FY2013 ROPA Presentation
The University of Maine System
By: Jim Kadamus and Emily Morris
A vocabulary for measurement

The Return on Physical Assets – ROPA\textsuperscript{SM}

**Asset Value Change**

The annual investment needed to ensure buildings will properly perform and reach their useful life

“Keep-Up Costs”

**Annual Stewardship**

The accumulated backlog of repair/modernization needs and the definition of resource capacity to correct them

“Catch-Up Costs”

**Asset Reinvestment**

The effectiveness of the facilities operating budget, staffing, supervision, and energy management

**Operational Effectiveness**

The measure of service process, the maintenance quality of space and systems, and the customers opinion of service delivery

**Service**

**Asset Value Change**

**Operations Success**
A vocabulary for measurement

The Return on Physical Assets – ROPA℠

Operating Budget
Planned Maintenance
Funded
Depreciation
“Keep-Up Costs”

Annual Stewardship

State Funding
University Revenue
Campus Capital Accounts
Bonds
Grants
Gifts
“Catch-Up Costs”

Asset Reinvestment

Facilities operating budget
Staffing and supervision
Energy cost and consumption

Operational Effectiveness

Work Order Process Analysis
Campus Inspection
Customer Satisfaction Survey

Service

Asset Value Change

Operations Success
Sightlines profile: 43 states, DC, Nova Scotia

Sightlines works with over 400 campuses

Common facilities vocabulary
Consistent analytical methodology
Context through benchmarking

State System Comparisons

- Connecticut State University System
- Massachusetts State Colleges
- Mississippi Institutions of Higher Learning
- Oregon University System
- Pennsylvania State System of Higher Education
- University of Alaska System
- University of Missouri System
- University System of New Hampshire
## Core Observations for FY2013

<table>
<thead>
<tr>
<th>Maine System Core Observations FY2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>• The Maine System has an aging campuses with more space in high risk categories than peers. This means that life cycles of many building components are at or past their useful life.</td>
</tr>
<tr>
<td>• There is opportunity to improve the age profile with buildings over 50 years old through a combination of strategic renovations and demolitions.</td>
</tr>
<tr>
<td>• Density of users on campus is decreasing over time. Even with the removal of non-historical buildings currently in poor condition with low utilization, density of campuses is low.</td>
</tr>
<tr>
<td>• Maine System investment into existing facilities is increasing and has closed the gap to meet peer levels in FY2013. In addition, Sightlines recommended target levels were met in FY2013 for the first time in four years.</td>
</tr>
<tr>
<td>• Energy reduction continues to be a highlight within the system, even with an increase in fossil consumption due to a harsher winter in FY2013.</td>
</tr>
<tr>
<td>• Service process is low compared to peers.</td>
</tr>
</tbody>
</table>
Maine System age profile, 68% of space over 25

Space over 50 years old (highest risk) grown from 29% in FY06 to 40% in FY13

Campus Age Distribution Over Time

<table>
<thead>
<tr>
<th>Year</th>
<th>Under 10</th>
<th>10 to 25</th>
<th>25 to 50</th>
<th>Over 50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maine System 2006</td>
<td>18%</td>
<td>10%</td>
<td>43%</td>
<td>29%</td>
</tr>
<tr>
<td>Maine System 2009</td>
<td>20%</td>
<td>11%</td>
<td>39%</td>
<td>30%</td>
</tr>
<tr>
<td>Maine System 2013</td>
<td>18%</td>
<td>14%</td>
<td>28%</td>
<td>40%</td>
</tr>
</tbody>
</table>
Space over 50 years old (highest risk) grown from 29% in FY06 to 40% in FY13

Maine System age profile, 68% of space over 25

Campus Age Distribution Over Time

- Maine System 2006: 29% Over 50, 43% 25 to 50, 18% 10 to 25, 10% Under 10
- Maine System 2009: 30% Over 50, 39% 25 to 50, 11% 10 to 25, 10% Under 10
- Maine System 2013: 40% Over 50, 28% 25 to 50, 14% 10 to 25, 18% Under 10

Highest Risk
- 2006: 29%
- 2009: 30%
- 2013: 40%

High Risk
- 2006: 43%
- 2009: 39%
- 2013: 28%
Renovation age distribution across System

All campuses have majority space over 25 years old

FY13 Renovation Age Across System

- UMA: 29% Under 10, 25% 10 to 25, 35% 25 to 50, 34% Over 50
- USM: 30% Under 10, 26% 10 to 25, 32% 25 to 50, 32% Over 50
- UMFK: 33% Under 10, 9% 10 to 25, 35% 25 to 50, 33% Over 50
- UMPI: 26% Under 10, 12% 10 to 25, 43% 25 to 50, 19% Over 50
- UMM: 36% Under 10, 19% 10 to 25, 35% 25 to 50, 16% Over 50
- UMF: 36% Under 10, 12% 10 to 25, 36% 25 to 50, 16% Over 50
- UMaine: 49% Under 10, 15% 10 to 25, 25% 25 to 50, 25% Over 50
Maine System % of space over 50 is growing

Public institutions average 20% of space over 50 in FY13
Two waves of construction hitting major life cycles

First wave of buildings are now 50 years old; second wave nears 20 years old
Over 50 Analysis
### Utilization template distributed to, and completed by, each institution in the system.

<table>
<thead>
<tr>
<th>Building Name</th>
<th>GSF</th>
<th>Program Use</th>
<th>Historic</th>
<th>Utilization Rate</th>
<th>Condition</th>
<th>Value to Program</th>
<th>Value to Institution’s Mission</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sennett Hall-Center Wing-B</td>
<td>10,558</td>
<td>Residence Hall</td>
<td>No</td>
<td>1: High</td>
<td>2: Fair Condition</td>
<td>1: Valuable</td>
<td>2. Aligns with Institution's Mission</td>
</tr>
<tr>
<td>O’Brien House</td>
<td>5,000</td>
<td>Admissions House</td>
<td>No</td>
<td>3: Low</td>
<td>2: Fair Condition</td>
<td>1: Valuable</td>
<td>1. Supports Institution's Mission</td>
</tr>
<tr>
<td>Doward Hall-West Wing-A</td>
<td>21,139</td>
<td>Residence Hall</td>
<td>No</td>
<td>1: High</td>
<td>2: Fair Condition</td>
<td>1: Valuable</td>
<td>1. Supports Institution's Mission</td>
</tr>
<tr>
<td>POWERS HALL</td>
<td>33,525</td>
<td>Acad/Admin</td>
<td>No</td>
<td>1: High</td>
<td>3: Poor Condition</td>
<td>1: Valuable</td>
<td>1. Supports Institution's Mission</td>
</tr>
</tbody>
</table>

The following slides will dig deeper into some of the buildings on this list.
Total Maine System Findings- ~3.5m GSF Over 50

Comparing condition with utilization across the system

Building vs. Utilization

- High
  - Poor to Fair: 2,148,529
  - Good to Excellent: 426,109

- Low
  - Poor to Fair: 507,227
  - Good to Excellent: 81,051
Candidates for Renovations

Buildings with High utilization and Poor condition are good candidates for renovation. 

<table>
<thead>
<tr>
<th>Building vs. Utilization</th>
<th>High</th>
<th>Low</th>
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</thead>
<tbody>
<tr>
<td>Poor to Fair</td>
<td>2,148,529</td>
<td>507,227</td>
</tr>
<tr>
<td>Good to Excellent</td>
<td>426,109</td>
<td>81,051</td>
</tr>
</tbody>
</table>

*includes 1,098,868 of Historic GSF
Candidates for Potential Removal

Buildings with Low utilization and Poor condition good candidates for removal

Building vs. Utilization

*includes 209,481 of Historic GSF
Low Utilization and Poor Condition Space

Removing historical buildings from the equation

<table>
<thead>
<tr>
<th>Buildings over 50 with Poor Condition/Low Utilization</th>
<th>Sum of GSF</th>
</tr>
</thead>
<tbody>
<tr>
<td>The University of Maine</td>
<td>255,914</td>
</tr>
<tr>
<td>University of Maine at Augusta</td>
<td>18,868</td>
</tr>
<tr>
<td>University of Maine at Farmington</td>
<td>55,744</td>
</tr>
<tr>
<td>University of Maine at Fort Kent</td>
<td>29,872</td>
</tr>
<tr>
<td>University of Maine at Machias</td>
<td>5,000</td>
</tr>
<tr>
<td>University of Maine at Presque Isle</td>
<td>384</td>
</tr>
<tr>
<td>University of Southern Maine</td>
<td>141,445</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>507,227</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Less Historical Buildings</th>
<th>Sum of GSF</th>
</tr>
</thead>
<tbody>
<tr>
<td>The University of Maine</td>
<td>62,646</td>
</tr>
<tr>
<td>University of Maine at Augusta</td>
<td>18,868</td>
</tr>
<tr>
<td>University of Maine at Farmington</td>
<td>55,744</td>
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<tr>
<td>University of Maine at Machias</td>
<td>5,000</td>
</tr>
<tr>
<td>University of Maine at Presque Isle</td>
<td>384</td>
</tr>
<tr>
<td>University of Southern Maine</td>
<td>125,232</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>297,746</strong></td>
</tr>
</tbody>
</table>
## Buildings Comprising the 297,746 GSF

### University of Southern Maine
- **1. Stone House**: 15,177 GSF
- **2. College Ave-051**: 9,622 GSF
- **3. School St-128**: 8,546 GSF
- **25 Remaining Buildings**: 91,887 GSF

### The University of Maine
- **1. *Heating Plant***: 12,990 GSF
- **2. Sigma Chi Heritage House**: 12,370 GSF
- **3. Environmental Sciences Lab**: 8,546 GSF
- **15 Remaining Buildings**: 30,111 GSF

### University of Maine at Farmington
- **1. Alumni Theater**: 12,751 GSF
- **2. Main St-238, Look House**: 6,304 GSF
- **3. Quebec St-144, Int. House**: 5,020 GSF
- **9 Remaining Buildings**: 31,669 GSF

### University of Maine at Fort Kent
- **1. Armory Building**: 8,700 GSF
- **2. Acadia House**: 4,852 GSF
- **3. Cold Storage**: 4,000 GSF
- **7 Remaining Buildings**: 12,320 GSF

### University of Maine at Augusta
- **1. Lincoln Hall**: 10,804 GSF
- **2. Schoodic Hall**: 3,232 GSF
- **3. Katahdin Hall**: 3,232 GSF
- **4. Pottery Shop**: 1,600 GSF

### University of Maine at Machias
- **1. O’Brien House**: 5,000 GSF

### University of Maine at Presque Isle
- **1. Norton Museum**: 384 GSF

* *Heating Plant* is candidate for renovation*
Benefits of Eliminating Low Utilized, Poor Condition Buildings

$27M reduction in Backlog of Deferred Maintenance, $1.7M reduction in Operating Costs

Before and After Possible Elimination

Deferred Maintenance

UMaine System

\[\text{Before: } \$942M \quad \text{After: } \$915M\]

Operating Budget

UMaine System

\[\text{Before: } \$59.2M \quad \text{After: } \$57.5M\]
Strategies to align U Maine space with peers
Maine System Density Has Gone Down Over Time

Density at Maine System Level

- Measures number of users / 100,000 GSF
- A measure of the amount of use campus buildings receive on a daily basis
- Users include student, faculty, staff FTE

11% Decrease Since FY06

Maine System Average

FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13

332 343 340 321 330 322 302 297

Users/100,000 SF

0 50 100 150 200 250 300 350 400 450
Density as a Measure

No single strategy will increase density quickly

- Density is a broad measure of how busy a campus is in relation to the physical footprint. When benchmarked, density factor provides context on space utilization, efficiency of campus operations, and can be useful during times of campus expansion or contraction.

- There is no single strategy that will increase density quickly. Multiple, long-term policies and strategies need to be implemented to have an impact.

- Strategies that are working for campuses/systems include:
  - Eliminate poor quality, low utilized space – has added benefits of mitigating campus risk, reducing deferred maintenance, and lowering operating costs
  - Limit new construction unless it replaces poor quality space or supports programs that will attract new students
  - Aggressive strategies to increase enrollment of traditional and non-traditional students
  - Repurposing buildings to align with campus priority programs
  - Selling or leasing under-utilized campus facilities
Distance learning effects credit hours & Density

Total credit hours include Distance ITV, Distance Online, Distance Onsite, Distance Video Conference, and Traditional Class courses. Traditional courses only offered onsite.

Density Across the Maine System in FY13

Total credit hours include Distance ITV, Distance Online, Distance Onsite, Distance Video Conference, and Traditional Class courses. Traditional courses only offered onsite.

*Density Calculation using student FTEs only
Comparing Density with GSF changes

How does density of campuses change when buildings over 50 years old in poor condition and low utilization are removed from the inventory?

Density Across the Maine System in FY13

*Density Calculation using student FTEs only*
Maine System Density – Student FTEs only

Looking at System Density with Traditional Credit Hours and less Buildings Over 50 with Poor Condition and Low Utilization

Density at Maine System Level

FY13 Peer System Average

Density Calculation using student FTEs only
Closing the Density Gap with GSF Changes

What would it take to bring UMaine System Campuses half way to peer average?

Density Across the Maine System in FY13

- **FY13 Peer System Average**
- **50% of FY13 Peer Average - 286 FTEs/100,000 GSF**

*Density Calculation using student FTEs only*
Closing the Density Gap

What would it take to bring UMaine System Campuses half way to peer average?

Note: GSF listed includes less Buildings Over 50 with Poor Condition and Low Utilization and additional GSF to meet average

<table>
<thead>
<tr>
<th>Density Across the Maine System in FY13</th>
<th>UMM</th>
<th>UMPI</th>
<th>UMaine</th>
<th>UMFK</th>
<th>UMF</th>
<th>USM</th>
<th>UMA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student FTE</td>
<td>+440</td>
<td>+500</td>
<td>+4,250</td>
<td>+160</td>
<td>+300</td>
<td>+700</td>
<td>N/A</td>
</tr>
</tbody>
</table>

50% of FY13 Peer Average - 286 FTEs/100,000 SF

OR

<table>
<thead>
<tr>
<th>Density Across the Maine System in FY13</th>
<th>UMM</th>
<th>UMPI</th>
<th>UMaine</th>
<th>UMFK</th>
<th>UMF</th>
<th>USM</th>
<th>UMA</th>
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</thead>
<tbody>
<tr>
<td>GSF</td>
<td>-160,000</td>
<td>-175,000</td>
<td>-1.6M</td>
<td>-85,000</td>
<td>-156,000</td>
<td>-625,000</td>
<td>-19,000</td>
</tr>
</tbody>
</table>

*Density Calculation using student FTEs only*
Aligning UMaine System Density to Peers

By removing 2.5M GSF from the inventory or adding 6,350 additional FTEs UMaine System would get to 50% of the Peer System Density Level

*Density Calculation using student FTEs only*
Aligning UMaine System Density to Peers

By removing 2.5M GSF from the inventory or adding 6,350 additional FTEs UMaine System would get to 50% of the Peer System Density Level

*Density Calculation using student FTEs only*
Impact of Poor Condition & Low Utilized Buildings

Removal of 297,746 GSF brings Over 50 age down 2%

Campus Age Distribution Over Time

Maine System 2013
- Under 10: 18%
- 10 to 25: 28%
- 25 to 50: 14%
- Over 50: 40%

Maine System 2013 Less 297,746 GSF
- Under 10: 19%
- 10 to 25: 29%
- 25 to 50: 14%
- Over 50: 38%
Total Project Spending
Maine System Investment Profile

51% of total investment has gone towards existing space since FY06

8-Year Capital Investment Distribution

- 51% Existing Space
- 41% New Space
- 8% Non-Facilities/Non-Construction Fees

Significant Projects from FY2013:
- Nutting Hall Energy – Orono
- Alfond Arena Upgrades – Orono
- Steam Line Repair – Orono
- Gorham CHP Upgrade – USM

Maine System Annual Average $49.2M
Increased Investment Close Gap to Peers

Spending profile similar to peer investment mix

Total Project Spending into Existing Space

<table>
<thead>
<tr>
<th>Year</th>
<th>UM System</th>
<th>Peer Group Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>$1.34</td>
<td>$1.34</td>
</tr>
<tr>
<td>2007</td>
<td>$1.34</td>
<td>$1.34</td>
</tr>
<tr>
<td>2008</td>
<td>$1.34</td>
<td>$1.34</td>
</tr>
<tr>
<td>2009</td>
<td>$3.14</td>
<td>$3.14</td>
</tr>
<tr>
<td>2010</td>
<td>$3.14</td>
<td>$3.14</td>
</tr>
<tr>
<td>2011</td>
<td>$0.07</td>
<td>$0.07</td>
</tr>
<tr>
<td>2012</td>
<td>$0.07</td>
<td>$0.07</td>
</tr>
<tr>
<td>2013</td>
<td>$0.07</td>
<td>$0.07</td>
</tr>
</tbody>
</table>

Maine System FY06-13 Investment Mix:
- Building Envelope: 10%
- Building Systems: 34%
- Infrastructure: 30%
- Space Renewal: 15%
- Safety/Code: 11%

Peer Systems FY06-13 Investment Mix:
- Building Envelope: 8%
- Building Systems: 13%
- Infrastructure: 29%
- Space Renewal: 21%
- Safety/Code: 28%
Investment Goals and Strategies
Defining Stewardship Investment Targets

$33.8M of Stewardship funds needed in FY13 to keep-up all system campuses

Maine System Replacement Value: $2.3B

- 3% Replacement Value: $68.7M
- Life Cycle Need: $29.2M (Envelope/Mechanical: $25.6M, Space/Program: $3.6M)
- Target: $33.8M (Envelope/Mechanical: $19.2M, Space/Program: $14.6M)
System exceeds target in FY13, first time since FY09

One-Time funds aid in the U Maine System meeting target

*Due to Sightlines modeling updates, the Target and Life Cycle Needs have been updated retroactively and are lower than shown in past years*
Strive to continued heightened investment levels

$40M investment moving forward will continue to address needs of System

Projected target levels calculated with a 3% inflation value
NAV of U Maine System

Campuses are aging faster than increase in capital spending

Net Asset Value = Replacement Value – Deferred Maintenance

Replacement Value

NAV of Index

100%-85%
85%-70%
70%-50%
Below 50%

Capital Upkeep Stage: Primarily new or recently renovated buildings with sporadic building repair & life cycle needs; “You pick the projects”

Repair and Maintain Stage: Buildings are beginning to show their age and may require more significant investment on a case-by-case basis

Systemic Renovation Stage: Buildings may require more significant repairs; large capital infusions; “The projects pick you”

Transitional/Gut Renovation/Demo Stage: Major buildings components are in jeopardy of failure. Reliability issues are widespread throughout the building.
ROPA+ Case Study: University of Maine Presque Isle
Using ROPA+ to Define Campus Backlog at UMPI

Information that identifies potential areas of action/investment

10 Year Total Capital Requirement

<table>
<thead>
<tr>
<th>Total Dollars (Millions)</th>
<th>Total Backlog Need</th>
</tr>
</thead>
<tbody>
<tr>
<td>$50</td>
<td></td>
</tr>
<tr>
<td>$45</td>
<td></td>
</tr>
<tr>
<td>$40</td>
<td></td>
</tr>
<tr>
<td>$35</td>
<td></td>
</tr>
<tr>
<td>$30</td>
<td>$10.9</td>
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<td>$25</td>
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<tr>
<td>$20</td>
<td>$16.3</td>
</tr>
<tr>
<td>$15</td>
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<tr>
<td>$10</td>
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<tr>
<td>$5</td>
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<td>$-</td>
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</tr>
</tbody>
</table>

Immediate Backlog Needs

Roofs: 31%
Electrical: 21%
Plumbing: 14%
Interiors: 14%
HVAC: 16%
Exteriors: 4%

Remaining Backlog
3 Year Priority
Immediate Need
UMPI Total 10 Year Capital Needs $45.1M (2014-2023)

Adding in 10 year renewal needs to understand projected capital demands

Projected Capital Demands = $45.1M
($ in Millions)

10 Year Total Capital Requirement

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Dollars (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$5.5</td>
</tr>
<tr>
<td>2015</td>
<td>$10.9</td>
</tr>
<tr>
<td>2016</td>
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<tr>
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</tr>
<tr>
<td>2022</td>
<td>$20.0</td>
</tr>
<tr>
<td>2023</td>
<td>$25.0</td>
</tr>
</tbody>
</table>

Total 10 Year Need

- Immediate Need
- 3 Year Priority Need
- 4-10 Year Remaining Backlog
- 10 Year Renewal Need

Renewal Needs | Immediate Need | 3 Year Priority Need | 4-10 Year Remaining Backlog
10 Year Investment Strategy – with Variable Funding

Projected Capital Demands - Variable

- FY2014
- FY2015
- FY2016
- FY2017
- FY2018
- FY2019
- FY2020
- FY2021
- FY2022
- FY2023

Actual Investment (Millions)

- Renewal Needs
- Immediate Need
- 3 Year Priority
10 Year Investment Strategy – with Fixed Funding

Projected Capital Demands - Constant

<table>
<thead>
<tr>
<th></th>
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<tr>
<td>Renewal Needs</td>
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<td>$0.5</td>
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<td>$0.5</td>
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<td>Immediate Need</td>
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<td>$0.5</td>
<td>$0.5</td>
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<td>$0.5</td>
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<td>3 Year Priority</td>
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<td>$1.5</td>
<td>$1.5</td>
<td>$1.5</td>
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<td>$1.5</td>
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</table>
## Variable vs. Fixed Capital Investment Plan

### Variable - Capital Investment Plan - UMPI

<table>
<thead>
<tr>
<th>Year</th>
<th>Backlog</th>
<th>Life Cycle</th>
<th>Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$2,732,158</td>
<td>$461,578</td>
<td>$3,193,736</td>
</tr>
<tr>
<td>2015</td>
<td>$2,732,158</td>
<td>$772,685</td>
<td>$3,504,843</td>
</tr>
<tr>
<td>2016</td>
<td>$1,356,746</td>
<td>$1,859,132</td>
<td>$3,215,878</td>
</tr>
<tr>
<td>2017</td>
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<tr>
<td>Grand Total</td>
<td>$16,318,279</td>
<td>$12,480,260</td>
<td>$28,798,539</td>
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### Fixed - Capital Investment Plan - UMPI

<table>
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<th>Year</th>
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<th>Life Cycle</th>
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<td>Grand Total</td>
<td>$16,318,279</td>
<td>$12,480,260</td>
<td>$28,798,539</td>
</tr>
</tbody>
</table>

% of 10 Year Total: 11%, 12%, 11%, 10%, 8%, 10%, 11%, 9%, 8%, 100%
Operations
Facilities Operating Expenditures

*Increased Daily Service in FY13 puts Maine 10% above peers*

Maine System Facilities Operating Actuals

- Daily Service
- Planned Maintenance
- Utilities

*2012 Daily Service values are low due to unfilled vacancies during this year. Utility cost increase due to higher consumption.*
Energy Consumption Over Time

Increased fossil consumption in FY13 result of harsh winter

Heating Degree Days: 7,842, 6,921, 7,497

Degree days noted are based on the Orono, Maine location
Lowest Service Process Index Among Peer Systems

New IWMS will improve UMaine System process

- Performance Measurement
- Scheduling Process
- Centralization of Request
- Work Request Capabilities
- Organizational Structure
### Evaluating the Service Process by Campus

*New IWMS will improve UMaine System process*

<table>
<thead>
<tr>
<th>Service Process</th>
<th>UMA</th>
<th>UMF</th>
<th>UMFK</th>
<th>UMM</th>
<th>UMaine</th>
<th>UMPI</th>
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Conclusions
UMaine System Making Progress

A look back at past Sightlines recommendations since FY2011

- Develop an annual stewardship investment strategy focused on envelope/mechanical lifecycle replacements. Initial funding targets should be set at peer levels with a plan to increase funding to the full annual stewardship target.
  - Funded depreciation investments were implemented and stewardship grew on all campuses.

- A portion of the annual investment should continue to come from campus operating budgets, possibly supported by increasing efficiencies in daily operations and reducing energy costs.
  - Implementation of new IWMS system is will help UMaine System identify efficiencies.

- Update/expand the database of deferred maintenance projects. This is a necessary step to target future capital investments in buildings that have the highest priorities and most significant problems.
  - UMaine completed an Integrated Facilities Plan. Other campuses completed additional analysis for buildings over 50 years old.

- Limit funding for new space unless that space is replacing obsolete buildings with significant reliability problems.
  - Total capital investment into existing space increased in FY2013.

- Develop a request for capital funding that targets priority projects that will raise the overall Net Asset Value of campuses in the system as a whole. A capital allocation for existing space of $40M-$50M/year over the next 5 years is needed to begin drawing down on the deferred maintenance backlog.
  - UMaine System met target need in FY2013 for the first time in four years, closed the investment gap with peers, and hit the $40M mark.

- Modernize the Integrated Work Management System to improve effectiveness of facilities operations.
  - Implementation of the new IWMS is set to begin January 2014.

- Develop a comprehensive energy plan to identify and implement campus projects that will provide additional energy savings.
  - All UMaine campuses are utilizing renewable energy sources and upgrading campus infrastructure.
**Next Steps**

- **Strategically evaluate buildings over 50 years old.** Concentrate on the programmatic value to each campus to determine if these buildings should get investment to improve condition or should be transitioned out of the inventory.

- **Grow stewardship investment through funded depreciation.** Focus on high NAV facilities in good condition by addressing life cycle needs as they come due.

- **Address backlog with a capital allocation for existing space of $40M-$50M/year.** A combination of campus and State/federal funding is needed to meet this goal.

- **Document the backlog of need across all campuses.** Use the backlog data to identify and address buildings with the highest need and highest program value. Look at when life cycles of buildings are coming due to plan for 10 year investment.

- **Implement new IWMS** to understand where maintenance resources are going, help increase efficiencies in daily operations, reduce energy costs and focus project selection.
Questions and Comments