



**BOARD OF GOVERNORS**

**Budget and Finance Committee**

**May 4, 2018**

**MINUTES**

The meeting was called to order at 11:32 a.m. by Governor Kelly in Room BC at the McGregor Memorial Conference Center. Secretary Miller called the roll. A quorum was present.

**Committee Members Present:** Governors Busuito, Kelly, Nicholson, O'Brien and Thompson; Linda Beale, Faculty Representative, and Louis Romano, Faculty Alternate Representative; Aaron Szpytman, Student Representative and Anthony Eid, Student Representative

**Also Present:** Governors Dunaskiss, Gaffney, and Trent; and President Wilson; Provost Whitfield; Vice Presidents Burns, Decatur, Hefner, Lanier, Lessem, Lindsey, Staebler, and Wright; and Secretary Miller

**APPROVAL OF MINUTES, MARCH 23, 2018**

**ACTION:** Upon motion made by Governor Thompson and supported by Governor Nicholson, the Minutes of the March 23, 2018 meeting of the Budget and Finance Committee were approved as submitted.

**CONTINGENCY RESERVE**

Vice President Decatur noted that there were no proposed transfers from the contingency reserve for this meeting, and the remaining balance is \$155,000.

**FY 2019 TUITION AND FEE RATES FOR THE SCHOOL OF MEDICINE MD PROGRAM**

President Wilson advised that the 2019 tuition and fees rate for the school of medicine item has been postponed until a subsequent meeting later in May.

**UNIVERSITY SERVICES BUILDING INFRASTRUCTURE UPGRADES**

Vice President Decatur presented the first of three presentations on deferred maintenance capital projects. The University Services Building is a nearly 100,000 square foot building, housing facilities and planning and management and the skills trade shops. The infrastructure upgrade and repairs are projected at a cost not to exceed \$3.3 million. Proposed upgrades include structural concrete repair, roof replacement, replacement of

portions of heating and cooling equipment, and a fire alarm system for code compliancy. Planned phase completion is from fall of 2018 to the spring of 2019.

Governor Kelly asked for assurance that the deferred maintenance fund would not be depleted if all proposed projects included for today's meeting were considered. Vice President Decatur advised that the fund includes a \$3 million carry forward from last year for a total of \$9 million available at the beginning of this fiscal year. Governor Kelly asked for the rationale for this project, urgency above other projects, and why funding should be considered for a building that does not service students. Vice President Decatur indicated that there were several urgent building safety issues that need to be addressed in a building that houses a significant number of university staff, and that postponing the repairs would cause severe damage to the facility. Governor Thompson asked about how this fits with other deferred maintenance projects. Vice President Decatur noted that there is a long list of deferred maintenance projects, and that they would be reviewed comprehensively through master planning. The master planning process will help prioritize the projects, which will also take into consideration buildings that are not currently occupied. A consulting firm for the master planning process will be selected within the next thirty days. There were 43 firms present at a mandatory pre-proposal meeting, and the process will also gather input from campus advisory groups, and from students, faculty, neighbors and other key stakeholders.

Professor Romano asked about the decision making process used in Facilities to prioritize projects, and about the balance of \$3.3 million dollars from last year's budget. Vice President Decatur noted that the team assesses by a number of factors, including criticality of the repairs needed, as well as the condition of the building. The reason for the balance in the fund from last year's deferred maintenance allocation is that a new team was put in place, and they needed to take time to analyze the needs and prioritize the projects. Harry Wyatt, associate vice president of facilities advised that the team also needed to determine the schedule of projects for the year, and identify those projects over \$500,000 that need to come to the board. It is an intentional decision to not spend all the funds at one time, to leave funds for critical issues that arise throughout the year.

Professor Beale asked who parked on the roof of the building in question, and whether that lot was included in the regular parking fee determination. Mr. Wyatt noted that future parking there would be minimized and reserved for a few maintenance vehicles and staging material only.

Governor Thompson asked about the current process for choosing projects and whether there is input from faculty, Deans and students. Mr. Wyatt noted that there is informal input via complaints and issues brought forward from various areas, however campus wide committee review of repair projects might slow the process. AVP Wyatt is also an administrative liaison to the facilities support services and technology committee of the Academic Senate, and receives continuous input through those dialogues.

Professor Romano asked for a list of the most pressing future needs. Mr. Wyatt noted that there was an evolving and prioritized list that he could provide.

Governor Nicholson asked about the building's current use. Mr. Wyatt noted that it housed Facilities and front office functions including design and construction project managers, real estate, supervision of the trades, which take up about one third of the building. The remaining two-thirds are the trade shops, carpentry, plumbing and pipe fitting, electricity, heavy equipment and a traffic ramp. Trade shop vehicles are stored on different levels. There are no fire alarm systems in the building.

**ACTION:** Upon motion made by Governor Nicholson and supported by Governor Kelly, the Budget and Finance Committee recommended that the Board of Governors authorize the President, or his designee, to design, solicit bids, and award contracts to provide building infrastructure upgrades and repairs to the University Services Building at a cost not to exceed \$3,300,000. Funding for this project is provided from the Deferred Maintenance fund. By show of hand, 4 votes were in favor and 3 were opposed. The motion carried.

#### **OLD MAIN ADDITION CONTROLS UPGRADES**

Vice President Decatur indicated that this is a major classroom building constructed in phases between 1896 and 1996. The HVAC controls in some areas are outdated and are no longer supported by the manufacturer or are otherwise unrepairable. This impacts students and faculty comfort, and musical instruments and fine arts in the building. The cost of these repairs is \$2.2 million, which will be provided from the Deferred Maintenance Fund. The project is expected to be completed spring of 2019.

**ACTION:** Upon motion made by Governor Thompson and supported by Governor Gaffney, the Budget and Finance Committee recommended that the Board of Governors authorize the President, or his designee, to award contracts to make various improvements to Old Main building controls for a project cost not to exceed \$2,200,000. Funding will be provided from the University Deferred Maintenance fund. . The motion carried.

#### **PRENTIS HALL FAÇADE REPAIRS**

Vice President Decatur advised that the Prentis building, a Yamasaki building was built in 1964, and is the current home of the School of Business, which is about to be moved. The exterior concrete needs patching and crack repairs as water is penetrating and causing damage. Chair O'Brien asked if the building is empty. Vice President Decatur noted that it is not empty, and the Space Committee is reviewing proposals to move other units in once the School of Business has moved, and after repairs are completed.

**ACTION:** Upon motion made by Professor Beale and supported by Governor Busuito, the Budget and Finance Committee recommended that the Board of Governors authorize the President, or his designee, to design, solicit bids and award contracts for the Prentis Façade Repairs project cost not to exceed \$820,000. Funding for this project will be provided from the Deferred Maintenance fund. The motion carried.

**MAJOR CAPITAL PROJECT SUMMARY AND THE MAJOR REAL ESTATE PROJECT SUMMARY**

Vice President Decatur presented his informational report on major capital and real estate projects. Governor O'Brien asked for an update on the Oakland Center, which was sold last November, including the timeline for closing. Vice President Decatur noted that the new buyer was subject to new zoning requirements and adjustments needed to be made. Closing is expected within the next 30 days.

Governor Thompson asked for a status update on the NextEnergy purchase and closing date. Vice President Decatur noted that the closing is expected in April 2018.

Professor Beale asked about the status of the delayed Cass and Canfield Project, Vice President Decatur noted that there is a new developer and the process of renegotiating the agreements has started.

Professor Romano inquired about the status of the state-funded science library conversion project. Vice President Decatur noted that the University has submitted the required program and schematic design package to the state, and received positive feedback about the project. They have received some comments and additions to be made to the project, based on that submission. The decision on appropriation is expected in o July for decision on appropriation and approval to proceed with construction. The University is proceeding into the design development stage in the meantime, and expects an opening date in fall 2020.

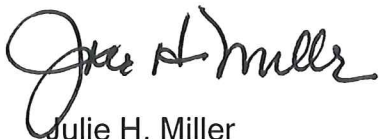
**PURCHASING EXCEPTIONS**

Governor O'Brien raised a question about a contract for property services, and whether a certain contractor was still being used by the University. Vice President Decatur advised that the services provided by that contractor have now been turned over to a new technology development corporation, which was retained to administer the leases, and deal with the tenants in that building.

**ADJOURNMENT**

There being no further business, the committee adjourned at 12:03 p.m.

Respectfully submitted,



Julie H. Miller  
Secretary to the Board of Governors