

Board of Trustees

**REVISED
10/26/2021**

Finance, Facilities & Technology Committee

October 27, 2021 at 9:00 am

Zoom Meeting – No Physical Location Available

The public is invited to view the meeting on YouTube. The link to the Board of Trustees YouTube page can be found the Board website: <https://www.maine.edu/board-of-trustees/>

AGENDA

- 9:00am – 9:05am Call the meeting to order and Roll Call
- 9:05am – 9:40am **EXECUTIVE SESSION**
The Finance, Facilities, & Technology Committee will enter Executive Session under the provision of: 1 MRSA Section 405 6-C
- 9:40am – 9:55am
TAB 1 Parking Garage Increase Authorization, USM
- ~~9:40am – 9:55am
TAB 2 Increase Authorization, USM Center for the Arts **WITHDRAWN**~~
- 9:55am – 10:10am
TAB 3 Adaptive reuse of Coburn and Holmes Hall – Public Private Partnership Authorization, UM
- 10:10am – 10:25am
TAB 4 Talent, Research & Innovation for Maine (TRI-Maine) - Maine Jobs and Recovery Program (ME JRP)
- 10:25am – 10:40am
TAB 5 Review of IT Projects with a Value of \$250,000 or Greater
- 10:40am – 10:55am
TAB 6 Capital Projects Status Report and Bond Projects Update, UMS
- 10:55am – 11:10am
TAB 7 University of Maine System Borrowing Authority
- 11:10am – 11:30am
TAB 8 Other Postemployment Benefits (OPEB)

Action items within the Committee purview are noted in green.

Items for Committee decisions and recommendations are noted in red.

Note: Times are estimated based upon the anticipated length for presentation or discussion of a particular topic.

An item may be brought up earlier or the order of items changed for effective deliberation of matters before the Committee.

University of Maine System
Board of Trustees

AGENDA ITEM SUMMARY

NAME OF ITEM: Parking Garage Increase Authorization, USM

INITIATED BY: Patricia A. Riley, Chair

BOARD INFORMATION:

BOARD ACTION: X

BOARD POLICY:

701 Budgets - Operating & Capital
Changes in Square Footage

UNIFIED ACCREDITATION CONNECTION:

The Parking Garage will be available to any University of Maine System students, faculty and staff living in the Portland Commons and working or studying in the vicinity.

BACKGROUND:

a. Summary of the request

USM is requesting spending authorization of up to \$23,000,000 for the construction of a new parking garage on the University's Portland campus. The Board approved an initial spend of up to \$1,200,000 in March of 2020, so the current request reflects an increase in authorization of \$21,800,000. The planned June 2023 opening of a new 580-bed residence hall on the campus, as well as the loss of more than 200 spaces due to campus redevelopment and the City of Portland roundabout project, requires additional parking options for students, faculty and staff members. This request is pursuant to Board Policy 701, which requires projects with a total cost of more than \$500,000 to be considered by the Board of Trustees or its Finance, Facilities and Technology Committee. In this case, the Finance, Facilities and Technology Committee would vote to advance the project to the full Board of Trustees for consideration. This request is also pursuant to Trustee policy prohibiting increases in space without Trustee authorization.

b. Overall requested budget and funding source

The project budget is estimated at \$21,000,000 to \$23,000,000. Up to \$22 million of those costs would be financed by University of Maine System revenue bonds, with annual debt service paid by USM. Any additional costs above \$22 million would be funded through other University resources to be identified. The project budget includes approximately \$1.5 million in alternative vehicle infrastructure and traffic management improvements.

c. More detailed explanation of rationale for project and metrics for success of the project (ROI or other)

USM's currently under-construction Portland Campus Development project includes a 580-bed residence hall, informally known as Portland Commons, which will add considerable parking demand on campus. By the numbers:

- Portland Commons will add 580 beds. As part of its transportation demand management (TDM) plan, USM expects 394 residents, or 68 percent, to require a parking space.

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- Loss of the Woodbury parking lot (130), Facilities Management parking lot (41), Heat Plant parking lot (6), and the Brighton Avenue parking lot (26) would yield a total loss of 203 spaces.
- Construction of the proposed parking garage adjacent to the existing USM parking garage would eliminate 91 spaces in the current Wishcamper parking lot, resulting in a total loss plus new demand of approximately 688 spaces.
- Transition of the University of Maine Law School to 300 Fore Street reduces demand by approximately 152 spaces—reducing the total need to 536 spaces.
- USM is currently seeing reduced demand in its existing parking garage due to pandemic conditions. Even post-pandemic, based on more remote work, online classes, and implementation of TDM strategies (e.g., course schedule revision), USM expects to maintain some of the existing parking garage capacity for new demand.
- With an estimated need of 536 spaces and some level of expected vacant spaces in the existing garage, USM's proposed 510-space garage would be adequate to meet the new demand.

Success for the project would be defined by adequate parking resources for an expanded Portland campus population at a cost of construction and subsequent maintenance and operation budget that is affordable for the University.

d. Explanation of the scope and substance of the project as needed to supplement (a) and (c) above: See above.

e. Changes, if any, in net square footage or ongoing operating costs resulting from the project:

Construction of the proposed garage would add 168,508 net square feet to USM's Portland campus footprint. The University projects \$107,000 in annual operating costs and annual deposits of \$75,000 into a dedicated repair and replacement account.

f. Budget for the project and further elaboration on funding source and selection as needed to supplement (b) above:

The University has identified Revenue Bonds as the primary funding mechanism for this project. The combined annual cost of the garage would be approximately \$1.2 million. USM would fund that using a combination of the following revenue streams with noted annual revenue:

- Cell Tower rental revenue: ~\$250,000
- Pouring Rights revenue: ~\$157,000
- Solar Energy savings: ~\$300,000
- Parking fee premium for Portland Commons residents: ~\$198,000
- Increased transportation fee (+12%): ~\$134,000
- Conference revenue premium: ~\$200,000+

Should USM further expand its conference operations—a goal of the Portland Campus Development Project—additional conference revenue (beyond the \$200,000 noted above) would be utilized to reduce student parking fees.

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g. Alternatives that were considered to meet the need being addressed by this project:

USM reviewed several alternatives to the current proposal. First, the University considered the option of expanding surface parking in the current Wishcamper parking lot and in the Law Building area and providing via satellite parking the remaining spaces to satisfy the COA. Second, the University planned a larger garage with an additional floor and 127 additional spaces. USM determined that the former option would be problematic from a permitting standpoint and would rely too heavily on satellite parking, creating equity and convenience issues. USM determined the latter option, a larger garage, was not necessary given projected post-pandemic parking demand and the University's aggressive transportation demand management plan.

h. Timeline for start, occupancy and completion

The parking garage project is currently in the City of Portland's planning process, with permitting expected to enable construction of the project as early as March 2022.

i. Timeline for any further consideration or action anticipated to be needed by the Board or its committees regarding this project if full authority is not being requested from the outset: No further consideration is anticipated at this time.

j. Additional information that may be useful to consideration of the item:

USM recently hired a construction manager. The project has budgeted considerable resources for soil management given the construction site's former industrial nature. Should soil management prove less costly, the project could see additional savings from the projected \$22.8 million budget.

TEXT OF PROPOSED RESOLUTION:

That the Finance, Facilities and Technology Committee approves the following resolution to be forwarded for Board of Trustee approval at the November 15, 2021, Board Meeting.

That the Board of Trustees accepts the recommendation of the Finance, Facilities and Technology Committee, and authorizes the University of Southern Maine acting through the University of Maine System to increase the authorization by \$21,800,000 to a total of \$23,000,000 to construct a new, 510-space parking garage adjacent to the existing parking garage on the University of Southern Maine's Portland campus. Additionally, that the Board authorizes the increase in square footage of up to 168,508. Funding for this project will be from University issued Revenue bonds, and other University resources to be identified.

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UNIVERSITY OF SOUTHERN MAINE

Portland Campus Structured Parking

*Presentation to
Finance, Facilities & Technology Committee*

October 27, 2021

Background

- As part of its Portland Campus Development Project, USM is seeking authorization of up to \$23 million to build a new, 510-space parking garage located in Wishcamper Parking Lot, adjacent to the existing garage.
- USM recently hired PC Construction as Construction Manager at-risk (CMAR), and PC expects to deliver a guaranteed maximum price (GMP) for the project in December.
- **Based on confidence level in PC Construction estimate and supply chain considerations, USM is requesting full funding authorization prior to receiving the GMP.**
- Key pricing variables considered in the cost estimate include soil mitigation and foundation estimates and costs associated with City of Portland permitting process.

Background (cont'd)

- Proposed 510-space garage would reduce original design by one level (127 spaces) based on projected demand and financial considerations.
- **Garage would account for projected new parking demand related to Portland Commons Residence Hall and for surface parking spaces eliminated during construction.**
 - Construction of Portland Commons adds demand of 394 spaces (580 beds * 68%)
 - Transition of Bedford Street surface parking lot into a green quad results in a reduction of 130 spaces.
 - Elimination of other lots result in 73 additional lost spaces for a total reduction of 203 spaces due to construction
 - Construction of parking garage in Wishcamper Lot would result in 91 additional spaces lost → total new demand and lost spaces = 688
 - *Mitigating factors include departure of Maine Law (152 spaces) and Transportation Demand Management (10% or 170 spaces)*

Background (cont'd)

- **Revised design (-127 spaces) yields savings of \$1.7 million.**
 - Garage cost estimate includes expanded foundations, allowing for future vertical expansion
- Due to revised parking projections from long-term pandemic effects and departure of Maine Law, USM/UMS team believes that parking demand will remain dynamic, and that USM will be able to manage demand effectively in the post-pandemic environment.
 - *More online / hybrid classes and remote work*
 - *Opportunity for more effective course schedule management to reduce parking bottlenecks at high-demand times*
 - *Other transportation demand management opportunities*
- Smaller garage also helps mitigate concentration of campus parking on Bedford Street.

Cost Estimate

- **Most recent project cost estimate is \$22.8 million.** First estimate compiled by PC Construction and is inclusive of soft costs and contingencies.
 - Conservative approach to soil management / foundations may yield savings if contingency spending isn't required + VE opportunities
 - City permitting process creates potential for modest cost increases
- **Key budget factors:**
 - May 2021 cost estimate of \$20.0m to \$24.5m was increased from original Sullivan Lot projection based on larger Wishcamper site structure, cost inflation, different material
 - Cost drivers:
 - 510 spaces rather than 425 spaces
 - Rising materials costs (e.g., precast / steel) and labor costs
 - Soil management expenses
 - Different construction type than earlier envisioned (precast concrete vs. steel)
 - Additional costs from permitting requirements / traffic mitigation upgrades

Debt Service Payment Plan

- At current rates, USM would pay ~\$46,500 annually to service each \$1m in revenue bonds issued to fund new structured parking.
 - Therefore, at a budget of \$22m, USM would pay ~\$1.02m annually in debt service
 - Repair & Replacement account would be funded at ~\$75,000 annually pursuant to Desman facility lifecycle estimate, and maintenance & operations at ~\$107,000 for a total annual cost of ~\$1.2m to operate and finance the garage
- To fund the debt service, USM would propose utilizing a combination of revenue streams:
 - **Cell Tower rental revenue:** ~\$250,000 (existing: year one = FY21)
 - **Pouring Rights revenue:** ~\$157,000 (existing: year one = FY21)
 - **Solar Energy savings:** ~\$300,000
 - **Parking fee premium for Portland Commons residents:** ~\$198,000
 - **Increased transportation fee (12%):** ~\$134,000
 - **Conference revenue premium:** ~\$200,000+ (existing & growth)

Next Steps

- **City of Portland Planning Board Process:** USM held a formal neighborhood meeting on September 22 and participated in a Planning Board Workshop in September.
- At least one additional Workshop is expected prior to a final hearing. A traffic movement permit (TMP) is also needed, and USM is pursuing that concurrently with overall permitting.
- Condition of approval (COA) is 396 new spaces via structured parking, satellite parking or a combination of the two.
 - A 510-space garage would create 303 net new spaces; therefore, USM would need to lease 93 satellite spaces or request the City adjust its COA
- **Bid solicitation would begin in December, with groundbreaking expected in Spring 2022.** Construction schedule calls for project completion in advance of opening of the CSSC and Portland Commons Residence Hall.

Authorization Request

- In February / March 2020, UMS BOT authorized expenditures of \$400,000 for structured parking design and permitting phases.
 - Authorization included additional \$800,000 (\$1.2 million total) at Chancellor and Vice Chancellor discretion → total amount approved
- Additional BOT Authorization: In May, FFT informational presentation noted that “SPBC is projecting a need for additional authorized spending late this year prior to project bidding period.”
- Given need for additional project spending in the coming weeks and confidence that PCC has expressed in its cost estimate, **USM is requesting project approval of up to \$23 million.** Up to \$22 million of that would be funded by UMS revenue bonds, on which USM would pay annual debt service. USM would fund any amount above \$22 million with University resources.
- Note: BOT’s March 2020 financing authorization contains \$13m for the parking garage. Overall \$95m for CSSC, residence hall and garage remains sufficient, but allocated differently with no CSSC financing.

Site Selection – Wishcamper Location

- In August 2020, USM/UMS selected Desman Design Management through a competitive procurement process as design consultant and advisor to Structured Parking Building Committee (SPBC).
- Desman's services began with a site analysis and conceptual design and includes permitting advisory and design services from schematic design through project completion.
- Site analysis: Desman reviewed four sites to locate structured parking on USM's Portland Campus: Law School parking lot; Wishcamper parking lot; Falmouth Street parking lot; Sullivan Gym.
- Recommended Wishcamper site / extension of existing garage.
 - Does not displace existing uses; maintains key campus areas for future development
 - Limited neighborhood impact; preserves proximity to Portland Commons
 - Limited impact from massing and light trespass

Site Analysis – Locations



Proposed Parking Garage – Entry View



Proposed Parking Garage – Glickman View



University of Maine System
Board of Trustees

AGENDA ITEM SUMMARY

NAME OF ITEM: Increase Authorization, USM Center for the Arts

INITIATED BY: Patricia A. Riley, Chair

BOARD INFORMATION:

BOARD ACTION: X

BOARD POLICY:

701 Budgets – Operating & Capital

UNIFIED ACCREDITATION CONNECTION:

USM's proposed Center for the Arts would be a Portland-located, state-of-the-art music facility that could serve music students throughout the University of Maine System.

BACKGROUND:

a. Summary of the request

The University of Southern Maine is seeking authorization to spend up to \$3.2 million of additional existing philanthropic funds to advance the University's Center for the Arts (CFA) project. The Board authorized \$1,000,000 at the January 2018 meeting; the current authorization would bring the total to \$4,200,000. The University has completed schematic design for the CFA and the requested authorization would enable the project to advance through the design development and construction documents phases. USM's proposed CFA is a long-planned project with considerable donor support that would relocate the Dr. Alfred and D. Suzi Osher School of Music from its current Gorham campus home in Corthell Hall to a newly constructed, state-of-the-art music building on USM's Portland campus.

b. Overall requested budget and funding source

USM proposes to spend up to \$3.2 million of existing philanthropic resources dedicated to the CFA. This is in addition to the \$1 million already authorized for schematic design.

c. More detailed explanation of rationale for project and metrics for success of the project (ROI or other)

In proposing the new facility, USM envisions several key developments:

- Short-term growth of Osher School of Music enrollment of approximately 30 percent, representing an increase of approximately 40 students over the current 140-student enrollment. Music majors already have a high retention rate, and the Music Department expects that the new building would drive recruitment and retention, with a longer-term enrollment goal of 232 students.
- Replacement of inadequate facility that is a detriment to recruitment and retention with a new, intentionally designed facility that would draw renewed attention to USM's exceptional music program.

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- Allows for repurposing of Corthell Hall, a significant historic asset for the University but not a suitable home for a modern school of music. While the building is not suited to housing the Osher School of Music, repurposing Corthell would enable USM to add another lecture hall on its Gorham campus, a dance studio, classrooms and administrative space into which the University would likely transition Art and Theatre Department faculty offices.

d. Explanation of the scope and substance of the project as needed to supplement (a) and (c) above

As currently designed, USM's proposed CFA would be approximately 34,000 square feet. There is no planned corresponding reduction in facility square footage, and the University estimates operating costs at approximately \$200,000 annually.

e. Changes, if any, in net square footage or ongoing operating costs resulting from the project

Over the years, the proposed Center for the Arts has had multiple iterations. Most recently, in USM's 2019 BOT-approved master plan, the project included a 1,000-seat theatrical performance hall, a 600-seat music theater, a black box theater, and a fine arts gallery space. Over the past two years, USM determined that the project, as envisioned, would have been cost-prohibitive and worked with its architectural partner, Pfeiffer, to revise the facility such that it would fit the \$65 million facility authorized by the Board of Trustees in 2018 and within USM's realistic budget. The current structure no longer includes a 1,000-seat performance hall or 600-seat music theater but rather contains a 200-seat performance hall that would be suitable to most Osher School of Music performances. The proposed CFA maintains a fine arts gallery space that would be centrally located in the building, serving as a perpendicularly-oriented lobby and gallery.

f. Budget for the project and further elaboration on funding source and selection as needed to supplement (b) above)

USM has budgeted \$3.2 million for design development and construction document phases of the project. The USM/UMS team has estimated the total project cost at \$40 million to \$46 million. Key variable factors that could affect the estimate include costs of materials (primarily steel and lumber) and labor as well as value engineering opportunities and other construction efficiencies realized by the to-be-hired construction manager. USM would fund the project with philanthropy and other University resources to be determined.

g. Alternatives that were considered to meet the need being addressed by this project

Under prior administrations, USM considered extensive renovations to Corthell Hall.

h. Timeline for start, occupancy and completion

If approved, the USM/UMS team and Pfeiffer would advance the project to its design development phase, with a goal of completing the latter and construction documents over the next 12 months.

i. Timeline for any further consideration or action anticipated to be needed by the Board or its committees regarding this project if full authority is not being requested from the outset

Following the design development and construction document phases, for which USM is seeking authorization, USM would return to the Board to seek authorization to proceed to construction of the CFA.

j. Additional information that may be useful to consideration of the item

In addition to enthusiasm within the USM community for the CFA project, there is considerable donor support. To date, the USM Foundation has raised more than \$17.1 million, and it expects to raise at least \$8.4 million over the next 21 months.

TEXT OF PROPOSED RESOLUTION:

That the Finance, Facilities and Technology Committee, approves the following resolution to be forwarded for Board of Trustee approval at the November 15, 2021, Board Meeting.

That the Board of Trustees accepts the recommendation of the Finance, Facilities and Technology Committee, and authorizes the University of Southern Maine acting through the University of Maine System to expend an additional \$3,200,000 to complete the design development and construction documents phases of the proposed Center for the Arts on the University of Southern Maine's Portland campus. With the current request, the total authorized for this project will be \$4,200,000. The funding source will be existing philanthropic funds dedicated to creation of the Center for the Arts.

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Presentation To the UMS Board of Trustees FFT Committee
October 27, 2021



A New Home for the Dr. Alfred and D. Suzi Osher School of Music

- Signature Program of Excellence
- Increases enrollment and retention
- Wide impact on Maine's K-12 music education workforce – multiple Teacher of the Year awards
- Many acclaimed graduates – performing in the Metropolitan Opera, Broadway, and around the world, including Grammy & Tony Award winners
- Robust community & philanthropic support

Trustee Approvals to Date

- 2017** UMS BOT approved an \$80M comprehensive campaign for USM that included a \$65M Center for the Arts (CFA) on the Portland campus
- 2018** Trustees authorized spending of \$1M philanthropic dollars for Phase I of CFA project, conceptual and schematic design
- 2019** Trustees approved USM Master Plan, including CFA in Portland; USM Foundation (USMF) initiated campaign planning study
- 2020** USMF launched comprehensive campaign quiet phase with an adjusted campaign goal of \$46M, including \$15M CFA philanthropic goal
- 2021** CFA Phase I completed; USMF has raised \$17.1M for CFA in 15 months

Current request: BOT authorization to expend up to \$3.2M on CFA Phase II, design development and construction documents using philanthropic dollars in hand

A moment of tremendous opportunity and momentum

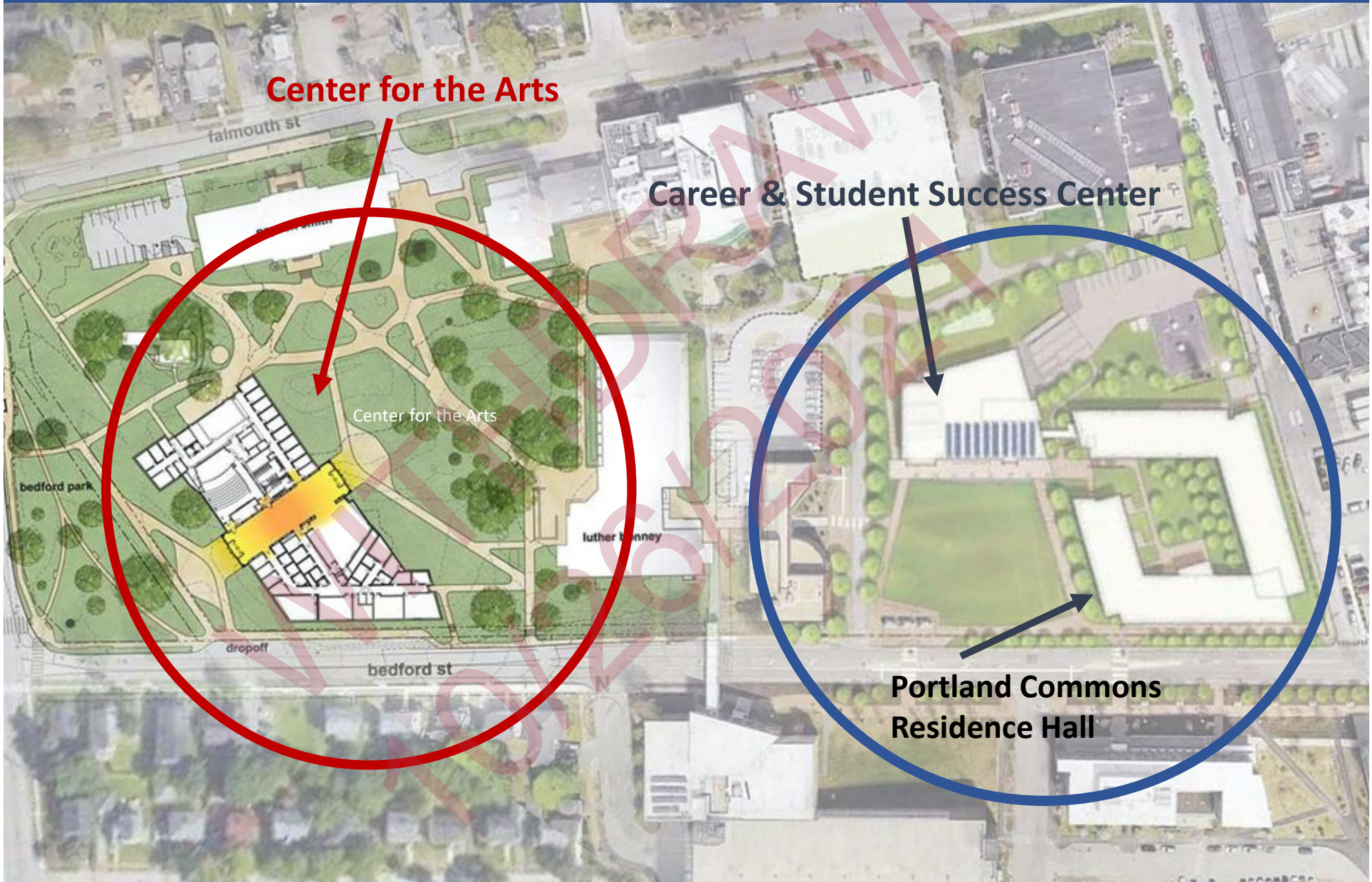
- **Unprecedented fundraising success** – \$17.1M raised in 15 months (+ at least \$3.5M bequest)
 - **Energized donors and community influencers** who have long-supported creation of the CFA (past three decades)
-
- Total projected philanthropic support: \$25M+
 - With each new gift and BOT authorization, milestones are achieved and the project gains additional donor momentum
-

“I was hoping it would come while I could see it. It means so much to me.”

- Mrs. Suzi Osher, commenting to President Cummings about the Center for the Arts



Portland Campus Transformation Projects





Center for the Arts Project Cost Estimate/ Funding Request

- \$40-46M* project working estimate
- \$3.2M authorization request would enable USM to complete design development and construction document phases

**Authorization would enable USM to advance project to shovel-ready status → would provide further precision on overall project costs & strengthen philanthropic momentum, potential. Key pricing variables include costs for materials (e.g., steel and lumber) and labor, plus possible savings from CM efficiencies.*



Context within Portland Campus Transformation Projects

Portland Commons Residence Hall – \$72.8M

- Financed by UMS revenue bonds, with funding from USM debt service payments
- Combined project is year-one cash flow positive, with > \$500,000 in revenue @ 95% capacity

Career & Student Success Center – \$26.6M

- \$19M investment from the bond
- \$5M in philanthropy - \$1.1M secured, \$4.5M in pending requests
- \$2.6M from University resources

Corthell Hall is an inadequate home for the Osher School of Music but could be effectively repurposed

Transitioning the Osher School to Portland would significantly upgrade USM's music instruction/ performance space and provide much needed classroom, studio, and administrative space on the Gorham campus.

For music, Corthell presents facilities challenges:

- Lack of sound isolation between spaces
- Inadequate space, acoustics, technology
- Logistical challenges for large musical instruments and equipment
- Inferior to many high school music facilities
- Less accessible to audiences





Benefits of a New, Purpose- Built Facility

- Supports talent recruitment goals and interdisciplinary academics
- Sound isolation throughout
- The latest technology and acoustics
- Functional one-floor layout
- Strategic location – expanded visibility and audiences
- Student & community-focused building with full-year potential

Impact: Enrollment

Nationally, universities that have built comparable facilities have seen significant enrollment growth:

- After Western Connecticut State University opened its new arts facility in 2014, they reported growth of **40%** (29% growth sustained even in pandemic)
- The Greenwood School of Music at Oklahoma State University reported a **15% increase in total undergraduate enrollment** in its first year after opening (despite the pandemic) and had far more graduate applicants than the previous year.

Osher School of Music Enrollment Growth Objectives:

- **Short Term Goal:** Increase music enrollment by 30%
- **Longer Term Goal:** Grow to ideal size of 232 students from current enrollment of ~140

Impact: Retention

Retention and persistence rates for USM's arts and music programs are high and have remained consistent over time:

For 2017, 2018, 2019 entering cohorts:

- **Engineering** – First time in college (FTIC) 70%; Transfer 81.5%
- **Music** – FTIC 91%; Transfer 83%

An investment in music and arts students is an investment in students who succeed at USM and benefit Maine and beyond.

Importance of Authorization

- Enables key project next steps
- Utilizes in-hand philanthropy to advance project and demonstrate continued progress
- Provides a cue that will strengthen current philanthropic momentum

USM requests authorization to expend up to \$3.2 million to advance the CFA project to shovel-ready status



University of Maine System
Board of Trustees

AGENDA ITEM SUMMARY

NAME OF ITEM: Adaptive reuse of Coburn and Holmes Hall – Public-Private Partnership Authorization, UM

INITIATED BY: Patricia A. Riley, Chair

BOARD INFORMATION:

BOARD ACTION: X

BOARD POLICY:

701 – Budgets, Operating & Capital

802 – Disposition of Real Property

UNIFIED ACCREDITATION CONNECTION:

N/A

BACKGROUND:

a. **Summary of the request:**

The University of Maine System acting through the University of Maine (UM) requests authorization to complete negotiations and enter into a Definitive Agreement for a public private partnership (P3) with Radnor Property Group LLC (Radnor or Developer). The P3 agreement will include a ground lease of the properties surrounding Holmes and Coburn Halls and the buildings proper for 99-years with ownership returned to UM at the end of the 99 years and with purchase options after 25, 50, and 75 years. The result of the P3 will be the adaptive reuse of Coburn Hall and Holmes Hall, unused facilities on the Orono Campus, into a combined 93-bed on-campus boutique hotel. To complete the reuse Project, the development team proposes to renovate both buildings as well as build an addition of approximately 24,800 square feet to Holmes Hall. The Developer is estimating this endeavor to cost approximately \$22 million. Annual rent paid to the University will begin at \$30,000 with a 5% escalation factor every five years.

This request is pursuant to Board Policy 802, Disposition of Real Property, which requires leases with a total value of \$100,000 or more or a term of 5 years or more to be considered by the Board of Trustees or its Finance, Facilities and Technology Committee. In this case, the request is for the committee to approve and forward to the full Board for consideration. This request is also pursuant to Board Policy 701, Budgets, Operating & Capital. The total Project costs are estimated to be \$22 million. The Developer intends to obtain both historic tax credits and new market tax credits to reduce the amount of up front capital they will need. Since the eligibility of the new market tax credits for the Project is not certain, the University agrees to contribute up to \$1.7 million in funding should those credits prove unavailable. The university would cover these costs through auxiliary reserves and annual capital budgeted expenditures.

b. **Overall requested budget and funding source:**

As this Project is structured to be a P3 project, the funding for the design, renovation and construction will be through the Developer. In accordance with the executed, non-binding Letter of Intent dated June 25, 2021, and subsequent Amendment dated August 25, 2021, if

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UM elects to not proceed with the Project during the negotiation period, UM must reimburse the Developer for its third-party due diligence costs, capped at \$500,000 until the Project is approved by the Board of Trustees. Once the Definitive Agreement is executed and as described in (a.) above, the university will be committed to cover up to \$1.7 million should the Developer not succeed in obtaining new market tax credits for the project. This would bring the total amount of potential University funds to \$2 million, including University incurred consulting and legal expenses for the Project. Should this happen, the University proposes to cover the expenses with auxiliary reserves and annual capital budgeted expenditures.

c. More detailed explanation of rationale for project and metrics for success of the project:

Through a study performed by P3 consultant, Brailsford & Dunlavey, it was determined that a hotel concept delivered by way of a public-private partnership which would allow the use of federal and state Historic Tax credits was both economically viable and strategically beneficial.

Radnor engaged Pinnacle Group to perform a Market Survey in July and August of 2021. The results were overall positive with Pinnacle projecting a slightly higher average daily room rate (\$124 vs \$120) and a slightly lower occupancy rate (67% vs 70%) versus Radnor's underwriting. The Survey indicates that it will be unlikely that the University will have to financially backstop The Project.

Radnor continues to be responsible for ensuring the viability of the hotel.

d. Explanation of the scope and substance of the project as needed to supplement (a) and (c) above:

Beginning in December 2020, the University sought qualified responses through RFP #2021-017 University of Maine (UMaine) Public Private Partnership (P3) for Historical Buildings Redevelopment for Office and Hotel concepts. Upon completion of the selection process the University of Maine Project Team awarded the RFP to Radnor Property Group, LLC for the renovation of Coburn Hall and Holmes Hall and construction of a 24,800 square foot addition to Holmes Hall for a combined 93-bed on-campus boutique hotel.

Radnor Property Group, LLC and the University are operating under a Letter of Intent / Term Sheet that will terminate upon execution of the Definitive Agreement OR the date of construction / renovation commencement in February of 2022 with substantial completion April 30, 2023 and opening June of 2023.

e. Changes, if any, in net square footage or ongoing operating costs resulting from the project:

The Project is expected to include an addition to Holmes Hall of approximately 24,800 square feet. The terms of the partnership include a ground lease of these facilities and the surrounding site to Radnor (ground lease shall include 10 foot border surrounding Colburn, Holmes and the addition to Holmes), effectively reducing the University's footprint for the term of the lease. The University may agree to continue some level of services (for example mowing) for the site. In the event that The Project does not achieve projected Net Operating Income (NOI) on an annual basis, the University will provide financial support to The Project. This support will be in the form of a room guarantee and will be capped at 3,750 rooms (calculated at the average daily room rate submitted in The Project's pro forma). The

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cap for the University for the first year of operations is \$450,000. This University support will be in effect for the first 25 years of the lease. Currently, UM incurs approximately \$100,000 in annual operating costs to maintain Coburn and Holmes Halls in their current vacant state.

The terms of the agreement also include an opportunity for additional rent income. In the event the Project exceeds financial projections, the University will participate in additional rent income by receiving 15% of the Net Operating Income in excess of projections.

The expectation is that the annual internal costs for the maintenance and operation of these facilities will go away, and the University will benefit from the adaptive reuse of them.

- f. **Budget for the project and further elaboration on funding source and selection as needed to supplement (b):**
Funding for the development Project will be provided by Radnor through various sources including but not limited to private equity, debt as well as federal and state historic tax credits. Radnor has provided Project pro-forma projections and business plans indicating positive cash flow for the properties beginning no later than the second year of operations.
- g. **Alternatives that were considered to meet the need being addressed by this project:**
As described in (c.) above.
- h. **Timeline for start, occupancy and completion:**
Radnor anticipates executing the Definitive Agreement no later than November of 2021. Construction would begin in February of 2022 with completion in spring of 2023 and opening in summer of 2023.
- i. **Timeline for any further consideration or action anticipated to be needed by the Board or its committees regarding this Project if full authority is not being requested from the outset.** At this time, no additional consideration is anticipated to be needed.
- j. **Additional information that may be useful for consideration of the item.**
The current Net Asset Value (NAV) and Renovation Age for the buildings are as follows:
Coburn NAV -13%; renovation age 120;
Holmes NAV 14%; renovation age 120.
Upon completion of the renovation and new construction, the facilities will be reset to nearly 100% NAV and 0 renovation age, however as leased properties they will not be included in the University's annual facility benchmarking. The Definitive Agreement will include a requirement for maintenance of the new facilities at a First-Class Condition through the life of the Project and will be transferred to the university in such condition upon termination of the agreement.
- k. **Additional due diligence performed since July 26, 2021 Board Meeting when the Board of Trustees approved continuation of due diligence for this transaction:**
Radnor engaged Pinnacle Group to perform a Market Survey in July and August of 2021. The results were overall positive with Pinnacle projecting a slightly higher average daily room rate (\$124 vs \$120) and a slightly lower occupancy rate (67% vs 70%) versus Radnor's underwriting. The Survey indicates that it will be unlikely that the University will have to financially backstop The Project.

10/15/2021

In addition to the buyback option at 75 years (as defined in the LOI dated July 25, 2021) the University has negotiated two additional buyback options for 25 and 50 years. These 25 year options are reset in the event of a permitted transfer however the University benefits from a Right of First Offer (ROFO) Clause.

TEXT OF PROPOSED RESOLUTION:

That the Finance, Facilities, and Technology Committee, approves the following resolution to be forwarded for Board of Trustee approval at the November 15, 2021 Board Meeting:

That the Board of Trustees authorizes the University of Maine System acting through the University of Maine to pursue a public private partnership through a 99-year ground lease and Definitive Agreement with Radnor Property Group, LLC for the building redevelopment of Coburn Hall and Holmes Hall, a 24,800 square foot addition to Holmes Hall, and to expend the amount of up to \$2,000,000 for the development and University incurred consulting and legal expenses for the Project. All final terms and conditions shall be subject to review and approval by General Counsel and the University Treasurer.

10/15/2021



Adaptive Reuse of Historic Coburn and Holmes Halls



FFT Meeting
October 27, 2021



Terms of Engagement with Radnor

UMaine signed a term sheet with Radnor on June 25, 2021 that outlines the terms to be included in definitive agreements

UMaine continues to negotiate terms of definitive agreements with Radnor, including:

- Coburn/Holmes Halls will continue to be leased to Radnor Property Group for 99 years
- As previously negotiated, in the event that Radnor opts to sell the asset, UM/UMS will have the right of first refusal for purchase
- Previously it was negotiated that UM/UMS will have the option to buyout the project at 75 years and the parties would work to identify additional buyout times to be identified in definitive agreements
 - Currently negotiated at Years 25, 50, and 75
- Radnor brings a combined \$22M in equity and tax credits to fund the total project costs (assumes that the project is awarded \$1.7M in New Market Tax Credits; it is still assumed that in the event the project is not awarded NMTC, UM would have to fill the funding gap)
- UM guarantee; In the event that the project does not achieve underwritten net operating income, it is still assumed that UM will fund the gap, from auxiliary operations, up to a cap of \$450k for the first year of operations; the UM guarantee will cease to be in effect after 25 years



New Market Tax Credits

- The eligibility of the new market tax credits for the Project continues to be uncertain.
- Should those credits prove unavailable, The University commitment to contribute a maximum of \$1.7M in funding remains.
- The University would cover these costs through auxiliary reserves and annual capital budgeted expenditures.
- If credits are not obtained prior to financial close, there is a possibility of receiving New Market Tax Credits at the next Allocation in 2022, in which case the University contribution would be reimbursed.
- Currently Radnor anticipates that the likelihood of UMaine subsidy is 50%.
- Latest financial model assumes \$1.06M contribution from UMaine.



Risk Assessment

- Coburn and Holmes Halls have significant deferred maintenance (\$6M and \$4.4M respectively) that exceeds their replacement value*, resulting in a negative Net Asset Value.
 - UMaine currently operates the facilities at a loss of \$100,000 annually. As historic facilities, likelihood of demolition is low.
- The total project cost of replacing these facilities as an additive benefit to UMaine is \$22M
- The likely exposure to UMaine is \$2M to cover anticipated gap in New Market Tax Credits (NMTCs; \$1.7M) and consultant expenses.
 - Additionally, the annual backstop of \$450k is a potential exposure.

**Source: The Gordian Company, formerly Sightlines*



Risk Assessment

Additional considerations of which UMaine has negotiated limited risk, include:

If project under performs or performs in a stressed condition:

the University backstop is capped at \$450,000 (Year 1) plus an average inflation of 3% per year.

If the project under performs, at 40% or less occupancy, for two or more consecutive lease years:

the Lessee can request conversion of the project to an alternate use for consideration by the University.

If the project defaults:
there is no recourse to the University



Benefits to the University



This limited exposure allows for Coburn and Holmes to operate as a benefit to the University campus, in which Radnor Property Group will:

- Eliminate deferred maintenance through the renovation / addition of these historic facilities which are otherwise on the long term list for demolition.
- Maintain a positive Net Asset Value throughout the term of the ground lease
- Manage and operate the boutique hotel facility, the first for any UMS campus, with on campus accommodations for people visiting the University for work, athletics, or entertainment purposes
- Generate catering revenue for Auxiliary Services
- Contribute a ground lease of \$30,000 to UMaine annually (increasing 5% every 5 years) while eliminating current loss of \$100,000 annually to University
- Potentially allocate additional revenue to UMaine should underwritten projections be exceeded (15% of additional Net Operating Income)

Source: The Gordian Company, formerly Sightlines



NEXT STEPS



- FFT/BOT Authorization
- Come to terms with Radnor on ground lease
- Come to terms with Radnor and Maine Course Hospitality on cooperation agreement
- Monitor design progress
- Achieve financial close before Q2 2022
- Monitor construction process
- Open doors ahead of commencement in May 2023



Resolution

...to pursue a public private partnership through a 99-year ground lease and Definitive Agreement with Radnor Property Group, LLC for the building redevelopment of Coburn Hall and Holmes Hall, a 24,800 square foot addition to Holmes Hall, and to expend the amount of up to \$2,000,000 for the development and University incurred consulting and legal expenses for the Project...

University of Maine System
Board of Trustees

AGENDA ITEM SUMMARY

NAME OF ITEM: Talent, Research & Innovation for Maine (TRI-Maine) – Maine Jobs and Recovery Program (ME JRP)

INITIATED BY: Patricia A. Riley, Chair

BOARD INFORMATION: X

BOARD ACTION:

BOARD POLICY:

UNIFIED ACCREDITATION CONNECTION:

n/a

BACKGROUND:

The University of Maine System will invest the \$35 million Maine Jobs & Recovery Plan funds to accelerate the talent development, research and innovation necessary for Maine's equitable recovery, long-term economic growth and global competitiveness. Vice Chancellors Low and Ferrini-Mundy will update the Finance, Facilities & Technology Committee on the status of the project.

10/15/2021

Maine Jobs & Recovery and UMS Talent, Research & Innovation (TRI) Maine Plan Implementation Update

*Joan Ferrini-Mundy, Vice Chancellor for Research & Innovation
Ryan Low, Vice Chancellor for Finance & Administration*



Maine Jobs & Recovery Plan (MJRP) – Background

- Governor Mills’ plan to invest State’s share of \$1.1B in American Rescue Plan Relief, required legislative approval (LD 1733/PL 2021, Ch. 483)
- Focuses on recovery from pandemic, long-term economic growth and infrastructure revitalization
- Provides UMS \$35M directly and other opportunities for funding, partnership (e.g. forest products and aquaculture innovation, healthcare workforce development)

UNIVERSITY OF MAINE SYSTEM, BOARD OF TRUSTEES OF THE		
Educational and General Activities - UMS 0031		
Initiative: Provides one-time funding to support workforce development plans designed to meet the needs of workers and students, as well as employers and industries, especially those most affected by the COVID-19 pandemic, and economic needs that are in demand and required for other economic opportunities.		
FEDERAL EXPENDITURES FUND - ARP STATE	2021-22	2022-23
FISCAL RECOVERY		
All Other	\$15,000,000	\$20,000,000
FEDERAL EXPENDITURES FUND - ARP STATE	\$15,000,000	\$20,000,000
FISCAL RECOVERY TOTAL		





UMS Key Considerations In Selecting TRI-Maine Projects

- Consistency with what we understood to be Congressional intent in passing American Rescue Plan and with *currently available* federal guidance
- Alignment with State’s 10-year economic and Maine Jobs & Recovery plans, recovery committee recommendations, Climate Action Plan, etc.
- Alignment with UMS strategic priorities, unified accreditation, R&D plan
- Ability to leverage other investments, especially UMS TRANSFORMS
- Rapid ROI for all of Maine and our students
- Fit and eligibility (federal and state)



Talent, Research & Innovation for Maine (TRI-Maine)

Proposed Project	Tentative MJRP Request
University of Maine Green Engineering and Materials Factory of the Future (GEM)	\$15M (\$750K*)
University of Maine System Talent, Research & Innovation Small Campus Competition	\$4M (\$2M*)
University of Maine Sustainable Aquaculture Workforce and Innovation Center	\$3.5M (\$165K*)
University of Maine Aroostook Farm Research and Education Center	\$3M (\$150K*)
University of Maine Food Innovation Cluster Food Quality Laboratory	\$2.5M (\$125K*)
University of Maine System Solutions for Maine Research, Development and Innovation Hub	\$2.5M (\$125K*)
University of Maine System Rural Career Pathway Center	\$1.5M (\$75K*)
University of Southern Maine Michael E. Dubyak Center for Digital Science and Innovation	\$1.5M(\$125K*)
University of Maine at Farmington Sweatt-Winter Early Childhood Education Center	\$1M (\$100K*)
University of Maine at Machias/Marine Science Field Station at Downeast Institute	\$500,000* <small>*Set-aside for paid student internship/work experience opportunities</small>



Making the Business Case

- UMS must submit a business case for each project to the State for determination of alignment and eligibility. Part I due 10/29 and must:
 - Describe specific public health and/or economic impacts of the pandemic and how the project would directly address them.
 - Describe how the project is allowable per federal guidance.
 - Detail alignment with the recommendations of the Governor's Economic Recovery Committee.
 - Overview project milestones, timing considerations and partners.
- For UMS internal consideration, business case must also overview alignment with System strategic priorities and investments including HAF, status of necessary BOT and other approvals and funding needed to start and sustain project.

From U.S. Treasury Draft Guidance

“...consider whether and how the use would respond to the COVID-19 public health emergency. Assessing whether a program or service ‘responds to’ the COVID-19 public health emergency requires the recipient to, first, **identify a need or negative impact of the COVID-19 public health emergency and, second, identify how the program, service, or other intervention addresses the identified need or impact.** While the COVID-19 public health emergency affected many aspects of American life, eligible uses under this category must be in response to the disease itself or the harmful consequences of the economic disruptions resulting from or exacerbated by the COVID-19 public health emergency... Recipients should also consider whether impacts were due to the COVID-19 pandemic, as opposed to longer-term economic or industrial trends unrelated to the pandemic.”



\$4M TRI-Maine Small Campus Initiative

- UMA, UMF, UMFK, UMM, UMPI, USM and Maine Law eligible
- Intended for innovative initiatives that directly support student career preparation, retention and success in areas of key state workforce need (healthcare, education, engineering, etc.)
- Project must improve equity, reduce disparities and/or increase diversity
- Multi-campus proposals strongly encouraged (and can include UMaine)
- Request for ideas and their alignment to goals and eligibility of this process was due 10/20 to inform business case development



Key Considerations of Pandemic's Impact

- Public health and economic impacts of the pandemic have fallen most severely on communities and populations disadvantaged before it began – low-income, BIPOC, rural, etc.
- All Maine students' education has been disrupted, getting them back on-track vital to Maine economy and their own social mobility.
- Still fewer jobs than before pandemic, those remaining require higher education and skills.
- Efforts in UMS universities to keep advancing state-relevant R&D slowed during the pandemic as attention turned to helping the state with response.
- Significant number of Maine households have faced food and housing insecurity, and pandemic disrupted food and materials supply chains short- and long-term.
- State economic recovery and equitable long-term growth depends on a talented workforce prepared in the context of cutting-edge instruction and R&D.



Your Questions



University of Maine System
Board of Trustees

AGENDA ITEM SUMMARY

NAME OF ITEM: Review of IT Projects with a Value of \$250,000 or Greater

INITIATED BY: Patricia A. Riley, Chair

BOARD INFORMATION: X

BOARD ACTION:

BOARD POLICY:

N/A

UNIFIED ACCREDITATION CONNECTION:

N/A

BACKGROUND:

Dr. David Demers, Chief Information Officer, will provide information on the following projects with a value of \$250,000 or greater:

- Repaving MaineStreet
- Classrooms for the Future
- Web Conferencing
- MaineStreet Improvements
- VoIP – UMF
- VoIP – UMPI
- VoIP – USM
- Wireless Infrastructure

10/15/2021

US:IT Project Status Reports

Report Date	October 8, 2021
Report Period	August 31, 2021 - October 7, 2021

PROJECT NAME:	Repaving MaineStreet		(Link to full report)		
Project Summary Update	The project is in the initiating phase and is currently focused on compiling prioritized opportunities identified during the ERP Assessment, conducting demos of Oracle’s Finance and HCM Cloud platforms, and preparing for an RFQ process to select a project implementation partner.				
Sponsor	Original End Date	Current End Date	Total Approved Budget	Current Budget Balance	% Complete
David Demers	December 2026	December 2026	\$16,800,000	\$16,800,000	0%
Project Health	Overall ■ Budget ■ Schedule ■ Risk ■				
Tasks Completed During Last Period	<ul style="list-style-type: none"> • Consultations with functional area leads for HR, Finance, and Student systems were conducted to verify the level of priority assigned to opportunities identified during the ERP Assessment. 				
Upcoming Tasks/Milestones	<ul style="list-style-type: none"> • Demos of Oracle’s Finance and HCM cloud platforms. • Kick-off RFQ process to select a Repaving MaineStreet Implementation Partner that will work with the UMS during all phases of the initiative including planning, business process review, design, build, validation, transition, and initial post-go-live support. 				
Current Issues / Risks	<ul style="list-style-type: none"> • N/A 				

PROJECT NAME:	Classrooms for the Future		(Link to full report)		
Project Summary Update:	<p>Classroom reassessments have started on all rooms that are 95% complete. Maintenance reports will be completed for the remaining campuses, and final reports will be completed for all campuses once the overall project has been completed and classroom reassessments have taken place.</p> <p>Equipment will also be ordered for the UMA and UMaine campuses with remaining contingency funds once rooms are selected on each campus within the next two weeks.</p>				

Sponsor	Original End Date	Current End Date	Total Budget	Budget Committed	% Complete
	12/2019	12/2021	\$4,945,075	\$4,945,075	99%
Project Health	Overall ■ Budget ■ Schedule ■ Risk ■				
Tasks Completed During Last Period	<ul style="list-style-type: none"> UMPI contingency fund equipment installations 				
Upcoming Tasks/Milestones	<ul style="list-style-type: none"> Classroom reassessments Maintenance reports Contingency fund room selection at UMA and UMaine Contingency fund equipment installations at UMA and UMaine 				
Current Issues / Risks	<ul style="list-style-type: none"> Potential delays in shipping and equipment shortages due to higher equipment demand 				

PROJECT NAME:	Web Conferencing		(Link to full report)		
Project Summary Update:	Web conferencing installations have been completed at all campuses. Reassessments have started on all rooms currently at 95% complete. Once these have been completed, the project will be closed.				
Sponsor	Original End Date	Current End Date	Total Budget	Budget Balance	% Complete
	12/31/21	12/31/21	\$2,563,650	\$191,800	99%
Project Health	Overall ■ Budget ■ Schedule ■ Risk ■				
Tasks Completed During Last Period	<ul style="list-style-type: none"> Completion of web conferencing installations 				
Upcoming Tasks/Milestones	<ul style="list-style-type: none"> Classroom reassessments Project closeout 				
Current Issues / Risks	<ul style="list-style-type: none"> N/A 				

PROJECT NAME:	MaineStreet Improvements				(Link to full report)	
Project Summary Update:	The HCX Implementation Project teams are currently coordinating and conducting closeout activities and the support and maintenance of the Student Center have transitioned from project to production mode. The next phase of the MaineStreet User Experience Enhancements project is to implement Highpoint’s Schedule Builder module, for which the team is currently conducting initial planning.					
Sponsor	Original End Date	Current End Date	Total Budget	Budget Balance	% Complete	
	January 2018	August 2021 <i>Completion date for full launch of HCX to all UMS students</i>	\$1,148,237	\$623,479	99%	
Project Health	Overall ■ Budget ■ Schedule ■ Risk ■					
Tasks Completed During Last Period	<ul style="list-style-type: none"> • Testing and technical application of HCX point release updates, alongside PUM regulatory updates in September • Technical assessment and problem solving to address unanticipated vendor changes to software 					
Upcoming Tasks/Milestones	<ul style="list-style-type: none"> • Coordination of HCX implementation project closeout activities, including Lessons Learned sessions with technical and functional teams • Initial planning for implementation of HighPoint Schedule Builder module 					
Current Issues / Risks	<ul style="list-style-type: none"> • None 					

PROJECT NAME:	UMF VoIP				(Link to full report)	
Project Summary Update:	There has been no change since the previous report. Delays in availability of electronics have impacted final completion tasks. Estimated ship dates are currently in December.					
Sponsor	Original End Date	Current End Date	Total Budget	Budget Committed	% Complete	
Jeffrey Letourneau	9/2021	12/2021	\$499,000	\$484,215	99%	
Project Health	Overall ■ Budget ■ Schedule ■ Risk ■					
Tasks Completed During Last Period	<ul style="list-style-type: none"> • None 					

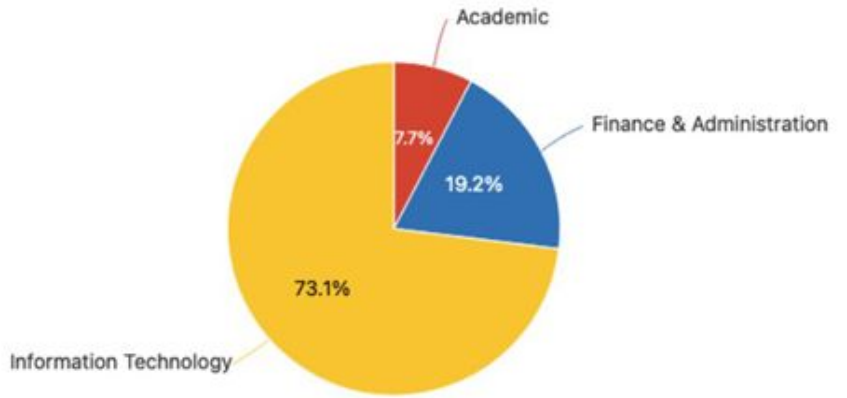
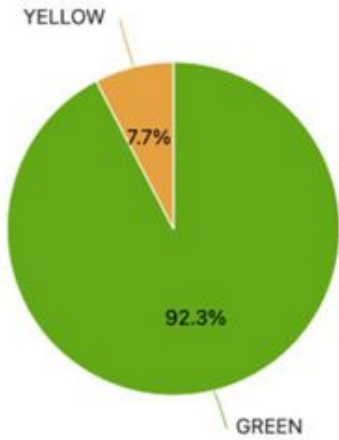
Upcoming Tasks/Milestones	<ul style="list-style-type: none"> • Receipt and payment for final phone order
Current Issues / Risks	<ul style="list-style-type: none"> • Delays in availability of electronic components

PROJECT NAME:	UMPI VoIP	(Link to full report)			
Project Summary Update:	Work on this project is complete. We are awaiting final invoices to close the project budget.				
Sponsor	Original End Date	Current End Date	Total Budget	Budget Balance	% Complete
Jeffery Letourneau	9/2021	12/2021	\$291,000	\$289,760	100%
Project Health	Overall ■ Budget ■ Schedule ■ Risk ■				
Tasks Completed During Last Period	<ul style="list-style-type: none"> • None 				
Upcoming Tasks/Milestones	<ul style="list-style-type: none"> • Payment of final invoices 				
Current Issues / Risks	<ul style="list-style-type: none"> • None 				

PROJECT NAME:	USM VoIP	(Link to full report)			
Project Summary Update:	Little progress was made on this project since the previous report as most of our personnel have been addressing telecom tickets and user needs as they returned to campus for the start of the semester.				
Sponsor	Original End Date	Current End Date	Total Budget	Budget Balance	% Complete
Jeffery Letourneau	9/2022	9/2022	\$809,000	\$622,190	76%
Project Health	Overall ■ Budget ■ Schedule ■ Risk ■				
Tasks Completed During Last Period	<ul style="list-style-type: none"> • Migrated analog lines in several buildings as opportunities were presented 				
Upcoming Tasks/Milestones	<ul style="list-style-type: none"> • Continue migration of remaining extensions 				

Current Issues / Risks	<ul style="list-style-type: none"> • Delays in availability of electronic components may impact project schedule • Capacity of human resources to complete project work is diminished during time of high ticket creation.
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PROJECT NAME:	Wireless Infrastructure		(Link to full report)		
Project Summary Update:	Work is complete at all campuses except USM where core fiber upgrades are underway. Since we recently learned that plans to move USM's LAC facility have been postponed, the team is planning cabling upgrades in the current LAC building to improve wireless connectivity.				
Sponsor	Original End Date	Current End Date	Total Budget	Budget Balance	% Complete
Jeffrey Letourneau	12/2018	12/2021	\$13,215,000	\$12,898,888	99%
Project Health	Overall ■ Budget ■ Schedule ■ Risk ■				
Tasks Completed During Last Period	<ul style="list-style-type: none"> • Installation of fiber optic cabling in Gorham 				
Upcoming Tasks/Milestones	<ul style="list-style-type: none"> • Complete installation of fiber optic cabling in Gorham • Complete installation of fiber optic cabling in Portland • Upgrade wireless network at LAC 				
Current Issues / Risks	<ul style="list-style-type: none"> • Delays in availability of electronic components may impact project schedule • Damaged underground conduits on the Gorham campus were discovered by our cabling contractor. A plan is being formulated for addressing this. 				

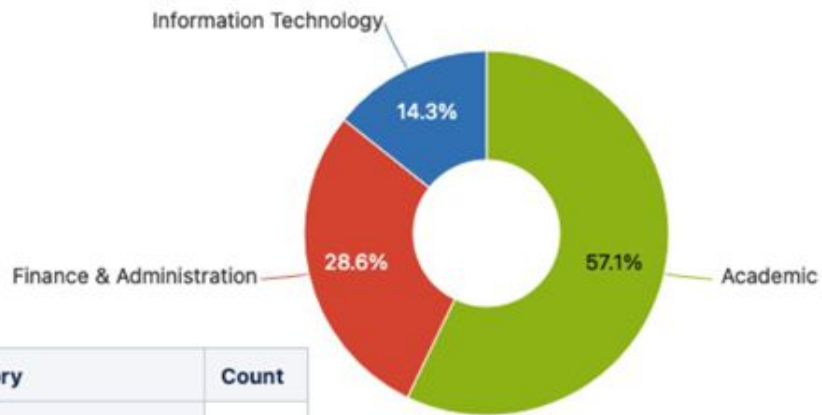


Project Health	Count
GREEN	24
YELLOW	2
Total	26

Total Budget of Active Projects

	Sum of Budget
Total	\$31,690,469.00

Category	Count
Academic	2
Finance & Administration	5
Information Technology	19
Total	26



Category	Count
Academic	4
Finance & Administration	2
Information Technology	1
Total	7

US:IT Project (>\$250,000) Review

**Finance – Facilities – Technology
Committee**

October 27, 2021

UNIVERSITY OF MAINE SYSTEM

University Services
Information Technology

1

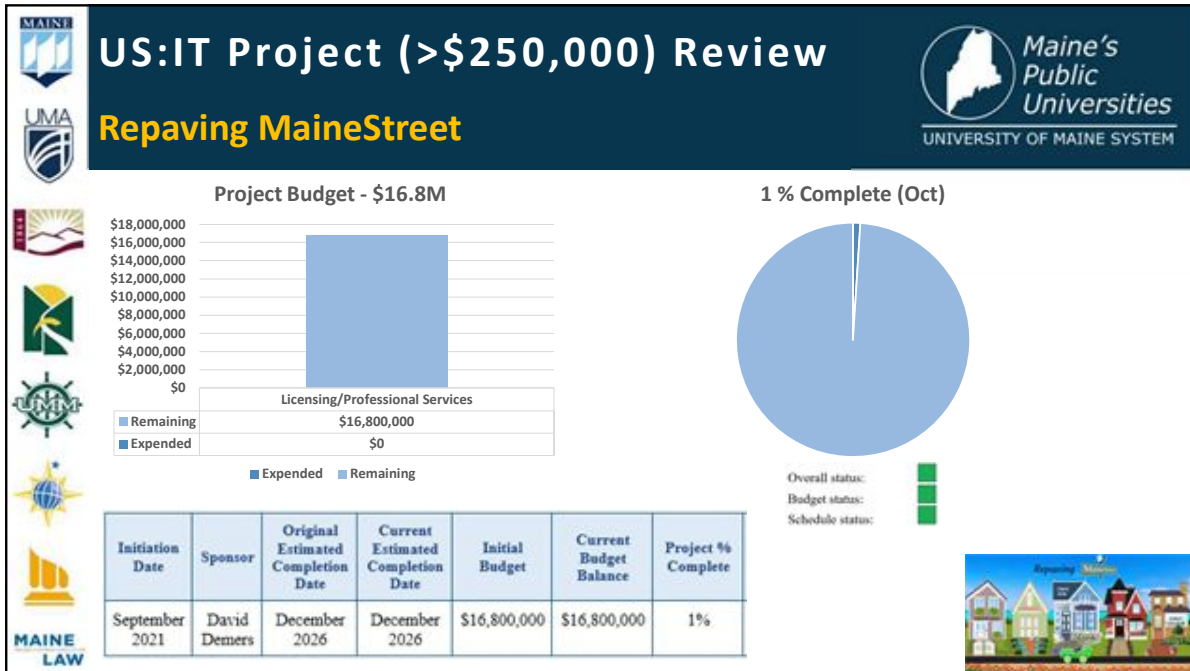
US:IT Project (>\$250,000) Review

Overview

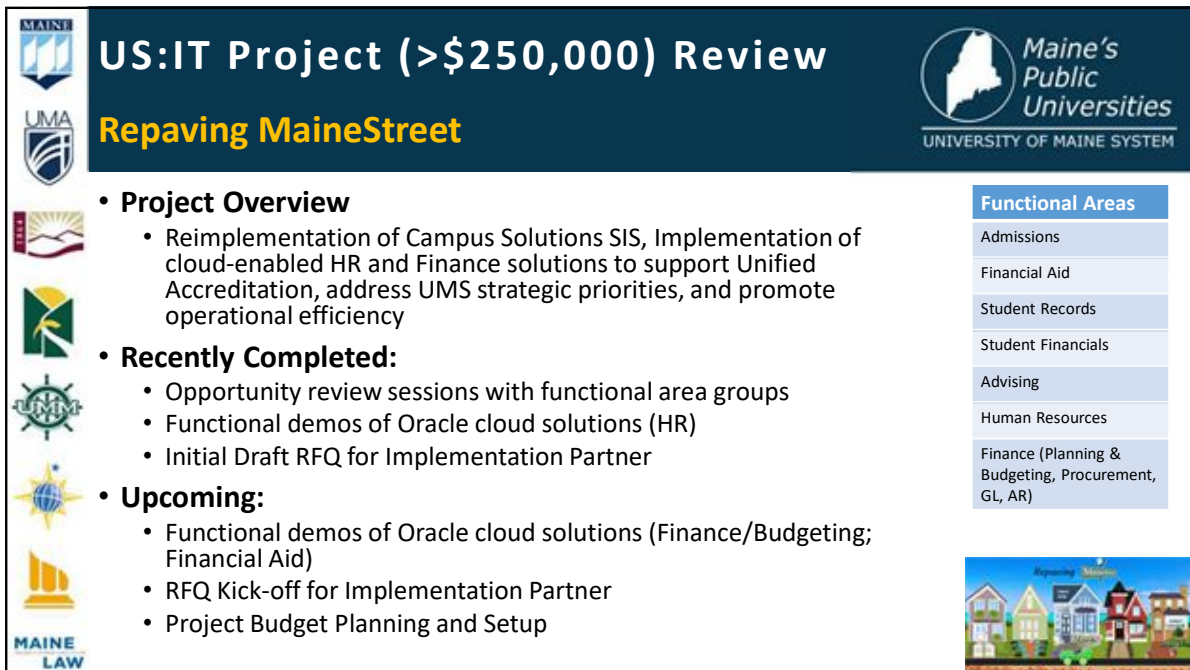
UNIVERSITY OF MAINE SYSTEM

Project	Budget	Status	Update	Projected Completion
Classrooms for the Future	\$4.945M	 99%	UMPI contingency fund equipment installations completed	Final classroom assessments to be completed this fall; project to be closed.
Web Conferencing Upgrades	\$2.563M	 99%	Installations completed at all campuses	Final classroom assessments to be completed this fall; project to be closed.
VoIP (UMF; UMPI; USM)	UMF: \$499K UMPI: \$291K USM: \$809K	99% 100% 76%	Project nearly complete/complete for UMF and UMPI; migration of analog phone extensions continues at USM	Delayed electronic components expected in December; minimal progress made at USM due to telecom tickets and return to campus needs.
UMS Wireless Infrastructure	\$13.215M	 99%	Installation completed at all campuses aside from USM	Final fiber infrastructure work at USM to be scheduled pending available supply

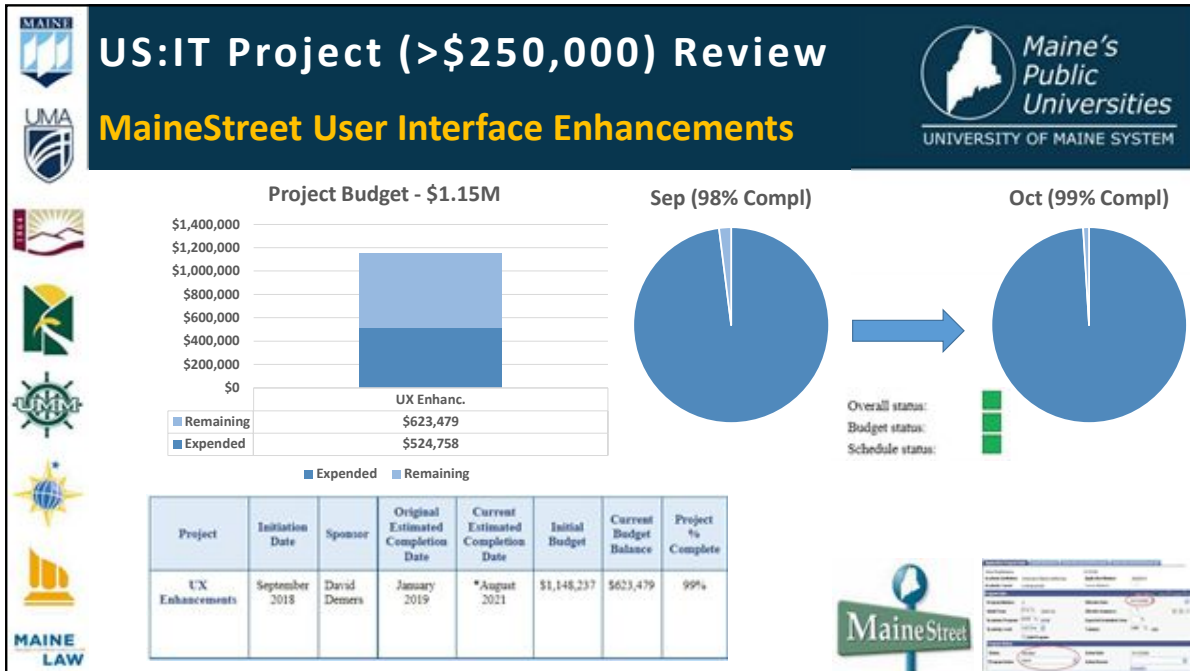
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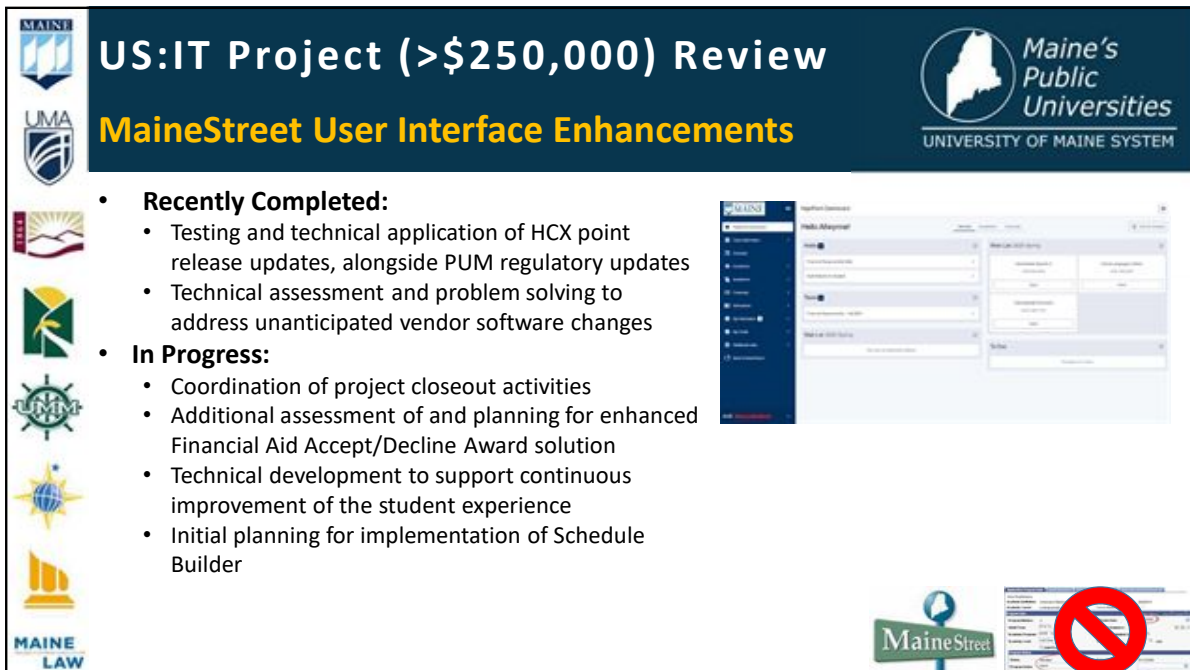
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5



6

University of Maine System
Board of Trustees

AGENDA ITEM SUMMARY

NAME OF ITEM: Capital Projects Status Report and Bond Projects Update, UMS

INITIATED BY: Patricia A. Riley, Chair

BOARD INFORMATION: X

BOARD ACTION:

BOARD POLICY:

UNIFIED ACCREDITATION CONNECTION:

BACKGROUND:

Executive Summary

Overview:

Attached is the Capital Project Status Report for the October 27, 2021 meeting of the Finance, Facilities and Technology Committee. The report reflects a total of 21 projects reflecting one addition, UMA’s Katz Library repairs, and one deletion, USM’s Wishcamper Parking Lot, since the last report. Note that the project highlighted in yellow (UMaine’s UMEC project) is intended to reflect current P3 projects. Additional P3 projects will be similarly highlighted moving forward as they are added.

In addition to the Board approved projects with values greater than \$500,000 this report includes a separate list of all projects related to the Harold Alfond Foundation Grant, regardless of dollar value. This additional report is a work in progress, and we will continue to update it with improved information over the next few months.

While the number of Board approved projects has remained in the range of about 20 for the past few years, the total dollar value of these approved projects, at over \$200 million, has increased nearly four times over the past two years.

COVID-19 Impact on Capital Construction:

Projects continue to move forward at this time however, impacts continue.

- Previously reported impacts continue to be relevant.
 - In particular, various material shortages and delays continue, causing potential schedule and cost impacts to our projects.

Bond Project Status Report:

The special portion of this report calling out only projects funded with the 2018 State bonds reflects fifty-one (51) projects; an increase of three projects, all at Farmington and the removal of a project (Robie Andrews) at USM. The projects are currently estimated to account for approximately \$45 million of the \$49 million in voter approved general obligation bond funding. Over \$15 million of that has been expended.

10/15/2021

Supplemental funding is being leveraged for some of these projects and the total estimated project value across all funds is over \$56 million, including the bond funding and other project resources.

- Eleven (11) of the active bond projects also appear on the Capital Project Status Report with approved budgets above board threshold. Two of these will be removed on the next report due to a change in funding source (UMA’s Handley and Katz HVAC projects).
- Two (2) 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.
- The remaining bond funded 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. As projects are closed out they will be moved to the completed projects section on this report and will remain on the report for documenting purposes until all Bond Projects are completed.
- The Completed project section reflects 13 projects that are complete. There are another seven projects in the active projects table listed as complete and substantially complete. These will move to the completed section once closeout is finalized.

Future reports will be updated to reflect additional active Bond projects as the information becomes available.

Research space approvals:

No new approvals to report at this time.

Harold Alfond Foundation (HAF) Grant funded projects:

Master Planning for the MCECIS portion of the work continues. The selection process for design of the UMaine Athletics projects continues. An award is expected soon.

USM Portland Development Project:

The Portland Commons’ site utility and foundations work continues. All new utilities will be at the project site by mid-September. Superstructure framing of the Portland Commons will begin in September and continue for nearly a year. Installation of exterior wall panels began in mid-September. Career and Student Success Center site work and foundations continue.

UMF and UMPI Residential Housing P3 Initiative:

UMF is doing a comprehensive analysis of financing options for the construction of new student housing and renovation of existing student housing and continues to analyze the viability of that path forward.

UMPI: Due to declining enrollment in a "post COVID" world as well as significant expenses for other capital projects on the campus, UMPI has decided to take a strategic pause on moving forward with this project. An addendum to the solicitation has been posted to remove UMPI from the scope of work of the RFP. UMPI plans on revisiting their needs in the near future. A likely path forward will be the renovation of existing student housing on campus.

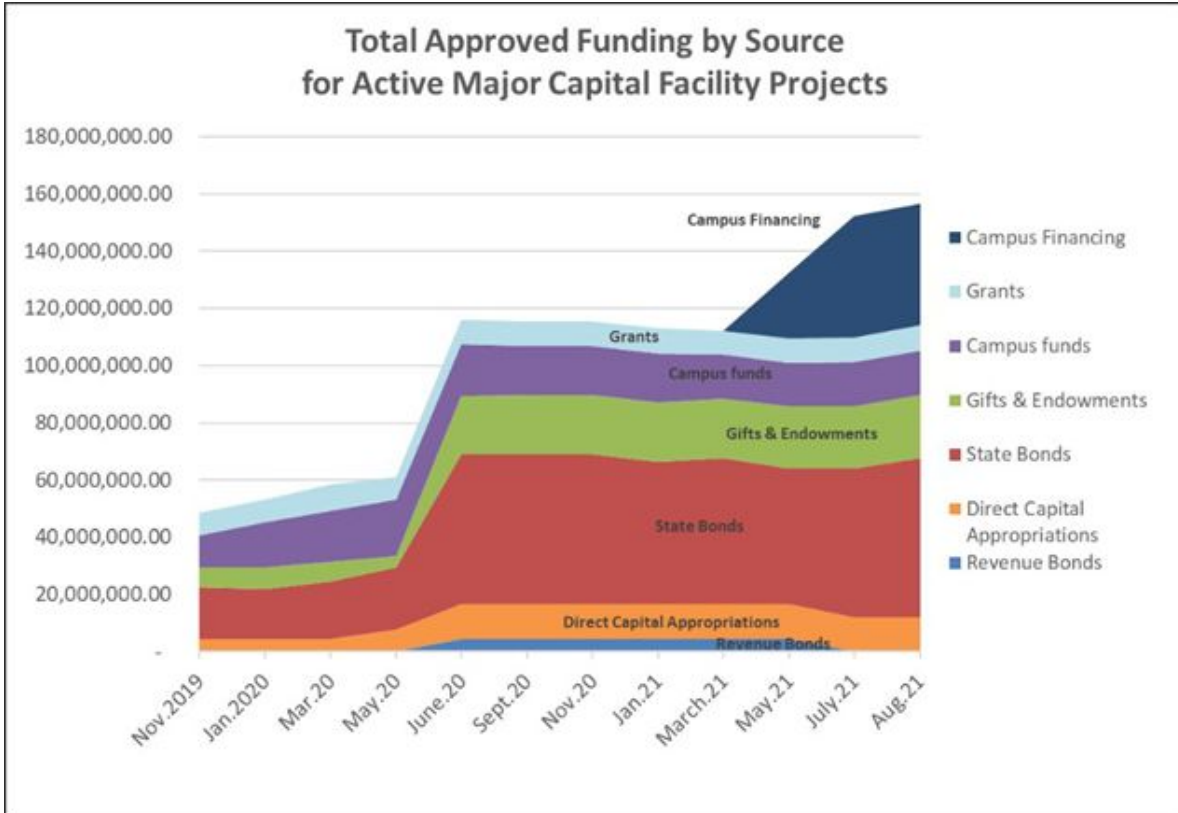
UM Ferland Engineering Education & Design Center Project:

The third floor mechanical, electrical, and plumbing (MEP) in wall rough-in is complete and drywall installation is well underway on the third floor. Wall framing on the second floor is nearing completion and MEP rough-in is underway on the second floor with drywall installation to follow. Wall framing on the first floor continues. The MEP rough-in in the basement and penthouse continues and the building temporary heating source for this winter has been delivered with connection to the building steam system scheduled for this month. Exterior brick veneer on the west and north side of the building is nearing completion with granite veneer on the west and north sides to follow. Brick veneer work is starting on the east side of the building. Window frame and glazing installation continues. The elevator has been delivered and installation is underway. The building skylight above Main Street has been installed. The University supplied electrical switch and transformer are in place and the wiring is in progress. The membrane roofing on the main building is nearing completion. The emergency generator has been set in place with connection to follow. The project continues to track close to the original project schedule.

UM – Darling Marine Center Waterfront Infrastructure Project:

The Flowing Seawater Laboratory renovation and Pier work are complete and in use. Electrical infrastructure faults were discovered as the Laboratory project was brought on line and with project savings are in process of being addressed.

10/15/2021



*Direct Capital Appropriations funds consist of capital appropriations in anticipation of revenue bonding, as well as MEIF funds.

** Campus Financing demonstrates the use of interim financing in the form of a Bond Anticipation Note as approved at the March 2021 meeting of the Board.

10/15/2021

Capital Project Status Report
Board Approved Projects
October 2021 - Finance, Facilities and Technology Committee
With Grand Totals and % of Current Approved Estimates

Campus, Project Name (Project ID)	Funding Source(s) & each source's share of expenditures to date	Status	Original Estimated Completion	Current Est. Completion	Original Approved Estimate	Current Approved Estimate	Total Expense to Date	% Expended of Current Approved Estimate	Prior Actions, Information & Notes
UMA									
*Katz Library Repairs (1200061)	HERFF (100%)	Design in Progress	2021	2022	\$1,100,000	\$1,100,000	\$29,594	3%	Board approved \$1.1M Sept 2021.
**Randall Welcome Center (1100085)	2018 State Bond (100%)	Substantially Complete	2021	2021	\$2,150,000	\$2,150,000	\$362,439	17%	Board approved \$2.15M May 2021. The approval of 1100085 in May of '21 replaces 1100077.
**Handley Hall A/C replacement (1200029)	E&G (100%)	Design in Progress	2020	2022	\$575,000	\$1,230,000	\$26,433	2%	Board approved \$575K in September, 2019. Board approved \$1.2M in Emergency Relief Funds and up \$30k in E&G funds in Sept '21.
UM									
ASCC Building Addition GEM Lab (5100579)	Operating Reserves (0%)	Pre-Design in Progress			\$1,500,000	\$1,500,000	\$0	0%	Board approved \$1.5M May 2021.
Advanced Structures and Composites Center Expansion/ASCC Equip W2-Thermoplastics Lab/ASCC Equip W2 Tow Carriage (5100316, 5100414, 5100432)	2010 State Bond (49%), Grants (44%), Gifts (7%), Campus E&G Funds (0%)	Project 5100316 is Complete, Project 5100414 Design in Progress, Project 5100432 is Complete	2014	2021	\$6,400,000	\$10,400,000	\$9,581,965	92%	Board approved \$6.4M in November, 2012. Board approved \$1.6M in March 2014. Board approved increase of \$871,000 in March 2015. BOT approved additional \$1.5M in May 2016 for equipment project.
**Darling Marine Center Waterfront Infrastructure (5100459, 5100460, 5100461, 5100574)	Grants (62%), Campus E&G Funds (33%) Gifts (4%) State Appropriations (1%)	Project # 5100574 is Bidding in Progress. The rest are Substantially Complete	2017	2021	\$3,000,000	\$5,200,000	\$4,746,181	91%	Board approved \$3M in July, 2017. Board approved increase of \$2.2M in September, 2019.
UM Ferland Engineering, Education and Design Center (5100458, 5100493, 5100546, 5200604)	Campus Funds (4%), State Approp (50%) Gifts (10%) Campus Financing (33%) (Other 3%)	Construction in Progress	2024	2024	\$1,000,000	\$72,000,000	\$24,255,333	34%	Board approved \$1M in September, 2017. Board approved additional \$8M in May, 2018. Additional \$63M BOT approved March, 2020 Initial occupancy of this facility is expected in 2022; final completion in 2024.
ASCC Renovation - Mezzanine Office Expansion (5100525)	Campus E&G Funds (15%) Grants (85%)	Substantially Complete	2020	2021	\$450,000	\$1,400,000	\$996,231	71%	Board approved \$1,400,000 March, 2020
UM Energy Center Phase II (5100516, 5100517)	Campus E&G Funds (83%) Grants (17%)	Pre-Design in Progress	2023	2022	\$5,700,000	\$5,700,000	\$431,648	8%	Board approved \$5.7M March, 2019.
Neville Hall Renovations (5100534)	State Bond (100%)	Construction in Progress	2021	2022	\$1,500,000	\$1,500,000	\$262,171	17%	Board approved up to \$1.5M expenditure in March 2021.
UMF									
**Dearborn Gym HW Upgrades (2100087)	2010 State Bond (10%) 2018 State Bond (90%)	Complete	2019	2021	\$600,000	\$850,000	\$841,856	99%	Board approved \$600K in March, 2019. Board approved additional \$250K in May, 2019.
UMFK									
**UMFK Enrollment/Advancement Center (3100042)	Bond (100%)	Substantially Complete	2022	2021	\$3,249,000	\$3,249,000	\$2,178,403	67%	Board approved \$2.99M in Bond Funding, March, 2020. Plus, \$259K for a total of \$3,249,000.

Capital Project Status Report
Board Approved Projects
October 2021 - Finance, Facilities and Technology Committee
With Grand Totals and % of Current Approved Estimates

Campus, Project Name (Project ID)	Funding Source(s) & each source's share of expenditures to date	Status	Original Estimated Completion	Current Est. Completion	Original Approved Estimate	Current Approved Estimate	Total Expense to Date	% Expended of Current Approved Estimate	Prior Actions, Information & Notes
USM									
Bailey Hall Fire Protection and Electrical Upgrades (6100316, 6100323)	2018 State Bond (36%), Campus E&G (64%)	Project 6100316 is Construction in progress, Project 6100323 is Complete	2019	2021	\$2,580,000	\$4,388,000	\$4,003,020	91%	Board approved \$2.58M in January, 2019.
Career and Student Success Center and Portland Residence Hall (6100325, 6100338)	2018 State Bond (34%), Campus Financing (66%)	Construction in Progress	2020	2023	\$1,000,000	\$99,400,000	\$12,737,196	13%	Board approved \$1M in January, 2019. Board approved predevelopment expenditures of up to \$5.7M combined for the two projects in January 2020. Board approved an increase by \$93.7M in February 2021.
USM Center for the Arts (6100300)	Gifts (100%)	Design in Progress	2022	2023	\$1,000,000	\$1,000,000	\$853,135	85%	Board approved \$1M in January, 2018.
Port Parking Garage Study (6100331)	Campus E&G Funds (100%)	Design in Progress	2022	2023	\$1,200,000	\$1,200,000	\$449,727	37%	Board approved in March 2020 with initial spending limit of \$400,000; addtl \$800,000 authorized by the Chancellor and Vice Chancellor for Finance and Administration and Treasurer in April, 2021.
Fitness Equipment Purchase and Space Renovation (0000000)		Hold	2020	2021	\$700,000	\$700,000	\$0	0%	Board Approved March, 2020. No expenditures as of yet.
**USM Steam Line (6100361)	Campus E&G Funds (100%)	Substantially Complete	2021	2021	\$600,000	\$600,000	\$38,300	6%	Board approved \$600K in May 2021

UMPI									
Wieden Renovation Bond (7100025)	Bond (100%)	Design in Progress	2020	2021	\$3,757,000	\$3,757,000	\$143,678	4%	Board approved \$3.7M May 2021.
Folsom 105 Nursing Renovation (7100026)	Bond (100%)	Substantially Complete	2020	2021	\$800,000	\$800,000	\$710,455	88%	Board approved \$800K March, 2020.
**UMPI Solar Array (7100023)	Campus E&G Funds (100%)	Construction in Progress	2020	2021	\$700,000	\$700,000	\$136,015	19%	Board approved \$700K June, 2020.

HAF projects which are currently below board level

Campus, Project Name (Project ID)	Funding Source(s) & each source's share of expenditures to date	Status	Original Estimated Completion	Current Est. Completion	Total Expense to Date	Prior Actions, Information & Notes
UM - Engineering Ph III - MCECIS Master Planning (5200692)	Grants (100%)	Pre-Design	TBD	TBD	\$8,634	HAF Funded project. Below Board level.
UM - HAF Athletics Master Plan (5200696)	Grants (0%)	Pre-Design	TBD	TBD	\$0	HAF Funded project. Below Board level.
UM - Morse field Turf Replacement (5100559)	Campus Funds (100%)	Substantially Complete	2021	2021	\$3,618	HAF Funded project. Below Board level.

Explanatory Notes: * Project is new as of this report. ** Details of this project include updates since the last report. *** This project has been completed since the last report and is not expected to appear on the next report. Highlighted: Board level HAF and P3 Projects	Funding source(s) reflects primary source(s) for project.		Calendar Year unless otherwise noted.				Percentage expended reflects total expended as of August 31, 2021 as a percentage of the current approved project estimate.
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Bond Project Status Report
Active Bond Projects
October 2021 - Finance, Facilities, and Technology Committee
With Grand Totals and % of Current Approved Estimates

Campus, Project Name (Project ID)	Status	Original Estimated Completion	Current Est. Completion	Funding Source(s) & each source's share of expenditures to date	Estimated Bond Funding for Project	Bond Funding Expended	Total Estimated Project Cost	Prior Actions, Information & Notes
UMA								
***Handley Hall A/C Replacement (1200029)	Design in Progress	2020	2022	E&G (100%)	\$0	\$26,433	\$1,230,000	Board approved budget of \$575,000 in September, 2019. Board approved \$1.2M in Emergency Relief Funds and up \$30k in E&G funds in Sept '21. Project will be removed from this Bond Report.
Bangor Campus Welcome Center (1100534)	Construction in Progress	2021	2021	Bond (91%) Campus (9%)	\$475,000	\$245,473	\$475,000	
**Randall Welcome Center (1100085)	Substantially Complete	2021	2021	Bond (100%)	\$2,150,000	\$362,439	\$2,150,000	Board approved \$2.15M May 2021. The approval of 1100085 in May of '21 replaces 1100077.
Randall 2nd Floor Renovations (1100083)	Construction in Progress	2021	2021	Bond (100%)	\$100,000	\$36,605	\$100,000	
Randall Center Student Lounge (1100084)	Construction in Progress	2021	2021	Bond (100%)	\$150,000	\$137,873	\$150,000	
**Randall Admissions Renovations (1200083)	Construction in Progress	2021	2021	Bond (100%)	\$65,000	\$22,088	\$65,000	
***Katz Library HVAC Repairs (1200061)	Design in Progress	2021	2022	HERFF (100%)	\$0	\$29,594	\$1,100,000	Board approved \$1.1M Sept 2021. However, it is to be funded from HERFF. Project will be removed from this Bond report.
Total Bond for Campus					\$2,940,000	\$860,506	\$5,270,000	
UMF								
Scott Hall Renovations (2100092)	Construction in Progress	2019	2022	Bond (100%)	\$200,000	\$193,660	\$200,000	
Scott North Renovation (2100109)	Construction in Progress	2021	2021	Bond (100%)	\$150,000	\$5,633	\$150,000	
Scott South Renovations (2200102)	Construction in Progress	2022	2022	Bond (100%)	\$125,000	\$92,187	\$125,000	
Scott West Renovation (2100110)	Construction in Progress	2021	2021	Bond (100%)	\$175,000	\$57,205	\$175,000	
Dakin Hall Shower Renovations (2100093)	On Hold	2019	2021	Bond (100%)	\$200,000	\$95,707	\$200,000	
Lockwood Hall Shower Renovations (2100094)	On Hold	2019	2021	Bond (100%)	\$200,000	\$84,199	\$200,000	
Stone Hall Renovations (2100095)	Construction in Progress	2019	2022	Bond (100%)	\$200,000	\$131,355	\$200,000	
274 Front St Renovation (2100096)	On Hold	2020	2022	Bond (64%) Campus (36%)	\$450,000	\$18,744	\$1,000,000	Approved budget of \$450,000, as it remains in study/design phase.
**FRC Roof Replacement (2100111)	Bidding	2021	2021	Bond (100%)	\$60,000	\$19,327	\$60,000	
FRC Façade Replacement (2100112)	Design in Progress	2022	2022	Bond (100%)	\$60,000	\$4,621	\$60,000	
**Exterior Painting Merrill Hall (2200096)	Design in Progress	2020	2021	Bond (100%)	\$40,000	\$764	\$40,000	
Olsen Center Renovations (2100102)	On Hold	2023	2023	Bond (100%)	\$1,900,000	\$69,908	\$1,900,000	Approved budget of \$300,000, as it remains in study/design phase.
Mantor Library Renovations (2100103)	Construction in Progress	2021	2022	Bond (100%)	\$300,000	\$242,393	\$300,000	

Bond Project Status Report
Active Bond Projects
October 2021 - Finance, Facilities, and Technology Committee
With Grand Totals and % of Current Approved Estimates

Campus, Project Name (Project ID)	Status	Original Estimated Completion	Current Est. Completion	Funding Source(s) & each source's share of expenditures to date	Estimated Bond Funding for Project	Bond Funding Expended	Total Estimated Project Cost	Prior Actions, Information & Notes
UMF								
Campus ADA Ramps (2100104)	Construction in Progress	2021	2021	Bond (100%)	\$115,000	\$19,829	\$100,000	
Roberts HVAC Upgrade (2100106)	Design in Progress	2021	2021	Bond (100%)	\$150,000	\$27,682	\$150,000	
**Merrill Hall HVAC Upgrade (2100107)	On Hold	2021	2021	Bond (100%)	\$400,000	\$26,362	\$400,000	
Ricker Addition Renovation (2100108)	Design in Progress	2021	2021	Bond (0%)	\$175,000	\$31,014	\$175,000	
Dearborn Gym Hot Water Upgrades (2100087)	Complete	2019	2021	Bond (100%)	\$850,000	\$841,856	\$850,000	
*Mallet Front Porch Painting (2200103)	Complete	2021	2021	Bond (100%)	\$25,000	\$8,251	\$25,000	
*UMF Purington Front Porch Painting (2200104)	Complete	2021	2021	Bond (100%)	\$22,000	\$7,250	\$22,000	
*UMF Preble/Ricker Flooring (2200105)	Complete	2021	2021	Bond (100%)	\$35,000	\$24,775	\$35,000	
Total Bond for Campus					\$5,750,000	\$1,962,446	\$6,285,000	
UM								
**Neville Hall Renovation (5100534)	Construction in Progress	2021	2022	Bond (100%), Campus E&G (0%)	\$1,500,000	\$262,171	\$1,500,000	Board approved up to \$1.5M expenditure in March 2021.
UMM Science Bldg Rm 010 Renovation (5100575)	Design in Progress	2021	2021	Bond (100%)	\$100,650	\$8,674	\$100,650	
Total Bond for Campus					\$1,500,000	\$262,171	\$1,500,000	
UMFK								
**UMFK Enrollment/Advancement Center (3100042)	Substantially Complete	2022	2021	Bond (100%)	\$2,990,000	\$2,178,403	\$3,249,000	Board approved \$2.99M in Bond Funding, March, 2020. Plus, \$259K for a total of \$3,249,000.
Total Bond for Campus					\$2,990,000	\$2,178,403	\$3,249,000	
UMM								
*Reynolds Renewal (4100047)	Construction in Progress	2021	2021	Bond (100%)	\$400,000	\$159,806	\$400,000	
Dorward Hall Roofing (4200048)	Construction in Progress	2021	2021	Bond (100%)	\$45,000	\$32,939	\$45,000	
Total Bond for Campus					\$45,000	\$32,939	\$45,000	
USM								
Career and Student Success Center (6100325)	Construction in Progress	2022	2023	Bond (100%)	\$19,000,000	\$4,265,042	\$26,551,000	Board approved \$1M in January, 2019. Board approved predevelopment expenditures of up to \$5.7M combined with the residence hall project in January 2020. Board approved an increase by \$93.7M in February 2021, of that amount, the specific budget for the CSSC is \$26.6M.
Bailey Hall Fire Protection and Electrical Upgrades (6100316, 6100323)	Project 6100316 Construction in Progress, Project 6100323 is Complete	2019	2021	Bond (40%), Campus E&G Funds (60%)	\$1,460,000	\$1,456,999	\$4,388,000	Board approved \$2.58M in January, 2019. Board approved additional \$1.808M in January, 2020.
Nursing Simulation Lab Science (6100327)	Complete	2021	2021	Bond (100%)	\$1,500,000	\$1,301,740	\$1,500,000	Board approved \$1.5M in January, 2020.
Total Bond for Campus					\$21,960,000	\$7,023,781	\$32,439,000	

Bond Project Status Report
Active Bond Projects
October 2021 - Finance, Facilities, and Technology Committee
With Grand Totals and % of Current Approved Estimates

Campus, Project Name (Project ID)	Status	Original Estimated Completion	Current Est. Completion	Funding Source(s) & each source's share of expenditures to date	Estimated Bond Funding for Project	Bond Funding Expended	Total Estimated Project Cost	Prior Actions, Information & Notes
UMPI								
Wieden Renovation Bond (7100025)	Design in Progress	2020	2021	Bond (100%)	\$3,757,000	\$143,678	\$3,757,000	Approved budget of \$125,000, as it remains in study/design phase. Board approved \$3.7M May 2021.
Folsom 105 Nursing Renovation (7100026)	Substantially Complete	2020	2021	Bond (100%)	\$800,000	\$710,455	\$800,000	Board approved \$800K March, 2020.
Total Bond for Campus					\$4,557,000	\$854,133	\$4,557,000	
Totals:					\$39,742,000	\$13,174,379	\$53,345,000	

6.2

Completed Bond Projects								
Augusta Campus Welcome Center (1100077)	Closed	2021	2021	Bond (100%)	\$350,388	\$350,388	\$350,388	UMA
Jewett Hall Boiler Design Work (1200062)	Complete	2021	2021	Bond (100%)	\$305,000	\$321,287	\$321,287	UMA
274 Front St Acquisition (2100089)	Complete	2019	2019	Bond (100%)	\$850,820	\$850,820	\$850,820	UMF
UMF Campus Paving (2100097)	Complete	2019	2019	Bond (100%)	\$97,338	\$97,338	\$97,338	UMF
FRC Floor Renovation (2100098)	Complete	2019	2019	Bond (100%)	\$209,503	\$209,503	\$209,503	UMF
Dakin Flooring, Ceiling, Light (2100105)	Complete	2021	2021	Bond (100%)	\$206,187	\$206,187	\$206,187	UMF
UMM Science Building Roof Replacement (4100042)	Complete	2020	2020	Bond (100%)	\$280,487	\$280,487	\$280,487	UMM
UMM Dorward Hall Roof Replacement (4100043)	Complete	2020	2020	Bond (100%)	\$296,092	\$296,092	\$296,092	UMM
UMM Sennett Roof Replacement (4100044)	Complete	2020	2020	Bond (100%)	\$201,257	\$201,257	\$201,257	UMM
UMM Reynolds Center Roof Repair (4200044)	Complete	2020	2020	Bond (100%)	\$154,226	\$154,226	\$154,226	UMM
UMM Site Work (4200045)	Complete	2020	2020	Bond (100%)	\$57,365	\$57,365	\$57,365	UMM
Woodward Hall Renovations (6100301)	Complete	2019	2019	Bond (86%), Campus E&G Funds (14%)	\$1,008,395	\$1,008,395	\$1,172,840	USM
Ricci Lecture Hall Renovations (6100308)	Complete	2019	2020	Bond (31%), Gifts (43%), Campus E&G Funds (26%)	\$172,010	\$172,010	\$564,197	USM
Totals:					\$4,189,068	\$4,205,355	\$4,761,987	
GRAND Total (Active and Completed Projects)					\$43,931,068	\$17,379,734	\$58,106,987	

Explanatory Notes: * Project is new as of this report. ** Details of this project include updates since the last report. Completed projects will remain on this report unless otherwise specified.	Funding source(s) reflects primary source(s) for project.	Calendar Year unless otherwise noted.					Bond Funding expended reflects total expended as of August 31, 2021.
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University of Maine System
Board of Trustees

AGENDA ITEM SUMMARY

NAME OF ITEM: University of Maine System Borrowing Authority

INITIATED BY: Patricia A. Riley, Chair

BOARD INFORMATION: X

BOARD ACTION:

BOARD POLICY:

Section 712 Debt Policy

UNIFIED ACCREDITATION CONNECTION:

BACKGROUND:

Vice Chancellor for Finance and Administration & Treasurer Ryan Low will provide the Committee an update on University of Maine System borrowing authority, including history, statutory caps and current and future borrowing capacity.



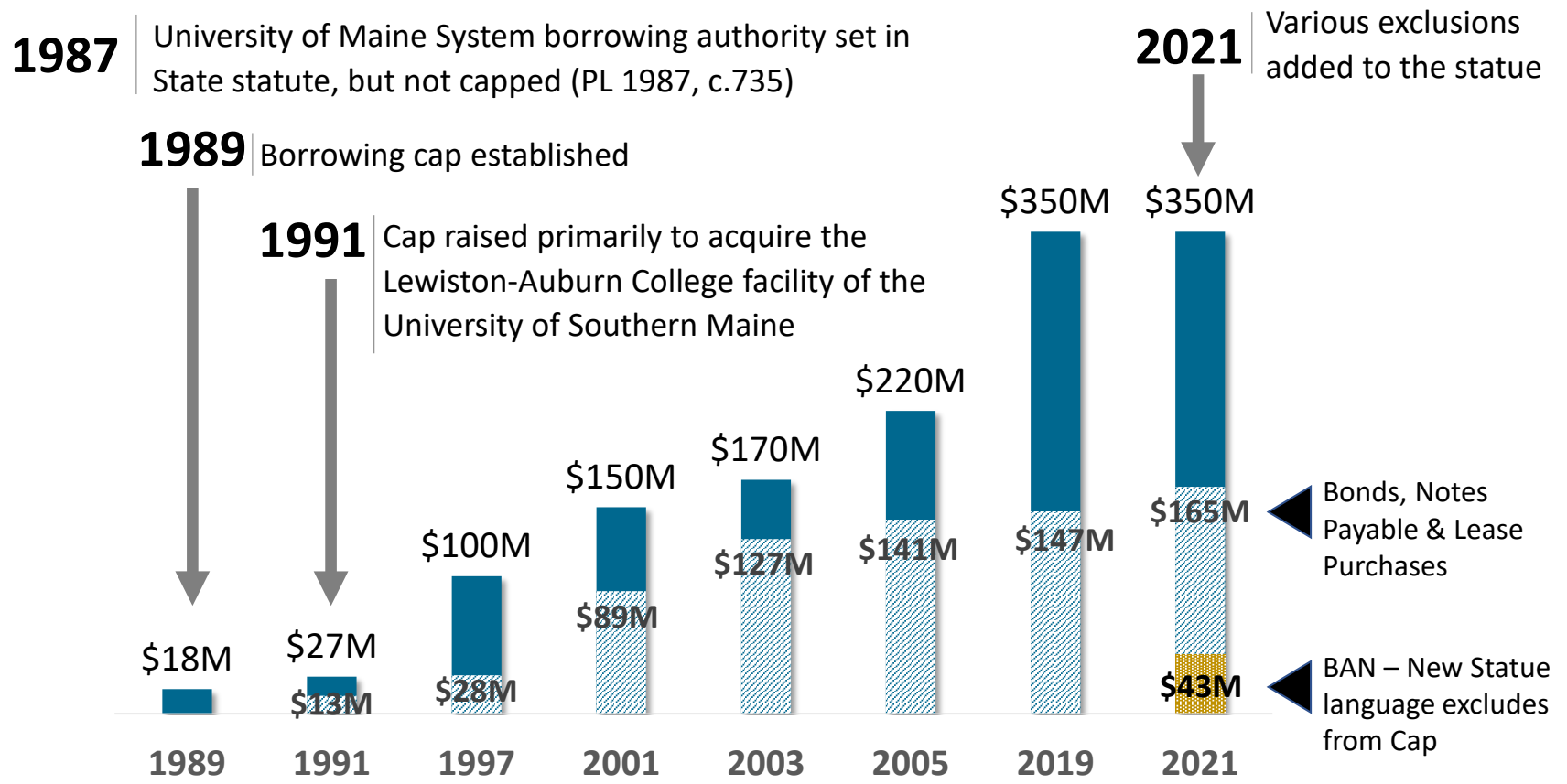
7.1

University of Maine System Borrowing History

Ryan Low
Vice Chancellor for Finance and Administration
University of Maine System

Finance, Facilities &
Technology Committee
October 27, 2021

History of UMS Borrowing Authority



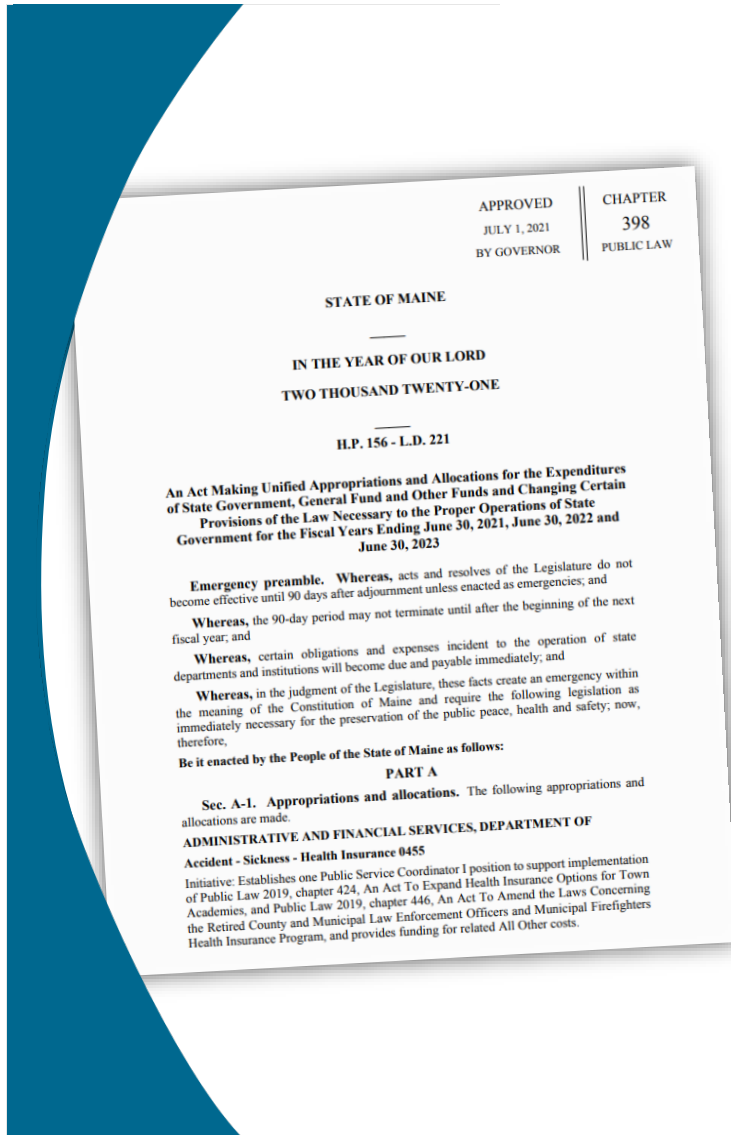
7.1

PART PPP

Sec. PPP-1. 20-A MRSA §10952, sub-§7, as amended by PL 2019, c. 487, §1, is further amended to read:

7. Borrow money. To borrow money pursuant to this chapter and issue evidences of indebtedness to finance the acquisition, construction, reconstruction, improvement or equipping of any one project, or more than one, or any combination of projects, or to refund evidences of indebtedness hereafter issued or to refund general obligation debt of the State, or to refund any such refunding evidences of indebtedness or for any one, or more than one, or all of those purposes, or any combination of those purposes, and to provide for the security and payment of those evidences of indebtedness and for the rights of the holders of them, except that any borrowing pursuant to this chapter, exclusive of borrowing to refund evidences of indebtedness, to refund general obligation debt of the State, or to fund issuance costs or necessary reserves or the portion of any borrowing when the related debt service will be funded by a commitment from the Legislature or contractually committed to the university from 3rd-party sources, including foundations, public-private partnership arrangements or donors, may not exceed in the aggregate principal amount outstanding at any time \$350,000,000, and except that no borrowing may be effected pursuant to this chapter unless the amount of the borrowing and the project or projects are submitted to the legislative Office of Fiscal and Program Review for review by the joint standing committee of the Legislature having jurisdiction over appropriations and financial affairs at least 30 days before closing on such borrowing for the project or projects is to be initiated. Borrowing for the purposes of this chapter may not include capital lease obligations, financing for energy services projects or interim financing for capital projects;

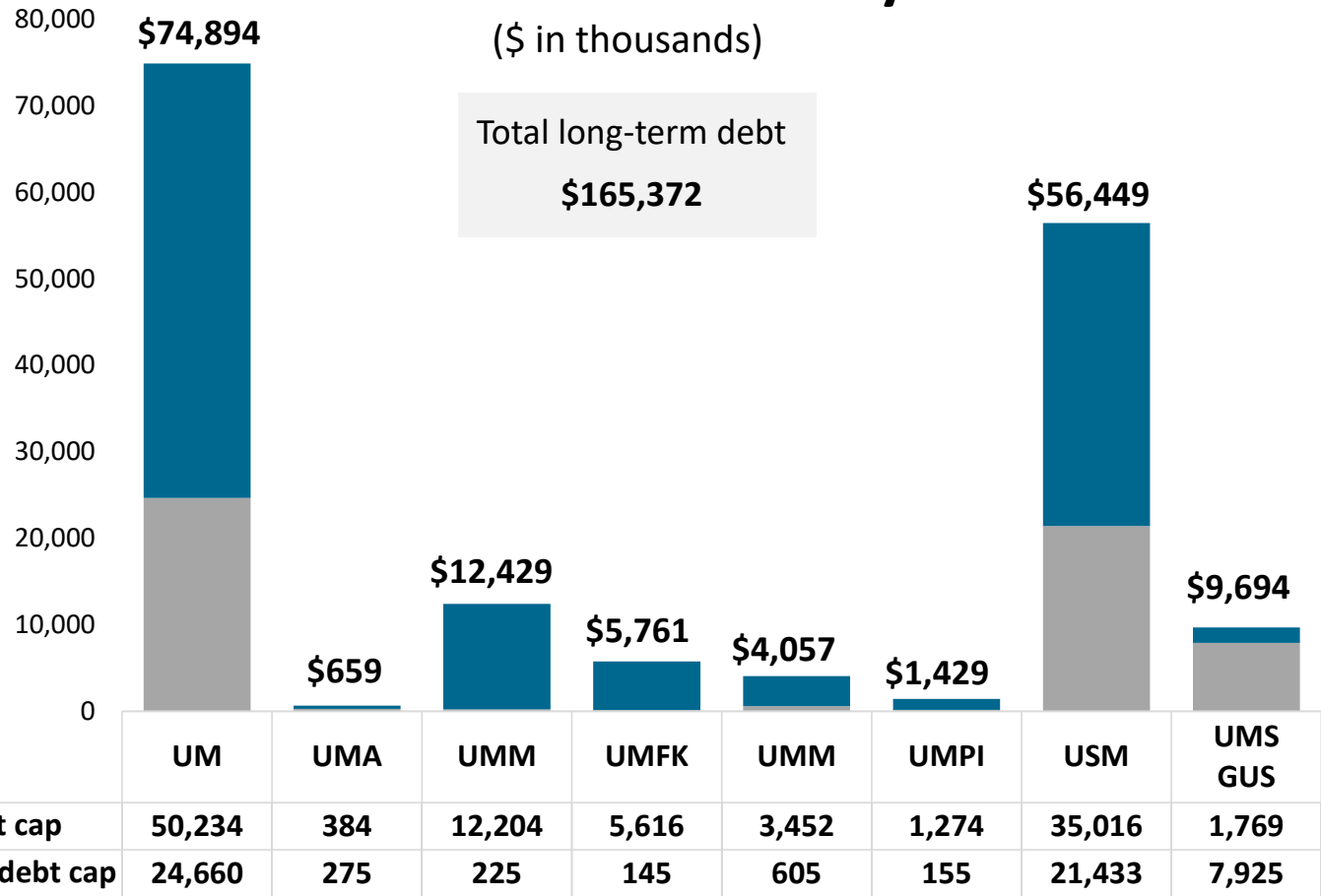
7.1



UMS Debt Summary

(\$ in thousands)

Total long-term debt
\$165,372



7.1

Projects Approved and in Planning Phase

7.1

Approved	2022	2023	2024	2026
UM Engineering & Design Center (Part 1 & 2)*	X			
USM Parking Garage	X	X		
UM Energy Center*		X	X	X

Planning Phase

- USM Performing Arts Center
- UM Green Engineering and Materials Lab
- UMF Residence Hall

*** Projects not counting towards the cap**
 Portions of UM Energy Center
 Portions of Engineering & Design Center
 Harold Alfond Projects



University of Maine System
Board of Trustees

AGENDA ITEM SUMMARY

NAME OF ITEM: Other Postemployment Benefits (OPEB)

INITIATED BY: Patricia A. Riley, Chair

BOARD INFORMATION: X

BOARD ACTION:

BOARD POLICY:

Section 701 Budgets – Operating & Capital

UNIFIED ACCREDITATION CONNECTION:

BACKGROUND:

Vice Chancellor Low and Vice President of Finance and Controller, Tracy Elliott will provide the Committee with a brief presentation regarding the University of Maine System OPEB history and funding.

OPEB



Maine's
Public
Universities

UNIVERSITY OF MAINE SYSTEM

8.1

Finance, Facilities and
Technology Committee
October 27, 2021

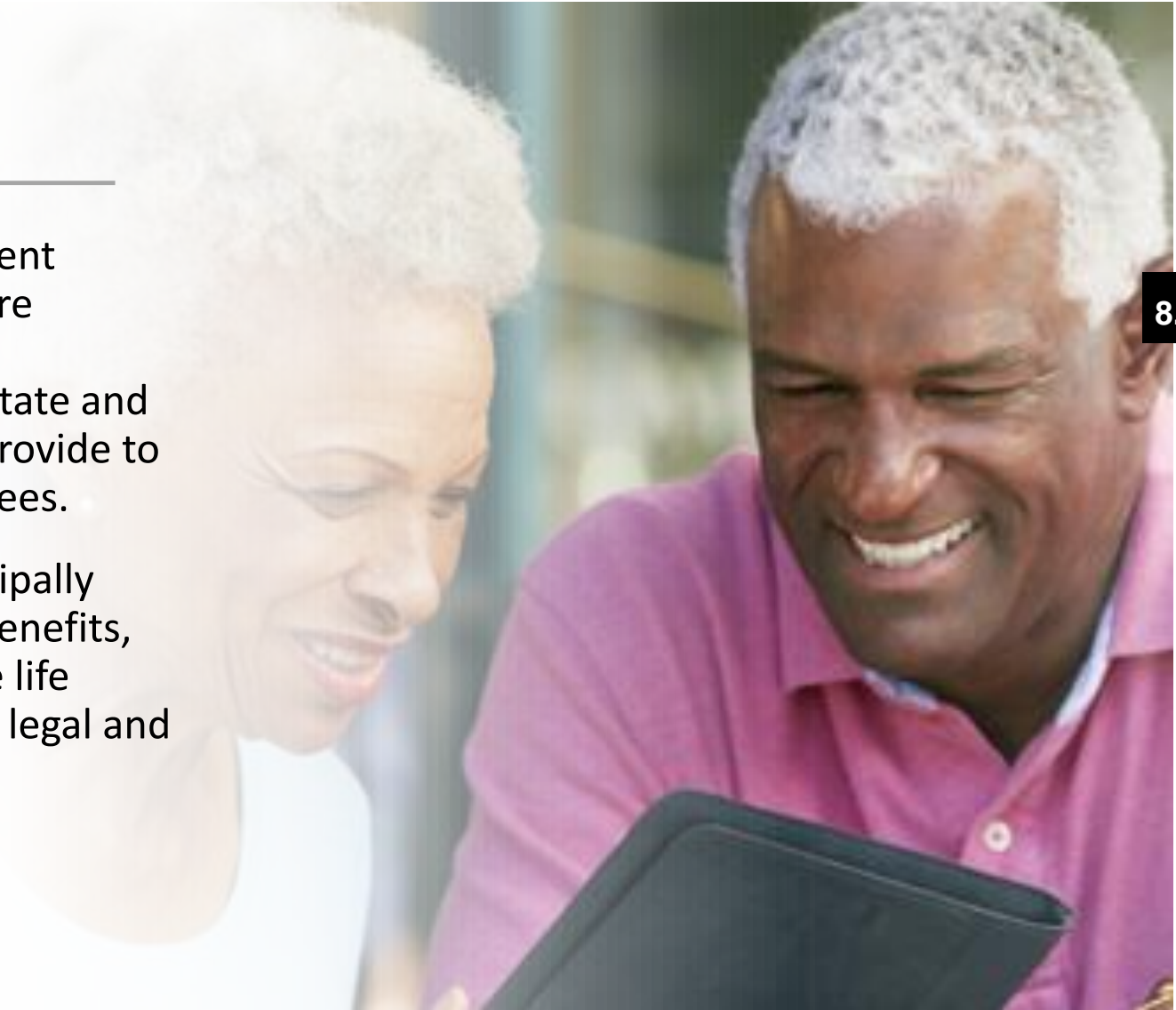
The University of Maine System OPEB History, Funding, & Where we are Today

Tracy Elliott
Vice President of Finance
and Controller

Ryan Low
Vice Chancellor for Finance
and Administration

What is OPEB?

- Other Postemployment Benefits (or OPEB) are benefits (other than pensions) that U.S. state and local governments provide to their retired employees.
- These benefits principally involve healthcare benefits, but also may include life insurance, disability, legal and other services.





**UNIVERSITY OF MAINE SYSTEM
OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TRUST AGREEMENT**

THIS AGREEMENT is made and entered into as of October 28, 2008, by and between the UNIVERSITY OF MAINE SYSTEM (hereinafter referred to as the "Employer") and BNY Mellon N.A. (hereinafter referred to as the "Trustee").

WITNESSETH:

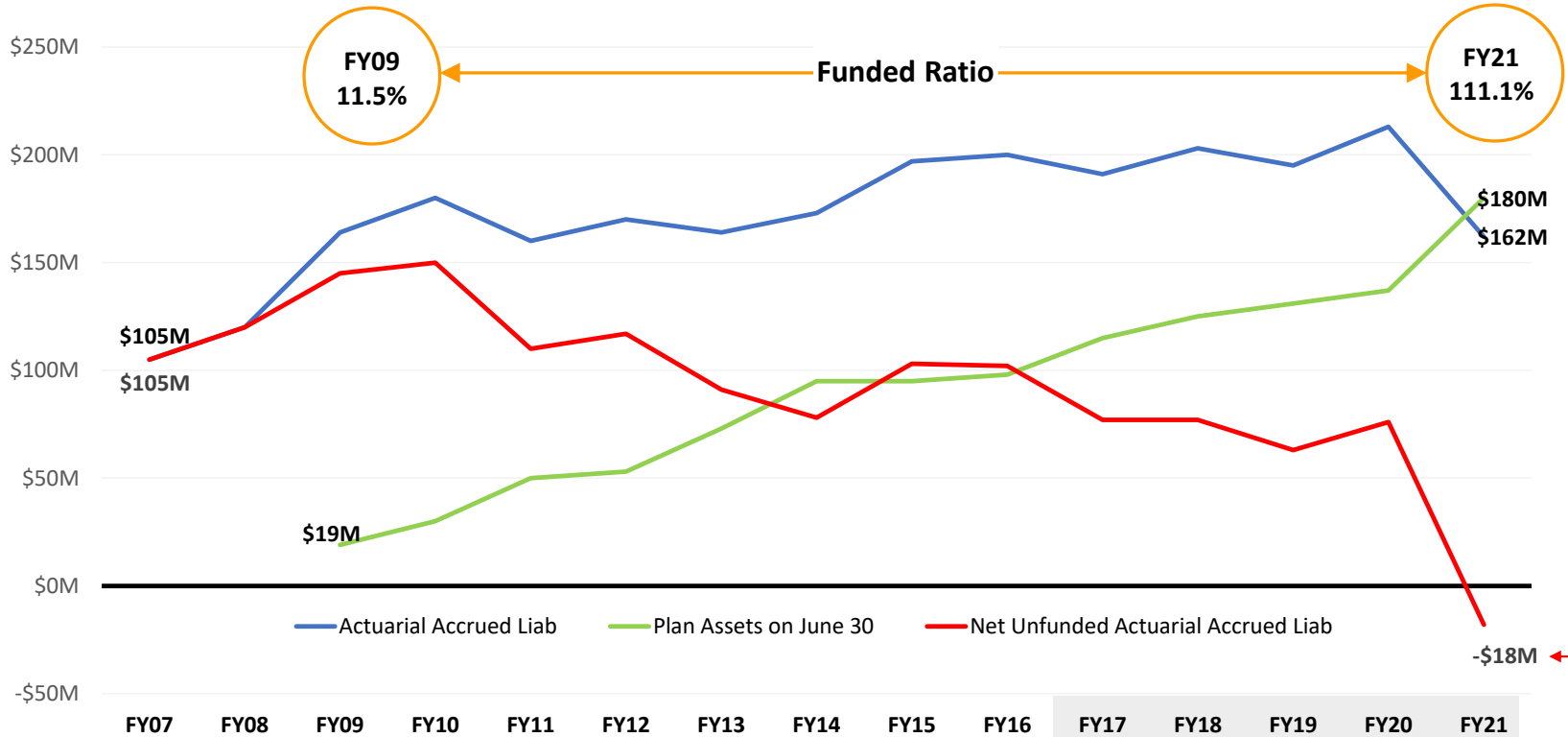
WHEREAS, the Employer has established and maintains certain employee benefit plans that provide for postemployment nonpension benefits, including, but not limited to, healthcare benefits (hereinafter referred to as the "OPEB Plans") for the benefit of certain of its former employees and/or their beneficiaries ("Participants"); and

WHEREAS, it is deemed desirable that certain funds be irrevocably contributed for the payment of benefits under the OPEB Plans and be segregated and held in trust for the exclusive benefit of such Participants as shall be provided under the OPEB Plans; and

WHEREAS, the Employer is entering into this Agreement in order to provide for the segregation and holding of such contributions for the payment of benefits under the OPEB Plans; and



OPEB Trust History



8.1

GASB 45, implemented in FY08, required accrual basis recognition of OPEB costs rather than pay-as-you-go. To the extent that an entity did not fund their actuarially required contribution, an OPEB liability was recognized on the SNP over time. The Net OPEB obligation recognized for FY08 was \$9.1 million compared with the full unfunded actuarial accrued liability of \$120 million.

GASB 75 required the total OPEB liability to be recognized immediately. Implemented in FY18 with retroactive application to July 1, 2016, the FY17 restated financials saw an end of year reduction in Unrestricted Net Position of \$89.6 million.

Medicare Exchange Implemented effective January 1, 2021



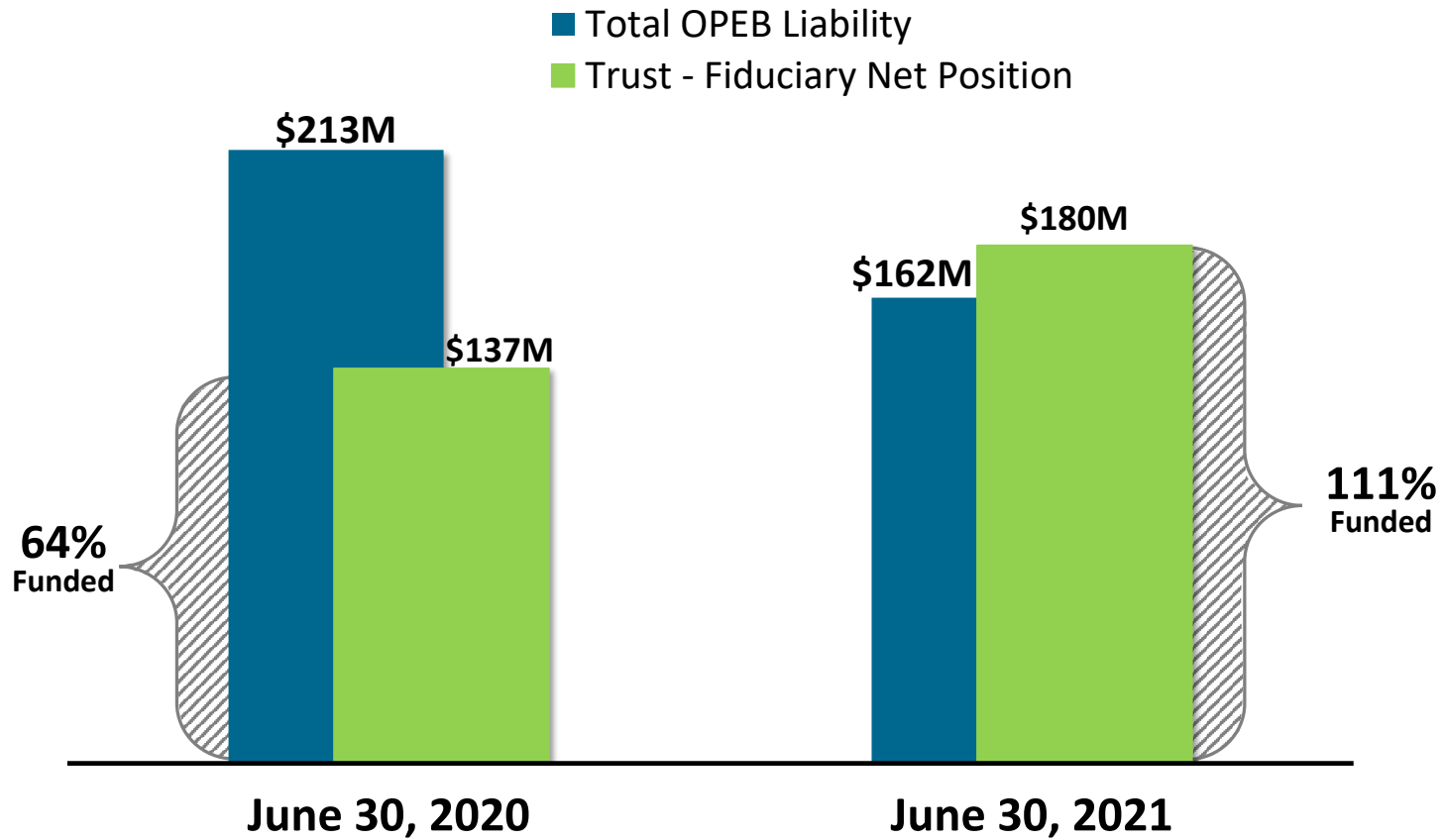
Total OPEB Expense (Income) FY21

Service cost	\$ 6,964,102
Interest on the total OPEB liability	15,725,193
Differences between expected and actual experience	(8,313,991)
Changes of benefits terms	(49,468,951)
Changes of assumptions	1,972,031
Projected earnings on OPEB plan investments	(10,089,758)
Differences between projected and actual earnings on OPEB plan investments	<u>(3,178,904)</u>
Total OPEB Expense (Income)	\$ <u>(46,390,278)</u>

8.1



OPEB - Change in Funding Level



8.1