

**THE UNIVERSITY OF WYOMING**

**MINUTES OF THE TRUSTEES**

**SPECIAL MEETING**

**July 21, 2005**

The Final Minutes can be found on the University of Wyoming Board of Trustees website at [www.uwyo.edu/trustees/meetings](http://www.uwyo.edu/trustees/meetings)

**THE UNIVERSITY OF WYOMING  
SPECIAL MEETING OF THE BOARD  
MINUTES OF THE TRUSTEES**

**Thursday, July 21, 2005  
10:00 a.m. – 3:00 p.m., Old Main Boardroom**

**AGENDA**

Call to Order .....	1
Roll Call .....	1
Motion to Amend Agenda for July 21, 2005 .....	1
Review of Changes in Public Meetings Act – Rick Miller.....	1
Progress Report of Presidential Search Firm Selection Subcommittee – Trustee Palmerlee .....	2
Golf Course Briefing – President Buchanan.....	3
Executive Session .....	8
Public Testimony .....	8
Update on Wyoming Technology Business Center (WTBC).....	9
Budget Request .....	10
Adjournment .....	11

### **Call to Order**

The meeting was called to order at 10:05 a.m. by Trustee President Judy Richards.

### **Roll Call**

Roll call was taken by Trustee Davis. The following Board members were present: Trustees Charles Brown, Richard Davis, Taylor Haynes, Warren Lauer, Jim Neiman, David Palmerlee, Judy Richards, Peggy Rounds, Tom Spicer, James Trosper, and Howard Willson. Trustee Hank True was present by phone. Ex-officio Trustees Tom Buchanan and Jon Hughes were in attendance. Ex-officio Trustees Dave Freudenthal and Trent Blankenship were unable to attend the meeting. Mr. Chris Boswell, Chief of Staff in the Governor's office, participated on behalf of Governor Freudenthal.

### **Motion to Amend Agenda for July 21, 2005**

Trustee Rounds moved to amend the July 21, 2005 agenda of the Board, as they will not approve the minutes of the May 2005 Board meeting and the subsequent special Board meetings until the September 2005 Board meeting; Trustee Neiman seconded. The motion carried. The minutes will be approved at the September 2005 Board meeting.

### **Review of Changes in Public Meetings Act – Rick Miller**

Vice President Rick Miller spoke about the changes in law regarding the public meetings act, noting that the Board will need a formal motion to go into executive session under the Act. The Board will need to go through the process of convening a public meeting and then making a motion to move into executive session.

Second, minutes must be taken in executive session and at least one member of the staff will take minutes unless the Board does not want staff present; in that case, a member of the Board or someone designated by the Board will need to take minutes. Vice President Miller proposed that at each subsequent executive session, the Board approve the minutes of the preceding executive session. The minutes will not be open to the public except in the following two instances: 1) an order through the court of incompetent jurisdiction, and 2) as a result of the major policy change of the Public Meetings Act, if any trustee objects to any topic discussed during the executive session and that trustee feels the discussion is inappropriate, the Board will then need to cease the discussion at that point in time. The person objecting must state their objection to the Board, and it must be noted in the minutes of the executive session; that portion of the minutes will then be public information. The minutes of the objection are announced literally the day after the objection is lodged and renders the Board exempt from criminal liability if such an objection is noted, and the Board will then be able to continue in executive session.

Absent any objections, the Board will then make a motion to return to executive session and proceed with their discussions. The Board is advised as to every item that is discussed in executive session and whether it meets the requirements of the exception to the public meetings act, as well as if one or more exceptions upon which the Board will be relying exist to verify it is appropriate to go into executive session.

**Progress Report of Presidential Search Firm Selection Subcommittee – Trustee Palmerlee**

Trustee Palmerlee reported on the work of the Presidential Search Firm Selection subcommittee. He said he will make a motion for the Board to move into executive session later

today to talk about contract firms, and the pros and cons of the firms reviewed. He described the process, noting that the committee has reviewed the different firms and met several times via phone. In executive session, the Board may or may not select a preferred firm, conditional upon the negotiation of a contract and other criteria. The committee has reviewed how the consultant will understand and articulate the goals and objectives of the university community, as well as how that understanding will be translated into a leadership statement, and the ways the consultant will develop to establish the broadest reach in seeking the candidates that would best fill the position. Trustee Palmerlee then moved to have the Board go into executive session. The Board discussed the idea of going into executive session at this time. Trustee Palmerlee said the Board may not want to move to executive session at this point in time. There was no second and the motion died.

#### **Golf Course Briefing – President Buchanan**

President Buchanan announced that there would be a brief powerpoint presentation on the Jacoby Golf Course. General Counsel Senior Associate Susan Weidel introduced Mr. John Osnato and Mr. Steve Schram. She said there will be further discussion on the development aspect.

Dr. Buchanan moved into a brief presentation on the project. He provided an overview of the project; the proposal is for a new 27-hole course and a residential community development. The developer is Mark Isakson. There are 720 acres for development in total, with UW owning 320 acres and Warren Livestock Company making a donation of 400 acres of contiguous land to the northeast and south of UW's property.

The value of the development is approximately \$13 million in 2005 dollars. The financials will be reviewed by Dr. Kenton Walker, and will be structured for minimal exposure and the possibility of an enhanced recreation asset for UW. UW will own the golf course facilities and individuals will own the surrounding homes. UW will not be required to invest in the project and will receive reimbursement from the developer. The developer will have the responsibility to finance the project via the sale of residential lots, provide UW with \$1 million in maintenance, utilize bond performance to ensure completion of phases, provide certified annual financial statements, and a clause for the developer to transfer/sell development rights after 5 years with UW's approval. The developer will receive fees of 12% of all real estate sales and annual expenditures in excess of 12% deducted from revenues distributed to the developer. If the lot sales are insufficient, the project will be terminated. Dr. Buchanan then discussed the four phases of development: 1) the north course and approximately 150 residential lots that would be developed; 2) the west course which is the current Jacoby facility and would include the development of residential lots on the existing Jacoby property; 3) the south course, including residential lots and construction of a new clubhouse; and, 4) the completion of the residential lots sales as platted.

The project design and approval was also discussed. The project involves a joint agreement between UW and the developer on selection of architects, contractors and consultants, and will create a board of managers (two representatives from UW, two representatives from the developer. The board of managers is required to meet at least quarterly until completion of phase three, to review both the business plan and budget, and amend as necessary, disputes between UW and the developer should they arise. At the completion of phase three, the developer will share profits with UW for the remainder of the agreement, which includes a

formula for graduated payments after the developer recovers a reasonable investment return. Exit strategies for UW based on the performance of the developer have also been discussed. UW retains the right to replace the developer and at the time of replacement, the developer must return all transferred land back to UW for a fee of \$1.00. Some of the negative outcomes would include reaction from those people that live near the area and would be subjected to construction for a number of years, and the possibility of criticism from public citizens regarding open space on campus. Dr. Buchanan stated that he felt there would be a possibility of failure to complete the project due to saturation of the housing market, but that he has been advised that it is not likely. He also said that the project is not central to the university's higher education mission.

President Buchanan offered the following recommendations to the Board:

1. Proceed with project as approved in January 2005.
2. Appoint a small subcommittee to review the draft agreement (already occurred prior to this meeting).
3. Shift the day-to-day management of the project to a firm with suitable expertise to represent UW's interests.
4. Ask the new project manager to develop an operations and maintenance budget for the new golf facility.
5. Ask the developer to educate the public about the scope of the project.

Trustee Spicer asked about having a third party working on management of interests and if that would be a cost to UW. Dr. Buchanan said he believed there were greater efficiencies to redirecting the in-kind effort to people that are already in this type of work, rather than having UW personnel work to expand their own expertise.

Trustee Haynes asked what the greatest hurdle would be if the project were terminated. Dr. Buchanan said the exposure for UW would be significant. Trustee Haynes also asked what else would happen since it was approved outside of the normal process. Ms. Weidel spoke to the question and noted that there has been a long history for UW and the developer.

Trustee Palmerlee asked for clarification of who Mr. Steve Schram is and was told by Susan Weidel that Mr. Schram is UW's consultant for fiduciary aspects of this project. Mr. Schram said that he thinks it's extremely important to have UW involved in the project. Dr. Buchanan said he doesn't think UW has developed a list of firms for expertise on the project, and Ms. Weidel said UW would use an RFQ process to expand the list of firms that would be available to do the work on the golf course.

Trustee Davis inquired about the Board considering how much reporting it wants to receive and how often they want the management committee of the project to report to the Board, saying that the Board would want information on a fairly regular basis. Mr. Chris Boswell asked about the timetable for the project and when decisions would need to be made. Mr. Osnato said he thought the agreement would be signed late August or September. Ms. Weidel noted that there are already 200 reservations for lots at the golf course that would hopefully convert to firm contracts, and if they don't, the project will be terminated. The platting process would go into spring 2006, and the developer anticipates that the construction would go forth after that.

Trustee Rounds asked if there would be any harm in delaying the process, and Ms. Weidel said that the process could occur simultaneously with work on the development agreement progression. Vice President Phill Harris added that there are variances that are included, and that those who have already put in reservations may lose interest if the project is delayed.

Trustee Brown said there are many non-proprietary questions, and asked if it would be appropriate to ask for clarifications from Mr. Osnato. Mr. Osnato spoke about the agreement and retaining protections for public institutions that he developed. He believes that his company has

done the best they can to limit UW's risk. President Judy Richards asked for the Board to exercise caution and maintain appropriate conversation relating to the golf course while in the public session. Mr. Schram said that he feels that the good points are that UW has no fiduciary risks at this point. Trustee Spicer asked if UW hires a third party to manage and/or take over interests, would they be the ones that would generate the momentum.

Vice President Phill Harris said his view of the third party interests would be to have them recognize UW's needs and interests. Mr. Osnato added that a critical phase of this project is the business plan and the subsequent plans for the operations and maintenance of the golf course, which has not been accomplished yet. Trustee Willson said that he concurs with Mr. Osnato's comments and asked about the percentage of lots that need to be sold to sustain this project. Mr. Osnato said that was a very valid concern, and the project would be contingent upon UW being able to move forward. Trustee Lauer commented that he enjoyed meeting with Mr. Schram and Mr. Osnato, and talked about the project letter from Dr. Dubois in April 2005 that said UW won't have costs, and his belief that there have been costs that UW has already absorbed. He said his concern is if things go bad, where is the protection for UW? Several more questions must be resolved. Mr. Boswell, representative for Governor Freudenthal, asked what comes first? Mr. Osnato said it would be the business plan and could be developed very quickly. He further stated the business plan must be agreed upon after the signing of the development agreement.

Mr. Joe Jensen, Coach and Manager of Jacoby Golf Course, spoke about the operation of the golf course and mentioned he has excel spreadsheets that look at different scenarios. The risk to UW would be minimal in his opinion. Trustee Willson asked if there are plans to improve the irrigation system, and Mr. Jensen said that he feels he could place a line item in his budget of

a \$1 million loan to use on irrigation. He also noted that there are 24 current golfers in the list of 200 people who have made reservations for the new Jacoby project property. Trustee Brown moved to go into executive session. Trustee Rounds spoke about the reputation of the board in concert with this project, and said she hopes there are town meetings, etc. for discussion.

Trustee Palmerlee asked about benefits for the development. Mr. Schram talked about the work his group has done and that they do a lot of work with higher education institutions. He said it is a good opportunity for alumni to enjoy the university community. Trustee Haynes seconded. The motion carried.

### **Executive Session**

The Board met in Executive Session from 11:00 a.m. to 2:30 p.m., and then returned to public session.

### **Public Testimony**

#### **John Hill**

Trustee Richards introduced Mr. John Hill. Mr. Hill spoke about the old recruitment packet for UW, and again urged the Board to leave the west view open from the Classroom building. He referred to the map found when entering K-Mart and how the students could view a similar map of the Classroom building as they walk in the door. He thinks it is pertinent to set up such a map for students in the Classroom Building to help them avoid getting lost. He spoke about the modifications of the building that may harm its integrity.

He talked further about the new addition on the building and the physical weight of it, possibly causing structural problems and obscuring the murals. He said his request was to ask

the Board to leave the building alone, other than the wiring and other necessary work. He feels UW could save \$9 million of the \$12 million allocated to renovate the building.

### **Dave Mullins**

Mr. Dave Mullins spoke about the Classroom building modifications, and brought printed information he had prepared to share with the Board. He spoke about the west view and shared some color photos to provide visual assistance regarding a demonstration of his concerns. He's concerned that there has been publicity stating no substantial change will occur to the building. He asked again how significant the changes will be and if it is fully understood by the Board.

Trustee Lauer told Mr. Mullins that he remembers the building when it was built, and said in each meeting the topic has come up with the Board. He does feel that this is the best situation for UW. Trustee Rounds said that she appreciates his concern and that the teaching environment has changed substantially. Trustee Davis said that he would like Vice President Phill Harris to speak about the inability to try to adjust or "tweak" the workstation arrangements in the Classroom building, but realized that UW needed to keep about 2000 seats in the building. The square footage to expand and enhance this building lent itself well to expansion as it is structurally sound, and remodeling this building is a good deal more cost efficient than building a new building.

### **Update on Wyoming Technology Business Center (WTBC) – Phill Harris**

Vice President Harris said the WTBC is a unique project with two distinct sources of federal funds for construction, and UW had to bid the project in separate phases of bid packages to meet federal requirements. Construction on the footing began this week, and last week phases

B and C were bid and are under advisement. The final package D that needs to be bid will be bid soon. The projected completion date is expected to be June 2006.

### **Budget Request – President Buchanan**

Dr. Buchanan spoke about the development, approval and submission of the university's budget request. The timing is made problematic given the scheduling that is set for this summer. The Board met in mid-May and doesn't have another regular meeting until the end of September. The four and a half month gap has created some issues for the Board and the university. The budget is due in Cheyenne by August 26. Within the next couple of days, President Buchanan will forward a draft narrative to all Board members explaining the different components of the university's budget request with hopefully enough of a sufficient explanation that the Board members can follow not only the dollar amounts, but also the logic behind the different requests that will be in the budget. It will be necessary to have some sort of communication with the Board in about two weeks, and he thought he would visit with President Richards after the meeting to decide how this will best be approached. He will have his staff send briefing materials shortly, a week or so in advance of visiting with the Board to ensure that they are on the same wavelength in terms of the nature of the university's request that will move forward. He believes it will be fundamentally consistent with the conversations that have occurred to date. This will provide UW a couple of weeks to revise and refine the budget, and then there will be determination of the extent that the Board wants to have conversation about the budget or approve it at the retreat (requiring minutes) or have a short phone conference prior to August 26 for approval.

Dr. Buchanan announced that there would be a press release after the meeting adjourns to talk about a wonderful gift to the University of Wyoming.

Trustee President Richards wanted to publicly thank trustees for their committee service: comprised of Trustees Davis, Trospen, and Willson for serving on the honorary degree committee; Trustees True, Brown, Willson, and Spicer for serving on the nominating committee; Trustees True, Rounds, and Brown for their service on the audit and fiscal integrity committee; and Trustees Palmerlee, Spicer, Rounds, and Haynes for their work on the search firm selection committee. The other ongoing committee was established for the Jacoby Golf Course project, and includes Trustees Davis, Neiman and Lauer.

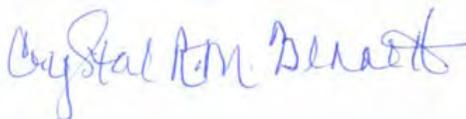
### **Adjournment**

The meeting was adjourned at 3:00 p.m. with a motion from Trustee Spicer, and a second from Trustee Rounds.

Respectfully submitted,



Shannon M. Sanchez  
Deputy Secretary, Board of Trustees



Crystal R.M. Bennett  
Assistant to the Vice President for Administration