

THE UNIVERSITY OF WYOMING

MINUTES OF THE TRUSTEES

Wednesday, December 13, 2017

**The final minutes can be found on the University of Wyoming Board of Trustees website at
<http://www.uwyo.edu/trustees/>**

TRUSTEES OF THE UNIVERSITY OF WYOMING AGENDA
Wednesday, December 13, 2017

WORK SESSIONS

Approval of the November 15-17, 2017 Board of Trustees Meeting Minutes (Public and Executive Sessions) – MacPherson 1
High Bay Contingency Fund/Equipment Purchase Request – Mai 2
Contract for BSL-3 Incinerator – Mai 4
FLAC – Consideration and Action: Annual Audited Financial Report and Compliance Report – Mai 5
Change Order for HAPC Training Table Kitchen Equipment – Mai 6
Change Order for Audio-Visual and Information Technology at the HAPC – Mai..... 7
Capacity Study Initial Findings – Rose Martinelli 8

Other Action Taken: *(added following discussion in Executive Session)* 10
Science Initiative Architect Invoice – Evans/Mai
Personnel Section – Miller
Federal Subcontract with Leidos – Synakowski/Laegreid/Evans

Roll Call

Date of Next Meeting – January 17-19, 2018

Adjournment

AGENDA ITEM TITLE:

Approval of November 15-17, 2017 Board of Trustees Meeting Minutes (Public and Executive Sessions), MacPherson

CHECK THE APPROPRIATE BOX(ES):

- Work Session
- Education Session
- Information Item

Other

Specify: Committee of the Whole (Items for Approval)

MINUTES OF THE MEETING:

Approved @ 9:09 a.m.

Approval of November 15-17, 2017 Board of Trustees Meeting Minutes

Trustee Baldwin moved to approve both Public and Executive Session Minutes for November 15-17. Motion was seconded by Trustee Fall and passed with a unanimous decision.

AGENDA ITEM TITLE: **High Bay Contingency Fund/Equipment Purchase Request**, Mai

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 - Education Session
 - Information Item
 - Other Specify: Committee of the Whole (Items for Approval)
-

MINUTES OF THE MEETING:

Dr. Mohomad Piri and Vice President for Administration Bill Mai, spoke to the request for use of HBRF building reserve funds to obtain experimental equipment for installation on the second floor of the Center for Innovation for Flow through Porous Media (COIFPM) at the High Bay Research Facility.

Vice President Mai noted that on the second floor of COIFPM, ten laboratories had been built and were designed to house X-ray imaging devices and associated core-flooding systems. He stated that currently only two of those laboratories are equipped with macro-scale X-ray imaging devices, and therefore the capacity to conduct macro-scale studies that utilize X-ray imaging is limited. He noted it was imperative that at least one more laboratory be equipped with a robotic X-ray imaging system as well as the associated core-flooding flow instruments to allow Dr. Piri to fulfill potential contracts and additional research in a timely manner.

Vice President Mai reported to the Board that the cost for the X-ray imaging system and corresponding Flow systems is \$2.4 million, but what is being requested for Board approval is a down payment of \$400,000 to be taken from the Owner's Contingency Fund. Vice President Mai noted the current balance of the Owner's Contingency Fund is \$2.7 million in addition to a loan in the amount of \$600,000 previously authorized by the Board, but he added that that had not been deposited due to a lack of necessity. Vice President Mai suggested that loans could be viewed as a possible source of funding.

In response to an inquiry from the Board, Dr. Piri explained there was presently enough capacity to respond to some of the work they were being asked to conduct for international companies. Dr. Piri reported the X-ray machine could operate independently from the Flow system, and existing systems could be utilized temporarily while considerations were made to raise money for Flow systems integration.

Executive Director of the School of Energy Resources Mark Northam stated SER was committed to help identify funds for the Flow system and that capacity was critical to the continuing ability to bring in research opportunities.

Trustee McKinley stated the Owner's Contingency Fund could be used for building construction and FFE and it had been identified there were certain amounts of the fund that were unnecessary for future construction needs and therefore funds existed to apply to FFE. He further stated that by authorizing \$400,000, the Board was really committing to the total amount of \$1.2 million, even if it was not approved at that time.

Vice President Mai reported one of the possibilities was for future project income to be applied to the cost of the equipment but noted that the balance of the Owner's Contingency Fund could also be safely used to pay for both the X-ray equipment and Flow system requirements.

Trustee McKinley asked Vice President Mai and Dr. Piri to continue to investigate potential cash flows and hold the use of the Owner's Contingency Fund in their "back pocket."

Approved @ 9:08 a.m.

High Bay Contingency Fund/Equipment Purchase Request

Trustee McKinley moved the Board of Trustees approve the use of \$400,000 of funds currently in the Owner's Construction Contingency for the High Bay facility for the initial payment for the X-ray imaging system and that the administration provide a detailed recommendation with the source of funding on the \$800,000 to the Board of Trustees on or before the March 2018 Board of Trustees meeting. Motion was seconded by Trustee Bostrom and passed with a unanimous decision.

AGENDA ITEM TITLE: **Contract for BSL-3 Incinerator**, Mai

CHECK THE APPROPRIATE BOX(ES):

- Work Session
- Education Session
- Information Item
- Other

Specify: Committee of the Whole (Items for Approval)

MINUTES OF THE MEETING:

Vice President for Administration Bill Mai noted that during the evaluation process for the BSL-3 incinerator, located within the Wyoming State Veterinary Laboratory, it was identified as having reached the end of its useful lifespan. He stated in April 2017, the University received notification from the State of Wyoming that the State would fund \$1.125 million of the estimated \$2.25 million to replace the incinerator. He added in May 2017, the Board of Trustees approved the College of Agriculture Permanent Land Income Fund as the source of funding for the University portion of the incinerator project.

Vice President Mai noted the University proceeded with the design of the new incinerator and the building addition that would house the equipment. He added that after a competitive bidding process, the University accepted the lowest responsive and responsible bid from Sletten Construction in the amount of \$1,198,900. Vice President Mai addressed the Board with the recommendation to award the contract for this project to Sletten Construction and to authorize the expenditure of up to \$1,328,945 for the balance of the total project from the College of Agriculture Permanent Land Income Fund.

Trustee McKinley provided additional context, stating these funds were not held by UW but in a separate account held by the State Treasurer for the benefit of the College of Agriculture. He noted the Board, during budget hearings in May 2017, had identified it as the potential source of funds for the incinerator in anticipation of need, knowing there would be income on an annual basis and that its expenditures would be less than its income. He further stated the Budget Committee supports the recommendation.

Approved @ 9:20 a.m.

Contract for BSL-3 Incinerator

Trustee McKinley moved the Board of Trustees authorize the expenditure not-to-exceed \$1,328,945 for the balance of the incinerator project, and for the funds to be drawn from the Ag College Permanent Land Income Fund. The motion was seconded by Trustee Scarlett. There was then an addition to the motion from Trustee McKinley to authorize the administration to enter into a contract with Sletten Construction for the construction of the incinerator addition in the contract amount of \$1,198,900.00. Trustee Scarlett seconded the amendment to the original motions. The motions passed with a unanimous decision.

AGENDA ITEM TITLE:

FLAC – Consideration and Action: Annual Audited Financial Report and Compliance Report, Mai

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 Education Session
 Information Item
 Other Specify: Committee of the Whole (Items for Approval)
-

MINUTES OF THE MEETING:

Vice President for Administration Bill Mai noted that McGee, Hearne and Paiz, LLP of Cheyenne was awarded a four-year engagement to conduct the annual external audit for fiscal years 2014-2017. He added annual financial reports served to inform the campus community of the institution's financial condition and results of operations, which are also required by various governmental, regulatory and rating agencies; holders of the institution's bonds; and accrediting agencies. He noted the Fiscal and Legal Affairs Committee would meet with the external audit firm's partners and university management to review the annual financial reports in advance of presentation to the Board of Trustees. He added the committee chairperson would then make a recommendation to the Board with respect to acceptance and approval of reports.

Partner in the firm McGee, Hearne & Paiz, Brandy Marrou, then led a discussion about the University's audited annual Financial Report and the audited annual Compliance Report. In response to inquiry from Trustee Scarlett, Associate Vice President for Fiscal Administration Janet Lowe discussed the separation of duties and the internal control systems processes designed to prevent misdistribution of funds.

Trustee Marsh took a moment to acknowledge Associate Vice President Lowe's retirement and commended her service.

Approved @ 8:43 a.m.

FLAC – Consideration and Action: Annual Audited Financial Report and Compliance Report, Mai

Trustee Marsh moved to accept and approve the University of Wyoming Financial Report and the Compliance Report for the fiscal year ended June 30, 2017. The motion was seconded by Trustee Baldwin and passed with unanimous decision.

Trustee Marsh was then excused from the Board meeting due to another conflict.

AGENDA ITEM TITLE: **Change Order for the HAPC Training Table Kitchen Equipment**, Mai

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 - Education Session
 - Information Item
 - Other Specify: Committee of the Whole (Items for Approval)
-

MINUTES OF THE MEETING:

Vice President for Administration Bill Mai noted that within the Mick and Susie McMurry High Altitude Performance Center guaranteed maximum price (GMP), the kitchen equipment for the training table was included as an alternate to the base bid. He noted at present, the project was seventy-five percent complete, and the risk associated with possible increased costs had been greatly reduced. He added, therefore, it was fiscally prudent to proceed with procuring the kitchen equipment in order to meet the goal of having a fully operational facility at completion in July 2018. He noted the total cost of equipment was \$874,565. He stated GE Johnson had agreed to allocate \$560,512 from within the GMP for the purchase of equipment.

Manager of Facilities Construction Management Matt Kibbon explained a wait to purchase equipment would extend delivery from eight weeks to four months.

Approved @ 9:22 a.m.

Change Order for the HAPC Training Table Kitchen Equipment, Mai

Trustee Brown moved to allow the Administration to execute a change order to GE Johnson Construction in the amount of \$314,053 for procurement off the kitchen equipment for the training table for the Mick and Susie McMurry High Altitude Performance Center project. The motion was seconded by Trustee Scarlett and passed with a unanimous decision.

AGENDA ITEM TITLE:

Change Order for Audio-Visual and Information Technology at the HAPC, Mai

CHECK THE APPROPRIATE BOX(ES):

- Work Session
 - Education Session
 - Information Item
 - Other Specify: Committee of the Whole (Items for Approval)
-

MINUTES OF THE MEETING:

Vice President for Administration Bill Mai noted that at the July Board of Trustees meeting, the Board authorized the Administration to enter into a construction change directive (CCD), not to exceed \$882,000, for the installation of the audio visual/information technology (AV/IT) equipment at the Mick and Susie McMurry High Altitude Performance Center. He stated it was determined by the Administration that the installation of the equipment was not time sensitive and elected to wait to issue a CCD. Manager of Facilities Construction Matt Kibbon reported to the Board that the issuance of a CCD was appropriate at that time.

Manager Kibbon further stated in the effort to alleviate coordination issues between subcontractors and to achieve a fully warrantable system through the construction manager-at-risk/electrical subcontractor, the Administration had recommended issuing a change order to GE Johnson and their electrical subcontractor for the coordination and installation of this equipment. He added the University of Wyoming carried a budget of \$1.015 million for the AV/IT equipment within the project. He noted this budget amount was separate from the Owner's Contingency Fund, which was not impacted by this change order. The value of the proposed change order is \$813,342.

Approved @ 9:26 a.m.

Change Order for Audio-Visual and Information Technology at the HAPC, Mai

Trustee McKinley moved to cancel the July construction change directive in the amount of not to exceed \$882,000 for the AV/IT equipment and to authorize the administration to execute a change order to GE Johnson Construction in the amount of \$813,342 for procurement and installation of the AV/IT equipment for the Mick and Susie McMurry High Altitude Performance Center project. The motion was seconded by Trustee Scarlett and passed with unanimous decision.

AGENDA ITEM TITLE: **Capacity Study Initial Findings**, Rose Martinelli

CHECK THE APPROPRIATE BOX(ES):

- Work Session
- Education Session
- Information Item
- Other

Specify:

MINUTES OF THE MEETING:

Rose Martinelli of Huron Consulting delivered a summary report on findings and recommendations from the Institutional Capacity Study. She noted that Huron Consulting was contracted to conduct a study to understand the enrollment capacity of the University given current staffing, facilities and resources, as well as potential for growth, both within current resources and marginal costs as this growth occurs. She added Huron was also charged to assess current enrollment of students from Colorado and Nebraska, and to determine a more desirable tuition rate to achieve greater enrollment from these states.

Rose Martinelli described Huron's Institutional Capacity Analysis at the University of Wyoming consisted of five key tasks over a three-month period: project initiation, institutional capacity assessment, academic capacity assessment, capacity valuation model, and price elasticity modeling. She noted the project brought together various insights gleaned from capacity analyses, programmatic costing, student willingness to pay (elasticity), and the prospective student survey with a comprehensive scenario valuation model illustrating potential paths forward. Huron Consulting's recommendations to the Steering Committee and Board of Trustees focus on opportunities for alignment in price, capacity, cost, and management of the academic enterprise.

Rose Martinelli illustrated Huron Consulting's examination of residential capacity, instructional capacity and student support and administration. She noted as one moved down the institutional capacity pyramid, costs and barriers to growth were easier to overcome as barriers were increasingly driven by personnel rather than infrastructure needs. She added assessing academic capacity helped the University understand the potential size of the student body through identifying areas to increase seat utilization both within the currently scheduled courses but also through enhanced policy management. Rose Martinelli described while there were some academic units and departments that exceeded desired utilization targets, there was generally sufficient space for additional undergraduate students across a variety of departments at the institution.

Rose Martinelli explained there was a significant opportunity to increase space utilization across campus, particularly in academic and instructional areas, through a review of historical policies and space allocation assignments, to more effectively use key resources across campus. Huron Consulting's review suggested instructional space is not a limiting factor to growth at UW, utilization declines drastically with departmentally managed spaces, and the number of non-block start times created further optimization challenges.

Rose Martinelli moved on to program costs. She described Huron Consulting's model of undergraduate programs suggested current tuition prices do not sufficiently cover the cost of the

average undergraduate program, which range in price from \$54,000 to \$127,000. She noted that with a proposed tuition price that does not cover the average cost of attendance for any undergraduate student, institutional leadership would need to ensure appropriate state-level support continues as enrollment grows. Martinelli went on to discuss Huron's pricing efforts that are aimed to identify how perspective students perceived the value of a Wyoming education and aligned the findings with historical reviews of out-of-state aid strategies to identify a new out-of-state price for Colorado and Nebraska residents. She added that setting tuition for Colorado and Nebraska between \$9,500-\$10,000, with a discount for top academic students, would likely increase clarity and appeal for these prospective students.

Rose Martinelli reported based on Huron Consulting's analysis, the University of Wyoming should implement certain changes to its online program pricing structure for out-of-state students to increase demand for program enrollments. She noted with regard to growth potential, Martinelli said there may be space at the institution for additional students, changes in the college-going population from Colorado, Nebraska and Wyoming, in number, ethnicity, and college preparedness may create challenges for additional headcount growth. She noted declining growth in college-going students in the region would only exacerbate enrollment competitive pressures for Wyoming as it competes for desirable students within neighboring states and at home.

Martinelli concluded the summary to the Board with next steps and expressed Huron Consulting looked forward to sharing final recommendations and project insights during the January 2018 Board of Trustees meeting.

In response to Trustee inquiry, Rose Martinelli described the capacity variability by program and noted there are some constraints. She added better academic management would provide capacity for growth and investments and would need to be made for courses that are in high demand. She said Huron Consulting would share the list they developed at the Board of Trustees meeting in January. In response to further inquiry, Rose Martinelli described the discussion related to retention of low income and out-of-state students. She suggested an adjustment to non-resident tuition might improve persistency of students for whom cost is a major driver. In response to Trustee concern related to a reduction in standards in the attempt to attract more students, Rose Martinelli expressed the idea to enhance and grow while preserving and even improving quality.

AGENDA ITEM TITLE: **Other Action Taken** (*added following discussion in Executive Session*)

CHECK THE APPROPRIATE BOX(ES):

- Work Session
- Education Session
- Information Item
- Other

Specify: Committee of the Whole (Items for Approval)

MINUTES OF THE MEETING:

Approved @ 9:27 a.m.

Science Initiative Architect Invoice, Evans/Mai

Trustee Brown moved to authorize the Administration to execute an amendment to the GSG architecture contract in the amount of \$65,000 plus reimbursable expenses. The motion was seconded by Trustee Scarlett and passed with unanimous decision.

Approved @ 9:28 a.m.

Personnel Section

Trustee Brown moved to approve the personnel section as presented to the Board of Trustees. The motion was seconded by Trustee Moore and passed with a unanimous decision.

Approved @ 9:29 a.m.

Federal Subcontract with Leidos

Trustee Moore moved to approve administration to sign the federal subcontract agreement with Leidos for up to a maximum value of \$5,000,000.00. Motion was seconded by Trustee Brown and passed with a unanimous decision.

New Business

There was no new business to come before the Board.

Date of Next Meeting

January 17-19, 2018

Adjournment

The Board adjourned the meeting at 9:57 a.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Shannon Polk", is written over a horizontal line.

Shannon Polk
Deputy Secretary, Board of Trustees