

UNIVERSITY OF MAINE SYSTEM

Board of Trustees

Zoom Meeting

March 1, 2023

Finance, Facilities & Technology Committee

Present: Committee Members: Roger Katz; Chair; David MacMahon, Pat Flood, Trish Riley, Emily Cain and Mike Michaud. **Other Trustees:** Barbara Alexander. **Chancellor:** Dannel Malloy. **Presidents:** Leigh Sauflay, Joseph Szakas, Joan Ferrini-Mundy, Deb Hedeem, Joseph McDonnell, and Jacqueline Edmondson. **Faculty Representatives:** Clyde Mitchell, William Otto, and Michael Scott. **System Staff:** Ryan Low, Ellen Doughty, Tracy Elliott, David Demers, Gretchen Catlin, Carolyn Dorsey, Paul Chan and Sam Warren. **Other Participants:** Carolyn McDonough, Buster Neel, Kelly Sparks, Ainsley Wallace, Mike Hudson, Jeff Mills, Ryan Ward, Jude Killy, John Forker, Nate Harris, Jason Charland, Grace Garland and Emily Morris - Gordian.

Committee Members Absent: Lisa Eames

Trustee Katz, Chair, called the meeting to order and welcomed everyone. The Clerk performed a roll call of the Committee members present.

Executive Session

On a motion by Trustee Cain, which was seconded by Trustee Flood, and approved by a roll call vote of all Trustees present, the Finance, Facilities, & Technology Committee went into Executive Session under the following provisions:

- 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 Cain, which was seconded by Trustee Riley, and approved by a roll call vote of all Trustees present, the Committee concluded the Executive Session.

Following the Executive Session, the Committee Chair reconvened the public meeting to discuss the following items.

University of Maine Mahaney Dome Replacement

Vice Chancellor for Research and Innovation and President of the University of Maine (UM) Joan Ferrini-Mundy, UM Director of Athletics Jude Killy and UM Director of Space and Capital Management Services Ryan Ward presented the request to spend up to \$3,000,000 to replace the Mahaney Dome with a new structure of equal size, replacement turf, and a ten-foot-wide by approximately seventy-six-foot-long connector from the new structure to the Memorial Gym. The existing Mahaney Dome collapsed January 26, 2023 and is not repairable. The University is considering replacement options based on life expectancy of a new structure, project costs, total cost of ownership, available funding, safety, insurability, product warranty, and construction timeline. Based on the UMaine D-1 athletic program needs, a new structure is required to be in place and operational by the end of 2023. Two structure options are being pursued. Either a steel structure or a new dome which is referred to as an air structure, which is a much more modern and resilient type of dome. There are several attributes that UM is looking into and will make sure they are addressed. There are two funding sources for the dome replacement. The

first one would be the insurance claim on the original dome and the remaining funding would be from the Harold Alfond Athletic Master Plan. UM is estimating between \$1.5 to \$1.7 million for the insurance claim is a large deductible. The dome is used by the community as well and several of the local community programs and camps had to be canceled resulting in lost income.

On a motion by Trustee Flood, which was seconded by Trustee Cain, and approved by a roll call vote of all Trustees present, the Finance, Facilities, and Technology Committee agreed to forward this item to the March 26-27, 2023 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees accepts the recommendation of the Finance, Facilities, & Technology Committee authorizes the University of Maine System acting through the University of Maine (UM) to expend up to \$3,000,000 to replace the Mahaney Dome with a same size structure, new turf within the facility, and to construct a connector from a new structure to the Memorial Gym.

Boudreau Hall Renovations, UM

UM President Ferrini-Mundy and Ryan Ward explained the request authorization to spend up to \$700,000 for the renovation of areas within Boudreau Hall. Funding for this work will be in the amount of \$600,000 from the \$1,000,000 Boudreau Hall naming donation of North Stevens to Boudreau Hall. Another donor has pledged up to \$100,000 for renovations that support the School of Policy and International Affairs, currently located on the second floor of Boudreau. This funding will address some severely deferred maintenance issues within the building as well as other smaller projects. Boudreau Hall has a net asset value of one, therefore this renovation will increase that net asset value. The anticipated start of the project will be summer of 2023 for the first phase with completion in the fall of 2023. This agenda item is within the purview of the Finance, Facilities and Technology Committee, so it will not be forwarded to the Board for approval.

On a motion by Trustee Flood, which was seconded by Trustee Cain, and approved by a roll call vote of all Trustees present, the Board of Trustees acting through the Finance Facilities and Technology Committee authorizes the University of Maine, acting through the University of Maine System, to expend up to \$700,000 in gift money for renovations to Boudreau Hall.

Center for Teaching Innovation Renovation Project Budget Increase, USM

University of Southern Maine (USM) President Edmondson explained the request for an increase in the authorization by \$225,000 to renovate 3,240 square feet of space for the Center for Teaching Innovation (CTI) located on the on the third floor of Bailey Hall on the Gorham campus. This is based on the project bids received at the end of January. The Finance, Facilities, and Technology Committee approved expenditures of \$700,000 at their January 2023 meeting. This additional request would bring the total approved expenditure for this project to \$925,000. This increase is a direct result of increased construction costs in the Portland market and a limited labor force available for these projects. This agenda item is within the purview of the Finance, Facilities and Technology Committee, so it will not be forwarded to the Board for approval.

On a motion by Trustee Flood, which was seconded by Trustee Cain, and approved by a roll call vote of all Trustees present, the Board of Trustees acting through the Finance Facilities and Technology Committee authorizes the University of Southern Maine, acting through the University of Maine System, to expend an additional \$225,000, bringing the total project expenditure up to \$925,000 to renovate 3,240 square feet of

space for the Center for Teaching Innovation (CTI), located on the third floor of Bailey Hall on the Gorham Campus.

Authorization, USM Center for the Arts

President Edmondson explained the request to expend up to \$63 million to proceed with construction of the University's Center for the Arts (CFA) project. The Board authorized \$1,000,000 at the January 2018 meeting and an additional \$3,200,000 at their November 2021 meeting for a total previous authorization of \$4,200,000. The University has completed design development and is approaching the completion of the construction documents phase. USM's proposed CFA is a long-planned project with considerable donor support that would relocate the Dr. Alfred and D. Suzi Osher School of Music from its current Gorham campus home in Corthell Hall to a newly constructed, state-of-the-art music and instruction building on USM's Portland campus. In addition, the Kate Cheney Chappell '83 Center for the Book Arts will be housed in the building along with flexible space for targeted Visual Arts and Theatre instruction and programming.

Over the years, the proposed Center for the Arts has had multiple iterations. Most recently, in USM's 2019 Board-approved master plan, the project included a 1,000-seat theatrical performance hall, a 600-seat music theater, a black box theater, and a fine arts gallery space. Over the past two years, USM determined that the project, as envisioned, would have been cost-prohibitive and worked with its architectural partner, Pfeiffer, to revise the facility such that it would fit the \$65 million facility authorized by the Board in 2018 and within USM's realistic budget. The current structure no longer includes a 1,000-seat performance hall or 600-seat music theater but rather contains a 200-seat performance hall that would be suitable to most Osher School of Music performances. The proposed CFA maintains a fine arts gallery space that would be centrally located in the building, serving as a lobby and circulation space as well.

Vice Chancellor Low explained that there are four funding sources for the project. USM proposes to spend up to \$59 million for the construction of the Center for the Arts. The project is funded by \$25 million in philanthropy, \$9 million in State bond funds, a very conservative estimate of \$2 million from the sale of real estate (Chamberlain Avenue houses), and up to \$23 million in USM financing. There is a commitment to look for ways to reduce the costs of borrowing, either through fundraising or the potential of selling real estate at higher than projected cost.

As currently designed, USM's proposed CFA would be approximately 40,000 square feet. There is no planned corresponding reduction in facility square footage, and the University estimates operating costs at approximately \$200,000 annually. The increased operating expenses would be funded by the additional net revenue from increased enrollment and an increased comprehensive fee. If approved, the plan would be to begin construction in late summer 2023 once site plan approval is received from the City of Portland with a goal of completing the project in late summer 2025.

USM Foundation President Ainsley Wallace explained that this is a project has seen unprecedented philanthropy. There is no capital project at the USM that has raised this much money in the past. First, when UMS thought that this was a smaller project, the estimated fundraising was projected at \$15 million over five years and more than \$50 million in 18 months was raised. The goal was raised to \$25 million with a \$10 million next phase which is targeted to be completed by June 30th. USM and the UMS Foundation are confident that they will be able to raise at least \$4 million over the next two years. The goal is to do everything to minimize the university's exposure for the need to borrow more or to help alleviate that service.

On a motion by Trustee Cain, which was seconded by Trustee Flood, and approved by a roll call vote of all Trustees present, the Finance, Facilities, and Technology Committee agreed to forward this item to the March 26-27, 2023 Board of Trustees meeting for approval of the following resolution:

That the Board of Trustees accepts the recommendation of the Finance, Facilities and Technology Committee, and authorizes the University of Southern Maine acting through the University of Maine System to increase the authorization to expend up to \$63 million to proceed with the construction of the Center for the Arts on the University of Southern Maine's Portland campus, and to increase the campus square footage to 40,000 gross square feet.

FY2022 Philanthropy Overview

University of Maine Foundation President/CEO Jeffrey Mills and University of Southern Maine Foundation President/CEO Ainsley Wallace provide a presentation on philanthropy for FY2022. The UM Foundation has completed the Vision for Tomorrow \$200 million campaign reaching \$208 million in 2022. The silent phase of the new UMS TRANSFORMS campaign began on July 1, 2021. The USM Foundation launched the \$46 million Great University Campaign in July 1, 2020 and it is the largest campaign in USM history. This campaign will focus on the Center for the Arts, the McGoldrick Center, scholarships, student support and programs of excellence. To date \$45.9 million has been raised and the campaign ends June 30, 2023. Mr. Mills and Ms. Wallace explained the FY2022 sources of gifts, the national giving context and the FY2022 uses of gifts.

Gordian Annual Facilities Report for Fiscal Year 2022

The Senior Account Manager and Area Lead for Gordian Facilities Planning Services Department Emily Morris presented the Fiscal Year 2022 Gordian Annual Facilities Report. The UMS gross square footage from FY2013 to FY2022 has remained steady at 8,713,416. Student enrollment has not recovered to pre-pandemic levels. 18% of the UMS buildings were built prior to 1950, 54% were built between 1951 and 1995 and 28% were built between 1996 and 2020. This results in 60% of the buildings being over 50 years old by FY2027. The oldest buildings create the greatest fiscal challenges for the UMS campuses. UMS had a substantial increase in capital investments in FY2022 to nearly \$120 million. However, UMS falls \$28.1 million short of the annual investment target for FY2022. Approximately \$60-70 million will be needed annually to slow the aging process and mitigate deferred maintenance. This results in a \$1.62 billion need over the next 10 years.

FY2023 Congressionally Directed Spending Planned Capital Projects

Vice-Chancellor and UM President Ferrini-Mundy, Vice Chancellor for Finance & Administration and Treasurer Ryan Low and Director of Government Relations Samantha Warren provided an update on the FY2023 Congressionally Directed Spending and planned capital projects. \$53million in congressionally directed spending (CDS) has been secured at UMS in FY2023 in the federal budget. The funds are administered in the form of a federal grant award and will require submission of a grant application to the administering agency and be subject to typical federal grant award administration, accounting, reporting, etc. The terms, conditions and funding timing vary by agency, but awards are expected by September 30, 2023. All university policies and procures still apply (including indirect cost recovery), plus agency terms and conditions. Several CDS projects funded and CDS supported capital projects in FY2023 were highlighted.

The internal solicitation process will be led by the UMS Office of the Vice Chancellor for Research & Innovation. 50 projects reflecting \$300 million in requests have been submitted

from across the System and the state. Portfolio prioritization will be based on public benefit, alignment with university/System and state strategic priorities as well as the fit for CDS process. The UMS process has improved to incorporate Capital Planning & Facilities Management and Chief Business Officer review before the submission. The UMS portfolio of applications will need to be submitted to Congressional Delegation in March 2023.

UMS TRANSFORMS Update

Vice-Chancellor Ferrini-Mundy provided an update on the UMS TRANSFORMS: Making a Difference for Maine project. The UMS TRANSFORMS is a historic investment in Maine's public universities. In October 2019 UMS began discussions with the Harold Alfond Foundation (HAF) on the largest ever investment to public higher education in New England. In October 2020 the HAF publicly announced a \$240 million investment in Maine's largest educational, research, innovation and talent development asset over 10-12 years and challenged UMS to raise \$170 million match. The four key initiatives with a roll out over the next 10 -12 years with funding for all UMS universities are:

- \$75 million with a \$75 million match for the Maine College of Engineering and Computing
- \$55 million with a \$50 million match for the Maine Graduate and Professional Center
- \$20 million with a \$25 million match for student success and retention
- \$90 million with a \$20 million match for Black Bear Athletics

UMS in implementing an innovative portfolio approach to the required match with included philanthropy, corporate/foundations giving, federal funding and state funding.

Review of Information Technology Projects with a Value of \$250,000 or Greater

UMS Chief Information Officer (CIO) David Demers provided an update on one major project - Repaving MaineStreet.

Repaving MaineStreet

This project is a reimplementations of Campus Solutions SIS, Implementation of cloud-enabled Human Resources and Finance solutions to support Unified Accreditation, address UMS strategic priorities, and promote operational efficiency. The project budget is \$16.8 million. It will take advantage of new and emerging cloud-enabled functionality in the ERP system. It will also eliminate code customization in favor of configurable functionality to improve operational efficiency and eliminate technical debt. Phase 1 of the project was started in March 2022 with an estimated go-live date of January 2024 and is 28% complete. Phase 2 also started in March 2022 with an estimated go-live date of July 2024 and is 7% complete. The final component is still in the planning phase with an estimated go-live date of December 2026.

The current status of the HCM/ERP component of the project is currently slightly behind schedule with staffing resource limitations as the key driver. Mitigation strategies against delays have been established and include assigning additional resources for the data conversion efforts and prioritizing data integrations to focus on those that are essential for go-live as well as reviewing and standardizing approval workflows and review the current integration strategies.

The current status of the CS Reimplementation component of the project remains on schedule. UMS has elected to develop a prototype environment using the recently released PeopleTools version 8.60. UMS has also elected to maintain a multi-institution setup with each University coded with a unique "Institution" identifier in the SIS. The mitigation risk strategies include leverage of ongoing discovery sessions to provide clarity to functional and end-user groups,

maintain consistent project dissemination strategy through existing communication plan and ongoing focus on change management and communication/awareness regarding the Repaving MaineStreet project.

State of Information Security 2023 - Executive Summary

CIO Demers and Chief Information Security Officer, John Forker, was available to answer questions from the Committee about the State of Information Security 2023 Report. A question was raised about cyber liability insurance coverage. Mr. Forker responded by stating UMS would be considered self-insured. UMS has a small pool of money available to mitigate and provide forensics and potential credit monitoring for affected populations. UMS is also working on retaining and restoring access to cyber liability insurance coverage. One of the main components of that is the rollout of multi factor authentication for critical systems.

Capital Projects Status Report and Bond Projects Update, UMS

UMS Director of Capital Planning and Project Management Carolyn McDonough provided a brief overview of the Capital and Bond Projects Status Report. The report reflects a total of 32 projects totaling over \$330 million. The projects funded with the 2018 State bonds reflects sixty-four (64) projects with one new project having been added. The projects are currently estimated to account for over \$48 million of the \$49 million in voter approved general obligation bond funding. Over \$42 million of that has been expended.

Additional information about the meeting can be found on the Board of Trustees website: <https://www.maine.edu/board-of-trustees/meeting-agendas-materials/finance-facilities-technology/>

Adjournment.

Ellen N. Doughty, Clerk