

Utah State Building Board



MEETING

April 7, 2010

MINUTES

Utah State Building Board Members in Attendance:

Mel Sowerby, Chair
George Daines
Wilbern McDougal
Sheila Gelman
Cyndi Gilbert

DFCM and Guests in Attendance:

Gregg Buxton	Division of Facilities Construction & Management
Kurt Baxter	Division of Facilities Construction & Management
CeeCee Niederhauser	Division of Facilities Construction & Management
John Nichols	Division of Facilities Construction & Management
Alan Bachman	Attorney General's Office/DFCM
LaPriel Dye	Attorney General's Office/DFCM
Chris Hipwell	Wadman Corp.
Jerry Jensen	Utah Department of Commerce
Bill Juszczak	UDOT
Kade Minchey	Legislative Auditor
Dallas Earnshaw	USH
Tiffany Woods	BHB Consulting Engineers
Cynthia Cook	FFKR Architects
Chris Coutts	Architectural Nexus
Keiren Hansen	Weber State University
Jim Michaelis	Utah Valley University
Frank Young	Utah Valley University
Douglas Dawes	Utah State University
Bryan Wilmot	Utah Correctional Industries
Curtis Burk	Department of Administrative Services
Bob Askerlund	Salt Lake Community College
David F. Tanner	Southern Utah University
Ben Berrett	Utah State University

Rachel McQuillon	Kiewit
Adam Smith	Kiewit
Judy Duncombe	Utah State Fair Park
Andrew Carlino	Utah State Fair Park
Ralph Hardy	OCHE
Greg Stauffer	OCHE
Mike Perez	University of Utah
Ian Christensen	OLAG
Alyn Lunceford	Utah Courts
Keith Davis	DHS
Jackie McGill	Spectrum Engineers
Kim Hood	DAS

On Wednesday, April 7, the Utah State Building Board held a regularly scheduled meeting at the Utah State Capitol Complex, Room 250, Salt Lake City, Utah. Chair Mel Sowerby called the meeting to order at 9:03 a.m.

APPROVAL OF MINUTES OF MARCH 10, 2010

Chair Sowerby sought a motion for approval of the minutes.

MOTION: Wilbern McDougal moved to approve the meeting minutes of March 10, 2010. The motion was seconded by Sheila Gelman and passed unanimously.

MASTER PLAN APPROVAL FOR SNOW COLLEGE

Kurt Baxter from DFCM indicated that the original master plan for Snow College was about 7 years old. There have been many changes and additions at the college. They recently acquired Ephraim Elementary School which included about 7 acres of land and they want to incorporate that into the master plan along with making changes to some of their old out-dated student housing. Therefore, they would like to make an addendum to the Master Plan with additional funds being provided by Snow College.

MOTION: Cyndi Gilbert moved for approval of the New Master Plan as paid for with Snow College Funds. Motion was seconded by George Daines and passed unanimously.

ALLOCATION OF FY 2010 CAPITAL IMPROVEMENT FUNDS

Ken Nye reported that the University of Utah continues to deal with problems with their infrastructure. Last summer they experienced a number of major, very expensive failures to their high temperature water distribution system. Those who attended the Building Board tour last summer had an opportunity to see this first hand. At that time, DFCM's Director

Gregg Buxton encouraged the University to visit with a number of Legislative leaders to address this critical need. One of the responses from the Legislature included encouragement to do everything possible with the existing funding. They later submitted a request to the Legislature for the first portion of the capital development request. The Legislature was not able to fund that request but ended up authorizing a reallocation of \$3,550,000.00 of the current fiscal year's capital improvement money that had been previously authorized to the University of Utah. They applied those funds to the high temperature water distribution system replacement. They wanted to clarify that this reallocation does not provide any additional funding to the University. It takes previously allocated funds from FY 2010 and directs them to this particular project (See attachment #1).

DAS Director, Kim Hood asked if this \$3.5 Million reallocation only funds the high temperature water line replacement. With these funds, how close will the University be to completing this project? Ken Nye responded that the \$3.5 Million reallocation and the additional \$2.5 Million that was funded for FY 2011 will help them complete roughly one half of the project.

George Daines said that they must have had a number of places they could have taken the money from but elected to draw from a certain list of projects. He indicated that he would be interested in having a copy of the list which showed the possible choices. Ken Nye responded that the only project that was not under contract in FY 2010 was a fume hood project that had been delayed in construction because of some code problems they were trying to work through. There were not a lot of options left.

MOTION: Wilbern McDougal moved to approve the Allocation of FY 2010 Capital Improvement Funds. The motion was seconded by George Daines and passed unanimously.

☐ ALLOCATION OF FY 2011 CAPITAL IMPROVEMENT FUNDS

Kurt Baxter reported that DFCM's recommendations for the reallocation of capital improvement funds were developed under due process and approved by the Board. The total costs of all requests received this year from all agencies and institutions of higher ed was \$182 Million. The Legislature funded \$50.6 Million. Mr. Baxter reported that the process to narrow the list of selections was a big undertaking with the procedure starting eight months ago with contacts to project managers to verify project costs and to make sure they were important and needful. Most of these items are repairs to infrastructure, HVAC, electrical, roofing, structural or paving problems. Upgrades to life safety systems are given a high priority. There are several items to review (see attachment #2).

The first is a summary of replacement costs of facilities verses the share of FY 2011 capital improvement funding. Higher education received a significant amount of the funding at \$29 Million. The percent for FY 2011 funding is 61.8% and replacement cost at 62.5%. Next

line is state agencies with \$18 Million. The percent of funding was at 38.2% and replacement cost at 37.5%. The sum of these figures equal the \$47 Million allocated. The \$3.4 Million goes into the general funds for planning funds for roofing, paving and other projects that are distributed around the state on an "as needed" basis to all agencies except University of Utah and Utah State which have their own funds for these projects. The grand total of \$50,685,400.00 is the amount appropriated to us from the Legislature.

The FY 2010 capital improvement projects status report on the same page shows there are 125 projects completed or under construction out of 139 which show their percentage at 89% (See attachment #2). Gregg Buxton explained that this percentage was probably an indication of the status of the economy. DFCM is trying to complete their job with fewer personnel and as a result some of these processes are struggling.

Mr. Baxter continued his report by explaining the capital improvement funding for FY 2007 to FY 2011. He explained that this is a five-year overview of the allocation of capital improvement funds to each agency and institution of higher education in the state. The column before the total on the far right shows this year's allocation with roughly 2% going to higher education and about 38% going to state agencies. A comparison of other years, show they are fairly similar. Occasionally there are variations in funding when there is a large piece of equipment or a large improvement project.

Next is a list of capital improvements that DFCM is recommending to the Building Board for allocations for FY 2011 (See attachment #3). This is a breakdown of every project individually for each agency and institution with a total at the bottom. Mr. Baxter indicated they would like to fund a lot more than the \$40 Million but it's the second year in a row they have been cut back to a low number in capital improvements. At this time Mr. Baxter opened the discussion up for questions.

Ben Barrett from Utah State University indicated there was a small error on the report where one number ended off the line on their list of projects and Mr. Baxter made note of the correction. The Final list includes the correction to the USU Misc Funds Project for \$157,000

Sheila Gelman questioned the Salt Lake Community College RRC Legacy Fountain Phase II. Is this a water fountain? Mr. Baxter responded that it was a water feature. She asked why, when there are financial problems and budget cuts, are we allocating money for a fountain? Mr. Baxter replied that the Building Board has required of agencies and institutions to have 75% of their needs from ISIS reports and critical improvements with 20-25% from other needs on campus. The fountain was a project that was started several years ago and needs to be finished up.

Mel Sowerby questioned the need from the Capitol Preservation Board to update and refurnish pews and benches which were quite expensive when we are looking at what appears to be life safety issues at Utah State buildings. How is that decided? Mr. Baxter

responded that again they look at their ratio of 75% to 25%. Twenty-five percent of their allocation could be used for miscellaneous improvements, not necessarily life safety ISIS type situations. The Capitol Preservation Board oversees the capitol complex which has a high replacement costs, as you might imagine. Mr. Baxter emphasized that the funding is basically directed by the percentages.

MOTION: Cyndi Gilbert moved to approve the Allocation of FY 2011 Capital Improvement Funds. The motion was seconded by George Daines and passed unanimously.

☐ ADMINISTRATIVE REPORTS FOR UNIVERSITY OF UTAH AND UTAH STATE UNIVERSITY

Ken Nye was the spokesman for the University of Utah. He reported that as part of their administrative report they were asked to provide a summary of the status of their FY 2010 capital improvement projects which was part of the report by Mr. Baxter. They had 17 projects funded for FY 2010 and 14 were completed, making their percentage at 82% (See attachment #4).

For their regular administrative report, they had 10 design agreements and 5 study or other type agreements with no significant items on any of those. The second page of their report shows 3 remodeling contracts and one site improvement contract, again with no significant items on any of those. The third page shows no activity in their project reserve fund last month. Mr. Nye anticipates next month they will be showing some savings going into that project reserve. The fourth page covers the contingency reserve fund. Project 20,024, the High Temperature Water Line in the Hales Sciences Area for \$40,000 covered a number of unforeseen items, such as buried stairs, duct banks as well as utilities that were not quite in the location as shown from the as-builts. Project 20,006 dealt with the Physics Building Drainage Improvements. The \$11,885.00 covers the cost of correcting deficient work that wasn't discovered until excavation commenced around the building. There was an underground basement that extended out away from the 45 year old building. The concrete bed, instead of having a slope that would drain away from the building, drained back into the building. This amount covers the cost of putting in a waterproofing system to correct the problem.

Mel Sowerby asked if the University was treating each of these high temperature water sections of campus as separate entities and Mr. Nye indicated they were.

MOTION: Cyndi Gilbert moved to approve this month's Administrative Report of the University of Utah. The motion was seconded by Wilbern McDougal and passed unanimously.

Mel Sowerby reminded the Board that last month they tabled the Utah State University Report because Utah State University officials were unable to attend the Building Board

Meeting. He asked if there were any questions regarding last month's Utah State University's monthly report? If not, then they will proceed with this month's report which should be all inclusive.

Ben Berrett from Utah State University indicated that FY 2010 funding was winding down. There were no new professional contracts. There were 4 new construction contracts issued this month. No changes to the contingency reserve fund and no changes to the project reserve fund. Of the 48 current projects, 21 were substantially complete this month and 21 in construction. Five were in design or study phase and one pending. On page 3 of their report that lists new construction projects, the Fine Art's Safety Complex repairs and Eccles Conference Center Business Walkways – those 2 projects make them 100% obligated for the year. The bulk of their projects are nearing completion, however there are two projects that are scheduled to begin right after commencement. Both projects involve areas where they need to wait for students to get out so they can begin work.

Mel Sowerby asked if there were any questions regarding this month's Utah State University administrative report? He then indicated they should address last month's report. He asked for a motion to accept last month's administrative report.

MOTION: Cyndi Gilbert moved to approve last month's Administrative Report of Utah State University. The motion was seconded by Wilbern McDougal and passed unanimously.

Mel Sowerby asked if there were any questions regarding this month's Utah State University administrative report? If not he asked if there was a motion to accept this month's administrative report for Utah State University.

MOTION: Cyndi Gilbert moved to approve this month's Administrative Report of Utah State University. The motion was seconded by George Daines and passed unanimously.

☐ ADMINISTRATIVE REPORTS FOR DFCM.....

Kurt Baxter reported there were no significant lease reports or architectural/engineering service agreements awarded. However, there were 18 architect/engineering agreements that were very small in nature. There were 24 construction contracts awarded which included the Provo 4th District Courts Facility Chiller Replacement and the Split Mountain Youth Center HVAC Controls Upgrade.

For decreases in the contingency reserve fund, they had USU UStar with change orders #5-7 for various items listed. That came to \$328,000 which they consider a significant item. In addition, the Uintah Basin ATC had a change order of \$80,000 for a landscaping item. Snow College had an item of \$75,000 for some issues with the boiler. The report of the project reserve fund activity shows a major decrease. There were a couple of small

decreases, but the large one was Senate Bill #3 in the 2010 Legislative session which reduced our reserve fund by \$5 Million. Mr. Baxter indicated that the only thing that may have an affect is the new ability that the Building Board has to reallocate improvement funds back to other improvement projects. Their reserve fund is a bit on the low side so things may not reallocate until their accountant is confident that they have a healthy reserve fund. Then they can start reallocating those capital improvement funds back to the agencies. He indicated that he knows this affects some of the institutions and agencies who are present today.

Mel Sowerby encouraged Mr. Baxter to do the math so that they don't allocate funds they do not have and Mr. Baxter assured him that they would keep the fund healthy. He was told that the fund needs to be between \$4 Million and \$5 Million and the fund is right at \$4 Million now. They have found that bids have been coming in substantially lower than they have in the past and they anticipate future savings on improvement projects and hope to reallocate those back to the agencies and institutions where originally allocated. This of course would come through the Building Board process.

☐ DFCM/DPS REQUEST FOR PLANNING FUNDS

Kurt Baxter reported that the Legislature gave direction to pursue a study to determine if the new EOC should be built in conjunction with Salt Lake City. Currently they have some estimates showing the cost associated with the venture. There are possibilities for receiving funds from ARRA but first they need to get approval for the study from the Building Board. The study will determine the possible impact there would be with constructing the building with Salt Lake City on the same piece of property or going alone and building it west of the city. There are various advantages both ways.

Second, they need approval to use the planning funds if they cannot get them from the ARRA funds. Of course they will try to get the federal funds because it is free money. They would like to get the approval from the Board that if they can't get the ARRA funds then they could use the planning fund to make this study happen. Therefore, they are requesting permission from the Building Board to do the study and to pay for it with funds from the planning fund if necessary.

Mel Sowerby asked Mr. Baxter if he had an amount. Mr. Baxter indicated it was close to \$75,000.

George Daines stated that they are presuming that they will ask the question of whether the location of the facility in an urban area would be a useful place to locate in terms of it's function. Mr. Baxter responded that if you have two EOC's together and the fault line goes right through them, what would be left? Obviously there is a big advantage to having them located in two separate locations. The consultant would address those questions – costs and locations. Mr. Daines reminded Mr. Baxter that the Building Board had some questions and concerns when an earlier presentation was given to the Board about location and

about how costs should be allocated for this project. He encouraged Mr. Baxter to go back and listen to the recording of that presentation. Mr. Baxter assured Mr. Daines that he would do that. Mr. Baxter indicated that Jim Russell, project manager for DFCM would be taking on this project and he would make sure Mr. Russell was informed of the concerns. They want to make sure that the state funds are wisely spent and that it makes sense strategically.

Gregg Buxton indicated that this is a political issue and has been mandated that we report this to the Legislature prior to June 30th. They are concerned that this study be completed accurately with all facts presented. Mr. Buxton felt this did not happen last time and assured the Board that this time the study would be done properly.

MOTION: George Daines moved to approve DFCM/DPS Request for Planning Funds. The motion was seconded by Sheila Gelman and passed unanimously.

ADJOURNMENT.....

MOTION: Cyndi Gilbert moved to adjourn at 9:52a.m. The motion was seconded by Sheila Gelman and passed unanimously.