SPECIAL BOARD OF TRUSTEES MEETING

I. AGENDA
A. Call to Order
   The special meeting of the Western Wyoming Community College District Board of Trustees was called to order at 6:05 p.m., Wednesday, May 2, 2012, in Board Conference Room 3071, Rock Springs Campus, President Shannon Honaker presiding.

B. Approval of Agenda
   1. Trustee Eckman made a motion to approve the agenda as presented. Trustee Plant seconded the motion, which was approved by vote.

II. RECOMMENDED ACTION
A. New Business
   1. CAPITAL CONSTRUCTION, MAJOR RENOVATION, & OTHER SMALLER CONSTRUCTION-RELATED PROJECTS

PROJECT DESCRIPTIONS AND FUNDING OPTIONS

Overview

Over the next 24 months, the College will be undertaking several capital construction, major renovation, and other smaller, construction-related projects. Some of the projects require significant funding commitments and will be referenced in the College’s up-dated Master Plan to be completed over the next few months. Other projects being considered by the Administration (or already approved) will not necessarily be listed in the formal Master Plan; however, they are included herein because cumulatively they will cost a considerable amount...
of money and, as a result, will impact, to a significant extent, the availability of funds.

Project Descriptions and Cost Estimates

Wellness/Athletic Facility Renovation & Expansion
This project (first floor only) has been approved by the WCCC and the Wyoming Legislature. Below is a description of the basic options associated with this project and associated estimated construction costs provided by Plan One Architects. The State of Wyoming Construction Office will have jurisdiction over this project. This Office will retain the architect and pay all design costs.

- Basic Plan (Construct First Floor Only): $4,538,451
- Add Deck Construction to Basic Plan: $5,259,966
- Build Second Floor Described Below: $8,042,075

Descriptors:
- The “Basic Plan” is what was submitted to the Wyoming Community College Commission and approved by the Legislature.
- “Add Deck Construction” means constructing a deck over the first floor ceiling so that in the future a 2nd floor could be constructed. The preliminary estimated extra cost for this option is $721,515.
- “Build Second Floor” means constructing the 2nd floor, with most of the space being initially “shelled out.” The cost estimate contemplates that only a wrestling practice room, two restrooms, one office, and one storage room would be finished on this floor. Included in this estimated cost is the re-location of the Dance Studio to where the 2nd floor Wellness Center is now located. This area, under the Basic Plan, was to be the wrestling practice room. Because of the need to construct a dance floor, the renovation cost has increased by about $75,000.

Workforce Training Facility
This project involves constructing and equipping a proposed 7,500 square foot steel building on the College’s Well Site area, close to the existing 2,500 square foot steel building. A grant request in the amount of $1,000,000 has been submitted to the Wyoming Business Council to help fund this project. The College is responsible for providing the balance of the needed funding.

- Estimated Total Cost: $1,535,402

This cost estimate does not include any equipment or furnishing costs that the College may incur. It does, however, include design costs.

Renovation of Existing Wrestling Practice Room and Athletic Weight Room Into Classroom Spaces
When the new construction of the Wellness/Athletic Facility is completed, the plan is to (as soon as feasible thereafter) renovate the existing wrestling practice and athletic weight rooms into regular classrooms. The Administration does not have cost estimates at this time for this work. If the estimated cost is $100,000 or more, the Wyoming Community College Commission will have to
approve the project. Below is a very rough (and hopefully adequate) cost estimate for budget purposes. The master planners are required to give us a cost estimate for this work and I have asked them to provide it as soon as possible.

- Room Renovations: $150,000

**Other Projects Either Already Approved or Under Consideration**
The following (non-Major Maintenance) projects have been approved or are under consideration using One Mill resources. They are included in the write up so that the Board can have a bit of a “broader view” of certain demands on College funding. With an expected significant decrease in local assessed valuation commencing in FY 2013-14 due to what will likely continue to be a sharp decline in natural gas prices, the amount of “discretionary” resources in the One Mill Fund will definitely drop. Estimated costs follow:

- Replacement of Balcony Railing in Rushmore Gymnasium: $40,000
- Replacement of Front Entry Donor Wall and Displays: $45,000
- Installation of Parking Lot Cameras…”Childcare” Lot: $95,000
- Physical Resources Laydown Yard Relocation: $80,000
- OIS Laboratory Floor & Room Renovation: $120,000
- Re-locating the Information Technology Core Room: $80,000
- Constructing New Faculty Offices: $20,000
- Renovation of Courtyard No. Two $180,000
- Classroom Sound Mitigation Initiatives $25,000
- Art Gallery Humidification $200,000

Total: $885,000

Note: Some of the estimated costs listed above are quite rough while others will likely be fairly close to actual costs. Moreover, proposed projects are continually given to the VP for Administrative Services for review and consideration. Thus, the listing above is probably not inclusive of all projects that will be considered over the next couple of years.

Additionally, it is conceivable that three or four of the projects listed could be funded with Major Maintenance funds; however, these funds have been reduced by the Wyoming Legislature (at least for the up-coming biennium) so we need to be careful how we spend these funds in light of an aging physical plant.

**A Note Regarding “Later Phase I” or Subsequent “Phase II” Projects**
As discussed with the Board of Trustees on April 12th, the Master Plan is focused primarily on those projects which can possibly be accomplished in the up-coming five year period. As of this writing, the exact “phasing” of projects has not been precisely defined. Clearly, however, “Phase One” projects to be listed in the Master Plan include the Wellness/ Athletic Renovation & Expansion project, the Workforce Training Facility, and the renovation of the existing wrestling practice and athletic weight rooms into regular classrooms. These are
the projects either directly or indirectly associated with previous submittals to the Wyoming Community College Commission and for which action will likely be needed in the next 24 months. There are some “smaller” projects in Phase I, such as library improvements and the expansion of Mitchell’s Cafeteria into Room 1003 which could be accomplished at any time in the Phase I time frame.

A significant amount of future discussion will definitely be needed for “Later Phase I” or “Phase II” projects to be identified in the Master Plan. The Board was given a preview of these potential projects by Blalock and Partners on April 12th. It is entirely possible that one (or several) of these additional projects could be initiated in the latter part of the five year “window” of time included in the Master Plan. Obviously, some these projects will cost a significant amount of money and the completion of same will be contingent on funding availability.

Available Resources to Fund the Projects

**Legislative Appropriation (Wellness/Athletic Renovation & Expansion Project)**
The Wyoming Legislature appropriated $2,582,915 to fund the Wellness/Athletic Renovation & Expansion project. Of this amount, $387,437 is for design. Thus, for construction, the following amount is available, compared to estimated construction cost options. Furnishings and equipment items are also estimated.

Available for Construction, Equipment, Furnishings, Etc.: $2,195,478

<table>
<thead>
<tr>
<th>Construction Cost</th>
<th>Available for Construction (Shortfall)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Plan:</td>
<td>$4,538,451 ($2,342,973)</td>
</tr>
<tr>
<td>Add Deck:</td>
<td>$5,259,966 ($3,064,488)</td>
</tr>
<tr>
<td>Add 2nd Floor:</td>
<td>$8,042,075 ($5,846,597)</td>
</tr>
</tbody>
</table>

Moveable equipment and furnishings are not included in the construction cost noted above. An additional estimated amount for these items would be: $150,000.

**Wyoming Business Council Grant (Workforce Training Facility)**
The College (through Sweetwater County) has applied for a grant to help fund the new proposed Workforce Training Facility.

Available Funding if Grant is Awarded: $1,000,000

Construction Cost $1,535,402 ($535,402)

Moveable equipment and furnishings are not included in the construction cost noted above. An additional estimated amount for these items would be: $50,000.

**Review of Funds…“Available” Monies for Capital Construction**
Below is a general overview of the College Funds which have cash available to finance capital construction projects at Western. The VP for Administrative
Services (Wm. Marty Kelsey, hereinafter referred to as VP) has provided a few comments under each Fund or Account to help guide the Board during its deliberations.

A decision by the Board of Trustees to draw down the “maximum” amounts of cash indicated below is a decision that must be taken very seriously. The VP is not “recommending” the draw down…only indicating that should the Board decide to draw down cash to help finance capital construction, that certain funds or accounts retain an absolute minimum amount of cash.

**Unrestricted Operating Fund (10 Fund)**
Projected Fund Balance 30 June, 2012: $3,750,000

These are unrestricted funds that could be used for capital construction. They are part of the allowable eight (8%) carryover and are considered “rainy day” funds.

VP recommends keeping all of these funds as carryover for “rainy day” purposes.

Exception budget monies appropriated by the 2012 Wyoming Legislature will be available in July, 2012 in the amount of: $1,196,239

There may be monies at the end of FY 2011-12 that can be transferred to the Plant Fund for capital construction purposes.

VP recommends that all of the Exception budget funds be used for capital construction projects.

**Unrestricted One Mill Fund (11 Fund)**
Projected Fund Balance 30 June, 2012: $3,300,000

These are unrestricted funds that could be used for capital construction. They are not part of the allowable eight percent carryover. As noted above, there are a lot of miscellaneous projects that would be paid for with these funds.

The balance in this account was drawn down to partially pay for the purchase of Aspen Mountain Hall. On 30 June, 2009, the account balance was $3,729,989.

VP recommends keeping at least $1,500,000 for projects in the future, beyond FY 2012-13, should the Board decide to draw down money in this fund.

**Plant Fund...Capital Construction Account**
Projected Account Balance 30 June, 2012: $827,000

These monies are largely available for capital construction purposes.

Should the Board decide to draw down money in this account, the VP recommends keeping at least $250,000 in the account as this account is used
for “front-end” purchases each spring by other funds. This account is then reimbursed by the other funds in early fall of each year.

**Plant Fund…Construction Resolution Account**
Projected Account Balance 30 June, 2012: $1,400,000

These monies are largely available for capital construction purposes. The balance in this account was drawn down considerably to partially pay for the purchase of Aspen Mountain Hall. On 30 June, 2009, the account balance was $3,203,909.

Should the Board decide to draw down money in this account, the VP recommends keeping at least $200,000 in this account.

**Plant Fund…Commercial Park Land Sales Account**
Projected Account Balance 30 June, 2012: $3,125,000

These monies are largely available for capital construction purposes. Annual property taxes are scheduled to be paid from the One Mill Fund, commencing in FY 2012-13.

Should the Board decide to draw down money in this account, the VP recommends keeping at least $200,000 in this account for possible subdivision-related expenses in the future.

**Summary of Recommended Maximum Available College Cash to Fund Capital Construction**

- Exception Budget Monies in FY 2012-13 Budget: $1,196,239
- One Mill Monies: $1,800,000
- Capital Construction Account…Plant Fund: $577,000
- Construction Resolution Account…Plant Fund: $1,200,000
- Comm. Park Land Sales Account…Plant Fund: $2,925,000
- Possible FY 2011-12 10 Fund Monies: $200,000

Total College Monies: $7,898,239

**Summary of Potential Resources to Fund Capital Construction**

- College Monies: $7,898,239
- Legislative Appropriation: $2,195,478
- Wyoming Business Council Grant: $1,000,000

Total Available Resources: $11,093,717

**Summary of Potential Capital Construction & Other Listed Project Costs:**

- Wellness Center/Athletic Renovation & Expansion: $8,042,075
- Workforce Training Facility: $1,585,402
- Renovation of Wrestling and Athletic Weight Rooms: $150,000
• Other Projects as Listed Above: $885,000

Capital Construction, Renovation, and Other Project Costs: $10,662,477

**Lease-Purchase Financing Option**
The College used lease-purchase financing to provide the majority of the funding for the construction of Wind River Hall. Lease-purchase financing can also be used to fund a portion of the College’s other capital construction needs if desired. Below are some details provided by Kaiser and Company to provide $2,000,000 in funding for capital construction.

- Interest rates are at near 40 year lows...average rate now of 3.68%
- $2,000,000 net proceeds
- Lease term would be 18 years
- Annual payments would be in the neighborhood of $170,000 per year on average
- Issuance costs, including a bond reserve fund, legal fees, etc. are included

This is a viable option, depending on whether or not the College wants additional future debt obligations as opposed to using available cash. The College currently has a long term lease-purchase bond obligation of $375,000 per year until June, 2032. The example provided above is for illustration purposes...many other variations are available, depending, among other things, on how far out the Board wishes to extend the debt and what the Board would want for an annual payment.

**General Obligation Bond or Related Mill Levy Option**
The College could attempt to sell a general obligation bond issue or, alternatively, ask voters to approve a mill levy initiative to finance capital construction needs as provided by W.S 21-18-311(f). (This is the option the College used for the most recent tax initiative.) Interest rates are low.

VP recommends against this option; too close to the last tax initiative. Recommend saving these options for a later time, perhaps for Phase I and/or Phase II projects in future years.

**6th Cent Initiative**
The College could work with Sweetwater County and County municipalities to gain a slot on the next available 6th cent initiative which will likely be in November, 2012. A College project would need to be sponsored by Sweetwater County or one of the County municipalities.

At the present time, according to Robb Slaughter, County Treasurer, several projects are under consideration totaling about $80 million. The County is looking to sponsor a medical office building next to Memorial Hospital and three county roads. Other projects are being proposed by the municipalities.

Should the Board of Trustees desire to pursue this funding option, the VP recommends that either the Mayor of Rock Springs or the Chair of the County Commissioners be contacted ASAP before plans are firmed up.
The next 6th cent tax initiative would likely not occur until November, 2018.

VP has no recommendation at this time regarding this potential option.

Vice President Kelsey gave an explanation of the funding options. A lengthy discussion ensued regarding the projects, the funding options and the approval process. President Honaker asked Vice President Kelsey what action was being recommended, and a timeline of when the Board would need to make a decision. Vice President Kelsey said that the Administration was not making any recommendation at this time, but is asking that Board members give the issue consideration and be prepared to give the Administration direction at the May 10 Board meeting.

2. Accreditation Update

Dr. Leach gave each Board member a copy of the Systems Portfolio, stating that it is the final draft. Dr. Leach also explained that the document is on the college website to allow for public and employee comment. Dr. Leach also gave an update on the nursing program accreditation with the National League for Nursing Accrediting Commission, stating that the appeal process had begun. A lengthy discussion ensued regarding the various voluntary national nursing accrediting bodies, the challenges facing rural community colleges in recruiting master’s qualified nursing instructors, and the value of maintaining a voluntary national accreditation in addition to the state accreditation. No action was recommended or taken.

Executive Session

Trustee Eckman made a motion to enter into Executive Session for personnel reasons. The motion was approved by vote and the special meeting was suspended at 9:00 p.m.

III. ADJOURNMENT

President Honaker reconvened the regular meeting at 12:10 a.m. Having no further business to act on, President Honaker adjourned the regular meeting at 12:11 p.m.

NOTE: Additional information (tapes and/or addenda) from this meeting is available in the Board Office.

Above recorded by:

Kandy Frink

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WWCC Board President

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WWCC Board Secretary