

MINUTES OF FEBRUARY 5, 2015 COMMITTEE MEETING

**BOARD OF REGENTS, STATE OF IOWA
PROPERTY AND FACILITIES COMMITTEE**

**MAUCKER UNION, OLD CENTRAL BALLROOM, ROOMS A AND B
UNIVERSITY OF NORTHERN IOWA
CEDAR FALLS, IOWA**

Committee Members Present

Regent Milt Dakovich, Chair

Regent Larry McKibben

Rod Lehnertz, University of Iowa Interim Senior Vice President, Finance & Operations

Warren Madden, Iowa State University Senior Vice President for Business and Finance

Michael Hager, University of Northern Iowa Senior Vice President for Administration & Financial Services

Patrice Sayre, Board of Regents Chief Business Officer

Presenters

Joan Racki, Board of Regents Policy and Operations Officer

Philip Simpson, University of Northern Iowa Assistant Vice President Facility Planning/Campus Architect, Facilities Planning

John Staley, University of Iowa Hospitals and Clinics Senior Associate Director

David Kieft, University of Iowa Business Manager

Chair Dakovich called the meeting to order at 9:03 a.m. Chair Dakovich acknowledged the retirement of Doug True and made a motion to appoint Rod Lehnertz to the committee in his role as Interim Senior Vice President, Finance and Operations at the University of Iowa. The motion was seconded by Iowa State University Senior Vice President for Business and Finance Warren Madden. The motion was approved.

Agenda Item 1 - Minutes of December 3, 2014, Committee Meeting

The minutes of the December 3, 2014, meeting, as presented, were accepted by General Consent.

Agenda Item 2 – Facilities Governance Report

Board of Regents Policy and Operations Officer Joan Racki presented an overview of the Facilities Governance Report. Rod Lehnertz, University of Iowa Interim Senior Vice President, Finance & Operations, Warren Madden, Iowa State University Senior Vice President for Business and Finance, and Philip Simpson, University of Northern Iowa, Assistant Vice President Facility Planning/Campus Architect, presented information regarding facilities and their condition. Topics covered included business continuity and management of risk, efficiencies, implementation of institutional specific recommendations of the Deloitte Consulting Group, inter-institutional cooperation, utility system improvements and energy conservation.

Regent McKibben asked for an update on the work being done by Ad Astra. University of Iowa Interim Senior Vice President Lehnertz responded that the Ad Astra team is already on campus. The result of the Ad Astra study will allow the University to focus on efficient use of space, and help the University right-size classroom configurations. The University is also working, with JBA Incorporated, a consulting firm, on space efficiency management.

Regent McKibben complimented the universities on their collaboration and efficiencies, including energy efficiencies, and noted that interviews for the academic cases would take place the following week. The academic and space studies should assist the universities in assessing future facility needs.

University of Northern Iowa Senior Vice President Hagar stated that the two Deloitte identified facilities business cases for the University have been implemented and the University is beginning to see the benefits.

Chief Business Officer Patrice Sayre asked Senior Vice President Hagar about the increase in the reported amount of deferred maintenance. He responded that it was due to a change in how the buildings were examined; he explained the University's more robust procedures.

The Committee recommended to the Board by General Consent acceptance of the Facilities Governance Report, including the Board's reaffirmation of its support for continued inter-institutional collaboration and coordination on facility issues and the institutional correction of identified fire safety and deferred maintenance deficiencies within the limits of available resources.

Agenda Item 3 - Register of University of Iowa Capital Improvement Business Transactions

Interim Senior Vice President Rod Lehnertz presented the main campus projects and Senior Associate Director Staley provided information on the UIHC project.

Chair Dakovich asked if the Steam Utility Enterprise Systems project was flood related. Interim Senior Vice President Lehnertz responded that it was not; it is a 70-year old tunnel - an aging underground infrastructure in need of replacement. The timing of the project, the duration for completion and the complicated site led to bids higher than the engineer's estimate.

The Committee, by General Consent, recommended to the Board approval of:

1. The following actions for the **Westlawn – Renovate Student Health & Wellness Space** project, a major capital project as defined by Board policy:
 - a. Acknowledge receipt of the University's initial submission of information to address the Board's capital project evaluation criteria;
 - b. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
 - c. Authorize permission to proceed with project planning, including the design professional selection process.

2. The following actions for the **UIHC – Relocation of Pediatrics and Psychiatry Department Offices** project, a major capital project as defined by Board policy:
 - a. Acknowledge receipt of the University's final submission of information to address the Board's capital project evaluation criteria;
 - b. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
 - c. Approve the project description and budget (\$10,700,000), with the understanding that approval will constitute final Board approval and authorization to proceed with construction.
3. Ratification of Executive Director approval of the revised project budget (\$10,691,408) for the **Steam Utility Enterprise Systems – Replace Riverside Drive / Grand Avenue Steam Distribution System – Phase 1** project.

Agenda Item 4 - University of Iowa Proposed Property Purchase

David Kieft, University of Iowa Business Manager, presented the University's request to purchase property at 815 1st Avenue in Coralville, Iowa at a price of \$1.5 million from Drury Development Corporation and a waiver of Board Policy 9.02 C.3 (purchase price based on appraisal).

By General Consent, the Committee recommended to the Board approval of the purchase of the parcel of property, subject to approval of the final documents by the Board Office and the Attorney General's Office, and a waiver of Board policy.

Agenda Item 5 - Register of Iowa State University Capital Improvement Business Transactions

Iowa State University Senior Vice President Warren Madden presented the University's register.

By General Consent, the Committee recommended to the Board approval of:

1. The following actions for the **Forker Building – Kinesiology Renovation** project, a major capital project as defined by Board policy:
 - a. Acknowledge receipt of the University's initial submission of information to address the Board's capital project evaluation criteria;
 - b. Accept the Board Office recommendation that the project meets the necessary criteria for Board consideration; and
 - c. Authorize permission to proceed with project planning, including the design professional selection process.

Agenda Item 6 - University of Northern Iowa – Proposed Demolition of 1233 West 22nd Street, Cedar Falls

University of Northern Iowa Senior Vice President Michael Hager presented the request to recommend to the Board approval of the demolition of the house and garage at 1233 West 22nd Street in Cedar Falls, Iowa.

By General Consent, the Committee recommended to the Board approval of the demolition of the house and garage.

Agenda Item 7 – Institutional Agreements, Leases and Easements

Policy and Operations Officer Joan Racki presented the agenda item.

By General Consent, the Committee recommended to the Board approval, subject to approval of the final documents by the Attorney General's Office and the Board Office, of:

- Leases with Steinbeck LC, Jensen Development Corporation Ltd, Dickson & Luann Jensen, and Alexander, L.C. for the benefit of Iowa State University for additional off-campus housing for the 2015-17 academic years.
- Agreement with the Board of Trustees of the Municipal Electric Utility of the City of Cedar Falls, Iowa, for the University of Northern Iowa, including delegation of approval of service schedules and exhibits to the Executive Director.
- Easement with the City of Cedar Falls for the benefit of the University of Northern Iowa.

Agenda Item 8 - University of Iowa Update of Flood Recovery Status

Interim Senior Vice President Lehnertz presented the update, including the four reports presented at each Committee meeting. He noted that President Mason planned to give a more detailed report including specifics and accomplishments in the flood recovery process in her report later that afternoon.

The Committee received the report.

Agenda Item 9 – Discussion of Future Committee Agenda Items

Policy and Operations Officer Joan Racki stated that she had nothing to add, allowing the institutions the opportunity to mention any additional items. There were none.

Chair Dakovich adjourned the meeting at 10:07 a.m.

The corresponding docket memorandum for each agenda item, an integral component of the minutes, is available on the Board of Regents website: <http://www.regents.iowa.gov/>. Copies of these memoranda can also be obtained from the Board Office by calling 515-281-3934.