

UNIVERSITY OF MAINE SYSTEM

Board of Trustees Meeting

at the University of Maine System

March 11, 2016

Finance/Facilities/Technology Committee

Present: Committee Members: Norman Fournier, Chair; Sam Collins, Gregory Johnson, Marge Medd, Paul Nelson (by phone) and Karl Turner (at USM). **Chancellor:** James Page. **Faculty Representatives:** Ray Albert (at UMFK) Cathleen McAnney (at UMF) and Patti Miles. **System Staff:** Tracy Bigney, Tracy Elliott, Chip Gavin (at USM), Ryan Low, Richard Thompson, Vendean Vafiades (at USM), Miriam White (at UM) and Rebecca Wyke. **Presidents:** John Murphy (at UMFK), Stuart Swain, Kate Foster (at UMF) and Susan Hunter. **Other Participants:** Stewart Harvey (at UM), Claire Strickland (at UM), Buster Neel (at USM), Jeff McKay (UMF), Carolyn McDonough (at UM), and Cindy Mitchell.

Committee Members Absent: James Donnelly.

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

Establishment of the Stephen E. King Chair in Literature, UM. UM President Susan Hunter presented the request to establish the Stephen E. King Chair in Literature. The Stephen E. King Chair in Literature was established in the University of Maine Foundation in 2015 with a gift from the Harold Alford Foundation in honor of author Stephen E. King to recognize his substantial body of work and his creative impact. Mr. King is a 1970 graduate of the University of Maine.

The principal shall be endowed and the distributions, as established by the University of Maine Foundation Board of Directors, shall be used to supplement the University's funding of the Stephen E. King Chair in Literature faculty position in the Department of English. The distributions shall be used for the recruitment and retention of top faculty through supplementing compensation in order to acknowledge excellence and support faculty development; the creation of innovative learning opportunities for students through associated operating funds supporting activities and projects that advance creative writing, literature and the humanities on campus; and the engagement of the public in the creation, study and appreciation of literature through associated operating funds supporting public activities.

The purpose of the Chair is to advance excellence in the creation, study, and appreciation of literature as well as the humanities more broadly. The position will be awarded to an outstanding scholar recruited to the University of Maine or awarded on a competitive basis to a faculty member in the University of Maine Department of English. Associate or full professors of English with specialization in any area of creative writing or literature shall be eligible. Successful candidates will have shown a consistently outstanding level of accomplishment in creative writing and/or literary scholarship and in teaching. Current and previous holders of the chair are eligible without prejudice.

Appointments shall be for a term of five years. Application letters will include a proposed budget for use of operating funds. Selection will be based on the professional credentials of the applicant and on the anticipated positive and meaningful impact of the budget proposal. The Chair holder will be expected to maintain regular and substantive involvement in the University of Maine Humanities Center or a comparable entity outside the English Department. Application letters will identify proposed contributions to writing, literature, and/or the humanities beyond the Department as well as

within it. The Chair holder may take up to 25% of the distribution in the form of salary/stipend, with the remaining amount allocated as operating funds to support activities and projects such as readings, lectures or symposia on campus and/or in the community; graduate student recruitment and support; conference participation; publications; archival or experiential research; etc.

The Foundation may appropriate for expenditure so much of the Fund as it determines is prudent for the uses, benefits, purposes and duration for which the Fund is established, pursuant to the Uniform Prudent Management of Institutional Funds Act. Principal may be invaded to make annual distributions. Should it ever become impossible or impractical to carry out the purposes of this fund as described above, an alternative purpose which best fits the donor's intent and wishes shall be designated by the Board of Directors of the University of Maine Foundation in its sole discretion after consultation with the President of the University of Maine.

The Dean of the College of Liberal Arts and Sciences, in consultation with the Executive Vice President for Academic Affairs and Provost, shall administer the distributions from the fund.

On a motion by Trustee Johnson, which was seconded by Trustee Collins, the Finance/Facilities /Technology Committee agreed to forward this item to the Consent Agenda at the March 13-14, 2016 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees approves the establishment of the Stephen E. King Chair in Literature, UM.

Strategic Capital Investment Report. Mr. Ryan Low, Chief Financial Officer and Treasurer, presented the Strategic Capital Investment Report. The Strategic Capital Investment Committee has met on several occasions to prioritize short term system-wide investments for the University of Maine System. This group met on March 10, 2016 and finalized recommendations for consideration by the Finance, Facilities and Technology Committee and the full Board of Trustees.

The Committee is recommending the following expenditures by fiscal year:

For FY16:

Strategic Integration Reserve - \$1,550,000. The reserve fund is created to address critical issues that require resources outside of the traditional budget cycle. Anticipated expenditures could be, but are not limited to, proposals that have the ability to advance the One University mission, initiatives that have the potential to boost enrollment, or ideas that benefit multiple campuses. The fund is non-lapsing and it is expected that balances at the close of FY16 would be available for FY17 allocations.

Information Technology Staffing Study - \$50,000. The study will complete a detailed analysis of position descriptions, salaries and benefits for Information Technology positions within US:IT. The evaluation's findings will establish a strategy to address compensation schedules and other factors to be competitive in the Maine market and adjust inequities in existing staffing.

Information Technology Plan (year 1 staffing) - \$200,000. This initiative will provide direct support staff to address the existing challenges to provide expanded end-user support, to operate and modify enterprise systems, support campus training, to provide necessary support in the classroom, and address the network communications infrastructure. Results will be staff located at the campuses to enhance response, improve readiness, resolve technical issues and train users.

Campus Differentiation - \$700,000. The Committee is recommending \$350,000 in funding for the campus differentiation proposals submitted by the University of Maine at Farmington and the University of Maine at Augusta.

For FY17:

Information Technology Plan (year 2 staffing) - \$900,000. See description above

MaineStreet redesign - \$497,500. This work will analyze, define and reengineer existing processes and system configuration to accomplish enhanced usability and capability for system users. This early design is very important to engage users, faculty, students and administrators to achieve the highest level of functionality. The funding related to design work is not eligible for bond funding. This allocation would cover the remainder of the funding needed to finish the project.

Campus Budget Relief - \$3,000,000. The Strategic Capital Investment Committee is recommending a \$3m allocation from administrative review savings in FY17 to UMFK, UMPI and UMM (\$1m each) contingent on outcomes developed by the Chancellor, with input from those campus Presidents. Outcomes are expected to be developed and presented to the Board of Trustees at or before their May meeting.

On a motion by Trustee Collins, which was seconded by Trustee Medd, the Finance/Facilities/Technology Committee forward this item to the March 13 – 14, 2016 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees approves the recommendations from the Strategic Capital Investment Committee and Finance/Facilities/Technology Committee to allocate \$1,800,000 in FY16 and \$4,397,500 in FY17 for a series of strategic initiatives as identified in the Agenda Item Summary, amended to include the \$700,000 for campus differentiation for FY16.

Bond Financing and Project Authorization. Mr. Low and Ms. Tracy Elliott, Controller, presented the Bond Financing and Project Authorization. The University of Maine System (UMS) proposes to issue revenue bonds to refinance the revenue bond issued in 2007 and to finance the following projects:

- University of Maine System IT Projects related to wireless technology, classroom technology, and MaineStreet upgrade and modernization improvements.
- University of Maine at Machias Kimball Hall demolition.

A Financing and Project Authorization resolution related to the proposed revenue bond issuance was provided for Board review and approval.

The UMS legal debt amount currently outstanding is \$146 million, significantly below the statutory ceiling for UMS debt of \$220 million. The approximate \$16 million refinancing portion of this proposed issuance does not increase outstanding debt but rather achieves interest savings.

As stated on the Financing and Project Authorization resolution, the revenue bond issuance shall not exceed \$50 million. Such maximum amount allows for any necessary redemption premium, capitalized interest, reserves and costs of issuance. The principal amount of debt to be issued for the various IT

projects and the UMM Kimball Hall demolition total a maximum of \$25 million. The debt service payments for these projects will be covered by State of Maine general fund support of \$2.5 million annually for a 10 year period.

On a motion by Trustee Medd, which was seconded by Trustee Johnson, the Finance/Facilities/Technology Committee forwards this item to the Consent Agenda at the March 13 - 14, 2016 Board of Trustees meeting for the approval of the following resolution:

That the Board of Trustees approves the Financing and Project Authorization resolution related to the issuance of revenue bonds not to exceed \$50 million for the purposes of financing the UMS IT and UMM Kimball Hall demolition projects not to exceed \$25 million and refunding the revenue bond issued in 2007.

Capital Project Status Report. Mr. Chip Gavin presented the Capital Project Status Report as of January 31, 2016 which reflects a total of 21 projects. Three projects which have been removed since the last report due to completion are: Boardman Hall STEM Laboratory Renovation, UM, Little Hall STEM Classroom Renovation, UM, and Renewable District Biomass Heating Plant, UMFK. No new projects have been added to this report; there are no projects slated to be removed from the next report.

As an additional note, UMA currently is implementing a Science Labs Bond Project. This project has been recently revised per standard procedure for expenditures up to \$495,000. UMA has reported confidence the project will be completed at this cost level without the need for consideration of the project by the Board that would be required if the project exceeded \$500,000. Because the project is unusually close to that threshold, the Board is being alerted as an information item in this month's report. Also, project (4100026) at UMM currently is reported as narrowly exceeding the initially authorized budget. UMM is reviewing this situation to determine if any costs may have been mistakenly coded to this project. Once that is done, any remaining discrepancy will be addressed in keeping with Board policy.

Real Property Gift Approval Request, UM. Ms. Claire Strickland, UMaine Chief Business Officer, and Mr. Stuart Harvey, UMaine Executive Director of Facilities, presented a Real Property Gift Approval Request at UM to accept and to acquire by gift the facility known as the Sigma Nu house on the campus of the University of Maine from the Delta Nu Property Association of Sigma Nu fraternity. The University would then demolish the facility for parking.

The facility in question is a fraternity house located on University of Maine property at 4 Munson Road in the midst of the main campus. The wood framed structure, built in 1916, is approximately 13,000 gross square feet with five levels including three floors, a basement and an attic. The house is in need of major repairs and improvements, and the Sigma Nu fraternity is no longer a recognized student organization at the University.

The building currently is occupied by the Kappa Sigma fraternity through a lease with Sigma Nu which expires July 1, 2016. Upon acceptance of the property by the University and once the building is vacated, the University will undertake any hazardous material abatement that may be necessary followed by demolition. The land will be converted into additional parking.

Initial estimates for the abatement and demolition work total approximately \$140,000. The total project cost, including the parking lot expansion, is not expected to exceed \$500,000. The cost of this

work will be funded from University of Maine resources to be identified by the campus Chief Business Officer and System Treasurer.

This gift will result in a net increase in the gross square footage of the University but only temporarily until the facility can be removed. It will not be occupied or used by the University.

Board Policy 801 and APL II-G require Board approval of any acceptance of gifts of real property. That policy and the temporary increase in square footage that would result from the acquisition are the matters before the Committee for consideration. The demolition and anticipated expenditures, per Board policy, do not require Trustee consideration or action.

The facility is assessed by the municipality at approximately \$176,000. There is no appraisal of the facility.

On a motion by Trustee Johnson, which was seconded by Trustee Collins, the Finance/Facilities/Technology Committee agreed to forward this item to the Consent Agenda at the March 13-14, 2016 Board of Trustees meeting for the following resolution:

That the Board of Trustees approves the recommendation of the Finance/Facilities/Technology Committee to accept a gift of the facility at 4 Munson Road from the Delta Nu Property Association of Sigma Nu fraternity.

Brooks Kitchen Exhaust Upgrade, USM. Mr. Buster Neel, USM Chief Business Officer, presented the request to make improvements in excess of \$500,000 to the Brooks Student Center Dining Hall on the Gorham Campus of the University of Southern Maine. Brooks is the main dining facility on the USM campus. It is approximately 49,000 gross square feet. Its renovation age is estimated by Sightlines to be 44 years and its net asset value is estimated at 54 percent. The Trustee-approved interim and long-term net asset value goals for UMS facilities are to 63 and 70 percent respectively.

There are six different kitchen exhaust systems in the Brooks facility. Two systems are part of the original 1968 construction; one was constructed in 1984, two in 1990 and one in 2007. Each exhaust system consists of a hood directly over a cooking appliance, ductwork and a fan to move air through the hood, and a louver to exhaust the air outside. The systems constructed prior to 2007 do not meet current National Fire Protection Association codes.

Specifically, the ductwork is not welded steel and adequate access is not provided to clean the ducts. These deficiencies are noted in a Kitchen Exhaust Cleaning After Service Report provided to USM and the Town of Gorham Fire Department by the vendor hired to clean the KE ductwork. The Town of Gorham has subsequently requested a correction plan from USM to address these deficiencies.

This project would carry out that corrective action plan. It would include replacing ductwork, fans and louvers, and making other improvements, such as energy-saving automatic controls for the hoods in the system.

The project will be broken into two phases of construction and funding. The total project cost is estimated to be \$819,000. USM plans to fund \$465,000 in FY2016 and \$354,000 in FY2017 from E&G capital resources identified by the campus Chief Business Officer and System Treasurer.

USM is aware that a new food service vendor will begin providing service in the summer of 2016. USM will coordinate and adjust this project as necessary in collaboration with the new dining service provider. The aim is to ensure proper planning and to avoid planning conflicts or duplication of effort while also taking advantage of any opportunities that may arrive with the new provider.

As this project is more than \$500,000 and not more than \$1,000,000, approval rests with the Finance/Facilities/Technology Committee. Further consideration by the Board of Trustees is not required.

On a motion by Trustee Johnson, which was seconded by Trustee Medd, the Finance/Facilities/Technology Committee authorized the expenditure of up to \$819,000 from E&G funds to improve the kitchen exhaust systems and to make associated improvements at the Brooks Student Dining Center on the Gorham Campus of the University of Southern Maine.

Title IX Softball Stadium Improvements Update, USM. Mr. Neel presented the request to update the Softball Stadium Improvements project at the University of Southern Maine to a new expenditure total of up to \$2.2 million. As when originally approved by Trustees in July of 2015, the project remains intended to address Title IX findings and to achieve Title IX equity with the baseball field. This project on the Gorham campus was initially authorized to expend up to \$1.5 million.

The scope of work and budget were based on a preliminary study and estimate of probable cost provided by Harriman. After approval by Trustees, the project was advertised for bid in September 2015. The bids received by the University were for a cost of approximately \$1 million more than the estimate.

As a result, certain design elements have been changed and the project was reduced in scale to include only what was required to play softball in spring 2016, including the playing surface itself, fencing and field equipment at a cost of approximately \$955,000. To further reduce costs, the concession stand that was intended to serve both softball and baseball fields, but which is not required for Title IX equity compliance, is expected to be eliminated.

The remainder of the project (the grandstand, press box and toilet rooms) was temporarily deferred for construction during the spring and summer of 2016, following the softball season. This portion of the work is estimated to cost \$1,245,000.

This new total cost of \$2.2 million will require an additional \$700,000 in authority and funding than was previously authorized by Trustees. This is an increase of approximately 47 percent. The change exceeds management's authority per Board of Trustee policy. Funding will be from E&G resources identified by the campus Chief Business Officer and System Treasurer.

On a motion by Trustee Collins, which was seconded by Trustee Medd, the Finance/Facilities/Technology Committee agreed to forward this item to the Consent Agenda at the March 13-14, 2016 Board of Trustees meeting for the following resolution:

That the Board of Trustees approves the recommendation of the Finance/Facilities/Technology Committee to authorize the expenditure of up to \$2.2 million to improve the softball facilities at the University of Southern Maine.

Sightlines Report. Mr. Gavin presented the annual Return on Physical Asset (ROPA+) presentation from Sightlines regarding the University of Maine System's facilities and facility management operations.

The preliminary version of the report was shared with the Finance/Facilities/Technology Committee in January. Overall, the Sightlines data continues to reflect a challenging situation in which the University's renovation age, density and other metrics generally have worsened year over year.

Slides of potential particular interest may include:

- A very broad overview of Sightlines annual findings.
- Updated data for the familiar density, net asset value and 50+ year renovation age metrics.
- A "Roadmap for the Future" which is a newly available analysis that uses data to help answer questions about what kind of investment or other changes will be needed to arrest and improve the worsening Key Performance Indicators which Trustees have adopted.

Information Technology Work Plan. Mr. Richard Thompson, Chief Information Officer, presented an update to the proposed work plan to fund, develop and implement priority recommendations from the State of Information Technology Report 2015. This update includes the consideration to fund Phase I of the alternate work plan and to expand direct support staffing.

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

- Data Center Capacity and Security
- Facilities Software Project – IWMS
- Residence Hall Wireless – USM
- VoIP (Telecommunications) for UMaine

State of Information Technology Accessibility. Mr. Thompson presented an update on Information Technology Accessibility for persons with disabilities, and the recent challenges, improvements and efforts. The University of Maine System now knows what its responsibilities are related to providing accessible, and non-discriminatory, Information Technology services and resources to students, faculty, staff and the public. While we are on the road to meeting these responsibilities, significant additional resources will be needed to assist faculty and other IT content owners and users to adapt their activities and information assets, and for US:IT to address underlying IT platform accessibility issues, to remove the barriers to higher education and meaningful employment experienced by students and other person with disabilities

Adjournment.

Ellen Doughty for
Tracy B. Bigney, Clerk of the Board