

UNIVERSITY OF MAINE SYSTEM

Board of Trustees Meeting

at the University of Maine at Presque Isle

September 21, 2015

Finance/Facilities/Technology Committee

Present: Committee Members: Norman Fournier, Chair; Samuel Collins, James Donnelly, Gregory Johnson, Marjorie Medd, Paul Nelson, and Karl Turner. **Other Trustees:** James Erwin and Bonnie Newsom. **Chancellor:** James Page. **System Staff:** Tracy Bigney, Dan Demeritt, Tracy Elliott, Rudy Gabrielson, Chip Gavin, Ryan Low, Richard Thompson, and Vendean Vafiades. **Presidents:** Glenn Cummings, Rebecca Wyke. **Other Participants:** Buster Neal, Sheri Stevens, Tim Brokaw, Chris Bell, and Laura Cyr.

Committee Members Absent: None.

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

Establishment of the John Mitchell Nickerson Professorship of Political Science, UM. Trustee Fournier explained that the John Mitchell Nickerson Professorship of Political Science is presented to the Board for approval. This professorship is supported by a bequest gift of \$100,000 to the University of Maine Foundation from John M. Nickerson, a member of the Class of 1959.

This UM Foundation endowed gift is an exception to Board of Trustees Policy Section 711 on Named Chairs and Professorships which stipulates that named professorships be endowed at a minimum level of \$250,000.

This gift enables the College of Liberal Arts and Sciences to fund a position known as the John Mitchell Nickerson Professorship of Political Science. The fund will enable UM to provide an annual stipend to a (full) professor. The amount of the stipend shall be determined annually by the Dean and shall be considered only as a part of and as an addition to the recipient's annual or regular salary. The holder of the Professorship must have an outstanding teaching and scholarly record in the area of political science and be publishing works of significant value.

An ad hoc committee shall be appointed by the Dean to advise him/her in the selection of the holder of the Professorship. Nominations for the Professorship shall be recommended to the President of the University for final approval. The appointment shall be for a term of five years.

The fund shall be administered by the Dean of the College of Liberal Arts and Sciences in consultation with the Chair of the Department of Political Science.

On a motion by Trustee Collins, which was seconded by Trustee Nelson, the Finance/Facilities/Technology Committee approved this recommendation to be forwarded to the Consent Agenda at the September 20-21, 2015 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees approves the establishment of the John Mitchell Nickerson Professorship of Political Science at UM.

Cyber Security Space Lease Authorization, USM. Trustee Fournier explained that the University of Maine System, acting through the University of Southern Maine, requests authorization to lease

approximately 6,700 square feet of space at Building 554 at 148 Orion Street of Brunswick Landing for a total cost of \$1 per annum for cyber security research, teaching and workforce development. Board Policy 802 requires approval of the Trustees or its Finance, Facilities and Technology Committee for leases of greater than 5 years. This lease has an initial term of 5 years with an option for as many as four discretionary extensions for a total lease term of up to 25 years. It represents an increase in space to be occupied by the University, albeit at no direct cost to the University.

The University would be a sub-tenant of SmarterRisk, LLC in this specialized space in Brunswick, Maine. The University in this instance would be acting in support of the Maine Cyber Security Cluster (MCSC), which is a research unit within the University of Southern Maine's (USM) College of Science, Technology and Health and is under the direction of Associate Research Professor in Cybersecurity, Dr. David Yasenchock. The cluster would be the occupant of the space.

The facility is a one-of-a-kind secured data analytics facility at the former Brunswick Naval Air Station property. It has an independent back up power supply and meets government specifications of 'closed facility' (Sensitive Compartmented Information Facility, SCIF), according to material from the Mid-Coast Regional Re-Development Authority. The nature of the facility allows for both classified and unclassified research and development and for workforce development activities.

MCSC and SmarterRisk intend to carry out cyber-security research and commercialization activity in partnership with each other, federal agencies, Maine businesses, and academic organizations in other states. Workforce development and teaching also will be a major part of MCSC's planned activity in the space, which will be used in combination with the less sensitive cybersecurity lab space in the Science building space at USM.

MCSC intends to seek and believes it may be successful with this space in attracting perhaps \$15-20 million in additional grant funding over time in connection with the work to be done at the space and because of the opportunities the space provides. Other revenue opportunities also may be possible.

SmarterRisk will bear the cost of the primary lease. The first year cost of rent is estimated at \$176,000 or approximately \$935,000 over the five-year term. SmarterRisk also will bear the costs of renovation, fit out and operating the space. SmarterRisk contends that it and other companies have enjoyed significant success based on the skills, talent, and work ethic of the people from Maine and have worked closely with Maine higher education. Investing in Maine, its people and educational institutions has yielded a long history of significant return on investment according to SmarterRisk. SmarterRisk further believes it is investing in its own future by investing in Maine people and higher education through this lease and in other ways in what it believes to be a challenging and exceptional growth market. With this initiative there is an opportunity for UMS, USM/MCSC, and SmarterRisk to take the lead in a unique public private partnership.

SmarterRisk, LLC (smarterrisk.com) is a new company established by IBM as part of the company's strategy to increase its involvement in cybersecurity training and research and development. A USM/MCSC partnership with SmarterRisk, therefore, provides USM computer science and cybersecurity students and faculty opportunities to develop closer working relationships with IBM. Mr. Charles Largay, who was previously affiliated with MCSC and has been an adjunct professor in USM's Department of Computer Science, is Chief Executive Officer of SmarterRisk. To avoid the potential for apparent or actual conflicts of interest, Mr. Largay removed himself from his affiliations with MCSC and is not presently an adjunct professor for USM. UMS General Counsel has reviewed the situation

and does not believe any actual conflict of interest is present, as Mr. Largay has no ability to influence the Board's action on this resolution or realize personal gain from it as a now-former employee of USM.

On a motion by Trustee Nelson, which was seconded by Trustee Turner, the Finance/Facilities/Technology Committee approved this recommendation to be forwarded to the Consent Agenda at the September 20-21, 2015 Board of Trustees meeting for the following resolution:

That the Board of Trustees authorizes the leasing of approximately 6,700 square feet of space at Building 554 at 148 Orion Street in Brunswick, Maine, for a total cost of \$1 per annum for up to 25 years, subject to review and approval of final terms and conditions by the Treasurer and General Counsel.

Space Reduction by Disposal of Real Property, UM. Trustee Fournier explained that the University of Maine System, acting through the University of Maine, is requesting to dispose of certain land and buildings at 126 College Avenue in Orono, Maine. Board Policy 802 requires any sale or transfer of real property to be approved by the Board of Trustees if the value is greater than \$50,000. An appraisal on this particular property was obtained in 2015. The current municipal valuation of the entire parcel is \$469,100 and the actual appraised value is \$130,000, either of which exceeds the threshold.

This request 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. The property was identified by a UM-initiated project as a potential candidate for disposal.

The buildings have been vacant and unused by the University of Maine since early 2015 when the employee assistance program was discontinued and the occupants vacated the space. The net asset value and estimated renovation age are not available at this time, but the age is approximately 25 years old and the general state of the building as described in the appraisal is below average. The main building is approximately 2,400 gross square feet (including attic and basement) and the garage is approximately 1,100 gross square feet. The property is slightly less than one acre. The residential scale and style of the facility is not optimal for University use.

Upon approval by Trustees, the University would pursue sale of the building and land pursuant to Board policy, standard administrative practices and permissible procedures.

On a motion by Trustee Johnson, which was seconded by Trustee Nelson, the Finance/Facilities/Technology Committee approved this recommendation to be forwarded to the Consent Agenda at the September 20-21, 2015 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees authorizes the disposal by sale or other means of the surplus real property, land and buildings, located at 126 College Avenue in Orono, Maine.

Wireless Service Improvements, USM. Trustee Fournier stated that this is a request to expend up to \$1.9 million at University of Southern Maine from University funds to install or upgrade wireless communication infrastructure in the six residence halls on the campus in Gorham, providing modern, high speed wireless connectivity to students in these spaces.

This project will install and implement wireless services in all six residence halls at USM. This project will address this issue for USM using the latest in technology and with necessary wiring upgrades to

support the service. The gain in speed grows from no service to routers with gigabit capacity. The result will provide needed high quality connectivity and seamless access to a growing online environment.

The project will be managed by University Services Information Technology Services in two phases. Phase 1 will install and implement service in two residence halls chosen in cooperation with USM leadership and Facilities Management. The work in Phase 1 will be completed over the winter break. Phase 2 will involve installing and implementing service in the remaining four resident halls over the summer break in time for the start of fall semester in 2016.

Both of these phases of improvements at USM will be integrated into the broader, pending state of Information Technology Services report and the associated recommendations. These investments at USM are of such critical importance to USM, the student experience and the University's enrollment efforts that they are proposed for approval now in order to bring the improvements online during the current academic year, as described, even as the broader information technology planning is ongoing.

The project would include the following buildings and approximate student counts:

Building name:	# Students	Year Built
Anderson Hall	100	1963
Philippi Hall	200	2001
Robie-Andrews Hall	200	1897
Upton-Hastings Hall	300	1960
Woodward Hall	80	1955
Upperclass Hall	300	2007
Total student beds:	1,180	

The total project costs are estimated at \$1.9 million and include all equipment, telecommunications infrastructure and rooms, design and project management services and contingency for limited remediation of hazards such as asbestos. Funding will come from USM reserves (\$350,000) and internal University loans (\$1.55 million) as determined by the Treasurer.

On a motion by Trustee Collins, which was seconded by Trustee Nelson, the Finance/Facilities/Technology Committee approved this recommendation to be forwarded to the Consent Agenda at the September 20-21, 2015 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees authorizes up to \$1.9 million to be expended for the installation and implementation of wireless infrastructure at residence halls at the University of Southern Maine campus in Gorham, with funding to include at least \$350,000 from USM reserves and up to \$1.55 million from an internal University of Maine System loan as determined by the Treasurer.

Naming of Facility, UMA. Trustee Fournier stated that this is a request to name a facility at the University of Maine at Augusta as the "Walters Alumni Center" in honor of alumnus and supporter Lon Walters.

Mr. Walters earned an Associate's Degree in Business Careers in 1972 from the University of Maine at Augusta. He is a respected member of the business community in the Kennebec Valley region. He served as a member UMA's Board of Visitors and was the Chair of the Board of Visitors for several years. Mr. Walters has made several generous donations to UMA including a \$250,000 recent donation to UMA's first ever capital campaign and another gift of granite valued at \$100,000, which will be used

to construct a campus amphitheater. Mr. Walters is recognized for being a long-time supporter of the University of Maine at Augusta.

Mr. Walters currently serves as Co-Chair of UMA's first ever capital campaign, which aims to raise \$5 million to coincide with UMA's 50th anniversary occurring in 2015.

The alumni center at UMA is home to alumni relations as part of the Office of University Advancement and also the Office of the President. It is an approximately 6,800 square foot facility at the Augusta campus.

On a motion by Trustee Medd, which was seconded by Trustee Nelson, the Finance/Facilities/Technology Committee approved this recommendation to be forwarded to the Consent Agenda for Board of Trustee approval of the following resolution:

That the Board of Trustees approves the recommendation of the Finance, Facilities and Technology Committee to authorize the naming of the alumni center facility at the Augusta campus of the University of Maine at Augusta as the "Walters Alumni Center."

Naming of Facility, UMF. Trustee Fournier stated that this is a request to name a facility at the University of Maine at Farmington as the "Theodora J. Kalikow Education Center." The facility, currently known as the Education Center, would thereafter be known as the "Kalikow Education Center."

This proposed naming is in honor of Theo Kalikow who concluded her service to UMS on June 30, 2015, after serving approximately 18 years as president at UMF as well as in additional roles with the University of Maine System.

President Kalikow served as UMF President from 1994 until 2012, a time during which her leadership solidified town-gown relationships, clarified UMF's role as the public liberal arts college of Maine, strengthened academic programs, promoted energy savings and environmental awareness, improved facilities, and furthered diversity and women's contributions at UMF and throughout the System.

The Education Center was initiated and completed during President Kalikow's tenure. It is a 44,500 square foot building containing classrooms for students in education and social services programs, as well as faculty offices and a resource center. Opened in 2007, it achieved LEED silver status, largely due to its Ground Source Heat Pump (geothermal) heating and cooling system but also including many other energy-saving features.

President Kalikow led the capital campaign for the facility and provided the vision to steer the design and construction process so that UMF could build a highly energy efficient center that would also serve as an environmental teaching tool for UMF students and the community. A strong advocate for education programs, President Kalikow helped affirm UMF's role in preparing teachers. She also supported the initiation of a UMF Masters in Education degree program in 2008.

The Education Center is one of the two large classroom and faculty office facilities at UMF. It sits in the center of the campus and contains state-of-the-art meeting rooms which allow access to distance meetings for faculty and staff in all departments. It is also used by community groups and tours are given to schoolchildren and other interested citizens in order to demonstrate the green features of the building.

As such, the building is emblematic of President Kalikow's forward-looking leadership to modernize facilities, promote environmental sustainability, and create strong connections with the community. Under President Kalikow's watch, the Partnership for Civic Advancement was launched, which provides student internships with regional businesses and organizations. President Kalikow has a long history of community connection: opening UMF courses to the public; creating a joint capital campaign for the town and UMF libraries; supporting the Gold Leaf Institute, which provides courses for those over 55; leading the university/community effort to design and build the Emery Community Arts Center; and approving academic programs which connect to businesses, recreation facilities, and scientific endeavors in the region.

President Kalikow received many statewide honors during her time at UMF, especially in the areas of women's leadership and environmental sustainability. She was awarded the Green Building Leadership Award from the Maine Chapter of the US Green Building Council in 2006. She negotiated financially troubled times at UMF with skill and openness and was highly regarded both on campus and in the community. Naming this significant building after her would give her a permanent presence at the University of Maine at Farmington.

On a motion by Trustee Nelson, which was seconded by Trustee Medd, the Finance/Facilities/Technology Committee approved this recommendation to be forwarded to the Consent Agenda for Board of Trustee approval of the following resolution:

That the Board of Trustees approves the recommendation of the Finance, Facilities and Technology Committee to authorize the naming of the facility known as the Education Center at the University of Maine at Farmington to be the "Theodora J. Kalikow Education Center."

16 Central Street Relocation Update, UMS. Trustee Fournier explained that this is a request to authorize a \$1 million increase in the previously approved project to relocate personnel from 16 Central Street in Bangor and also to authorize \$1 million for parallel improvements in Lewiston Hall on the Bangor campus of the University of Maine at Augusta.

This request is pursuant to Board policy 701 which requires projects with a total cost of more than \$500,000 or with costs that change by more than 10 percent of the originally approved amount to be considered by the Board of Trustees or its Finance, Facilities and Technology Committee. In this case, the request is to approve and to forward this matter to the consent agenda of the Board of Trustees.

This request is fully in keeping with the recommendations approved by the Board of Trustees to reduce facility space where feasible, increase the density of use of existing facilities and improve the net asset value of facilities. This initiative essentially monetizes the 16 Central Street property, makes those resources available to invest in facilities located on campuses and increases the utilization of facilities.

A future change in the 16 Central Street project such as this was expressly discussed when Trustees in March 2015 approved a resolution to sell or otherwise transfer the real property and interests in the building known as 16 Central Street, Bangor, and to expend up to \$1 million from funds identified by the University Treasurer, subject to future adjustment..." That preliminary approval was sufficient to advance the project while more planning was accomplished. While it has taken several months longer than estimated to return to the Board, this is the update that was forecast.

This request would bring the total 16 Central Street relocation authorization to \$2 million. This is the same as the appraised value of the property and is in keeping with the University's intention to accomplish the relocation in a manner that is cost-neutral or positive for the University over the first 5 years of implementation.

With the preliminary approval in hand from Trustees, the University already has accomplished the relocation of approximately 25 percent of the personnel from 16 Central Street. Those personnel have gone to facilities at UMA, UM, USM and other locations. An estimated 40-50 percent of the personnel will be relocated by the end of the year or shortly thereafter. Fully 85 percent of the positions once located at 16 Central are expected to be on campuses by the end of the academic year. The remaining moves will be accomplished during the summer of 2016.

Currently, University Services personnel are integrated in campuses at approximately this distribution: UMA, 13.3 percent, USM, 19.8 percent; UM, 32 percent; UMF, UMFK, UMM, UMPI and other locations, 12.6 percent; and, 16 Central Street 22.3 percent. When 16 Central is closed, the estimated distribution will be UMA, 19.9 percent, USM, 19.8 percent; UM, 47.7 percent; UMF, UMFK, UMM, UMPI and other locations, 12.6 percent; and, 16 Central Street 0 percent.

As this data indicates, most relocated personnel from this point forward will be relocating either to the University of Maine or to the University of Maine at Augusta, particularly the Bangor campus. The existing authorization from the Board is estimated to be sufficient for approximately half the anticipated costs. The remaining cost of \$1 million is the subject of this request.

Additionally, the investments particularly at UMA in Bangor have brought forward a companion project by UMA to make additional improvements in its Lewiston Hall facility in partnership and coordination with the 16 Central portion of the work. UMA's request is for \$1 million. Together, these two investments at UMA are expected to increase significantly the net asset value of the targeted facility, which currently stands at 59 percent.

The resources for the \$2 million in 16 Central Street costs ultimately are expected to come from the proceeds of the sale of the facility. In the interim, bridge internal funding will be arranged by the University Treasurer. The resources for improvements in Lewiston Hall requested by UMA in parallel with this relocation will be from UMA reserves (\$550,000) and an internal University loan (\$450,000) or other resources identified by the University Treasurer.

The facilities to be improved at the University of Maine and the University of Maine at Augusta include primarily, at UM, Alumni Hall, Neville Hall, East Annex, and, at UMA, Lewiston Hall.

While these improvements will make greater density or utilization of facilities possible, the UMA improvements in particular will bring additional benefits to University programs. While much of the space is currently in use or requires relatively limited renovations, one major project will involve the renovation of Lewiston Hall. The improvements at Lewiston Hall include those directly associated with the 16 Central projects and also additional improvements desired by UMA. Those parallel improvements will take advantage of the mobilization of designers and construction firms already occurring for the 16 Central Street project and allow UMA's work to be done more cost-effectively than if done at another time.

Lewiston Hall at UMA in Bangor is a three-story concrete masonry unit building of approximately 26,600 square feet. It was acquired from Maine Public Broadcasting in 2008 when MPBN consolidated

its operations. The building is one of the original military barracks given to the University in the early 1970's when Dow Air Force base closed.

The facility has a Sightlines estimated renovation age of more than 50 years and an estimated net asset value of 59 percent. The third floor currently is vacant and the overall density or utilization of the facility is low, in part because the building lacks an elevator and ADA access to the upper floors is not possible. The current initiatives of the 16 Central Street project and UMA's own planned project would remedy that by installing an elevator as part of the renovation.

The University System intends to relocate approximately 25 employees to this facility as a result of the closing of 16 Central Street. Those employees will be primarily but not exclusively personnel associated with University Services Human Resources. UMA and UMS representatives have been working with architects and engineers from WBRC to develop detailed plans and specifications for this work. The estimated cost of the project comprehensively is \$1.9 - \$2 million. Just under \$1 million of that cost is attributable to the 16 Central Street portion of the project and, likewise, to the UMA portion of the project.

The improvements to Lewiston Hall will include a three-stop elevator that will allow the University to fully utilize the second and third floors, renovations of existing restrooms to meet accessibility requirements, replacing existing emergency egress stairs with ones that meet present building codes, completing some modest interior renovations on the third floor to meet the programming needs of UMS staff who will be stationed in Lewiston Hall, adding exterior insulation to gain energy efficiency, and making improvements to the HVAC system to accommodate the increased level of staff in the building.

UMA's Enrollment Services Center is based on the first floor of Lewiston Hall. Faculty and staff offices are on the second floor along with one modest polycom-equipped classroom. Once the building improvements are completed UMA intends to relocate its ITV classrooms and Office of the Campus Dean to Lewiston Hall from Bangor Hall, which will result in greater administrative efficiencies for the students, faculty and staff. Additional classrooms in Lewiston Hall will increase the amount of student traffic in and out of the Enrollment Services Center. It is anticipated that the students will make better use of the services that are currently housed in Lewiston Hall as they will be conveniently located. Funding for the Lewiston Hall Elevator Project will come from UMA and System reserves.

The space vacated in Bangor Hall will house the Office of Facilities, Campus Security, and IT Services. New Ventures Maine (formerly known as Women, Work and Community) will remain in Bangor Hall. UMA intends to demolish Acadia Hall, the building used presently by Facilities and Security, once they relocate to Bangor Hall. This will reduce the campus operating budget and the campus building footprint by approximately 3,100 square feet. The estimated cost to demolish Acadia Hall is \$20,000 and the resources will come from UMA funds.

The demolition does not require Trustee consideration but is made possible by approval of the improvements to Lewiston Hall, which does require Trustee consideration. The estimated annual operating cost savings will be \$10,000. The demolition will also increase campus density and improve net asset value. UMA, which previously was authorized to sell or otherwise dispose of Dow Chapel, also plans to proceed with demolition of that facility due to its condition and location on campus, which will reduce space at UMA by a further 11,600 square feet. Finally, if Lewiston is renovated, UMA also intends to proceed with the demolition of Lincoln Hall at UMA in Bangor, as the Committee and Trustees were advised at the most recent meetings. Those three demolitions together, all of which involve facilities with estimated renovation ages of 50+ years and most of which generally is made

possible by the renovation of Lewiston Hall, cumulatively will reduce UMA's footprint by more than 25,000 gross square feet. Funding for the demolition of Acadia Hall, Lincoln and Dow Hall will come from UMA's budget as determined by the Chief Business Officer and University Treasurer.

Lastly, as the closure and relocation of personnel is moving forward, the sale of 16 Central Street also is advancing. The University is actively soliciting real estate services to list the property, to identify prospective buyers and to secure a sale. The request for proposals for real estate services was publicly advertised this month and responses are pending. An award is expected before the November meeting of the Trustees. While the intention of the University has been clear for some time and has been publicly reported, marketing of the property in earnest is expected to follow the award.

On a motion by Trustee Medd, which was seconded by Trustee Nelson, the Finance/Facilities/Technology Committee approved this recommendation to be forwarded to the Consent Agenda for Board of Trustees approval at the September 21, 2015 Board meeting.

The Board of Trustees authorizes the expenditure of up to \$2 million for the relocation of personnel from 16 Central Street to campus facilities to be funded by an internal loan, pending the sale of the facility, or from other resources as identified by the University Treasurer; and, also authorizes the expenditure of up to \$1 million for parallel renovations at Lewiston Hall in Bangor, to be funded with \$550,000 from UMA resources and up to \$450,000 from an internal loan or other resources identified by the University Treasurer.

Adjournment.

Tracy B. Bigney
Clerk of the Board