

UNIVERSITY OF MAINE SYSTEM
Board of Trustees Meeting

April 19, 2022
Zoom Meeting

Special Board of Trustees Meeting

Present: Mark Gardner, Chair; James Donnelly, Vice Chair; Kelly Martin, James Erwin, Trish Riley, Lisa Eames, Roger Katz, Beth Dobson, Peggy Rotundo, David MacMahon, Sven Bartholomew, and Michael Michaud. **Chancellor:** Dannel Malloy. **University Presidents and Dean of the Law School:** Joan Ferrini-Mundy, Ray Rice and Leigh Saufley. **System Staff:** Robert Placido, Ryan Low, Ellen Doughty, Carolyn Dorsey, Jeff St. John, Tracy Elliott and James Thelen. **Others:** Jeremy Bass.

Absent: Emily Cain and Pender Makin.

Tuesday, April 19, 2022

Trustee Gardner, Chair, welcomed everyone and called the meeting to order.

EXECUTIVE SESSION

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

- 1 MRSA Section 405 6-A to discuss the evaluation of personnel and the consideration and discussion of appointments, evaluations, employment and duties.

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

PUBLIC SESSION

Following the Executive Session Trustee Gardner, Chair, reconvened the public meeting and welcomed everyone. He stated that this Board meeting was being held virtually, in accordance with the Board of Trustee Policy 215 – Remote Public Meetings. The Trustees participating by technology will be counted towards a quorum. To confirm Trustee attendance and to ensure the Trustees are able to clearly hear and understand the proceedings and each other, the Clerk performed a roll call of the Board of Trustees members present.

CITIZEN COMMENT

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

ACTION ITEMS

Financing & Project Authorization Resolutions – UMEC & Refunding Prior Bonds

UMS Vice President for Finance and Controller Tracy Elliott explained that the University of Maine System is planning to issue debt as early as this spring and requests approval of two related items. Given the current interest rate environment, the resolutions are structured to allow for flexibility on the nature and timing of the issuance.

The first resolution is a Financing and Project Authorization for the University of Maine Energy Center (UMEC). This resolution is for financing design services of an aggregate amount not to exceed \$6

million, which includes costs of issuance. The Board previously approved, on March 25, 2019, a request to expend as much as \$5.7 million related to design services for this project. On January 25, 2021, the Board approved a reimbursement resolution, which allows project costs to be reimbursed with debt.

The second resolution is a Financing and Project Authorization for the refunding of certain University of Maine System Revenue Bonds including the revenue bonds issued in 2012 and 2013. The market conditions are being monitored to determine if and when the University may achieve interest savings by refinancing the prior revenue bonds and the resolution provides approval to refund such bonds if and when doing so is advantageous to the University.

Ms. Elliott introduced the University's financial advisor, Jeremy Bass - Managing Director of PFM, who provided an overview of the Series 2022 Bond Financing Plan. Jeremy Bass is a managing director in PFM's Boston office and the head of the firm's higher education group. He works with colleges and universities nationally on a broad range of services and has advised on billions in financings through a wide variety of structures.

Mr. Bass explained that interest rates have trended materially higher since the beginning of the calendar year driven by federal action, inflation concerns and the war in Eastern Europe. There are two refunding opportunities to continue to consider pursuing depending on the economics. The Series 2012 Bonds have \$13.3 million outstanding and are currently callable with average interest rate of 2.95%. Given the recent increase in interest rates a refunding of those bonds results in roughly breakeven savings. The Series 2013 Bonds have \$41.5 million outstanding with an average interest rate of 3.96% and these bonds are callable at par on March 1, 2023. These bonds may be refunded with taxable debt now or may be refunded with a delayed delivery tax-exempt refunding where UMS locks the interest rates today for a transaction that closes in early calendar year 2023. A forward refunding generates modest savings of \$880 thousand and PFM recommends continuing to monitor market conditions and opportunities for refunding this debt.

On a motion by Trustee Riley, which was seconded by Trustee Eames, and approved by a roll call vote of all Trustees present, the Board of Trustees approved:

- The Financing and Project Authorization Resolution for the University of Maine Energy Center design work, borrowing an aggregate amount not to exceed \$6,000,000.
- The Financing and Project Authorization Resolution for the refunding of certain University of Maine System Revenue Bonds including the revenue bonds issued in 2012 and 2013.

Authorizing Chancellor to Conclude Negotiations for Appointment of Presidents, USM

Chair Gardner thanked the members of the University of Southern Maine (USM) Presidential Search Committee. The Trustee members of the Committee are James Erwin, as chair; Lisa Eames and Roger Katz. Trustee Erwin also thanked Trustees Eames and Katz for serving on the Committee and expressed thanks to everyone involved in the search process.

Vice Chancellor for Strategic Initiatives and Chief Legal Officer James Thelen explained the search process. The Search Committee conducted a comprehensive national search. Four finalist candidates visited USM and met with many campus and community constituents and members of the UMS Leadership team over the past month. Chancellor Malloy is reviewing the Committee and community input and pursuing discussions with a candidate who was favorably received among and across the USM communities and is believed to be the best candidate for appointment as the next USM President.

Board of Trustees Meeting
April 19, 2022

Chancellor Malloy is seeking the Board's authorization to conclude negotiations and execute a presidential contract with the selected candidate.

On a motion by Trustee Rotundo, which was seconded by Trustee Eames, and approved by a roll call vote of all Trustees present, the Board of Trustees authorized Chancellor Malloy to conclude negotiations and execute a contract with the selected candidate to be the next President of the University of Southern Maine with an appointment to begin July 1, 2022.

Appointment of Interim President, UMF

Vice Chancellor Thelen explained that Dr. Edward Serna, President of the University of Maine at Farmington (UMF), will conclude his service with the University of Maine System on June 30, 2022. Given the short time to the end of President Serna's appointment, and in order to provide UMF leadership stability for the next two years, Chancellor Malloy is recommending the appointment of an Interim President, with the expectation that UMF and UMS will conduct a traditional national search for the next president during the second year of the two-year interim appointment.

Chancellor Malloy is having discussions with an internal candidate who may be willing to serve as Interim President for UMF effective no later than July 1, 2022 for a two-year appointment. The Chancellor is seeking the Board's authorization to conclude discussions and execute a contract for appointment with the selected candidate and introduce the appointee to UMF.

On a motion by Trustee Rotundo, which was seconded by Trustee Eames, and approved by a roll call vote of all Trustees present, the Board of Trustees authorized the Chancellor to negotiate and execute an appropriate two-year presidential appointment for the selected candidate to serve as Interim President of the University of Maine at Farmington, effective no later than July 1, 2022.

DATE OF NEXT MEETING

The next meeting of the Board of Trustees will be held on May 22-23, 2022 at the University of Southern Maine.

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

Adjournment
Ellen N. Doughty, Clerk