UNIVERSITY OF MAINE SYSTEM
Board of Trustees
Zoom Meeting

March 6, 2024

Finance, Facilities & Technology Committee

Present: Committee Members: Roger Katz; Chair; David MacMahon, Pat Flood, Trish Riley, Emily Cain and Mike Michaud. **Other Trustees**: Valerie Landry, Owen McCarthy, Barbara Alexander. **Chancellor:** Dannel Malloy. **Presidents:** Leigh Saufley, Jenifer Cushman, Deb Hedeen, Joan Ferrini-Mundy, Ray Rice, Joseph McDonnell, and Jacqueline Edmondson. **System Staff**: Ryan Low, Sam Warren, Tracy Elliott, David Demers, Gretchen Catlin, Carolyn Dorsey, Jeffrey St. John, Elizabeth Stickler, and Paul Chan. **Other Participants:** Carolyn McDonough, Nate Harris, Pam Ashby, Keenan Farwell, Judy Killy, Aili Robinson, Habib Dagher, Giovanna Guidoboni, Clyde Mitchell, Buster Neel, Kelly Sparks, Justin Swift, Emily Morris (Gordian), Victoria Vasile (Gordian), Nicola Sammarco (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.

Ryan Low discussed the FFT Budget Meeting March 20 9am-5pm via zoom.

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

FY23 Gordian Presentation

Gordian's report covered several key metrics designed to model the condition and use of UMS facilities, specifically density, facility age, and net asset value (NAV). While the continued downward trend in density and NAV suggests that a relook of the metrics and trustee established goals may be warranted, it is important to remember that these are models designed to assist decision makers and may not be fully representative of the reality on each campus. Despite the trends in these metrics, there are several success stories interwoven in the presentation that provide concrete examples of work being done by the universities to improve their facilities and infrastructure.

Density: A key metric formally adopted by Trustees – density, is a measure of the intensity or efficiency of the use of our space based on the total gross square footage. This year, rather than using all student FTEs to measure density, only in-person FTEs were used to capture facility use more accurately. This caused a downward adjustment of the metric as online student FTEs were removed. The resulting calculation shows that total student FTEs have declined 14% over the last 7 years, while in-person FTEs have declined 48% as online learning continues to grow (slide 7). To understand how effectively each facility is being used, a more detailed space utilization analysis is needed, but without either significant facility divestment or growth of in-person students, it is anticipated that density will continue to decline.

UMS will grow in square footage as new owned (Portland Commons, McGoldrick Center, and GEM) and leased facilities (300 Fore St, 7 Custom House, and the Marketplace) come online, while the shift from in-person to online learning will likely continue with the strategic plan directing the number of fully online programs to double by 2028. However, these projected changes provide opportunities, especially when considered within a larger campus utilization study. As programs moved into the new owned or leased space, the areas vacated provide the university a chance to consolidate, adapt facility use to meet student needs or take the old space offline.

Facility Age: Beyond density, the Gordian data continues to reflect an aging facility portfolio. More than half of all University space has reached a renovation age of 50 years old or older, far exceeding our peers, and is on pace to grow to 60 percent by FY28 (slide15). Some of the oldest facilities across the system are residence halls, with 79% of this space exceeding 50 years of age (slide 14). Facility age is difficult to reset because it requires a significant investment of over 50% of the building's replacement cost within a 3-year period. USM's new residence hall highlights how a new facility can shift the composite age in a portfolio (slide 18), while ongoing residence hall improvements at UMF and UMPI illustrate how investments can improve the NAV and student experience, but not the renovation age.

Net Asset Value: Net Asset Value (NAV) provides a model for, but is not a perfect reflection of, the overall condition of UMS facilities. Our composite NAV continues to decline, but that rate has slowed with recent investments (slide 29). Historically, UMS's investment in existing facilities has only reached 58% Gordian targets, with the subsequent funding gap resulting in falling NAVs and a growing deferred maintenance backlog (slide 25). In FY23, UMS spending towards existing facilities reached 70% of the target and was the highest spending level in 10 years (slide 23), bringing UMS on par with the higher education database (slide 25).

There are several examples of initiatives underway to reverse this trend as highlighted on slides 31-34. UMF's ESCO project is having a campus-wide impact on NAV, and investments by UMA and UMPI have exceeded Gordian's targets, resulting in higher NAVs in FY23.
If the FY24-FY28 capital plan is executed as developed, then UMS should see an increase in NAV and decrease in deferred maintenance over the next several years (slide 24). Beyond capital expenditures, facility operations can have a direct impact on NAV and deferred maintenance. The Gordian report highlights how facility personnel are taking care of more square footage with fewer personnel and fewer inflation adjusted dollars (slide 41 and 42). At the same time, pay has failed to keep up with inflation (slide 38), contributing to the ongoing hiring and retention challenges.

Sale of 85+/- acre parcel of land – Map 2, Lot 7, Harmony ME

In 1997, the University of Maine System received a donation of an approximately 85-acre parcel of land, Map 2, Lot 7 in Harmony, Maine. According to the warranty deed, this land was received "for the benefit of its University of Maine at Fort Kent." Aside from various easements and snowmobile trail use permits throughout the years, the remote parcel has remained inactive since 1997.

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, & Technology Committee approved the following resolution to be forwarded for Board of Trustee approval at the April 8, 2024, Board Meeting.

That the Board of Trustees accepts the recommendation of the Finance, Facilities, and Technology Committee, and authorizes the University of Maine System, acting through the University of Maine at Fort Kent, to sell an approximately 85-acre parcel of land located on Map 2, Lot 7, in Harmony, Maine. All final terms and conditions of the sale agreement are subject to review and approval of the University of Maine System Treasurer and General Counsel.

University of Maine at Fort Kent Fox Facility Renovation

In 1969 the University of Maine System, through the University of Maine at Fort Kent, built the 20,937 square-foot Fox facility, which houses Fox auditorium. The seating capacity of 450 serves as the largest gathering and performing arts center in the St. John Valley.

Approximately 55 years is not only the construction age, but also the renovation age of Fox. Renovation is essential to continued use. The latest Gordian data indicates a Net Asset Value of 27%. Renovations will include installing a sprinkler system, auditorium carpeting, seating, painting, improved ADA accessibility, and lighting and sound system upgrades, with consideration to improvements to the stage, loading, and climate control.

This request is for authorization to spend up to $4.5 million dollars for the renovation of Fox. Thanks to Maine's congressional delegation, $4 million for this project was part of the FY23 appropriations bill for UMS projects. Contingency funding in addition to these earmark funds would be reallocated from other appropriate E&G funding sources if necessary.

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, & Technology Committee approved the following resolution to be forwarded to the consent agenda for Board of Trustee approval at the April 8, 2024 Board Meeting.

That the Board of Trustees accepts the recommendation of the Finance, Facilities, and Technology Committee, and authorizes the University of Maine System, acting through the University of Maine at Fort Kent, to spend up to $4.5 million dollars for renovations of the Fox building and auditorium.

USM Bailey Hall Bathroom Renovations

The University of Maine acting through the University of Southern Maine (USM) requested authorization to spend up to $725,000 for the renovation of the bathrooms in Bailey Hall on the Gorham campus.

The renovation addresses ADA compliance and heating & ventilation issues in addition to upgrading dated plumbing fixtures. The renovation scope includes the male and female multi-fixture bathrooms on the 1st and 2nd floors in addition to the single -user bathrooms located on the 4th and 5th floors.

On a motion by Trustee Cain, which was seconded by Trustee Riley, and approved by a roll call vote of all Trustees present, the Finance, Facilities, & Technology Committee approved the following resolution that the Board of Trustees acting through the Finance, Facilities and Technology Committee approved the expenditure of up to $725,000 for the renovation of bathrooms in Bailey Hall on the Gorham campus of the University of Southern Maine.

Commented [GC1]: Does this include a 'contingency' budget as well? You don't need to state that but we want to make sure that's also accounted for in this figure.

Commented [PK2R1]: Yes, 10% of construction and 10% of the project

USM Luther Bonney Bathroom Renovations

The University of Maine acting through the University of Southern Maine (USM) requests authorization to spend up to $700,000 for the renovation of the bathrooms in Luther Bonney Hall on the Portland campus.

The renovation addresses ADA compliance and heating & ventilation issues in addition to upgrading dated plumbing fixtures. The renovation scope includes the male and female multi-fixture bathrooms on all five floors in addition to the single-user bathroom located on the first floor.
On a motion by Trustee Cain, which was seconded by Trustee Riley, and approved by a roll call vote of all Trustees present, the Finance, Facilities, & Technology Committee approved the following resolution that the Board of Trustees acting through the Finance, Facilities and Technology Committee approved the expenditure of up to $700,000 for the renovation of bathrooms in Luther Bonney Hall on the Portland campus of the University of Southern Maine.

Commented [GC3]: Does this include a 'contingency' budget as well? You don't need to state that but we want to make sure that's also accounted for in this figure.

Commented [PK4R3]: Yes, 10% of construction and 10% of the project

UMaine Advanced Manufacturing Center (AMC) Renovations – UMS TRANSFORMS Maine College of Engineering & Computing (MCEC) Student Success Center & Industry 4.0 Renovations

The University of Maine System, acting through the University of Maine, seeks authorization to allocate up to $4.5 million for renovations within the existing space of the Advanced Manufacturing Center, known as the AMC. Renovations include creating a new MCEC Student Success Center on the 2nd floor and creating an Industry 4.0 Manufacturing Training Innovation Center (MTIC) on the 2nd floor of the AMC. Additionally, a new staircase will be added that will provide easier access for students, researchers, and visitors to the Student Success Center and Industry 4.0 Manufacturing Training Innovation Center.

On a motion by Trustee Flood, which was seconded by Trustee Riley, and approved by a roll call vote of all Trustees present, the Finance, Facilities, & Technology Committee approved the following resolution to be forwarded for Board of Trustee approval at the April 8, 2024 Board Meeting.

That the Board of Trustees accepts the recommendation of the Finance, Facilities, and Technology Committee, and authorizes the University of Maine System, acting through the University of Maine to expend up to $4.5 million for renovations within the Advanced

Manufacturing Center for the creation of the MCEC Student Success Center and 4.0 Industry Manufacturing Training Innovation Center.

ASCC Building Addition UM; Green Engineering and Materials (GEM) "Factory of the Future"

The University of Maine System, through the University of Maine, is requesting an increase in the authorization for the Green Engineering and Materials (GEM) Factory of the Future project by up to $66,000,000 in external funds, making the new total $81,300,000. The Board of Trustees authorized the initial expenditure of up to $15,300,000 at the September 11th/12th, 2022 meeting. This additional funding is required for the full construction of the GEM, scheduled to begin in late summer/fall of 2024. The urgency stems from long lead times for essential components, including mass timber, electrical equipment, and other early-release construction packages to meet critical project milestones required by the funding sources.

GEM is an extension to the south of the Advanced Structures and Composites Center (ASCC) at the University of Maine and represents a convergence between MCEC educational and research objectives and the ASCC's commitment to being a world-leading interdisciplinary center for research, education, and economic development in material sciences, advanced manufacturing, and engineering of composites and structures.

On a motion by Trustee Riley, which was seconded by Trustee Cain, and approved by a roll call vote of all Trustees present, the Finance, Facilities, & Technology Committee approved the following resolution to be forwarded for Board of Trustee approval at the April 8, 2024, Board Meeting.

That the Board of Trustees accepts the recommendation of the Finance, Facilities, and Technology Committee, and authorizes the University of Maine System, acting through the University of Maine to expend up to an additional $66 million for a total of $81.3 million for the construction of the Green Engineering and Materials (GEM) Factory of the Future.

University of Maine (UM) Electrical Infrastructure Upgrade/Renewal

The University of Maine is seeking authorization to invest up to $25 million in a crucial electrical infrastructure upgrade/renewal. This upgrade is necessary for the existing campus electrical distribution system, which is beyond its useful life and near its rated capacity. It is a prerequisite for future capital construction projects, including Green Engineering & Materials (GEM), University of Maine Energy Center (UMEC), Harold Alfond Foundation (HAF) UMS TRANSFORMS Athletics projects such as a new multipurpose arena, and high-speed EV charging capacity. Additionally, the upgrade is required to establish a foundation compatible with the future conversion to beneficial electrification of the campus.

On a motion by Trustee Flood, which was seconded by Trustee MacMahon, and approved by a roll call vote of all Trustees present, the Finance, Facilities, & Technology Committee approved the following resolution to be forwarded for Board of Trustee approval at the April 8, 2024 Board Meeting.

That the Board of Trustees accepts the recommendation of the Finance, Facilities, and Technology Committee, and authorizes the University of Maine System, acting through the University of Maine to expend up to $25 million for crucial upgrades and renewal of the university's electrical infrastructure.

University of Maine Soccer complex / Track & field complex / Parking Lots & Roadways / Infrastructure – UMS TRANSFORMS Athletics Field Projects

The University of Maine System, acting through the University of Maine, requests authorization to spend up to $27.3 million for the construction of a new soccer complex, new track & field complex, new parking lot to be located north of Alfond Stadium, new roadway to be named Alfond Way connecting the new complexes listed above as well as Field Hockey complex, and infrastructure to support existing and new athletic facilities as part of UMS TRANSFORMS. Projects are included in the UM Athletics 10-year Master Plan.

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, & Technology Committee approved the following resolution to be forwarded for Board of Trustee approval at the April 8, 2024 Board Meeting.

That the Board of Trustees accepts the recommendation of the Finance, Facilities, and Technology Committee, and authorizes the University of Maine System, acting through the University of Maine to expend up to $27.3 million for the design and construction of the soccer complex, Track & field complex, parking lots, roadway to be named "Alfond Way" and needed infrastructure as part of the UMS TRANSFORMS project and included in the Athletics 10-year Master Plan.

UM Stewardship/Deferred Maintenance: HVAC Systems Upgrades – Hitchner Hall '87 Wing & Bennett Hall Lecture Wing

The University of Maine System, acting through the University of Maine, requests authorization for expenditure of up to $8.5 million for Stewardship/Deferred Maintenance: HVAC Systems & Controls Upgrades for the replacement and upgrade of obsolete building HVAC systems within Hitchner Hall '87 wing and Bennett Hall Lecture Wing.

On a motion by Trustee Cain, which was seconded by Trustee Riley, and approved by a roll call vote of all Trustees present, the Finance, Facilities, & Technology Committee approved the following resolution to be forwarded for Board of Trustee approval at the April 8, 2024 Board Meeting.

That the Board of Trustees accepts the recommendation of the Finance, Facilities, and Technology Committee, and authorizes the University of Maine System, acting through the University of Maine to expend up to $8.5 million for the replacement and upgrade of obsolete building HVAC systems within Hitchner Hall '87 Wing and Bennett Hall Lecture Wing.

UM Hancock Hall Single-Use Bathroom Renovations

The University of Maine System, acting through the University of Maine, seeks authorization to allocate up to $1.5 million for renovating existing space to create single-use bathrooms within residential buildings, specifically Hancock Hall. The estimated project cost of $1.5 million covers materials, labor, design, and associated expenses.

The proposed renovations at Hancock Hall include adding three single-use bathrooms on the basement level, two on the first floor, and six to seven on both the third and fourth floors, without reducing the overall number of residential rooms.

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 approved the following resolution to be forwarded for Board of Trustee approval at the April 8, 2024 Board Meeting.

That the Board of Trustees accepts the recommendation of the Finance, Facilities, and Technology Committee, and authorizes the University of Maine System acting through the University of Maine to spend up to $1.5 million to make renovations within Hancock Hall Hall for the creating of single-use bathrooms for students that seek upgraded residential hall amenities not currently available within the two existing buildings.

Ground lease Authorization, UMaine, Delta Tau Delta Fraternity

The University of Maine System, acting through the University of Maine requests authorization of renewal of a ground lease for thirty years with Delta Tau Delta Fraternity for the land located at 111 College Avenue in Orono, Maine.

On a motion by Trustee Riley, which was seconded by Trustee Cain, and approved by a roll call vote of all Trustees present, the Finance, Facilities, & Technology Committee approved the following resolution to be forwarded for Board of Trustee approval at the April 8, 2024 Board Meeting.

That the Board of Trustees accepts the recommendation of the Finance, Facilities, and Technology Committee, and authorizes the University of Maine System, acting through the University of Maine to enter into a ground lease for the land at 111 College Avenue, Orono, Maine for the term of thirty years with all final terms and conditions subject to review and approval of the University of Maine System Treasurer and General Counsel.

State of Financial Aid Security 2024 Report

The State of Financial Aid Security 2024 report, as required by the Gramm-Leach-Bailey Act (GLBA), is available for review. Dr. David Demers, Chief Information Officer, and John Forker, Chief Information Security Officer, were available to answer any questions.

Capital Projects Status Report and 2018 Bond Projects Update, UMS

The Capital Project Status Report for the March 6, 2024, meeting of the Finance, Facilities, and Technology Committee of the University of Maine System was provided for review. This report provided a comprehensive update on the status of capital projects, market impacts, 2018 bond project status, research space approvals, and specific project details.

University Capital Plan Briefing – UMA/UMF

These presentations provided an overview of their 1 and 5-year Capital Plans with a focus on their priorities and how they fit within larger initiatives.

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.

Elizabeth Stickler, Clerk