) buildings on the Portland campus. With the \$5.7 million previously authorized by the Board in January of 2020 this brings the total authorization to \$97.7 million. The CSSC budget is \$27 million to be funded by \$19 million from the 2018 voter approved Bonds, \$1 million gift that is currently pledged, and up to \$7 million in University bond issuance as needed. Fundraising continues and additional support is anticipated. The Portland Commons budget is \$70.7 million and is funded by University bond issuance. In January of 2020 the Board of Trustees authorized USM to enter into a pre-development agreement to complete the planning stage of these projects and to expend up to \$5.7 million in the execution thereof. In February the Board authorized a bond financing, Internal Loan and Project request which identified the University's intent to self-finance the Residence Hall rather than finance through the third party developer as originally proposed in January. Over the past year, the committee and campus has worked to bring the project design process to completion and receive initial City approval to construct these buildings. Expenses to date for design, permitting and related activities fall within the \$5.7 million previously approved.

A market analysis was completed in the 2018/2019 school year which showed a strong demand for up to 600 beds on the Portland campus without harm to the Gorham campus occupancy. A new analysis was recently completed to study the effects of the pandemic on student's plans for housing and continuing their higher education path. This study clearly showed that while demand has shifted, there is still ample demand across the University to support this new construction. A key metric of success for these projects will be tied to the student occupancy of the Portland Commons residence hall. The estimated combined project return at 95% occupancy has a net present value (NPV) of \$52 million. If fundraising successfully covers all remaining budget and debt service is not needed, the NPV will be \$58.1 million. The CSSC will be supported by revenue from the Portland Commons as needed as well as new dining revenue generated in the building and a student fee that USM will propose. In order to ensure a viable project, USM is using conservative estimates for the demand and occupancy of the residence hall and has ensured project contingencies are in place for the construction phase.

The project will demolish the existing Woodbury Campus Center (28,256 sq. ft.) and the Facility building (9,744 sq. ft.) while adding approximately 42,000 sq. ft. for the CSSC and 218,000 sq. ft. for the residence hall. Much of the space for the CSSC is offset by the demolition of the existing Woodbury Campus Center accounting for a partial renovation through replacement. The total increase in square footage in this building comes to approximately 14,000 sq. ft. The existing buildings have been vacated with hazardous material remediation expected to begin immediately. Once that is complete demolition would follow no later than early March. This will allow the contractor 27 months for construction and completion of the facilities with a target occupancy date of June 1, 2023. As part of the city of Portland's permitting process, a few items were included in the conditions of approval for the site plan application. One notable item is the mitigation of expected parking needs as a result of this project. USM continues to work with parking consultant Desman Design to finalize selection of a site and design for the proposed additional parking structure. This item is expected to be before the Board of Trustees for additional consideration in the coming meeting cycle.

On a motion by Trustee Erwin, which was seconded by Trustee Gardner, and approved by a roll call vote of all Trustees present, the Finance, Facilities and Technology Committee, approves the following resolution to be forwarded for Board of Trustee approval at the January 25, 2021 Board Meeting.

That the Board of Trustees accepts the recommendation of the Finance, Facilities and Technology Committee, and authorizes the University of Maine System acting through the University of Southern Maine to increase the authorized expenditure for the development of the Portland Commons residence hall and the Career and Student Success Center building by \$92,000,000 for a new total project value of \$97,700,000. Funding for these buildings to come from University financing, University issued bond, Voter approved General Obligation Bonds and private Philanthropy.

Reimbursement Resolution – University of Maine Energy Center

UMS Vice President for Finance and Controller, Tracy Elliott provided information on the University of Maine Energy Center (UMEC) reimbursement resolution. In March 2020, the Board approved Phase II of the UMEC project and the resolution before the Board today solely relates to the financing for the project. The resolution will allow UM to use bond proceeds to reimburse for UMEC expenditures made prior to the bond issuances, including Phase II and Phase III. Approval of the resolution does not obligate the System to move forward with either phase of the project, but does permit the System to reimburse those costs, should UM move forward. The treasury regulations require the resolution to include a description of the project and a statement of the maximum amount of obligations expected to be issued. Honeywell has worked with the UM to develop a comprehensive economic model of the UMEC Project which was reviewed by both CES and the Celtic Energy. This due diligence indicates preliminary estimates for a total capital investment, including Phase II, could approach \$130 million. This Phase II will enable Honeywell, working with the UM, to modify the design as appropriate to calculate capital investment costs and resulting returns in order to arrive at the desired outcome most attractive to the UM and to determine the related savings that will be used to support UM's debt service payments. The \$130 million is an all-in amount, which includes all applicable capitalized interest, reserves, cost of issuances, interest rate changes, and related construction costs. The \$130 million also includes a maximum amount of \$5 million for Phase II of the project. The resolution for approval:

“Be it resolved that, for purposes of U.S. Treasury Regulation §1.150-2, the University of Maine System reasonably expects (1) to incur debt to reimburse expenditures (including expenditures made within the last 60 days), such expenditures to be made to pay the cost, or a portion of the cost, of planning, design, acquisition, construction, reconstruction, improvement, renovation, rehabilitation and equipping of the project described below (the “Project”) and (2) that the maximum principal amount of debt to be issued by the University of Maine System for the Project including for reimbursement purposes is One Hundred Thirty Million Dollars (\$130,000,000).”

UM Faculty Representative to the Board, Harlan Onsrud expressed concerns that from a faculty senate standpoint the approval of this resolution may be premature. His questions were surrounding the 2007 announcement from the UM administration stating that it would attain zero carbon emissions by 2040. UM Executive Director of Facilities and Capital Management Services Stewart Harvey stated that he and the UM Director of Sustainability have been working together to develop a statement that would address the concerns that were brought forward by the UM faculty senate.

On a motion by Trustee Collins, which was seconded by Trustee Riley, and approved by a roll call vote of all Trustees present, the Finance, Facilities, and Technology Committee agreed to forward this item to the Consent Agenda at the January 25, 2021, Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees accepts the recommendation of the Finance, Facilities and Technology Committee, and approves the resolution entitled “Reimbursement for Project Expenditures” resolution with respect to financing the University of Maine Energy Center Project (the UMEC Project).

Proposed Changes to Board of Trustee Policy 803 Naming of Physical Facilities

Trustee Mark Gardner provided a brief update on the status of the proposed changes to Board of Trustees Policy 803 – *Naming of Physical Facilities*. After discussion of the C.C. Little Hall name change at the September 2020 Board meeting, Chair Erwin appointed an Ad Hoc Working Group for the Naming of Physical Facilities and charged them with drafting a change to Board of Trustee Policy 803 or developing a new policy to provide guidance and consistency for new naming opportunities or removal of names. Members of the Ad Hoc Group are Trustee Mark Gardner, as Chair; Trustee Emily Cain; Ainsley Wallace, USM Foundation President & CEO; Liam Riordan, UM Professor; and Ellen Doughty, Clerk of the Board. The Ad Hoc Group met several times to review the current policy, discuss the Little Hall Task Force Report, and examine naming policies from other university systems. The Ad Hoc Group developed a revised draft Policy 803 and distributed it to key stakeholders for feedback, including Presidents, General Counsel's Office, and UM and USM Foundation and Development staff members. The feedback received has been incorporated into the proposed Policy and the revised Policy provided to the Finance, Facilities, and Technology (FFT) Committee prior to today's meeting. The FFT Committee did not have any changes to the proposed Policy and it will be forwarded as an information item, to the January 25, 2021 Board meeting. Following that meeting, the proposed policy will then be presented as an action item at the March FFT Committee meeting and the March 22, 2021 Board of Trustees meeting.

FY2020 Annual Report on Gifts, Fundraising and Endowments

The FY2020 Annual Report on Gifts, Fundraising, and Endowments for the year ended June 30, 2020 was provided to the FFT Committee members prior to today's meeting. Director of Accounting Darla Reynolds was on hand to answer any questions concerning the report.

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

The Classrooms for the Future project completion is 99% as of December 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. UMA will combine remaining contingency funds and RUS grant funds to update several rooms during winter break and into Summer 2021. Room selection is underway for the remaining contingency funds available for UM and UMPI. Final Room Scoring Assessment are nearing completion. There is still high anticipation for Phase II funding needed to complete the remaining rooms.

The Classrooms for the Future (CFTF) Web-Conferencing Project is 80% complete as of December 2020. The budget for this project is \$2.564 million. This project was added to address the need for expanded availability of web-conferencing and video recording capabilities across UMS, in order to maintain social distancing practices as UMS continues to offer in person instruction through the length of the pandemic. Reassessments have been completed for all Summer installations. Winter break work is underway for 50 more classrooms. Positive survey feedback has been received from faculty and students. Project concerns include a tight completion timeline and availability of equipment and resources needed to complete the work.

The Wireless Infrastructure project is 99% complete as of December 2020. The revised budget of \$13.2 million. With the project nearly complete, a reduction in expenditure has been realized, resulting from the use of on-hand project equipment to serve other campus needs; therefore, a credit has been applied to Wireless project. The project work is complete at UMA, UMF, UMFK, UMM and UMPI. A few punch list items that remain for Facilities Management are being finalized at UM and no additional work is planned. The final cabling work at USM is underway and the projected completion is June 2021. USM 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 is at 68% complete as of December 2020. This project has a total budget of \$1.1 million. Recently completed work includes updates applied to PRD MaineStreet database, user acceptance testing (UAT), and planning with UMM campus leadership and functional area teams to support the Spring student pilot. In progress work includes technical remediation following UAT, communication planning for UMM Spring student pilot, development of UMM Spring pilot support documentation, and reassessment of each feature and function in the updated production environment. There is some concern around managing change in navigation and the interface for the MaineStreet environment.

The VoIP Implementation Project for UMF, USM, and UMPI continues to progress. The overall budget for this project is \$1.599 million. The project is currently 99% completed at UMF, 55% completed at UMPI and 45% completed at USM. At UMF, final removal and cleanup of old system will be done over winter break and the new system is operational; subsequently, the old system has been powered off. At UMPI, South Hall and Campus Center cabling is underway with phones to follow and Preble Hall is completed with final clean up to be finished over winter break. At USM, the current focus is on the Gorham and LAC campuses. Office moves and preparation for the upcoming construction projects are underway and UMS IT is working with Public Safety on the upgrade to the call recording system. 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 is 99% complete as of December 2020. Brightspace from Desire2Learn will replace Blackboard Learn, the current UMS LMS, with a modern, mobile friendly, cloud-based platform. Recently completed work includes using Lessons Learned sessions to inform Project Closeout report, completion of Blackboard course content migration, and the sunsetting of Blackboard. Current work includes drafting the Project Closeout Report, continued governance planning, further refinement and development of user roles and permissions, continued exploration and use of the Learning Outcomes tool, and development of a model for supporting non-credit courses for special programs. Concerns for this project going forward include the very aggressive timeline for completion and the COVID-19 disruption.

The ERP Assessment project with a budget of \$275 thousand has a completion of 85% as of December 2020. This is the third step in a four step process to evaluate the UMS MaineStreet (Peoplesoft) ERP to identify functional gaps and opportunities to support unified accreditation by development of a road map or “Repaving MaineStreet”. UMS has partnered with Huron and completed surveys and working sessions with UMS stakeholder offices. The initial draft or Roadmap of recommendations, has been submitted for review by the CIO and the Unified Accreditation vision has been drafted. Currently the draft Unified Accreditation vision is under review. Additional funding will be need to support the final step.

The Northern Ring Optical Equipment Refresh Project with a total budget of \$275 thousand has a completion of 5% as of December 2020. This project was approved by Trustees at the September 2020 Board meeting and its purpose is to replace the optical network equipment supporting MaineREN’s Northern Ring in order to meet the advanced network requirements of the research and education institutions of downeast and northern Maine. Equipment purchases have been completed and the first phase including site surveys and preparation is to be completed end of Jan 2021. Limited access to sites due to COVID-19 restrictions is cause for concern.

State of IT Report 2020

CIO Demers provided a brief overview and highlights of the UMS 2020 State of IT Report. He stated that the UMS IT team was highly focused on providing increased support, new tools, and platforms for faculty, students, and staff to ensure that classes and work could continue despite the challenges brought on by the

COVID-19 pandemic. As part of the Spring 2020 shift to remote teaching and learning, UMS IT launched a number of new tools designed to support the shift including a new remote computer lab service. This remote tool was designed to allow students to access physical computer labs on campus from anywhere they had internet access. UMS IT partnered with Labster to provide a catalog of just over 100 virtual laboratory simulation courses and with Respondus to provide online examination proctoring. CIO Demers explained that with the switch to remote learning, there was a large increase in the use of existing UMS IT platforms such as Blackboard Learn, Zoom web conferencing, and Kaltura video recording. In Spring 2020 new services such as a remote access virtual private network (VPN) and remote desktop access were launched rapidly to facilitate remote work for staff members. In order to enhance communication and transparency, the web technologies team assisted in establishing the UMS Health Advisory website and Together for Maine website. Additionally, when Maine public schools identified that lack of adequate home internet access was limiting students' participation in online learning, UMS stepped up to offer them additional network capacity. By amplifying current connectivity, local school parking lots are now open access Wi-Fi hotspots for use by Maine students and the public. There are now more than 200 hotspots statewide and can be located by visiting the servingu.maine.edu website. CIO Demers also provided information on Fall 2020 Safe Return critical infrastructure investments and new services deployed to support flexible teaching and learning options including \$2.56 million in web-conferencing classroom upgrades, implementation of the Brightspace learning management system, and support for COVID-19 reporting and testing. Additionally, in 2020 UMS IT worked on several non-pandemic related projects such as the cloud storage migration from Box to Onedrive, EAB Navigate, MyCampus Portal upgrade, and an extensive ERP assessment. Chair Donnelly, thanked CIO Demers and the UMS IT team for their dedication and superb work in providing support to ensure that UMS was able to continue to teach, learn, and work, despite the challenges brought on through the pandemic.

KPI – Core Financial Ratios

Vice Chancellor Low provided a brief presentation regarding Core Financial Ratios, a Key Performance Indicator (KPI) tracked by UMS. Core Financial Ratios were developed in the 1970's are a common tool used across the higher education industry to better understand and interpret an institutions financial results. Vice Chancellor Low reminded the Committee that accounting standard changes can have an impact on the System's financial statements and therefore the ratios as well. For instance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, was adopted by UMS with an effective date of July 1, 2016 and caused UMS to provide restated FY2017 financial results. This change required UMS to recognize the full liability on the statements and not on only a portion of the liability, which was the prior required practice. The net impact on previously stated FY2017 end of year Net Position was a reduction of nearly \$90 million. Vice Chancellor Low stated that throughout this presentation it should be noted that the Law School is counted as part of USM, at least through FY2020.

UMS tracks five financial ratios. These include the Primary Reserve, Net Operating Revenues, Return on Net Position, Viability, and collectively the Composite Financial Index. The Primary Reserve Ratio provides a snapshot of financial strength and flexibility by indicating how long the institution could function using its expendable net position, both unrestricted and restricted, excluding net position restricted for capital investments without relying on additional net position generated by operations. The Net Operating Revenues Ratio is a measure of operating results and answers the question, "Do operating results indicate that the University is living within available resources?" Operating results either increase or decrease net position and, thereby, impact the other three core ratios. The Return on Net Position Ratio measures asset performance and management. It determines whether an institution is financially better off than in the previous year by measuring total economic return. It is based on the level and change in total net position. An improving trend in this ratio indicates that the institution is increasing its net position and is likely to be able to set aside financial resources to strengthen its future financial flexibility. The Viability Ratio measures expendable resources that are available to cover debt obligations and generally is regarded as governing an institution's ability to assume new debt. The Composite Financial Index (CFI) creates one overall financial

measurement of the institution's health based on the four core ratios. By blending these four key measures of financial health into a single number, a more balanced view of the state of the institution's finances is possible because a weakness in one measure may be offset by the strength of another measure. Vice Chancellor Low provided a brief overview of how UMS as a whole and each campus individually fared against the benchmarks for each of these financial ratios. The financial impact of adoption of GASB 75 was evident throughout each of the core financial ratio benchmark graphs. This information is provided on the UMS Dashboard, on the maine.edu website. Vice Chancellor Low will be providing a similar update to the full Board at the January 25, 2021 Board of Trustees meeting.

Trustee Erwin asked if the implications of Fall 2020 lost revenue due to the pandemic were included in the figures presented today. Vice Chancellor Low said that Fall 2020 revenue and CARES Act dollars are not reflected in the presentation. Trustee Erwin asked if Vice Chancellor Low could provide information about long term implications of the data presented and are the right strategies in place to address what the data is implicating at a future Committee or Board meeting. Vice Chancellor Low said that he has been working closely with the campus Chief Business Officers to find strategic areas to focus on to move the needle on the core financial ratio areas of concern. Several other Trustees echoed Trustee Erwin's concerns about UMS falling below the benchmark on several of the ratios and needing to focus on the long term implication of this issue. Chancellor Malloy stated that he has been focusing on the long term plan and initiatives to help the System to improve these ratios.

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 Report reflects a total of 21 projects; no new project has been added since the last report. One project has been removed. While many projects continue to move forward at this time under the various provisions of state and federal pandemic guidance, some impacts continue. Three of four projects previously placed on hold remain so. The viability of and alternative options for these projects will continue to be reviewed for potential future resumption.

The Bond Project Status Report reflects thirty-four projects. One project was removed from the list as the funding sources changed and no longer included bond funds. The projects are currently estimated to account for more than \$39 million of the \$49 million in voter approved general obligation bond funding. About \$10.5 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 \$52.4 million, including the bond funding and other project resources. The University continues to invest in additional projects as well. Twelve of the bond projects are complete and another one is substantially complete. Eleven of these bond projects also appear on the Capital Project Status Report with approved budgets above board threshold. Five projects are expected to be brought to the board for additional authorization as design progresses but are currently in design and pre-design phases with budgets below the board approval threshold.

Update on projects placed on hold due to Pandemic:

Initially as the Universities were bracing for potential financial impact due to the pandemic four projects were placed on hold; two projects at UMA (1100077 and 1200029) and two at USM (6100330 and Fitness Equipment/space). In recent months the Handley Hall project for UMA (1200029) has re-started in the design/scoping phase. The campus with assistance from CPPM is reviewing the scope of this project and working to provide a scope that will meet the minimum needs while limiting the costs. The other UMA project, the Augusta Welcome Center was out for bid as the pandemic took hold with bids received on April 16th, 2020. Of the \$6,850,000 approved for the project, \$4 million were expected to come from UMA campus funds. Given the expected financial impacts of the pandemic it was decided to reject the bids received and re-assess the situation. UMA worked over the summer months to determine smaller directed improvements that could be made to Randall Hall to address some of the related bigger picture scope and is

currently working with CPPM to address these items. Costs for this related work is expected to be less than \$500,000. With this, the UMA Welcome Center Project will be flagged for removal and removed from this list in the coming cycle. The other projects will show up on the bond report as they are created. USM is still assessing the two projects put on hold and will be bringing forward additional information in the coming months. At this point, the Fitness Equipment/space renovation project is expected to move forward in Spring of 2022.

Harold Alfond Foundation (HAF) Grant funded projects

Earlier this year the University was announced as a recipient of HAF grant funds to be disbursed over the coming ten years and to assist in completing various construction or renovation projects. There is also a significant match requirement for these funds. The System has set up a core team consisting of Financial and Capital Planning personnel to manage the roll out of these funds and related projects. These projects will be included in updates to the regular capital planning process including the one year and long-term capital plans. More information is expected to be presented in the coming months.

UM Historic Building P3 initiative update

The University of Maine continues to pursue a Public Private Partnership opportunity for reuse of the historic Coburn and Holmes Halls. A Request for Qualifications was issued in early October 2020. As a result of that process four firms were deemed qualified and moved to the proposal phase of the process. The Request for proposal was issued December 15 with responses due January 25th, 2021. The University will evaluate the proposals and as a finalist is selected, will prepare Board authorization documentation as needed.

UMaine Energy Center project update

The pre-design and negotiation phase of the UMaine Energy Center project is wrapping up and the team expects to have a signed Phase II agreement, as previously approved by the Board in March of 2019, complete and ready to report at an upcoming meeting.

Capital Budget Advisory Committee Update:

The Capital Budget Advisory Committee FY2021 meetings are underway. The committee is undertaking normal business items such as shepherding the capital budget and planning cycle, and the space reduction initiative. The committee has also agreed to take on a review of pandemic related space planning and design impacts.

Update to UM Ferland Engineering Education & Design Center (EEDC) Project:

Construction Continues; Foundation installation for the building is nearing completion with backfill of the foundations following closely behind. The first floor suspended concrete slab above the basement is in place. The installation of the structural steel has started. The sequence of the steel erection is from the south end of the building toward the north. The site steam installation is nearing completion with new lines installed to Little Hall, the Llewellyn Wing of Boardman Hall and the new lines to the EEDC. Consigli Construction Company will continue with the steel erection and metal deck installation through the winter months. Foundation installation and earthwork for the plaza area on the south side of the building will be installed after the New Year.

Green Engineering and Materials (GEM) “Factory of the Future”, UM

UM Director of the Advanced Structures and Composites Center and Professor of Civil Engineering Habib Dagher provided an overview of the UM Green Engineering and Materials Laboratory (GEM) “Factory of the Future. GEM is a world-class research and educational facility that will provide access to academic programs across the UMaine System through immersive research learning experiences and leverage unique regional assets of UMS campuses to enable richer educational programs and workforce training opportunities. GEM triggers the Harold Alfond UMS Transforms Strategy, helping to establish UMaine as a National Leader at the Intersection of Engineering and Computing. The Advanced Structures & Composites

Center (ASCC) proposes to develop the 90,740 square foot GEM addition that will provide outstanding educational and economic opportunities in Maine by ushering in the next generation of large-scale bio-based additive manufacturing, also known as 3D printing. GEM is a timely national asset that will house the Factory of the Future, to design, manufacture and test new products constructed from wood-derived nanocellulose and other advanced materials, collaborate with industry, and train the next generation manufacturing workforce including undergraduates, graduate students and working professionals. The Factory of the Future consists of highly instrumented arrays of Artificial Intelligence (AI)-enabled 3D printers, high-performance computers, continuous fiber deposition heads, and machining systems and will enable research and development of novel bio-based feedstock materials as well as next generation digital manufacturing processes.

This facility represents a fulfillment of shared vision for Maine and the University of Maine, as expressed in the UMS Board of Trustees Declaration of Strategic Priorities, Maine's Economic Recovery Committee Recommendations, Maine 10-year Economic Development Strategy, Harold Alfond UMS Transforms strategy aimed at re-imagining the future of Maine through innovation-led economic development. These plans have started to coalesce around bio-based materials and climate-friendly technologies, sectors where Maine has competitive strengths, for the focus of future investment. GEM seizes these opportunities to provide world-class research and educational programs for UMS while serving as a multiplier for regional economic development and business formation. The ASCC has seen a 6 times growth in funded research over the last 5 years and is poised to execute on \$260 million in total R&D over the next 5 years.

Update Dickey Wood Dormitory, USM Gorham

USM Chief Business Officer (CBO) Alec Porteous provided a brief update concerning the Dickey Wood Dormitory on the USM Gorham campus. In November of 2016 and as a part of USM's short term housing plan USM identified Dickey-Wood as a candidate building to be removed in order to offset the increase in square footage which would result from the eventual construction of new student housing on the Portland campus. With the imminent commencement of construction of Portland Commons, the new residential housing on the Portland campus, USM would like to revisit this proposal. Current operating costs to keep the Dickey Wood facility standing amount to approximately \$20,000 per year. A recent hazardous material assessment was conducted by Woodard & Curran and the current cost estimate to complete hazardous materials remediation prior to demolishing the building is approximately \$3,000,000. Demolition costs including the remediation are expected to be upwards of \$5,000,000. Incurring this large of an expense during these times of financial hardship would not be in USM's best interest. Given the current financial impacts due to the pandemic and upon further reflection, USM would like to defer the timing of demolition of the structures. Additionally, USM is proposing to complete a study to assess the feasibility and costs associated with re-use of the buildings and update the Trustees of their findings within the next 12 to 24 months, but prior to occupying the new Portland Commons residence hall in 2023.

FY2020 Sole Source Procurement & Contributions Report

The FY2020 Sole Source Procurement & Contributions Report was provided to the FFT Committee members prior to today's meeting. UMS Chief General Services Office Chip Gavin and UMS Procurement Services Senior Director Kevin Carr were on hand to answer any questions concerning the report.

Interim Financing Update

Tracy Elliott provided a brief update concerning UMS interim debt financing. UMS engaged its financial advisor, Public Financial Management (PFM), to assist with a Request for Proposals (RFP) from qualified financial institutions to provide interim debt financing to fund capital needs prior to revenue bonding that will later be issued by the UMS or prior to the receipt of revenues such as gifts or State capital appropriations. The System anticipates using the contemplated Financing(s) to provide funding for approximately \$65 million of capital projects. The total principal amount of the proposed Financing will be approximately \$43 million disbursed over a one-year period and then substantially refinanced with long-term

bonds and then another \$22 million disbursed over the following year and substantially refinanced with another long-term bond. The System anticipates using the proceeds from Financing for construction period costs related to the USM's Portland Commons project, USM's parking garage project, a portion of the construction costs for the UM's Ferland Engineering Education and Design Center, and potentially a portion of Phase II costs related to the UM Energy Center (UMEC) project. The financing will be a general obligation of the UMS on parity with the existing debt which is payable solely from available revenue of the UMS. The term of the Financing will be up to three years. The System expects to refinance this financing with future long-term bond issuances during calendar years 2022 and 2023. A fully funded loan at closing and a draw down line of credit are the two types of financing arrangements that are being explored. RFP responses are due back on January 6th. PFM and System staff will evaluate the responses and bring a recommendation forward to the Board for approval. The UMS plans to close the financing(s) on or about March 2021. Subsequent to closing the initial financing(s), the UMS may request to extend additional financing(s) as other capital projects come forward, subject to additional credit approval from the selected financing provider(s) and subject to additional Board approval.

Additional information about the meeting can be found on the Board of Trustees website:
<https://www.maine.edu/board-of-trustees/meeting-agendas-materials/finance-facilities-technology/>

Adjournment.

Heather A. Massey for
Ellen N. Doughty, Clerk