

UNIVERSITY OF MAINE SYSTEM
Board of Trustees Meeting

at the University of Maine System
Rudman Conference Room, 253 Estabrooke Hall, Orono

October 31, 2018

Finance/Facilities/Technology Committee

Present: Committee Members: Karl Turner, Chair; Norm Fournier, Mark Gardner (by phone), James Donnelly (by phone), Kelly Martin (by phone), Grog Johnson (at USM), David MacMahon (at USM), and James Erwin (at USM). **Chancellor:** James Page. **Faculty Representatives:** Patti Miles and Clyde Mitchell (at UMF). **Student Representatives:** Evan Zarkadas (at UMPI). **Presidents:** Joan Ferrini-Mundy and Glenn Cummings (at USM). **System Staff:** Chip Gavin (at USM), Ryan Low, David Demers, Ellen Doughty, Sam Warren (at USM), Rachel Piper (at USM), and James Thelen (at UMA). **Other Participants:** Claire Strickland, Ben Shaw (at UMPI), Carolyn McDonough, Pam Ashby (at UMF), Mike Swartz, Ken Dorion, Stewart Harvey, Dan Dixon, David Roussel (at USM), Nancy Griffin (at USM), Aaron Witham (at USM), John Souther (at USM), Beatrice Fevry (at USM), and Laurie Gardner (at UMF).

Committee Members Absent: Sam Collins.

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

Projects with a Value of \$250,000 or Greater. Dr. David Demers, Chief Information Officer, provided information on the following projects with a value of \$250,000 or greater.

Classrooms for the Future project completion has increased from 79% complete in July to 91% percent complete in October. The majority of Summer 2018 projects are complete with the remaining installations to occur over Fall and Winter breaks of 2018. After-action reviews and room scoring are underway. Student feedback surveys are being prepared to be distributed and student focus groups are being scheduled. Planning is underway to utilize the remaining contingency funds to support additional room upgrades. UMS Information Technologies (UMS IT), USM Facilities Management, UMS Capital Planning and Project Management, and UMS Safety Management are collaborating with the Wireless Infrastructure Project to mitigate asbestos testing and abatement considerations at USM. Additionally, some of the remaining contingency funds will be allocated to the asbestos mitigation at USM.

The Wireless Infrastructure project completion has increased from 74% complete in July to 76% percent complete in October. Projects at UMF, UMM, UMF, UMPI have recently been completed. Current work includes upgrading several buildings at USM and residence hall upgrades at UM. The UM residence hall upgrade is being funded by the UM Auxiliary Services budget. The need for testing and remediation of asbestos containing materials is slowing progress at USM. Additionally, because of budgeting constraints UMS IT is not able to remove all of the aged architecture on campuses. This means that USM will have to maintain parallel wireless networks for a period of time due to phased funding.

The MaineStreet Improvements project report shows that the Campus Solutions (CS) Upgrade to move from version 9.0 to version 9.2 is 5% complete and the Peoplesoft User Experience (UX)

Enhancement project is 10% complete. CS version 9.2 standardizes interface navigation and will also permit the migration of the CS database from the legacy Sun Solaris server over to the current infrastructure standard (Intel/Linux). This move will result in greater system stability, resilience, and performance. The target go-live for this project is Spring 2019. The project leadership team is working towards assembling the full project team which will include representatives from each of the campuses. Dr. Demers is conducting project overview sessions at each campus to inform key stakeholders about the project and to elicit their assistance in assigning campus representatives to the project team. The request for proposal (RFP) for a 3rd party UX enhancement has been released and proposals are being reviewed. The RFP team recently conducted vendor presentations and a final RFP scoring session on October 16, 2018. The UX enhancement will improve usability, navigation, and utility of the MaineStreet environment and single sign-on interface. Deployment should begin late Fall 2018 with a launch of a subset of features by late Spring 2019. Full deployment of the UX Enhancement is targeted for the opening of the Fall 2019 term.

The Human Resources (HR) Upgrade project completion increased from 65% complete in July to 75% complete in October. Resources are focused on refining and prioritizing the list of desired HR enhancements and developing plans to implement highly prioritized items this fiscal year. Prior to the onset of the Fall 2018 semester, the team targeted and successfully implemented a few of the highly prioritized enhancements including: Payroll Workcenter, Automated Time Reporter Set Up, Benefits Auto Enrollment, Roth option for retirement plans, and eStudent rehire and new hire process expansion. Projects currently in process for this fiscal year include: HireTouch integration, Activity Guides to support employee onboarding, Automated Life Event processing, Oracle delivered online forms with workflow, Auto-notification processes, customized online forms with workflow, and Automated I-9 form processing. There is some concern that delays in this project may occur due to the availability of resources during the CS Upgrade Project.

Maine Center Ventures Funding Request. UMS Chancellor James Page provided information on a funding request for Maine Center Ventures (MCV). The University of Maine System requests to spend a one-time \$200,000 for the purpose of hiring an analyst through June 30, 2020 to work on building feedback loops with the employer community, the incubator/accelerator program and executive education and marketing for Maine Center Ventures. The funding for this will come from previously allocated resources in the Research Reallocation Fund that remain unspent. There is currently approximately \$700,000 in prior year unspent balances. The approval of this request falls within the purview of the Finance, Facilities, & Technology Committee.

On a motion by Trustee Fournier, which was seconded by Trustee Gardner, and approved by all members present, the Board of Trustees, acting through the Finance, Facilities, & Technology Committee approved this one-time \$200,000 funding request for the Maine Center Ventures.

Energy Service Company Authorization Request, USM. Chief General Services Officer Mr. Chip Gavin and USM Assistant Director for Sustainable Programs, Mr. Aaron Witham presented information on the Energy Service Company (ESCO) authorization request at USM. The University of Maine System acting through the University of Southern Maine requests authorization to enter into a public, private partnership (P3) to pursue an energy savings performance contract to save energy, reduce energy costs, reduce carbon emissions, improve selected facilities and improve the learning environment for students in a manner that is cost neutral. The total expected financial impact of this request is up to \$1.9 million to be repaid from savings achieved by the improvements. This request is pursuant to Board Policy 701 which requires Board approval for projects with a value of \$500,000 or

greater. Also, Board Policy 712 applies as it states that UMS “will consider off-balance sheet financing (e.g., public/private partnerships) when it is desirable to work with a third party...”

The planned improvements for Phase One of the upgrade, will focus on two buildings heavily used by students totaling approximately 173,000 square feet: Anderson Hall (a residential building) and Bailey Hall (a classroom building with a library, café, and offices). Bailey Hall is the most heavily used classroom building on campus, hosting more than 350 classes per year. The energy costs for these two buildings was approximately \$229,000 in fiscal year 2018. The project is expected to reduce energy use in these facilities by 25 to 35 percent. At current market rates, that would be an estimated annual savings of \$28,000 to \$40,000. The actual savings will depend not only on the actual avoided energy consumption but also on changes in the market and contract rates for energy. The contract is expected to be in range of 10 to 20 years in order to recoup the investment costs after which time additional savings would be the University’s alone. If the savings prove insufficient to cover those costs, USM would be obligated for the expenses, with those details and exact terms to be settled in the solicitation. This project is in keeping with USM’s pending master plan, which calls for a partnership with an ESCO as one of the primary mechanisms for addressing capital infrastructure improvements in existing buildings that are not planned for demolition.

On a motion by Trustee Fournier, which was seconded by Trustee Gardner, the Finance, Facilities and Technology Committee agreed to forward this item to the Consent Agenda at the November 18-19, 2018, 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 Southern Maine to issue the solicitation as may be warranted and enter into the necessary agreements to pursue a public, private partnership to provide energy saving improvements at the Gorham campus with a total potential financial impact of up to \$1,900,000, subject to approval of all final terms and conditions by General Counsel and the University Treasurer.

Dining Hall Investment, USM. Mr. Gavin, USM Vice President for Enrollment Management, Ms. Nancy Griffin, and USM Assistant Vice President of Student Affairs, David Roussel provided information on the Dining Hall Investment at USM. The University of Maine System acting through the University of Southern Maine requests authorization to pursue a public, private partnership with Sodexo for a renovation of up to \$2 million in the dining hall in Brooks Student Center in Gorham. The investment would be made by Sodexo and recovered through an increase in meals served and an increase in the daily rate spread across a seven-year period. USM would be responsible for the cost over that same period of time up to a maximum total of \$2 million and up to a maximum of \$286,000 in any single given year should the increases in meals served or the increase in the daily rate charged to students prove insufficient to cover the cost recovery. This request is pursuant to Board Policy 701 which requires Board approval for capital projects with a value of \$500,000 or greater and Board Policy 712 which states that UMS “will consider off-balance sheet financing (e.g., public/private partnerships) when it is desirable to work with a third party...”

The Brooks Student Center is the home of the only dining hall on the Gorham campus and currently serves approximately 1,400 meals per day during the academic year. USM currently is serving 20.5 percent local food as of the most recent reports, pursuant to the directive and challenge of the Board of Trustees. The current estimated cost of the renovations is \$2,000,000 and is proposed to be completed through Sodexo’s Design Build Construction group. The desired timeline for the project is for completion by late August, 2019.

On a motion by Trustee Fournier, which was seconded by Trustee Erwin, the Finance, Facilities and Technology Committee agreed to forward this item to the Consent Agenda at the November 18-19, 2018, 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 Southern Maine to pursue a public, private partnership with Sodexo, America LLC for the renovation of Brooks Student Center dining hall for the amount of up to \$2,000,000, subject to review and approval of all final terms and conditions by General Counsel and the University Treasurer.

FY2018 Annual Real Property Report, Real Estate and Leases. Mr. Gavin provided an overview of the UMS FY2018 Annual Real Property report. FY2018 only had one completed real estate transaction, which was at UM. UM was approved to transfer through donation 3.19 acres located at the south boundary of campus on State Route 2 (Park Street) to the Maine Department of Transportation (MDOT) for the construction of a two-land roundabout at the entrance to campus. The Board approved this action at the November 2017 Board meeting. The value of the land that was transferred to the MDOT was estimated at \$255,200. The project began in Spring 2018 and opened for use on Friday, August 17, 2018. Three other acquisitions or dispositions were previously approved by Board action, but have not yet occurred and therefore are not included in the FY2018 report.

The cost and revenue associated with real property leases across the UMS have both increased during FY2018, with revenue increases outpacing cost increases. As a lessee, the University is engaged in agreements for uses such as office space, forestland, academic and research locations, University College centers, recreational fields, parking facilities, and utility purposes. Changes in leasing activity and continually improved tracking of activity produced an increase in reported annual costs of approximately \$25,000 or approximately 2% to a total cost of approximately \$1.2 million in FY2018. As a lessor, the University is engaged in agreements covering uses such as research, early education and childcare centers, banking and financial services, office spaces, and cell tower locations. Compared with the prior year, the UMS's total revenue increased by 8% or approximately \$45,000 to a total of approximately \$632,000 in FY2018.

Capital Project Status Report. Mr. Gavin provided an overview of the current Capital Project Status Report. The report reflects a total of 15 projects, with two projects having been removed since the previous report, and one new project having been added. The new project is the UMPI Greenhouse which was approved for expenditures up to \$850,000 at the August 20, 2018 Finance, Facilities and Technology Committee meeting. The UMFK project to upgrade/renovate the Forestry Geographic Info Systems Tech. Lab, Nursing Lab, and Teleconference Center will be removed from the next subsequent report due to completion. More than half of the current major projects being tracked are complete or substantially complete, or have scheduled completion dates of the current calendar year.

Executive Session.

On a motion by Trustee Fournier, which was seconded by Trustee Gardner, the Finance, Facilities, & Technology Committee agreed to go into Executive Session under provisions of:

- 1 MRSA Section 405 6-C to discuss the condition, acquisition or disposition of real property or economic development if premature disclosure of the information would prejudice the competitive or bargaining position of the UMS.

On a motion by Trustee Fournier, which was seconded by Trustee Erwin, the Finance, Facilities, & Technology Committee concluded the Executive Session.

Additional information about the meeting can be found on the Board of Trustees website:

<http://staticweb.maine.edu/wp-content/uploads/2018/10/FFT-MtgMat-103118-rev103118.pdf?0d0f03>

Adjournment.

Heather A. Massey for
Ellen N. Doughty, Clerk