

Minutes
Capital Planning and Budget Committee
Thursday, October 2, 2008

Committee Chair Regent Bartell convened the meeting of the Capital Planning and Budget Committee at 1:34 p.m. Room 378 of the Dreyfus University Center on the UW-Stevens Point campus. Committee members present were Regents Bartell, Vasquez, Oppenorth and Walsh. Regent Drew was absent.

I.3.a. Approval of the Minutes of the August 21, 2008 Meeting of the Capital Planning and Budget Committee

Upon the motion of Regent Walsh and the second of Regent Oppenorth, the minutes of the August 21, 2008 meeting of the Capital Planning and Budget Committee were approved as presented.

I.3.b. UW System: Six Year Physical Development Plan

Associate Vice President Miller presented the UW System 2009-15 Physical Development Plan. The plan represents the 2009-15 capital budget priorities for the 15 UW System institutions for the next three biennia. Developing a system-wide long range plan allows the UW institutions, the Board of Regents, the Department of Administration, the Legislature, and other policy makers to better understand and manage the facility needs of our educational institutions. This plan is a point-in-time reference and will remain flexible to allow for uncertain circumstances that may arise such as increasing or decreasing funding levels and program changes.

The plan provides a great deal of detail about projects requested for funding in 2009-11, and less detail for projects identified for funding in later years. It also identifies several complex projects for pre-design and advance enumeration in order to achieve a well developed building program, conceptual layout, schedule and budget.

Miller explained that this system-wide plan is based upon all the institution's six-year plans which allows for planning of biennial budgets. It also allows easy access of planning principles and goals that are used for long range planning. It includes campus profiles and maps and highlights of projects that are in the six-year plan. This plan provides feedback to the institutions on how their six-year plan fits within other institutions' six-year plans. Kate Sullivan Director of Facilities Planning continued by highlighting several pages of the plan showing the profile for each campus noting that all the institutions' information is readily available in this one document. Sullivan also pointed out the funding source breakdowns for major projects and the programmatic need for these projects. Sullivan showed the maps of each institution included in this plan and where buildings will be demolished or improved with additions in the next two year period.

Regent Vasquez asked for clarification of the 15 institutions, to which Miller responded that Colleges and Extension are two institutions under one administration. Regent Bartell commented that the document was put together very well and that this document rationalizes the process that the staff and the Capital Planning and Budget Committee uses making

decisions regarding capital planning. Regent Bartell suggested that each Regent be provided with a color copy of this plan also.

I.3.c. UW Colleges: Annual Report of City and County Financial Support – David Wilson, Chancellor UW Colleges and UW-Extension and Steve Wildeck, Vice Chancellor for Administrative and Financial Services

Chancellor of UW-Extension and UW Colleges David Wilson and Vice Chancellor Steve Wildeck presented the UW Colleges annual report of 2008 City and County Financial Support. The counties and local municipalities contributed about \$8M annually for financial support of the UW Colleges.

Chancellor Wilson spoke on the special relationship Colleges have with the counties where the colleges are located. The municipalities provide the facilities for UW Colleges and the university provides the program with faculty, staff, courses and administrative staff. Chancellor Wilson said thirteen counties and two cities spend roughly eight million dollars a year in the upkeep of the facilities of the Colleges, which is indeed a very special partnership that Vice Chancellor Wildeck will further describe. Wilson also commented that for Extension, the counties pay 40% of all faculty and staff salaries in 72 counties and in 3 tribal nations. Wildeck stated that 22 of the 70 counties in Wisconsin have Freshmen accessing UW Colleges, more than any other institution in the state. Regent Vasquez inquired as to why Marathon and Richland Center have dormitories and the other 2-year colleges do not. Wildeck answered that in Marathon County some of the dormitories are dedicated to house North Central Technical College students and the partnership is for both entities students. That dormitory was built by Marathon County. UW Richland has a private facility that was built and maintained by the Campus View Corporation which is a part of the campus foundation. Regent Walsh asked if they would welcome more private housing for the Colleges. Wilson answered that they have been discussing this over the last couple of years and that is a recommendation that is being considered.

I.3.d. UW-Stevens Point: Authority to Adjust the Budget of the Waste Management Center Project

This item requests authority to adjust the budget for the Waste Management Center project by an increase of \$2,655,000 General Fund Supported Borrowing–UW Infrastructure, for a total estimated project cost of \$4,444,000 (\$1,789,000 General Fund Supported Borrowing and \$2,655,000 residual General Fund Supported Borrowing-UW Infrastructure).

This project was submitted as part of the 2003-05 Capital Budget at a requested amount of \$2,479,000 but it was not recommended for enumeration by the building commission. It was resubmitted in the 2005-07 biennium at a project cost of \$2,479,000 and was subsequently enumerated at \$1,789,000 to construct a pre-engineered metal building in lieu of a masonry structure.

The project will construct a new 10,000 GSF Waste Management Laboratory and campus resource recovery center on the north end of campus. The lab will feature a pilot wastewater treatment plant, a composting lab, a microbiology lab, and an adjoined recycling center offering co-training opportunities in materials recycling.

The initial design meeting with the selected A/E team was held in August 2007. Because of the wet and humid conditions posed by the treatment plant, compost lab, and the recycling center, it was pointed out that the design assumption for a pre-engineered metal building was incompatible with the purpose of the building. The A/E team was directed to review the program and provide cost estimates for a masonry building.

There is a gap between the 2005 estimate and the current A/E firm's estimate of \$4,444,000. The original estimate was done according to budget estimating guidelines for a teaching lab at \$175 per GSF. The same guidelines for today indicate a project of \$224/GSF for construction or about \$3.5 million in total project costs for a teaching lab. However, when the programming was complete the majority of the space was research intensive with a cost of approximately \$364/GSF.

This project is currently on hold at the 10% design stage which means that through the pre-design and programming phase we have learned it is much more a teaching research facility not just traditional labs.

Miller stated that funds would come from savings from other projects that have come in under budget. He continued to explain that when projects close out the money not spent go into a residual fund to be used on other projects. Regent Walsh asked for confirmation on how taking money from one project and using it for another works. Miller explained that the Building Commission re-appropriates the money for projects that use state funding. Regent Bartell asked if this project is moving ahead because of the funding source. Miller stated that the source of revenue is not the justification of the project. The project scope has not changed, however the original cost estimate was inaccurate.

Upon the motion of Regent Walsh and the second of Regent Vasquez, the Committee unanimously approved Resolution I.3.d.

Resolution I.3.d.

That, upon the recommendation of the of the UW-Stevens Point Chancellor and the President of the University of Wisconsin System, authority be granted adjust the budget for the Waste Management Center project by an increase of \$2,655,000 General Fund Supported Borrowing–UW Infrastructure, for a total estimated project cost of \$4,444,000 (\$1,789,000 General Fund Supported Borrowing and \$2,655,000 General Fund Supported Borrowing-UW Infrastructure).

I.3.e. UW- Stout: Approval of the Design Report and Authority to Adjust the Project Budget and Construct the Hovlid Hall Renovation and Addition Project

This item requests approval of the Design Report and authority to (a) increase the budget by \$3,830,000 (\$1,580,000 Residual Program Revenue Supported Borrowing, and \$2,250,000 Program Revenue-Cash), and (b) construct the Hovlid Hall Renovation and Addition project at an estimated total project cost of \$12,400,000 (\$8,570,000 Program Revenue Supported Borrowing, \$1,580,000 Residual Program Revenue Supported Borrowing, and \$2,250,000 Program Revenue-Cash).

The project was originally enumerated in the 2003-05 Capital Budget at \$8,570,000. At that time it was assumed that only limited food service would be provided at Hovlid Hall. A survey of student food preferences, however, showed that full food service was desired by students living on the north campus. The increased scope of food service resulted in an increase both in size of the food service component, and in the cost per square foot. That change, combined with escalation in building costs since the project was enumerated, resulted in a budget that exceeds the original project budget. Increasing the budget will allow the necessary project scope to be built.

This project will completely renovate approximately 26,400 ASF/39,900 GSF of space in Hovlid Hall on the north campus. The renovated space will provide double occupancy resident rooms in addition to kitchen and lounge areas on each floor. Existing restrooms will be expanded on each floor and remodeled to provide more privacy, convenience, accessibility, and will be easier to maintain. An enclosed connection will be constructed between Hovlid Hall and Fleming Hall and will also provide a central desk/lobby area that will serve both halls. This project will also construct an approximately 19,050 ASF/27,500 GSF addition to house modern food service facilities including spaces for food preparation, dining, and a convenience store.

This project is part of the UW-Stout North Campus Master Plan, which was developed in 2001. The north campus supports approximately one third of the housing capacity of the university, primarily upper level students. The first phase included the construction of a new residence hall; Red Cedar Hall. The second phase will renovate and construct an addition to Hovlid Hall. Future phases will renovate other halls, demolish the Jeter-Tainter-Callahan complex, and possibly construct new residence hall space.

This project will be funded by an increase in room and dining rates. In addition to three percent annual inflationary increases, this project will add \$148 to housing rates and \$170 to dining rates starting in 2010-2011.

Miller stated this project was enumerated in the 2003-05 budget, but a budget increase adding scope to the project, a significant food service component, brings it back for approval now. Assistant Vice Chancellor for Student Life, Phil Lyons, was present and showed a site plan of this project. Regent Vasquez asked if this project was relocating the kitchen or starting over with a completely new kitchen and dining space. Lyons answered this project is the new kitchen and dining room, also more student recreation space and student meeting spaces. Lyons added that the students were in favor of a full service facility.

Upon the motion of Regent Walsh and the second of Regent Vasquez, the Committee unanimously approved Resolution I.3.e.

Resolution I.3.e.

That, upon the recommendation of the UW-Stout Chancellor and the President of the University of Wisconsin System, the Design Report be approved and authority be granted to (a) increase the budget by \$3,830,000 (\$1,580,000 Residual Program Revenue Supported Borrowing, and \$2,250,000 Program Revenue-Cash), and (b) construct the Hovlid Hall Renovation and Addition project at an estimated total

project cost of \$12,400,000 (\$8,570,000 Program Revenue Supported Borrowing, \$1,580,000 Residual Program Revenue Supported Borrowing, and \$2,250,000 Program Revenue-Cash).

I.3.f. UW System: Authority to Construct All Agency Maintenance and Repair Projects

This item requests authority to construct various maintenance and repair projects at an estimated total cost of \$14,637,000 (\$896,000 General Fund Supported Borrowing; \$350,000 Agency Funds; \$11,748,000 Program Revenue Supported Borrowing; \$530,000 Program Revenue Cash; and \$1,113,000 Gift and Grant Funds). This request provides maintenance, repair, renovation, and upgrades through the All Agency Projects Program.

Energy Conservation

MSN - Walnut St. Heating Plant Chiller No.s 1 and 2 Replacement (\$10,618,000): This project will replace two steam driven chillers with two new electric chillers, and will increase the Walnut St. Heating Plant's chilled water capacity from 18,000 tons to 23,000 tons. The debt service will be paid from the annual energy cost savings from the fuel and utilities appropriation.

Project work will include the replacement of two 3,500-ton steam driven chillers with new 6,000-ton electric chillers and will be completed in two phases. Phase I will replace one chiller that will be used to meet the base chilled water load of the campus, install an indoor 25,000-gallon sump to drain the cooling tower basin, and make the necessary repairs and modifications to the cooling tower. Phase II will replace the second chiller which will serve as a backup to the first unit and provide peak load operation when needed.

Health, Safety, and Environmental Protection

STP - Multi-Building Fire Alarm System Upgrade (\$288,000): This project will extend emergency one-way voice communication to eight buildings through upgrades to the fire alarm and emergency communications system. Project areas not meeting current ADA standards for audible alerts, visual alerts, and/or visual alert synchronization will be addressed.

Programmatic Remodeling and Renovation

LAX - Health Science Center Recreation Management and Therapeutic Recreation Office Remodeling (\$350,000): This project will relocate the Recreation Management and Therapeutic Recreation departments from Wittich Hall and remodel approximately 2,400 SF of unoccupied space on the second floor of the Health Science Center to create a new departmental office suite.

MSN - Medical Science Center Intensive Care Unit Deli Remodeling (\$425,000): This project will remodel approximately 1,100 SF in the Medical Science Center and expand and reconfigure the Intensive Care Unit (ICU) Deli. The project will convert adjacent locker room space into new deli space and reconfigure the food service area allow for an expanded operation and better customer traffic flow.

Utilities Repair and Renovation Requests

MIL - Engelmann Field Retaining Wall and Turf Replacement (\$1,316,000): This project will replace the natural turf with synthetic turf, repair and/or replace the field drainage

system, and reconstruct the adjacent retaining walls and pedestrian walkways. This project replaces approximately 85,000 SF of natural turf with synthetic turf. Project work includes removal of the natural turf surface and its disposal or salvage for landscaping restoration needs; repair, reconstruction, and re-grading of the subsurface field base as required; and repairs and augmentation of the subsurface drainage system based on conditions found after the natural turf removal.

This will reconstructs the retaining walls and the concrete pedestrian walkways surrounding the perimeter of the soccer field site.

MSN - Randall St. Substation Removal (\$630,000 increase for a total project cost of \$3,738,000): This request will increase the project budget to match recent bid results and complete the originally approved project scope and intent. This request also increases the approved scope and installs a new telecommunications duct near the Wisconsin Institute for Discovery (WID) site west of Charter Street, between Linden Drive and Observatory Drive.

STO - Parking Lots 17 & 22 Reconstruction (\$1,010,000): This project reconstructs and converts two gravel parking lots into two new asphalt paved parking lots with a combined capacity of approximately 475 stalls. Project work for both project areas include installing asphalt pavement, concrete curb and gutter, signage, traffic controls, exterior lighting, storm water management controls, and pavement markings and striping.

Miller broke down the funding for these projects stating that \$3,718,900 is General Fund Supported Borrowing, \$13,761,700 is Program Revenue, and \$53,406,800 is Gifts and Grants. Most notable of these projects is the energy savings at the Madison campus for high impact energy efficient projects in which the debt service is paid from the energy savings. The energy savings for replacing the chillers at Madison is about 1.7 million dollars per year, yielding a seven year pay back on this \$10 million expenditure. Regent Bartell inquired as to the turf replacement in Milwaukee, to which Miller responded that it is a turf installation project that is primarily gift funded.

Upon the motion of Regent Vasquez and the second of Regent Walsh, the Committee unanimously approved Resolution I.3.f.

Resolution I.3.f.

That, upon the recommendation of the of the President of the University of Wisconsin System, authority be granted to construct various maintenance and repair projects at an estimated total cost of \$14,637,000 (\$896,000 General Fund Supported Borrowing; \$350,000 Agency Funds; \$11,748,000 Program Revenue Supported Borrowing; \$530,000 Program Revenue Cash; and \$1,113,000 Gift and Grant Funds).

I.3.g. UW- Whitewater: Authority to Construct the Softball Bleachers Portion of the Multi-Sport Phase III Project

This item requests authority to revise the funding for the Multi-Sport Phase III project by an increase of \$172,000 Program Revenue Supported Borrowing and a decrease of \$172,000 Gifts Funds and construct the bleacher portion of the project for \$172,000 Program Revenue

Supported Borrowing. The total project cost is revised to \$3,474,000 (\$172,000 Program Revenue Supported Borrowing and \$3,302,000 Gift Funds).

This project will construct new bleachers on a concrete pad at the van Steenderen Softball Field. The bleachers will accommodate 300 spectators and will provide seatbacks in the center section. This request would allow the campus to bid this portion of the Multi-Sport Phase III project this winter to ensure that the bleacher seating will be in place by the spring of 2009. The remaining portion of the project will be brought forward for design report approval and authority to construct in January of 2009 with plans for bidding that summer.

The van Steenderen Softball Complex, which includes the Women's Softball practice and varsity softball fields, was originally constructed in 1976 and is currently undergoing reconstruction as part of the Multi-Sport Facility Phase II project. The original bleachers, which are in need of replacement, are more than 30 years old and are metal frame and wood plank structures. Similar on campus bleachers were removed because of safety concerns.

In April of 2006, the Segregated University Fee Allocation Committee (SUFAC) approved a fee of \$35.32 per year for several athletic projects at UW-Whitewater. The fee will be implemented in three steps. The fee for 2007-08 was \$17.76; the fee for 2008-09 will be \$26.64; and the fee for 2009-10 and beyond will be \$35.32.

Miller stated this is just the bleacher portion of this project which is being accelerated from a larger project. This project uses program revenue funding rather than gifts, because of the timing of the project phases. That funding from gifts and program revenue will not change. Regent Bartell asked if this project includes segregated fees, which Miller stated it does include segregated fees, but does not increase current student fees.

Upon the motion of Regent Walsh and the second of Regent Vasquez, the Committee unanimously approved Resolution I.3.g.

Resolution I.3.g.

That, upon the recommendation of the UW-Whitewater Chancellor and the President of the University of Wisconsin System, the authority be granted to revise the funding for the Multi-Sport Phase III project by an increase of \$172,000 Program Revenue Supported Borrowing and a decrease of \$172,000 Gifts Funds and construct the bleacher portion of the project for \$172,000 Program Revenue Supported Borrowing. The total project cost is revised to \$3,474,000 (\$172,000 Program Revenue Supported Borrowing and \$3,302,000 Gift Funds).

I.3.h. Report of the Associate Vice President

1. Building Commission Actions - Associate Vice President David Miller reported that the Building Commission approved \$71M for projects at its September meeting. The funding breakdown for those projects is \$4M General Fund Supported Borrowing, \$14M Program Revenue and \$53M Gift Funds.

I.3.i. Additional items which may be presented to the Committee with its approval

No additional items were presented to the Committee.

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