

**Minutes**  
**Capital Planning and Budget Committee**  
**Thursday, December 7, 2017**

The meeting of the Capital Planning and Budget Committee was called to order at 10:15 a.m. by Committee Chair Regent Steil in the Overture Room of the Gordon Dining and Event Center on the UW-Madison campus. Regent Delgado, Regent Evers, Regent Jones, and Regent Ring were in attendance. Regent Farrow joined the meeting in progress.

**I.3.a. Approval of the Minutes of the October 5, 2017 Meeting of the Capital Planning and Budget Committee**

After receipt of a motion and second, the minutes of the October 5, 2017, meeting of the Capital Planning and Budget Committee were approved as presented.

**I.3.b. UW-Madison: Authority to Increase the Budget and Construct the South Campus Utility Improvements Project**

This item requested authority to construct the comprehensive \$17.2 M South Campus Utility Improvements project to replace or construct essential new steam and communication utilities along Dayton Street. The additional funds are required to cover cooperative work that connects to Madison Gas and Electric utility equipment.

Associate Vice President Roe explained that this project is included in the university's utility master plan to support current and future needs and provide additional system redundancy. The project is expected to be bid this summer with construction work beginning in the fall.

Ms. Roe introduced David Darling, the new UW-Madison Associate Vice Chancellor for Facilities Planning and Management, who was attending his first Board of Regents meeting.

Regent Ring asked why more cash was needed for the project and Ms. Roe explained that the additional funds will cover the costs of accommodating Madison Gas and Electric Company's request that the university connect to its new utility systems and pay for the more extensive on-sight construction observation that is required due to a gas line that lies underneath the street.

Upon the motion of Regent Delgado, and the second of Regent Ring, the Committee approved Resolution I.3.b., as noted below:

That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to increase the budget of the South Campus Utility Improvements project by \$1,687,000 Cash and construct the project for an estimated total cost of \$17,175,000 (\$11,306,000 Existing General Fund Supported Borrowing, \$4,182,000 Existing Program Revenue Supported Borrowing, and \$1,687,000 Cash).

**I.3.c. UW-Madison: Authority to Construct the Lathrop Drive/Bascom Hill Utilities Improvement Project**

This item requested authority to construct the \$32.7 M Lathrop Drive/Bascom Hill Utilities Improvement project to replace, relocate, or construct thermal, electrical, and civil utilities between North Charter Street and Music Hall along Lathrop Drive and between Bascom Hall and North Park Street in the Bascom Hill area.

Ms. Roe described this project as part one of a two-part comprehensive upgrade of campus utility infrastructure in one of the oldest areas of the campus where many of the utilities are approaching the end of their expected service life.

She then told of a steam line break that occurred in the Radio Hall building last winter that resulted in significant damage. Steam line repairs were originally scheduled for the second part of this upgrade, however, as a result of that break, the university is considering moving those steam repairs to this phase one portion.

Regent Steil stated that the project will have a significant impact on Bascom Hill since some work on those utility lines will require a deep dig due to the hill's slope and added that the price of the project reflects the amount of work involved.

Regent Delgado stressed that is imperative to support these critical utility projects to avoid future steam line breaks.

Upon the motion of Regent Delgado, and the second of Regent Farrow, the Committee approved Resolution I.3.c., as noted below:

That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to construct the Lathrop Drive/Bascom Hill Utilities Improvement project for an estimated total cost of \$32,656,000 (\$23,839,000 General Fund Supported Borrowing and \$8,817,000 Program Revenue Supported Borrowing).

**I.3.d. UW-Madison: Authority to Enter Into a Lease of Space for the School of Medicine and Public Health, Department of Family Medicine and Community Health**

This item requested authority to enter into a lease of space that is located at 1100 Delaplaine Court in Madison. Ms. Roe began by explaining that the request was revised to accurately state the name of the department in the agenda materials as the Department of Family Medicine and Community Health.

She began her summary of the project by saying that the department has occupied space at this location near St. Mary's Hospital for more than forty years. Ms. Roe stated that, as a partner with UW Health, the department is required to convert its legacy phone system to Voice-over-Internet Protocol (VoIP), an upgrade that will cost about \$140,000. She explained that the landlord agreed to reduce the rental rate for a three-year period if the School of Medicine and Public Health would pay for that cabling upgrade, which is expected to result in a net savings of \$125,000 for the university over the three year term.

Upon the motion of Regent Evers, and the second of Regent Ryan, the Committee approved Revised Resolution I.3.d., as noted below:

That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, approval be granted to enter into a lease of 23,947 GSF of office space between the Board of Regents and SSM Health Care of Wisconsin for the School of Medicine and Public Health, Department of Family Medicine and Community Health.

**I.3.e. UW-Whitewater: Authority to Construct the Utility Corridor Improvements/Chiller Plant Upgrade Project**

This item requested approval to construct the \$28.6 M Utility Corridor Improvements/Chiller Plant Upgrade project to replace the university's aging utility infrastructure.

Ms. Roe provided a brief summary of the project by saying it will renovate and upgrade the university's steam, chilled water, and power distribution systems to support existing buildings, a new residence hall, and future planned development.

Regent Steil added that although the project has already been approved by the State Building Commission, it is being brought to the committee for review and approval to fulfill its fiduciary duty of oversight.

Upon the motion of Regent Delgado, and the second of Regent Farrow, the Committee approved Resolution I.3.e., as noted below:

That, upon the recommendation of the UW-Whitewater Chancellor and the President of the University of Wisconsin System, authority be granted to construct the Utility Corridor Improvements/Chiller Plant Upgrade project for an estimated total cost of \$28,600,000 (\$16,698,000 General Fund Supported Borrowing and \$11,902,000 Existing Program Revenue Supported Borrowing).

**I.3.f. UW System: Authority to Increase the Budget of the UW-Stout Vocational Rehabilitation, Lab 120 Remodel Project**

This item requested authority to increase the budget of the UW-Stout Vocational Rehabilitation, Lab 120 Remodel project.

Ms. Roe summarized this classroom IT project by explaining that it remodels a fabrication lab located in the Applied Arts Building and combines it with space for a similar rehabilitation lab that is currently located in the Vocational Rehabilitation Building. She continued by saying that the larger resulting remodeled area will allow the university to efficiently deal with its academic and innovation needs in an environment that meets code requirements. She added that the budget increase is necessary to cover the expense of work required to install a new industrial dust collection system.

Upon the motion of Regent Evers, and the second of Regent Farrow, the Committee approved Resolution I.3.f., as noted below:

That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to increase the project budget of the UW-Stout Vocational Rehabilitation, Lab 120 Remodel project by \$150,000 Cash for a revised estimated total cost of \$1,010,000 (\$611,200 General Fund Supported Borrowing, \$248,800 General Fund Supported Borrowing All Agency Programmatic Remodeling and Renovation, and \$150,000 Cash).

**I.3.g. UW System: Authority to Construct Maintenance and Repair Projects**

This item requested authority to construct three maintenance and repair projects at two universities for an estimated total cost of \$6.1 M. Those requests include a facility maintenance and repair project at UW-Stout and two energy conservation projects at UW-Madison.

Ms. Roe explained that this item was revised to include the two additional projects for UW-Madison. She summarized the projects by saying that UW-Stout will replace the waterproofing system for the Price Commons plaza deck and that the two energy conservation projects at UW-Madison will assist that campus in its compliance with energy reduction goals. The first project provides LED lighting retrofits in several academic, athletic operations, and recreation sports facilities and the second provides HVAC outside air control improvements and lighting replacements to implement LED lighting systems in Helen C. White and Van Vleck halls.

Regent Steil pointed out that these energy conservation projects have a payback component for efficiency and operational savings.

Upon the motion of Regent Delgado, and the second of Regent Farrow, the Committee approved Revised Resolution I.3.g., as noted below:

That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to construct maintenance and repair projects at an estimated total cost of \$6,097,400 (\$5,790,400 Program Revenue Supported Borrowing and \$307,000 Agency Cash).

**I.3.h. UW System: Semi-Annual Status Report on Leasing**

Ms. Roe updated the committee about leasing activity by reporting that one lease was executed at UW-Marshfield and two leases were terminated at UW-Extension between June 1<sup>st</sup> and November 30<sup>th</sup> of this year.

**I.3.i. UW System: Semi-Annual Status Report on UW Solely Managed Capital Projects**

Ms. Roe updated the committee on the status of qualifying gift-funded projects that were initiated by UW System institutions since her last status report in June. She reported that nine

new projects were added; the program grew by \$16M for a total program value of approximately \$81M; and three of the projects have reached substantial completion. She explained that many projects are underway at: UW-Extension (1), UW-Madison (23), UW-Parkside (1), UW-Milwaukee (1), and UW-River Falls (1), and then presented images of the construction progress of the UW-Madison Health Science Learning Center project.

Regent Farrow shared her concerns about the poor condition of the UW-Milwaukee Chemistry Building, emphasized that improvements to that facility are vital, and suggested that legislators tour the building so they are aware of its state of disrepair. Ms. Roe responded by saying that UW System is working with the university to find a way to fund repairs and renovations that would revitalize that building.

Regent Steil asked if the gift-funded projects managed by UW System are showing greater efficiencies. Ms. Roe responded by saying that the contracting process is quicker and that she will soon meet with the architectural/engineering community and the Association of General Contractors of Wisconsin to get feedback from those groups. At the request of Regent Steil, Ms. Roe will bring feedback from those meetings to the committee at its February meeting.

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

1. State Building Commission Actions

Associate Vice President Roe reported that the State Building Commission voted its support of the following projects at the October SBC meeting:

**UW-Milwaukee** – Northwest Quad Renovation – Release of \$1,700,000 (\$1,068,000 BTF-Planning and \$632,000 PR-Cash)

**UW-Milwaukee** – Multi Building Parking Structure Repairs - \$2,498,400 (\$2,000,000 PRSB and \$498,400 PR-Cash)

**UW-River Falls** – Kleinpell Abbott Concert Hall Reno - \$1,297,000 GFSB

**UW-Whitewater** – Drumlin Dining Hall Roof Replacement - \$477,900 PR-Cash

**UW-Whitewater** – Wells Hall Exterior Windows Replacement - \$2,959,200 (\$2,709,200 PRSB and \$250,000 PR-Cash)

**UW-Stevens Point** – Parking Lot T Expansion \$421,000 PRSB

**UW-Extension** – Pyle Center Renovation - \$2,815,000 PRSB

**UW-Madison** – McClain Center Nutrition Facility - \$520,000 Gift/Grant

**UW-Stevens Point** – Central WI Environmental Station Sleep Cabins - \$275,000 (\$213,800 PR-Cash and \$61,200)

**UW-Stout** – Multi-Building Energy Conservation - \$1,418,000 PRSB

She informed the committee that Representative Jill Billings from UW-La Crosse will replace Representative Dana Wachs on the State Building Commission. Ms. Roe reported that the Department of Administration informed UW System it would receive \$81M of General Fund Supported Borrowing - All Agency funds and that there may be an opportunity to receive additional funds in the fall of 2018. She stated that the list of all agency projects requested by our universities now totals approximately \$225M and that

DOA agreed that our unused and residual all agency bonding authority could be used for heating plant projects.

2. Other Updates – There were no other updates.

The Capital Planning and Budget Committee meeting was adjourned at 10:57 a.m.

**I.3.k. Closed Session**

Upon the motion of Regent Steil, and the second of Regent Evers, the Committee adjourned to closed session for purposes of considering personal histories, as permitted by s.19.85(1)(f), *Wis. Stats.*, related to (a) the naming of a facility at UW-La Crosse.

The closed session was adjourned at 11:11 a.m.