

**THE UNIVERSITY OF WYOMING**

**MINUTES OF THE TRUSTEES**

**Wednesday, February 15, 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, February 15, 2017**

**WORK SESSIONS**

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**Roll Call**

**Date of Next Meeting – March 22-24, 2017**

**Adjournment**

**THE UNIVERSITY OF WYOMING**  
**MINUTES OF THE TRUSTEES**  
**Wednesday, February 15, 2017**  
**Conference Call**  
**Old Main Boardroom**

As will be reflected in the public session and executive session meeting minutes, the Board of Trustees of the University of Wyoming held a conference call on Wednesday, February 15, 2017. Deputy Secretary of the Board Shannon Sanchez took roll at 8:06 a.m. Trustees participating: Mel Baldwin, Dave Bostrom, John McKinley, John MacPherson, Jeff Marsh, Mike Massie, Dave Palmerlee, Michelle Sullivan, Dave True, Wava Tully, and Dick Scarlett. Trustee Larry Gubbels was not in attendance. Ex-officio Trustees UW President Laurie Nichols, ASUW President Michael Rotellini, and Executive Director of the Wyoming Community College Commission Jim Rose were in attendance. Ex-officio Trustee Governor Matt Mead was not in attendance. Ex-officio Trustee Wyoming Superintendent of Public Instruction Jillian Balow was not in attendance; Chief Academic Officer Brent Bacon participated on her behalf.

Trustee President John MacPherson called the meeting to order at 8:06 a.m. Trustee Jeff Marsh moved that the Board enter executive session for the purposes of *Real Estate, Personnel, and Gifts, Donations and Bequests*. Trustee Michelle Sullivan seconded the motion. All were in favor, and the motion passed unanimously.

At 9:14 a.m., the Board reconvened in public session. Deputy Secretary of the Board Shannon Sanchez took roll when the Board returned to public session. The same trustees were present as in the first roll call.

AGENDA ITEM TITLE: **Preliminary Spring 2017 Enrollment Report**, Axelson

CHECK THE APPROPRIATE BOX(ES):

- Work Session  
 Education Session  
 Information Item  
 Other                      Specify:
- 

MINUTES OF THE MEETING:

Vice President for Student Affairs Sara Axelson gave the Board a brief update on the Spring 2017 enrollment. She noted that the information presented to the Board in their report was from the 15 days of classes as of February 10, 2017. She commented that there were some areas of gain, but overall UW was still down in enrollment; however, she noted that UW Casper had increased enrollment. Vice President Axelson added that enrollment for fall 2017 showed significant progress for both freshman resident and non-resident students, as well as resident transfer students. She stated that the challenge would be to make up for declines in enrollment from the previous fall. Vice President Axelson commented that another update would be given at the March Board meeting.

AGENDA ITEM TITLE:

**Spring Commencement (schedule and explanation re: changes)**, Nichols

CHECK THE APPROPRIATE BOX(ES):

- Work Session  
 Education Session  
 Information Item  
 Other                      Specify:
- 

MINUTES OF THE MEETING:

UW President Laurie Nichols provided the 2017 spring commencement schedule to the Board, as outlined in the Board report. She shared the changes made to the schedule and noted that these changes were made due to the Arena Auditorium being unavailable for commencement use because of a construction project. UW President Nichols commented that she was sharing this information with the Board in case they received complaints. She explained that last spring the Arena Auditorium was also unavailable, and the Field House was used as a substitute; however, the feedback on the Field House was not positive. She stated that due to this feedback, the commencement schedule was adjusted so the Field House would not need to be used for graduation. She noted that next year this would not be an issue as the renovation of the Arena Auditorium would be complete.

AGENDA ITEM TITLE: **Fiscal Year 2017 Operating Budget Increase**, Mai

CHECK THE APPROPRIATE BOX(ES):

- Work Session
- Education Session
- Information Item
- Other

Specify: Committee of the Whole (Items for Approval)

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MINUTES OF THE MEETING:

Vice President for Administration Bill Mai began by noting that as UW implemented its new budget system, the Board would no longer need to approve Section I operating budget increases in this manner. He noted that the Board would be able to approve them as part of the new budget process that would be based on recognition of actual revenues. He explained that these funds were revenues received in FY16 that needed to be added to FY17 budgets. He then referred the Board to page nine of their report and the table on page 11.

Associate Vice President for Finance Janet Lowe shared the details of each item listed in the table on page 11 of the report, including release time, computer fees, course fees, differential tuition, and summer session tuition. She also shared how each of these areas would be treated differently under the new budget system.

Trustee McKinley clarified that the administration was requesting the Board to approve rolling forward unspent funds from the prior biennium and asked how much money would be rolled over from the previous year to cover the upcoming summer school session. Associate Vice President Lowe shared the breakdown of the summer session funding, noting that \$4.7 of the \$5.7 million would be carried forward, adding that this process was a little complicated.

Trustee Massie asked about the second bullet point on page nine of the report, which referenced close to \$1 million in unspent course fees to be carried over from the last biennium. He inquired about the relationship between the surplus fees and the reserves at each of the colleges and how they were connected to the annual budget. Vice President Mai responded that this was the result of a timing issue, but he stated that he was not sure that one could attribute these fees to an annual accumulation. He noted that these funds were what was left over in the accounts, and it was requested that they be advanced. Vice President Mai added that with the current fiscal system, UW could not qualify current revenues vs. current year expenditures.

Trustee President MacPherson asked for clarification that this would no longer be the case once UW implemented its new fiscal system, and Vice President Mai confirmed. He explained that UW was moving towards having budgeted amounts for each operating entity and noted that the revenue accounting would be done separately. Vice President Mai added that there would be an "accrual" budgeting style, with revenue estimation, that would be in conflict with the annual budget approved by the trustees.

Trustee Mel Baldwin moved to authorize the changes to the FY17 Section I operating budget as presented to the Board. Trustee Dave Bostrom seconded. All trustees were in favor; the motion passed unanimously.

AGENDA ITEM TITLE: **WWAMI (per request at January 2017 meeting)**, Steiner/Murray

CHECK THE APPROPRIATE BOX(ES):

- Work Session  
 Education Session  
 Information Item  
 Other                      Specify:
- 

MINUTES OF THE MEETING:

Dean of the College of Health Sciences Joe Steiner began by noting that information on the timeline, budget, sources of funds, and other items regarding increasing the space for the WWAMI program were outlined in the Board report. He briefly reviewed highlights of the information and stated that the Board could approve moving forward with the design plan and construction of the space. He noted that part of the Health Sciences and Physical Sciences buildings would be renovated to accommodate the needs of the WWAMI program. Dean Steiner added that the space would be ready in the fall of 2018. He noted further details on the timeline and budgets, which he stated could be found in the Board report.

Trustee President John MacPherson noted that the funding sources reflected projected income and asked if it would be better for the trustees to approve a plan that used funding already in place. He also inquired about the deficit outlined in the report. Director of Medical Education Kevin Murray explained the deficit, noting that this income would be paid back over two years as the students' tuition dollars would begin to come to UW instead of going to the University of Washington when the students transferred to Washington. He added that the deficit would be gone by FY19. Director Murray noted that other sources of funding could be found and then eventually paid back, but essentially the difference was a "wash."

Trustee McKinley commented that he shared the same concern. He stated that he was uncomfortable taking on a construction project based on a negative budget. He inquired as to if it would be more prudent for UW to establish a construction account for the remodeling and upgrading of WWAMI facilities like they had done for other projects. He asked if UW should wait until this project was fully funded before beginning, as there was additional time to complete this work before the deadline set by the University of Washington.

Trustee Mike Massie commented that he understood the concern with the deficit, but he added that this project had encountered several delays, which he summarized. He noted that other WWAMI schools had already implemented this new curriculum, and UW needed to move forward to catch up. He asked if money could be taken from the reserves.

Trustee President MacPherson noted that the trustees were being asked to bind UW to make this expenditure based on projected income, which other projects only began when the funding was secured. He then asked what the project income was. Dean Steiner responded that the funds would

be assured, as there would be 20 students in the program, as well as additional students on a waiting list. He noted that students would be obligated to pay their tuition dollars, so the funding was assured. He added that the spending would also occur over several years, allowing more time for cash flow from the program.

Trustee Dave Palmerlee left the call.

Trustee McKinley commented that he was supportive of moving the project forward, though he was concerned with treating it differently than every other construction project. He asked if UW had the ability to transfer \$1.5 million from accounts in Health Sciences to a WWAMI construction account. Vice President for Administration Bill Mai responded that it would depend on the obligations that currently existed against any available funds, and he stated that he could work with Dean Steiner to review those accounts and their obligations.

UW President Laurie Nichols further explained the apparent deficit, stating that the table did not show the cash flow of the project well. She noted that she understood the desire to have a budget in advance, but added that most of the money would arrive before the lab would ever open.

Trustee President MacPherson asked if UW President Nichols was comfortable with the proposed plan. UW President Nichols responded that she was, noting that this was not a risky situation, as there would be a full WWAMI class. Trustee MacPherson then discussed putting this topic on the March Board meeting agenda, as there was no motion on the floor.

Trustee Massie commented that based on the timeline, the Board needed to approve the design firm, and if they did not approve this plan today, the timeline would need to be adjusted. There was further discussion of the timeline and the deficit, and they noted that the timeline was fairly aggressive and might need to be adjusted to ensure it was done well.

Trustee Dick Scarlett moved that this project proceed forward. Trustee Bostrom seconded the motion.

Trustee Massie commented that he would support the motion with an understanding that the administration would report back to the Board or the facilities committee with the details of how a construction account would be set up to support this work.

Trustee President MacPherson clarified that the motion was to move forward with the understanding that a construction account would be established with the funds to see this project through to completion.

Trustee Massie approved of the phrasing. Trustee Scarlett accepted this as an amendment to the motion, and Trustee Bostrom accepted this as a second to the motion.

Trustee McKinley asked if the motion included the projected timeline, which there were concerns about. Trustee Scarlett replied that the motion included the timeline as presented. All trustees

were in favor; the motion passed unanimously. Trustees Palmerlee and Gubbels did not vote as they were absent. Trustee True left the meeting.

AGENDA ITEM TITLE: **Motions following Executive Session (adding during meeting)**

CHECK THE APPROPRIATE BOX(ES):

- Work Session
- Education Session
- Information Item
- Other

Specify: Committee of the Whole (Items for Approval)

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MINUTES OF THE MEETING:

Trustee Massie commented that he was concerned about losing a quorum, and suggested two motions from Executive Session.

Trustee Massie moved to approve the Second Amendment to the Amended and Restated Ground Lease Agreement between the University of Wyoming and University Plaza, LLC to allow further development of the Plaza, as discussed in Executive Session. Trustee Dave Bostrom seconded. All trustees were in favor; the motion passed unanimously. Trustees Palmerlee, Gubbels, and True did not vote as they were not on the call.

Trustee Massie moved to approve the personnel matter brought forward in Executive Session. Trustee Bostrom seconded. All trustees were in favor; the motion passed unanimously. Trustees Palmerlee, Gubbels, and True did not vote as they were not on the call.

AGENDA ITEM TITLE:

**Engineering Education and Research Building – Guaranteed Maximum Price**, Mai

CHECK THE APPROPRIATE BOX(ES):

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

Trustee John McKinley moved that:

- The Guaranteed Maximum Price (GMP) for the construction of the Engineering Education and Research Building should not exceed total expenditures of \$69,014,882.00.
- The necessary amendment to the Construction Manager-at-Risk agreement between the University of Wyoming and GE Johnson Construction Wyoming of Casper, Wyoming to reflect the GMP shall be authorized.
- The total “all in” cost of the project shall not exceed \$105,358,910.00.

Trustee Massie seconded the motion. All trustees were in favor; the motion passed unanimously. Trustees Marsh, Palmerlee, Gubbels, and True did not vote, as they were not on the call.

AGENDA ITEM TITLE: **High Bay Research Facility - Contingency Funds Usage**, Mai

CHECK THE APPROPRIATE BOX(ES):

- Work Session  
 Education Session  
 Information Item  
 Other                      Specify:
- 

MINUTES OF THE MEETING:

Vice President for Administration Bill Mai commented that there was a request by one of the High Bay Research Facility users to add back an item that was value engineered out: an uninterruptable power supply (UPS). He stated that he currently did not have a firm figure to share with the Board, but it would be approximately \$210,000 for the power supply and installation.

Vice President Mai noted that this project was currently about \$250,000 underwater, due to a loss of \$2 million in private funding that was lost when a company went bankrupt. He added that it was his understanding that \$1 million of the loss had been identified and was ready to be matched by the state, leaving another \$1 million to be raised for an additional \$1 million match from the state.

Vice President Mai explained further details about the funding. He noted that the building was turned over to UW the previous month, but it was not yet fully up and running. Vice President Mai then discussed the contingency funds for the building and how long they should be held on to, given that the building was new and not yet fully tested. He also noted that the day prior, they had received an additional request to add a liquid nitrogen tank at a cost of approximately \$80,000.

Trustee McKinley moved to authorize Board approval of a change order for the High Bay Research Facility for the sole purpose of purchasing the necessary UPS system, the annual maintenance contract, and necessary installation costs in a maximum amount of \$250,000. He noted that the said amount shall not be expended or committed until there is satisfaction of the condition precedent of an actual receipt of the private gift of \$1,000,000 and actual receipt of the state matching funds of \$1,000,000 for the High Bay Research Facility. Trustee Scarlett seconded the motion.

All trustees were in favor; the motion passed unanimously. Trustees Marsh, Palmerlee, Gubbels, and True did not vote as they were not on the call.

Trustee McKinley moved to require the Administration to present a complete list of all requested additional change orders or additive alternates for the High Bay Research Facility which shall include: a) priority listing of each item, b) itemized cost for the requested change, c) itemized cost of any necessary maintenance contracts, d) itemized cost of all required installations costs, e) total cost for each item (b+c+d) and f) source of funds for the requested expenditure to the Board of

Trustees at the March 2017 meeting. Trustee Baldwin seconded the motion. All trustees were in favor; the motion passed unanimously. Trustees Marsh, Palmerlee, Gubbels, and True did not vote, as they were not on the call.

AGENDA ITEM TITLE: **STEM Building - project final acceptance**, Mai

CHECK THE APPROPRIATE BOX(ES):

- Work Session  
 Education Session  
 Information Item  
 Other                      Specify:
- 

MINUTES OF THE MEETING:

Vice President for Administration Bill Mai noted that the Michael B. Enzi STEM building was in the process of being handed over to UW by the state. He added that over the last month UW had been working to resolve the final construction issues. He noted that a small pool of funds had been identified to finish these projects. Vice President Mai stated that he wanted to make the Board aware of this before accepting the building from the State.

Trustee Massie moved to allow Vice President for Administration Bill Mai to sign the acceptance of the Michael B. Enzi STEM facility. Trustee Dave Bostrom seconded.

Trustee McKinley asked if Vice President Mai was comfortable with the amount of money being set aside for the final projects. Construction Project Manager Matt Kibbon responded that he was comfortable with the amount set aside. All trustees were in favor. Trustees Marsh, Palmerlee, Gubbels, and True did not vote as they were not on the call.

AGENDA ITEM TITLE:

**Legislative Session Update (includes report on Legislators' Day), McKinley/Boswell**

CHECK THE APPROPRIATE BOX(ES):

- Work Session  
 Education Session  
 Information Item  
 Other                      Specify:
- 

MINUTES OF THE MEETING:

Trustee John McKinley commented that the UW supplemental budget requests for language changes had been approved, but UW's request for funds for recruiting were removed, although the language was left. He discussed funding for the Wyoming Excellence in Higher Education Endowment fund, which currently had a provision to supplement the reserve account with \$1.25 million shared between UW and the community colleges. He noted that the budget passed both the House and the Senate, but it passed with different versions. He added that more on the budget bill would be discussed at the March meeting. Trustee McKinley also discussed the previous appropriation for the Science Initiative building, as money had been taken from this project, but the bill was not completely through the system yet.

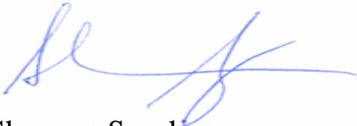
Trustee Massie commented that he believed the early retirement bill was still alive and past the Senate with UW exempted from the bill but that the bill now sat with the House. He discussed additional differences in the budget bill between the House and the Senate.

**Date of Next Meeting: March 22-24, 2017**

**Adjournment**

The Board adjourned at 10:21 a.m.

Respectfully submitted,



Shannon Sanchez  
Deputy Secretary, Board of Trustees



Laura Shevling  
Senior Administrative Assistant