

**Board of Regents of the University of Wisconsin System
Capital Planning and Budget Committee Minutes
Thursday, February 8, 2018**

The meeting of the Capital Planning and Budget Committee was called to order at 10:47 a.m. by Committee Chair Regent Steil in Varsity Hall I in Union South on the UW-Madison campus. Regent Delgado, Regent Evers, Regent Jones, and Regent Ring were in attendance.

I.3.a. Approval of the Minutes of the December 7, 2017 Meeting of the Capital Planning and Budget Committee

After receipt of a motion and second, the minutes of the December 7, 2017, meeting of the Capital Planning and Budget Committee were approved as presented.

I.3.b. UW System: Authority to Execute the Remainder of the Design Contract and Construct the UW-Madison Wisconsin Alumni Research Foundation (WARF) Office Building 2nd and 4th Floor Improvements Project

This \$1.4 M gift-funded project was originally planned to renovate the second and fourth floors of the WARF Office Building, however it will only upgrade the second floor at this time and the fourth floor will be similarly upgraded in the future.

Ms. Roe briefly described the project by saying that the current layout of the second floor is ineffective and this project will provide functional and efficient offices to accommodate the current headcount and projected growth of the Department of Biostatistics and Medical Informatics in a single building.

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

That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to (a) execute the remainder of the design contract, and (b) construct the Wisconsin Alumni Research Foundation (WARF) Office Building 2nd and 4th Floor Improvements project for an estimated total cost of \$1,422,000 Gift Funds.

I.3.c. UW System: Authority to Execute the Remainder of the Design Contract and Construct the UW-Madison Nielsen Tennis Stadium–Additional Tennis Court Project

This item requested authority to construct two additional courts adjacent to the six existing outdoor courts that presently provide less than adequate space for scheduling team practice times due to the demands placed on the courts by students, faculty, and staff.

Ms. Roe explained that this project redevelops the existing courts to make room for eight side-by-side tennis courts and incorporates other enhancements such as permanent bleachers, a new sound system, lighting, and fencing.

Regent Ring asked if there were any student fees involved in funding the project and Ms. Roe explained that the project is entirely funded by gift funds through the athletic department.

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

That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to execute the remainder of the design contract and construct the Nielsen Tennis Stadium–Additional Tennis Court project for an estimated total cost of \$2,000,000 Gift Funds.

I.3.d. UW Colleges: Report on City and County Financial Support

UW Colleges Chancellor Sandeen introduced the 2017 report by describing the partnerships that the colleges have with the counties and municipalities. She introduced Vice Chancellor Steve Wildeck who reported that that cities and counties supplied approximately \$6.9M of financial support to UW Colleges in 2017 to support debt service, small projects, and operations. He elaborated on the UW-State-Local partnership by explaining the responsibilities of each group. Mr. Wildeck provided an overview of two recent UW Colleges building projects which include construction of the Everett Roehl Stem Center at Marshfield/Wood County and the Science Building Renovation project at UW-Manitowoc.

Regent Steil asked about the impact of restructuring on the counties and Chancellor Sandeen answered that there are some concerns about the universities' support of programs in small communities and whether open access will be maintained.

Regent Jones asked about the counties' reactions to the restructuring plan involving UW-Extension and Chancellor Sandeen responded that local and regional staff are working with the counties to maintain good relationships to ensure that things go smoothly and that the chancellors of the receiving institutions continue to support those efforts.

I.3.e. Brown County STEM Facility at UW-Green Bay

This project was included in the 2017-19 Capital Budget on behalf of Brown County. UW System Real Estate Specialist Ellen Rosner provided a preliminary overview of the proposed Brown County STEM Center at Green Bay, by saying that the project was originated to encourage economic development and expansion of the manufacturing sector in northern Wisconsin. The state will provide a non-state grant of \$5M to assist Brown County in the construction of the STEM Innovation Center, a building that is dedicated to the promotion of science, technology, engineering, and mathematics. She added that a decision has been made to locate the center on the UW-Green Bay campus.

UW-Green Bay Director of Facilities Management Paul Pinkston presented renderings and images of the new facility's floorplans and pointed out locations where the various tenants would be housed in the building.

Regent Delgado asked about the operations and maintenance of the building and Mr. Pinkston answered that the tenants will paying a pro-rata share of those expenses.

UWGreen Bay Vice Chancellor for Business and Finance Sheryl Van Gruensven explained that Brown County will provide all capital costs for construction of the building and the UW-Green Bay Foundation will provide funding for specialized furniture, fixtures, and equipment for the new engineering curriculum that will be taught in this building. She explained that there is no Board action required at this time, however, when the ground and building leases are negotiated, they will be brought forward for Board approval.

Regent Steil commented that this is a really exciting project and Regent Jones added that he was very impressed with the collaboration of UW-Green Bay, the UW-Green Bay Foundation, Brown County, and all the parties that came together to create this project.

Regent Ring asked how much space would be used for classrooms and Ms. Van Gruensven answered that there are four (900 sf each) flexible shared spaces on the first floor that will be used as classrooms and four labs that are dedicated solely to UW-Green Bay.

I.3.f. UW-Madison Presentation: *Deferred Maintenance*

UW-Madison Associate Vice Chancellor for Facilities Planning and Management David Darling spoke about the challenges of UW-Madison's aged facilities and infrastructure; its strategic objectives to halt the growth of deferred maintenance; and its need for increased investment to address this challenge.

He explained how the university compares to peer institutions in its budget for preventative maintenance and stated that more funds are needed during the next 15 to 20 years to catch up and match peer universities. He spoke about recent notable infrastructure challenges and showed examples of damaged roofs, steam pressure failure, building envelope deterioration, and obsolete electrical systems.

Mr. Darling spoke about UW-Madison's capital priorities, which include infrastructure improvements as well as facility renovations to support the mission of the university.

Regent Evers asked how preventative maintenance could have avoided the damage from the recent steam pipe rupture in Radio Hall and Mr. Darling answered that normally the steam system performance would have been inspected by a technician, however reduced funding and a lack of resources has limited normally scheduled preventative maintenance inspections. He added that the level of maintenance has decreased due to years of funding constraints. Associate Vice President Roe added that the result of multiple years of budget cuts are not always seen, however one outcome is that there are fewer staff members to inspect these older systems and added that limited staffing and funding is occurring at all our universities.

UW-Madison Chancellor Becky Blank agreed that preventative maintenance is highly important and that an aggressive maintenance study should be done across all of the university system.

Regent Steil added that these urgent maintenance issues are not apparent on campus tours and they raise concerns of safety.

I.3.g. 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 December SBC meeting:

UW-Whitewater – UW-Whitewater – Cambridge Apartments Lease at an annual cost of \$1,107,200.

UW-La Crosse – Wittich Hall Renovation - \$24,618,000 PR-CASH

UW-Madison – South Campus Utility Improvements - \$17,175,000 (\$11,306,000 GFSB, \$4,182,000 PRSB and \$1,687,000 PR-CASH)

UW-Madison – Lathrop Drive/Bascom Hill Utilities Improvement - \$32,656,000 (\$23,839,000 GFSB and \$8,817,000 PRSB)

UW-Stevens Point – Schmeeckle Amphitheater Land Use Agreement and Gift-in-Kind - at an estimated value of \$235,000.

UW-Platteville - Karrmann Library Plaza Deck Repl \$1,265,400 GFSB

UW-Stout - Price Commons Plaza Deck Waterproof \$307,000 PR-CASH

UW Colleges: UW-Manitowoc Science Bldg Addn Eqpt \$1,500,000 GFSB

UW Colleges: UW-Marshfield/Wood County STEM Ctr Addn Eqpt \$1,100,000 GFSB

UW-Madison - Multi-Bldg Energy Conservation, Ph 9 \$2,138,000 PRSB

UW-Madison - Multi-Bldg Energy Conservation, Ph 10 \$3,653,000 PRSB

Ms. Roe explained that the Building Commission normally approves projects with a two-step process, but in the case of our utility projects, the commission voted to skip a step and proceed directly to authorize construction. She explained that there was also a steam problem at UW-Whitewater and the commission wanted to make certain our utility projects moved along in the approval process.

She informed the committee that Representative Jill Billings from UW-La Crosse will replace Representative Dana Wachs on the State Building Commission.

She reported that System staff have met with professional architect and engineering societies and the general contracting community to discuss the status of the gift and grant program and to have a general conversation with them to consider process improvements. She also mentioned that she had met with the Executive Committee of the Associated General Contractors to discuss business practices and continues to stay in contact with that group.

Ms. Roe introduced Pat Rebholz, who is the newly hired project administrator of the gift and grant projects program.

2. Other Updates – There were no other updates.

The Capital Planning and Budget Committee meeting was adjourned at 11:52 a.m.