

Minutes
Capital Planning and Budget Committee
Thursday, October 9, 2014

The meeting of the Capital Planning and Budget Committee was called to order at 10:47 a.m. by Committee Chair Regent Edmund Manydeeds in Room 374 of the Dreyfus University Center on the UW-Stevens Point campus. Regents José Delgado, Tony Evers, Janice Mueller, Anicka Purath, José Vasquez, David Walsh, and Gerald Whitburn were in attendance.

I.3.a. Approval of the Minutes of the August 21, 2014 Meeting of the Capital Planning and Budget Committee

After receipt of a motion and second, the minutes of the August 21, 2014, meeting of the Capital Planning and Budget Committee were approved as presented.

I.3.b. UW-Stevens Point Presentation: UW-Stevens Point 2007 Master Development Plan: an Update and Review

UW-Stevens Point Chancellor Bernie Patterson introduced UW-Stevens Point Director of Facilities Planning Carl Rasmussen who began the presentation about the UW-Stevens Point campus master plan by explaining the history of the campus from 1894 when the first building, Old Main, was constructed. The first master plan, which was completed in 1968, envisioned a campus of 15,000 students. When the baby boom of the 1970s occurred, the original master plan was abandoned, and during the next 30 years the building projects were mostly additions to buildings. In 2007, the latest master plan represents the development of projects in a series of three phases from 2007 to 2025 that coordinate with the capital budget process. Mr. Rasmussen then gave a synopsis of projects in each of the three phases. He continued by discussing some near-term building problems the institution now faces such as failed fiber ductwork, ADA (Americans with Disabilities Act) access difficulties, and the build-up of iron pipe scale in the sprinkler system.

Mr. Rasmussen spoke about the university's strategic plan initiative related to healthy communities and explained that Mid-State Technical College recently moved and its former 30,000 GSF facility is now available to repurpose for the healthy communities initiative. The university would use the building to house health care programming, some remodeling would be necessary, but the building is in good condition.

Regent Vasquez asked what effect distance learning has on long-range physical planning. Ms. Roe replied that at some of our universities online learning is used to provide access to classes the student may not normally have access on-ground, at others the online community is independent from their on-ground community and when they look at their planning process, they consider them separately. She continued by explaining that online programs can have a physical need, which would be determined by the program's structure.

I.3.c UW System: Authority to Construct Various Maintenance and Repair Projects

This item requested approval of six All Agency projects at four campuses - UW- Eau Claire, UW-Green Bay, UW-Oshkosh, and UW-Madison -with an estimated total cost of \$9M.

Ms. Roe briefly described each project to the committee.

Upon the motion of Regent Whitburn, and the second of Regent Vasquez, the Committee approved Resolution I.3.c.

Resolution I.3.c.

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 \$9,020,900 (\$3,606,200 General Fund Supported Borrowing; \$4,192,200 Program Revenue Supported Borrowing; and \$1,222,500 Cash).

I.3.d. UW System: Authority to Seek Enumeration of Two Additional 2015-17 Capital Budget Projects

This item requested authority to modify the 2015-17 Capital Budget recommendation by adding two additional program revenue supported project request that are now ready to submit to the Department of Administration, which are the UW-Green Bay Athletics Field Complex and the UW-Oshkosh Fletcher Hall Renovation.

Ms. Roe explained that the UW-Green Bay project, which is primarily gift funded, would construct a new competition soccer field and new softball field and related buildings for concessions, restrooms, and storage. The field drainage improvements will improve the facilities for Division I athletic events and provide Title IX compliance. Regent Mueller asked if the improvements would mean the loss of a season of play for the teams and UW-Green Bay Vice Chancellor for Business and Finance Kelly Franz explained that it would not.

Next, Ms. Roe spoke about the UW-Oshkosh Fletcher Hall Renovation project, which requests \$5.9M additional Program Revenue Supported Borrowing to complete the project that was enumerated in 2013-15. She stated that the additional costs are caused by inflation that resulted from a two-year delayed schedule and a three-story addition that will provide common area student lounges, ADA improvements, and 19 new beds to offset the cost of the increased budget. The additional 19 beds will pay for the additional cost of this project.

Regent Whitburn asked if the university's residence halls are presently full and the UW-Oshkosh housing director stated that they are running at capacity, which led to the question of why weren't the additional beds included in the project from the beginning when it was planned a number of years ago. The housing director explained that once the design process was begun, it was discovered that an addition was needed to make the lobby functional and accessible as well as affordable. Regent Whitburn remarked that it was a logical modification. Ms. Roe added that when there is a need of room for improved bathrooms or common spaces in residence halls, there is often a loss of rooms during residence hall renovations.

Regent Purath asked if the income from the 19 additional beds meant that there would not be an increase in room and board rates. Ms. Roe asked the campus to respond about future housing rates and Director of Residence Life Tom Fojtik stated that there will be a high demand for the renovated rooms and he doesn't anticipate any change in the rates for housing at Fletcher Hall in the near future.

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

Resolution I.3.d.

That, upon the recommendation of the UW-Platteville Chancellor and the President of the University of Wisconsin System, authority be granted to modify the 2015-17 Capital Budget recommendation previously submitted to the Department of Administration in September 2014, with the following additional requests for enumeration:

UW-Green Bay	Athletics Field Complex \$4,984,000 Gift Funds
UW-Oshkosh	Fletcher Hall Renovation \$ 5,873,000 PRSB (15-17) <u>17,627,000 PRSB (13-15)</u> \$23,500,000 Total Project Cost

I.3.e. UW System Presentation: Capital Planning and Budget Committee Priorities and Goals

1. Building Condition Assessment Summaries – Ms. Roe explained that these studies are done to determine if the facility meets programmatic needs, requires investment or demolition, or is still meeting the function for which it was designed. She explained aspects of the analysis process assessing both the qualitative (Subjective) and the quantitative (objective). This evaluation produces a more informed view of the building, which assists in defining a project scope and delineates priority ranking. Ms. Roe stated that recently these assessments have been undertaken during the planning stage of a project and they have then been helpful in guiding budgetary considerations, however, the best time to perform a detailed assessment is during the design phase of a major renovation project.

Ms. Roe took a moment to acknowledge the experience and dedication of the staff at each institution who took the time to evaluate and assess their campus facilities, because without their commitment, the task of compiling the assessments would not have been possible.

Graphics were shown indicating that 59.5M GSF were rated while another 4.6% of buildings, which are mostly located off the main campuses, remain unrated. She summarized by explaining that 76% of the buildings are rated in the top categories of the assessment rankings, 7% are marginal, and 12% require significant capital investment or the determination that demolition and replacement may be necessary.

Regent Whitburn stated that sometimes buildings have a shelf life, and asked if there were a list of buildings that are considered obsolete? Ms. Roe answered by saying that each institution has identified buildings that should be demolished as part of the master planning process.

Regent Mueller commented that the UW College buildings did not appear on the graphics, and Ms. Roe explained that they were not included because we do not own the UW Colleges buildings.

2. Physical Plant Operational Budget Standards and Status – Ms. Roe began her comments about trends in our physical plant operation budget by explaining that in the mid-1980s we did get operational funding for new buildings, but that is no longer the case. As we have demolished buildings and added new space the cost to maintain and operate these new facilities has had to be absorbed in the operational budget of each institution.

The UW benchmarked its operational costs against the Leadership in Educational Facilities or APPA, the higher educational professional facilities management organization's Midwestern groupings for evaluating physical plant maintenance and operating costs. Based on the data available, the UW's operating costs between the years 2000 and 2015 have not kept pace with the increases seen in the benchmarking study. In addition, around 8.5 M GSF of new space has been added to the physical plant inventory and although many of these new buildings are more energy efficient, they have more complicated systems that require more sophisticated plant staff.

Regent Vasquez asked if the UW's operational figures indicated greater efficiency or if we needed more funding. Ms. Roe stated that we believe some of the issues identified in the condition assessment can be directly correlated to limited operational funding as it causes universities to delay or inhibits their ability to undertake cyclical maintenance.

Regent Mueller asked why the report was only focused on GPR buildings. Ms. Roe explained that our program revenue facilities are in much better shape, but she would discuss those later in her presentation. When asked about gift-funded buildings, Ms. Roe explained that if were an academic building, it would become a GPR building.

Regent Walsh added that if we have grown in square feet since the year 2000, that would also have contributed to our lower 2015 \$/GSF APPA benchmark and that, if that is the case, the figures aren't as relevant.

Regent Whitburn asked if the report considered the outliers and Ms. Roe answered that this is just the beginning of the assessment and that there will be further study that includes the outliers.

In response to a question about how to plan in the present climate that has an expectation of declining enrollment yet also a prediction of possible future enrollment growth, Ms. Roe stated that having a future focus of integrated planning should be helpful. She spoke about the strategic goals of capital planning and the search for new methods to resolve funding challenges.

3. Benchmarking and Historical Context Reporting – Ms. Roe presented information about the General Fund Supported Borrowing (GFSB) Benchmarks and stated that we average about \$365M. She spoke about the GFSB funding for All Agency projects, Instructional Space projects, and Small projects by explaining what each category includes.

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

1. State Building Commission Actions
Associate Vice President Alex Roe reported that there was no building commission meeting in September and that as of today, there is no meeting scheduled for October.
2. Other Updates – There were no updates.

The meeting adjourned at 12:02 p.m.