

**Minutes**  
**Capital Planning and Budget Committee**  
**Thursday, July 11, 2013**

The meeting of the Capital Planning and Budget Committee was called to order at 1:05 p.m. by Committee Chair Regent Edmund Manydeeds, in Room 1920 of Van Hise Hall on the UW-Madison campus. Regents Tony Evers, Janice Mueller, Katherine Pointer, Gary Roberts, José Vásquez, and David Walsh were in attendance. Regent John Behling was absent.

**I.3.a. Approval of the Minutes of the June 6, 2013 Meeting of the Capital Planning and Budget Committee**

Upon the motion of Regent Walsh, and the second of Regent Pointer, the minutes of the June 6, 2013, meeting of the Capital Planning and Budget Committee were approved as presented.

**I.3.b. UW-Madison: Authority to Increase the Scope and Budget of the Elizabeth Waters Residence Hall Renovation Project**

The requested project budget increase will provide for the installation of a fire suppression system for the entire 143,600 GSF building including resident rooms, common areas, and the kitchen/dining area, as well as expanded scope to address building finishes and asbestos abatement. This additional work is being funded with savings from two recent housing projects, the Lakeshore (Dejope) Residence Hall–Phase I project and the Carson Gulley Renovation project.

Regent Mueller asked when this project was initiated and when it would be ready for use since it was her understanding that construction projects took a long time to accomplish. Interim Associate Vice President Kate Sullivan responded that the project had been included in the 2011-13 Capital Budget and was now seeking authority to construct with occupancy anticipated by Fall of 2015. Each step in the process takes time, however, there is concern about the extended length of time that has occurred between when a project is requested in the capital budget and when a private-sector design team is contracted to provide services. Regent Manydeeds asked if UW has any control over these delays and Ms. Sullivan confirmed that UW does not. Regent Mueller additionally inquired if it would be a year or more before construction of this project would begin, and Ms. Sullivan confirmed the one-year timeframe given that this is a renovation project.

Upon the motion of Regent Pointer, and the second of Regent Vásquez, the Committee approved Resolution I.3.b.

**Resolution I.3.b.**

That, upon the recommendation of the UW-Madison Interim Chancellor and the President of the University of Wisconsin System, authority be granted to increase the budget of the Elizabeth Waters Residence Hall Renovation project by \$3,041,700 Program Revenue-Cash for a revised estimated total project cost of \$10,141,700 Program Revenue-Cash.

**I.3.c. UW-Platteville: Approval of the Revised Design Report of the Residence Hall Renovations-Phase I Project and Authority to (1) Increase the Project Scope and Budget, (2) Seek a Waiver of Wis. Stats s.16.855 to Allow Single Prime Bidding, (3) and Construct the Project**

This item was deferred for further consideration and will be brought forward for approval at a future date.

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

This item requested authority to construct the maintenance and repair projects listed below. More information about these projects can be found in the request documents included in the Board of Regents agenda.

MSN - Multi-Building Energy Conservation, Phase 6 (\$2,868,000)

MSN - Charter Street Heating Plant Chilled Water Distribution Pump Variable Frequency Drive Installation (\$543,000)

MSN - Walnut Street Utility Tunnel Stanchion Replacement (\$424,000)

Ms. Sullivan described the energy conservation project and both maintenance and repair projects being requested. Regent Roberts asked how many deferred maintenance projects are the result of postponed maintenance. Ms. Sullivan responded by defining the terms of routine, cyclic, and deferred maintenance and explained that it was difficult to keep up with the cycles of maintenance as they occurred because there was so much construction that took place on the campuses in the 1960s. She continued by explaining that there is always a balance between day-to-day maintenance versus repair or replacement of components that have deteriorated over time. She also clarified that there is an exceedingly high level of ongoing care and maintenance being carried out across all campuses.

UW-Madison Associate Vice Chancellor Bill Elvey added that the highest maintenance priorities at his campus are health, safety, and environmental concerns, roofs, and utilities followed by the repair or replacement of equipment at the end of its operational life cycle. He continued by saying that maintenance concerns get full-time attention at UW-Madison and based on his long experience that a good job is being done both at UW-Madison and other campuses. Regent Roberts expressed concern about whether UW System institutions have enough money budgeted for routine maintenance and repairs to forestall routine operational maintenance becoming capital deferred maintenance. Ms. Sullivan suggested that question be carried forward for evaluation.

Regent Vásquez made the point that it is important to consider the magnitude of the number of buildings that UW has throughout the entire State and how a very large number of those buildings were built at same time. He then questioned if those two things are compounding the problem of creating a budget that would be large enough to routinely keep up with maintenance needs; we have so many aged buildings and also have new buildings coming online.

Regent Roberts stated that his understanding is that buildings are added to the inventory, but additional funds are not added to the budget for repairs and maintenance, and expressed his concern that we are not doing what is necessary on a daily basis in regard to repair and maintenance. Regent Mueller stated that they are all asking similar aspect of the question “what is the current allocation for maintenance, what should it be, and could a plan be developed to address the deferred maintenance backlog”. She commented that it would be helpful to have a blueprint showing how that backlog could be addressed.

Regent Vásquez suggested a way to start would be to understand the planning for maintenance and repair that is already in place. Ms. Sullivan agreed that there is indeed an extensive process to identify priority maintenance needs, and took the opportunity to describe array of programs in place to address deferred maintenance including the All Agency program, Energy Conservation Program, and the Facility Renewal Program and how those programs address deferred maintenance.

Regent Walsh recognized that UW does a good job of planning, but that we do not always have enough funds to cover the needs identified. He then confirmed with Chairman Manydeeds that a presentation regarding maintenance needs would be brought back to this committee and asked that System staff determine how much money is needed to solve the problem that is being raised about maintenance. He also asked what type of planning is done to avoid impacts to campuses from flooding. For example, at UW-Superior had anyone considered the possibility of the 30-year flood problem that recently occurred at that campus? Ms. Sullivan answered that the unusually severe type of flood event that happened was not anticipated, however planning at UW-Superior and other campuses does include evaluation of flood risks and increasingly is seeking to anticipate worse and more frequent flooding and evaluate flood-risk mitigation strategies. Regent Walsh commented that unfortunately System typically must wait for an event such as the flood to happen in order to get funding.

Upon the motion of Regent Roberts, and the second of Regent Pointer, the Committee approved Resolution I.3.d.

Resolution I.3.d.

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 \$3,835,000 (\$705,900 General Fund Supported Borrowing; \$2,868,000 Program Revenue Supported Borrowing; \$261,100 Program Revenue-Cash).

**I.3.e. Building Commission Report**

Interim Associate Vice President Kate Sullivan began by saying that the building commission considered three items at its last meeting, all of which were previously approved by the Board. Those projects were: (1) the demolition of several buildings for the purpose of providing a parking lot on the UW-Madison campus; (2) the purchase of a property for UW-Stout, and (3) several all agency maintenance and repair projects that totaled \$10M. Regent Manydeeds noted that after Alexandria Roe, the new Associate Vice President for Capital Planning and Budget, joins UW System in mid-August the Committee will discuss what topics will be its focus during the coming year.

**I.3.e. Closed session for purposes of considering personal histories, as permitted by s.19.85 (1) (f), Wis. Stats., related to the naming of a facility at UW-Madison**

The Committee did not need to convene to closed session-because the full Board's closed session was unexpectedly moved to Thursday morning, and the Board already acted on this item in that closed session, prior to the committee meeting.

Upon the motion of Regent Walsh and the second of Regent Pointer, the Capital Planning and Budget Committee adjourned at 1:36 p.m.