The meeting of the Capital Planning and Budget Committee was called to order at 1:04 p.m. by Committee Chair Regent Jeffrey Bartell in Room 1920 Van Hise Hall on the UW-Madison campus. Regents Edmund Manydeeds, John Behling, Regina Millner, Katherine Pointer, Gary Roberts, and José Vásquez were in attendance. Regent Tony Evers was absent.

I.3.a. Approval of the Minutes of the December 6, 2012 Meeting of the Capital Planning and Budget Committee

Upon the motion of Regent Roberts and the second of Regent Behling, the minutes of the December 6, 2012, meeting of the Capital Planning and Budget Committee were approved as presented.

1.3.b. UW Colleges: Report on City and County Financial Support

The committee heard a presentation of the 2012 UW Colleges Report on City and County Financial Support. UW Colleges Chancellor Ray Cross introduced Vice Chancellor for Administration and Finance Steve Wildeck who discussed the history of the partnerships between city and county governments to provide facilities for UW Colleges campuses. He explained that the university partners with city and county governments to provide for small general maintenance and repair projects for the facilities. He continued by saying that the city and county are solely responsible for any major facility renovations or construction projects and that in 2012 more than $13M of direct support was provided by city and county governments to support major projects. Mr. Wildeck then introduced Sheboygan County Administrator Adam Payne who spoke of the UW-Sheboygan ten year master plan and the improvements that have been made since 1995 which include a student commons, mechanical upgrades, the Brotz Science Building addition Acuity Technology Center and addition, and various interior upgrades. He expressed his appreciation of being part of the partnership between UW-Sheboygan and the Sheboygan County Board.

Mr. Payne introduced new UW-Sheboygan Dean Jackie Joseph-Silverstein. Dean Joseph-Silverstein discussed how the facilities have impacted the students. She stated how important technology is to the students by providing them expanded access to course offerings and spoke about future development of an addition to the new engineering building and expansion of the fine arts, music, and theater facilities.

Regent Pointer asked how many engineering students are in the UW-Sheboygan engineering program with UW-Platteville and Dean Joseph-Silverstein stated that there are more than thirty students that are taking courses with the UW-Platteville program.

Regent Roberts asked if the campus had considered the potential of internet teaching in the campus master plan. Dean Joseph-Silverstein answered by saying that, although she was not at UW-Sheboygan during the master planning, UW Colleges does have a broad online education system. Mr. Wildeck further explained that there is greater flexibility for students when online opportunities are available. Regent Roberts stated that since the demographics
for high school graduates are decreasing and technology of internet is in the beginning stages he wondered if more bricks and mortar are needed in a shrinking market.

I.3.c. **UW-Madison: Authority to Construct a Parking Lot**

This project will demolish and remove two vacant houses on the UW-Madison campus to allow for the reconstruction and expansion of existing parking Lot 61. The site will temporarily provide surface parking for university faculty and staff.

Regent Milner asked for the location of this site and Associate Vice President David Miller explained that it is directly across from the west end of the business school and also commented that asbestos abatement has already been completed on these properties.

Upon the motion of Regent Millner and the second of Regent Pointer, the Committee approved Resolution I.3.c.

Resolution I.3.c.

That, upon the recommendation of the UW-Madison Interim Chancellor and the President of the University of Wisconsin System, authority be granted to expand a parking lot into the land vacated by two demolished buildings for an estimated project cost of $334,000 Program Revenue-Cash Transportation Funds.

I.3.d. **UW System: Authority to Request the Release of Funds for Campus Planning**

This item requests the release of funding for a master plan to assess the condition and suitability of current facilities at the Campus Laboratory Farm and the Mann Valley Farm at UW-River Falls, and for a UW-Waukesha space planning study.

Mr. Miller explained that the revised resolution removed funding for the arc flash studies, which are an OSHA requirement, because the Department of Administration determined those costs to be operational even though they would likely result in improvements to capital facilities. Miller explained that the remaining request involves space planning for UW-Waukesha and UW-River Falls.

Regent Bartell asked who would pay for the required arc flash studies and Mr. Miller answered that UW-Parkside, UW-Madison, and UW-Milwaukee would need to use their operational budget to fund those studies. Next, Regent Bartell asked if the space planning process for UW-Waukesha facilities would include the county and Mr. Miller explained it would because space planning is an academic function that often leads to physical changes. He continued by saying that because this is the first UW Colleges space plan being requested, it is unknown whether the Department of Administration would agree to the use of Building Trust Funds to fund such a request.

Upon the motion of Regent Millner and the second of Regent Vásquez, the Committee approved Resolution I.3.d.
Revised Resolution I.3.d.

That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to request the release of $89,000 Building Trust Funds for the purpose of hiring consultants to prepare a farms master plan for UW-River Falls and a space plan study for UW-Waukesha.

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

This item requested authority to construct the various maintenance and repair projects listed below.

PKS - University Apartments Exterior Envelope Maintenance and Repair ($1,630,000);
STO - Sports and Fitness Center Bleachers/Track Infield Replacement ($538,000);
MIL - Northwest Quadrant Fire Alarm/Telecommunications System Renovations ($550,300 increase for a total project cost of $2,006,000);
MSN - Kronshage Hall Remodeling and Renovation ($2,150,000);
MSN - Slichter Hall Ground Floor Remodeling ($522,000);
EAU - Steam Utility System Renovation and Replacement ($1,358,000);
MSN - Campus Storm Water Detention Ponds ($1,030,800 increase for a total project cost of $3,318,800);
MSN - Lot 76 Lift Station Renovation ($1,356,000);
SUP - Steam Distribution System Repair/Replacement ($4,990,700);
WTW - Andersen Library Parking Lot Reconfiguration ($340,800);

David Miller explained that the revision to this request was the removal of a UW-Madison project that needed further study. Miller highlighted two projects by saying that one involves the repair of the underground steam distribution centers that were involved in the June 2012 flooding at the UW-Superior campus. Miller explained that FEMA and state risk management funds may reimburse much of the expense of this project. He then discussed the UW-Madison project concerning campus storm water retention ponds and said that the budget increase will fund remediation of contaminants in the soil that were unknown when the budget was originally estimated.

Upon the motion of Regent Pointer, and the second of Regent Manydeeds, the Committee approved Resolution I.3.e.

Revised Resolution I.3.e.

That, upon the recommendation 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 $14,466,600 ($6,972,200 General Fund Supported Borrowing; $3,207,900 Program Revenue Supported Borrowing; $4,286,500 Program Revenue Cash).
I.3.f. **UW Colleges: Waukesha County; Multiple Building Energy Conservation Project**

This project will implement seven energy conservation measures based on a recently completed comprehensive investment grade energy audit of four campus buildings and will assist UW-Waukesha County in complying with energy reduction goals.

Mr. Miller explained that because we operate this facility and pay all the utility costs, it is a benefit to do energy conservation projects through the conservation program. The debt service is paid by a reduction in energy cost and that reduction has to be demonstrated by a performance grade investment audit and must be stipulated prior to the inception of the project. Miller continued by explaining that it is a very large project and that Waukesha County will contribute $1.75M to its funding.

Upon the motion of Regent Behling, and the second of Regent Pointer, the Committee approved Resolution I.3.f.

**Resolution I.3.f.**

That, upon the recommendation of the UW Colleges Chancellor and the President of the University of Wisconsin System, authority be granted to construct the Multiple Building Energy Conservation Project at UW-Waukesha County at a total project cost of $3,692,660 ($1,942,660 Program Revenue Supported Borrowing—Energy Conservation Funds and $1,750,000 Waukesha County funds).

I.3.g. **Report of the Associate Vice President**

- **Building Commission Actions**

  Associate Vice President Miller reported that when the building commission met in January it approved the projects that the Board of Regents recommended, however one project is proceeding differently than as approved by the Board. Miller continued by explaining that last October the Board approved the renovation of Dobson and Melcher residence halls at UW-Platteville in the summer of 2013. However, the building commission didn't consider that item until January 2014 and by that time the design team determined that both halls could not be renovated this summer without substantial additional cost due to the lack of lead time for building components. The design team proposed that both renovations could be bid now and construction could be spread over two summers. Miller said that the resulting building commission request was to approve the renovation of only one hall for this summer and to plan renovation of the second hall during the summer of 2014. Therefore, UW System will bring a design report for the second residence hall back to the committee for construction approval in the summer of 2014. Miller added that UW System staff provided the building commission with the housing study that was presented to the Capital Planning and Budget Committee last fall and remarked that it was well received. He stated that the building commission will consider only the capital budget in March and that a report on the commission’s action will be available at the April Board of Regents meeting.
Miller said that UW System staff are already beginning planning for the 15-17 capital budget which will come before the Regents for approval in August of 2014. Mr. Miller introduced Director of Capital Planning and Budget Kate Sullivan who provided an overview of the capital planning and budget process to the committee.

- Capital Planning Cycle

Director of Capital Planning and Budget Kate Sullivan provided an overview of the capital planning and budget process to the committee. Ms. Sullivan began by stating that space planning reviews needs assessment by considering what is projected for academics, new interactive learning formats, and the development of different strategies for teaching science. Ms. Sullivan spoke about master planning and how it helps an institution focus on what types of spaces it needs and the present condition of facilities and whether they are worthy of investment long term or not. She discussed the importance of integrated planning that combines programmatic, financial, and physical considerations.

Ms. Sullivan gave an overview of the capital budget cycle and explained how campus workshops help the institutions identify and better plan potential building projects.

The Capital Planning and Budget Committee meeting was adjourned at 2:20 p.m.