

Contact: John Nash

PROPOSED BOARD POLICY MANUAL REVISIONS – CHAPTER 2.3

Action Requested: Approve *Policy Manual* revisions related to property and facilities.

- Facilities and planning departments at our universities routinely charge colleges an annual fee, which is a percent of a facility's replacement value, to cover maintenance and most life-cycle repairs on campus. This Policy Manual revision would increase that amount from 1.0% to 1.5% of a facility's replacement value to help the universities cover these costs, and to bring the policy in line with industry standards.
- For the razing, disposal, transfer and sale of buildings, Board approval would increase from a building's fair market value of \$25,000 to \$100,000. The Board Office would then approve the same under \$100,000.

Executive Summary:

Chapter 2.3, section 1:

E. Facility Stewardship

- iii. Future annual maintenance and life cycle repairs for each new major addition or building project for which the project budget has not yet been approved by the Board.
 - a. Annual investment amount to be approximately ~~1.0%~~ 1.5% of a facility's replacement value to meet future maintenance and life cycle repairs. needs.
 - b. Amount and intended sources of funds for future capital renewal funding to be included in submittals when the project budget is presented for Board action. maintenance and life cycle repair funds to be included with other annual operating costs, such as custodial services and utilities, in the project description and budget presented to the Board.

Chapter 2.3, section 2:

D. Disposal, Transfer or Sale of Property and Facilities

- i. Disposal, transfer or sale of buildings facilities with an estimated fair market value of ~~\$25,000 or more~~ over \$100,000 shall be approved by the Board.
- ii. Disposal, transfer or sale of facilities with an estimated fair market value under \$100,000 shall be approved by the Board Office.
- ii. ~~The chief business officer or designee of each institution is authorized to dispose of obsolete or worn out buildings with an estimated value under \$25,000.~~