

SPECIAL BOARD MEETING MINUTES OF THE BOARD OF TRUSTEES OF LARAMIE COUNTY COMMUNITY COLLEGE DISTRICT, STATE OF WYOMING, HELD WEDNESDAY, APRIL 9, 2019, PETERSEN BOARD ROOM, ADMINISTRATION BUILDING, LARAMIE COUNTY COMMUNITY COLLEGE

Board Present: Board Chairman Jess E. Ketcham (by phone), Vice Chairman Wendy Soto (by phone), Secretary Bob Salazar, Treasurer Don Erickson, and Trustees Brenda Lyttle (by phone) and Janine Thompson

Board Excused: Trustee Carol Merrell, ACC Ex Officio Butch Keadle, and Student Ex Officio Austin Babcock

Staff Present: President Joe Schaffer, Vice President Judy Hay, Vice President Rick Johnson, Associate Vice President Lisa Trimble, and Administrators and Staff James Miller, Nola Rocha, Dana Wilson, and Bill Zink

Visitors: Morgan Lamb (Ch. 5) and Janel Bruner, Jacob Sherlock, and Zach Ward (Wingspan)

1. 4:00 p.m. – CALL TO ORDER of the April 9, 2019, Special Board Meeting of the Laramie County Community College District Board of Trustees – Board Chairman Jess Ketcham

Board Chairman Jess Ketcham called to order the April 9, 2019, Special Board Meeting at 4:02 p.m. and asked President Schaffer to conduct the meeting, since he was connected by phone.

2. RESIDENCE HALL PROJECT UPDATE

A. [Project Status, Cost Bids, and New Location](#) – President Joe Schaffer, Vice President Rick Johnson

President Schaffer prefaced his comments saying he is seeking the Board's direction of how to proceed with the residence hall project given the increased project cost of \$2 million. He advised a decision needs to be made quickly in order to meet the groundbreaking and residence hall opening deadlines.

Some background: Prior to receiving the GMP (Guaranteed Maximum Price) from FCI last week, diligent work had been taking place to reduce project costs. This was done because of anticipated construction price escalation, based on HVAC, mechanical, electrical, and plumbing bid activity showing extreme increases in bid costs for these. Through this work, \$4 million of expenses were removed. Unfortunately, when the GMP was received last week, the project was still \$6.5 million over budget with a total project cost of \$36 million. The College with Vice President Johnson in the lead again reduced the project significantly by another \$3.5 million; new project cost \$33 million—still \$3 million over budget. The changes, although significant in reducing the project cost, would likely be unnoticeable by those outside of the project—staff, students, and community.

Option: The planned construction site would place the new residence hall in the current residence hall parking lot. FCI proposed moving the site to the west of the current residence halls. Doing this would have an anticipated cost savings of \$1 million and is believed to be a viable option. New project cost would be \$32 million—\$2 million over budget.

A meeting took place today with the Laramie County planning department to discuss moving the project site and whether the College would have to acquire a new building permit, assume the cost for that permit, and postpone construction for the time needed to obtain the permit. The County agreed to consider the move a site plan change in lieu of a complete re-request of a building permit, the cost of which would have been an additional \$110,000. In addition, the County is willing to have construction work begin while the re-design is taking place.

Moving the site to the west of the existing residence halls has other advantages, such as retaining two access points for the Eagle Village, connecting with soccer fields and other amenities, and giving each residence hall its own parking area. In addition, space needed to accommodate the removal of the West Residence hall sometime in the future will exist.

Recommendations and Thoughts

1. Seek additional debt (loan, bonds, etc.) in the range of \$2 million.

President Schaffer does not wish to incur additional debt on this project.

2. Pull the plug on the project altogether. The sunk costs will be about \$1.4 million dollars.

Pulling the plug could create future challenges, knowing construction of a residence hall in the future would incur additional design and construction costs. Because of this, a new residence hall would probably not be pursued in the foreseeable future. Sunk costs of \$1.4 million would have to be paid to Method (architect) and FCI (contractor) for pre-construction costs.

3. Bring an additional \$2 million to the project from fund balances (likely the One Mill Fund).

Prior to changes in the SLIB (State Land and Investment Board) loan program, the plan was to bring about \$2.8 million from the One Mill Fund and some small accounts that need to be zeroed out to complete the project's funding. Believing these funds would no longer be needed, they were earmarked for the EEC, Fine Arts, and RAC projects, as these are also experiencing off-the-chart escalations in HVAC, mechanical, electrical, and plumbing bids.

President Schaffer stated that after much consideration of the above, his recommendation to the Board would be to expend up to \$2.5 million of One Mill and other miscellaneous fund balances to cover the escalated costs associated with the construction of the new residence hall on the Cheyenne Campus.

Comments and Clarifications

- Vice President Johnson shared a [viability model](#) that showed how the residence hall will be financed based and the generation of revenue following the payoff of the east residence hall in 2025.
- Additional funding monies would not be pulled from the College's investments but rather from existing fund balances; i.e., immediate cash from carryover funds from the Health Science Building, Clay Pathfinder Building and Flex-Tech Building projects, coal lease, general fund balance (Operating Fund Budget), and One Mill Fund. (Funds 10, 12, 13, and 14)
- With some re-engineering of the Fine Arts project, the use of fund balance should not be necessary.
- A new GMP will be issued, and the project will have to be constructed within the GMP budget. The project cost cannot exceed \$30 million.
- The breezeway has been eliminated from the design. Some feedback received from residence hall students thought the breezeway's removal might be an improvement to the design.
- The wind flow pattern is better managed by rotating the design clockwise and placing the building on the new site.
- Card access will be to the residence hall building rather than individual rooms.
- Some of the finishes will use other materials; for example, the wood ceiling in the vestibule.
- Thickness of pavement was reduced.
- Landscape will be to code and minimal.
- Flex space will be shelled instead of finished.
- The cuts have not eroded the residence hall's beauty, functionality, or recruiting capacity. The hall will still have 350 beds.
- The additional mill approved by the voters will probably bring in more money than expected due to increased Laramie County valuations.

B. Authorization to Spend Fund Balance – President Joe Schaffer

Trustee Erickson moved and Vice Chairman Soto seconded,

MOTION: That the Board of Trustees authorizes the President to expend up to \$2.5 million of One Mill and other miscellaneous fund balances to cover the escalated costs associated with the construction of the new residence hall on the Cheyenne Campus.

DISCUSSION: None

MOTION CARRIED unanimously.

Trustee Erickson noted that based on the lessons learned from the current projects' increased construction costs, that consideration should be given to increasing the amount requested from the Legislature for the RAC. President Schaffer stated such discussions have taken place. The request will be for \$18 million with half from the State. Trustee Erickson was pleased to know the staff are "ahead of the curve."

3. **ADJOURNMENT** of the April 9, 2019 Special Board Meeting of the Laramie County Community College District Board of Trustees – Board Chairman Jess Ketcham

Vice Chairman Soto moved and Trustee Salazar seconded,

MOTION: That the April 9, 2019, Special Board Meeting of the Laramie County Community College District Board of Trustees be adjourned.

DISCUSSION: None

MOTION CARRIED unanimously, and the Special Board Meeting was adjourned at 4:48 p.m., as so moved.

Respectfully submitted,

Board Recording Secretary
Vicki Boreing