

UNIVERSITY OF MAINE SYSTEM
Board of Trustees Meeting

February 24, 2021
Zoom Meeting

Board of Trustees Meeting

Present: James Erwin, Chair; Mark Gardner, Vice Chair; Timothy Doak, Sam Collins, James Donnelly, David MacMahon, Michael Michaud, Trish Riley, Trevor Hustus, Emily Cain, Kelly Martin, Sven Bartholomew, and Lisa Eames. **Chancellor:** Dannel Malloy. **Presidents:** Joan Ferrini-Mundy, Ray Rice, Deborah Hedeem, and Glenn Cummings. **System Staff:** Ryan Low, Ellen Doughty, Robert Placido, Tracy Elliott, and James Thelen. **Other Participants:** Leigh Saufley, Carolyn McDonough, and Alec Portous.

Absent: Pender Makin and Betsey Timm.

EXECUTIVE SESSION

On a motion by Trustee Doak, which was seconded by Trustee Eames, and approved by a roll call vote of all Trustees present, the Board of Trustees meeting went into Executive Session under the following provisions:

- 1 MRSA Section 405 6-C to discuss or consider economic development only if premature disclosure of the information would prejudice the competitive or bargaining position of the System.

On a motion by Trustee Gardner, was seconded by Trustee Donnelly, and approved by a roll call vote of all Trustees present, the Board of Trustees concluded the Executive Session.

CHAIR'S REMARKS

Following the Executive Session, Trustee Erwin, Chair, reconvened the public meeting, welcomed everyone and called the meeting to order. Chair Erwin stated that the meeting was being held via Zoom and being live streamed to YouTube for the public. He explained that Governor Mills has allowed UMS to hold virtual Board meetings under the condition that roll call votes are taken for each action item. The Clerk performed a roll call of the Trustees present.

CITIZEN COMMENT

Citizen Comment is a time regularly set aside for comments from the public. No one signed up to speak for the Citizen Comment.

ACTION ITEMS

Authorization Portland Commons and Career & Student Success Center, USM

Vice Chancellor for Finance & Administration and Treasurer, Ryan Low provided updated information concerning the University of Southern Maine's request to expend up to an additional \$93.7 million to proceed with construction of the Portland Commons residence hall and the Career and Student Success Center (CSSC) buildings on the Portland campus. Vice Chancellor Low explained that just prior to the January 25th Board of Trustees meeting, he received guaranteed maximum price information on the Portland Commons and CSSC project and that with this last minute information, UMS did not feel comfortable asking for Board action at that time, even though UMS still fully supported the project. He stated that the new guaranteed maximum prices were included in the resolution before the Board today. He also explained that UMS reviewed the new prices thoroughly before presenting this information to the Board. Vice Chancellor Low stated that it critical for UMS to move forward with this item at this time in order to avoid an increase in costs as available contractors move on to other projects.

He stated that there have been many positive conversations since the January Board meeting that have helped UMS to address Trustee concerns that this project and others like it are not seen in isolation and are being developed as part of a larger System-wide plan that invests in classrooms, residential halls, and other campus

facilities. The FY2020 Gordian (Sightlines) Annual Report indicated that over 77% of facilities across the System have not been substantially renovated in more than fifty years. Vice Chancellor Low stated that projects like the Portland Commons & CSSC are helping to address the concerns outlined in the Sightlines report. He explained that the UMS campuses will provide information on their one, five, and ten year capital plans at the May 2021 Board of Trustees meeting to further detail plans to address aging facilities concerns. There will also be information pertaining to how these capital plans roll up into one larger System capital plan and the details of how these projects fit into various revenue sources. Vice Chancellor Low stated that campus budget presentations will include information on substantial increases in E&G base funding for deferred maintenance. He also noted that the Portland Commons & CSSC project does include funding for deferred maintenance for the project and a commitment that any new net cash flow generated from the project will be reinvested back into USM facilities. Vice Chancellor Low thanked the USM team, Chancellor Malloy, and the Trustees for the work they have done over the past month to ensure that this project would be able to be brought forward again at this time for approval.

Chancellor Malloy expressed his full support and explained that the project will help to bolster retention for USM and other UMS graduates. Several Trustees spoke in support of the project and commented that this is a financially and strategically sound investment, which is in line with the Board's long-range strategic vision for the System. In articulating support for the project, Board members made clear the importance of the guaranteed maximum price, which will prevent additional future costs should labor and material prices rise. Additionally, they expressed extreme support for a System-wide plan for capital expenditures and deferred maintenance.

On a motion by Trustee Donnelly, which was seconded by Trustee Riley, and approved by a roll call of all Trustees present, the Board of Trustees authorized 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 \$93,700,000; And the Board authorized the increase in square footage of approximately 222,000 gross square feet. Funding for these buildings to come from University financing, University issued bond, Voter approved General Obligation Bonds and private Philanthropy.

The Board directed System leadership to incorporate into its ongoing monitoring of System and campus performance metrics a means of monitoring and reporting to the Board on the success of this very significant investment. Specifically, the Board requested that System leadership use data related to the purposes of the project to recommend appropriate baseline metrics and associated KPI's for Board approval concerning areas such as USM's enrollment, retention, third party partnerships, expansion of experiential learning opportunities, job placement and career development, and financial performance.

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

DATE OF NEXT MEETING

The next meeting of the Board of Trustees will be held on March 22, 2021, via Zoom.

Adjournment

Heather A. Massey for
Ellen N. Doughty, Clerk