

UNIVERSITY OF MAINE SYSTEM

Board of Trustees Meeting

at the University of Maine System

July 15, 2015

Finance/Facilities/Technology Committee

Present: Committee Members: Norman Fournier, Chair; Samuel Collins (at UMPI), James Donnelly, Marjorie Medd (at USM), Paul Nelson (by phone), and Karl Turner (at USM).

Chancellor: James Page. **Faculty Representatives:** Ray Albert (by phone), Patti Miles. **System Staff:** Tracy Bigney, Dan Demeritt (at UMA), Tracy Elliott, Chip Gavin (at USM), Ryan Low, and Richard Thompson (at UMA). **Presidents:** Glenn Cummings (at USM), Wilson Hess (at UMFk), Rebecca Wyke (at UMA). **Other Participants:** Chris Bell (at UMPI), Tim Brokaw (at UMA), Dennis Harrington, Stuart Harvey (at UM), John Murphy (at UMFk), Buster Neel (at USM), John Rebar, and Claire Strickland.

Committee Members Absent: Gregory Johnson and Victoria Murphy.

Trustee Fournier, Chair, called the meeting to order and welcomed everyone. He announced that there would be a revision to the review of IT projects making it an action item and that after the final agenda item there would be discussion of using bond funds for demolition.

FINANCE ITEMS

Establishment of the Irving Woodlands Professor of Forestry, UMFk. The Irving Woodlands Professorship of Forestry is supported by a generous gift of one million dollars in 2015 to establish the Irving Woodlands Professorship of Forestry, to be held by the University of Maine at Fort Kent Foundation.

This non-endowed gift is an exception to Board of Trustees Policy Section 711 on Named Chairs and Professorships which stipulates that named professorships be endowed. President Hess described the gift as a “term endowment” for five to ten years. It is the result of a tri-partite agreement between Irving Woodlands, the UMFk Foundation, and UMFk.

Fund monies will be used to create endowed Professorship(s) in Forestry to support (a) the education and training of forest workers, and (b) research and monitoring of “Outcome-Based Forestry” management in the State of Maine (“Research”), including landscape level water, wildlife and biodiversity research projects that are coordinated with the Cooperative Forest Research Unit (“CFRU”) at the University of Maine in Orono.

The Irving Woodlands Professorship of Forestry shall enable UMFk to honor and reward outstanding faculty members, visiting faculty, and/or key academic leaders of the institution who have demonstrated exceptional teaching or scholarly prowess. This endowment will support retention and allow UMFk to maintain teaching and research capacity in fields important to the University’s mission.

The fund shall be administered by the University of Maine at Fort Kent’s Foundation.

Trustee Turner noted that this professorship is an exception to Board policy because it is not endowed. He asked whether we should look at the policy to determine whether the endowment requirement is an impediment to securing such gifts.

On a motion by Trustee Donnelly, which was seconded by Trustee Medd, the Finance/Facilities/Technology Committee agreed to forward this item to the Consent Agenda at the July 20, 2015 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees approves the establishment of the Irving Woodlands Professorship of Forestry.

TECHNOLOGY ITEMS

Chair Fournier noted that the Review of Projects with a Value of \$250,000 or Greater was revised to be an action item approving a capital request.

Review of Projects with a Value of \$250,000 or Greater. Mr. Richard Thompson, Chief Information Officer, provided information on the following projects with a value of \$250,000 or greater.

Facilities Software Project – IWMS Mr. Thompson reported that an outside firm was engaged to review the risks of this project. Risks included the recent resignation of two information technology team members, functional and technical support needs going forward in production and business-related change management. Professor Miles inquired whether there is a faculty member on the committee for the project. Mr. Chip Gavin, Chief General Services Officer, responded that he would be happy to talk about the need for that and noted that faculty will have a key role in master planning.

VoIP (Telecommunications) for UMaine Mr. Thompson reported that this upgrade is nearing completion and will be completed by December 31, 2015.

Data Center Capacity and Security Information Technology Services has combined the data center project with the security upgrades and annual equipment refreshment expense to create one single project. This project has a budget over the threshold for Board approval. The request does not add any expense, but because of the level of the combined amount, it becomes a single capital project.

On a motion by Trustee Donnelly, which was seconded by Trustee Medd, the Finance/Facilities/Technology Committee agreed to forward this item to the Consent Agenda at the July 20, 2015 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees authorizes the expenditure of up to \$950,000 from existing project and operating budgets, combining existing data center and security upgrades projects with normal equipment replacement scheduled for summer 2015, creating a single capital project.

CIO Report on Wireless Implementation for Residence Halls at USM. Mr. Thompson provided information related to a project to implement wireless services in six residence halls at USM. To date, network connections, including internet services, are only available through a wired connection to a port in each room. Students now use devices whose only mechanism to connect to these services is wireless. This project will address this issue for USM using the latest in technology and with necessary wiring upgrades to support the service. The upgrade will occur in two residence halls during semester break and in the remaining four residence halls during the summer break. The current cost estimate is \$1.9

million. A more detailed estimate will be available for the September meeting. President Cummings expressed strong appreciation for this work.

All other UMS universities have wireless in the residence halls. There are needs to update the wireless in some cases. UM is the newest and is state of the art.

Chief Information Officer Report on University Services: Information Technology (US:IT) Changes, Focus on Academic Environment Improvements and Project Backlog. Mr. Thompson provided information related to recent changes to the management structure of US:IT, a significant focus on classroom and video environments, and a report on the volume of current projects across the University of Maine System and a growing backlog of requests pending action and funding.

Mr. Thompson reported that after two years of consolidation University Services Information Technology now has one organizational structure and has reduced by two executive director positions creating the possibility of more boots on the ground, a stronger team approach, attention to quality and more focus on academic technology.

A faculty survey about technology needs was presented at the Academic and Student Affairs committee. The survey was designed to address the effects of consolidation. Many issues reflect lack of adequate spending over many years. The input is invaluable and the candor and time spent by faculty to discuss it was very helpful.

Mr. Thompson will develop a State of IT report for the Academic and Student Affairs and Finance/Facilities/Technology committee. He proposed a joint committee meeting at which to present this and will present to the Board if requested. The report will cover current IT services and needs. There are currently 34 projects underway and 24 waiting to start or in prioritization. There are many calls for 24 hour/7 days per week support service, and Mr. Thompson noted that coverage has expanded by 20%, though there is still a gap from 10 pm to 7 am.

Professor Miles asked about the portion of the unified fee that was once a separate technology fee. Ms. Claire Strickland responded that there continues to be a budget of \$750,000 for technology. This budget was established to represent the prior technology fee. It is intact and available.

FACILITIES ISSUES

Capital Project Status Report. Mr. Chip Gavin, Chief General Services Officer, presented the Capital Project Status Report as of May 31, 2015 which reflects a total of 23 projects. One project has been indicated for replacement on the next report pending Committee and Board Action. That project is the Payson Smith Lab Renovation. It will be replaced by Bio-Science Chemistry Lab Renovation at USM.

The biomass project at UMFK appears in this month's report to be narrowly over-expended. However, the issue in this case is a data inaccuracy that is being corrected as part of fiscal year-end closing. In brief, the error involves certain expenses at UMFK being incorrectly assigned to this project. This was identified and is being corrected. The project in fact is expected to finish within the \$5.5 million limit established by Trustees. The correction will be reflected on the next report.

Cooperative Extension Diagnostic and Research Center, UM. The University of Maine requests approval to expend up to \$9 million to build the Cooperative Extension Diagnostic and Research Center. The funding sources include: \$8 million from State of Maine General Obligation Bond funding (voter

approved in November of 2014) plus \$250,000 each from the University of Maine System and UMaine Cooperative Extension as match, and \$500,000 for laboratory equipment in grant funds from the Maine Technology Institute.

Additionally, increases in facility space now are presented to the Committee for consideration per the Administrative Review in Facilities Management. The final report, approved by the Board of Trustees in March, 2015, asked the University to adopt processes such that any project which would result in any net increase in the University of Maine System's footprint, including new leases or renewals, would be considered by the Finance, Facilities and Technology Committee of the Board of Trustees or the full Board of Trustees before being authorized. The request involves an increase of approximately 12,000 square feet of building space on this campus. Maintenance and utility costs are expected to be approximately \$93,000 annually and will be covered centrally. Operating costs will be covered by Cooperative Extension operating budget and service revenue.

As part of Maine's land-grant university, the mission of the University of Maine Cooperative Extension includes providing service to Maine businesses, farms, governments, and communities by developing research-based solutions to agricultural and economic challenges. The Cooperative Extension Diagnostic and Research Center will be a new, efficiently designed facility to improve delivery of the services currently offered. Given the importance of this facility to the citizens of Maine, the University continues to look for additional funding opportunities to enable the facility to provide the best, most comprehensive service. Future changes in scope are possible contingent on such funding.

The project includes the construction of a research and diagnostic laboratory for study of animal, plant and insect disease. The labs will provide a variety of diagnostic services including necropsy, microbiology, virology, pathology and special research support. The facility specifically will house Cooperative Extension's Tick Identification Laboratory which will be the only lab in Maine able to test for disease-causing agents transmitted by ticks. The multi-use building will include biological laboratories, bio-containment laboratories, necropsy suite, teaching facilities, offices and public spaces. The facility will be located on existing University of Maine property served by University Park Road and existing infrastructure and will be apart from but proximate to the primary campus.

The proposed schedule for the project is to complete design during the fall and early winter of 2015 followed by construction from winter 2015/2016 to completion before the end of 2016.

John Rebar, Executive Director of Cooperative Extension, thanked the Board of Trustees and Facilities Management for their support of this project. Chancellor Page commented that this project is very important and is a tangible component of the University of Maine's outreach to the community. The success of Maine's economy will be based in part on the ability to provide safe food and water, especially with climate change.

Trustee Turner asked if there is an offset in space reduction for this increase in space. Mr. Ryan Low, Chief Financial Officer, reported on space reductions that have occurred or are pending. Trustee Turner noted that we should not be constrained by space offsets at a single university, but should look System-wide.

On a motion by Trustee Turner, which was seconded by Trustee Collins, the Finance/Facilities/Technology Committee agreed to forward this item to the Consent Agenda at the July 20, 2015 Board of Trustees meeting for the following resolution:

That the Board of Trustees authorizes the expenditure of up to \$9,000,000 from State Bond, the Maine Technology Institute, and University funds to construct the Cooperative Extension Diagnostic and Research Center.

Space Reduction Request by Demolition, UMA. Mr. Tim Brokaw, Chief Business Officer at UMA spoke about the intention of the University of Maine at Augusta to reduce approximately 10,300 square feet of space at the UMA-Bangor campus through the demolition of a facility.

The cost of this project is estimated to be \$100,000 and does not require Trustee action. This information item is presented to alert the Board to the project as it is in keeping with the recommendations approved by the Board of Trustees to reduce the University's footprint and increase the utilization rate of facilities.

Lincoln Hall, the building proposed for demolition, is a single story, concrete masonry unit building that is currently unoccupied. Constructed by the Air Force in 1953, Lincoln Hall has had no recent major improvements.

The building was identified in the most recent Sightlines report as a potential for disposal. The net asset value is estimated by Sightlines at 57 percent and the capital investment needs, if the building were to be restored, are estimated by Sightlines at nearly \$1 million. The University expects the cost of such a project actually would exceed that estimate, potentially substantially, for space that is not needed.

Lincoln Hall had previously been used to house the UMA Dental Health programs and Dental Clinic. The Dental Health Programs and Clinic were relocated in 2012 to the fully renovated College Center; Lincoln Hall has since remained unoccupied. The campus has no long term need for Lincoln Hall and wishes to raze the building, thus saving approximately \$35,000 annually in utility and maintenance costs. The location of the facility on campus makes it impractical to repurpose for non-University uses.

The estimated cost to demolish Lincoln Hall is approximately \$100,000. Final costs will be determined through a competitive bid process. UMA seeks to proceed with the building demolition expeditiously in order to save operating dollars and meet the Board of Trustees' objective to reduce the campus facility footprint.

University College Lease Renewal in Ellsworth, UMA. This is a request to enter a new lease for space currently occupied by University College's Ellsworth Center to extend the Center's long-standing tenancy at the existing location at a newly reduced rental rate. The proposed lease is for a term of five (5) years at an annual rent of \$84,000, with one option renewal term of an additional five years. This rate represents a reduction of \$7,811 from the rate currently paid by the University and is fixed at that rate without increases for the five-year initial term of the new agreement. The lease can be terminated with 180 days' notice.

Additionally, under an agreement between Eastern Maine Community College and the University as partners at the site, the community college pays the University approximately \$75,000 per annum at this location for space and for other services provided by the University. The payment is not entirely facility-related, but it does off-set a substantial portion of the rent and space costs as well as other costs borne by the University. The site is approximately 5,700 square feet and is located at 248 State Street in Ellsworth. The current lease for the Ellsworth Center expires July 31, 2015.

The University of Maine at Augusta administers six University College Centers: Ellsworth, Rockland, Saco, Brunswick, S. Paris, and Rumford/Mexico.

This lease request is for the Hancock County Higher Education Center/University College at Ellsworth which serves the higher education needs of the citizens of the Ellsworth region. The location has served the needs of the University well for the past 20 years and it is expected that it will continue to meet our needs.

The Center offers University courses and, in collaboration with Eastern Maine Community College, offers Community college course options. In 2013, the Ellsworth Center served more than 810 students and generated in excess of 5,200 credit hours using a variety of education delivery modalities. UC Ellsworth offers degree programs from all seven Universities.

UMA has worked diligently to reduce operating costs at the Centers by relocating or reducing the footprint of the centers wherever possible. However, the configuration of the Ellsworth Center would make it difficult to reduce the overall footprint of the Center without incurring significant capital costs. Therefore, the University has instead negotiated an annual rent reduction from the Center's landlord effective August 1, 2015.

Trustee Collins requested that in the future the Board receive information about the revenue and expense for each center in order to look at cost effectiveness. Dr. Rebecca Wyke responded that we will provide information that is available, but that tuition goes to the university offering the course, not to University College.

On a motion by Trustee Medd , which was seconded by Trustee Donnelly , the Finance/Facilities/Technology Committee agreed to forward this item to the Consent Agenda at the July 20, 2015 Board of Trustees for approval of the following resolution:

That the Board of Trustees authorizes the University of Maine System acting through the University of Maine at Augusta to enter a 5-year lease at 248 State Street in Ellsworth at an annual rental rate of \$84,000 with an optional five year renewal with all final terms and conditions subject to review and approval by the University Treasurer and General Counsel.

Updated Use of Donated Property Sale Proceeds, UMPI. This is a request to update the permitted use of proceeds which may result from a previously authorized gift of real property from Ray and Sandy Gauvin and family members to the University of Maine System acting through the University of Maine at Presque Isle.

In 2013, the Board of Trustees accepted the gift of 75-acres plus a residential style and scale facility from the Gauvins. The gift was accepted with the intention, shared by the donors, of selling the property and structures and then investing the proceeds in facilities at the University of Maine at Presque Isle. The gift and sale were authorized by the Board of Trustees. The Board's action did not constrain the investment of proceeds to a specific facility, but the desire of the donors and the intention of the University of Maine at Presque Isle are to see the proceeds invested in Wieden Hall at UMPI. The prior agenda sheet is attached.

UMPI took possession of the property, located in Mapleton, Maine in 2014. The University has advertised the property for sale, but no buyers have yet emerged.

It remains the University's intent to dispose of the facility and to invest the proceeds in facilities at UMPI, in particular Wieden Hall. Notwithstanding that intention, the donors in their ongoing

communication with the University are requesting the gift agreement be updated to provide direction should the sale not materialize in the near term.

If it is not possible to apply the proceeds of the property's sale to the renovation of the auditorium within 5 years of the execution of an updated agreement, the donors are asking for that updated agreement to direct that the proceeds be placed in the Ray and Sandy Gauvin Scholarship fund at the Foundation of the University of Maine at Presque Isle.

Mr. Christopher Bell, Interim Chief Business Officer, stated that the University of Maine at Presque Isle supports the addendum. This constitutes a request for the Board of Trustees to sanction that change and the alternative purpose for the proceeds.

On a motion by Trustee Donnelly, which was seconded by Trustee Medd, the Finance/Facilities/Technology Committee agreed to forward this item to the Consent Agenda at the July 20, 2015 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees authorizes the University of Maine System, acting through the University of Maine at Presque Isle, to enter an updated agreement with the Gauvin family donors of a previously accepted parcel of real property with the intention of directing any proceeds from the sale of that donated property which may be received after the date described herein to be provided to the Foundation of the University of Maine at Presque Isle to support the Raynold & Sandra Gauvin Scholarship Fund.

Space Reduction Request by Disposal, USM. Chief Business Officer Buster Neel presented this request to dispose of certain land and buildings at 11 Granite Street in Portland in keeping with the recommendations approved by the Board of Trustees to reduce the University's footprint and increase the utilization rate of facilities. The facility was identified by a USM-initiated project as a potential candidate for disposal. This property also was previously approved for potential disposal by Trustees, but further approval was required to transfer the University's permanent interest. An excerpt of the minutes regarding prior Trustee action is attached, along with an illustration showing the approximate general location of the property.

The building has been vacant and unused by the University of Southern Maine for the past three years because its condition renders it unusable. The facility has a current estimated net asset value of 53 percent and an estimated renovation age of 92 years old. It is approximately 1,800 square feet and the land is approximately 0.15 acres. The residential scale and style of the facility is not optimal for University use. All utilities have been turned off and disconnected.

Adjacent neighbors are interested in a real property exchange agreement. The exact amount and configuration of any property remains to be determined. Such an agreement could provide alternative contiguous abutting property to the University for potential future use, such as for additional or reconfigured parking adjacent to the Law School, while also removing the residential facility from the University's portfolio. Use of this space for parking will offset an expected loss of parking due to city plans regarding streets that go through the campus.

The alternative property currently includes a residential-purpose garage of approximately 360 square feet which the University likely would remove in due course.

The two properties involved in this potential transfer are additionally intertwined in the sense that the sewer utility lines for the University facility are installed across the other property and under the facility

located on that property. This currently appears to be a historical circumstance of undocumented origin which the parties would like to resolve by or through the proposed agreement.

Upon approval by Trustees, the University would pursue direct discussions with these abutting owners in the mutual and potentially unique interest of both parties.

The University will seek approval from the UMS Treasurer and General Counsel for the final terms, conditions and specific disposal method.

On a motion by Trustee Medd, which was seconded by Trustee Nelson, the Finance/Facilities/Technology Committee agreed to forward this item to the Consent Agenda at the July 20, 2015 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees authorizes the disposal of all or a portion of the parcel known as 11 Granite Street in Portland subject to review and approval of the final terms and conditions by the University Treasurer and General Counsel.

Softball Facility Improvements, USM. This is a request to expend up to \$1.5 million to improve the women's softball facilities at the USM campus in Gorham to further compliance with Title IX.

In March of 2011 a committee was formed at USM to review gender equity and compliance with US DOE OCR Title IX in the athletic programs at USM. The report suggested inadequacies with regards to the women's softball and men's baseball facilities.

A further study was performed to address the Title IX equity issues of the softball and baseball outdoor facilities as a result of the report. This collaborative process involving the USM Athletics Department, Facilities Management, Office of Student Life and Administration developed a program of needs to address compliance as well as long term planned uses of the facilities. The resulting plans and cost estimates were presented internally at USM earlier this year.

Now the project seeks Trustee approval to proceed. The project would entail the creation of approximately 8,500 square feet of facility space plus improvements to the field itself:

- Construction of softball field grandstands seating for 330, including accessible seating areas (~3,900sf)
- Construction of dugouts/storage (~2,090sf)
- Construction of a press box (~450sf)
- Creation of pitching bullpens
- Leveling of playfield surface
- Construction of toilet facilities (~860sf)
- Construction of a concession stand facility (~1,200sf)

The funding for the project would come from existing E&G resources at USM to be identified by the Chief Business Officer.

In addition to Policy 701, this project is before Trustees because increases in facility space now are presented for consideration per the Administrative Review in Facilities Management. The final report, approved by the Board of Trustees in March, 2015 asked the University to adopt processes such that any project which would result in any net increase in the University of Maine System's footprint, including

new leases or renewals, would be considered by the Finance, Facilities and Technology Committee of the Board of Trustees or the full Board of Trustees before being authorized.

This project would create new space. However, as Trustees in March, 2015 provisionally also approved the elimination of slightly more than 25,000 square feet of facility space at USM and as USM, as part of the ongoing space reduction effort, has recently terminated and vacated approximately 25,000 square feet of leased space in Portland, this project would create less new space than is being eliminated. USM would still experience a net decrease in space.

On a motion by Trustee Nelson, which was seconded by Trustee Donnelly, the Finance/Facilities/Technology Committee forward this item to the Consent Agenda at the July 20, 2015 Board of Trustee meeting for approval of the following resolution:

That the Board of Trustees authorizes the expenditure of up \$1.5 million in E&G resources for improvements to the softball facilities at the University of Southern Maine in Gorham.

Update to Bio-Science Chemistry Lab, USM. This is a request to update project 6100236 to expend up to \$1.25 million to improve approximately 3,100 square feet of existing but unfinished and unused space in the Bio-Science Building at the University of Southern Maine in Portland for use as a chemistry lab and for associated purposes.

The requested change to the project is in part in connection with the increased utilization of other facilities at USM as separately and previously approved by Trustees, as well as with the ongoing strategic physical reorganizations of personnel and functions at USM.

The Payson Smith Chemistry lab (6100236) was built with the construction of the building in 1959 has remained unimproved since then. The net asset value of the Payson Smith building overall is just 40 percent and the estimated renovation age is more than 50 years old, the oldest age category that is tracked.

The remainder of Payson Smith beyond the lab space serves as staff and faculty office as well as a number of classrooms unrelated to the Sciences. To support the further consolidation and use of the facility for those purposes and to consolidate science related functions, the updated project would make the chemistry lab improvements to space in the newer but unfinished areas of the Bio-Science building.

Approximately 1,800 square feet will be built-out for a new undergraduate chemistry lab complete with lab teaching stations, necessary fume hoods and equipment, a prep room and controller's office. The remaining 1,300 square feet is intended for collaborative space, staff offices and departmental storage.

Funding will be from the previously approved 2013 General Obligation bond funds. The current schedule calls for project completion within Fiscal Year 2017.

Trustee Collins noted that this item points to the need for a comprehensive facilities plan at each university. Mr. Gavin commented that we have done a solicitation for master planning capacity and will come to the Board in September for funding.

On a motion by Trustee Turner, which was seconded by Trustee Medd, the Finance/Facilities/Technology Committee agreed to forward this item to the Consent Agenda at the July 20, 2015 Board of Trustee meeting for approval of the following resolution:

That the Board of Trustees authorizes a change in location associated with original project to make the approved investment instead in the Bio-Science Building at USM in Portland.

Use of bond funding for demolition of facilities. At the request of Trustee Turner the Committee discussed the use of Revenue Bond funding for demolition activities. Several months ago the Board received preliminary information about the permissibility of using Revenue Bond funding for demolition costs. Recently, further research was performed, including consultation with bond counsel and the auditors, validating that demolition costs are an allowable use of Revenue Bond proceeds. Ms. Tracy Elliott, Controller, further explained that the costs of demolition under tax regulations are treated as capital allowing bond proceeds to be used for such purposes while accounting standards require such costs to be directly expensed for financial statement purposes. Ms. Elliott reminded management and the Committee that a Reimbursement Resolution must be brought before the Board for approval prior to incurring costs that will be reimbursed from bond proceeds.

Chair Fournier spoke on behalf of the committee is thanking Interim President Wyke for her work with and advice to the committee over the years. He welcomed Ryan Low as UMS Chief Financial Officer.

Adjournment.

Tracy B. Bigney
Clerk of the Board