

THE UNIVERSITY OF WYOMING
BOARD OF TRUSTEES “SPECIAL” MEETING MATERIALS

Thursday, July 16, 2009
11:00 a.m.-12:00 p.m.
conference call

AGENDA

1. Approval of Central Wyoming College (CWC) Project Lease, Vinzant p. 1
2. Approval of Recommendation for Deputy Treasurer of the Trustees, Buchanan p. 3
3. Approval of Personnel Items, Allen p. 4
4. Approval of 2010 Capital Construction Request, Buchanan/Miller p. 5

Meeting materials can be found on the University of Wyoming Board of Trustees website at
uwadmnweb.uwyo.edu/trustees

AGENDA ITEM TITLE:

Approval of Central Wyoming College (CWC) Project Lease Agreement, Vinzant

Approve Lease Agreement between UW and Fremont County Community College District for the Utilization of Shared Space in the Intertribal Education and Community Center at Central Wyoming College

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other: Specify:

BACKGROUND AND POLICY CONTEXT OF ISSUE:

UW's Outreach School facilities at Central Wyoming College (CWC) have long been in extremely inadequate space, a separate building leased from CWC and located across the highway from the main campus. Improving that space has been a goal for many years.

Several years ago, CWC began planning efforts for the Intertribal Education and Community Center. The facility was to be funded by federal funds, private funds, and state appropriations. The final state appropriation was secured by CWC during the 2008 legislative session.

UW supported the legislation for that funding and agreed to contribute \$1.1 million to the then estimated cost of the facility so that UW's Outreach School can have modern facilities to serve Fremont County students. The facilities will be located in a building that will be widely used by the community and provide tremendous exposure for UW programs.

At its March 7, 2008, meeting, UW's Board of Trustees approved the Intertribal and Community Center at Central Wyoming College as an eligible fundraising project for academic facilities matching funds. Under that approach, UW would attempt to raise \$550,000 in private donations to be matched by state academic facilities matching funds. The drastic change in the financial environment made fundraising from UW donors for the project unfeasible.

CWC is now prepared to enter into a contract with the CMAR for the project for a guaranteed maximum price (GMP). It is believed that in the current financial environment, the cost of construction may well be less than anticipated. If it is, both the state appropriation and UW's contribution will be reduced proportionally.

Since fundraising was not feasible, UW proposes to fund its share of the project by the use of reserve funds from revenues pledged for revenue bonds. These funds are restricted to use for capital purposes. The available reserve amount, though limited, is sufficient to cover the cost of this project.

PRIOR RELATED BOARD DISCUSSIONS/ACTIONS:

The March 7, 2008, meeting referenced above.

WHY THIS ITEM IS BEFORE THE BOARD:

The Board of Trustees is required to approve all real estate matters of this type.

ARGUMENTS IN SUPPORT:

A cooperative effort by the University of Wyoming and Central Wyoming College will result in expanded educational opportunities for students in central Wyoming and provide increased access to UW courses and programs.

ARGUMENTS AGAINST:

None

ACTION REQUIRED AT THIS BOARD MEETING:

That the Board of Trustees authorize the University of Wyoming to enter into a lease agreement with the Fremont County Community College District for the Intertribal Education and Community Center at Central Wyoming College.

The lease provides for a \$1.1 million payment during the construction of the Center in exchange for a 50 year lease for exclusive and priority space in the Center.

A copy of the lease agreement and a floor plan of the facility is attached.

PRESIDENT'S RECOMMENDATION:

It is recommended that the Board of Trustees of the University of Wyoming approve the lease agreement between UW and Fremont County Community College for the Intertribal Education and Community Center at Central Wyoming College.

NOTE: A copy of the "Draft Lease Agreement" and graphic image of the proposed facility accompany this packet as separate documents.

AGENDA ITEM TITLE:

Approval of Recommendation for Deputy Treasurer of the Trustees, Buchanan

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other Specify:

With the retirement of Phill Harris in June 2009, there is no person appointed to fulfill the responsibilities of Deputy Treasurer of the Board of Trustees.

Article VI (Other Officers), Section 6-2 of the Trustee Bylaws states:

The Deputy Treasurer shall be nominated by the President of the University for appointment by the Trustees, and he shall be an officer of the University of Wyoming whose duties include responsibility for the receipt, custody, and expenditure of all funds of the University of Wyoming not held by the State Treasurer, and he shall exercise the same responsibility with respect to any funds or monies of the Trustees of the University of Wyoming.

UW Regulation 1-1 B. (Organization of the University), Section B, part 3, paragraph 3 further states:

In accordance with the Bylaws, the Vice President for Administration shall serve as the Deputy Treasurer of the Trustees of the University of Wyoming, and shall exercise all duties and responsibilities incident to this position, to include the receipt, custody and recording of all monies or funds payable to the Trustees, the Treasurer, the University, or any of its colleges, divisions, or departments; and the disbursement or investment of such funds and monies as authorized by the Trustees, such disbursements to be upon vouchers authorized and approved by the Vice President for Administration or by other designee when authorized.

PRESIDENT'S RECOMMENDATION

It is hereby recommended that Douglas Vinzant, Vice President for Administration, be appointed as Deputy Treasurer of the Board of Trustees.

AGENDA ITEM TITLE: Approval of Personnel Items, Allen

CHECK THE APPROPRIATE BOX(ES):

- Work Session
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A. Items for Action Recommended by the President

APPOINTMENTS

Administrators

It is recommended to the Trustees of the University of Wyoming that the following administrative appointments and reappointment be approved as indicated.

College of Health Sciences

<u>Name</u>	<u>Rank</u>	<u>Salary</u>	<u>Appointment Period</u>
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Steiner, Joseph F.	Dean	\$194,004/FY	07/01/2009 to 6/30/2010
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Joseph Steiner received B.S. degrees (1971 and 1973) in Zoology and Pharmacy and a Pharm.D. (1974) from the University of Michigan. Dr. Steiner has been the Dean, College of Pharmacy at Idaho State University since 2001. Dr. Steiner will be a Professor with tenure in the School of Pharmacy. Professor Steiner's administrative appointment as dean is at will.

College of Law

<u>Name</u>	<u>Rank</u>	<u>Salary</u>	<u>Appointment Period</u>
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Easton, Stephen D.	Dean	\$200,004/FY	07/01/2009 to 6/30/2010
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Stephen Easton received a B.A. (1980) in Business Administration from Dickinson State University, and a J.D. (1983) from Stanford Law School. Mr. Easton has been a Professor in the School of Law at the University of Missouri since 1998. Professor Easton will be a Professor with tenure in the School of Law. Professor Easton's administrative appointment as dean is at will.

Reappointment

International Programs

<u>Name</u>	<u>Rank</u>	<u>Salary</u>	<u>Appointment Period</u>
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Alexander, Anne	Director	\$94,140/FY	7/01/2009 to 6/30/2014
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Anne Alexander, who holds a Ph.D. in Economics from the University of Wyoming, has served as Director of International Programs since 2006. Her reappointment is for a five-year term following a satisfactory review of her first term appointment.

AGENDA ITEM TITLE:
Approval of 2010 Capital Construction Request, Buchanan/Miller

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other Specify:

The UW budget requests for capital construction are in order of institutional priority.

I. CAPITAL CONSTRUCTION

1. **Fine Arts project (authorize UW to issue not to exceed \$33 million in revenue bonds for construction of a new Art Building)**

The 2008 budget bill appropriated Level II planning funds for the new Art Building and, in the 2009 supplemental budget bill, the Legislature appropriated \$2.7 million for Level III final design and construction documents for Phase 1, the new Art Building. UW requests authority to issue revenue bonds to fund construction of the facility, instead of requesting a state appropriation. UW will pay the bonds using its statutory federal mineral royalties (FMRs).

To determine the exact cost of construction, UW will follow the same approach used for the College of Business project. The Level III final design and construction documents work will be complete by January 2010. Prior to the 2010, budget session, UW will then provide the Governor and the Legislature a guaranteed maximum price (GMP) from the construction manager at risk (CMAR). UW will then request bond authority be adjusted accordingly in the budget bill. In no event will the total exceed \$33 million.

The Fine Arts project is the major academic capital facilities project on the UW campus for the FY11-12 biennium. The current facilities for the fine and performing arts are overcrowded and significantly out of date. As outlined in previous communications to the Board of Trustees, the project consists of two principal components. Phase 1 is construction of a new Art Building, to be located near the Centennial Complex, which will house the visual arts, e.g. sculpture, art, ceramics.

Phase 2 is renovation and expansion of the existing Fine Arts building to house the performing arts. Phase 2 is likely to be in the range of the cost of the College of Business remodel and expansion, funded during the 2008 Legislature, i.e. \$50M. Phase 1 must be completed and the visual arts programs relocated before Phase II construction can begin.

As illustrated in the timeline below, the timeline for Phase II will be delayed somewhat due to the state's current fiscal environment.

Some existing revenue bonds are being fully paid off which will make about \$1.4 million annually in federal mineral royalties (FMRs) available. In addition, UW recognizes that it should use its revenue bonding capacity to the maximum extent practicable to fund educational capital facilities. UW has realigned its expenditures consistent with the budget reductions to free up sufficient FMRs to cover the anticipated debt service.

It is requested that this bonding authority be made immediately effective upon passage of the budget bill. This allows UW to potentially benefit from (i) a fiscally advantageous bonding environment, (ii) preferential bonding programs contained within the 2009 federal stimulus package (H.R. 1, American Recovery and Reinvestment Act), and (iii) a competitive construction environment.

The proposed schedule for Fine Arts Phase 1 (Art Building) and Phase 2 (expansion and remodel of existing Fine Arts Building) is summarized as follows:

March 2008	Level II planning funds appropriated - <i>completed</i>
Summer 2008	Level II planning contract commences - <i>completed</i>
October 2008	Level III final planning and design budget request to State Building Commission - <i>completed</i>
March 2009	Level III final planning and design appropriation - <i>completed</i>
Summer 2009	Level II planning complete; Level III planning commences - <i>completed</i>
October 2009	Preliminary construction cost estimate (Phase 1) presented to State Building Commission - <i>anticipated</i>
February 2010	Guaranteed maximum price (GMP) submitted to Governor, Joint Appropriations Committee and State Building Commission for construction of Phase 1 - to be funded by UW revenue bonds - <i>anticipated</i>
March 2010	Revenue bonds authorized for Phase 1 - <i>tentative</i>
Summer 2010	Phase 1 construction commences - <i>tentative</i>

October 2010	Level II planning budget request to State Building Commission for Phase 2 - <i>anticipated</i>
March 2011	Level II planning appropriation for Phase 2 - <i>tentative</i>
Summer 2011	Level II planning commences - <i>tentative</i>
October 2011	Level III planning and final design budget request for Phase 2 presented to State Building Commission - <i>tentative</i>
March 2012	Level III planning and final design appropriation for Phase 2 - <i>tentative</i>
Summer 2012	Level III planning and final design for Phase 2 commences - <i>tentative</i>
October 2012	Preliminary construction cost estimate for Phase 2 presented to State Building Commission - <i>tentative</i>
February 2013	Guaranteed maximum price (GMP) submitted to Governor Joint Appropriations Committee and state Building Commission for construction of Phase 2 - <i>tentative</i>
March 2013	Construction funding authorized for Phase 2 - <i>tentative</i>
Summer 2013	Phase 2 construction commences - <i>tentative</i>

[Note: Following the two-phase Fine Arts project, the next major academic project under the University's capital facilities plan is the long envisioned Science-Teaching Laboratory (STL) which will house all modern undergraduate teaching laboratories in a single facility.]

2. **Downey Residence Hall renovation (authorize UW to issue not to exceed \$6 million in revenue bonds to renovate Downey Hall)** –

In May 2004, one 12-story hall (McIntyre Hall) and one 8-story hall (Orr Hall) were completely renovated. Funding was provided through revenue bonds paid for by student housing fees. Downey Hall is essentially the identical, 8-story “twin” residence hall to Orr Hall. As a result, the necessary renovations and reconfiguration are well understood by UW facility professionals. This is essentially a mirror effort to the prior, successful capital construction initiative.

UW can take residence halls “offline” only one at a time to maintain housing inventory. It is now time for the Downey Hall renovation, which will upgrade life safety systems and permit it to remain competitive in terms of quality.

Student housing fees will be used to pay for the bonds. However, no increase in student housing fees will be required. That unusual situation is explained below.

Due to the dramatic rise in the use of cellular technology by students, existing student housing fees imposed for land-line telecommunications infrastructure exceed the demand for services. As a result, a portion of these fees will be redirected to pay for these bonds.

If the request is approved, consistent with past practice, UW will structure a single bond issue for both the Downey and Art Building projects. But the contribution of FMRs and student fees to pay the bonds will be proportional to the use of the funds. This provision also needs to be immediately effective on passage of the budget bill.

3. **Revise statutory language regarding sinking fund requirement for academic facility matching funds** – The 2007 supplemental budget bill included a provision requiring UW to establish a “sinking fund” equivalent to 15% of the cost of new construction for the two facilities funded through the academic facilities matching program:
 - the School of Energy Resources facility; and
 - the Robert and Carol Berry Biodiversity and Conservation Center.

Both projects will proceed to construction soon. Donors will simply not commit to funding a “sinking fund” in addition to their gifts for construction and equipping of facilities.

The intent of the sinking fund is to ensure that the state is not burdened with the operation and maintenance costs of the facility. UW agrees but requests that the sinking fund requirement be revised and that the operation and maintenance costs for these three new facilities be funded through an on-going stream of funding identified within the University’s existing operating budget. The amount of that funding will be based upon an evaluation of the operating costs of the two facilities.

The amount will be calculated and presented to the Board at its September meeting, well in advance of the October State Building Commission meeting, at which capital facilities requests will be reviewed.

In addition, it is expected that as a condition of approving revenue bonds for the Art Building, UW will need to identify a similar stream of revenue for operations and maintenance of that new facility. UW proposes to include that in its presentation to the Board and to the State Building Commission.

UW intends to identify these revenues through on-going capital facility and energy efficiency initiatives, rigorous evaluation of operational efficiencies undertaken as a result of the FY10 budget reduction discussions, and re-alignment of institutional budget priorities.

4. Update on other capital projects (no budget requests)

- a. UW/Casper College Joint facility – The demand for baccalaureate and graduate degree education in Casper from site- bound, typically non-traditional aged students continues to be strong. For thirty-two years, UW has had a close and cooperative relationship with Casper College and a presence in Casper, including approximately 20 faculty and staff, in the form of a UW/CC Center. UW has long hoped to consolidate its presence on the Casper College campus and has had discussions with Casper College for many years to that end.

Casper College’s campus master plan includes a proposed joint UW – Casper College building, with UW residing in two floors of the proposed facility. The facility would have approximately 52,000 square feet of total usable space. UW’s portion of this facility would replace the current UW Poplar Street facility and free up space on the Casper College campus that UW currently uses for Casper College needs. There will remain a focus on sharing classroom facilities to the greatest extent practicable. UW has no plans to create science laboratory facilities.

In the November 2008 General Election, Natrona County voters approved a \$35 million general obligation bond to help pay for renovation and construction of several Casper College buildings. The Legislature also appropriated \$10 million to help construct the “Gateway Building”. That project is moving forward. Once the Gateway Facility is completed, work on the Joint Facility can begin.

The Joint Facility has been approved by the Community College Commission in accordance with law. Casper College intends to pursue legislative authorization for the Joint Facility in the 2010 legislative session. Note that such legislative authorization does not require approval of state funding. Rather, legislative authorization is required as a condition of Casper College proceeding with the facility. If legislative authorization is secured, Casper College plans to proceed in summer 2010 with planning and design for the facility.

If that occurs, UW proposes that a funding mechanism for UW’s share of the Joint Facility be submitted for approval during the 2011 Legislature. The funding mechanism could be comprised of a variety of sources, including proceeds from the sale of the Poplar Street facility, revenue bonds, private donations and academic facility matching funds, if available. UW will continue to work with Casper College to move this project forward.

- b. Housing – UW is continuing to work on a comprehensive housing facilities plan and a long-term mechanism for funding the housing facilities plan. The renovation of Downey Hall is the immediate action included in the FY2011-12 budget, but prior approved activities such as the initial phase of razing the old married student housing is also a major component of this longer-term housing strategy. Beyond those initiatives, no additional work is contemplated to commence during the upcoming biennium.
- c. UW/LCCC Joint facility – The demand for baccalaureate and graduate degree education in Cheyenne from site bound, typically non-traditional aged students continues to escalate. UW and Laramie County Community College (LCCC) have long envisioned a joint education facility on LCCC's Cheyenne campus. While the specific educational program offerings may differ from those in Casper, UW and LCCC anticipate a relationship and UW presence much like the one UW has with Casper College that has existed for decades.

The LCCC campus master plan includes a site for a joint facility as has been envisioned. There have been repeated efforts over the past several years to move the project forward. UW and LCCC have internally prepared the rough equivalent of a Level I study to identify the specific programs that will be provided in the facility that will drive the determination of the configuration of the facilities. Both of these initiatives remain priorities within UW's long range facility management vision.

The next logical step is to pursue Level II conceptual design for the joint facility. Given the current fiscal environment, it is impractical to pursue state funding for Level II design as part of the biennial budget submission. UW and LCCC will continue to collaborate to refine the Level I study. If the fiscal environment changes, the 2011 legislative session may be an appropriate time to consider steps leading to a Level II study.

II. OTHER CAPITAL CONSTRUCTION BUDGET RELATED ISSUES – not formal UW budget requests

1. UW supports continuing the standard major maintenance funding formula for the 2011-12 biennium.