

Utah State Building Board



MEETING

March 16, 2005

MINUTES

Utah State Building Board Members in attendance:

Larry Jardine, Chair
Kerry Casaday, Vice-Chair
Steven Bankhead
Katherina Holzhauser
Cyndi Gilbert

DFCM and Guests in attendance:

F. Keith Stepan	Division of Facilities Construction & Management
Kenneth Nye	Division of Facilities Construction & Management
Shannon Lofgreen	Division of Facilities Construction & Management
Blake Court	Division of Facilities Construction & Management
Dana Edwards	Division of Facilities Construction & Management
D'Arcy Dixon Pignanelli	Department of Administrative Services
Steve Allred	Legislative Fiscal Analyst's Office
Darrell Hart	Utah State University
Kevin Hansen	Weber State University
Jim Michaelis	Utah Valley State College
Sam Steed	Snow College – Richfield
Michael G. Perez	University of Utah
Randall Funk	University of Utah
Pieter J. van der Have	University of Utah
Mark Spencer	Utah System of Higher Education
Robyn Smith	HFS Architects
Chris Coutts	MHTN Architects
Julee Attig	Jacobsen Construction
Matt Rich	Jacobsen Construction
Jackie McGill	Spectrum Engineers
RoLynne Christensen	VCBO Architecture
Barbara Bruno	Herman Miller
Donna Kessler	Henriksen Butler
John Harrington	Siemens
Deanne Mousley	State Fire Marshall's Office
Bart Hopkin	Department of Human Services

Greg Peay	Corrections
Richard Clarke	UDOT
Bill Juszczak	UDOT
Gary Adams	Department of Workforce Services
Michael Wollenzien	USOR

On Wednesday, March 16, 2005, the Utah State Building Board held a regularly scheduled meeting in the House of Representatives Building, Room W125, Salt Lake City, Utah. Chair Larry Jardine called the meeting to order at 9:00am.

APPROVAL OF MINUTES OF JANUARY 26, 2005

Chair Jardine sought a motion to approve the meeting minutes of January 26, 2005.

MOTION: Steve Bankhead moved to approve the meeting minutes of January 26, 1005. The motion was seconded by Kerry Casaday and passed unanimously.

REPORT ON LEGISLATIVE RESULTS

Keith Stepan complimented the Building Board for their involvement in the capital development process and heightening the credibility of the Board and their prioritization process. He indicated DFCM wished to establish goals for next year by involving the Capital Facilities Committee on site visits with the Board, and incorporating the Board of Regents process and the Building Board process.

Kenneth Nye provided a summation of the legislative events and noted that the capital facilities projects benefited from the desire to “park” additional revenue and surpluses in “one-time” commitments. The level of state capital development funding increased by \$58 million from last year and was done without General Obligation bonds. This includes \$38 million appropriated in ongoing funds for capital developments. Next year the Legislature will be looking at the \$38 million base budget of cash in the Capital Facilities Committee’s allocation of capital development projects.

Mr. Nye distributed a chart summarizing the capital projects funding for capital development and capital improvement projects for the last seven years. The chart indicated how much funding was received through the General Fund/Income Tax; General Obligation Bond; Lease Revenue Bond; Transportation Fund; and other state funds.

Mr. Nye referred to a summarization comparison of the Building Board’s recommendations, Governor Huntsman’s recommendations, and the Legislature’s actions. The Legislature and Building Board’s priorities were quite similar with exception of the UVSC Digital Learning Center and the Richfield Regional Center not being funded. Both projects are expected to return next year. The Legislature also chose to fund the purchase of the UCAT

BATC Bourns Building. The Legislature funded \$50 million for the Capitol and up to \$85 million may be up for consideration next year.

There was a desire expressed during the session to address some needs for the Museum of Fine Arts at the University of Utah. Therefore, \$465,000 was allocated from the Marriott Library project to fund a storage system for the Museum of Fine Arts.

The Legislature also funded \$2 million for State Park Renovations. A few years ago, the Legislature funded \$10 million for renovations at State Parks; however, half of the money was taken back due to budget difficulties. This \$2 million is an attempt to restore a portion of the \$5 million that was cut. DFCM will hold discussions with Parks to determine how to coordinate the funds into the capital improvement list.

The Legislature also added the relocation of the USU Agricultural Building at half of the amount pursued to build a replacement facility at the Caine Dairy. Mr. Nye assumed they would return next year for an additional \$5 million.

In regards to the other funds projects, the Legislature followed the Board's recommendations entirely with the exception of a future site for a replacement courthouse in St. George. The Legislature authorized DFCM to negotiate an agreement with the city and the school district for a three way exchange of property which would provide a new location for the Courthouse. Design and construction would need to be sought next year. The language also indicated DFCM would not proceed with the actual exchange of title until the construction of the project was funded.

During the session, the College of Eastern Utah indicated they had received donations to allow them to pursue the Fine Arts Complex replacement using donated funds rather than seeking state funds. The project was authorized to be a 100% non-state funded project once the funds are validated. Keith Stepan stated an independent structural engineer looked at the facility who concluded without a seismic event, it is not in immediate danger, but it is highly recommended that it be replaced in the next year or two.

Mr. Nye also noted that the Legislature did not authorize the Workforce Services building in Richfield. This was recommended by the Board as either part of the Regional Center or as a stand alone facility with federal funds.

The Legislature also funded \$150,000 to DFCM to conduct a feasibility study of relocating the prison out of Draper. The intent language identifies items of consideration and requires opportunities for public input. DFCM will be working on the study in conjunction with the Department of Corrections and the Governor's Office.

The Legislature funded \$56,161,600 of general Capital Improvement funding to DFCM. DFCM will make recommendations for the allocation of the full amount at the April Building Board meeting. Approximately \$12 million more was received for capital improvements

than last session and approximately \$2.5 million more than the required 1.1% funding level. In addition to the regular capital improvement funding DFCM received there was an additional \$2 million appropriated to Parks which is expected to be used for capital improvements. There is also \$1 million frozen capital improvement funds authorized for Emergency Funds of which the authorization will take effect in July.

There was no change in funding levels of the DFCM administration budget other than pay increases and the transfer of the CAD Services program. In the past, the administration budget was funded entirely through General Funds with a small amount coming from project reserve. For the last few years, DFCM has been pursuing restoration of the general fund and this year DFCM was successful in having \$1,087,7000 restored. There was also \$1,648,100 allocated from Capital Improvements, \$1,180,200 from Contingency Reserve, and \$200,000 from Project Reserve for the administration budget.

Last fall DFCM identified an excess balance in the contingency reserve account of \$2.5 million. The Legislature appropriated \$1,180,200 to the administration budget and \$919,000 went to smaller capital development projects leaving \$400,800 in excess funds that was not used in the budget process and would still be available for normal uses of the contingency reserve.

Mr. Nye reviewed the passed Legislation. HB86 dealt with the UCAT amendments and allowed UCAT to enter into lease purchase agreements after being reviewed by DFCM and the Building Board and then approved by the Legislature. It also restricts regular leases and does not allow leases longer than one year on any basis unless they have advance legislative approval of funding or a clause allowing termination without penalty. This bill clarified that UCAT could pursue the lease purchase route, which will be further addressed in the capital development review process.

HB103 also passed and was sponsored by Representative Stephen Clark. Initially this bill would have placed student housing projects under the jurisdiction of local governments for planning and zoning which was of concern to DFCM. It was substantially amended to only require that notice be given to local governments before proceeding with construction. If the local government desires, they would then hold a joint public hearing to allow expression of concerns.

Senate Bill 199 passed and basically eliminated the State Energy Office as an entity and reassigned its functions to other programs or agencies. The higher level policy issues and economic development issues are being transferred to the Governor's Office and there are other components that are going to Environmental Quality and Utah Geological Survey. The passed legislation did not affect the statutes dealing with a State Building Energy Efficiency Program which the legislature adopted a few years ago and authorizes the Governor to establish the program through an executive order. The Governor will determine how to issue an executive order addressing the issues and responsibilities between the entities. The repeal of the energy office takes effect on May 15.

HB241 regarding the Veteran's Nursing Home did not pass, although it received significant attention. The Board will need to determine if they wish to encourage this project in the Building Board process.

HB289 was sponsored by Representative Morley and would have authorized local governments to do design/build under a fairly rigid process for both procurement and the contracting provisions. DFCM was concerned the restrictions were being extended to DFCM, which would have substantially modified the current process for design/build. Representative Morley is anticipating continuing initial discussions during the interim.

Chair Jardine recognized Mr. Nye's efforts on behalf of DFCM and the Board.

☐ EARLY ALLOCATION OF FY2006 CAPITAL IMPROVEMENT FUNDS

Kent Beers recommended the Building Board approve the early allocation of capital improvement funding for the following projects: Snow College Humanities Building Addition and Code Modification (\$336,800); UVSC Administration Building HVAC Replacement (\$888,200); WSU Utility Tunnel Structural Repairs (\$200,000); WSU Steam, Condensate & Domestic Water Piping Replacement (\$1,084,500); and WFS Provo Office Fire Alarm System Replacement (\$78,000). These five projects are very reflective of the projects being discussed in April.

Mr. Beers stated the Snow College Humanities Building Addition design is 90% complete. Concerns were raised by students about overcrowded conditions and fumes inside the existing building. The remodel/addition project will add approximately 2,000 sq. ft. of space, upgrade the venting system, and correct other code violations in the building.

The UVSC Administration Building HVAC Replacement will upgrade the deteriorating existing system. The design was funded last year and construction needs to commence as soon as possible to meet the fall semester deadline.

At Weber State University, staff from DFCM and WSU were conducting analysis inside the utility tunnels and they discovered numerous cracks and breaks in the lid of the tunnel. Portions of the tunnel are being jacked up and are in danger of collapsing. Moreover, students routinely walk across the top of the tunnel system resulting in a life safety situation. Repairs must be made immediately in order to have safe conditions by the start of school.

Also at WSU, the Steam, Condensate & Domestic Water Piping Replacement project is due to numerous breaks in the system which has resulted in mold growth. Repairs and replacement of the piping should begin immediately in order to meet the fall semester deadline or the buildings will be without heat and water.

In regards to the WFS Provo Office Fire Alarm System Replacement, last year the Building Board authorized funding to replace the HVAC system in this building. Construction on the HVAC replacement is scheduled to begin in March. Since the ceilings will be torn out during the HVAC project, DFCM's project manager recommends that the fire alarm system upgrade be combined with the HVAC project in order to avoid duplication and further disruption of the building and its occupants.

MOTION: Steve Bankhead moved for the Board to approve the allocation of funds for the five projects. The motion was seconded by Cyndi Gilbert and passed unanimously.

☐ REVIEW OF CAPITAL DEVELOPMENT PROCESS

Kenneth Nye stated as DFCM introduced the process last year, there was discussion that the new process would likely need some adjustment as they proceeded into the future. Concerns were raised by Board members and other individuals to fine tune the process, and the Board retained the ability to adjust the weights applied to different criteria. Concerns about the growth criteria were also raised, as was concerns about the relative weight of growth versus taking care of existing buildings. The UCAT lease purchase issue would need to be incorporated into the process as well. There have also been concerns raised by some in Higher Education with the current process not directly addressing the priorities determined by the Board of Regents and if it should be incorporated into the process.

Mr. Nye proposed having a few Board members develop a subcommittee to work with DFCM to look at items for consideration to change or improve. They would present their considerations to the Board at the June meeting in order to allow agencies and institutions to prepare their capital development requests.

When the Board met with the Board of Regents last September, there was also discussion about the desire to explore how the two different processes work together. Mr. Nye extended the invitation to Higher Education to include Regents on the subcommittee.

Cyndi Gilbert felt it was very disconcerting that the Regents had their priorities and agencies were simply meshed in. The Board needs a better idea of how the Governor and the Legislature want to proceed. She felt it was very beneficial to tour and interact with the Legislative committee.

Chair Jardine felt the concept of the Committee to work on this project would be very beneficial. Katherina Holzhauser, Kerry Casaday and Steve Bankhead will all serve on the committee to refine the process.

☐ PROGRAMMING OF TWO PROJECTS AT WEBER STATE UNIVERSITY.....

Blake Court stated WSU sought Board approval to proceed with the programming for replacement of Building 1 and Building 2. WSU proposed using their own funds to begin the programming process and obtain a better scope analysis. WSU also sought the Board's approval on a master plan of on the southwest corner of the campus which will be donor funded.

Kevin Womack, WSU, stated when WSU presented the project to the Board last year, they were in the initial concept development phase. Since then, they have had meetings with the Provost and met with the Deans impacted by this project. It became very apparent that more detail specific information needed to be developed into a program and there were several competing demands. WSU sought permission to proceed with developing the program to define those requirements and space allocations in order to meet the program needs of the impacted colleges.

WSU hopes to consolidate the Humanities programs currently housed in several buildings across the campus into one building. They will pay for this program with their own funds, but will ask for reimbursement when the project gets funded. They are also currently seeking additional funds from donors.

WSU also hoped to conduct a master plan on the southwest corner of campus which currently accommodates three former dormitory uses that are no longer used for student housing and do not meet fire codes. Promontory Tower has some significant issues regarding earthquake and seismic stability and long term use and needs a value analysis on how to include it in the long range plan. University funds would be used for the master plan of the south area and will capture an alumni center funded through donor funds.

MOTION: Katherina Holzhauser moved to approve the projects requested by Weber State University. The motion was seconded by Kerry Casaday and passed unanimously.

☐ ADMINISTRATIVE REPORTS OF THE UNIVERSITY OF UTAH AND UTAH STATE UNIVERSITY

Randall Funk, University of Utah, provided the administrative report for the period of January 7 to February 25, 2005. There were three new design agreements, one study agreement, and no new construction projects. There were four transfers out of the contingency reserve fund for volt system improvements, the Chemistry building cooling tower replacement, and two projects on the Social and Behavioral Sciences building exterior concrete restoration. There was no activity in the project reserve fund.

MOTION: Kerry Casaday moved to approve the administrative report of the University of Utah. The motion was seconded by Steve Bankhead and passed unanimously.

Pete van der Have discussed the roof replacement at the Widtsoe and Emery buildings. Last year the Board approved a reallocation of leftover funding from roofing projects to proceed with the Widtsoe and Emery buildings. Upon further investigation, the University determined more was required than replacing the skin on the roof and reconstruction of the roof structure was required. The University determined it was more appropriate to proceed with one roof system at a time. They wished to combine the funding from the Widtsoe building with the Emery building to give them approximately \$450,000 to rebuild the roofing structure on the Widtsoe building. They will then request new funding in next year's cycle to address these same issues with the Emery building.

Kent Beers noted the Widtsoe building is on the FY2006 capital improvement list which may delay the project a couple of months.

Katherina Holzhauser asked if there would be any savings by doing both projects at the same time. Mr. van der Have was concerned with the timing of year they would not be able to get both projects completed during the summer.

MOTION: Cyndi Gilbert moved approval of using the funds available originally for the Widtsoe and Emery building solely for the Emery building skin and structure. The motion was seconded by Katherina Holzhauser and passed unanimously.

Kent Beers observed this was a very good example of the extreme difficulty improvement projects face when the existing facility has problems. Throughout the year when DFCM returns to the Board with reallocation requests, it is due to the impossibility to investigate some of the unforeseen conditions.

Darrell Hart, Utah State University, provided the administrative report for the period of January 7 to February 23. Two miscellaneous construction contracts were issued. Three projects with balances were closed in the contingency reserve fund account. Two projects were transferred in the contingency fund due to unforeseen conditions.

Within the quarter, there were nine contracts closed and two new contracts were issued. The SCADA High Voltage Controls project is now complete and exceeded the time completion date due to timing in getting the paperwork processed.

There were currently 49 projects delegated and 10 of those are in construction, 21 are complete or partially complete, and the rest are in various stages of funding, design, or pending.

Another significant note is that the athletic locker room office facility has been taken off the list for funding issues and they are re-looking at that project.

MOTION: Kerry Casaday moved to approve the administrative report of the Utah State University. The motion was seconded by Cyndi Gilbert and passed unanimously.

ADMINISTRATIVE REPORTS FOR DFCM.....

Keith Stepan reviewed the administrative report for DFCM. The lease report indicated that of the 400 leases managed by DFCM, approximately 80 will be renewed next year.

There were 53 A/E agreements issued during the period and 57 construction contracts.

OTHER.....

Kerry Casaday will serve on the General Contractor short listing selection committee.

Keith Stepan will serve on the Mechanical Contractor short listing selection committee.

The Building Board meeting previously scheduled for June 1 has been rescheduled for Wednesday, May 25, 2005.

ADJOURNMENT.....

MOTION: Cyndi Gilbert moved to adjourn at 10:21am. The motion was seconded by Katherina Holzhauser and passed unanimously.

Minutes prepared by: Shannon Lofgreen