

**Board of Regents of the University of Wisconsin System  
Capital Planning and Budget Committee Minutes  
Thursday, February 7, 2019**

The meeting of the Capital Planning and Budget Committee was called to order at 10:45 a.m. by Committee Chair Regent Klein in Varsity Hall I of Union South on the UW-Madison campus. Regent Plante, Regent Jones, and Regent Stanford-Taylor were present; Regent Beightol joined the meeting at 10:47 and Regent Ring joined the meeting at 11:10 a.m.

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

**I.3.a. Approval of the Minutes of the December 6, 2018 Meeting of the Capital Planning and Budget Committee**

After receipt of a motion and second, the minutes of the December 6, 2018, meeting of the Capital Planning and Budget Committee were approved as presented.

**I.3.b. UW System: Authority to Construct an All Agency Maintenance and Repair Project**

This item requests approval to construct the UW-River Falls South Fork Suites Shower Surround Replacements project. The project resolves continuous water leakage and maintenance costs associated with cracked shower pans. Project work includes replacing 56 one-piece fiberglass shower surrounds and four ADA accessible showers with new site-fabricated showers. The surrounds were not properly put in years ago due to an incorrect installation procedure that voided the manufacturer's warranty.

Regent Klein asked if the leaking was not addressed properly at the time of the original installation, and Ms. Roe added that the problem should have been resolved more promptly.

Associate Vice President Roe explained that the university has made several attempts to fix the problem, but the leaking continues. She added that the project will also replace the damaged drywall on the floors under the shower areas.

Upon the motion of Regent Jones, and the second of Regent Beightol, the Committee granted authority to construct an All Agency maintenance and repair project at an estimated total cost of \$660,000 Agency Cash.

**I.3.c. UW System: Approval of the Criteria for Ranking Major Building Project Requests**

Associate Vice President Roe gave a brief overview of the capital budget timeline and schedule for preparation of the upcoming UW System 2021-23 capital budget request. She explained that planning for next biennium's request has begun and that the criteria used for prioritizing major building projects has been updated to reflect current systemwide initiatives, priorities, and goals of the Board of Regents. She stated that the intended use of the criteria is to create a priority list of projects that address the greatest needs, highest academic priorities, and most cost-effective solutions for established facility deficiencies.

Ms. Roe introduced Capital Budget and Projects Planner Tom Bittner who highlighted some changes that were made to the evaluation criteria. He began by saying that those changes stem from analyzing the last evaluation cycle and determining what worked well and what could be improved.

He explained that Institution Priority remains with a value of ten points for an institution that identifies the same project as its highest priority major capital request in its proposed six-year institutional capital plan, biennium after biennium, when the project doesn't get funded. If that project was included in the previous BOR approved biennial capital budget request, but was not funded in the State of Wisconsin's biennial budget, it would also qualify for an additional ten points.

Mr. Bittner stated that another change is to encourage demolition by awarding points according to the ratio of a project's demolished/razed space vs construction of new/replacement space. Ms. Roe added that this criteria supports the desire of President Cross for no new net square footage. She added that there are two prerequisites that each project must pass before it is considered for evaluation. The first is the net new square footage prerequisite that encourages space for academic need, enrollment need, and revenue based initiatives. It also considers obsolescence, if the building can no longer be functional. The second prerequisite concerns whether the university is ready to undertake the project. Ms. Roe added that other areas of the criteria have been restructured for clarity.

Regent Klein commented that it is important to consider the negative impact of a project, if it is not advanced for inclusion in the capital budget.

Regent Beightol asked if there is a separate budget for maintenance projects, and Ms. Roe responded that the All Agency Program addresses maintenance projects with a budget of \$3M or less.

Regent Klein commented that she had learned that construction and research are the two greatest impacts of UW System on the state economy. Ms. Roe added that it's hard to find construction workers right now, because when there is a construction lull, those workers tend to move to markets that offer better employment opportunities.

Upon the motion of Regent Plante, and the second of Regent Jones, the Committee approved that the Evaluation Criteria for Major Capital Project Requests be adopted as the basis for prioritizing major capital projects for inclusion in UW System capital budget requests.

**I.3.d. UW-Eau Claire: Authority to Execute the Remainder of the Design Contract and Construct the UW Managed Simpson Field Turf Installation Project**

This item requests authority to execute the remainder of the design contract and construct the UW managed Simpson Field Enhancement project for a total cost of \$2,000,000 Gift Funds. This project replaces the crowned grass field with synthetic turf and install lighting around the track.

Ms. Roe explained that the project removes the existing grass, regrades the field, and allows the university to have a better practice field for use by the football program and other activities. It will also provide the ability to host track and field events.

In response to an enumeration question by Regent Klein, Ms. Roe explained that a 100% gift funded project such as this one, does not need enumeration because UW System was granted authority by the legislature to manage projects that are solely gift or grant funded.

Upon the motion of Regent Plante, and the second of Regent Beightol, the Committee granted authority to execute the remainder of the design contract and construct the Simpson Field Enhancement project for a total cost of \$2,000,000 Gift Funds.

**I.3.e. UW-Madison: Authority to Execute the Remainder of the Design Contract and Construct the UW Managed Biochemistry Electron Microscopes Project**

This item requests authority to execute the remainder of the design contract and construct the UW managed Biochemistry Electron Microscopes project for a total project cost of \$1,800,000 Gift/Grant Funding. This project remodels space within the DeLuca Biochemistry Building to provide a specialized environment with precise temperature and humidity controls for two new electron microscopes.

Ms. Roe explained that the project enlarges the building's doorway and provides structural components to ensure an environment with vibration isolation that is necessary for two sensitive electron microscopes that will reside in the DeLuca Biochemistry Building, which is located in close proximity to a railroad line.

Vice Chancellor for Finance and Administration Laurent Heller added that the university is excited to have these new electron microscopes on its campus.

Upon the motion of Regent Jones, and the second of Regent Beightol, the Committee granted authority to execute the remainder of the design contract and construct the Biochemistry Electron Microscopes project for a total project cost of \$1,800,000 Gift/Grant Funding.

**I.3.f. UW-Madison Presentation: Supporting Facilities Operations and Maintenance at UW-Madison**

Associate Vice Chancellor for Facilities Planning and Management David Darling presented the committee with information that focused on the support of facilities operations and maintenance at UW-Madison.

He began speaking of the strategic objectives of facilities operations and maintenance by saying they include: enabling the success of UW-Madison; ensuring safe operations; halting the growth of deferred maintenance; arresting the declining state of facilities and infrastructure; and safely delivering work on time and within budget.

Mr. Darling described the 50-year life cycle cost of a building and stated that UW Madison lags behind other peer universities in regard to the amount it spends on maintenance and operations expenses. He stressed the importance of gathering better data, securing more funding, and spending the existing budgets for operations and maintenance more strategically.

He added that the university's main challenges include facilities that are expansive, aged, and fragile and that failures are increasing in frequency, severity, and unpredictability.

Regent Jones asked if this operations and maintenance information is shared with the building commission and legislative staff and Ms. Roe responded by saying that the institutions are becoming more proactive in marketing this sort of information. She added that UW System asked for \$300M of All Agency funds in our 2019-21 Capital Budget request that will be considered by the legislature.

Regent Klein asked if the buildings of the peer institutions are older and require more maintenance than those at UW-Madison and Mr. Darling replied that the land grant institutions were built during the same time. He explained that there was a lot of construction on the UW-Madison campus after World War II and during the early 1970s. He added that other institutions have found ways to generate revenue for maintenance.

Regent Klein asked if there should be a strategic fundraising component for maintenance and operations that the university could initiate, and Mr. Darling responded that there is already a tremendous demand for fundraising for academic buildings, and that it would be difficult to add additional fundraising to support maintenance projects.

Associate Vice President Roe added that UW-Madison has \$85M Gift Funds represented in the 2019-21 Capital Budget request and that fundraising for maintenance support would be a more difficult fundraising campaign.

Vice Chancellor Heller commented that the university is looking for ways to acquire philanthropy for maintenance costs, but it would be a small element in the overall funding of projects. He added that other peer institutions try to raise maintenance endowments.

Regent Klein suggested that if the university added a component of maintenance to its fundraising efforts, it would be able to show it has accomplished all that can be done strategically.

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

**1. State Building Commission Actions**

Associate Vice President Roe reported that there has been no building commission meeting since her last report to the committee and that the next meeting will be held on February 20<sup>th</sup>.

Ms. Roe informed the committee that several items were approved at the January Board of Regents Executive Committee Meeting and those items included: UW-Milwaukee: authority to construct the Sandburg Hall Renovation project; authority to construct All Agency Maintenance and Repair projects at UW-Madison and UW-Platteville; and UW-Eau Claire: authority to enter into a lease for the purpose of housing.

She explained that our universities are working to correct the problems that occurred due to the advent of the polar vortex and the variety of problems that have occurred such as problems with sprinkler pipes, heating pipes, and unit heaters.

Regent Ring asked about the progress of UW System achieving program revenue authority and Ms. Roe answered that President Cross met with the Secretary of the Department of Administration and staff have had ongoing conversations with the governor's office, but no decision has been made.

2. Other Updates

There were no other updates.

The Capital Planning and Budget Committee meeting was adjourned at 11:47 a.m.