

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM  
**Capital Planning and Budget Committee Minutes**  
**Thursday, December 5, 2019**

The meeting of the Capital Planning and Budget Committee was called to order at 9:00 a.m. by Committee Chair Regent Jones in Room 259 of the James R. Connor University Center on the UW-Whitewater campus. Regents Plante, Stanford Taylor, and Woodmansee were present. Regent Klein joined the meeting at 9:19 a.m. after roll had been taken. Regent Beightol was absent.

Regent Jones asked committee members if any items on the agenda represented a conflict of interest to them, and hearing that there were none, proceeded with the agenda.

A. Approval of the Minutes of the October 10, 2019 Meeting of the Capital Planning and Budget Committee

After receipt of a motion and second, the minutes of the October 10, 2019, meeting of the Capital Planning and Budget Committee were approved as presented.

Regent Jones explained that Agenda Item J. UW System: Approval to Modify Regent Policy Document 19-14, "Naming of University Facilities and Lands" had been removed from the agenda and would be considered at a future meeting.

B. UW-Whitewater Presentation: "Inspire, Engage, Transform – Ideas for Today and Tomorrow, Managing Deferred Maintenance"

Vice Chancellor of Administrative Affairs Grace Crickette began a presentation to the committee by saying how grateful the university is for recent investments in the campus infrastructure. She spoke about recently completed projects such as the new Residence Hall, the Student Success Center, the Community Engagement Center, and utility upgrades that included critical investments in the university's central plant that will allow the generation of its own steam in 2021. She stated that it is the aim of the university to provide an exceptional student life experience where students sleep, dine, and congregate in areas that reinforce the learning environment, support student engagement, and enhance the campus experience.

Ms. Crickette continued by saying once a building project is completed, it is the university's responsibility to maintain and optimize the life of that building. To that end the university has implemented a variety of operational excellence initiatives that evaluate and address the challenges of its aging infrastructure. One of those initiatives is an assessment tool that prioritizes the existing backlog to determine which projects are most critical to accomplish. She added that the university now strives to address new maintenance problems as they occur.

Ms. Crickette then presented a short video highlighting operational efficiencies carried out by the university's Facilities Planning and Management Team and the new partnership that was established with Blackhawk Technical College to develop an internship program that dovetails with the maintenance mechanic program. The university hopes to improve its preventative maintenance program by retaining skilled workers, training students, and expanding the pipeline of talent with the development of this new internship program.

Ms. Crickette informed the committee that the university is undertaking a new strategic financing solution for maintenance projects by offering donors an opportunity to fund a project bundle packet that will provide funds for multiple deferred maintenance projects.

Regent Jones asked Ms. Crickette to describe how the deferred maintenance projects are presented to the donor, and she responded that they show images of the work that needs to be done and explain how the project will restore and revitalize the building.

C. UW-La Crosse: Authority to Construct the Fieldhouse and Soccer Support Facility Project

This item requested authority to construct a \$49 million Fieldhouse and Soccer Support Facility project that will provide a 200-meter NCAA competition indoor track with seating space for 1,500 or more spectators, a walking/jogging track, team locker rooms, meeting and training rooms, and office and storage areas. The project also includes construction of a utility corridor and a small soccer support facility.

Alex Roe summarized the project, which was enumerated as part of the 2019-21 Capital Budget, and explained that its completion will not only resolve the university's lack of an indoor competition track, provide intramural and club sport space, but will also allow for more effective use of Mitchell Hall, which will receive a renovation to convert its space for gymnastics and wrestling practice and the academic Exercise and Sports Science Program.

Resolution C. was moved by Regent Plante, seconded by Regent Klein, and adopted unanimously on a voice vote.

D. UW-Madison: Authority to Enter into a Lease of Space for the Office of Community Relations, UW South Madison Partnership

This item requested approval to enter into a lease of space for the Office of Community Relations, UW South Madison Partnership, which operates a number of community outreach and educational support programs for non-traditional students.

The partnership needs to expand its amount of leased space from 3,000 square feet to 12,902 square feet to accommodate the growth in the number of students enrolled and the programs offered.

Ms. Roe explained that the space will support a variety of educational programs and the Odyssey Project, which offers UW-Madison humanities classes for adult students facing economic barriers to college.

Regent Jones expressed his appreciation of how the university supports community engagement.

Resolution D. was moved by Regent Woodmansee, seconded by Regent Klein and adopted unanimously on a voice vote.

E. UW-Milwaukee: Authority to Increase the Budget for the Northwest Quadrant Renovation and Student Health Services Remodel Project

This item requested approval to increase the budget for the Northwest Quadrant Renovation and Student Health Services Remodel project to fund the demolition of Building A, which is obsolete and would require a significant investment to renovate, an option that is not economical when compared to the construction of new space.

Ms. Roe explained that when design of this project was begun, it was determined that it would not be cost-effective to renovate building A, and that a cost estimate for its demolition is now known. She also reminded the Committee that \$17 M of General Fund Supported Borrowing was removed from the project's budget during the enumeration process, which put a huge burden on the university to maintain the scope of the project. She explained that residual General Fund Supported Borrowing funding has been identified from the Facility Renewal Program as well as funding from the university to support the cost of demolition.

In response to a question from Regent Klein about the contracts for the project, Ms. Roe answered that the Department of Administration has added the new demolition scope to the contract with the architectural firm and that the project will be bid next May.

Resolution E. was moved by Regent Stanford Taylor, seconded by Regent Woodmansee, and adopted unanimously on a voice vote.

F. UW-Parkside: Authority to Construct the Campus Fire Alarm System Renovation Project

This item requested approval to construct the \$6.7 million Campus Fire Alarm System Renovation project, which replaces and augments the campuswide fire alarm and

smoke detection system across 22 facilities to meet current life safety code and accessibility standards, improve reliability and features, and reduce operational maintenance costs. The central and building annunciator panels, control panels, pull stations, heat and smoke detectors, and speaker/strobe signal devices will be replaced and new panels and devices will be installed as required.

Ms. Roe explained that this project will reduce a lot of the preventative maintenance issues that the campus has encountered because of the old fire alarm system.

Resolution F. was moved by Regent Klein, seconded by Regent Woodmansee, and adopted unanimously on a voice vote.

G. UW-Platteville: Authority to Construct the New Sesquicentennial Hall Project

This item requested authority to construct the \$55.2 million New Sesquicentennial Hall, a new energy efficient 99,229 GSF academic engineering building adjacent to Engineering Hall to provide instructional laboratory suites, project and research laboratories, and support space. A small addition to the north will create two active learning classrooms and a welcoming entry area for students and visitors.

Ms. Roe summarized the project and explained that the facility will be as energy efficient as possible to reduce costs, and that it is expected to be bid in the spring of 2020.

In response to a question from Regent Stanford Taylor, Senior Architect Maura Donnelly answered that the new hall will share mechanical systems with the current building.

The request document stated that parts of Ottensman Hall would be vacated at the completion of this project, and Regent Woodmansee asked if Ottensman Hall would be renovated. Ms. Roe replied that it would eventually receive either a full renovation or some component of it would be renovated in order to refresh that facility for new purposes.

Resolution G. was moved by Regent Stanford Taylor, seconded by Regent Klein, and adopted unanimously on a voice vote.

H. UW System: Authority to Construct All Agency Maintenance and Repair Projects

This item requested authority to construct All Agency Maintenance and Repair projects at four campuses for a total cost of approximately \$20 million.

Ms. Roe briefly described each request that performs either facility maintenance and repair or utility repair and renovation work.

Resolution H. was moved by Regent Plante, seconded by Regent Woodmansee, and adopted unanimously on a voice vote.

I. UW-Madison: Authority to Increase the Budget for the UW-Managed Primate Center Backup Generator Project

This item requests approval to increase the budget of the UW-Managed Primate Center Backup Generator project by \$700,000 Gift Funds. The project provides essential standby, backup power for the Wisconsin Primate Center and the Harlow Laboratory. Bids received for the project in April 2019 were higher than the estimated amount, and there was a low bidder response.

Ms. Roe explained that after reviewing the bids, it was decided to increase the budget and re-bid the project in the winter of 2020 to keep this building and its accreditation intact.

Regent Klein asked for the square footage of the center and if the generator was surprisingly costly. David Darling answered that the area of the Harlow Laboratory and Primate Center combined is probably less than 100,000 square feet. Ms. Roe explained that the cost appears to be high because a vault has to be created and Mr. Darling added that the cost also includes a small addition so the installation blends into the neighborhood. Ms. Roe stated that the project's architectural team will reach out to potential bidders to encourage a better bid response.

Resolution I. was moved by Regent Klein, seconded by Regent Stanford Taylor, and adopted unanimously on a voice vote.

J. UW System: Approval to Modify Regent Policy Document 19-14, "Naming of University Facilities and Lands"

This item was deferred.

K. UW System: Semi-Annual Status Report on Leasing

A summary report of all leases executed by the University of Wisconsin System from June 1, 2019, through November 30, 2019, was provided to the Committee. Five leases were executed during the last six months for a variety of uses, and no leases were terminated. Ms. Roe commented that there is one change to this report, which is the inclusion of leased housing space at the universities.

L. UW System: Semi-Annual Status Report on UW Solely Managed Capital Projects

Patrick Rebholz reported that the program has grown to \$125 million and there are fifty projects active at this time. He explained that the average time of a project is about 523 days, and that efforts are now in place to evaluate and improve the program's processes as it matures.

Regent Plante asked who does the initial cost estimate for the projects and Mr. Rebholz replied that the staff at the different universities along with project managers provide the first estimate using industry averages and other pertinent information. Ms. Roe explained that sometimes a study is done for the larger projects and that university staff have varying years of experience related to building projects. She added that UW System also expects to have a cost estimating services contract in place to help with scheduling, phasing, and estimating.

In answer to a question from Regent Klein, Mr. Rebholz explained that the projects use a single prime bidding process. He stated that the job is typically posted for four weeks, then the bids are received from the mechanical, electrical, and plumbing, and fire protection contractors. The general contractors then come to the table and are required to use the low bidders of the four contractors previously mentioned. The general contractors calculate and enter their bids for the project, which are then locked in at that cost.

M. Report of the Senior Associate Vice President

1. State Building Commission Actions

Ms. Roe reported that the Building Commission met on October 15<sup>th</sup> and all the projects previously approved by the Board were also approved by the Building Commission. She informed the Committee that there will be a December Building Commission meeting and that UW System has begun the next capital budgeting process and has received project requests from the universities for the next six-year plan. She added that she plans to provide more information about the universities' project requests at the February Board of Regents meeting.

2. Other Updates

There were no other updates.

Regent Klein asked about the possibility of using 100-year bonds for deferred maintenance projects and Ms. Roe explained that we would need to have a conversation with the Department of Administration because we do not have our own borrowing authority. Vice

Chancellor for Finance and Administration Laurent Heller reminded the committee that the Board did request authority to issue its own debt in the last budget request.

The Capital Planning and Budget Committee meeting adjourned at 10:05 a.m.