

Utah State Building Board



MEETING

September 4, 2019

MINUTES

Members in Attendance:

Joe Burgess, Chair
Jeff Reddoor, Director
Mike Kelley, Assistant Attorney General
Lisa Barrager
Wendell Morse
Kevin VanTassell
Richard Fairbanks
Stan Plewe
Miranda Jones Cox

Members Absent:

William French

Guests in Attendance:

Darrell Hunting	Division of Facilities Construction and Management
Jim Russell	Division of Facilities Construction and Management
Cee Cee Niederhauser	Division of Facilities Construction and Management
Matt Boyer	Division of Facilities Construction and Management
Lee Fairbourn	Division of Facilities Construction and Management
Jake Njord	Division of Facilities Construction and Management
Sid Pawar	AJC Architects
Chad Campbell	Bridgerland Technical College
Ben Berrett	Utah State University
Jonathan Hickerson	EDA Architects
Branden Clark	Utah National Guard
Vince Wolff	Utah National Guard
Dan Lundergan	U of U Hospitals
Robin Burr	University of Utah
Joseph Demma	Mountainland Technical College
Heather Knighton	MHTN Architects
Erin West	Spectrum Engineers
Brian Wikle	Legislative Fiscal Analyst
Julee Attig	Reaveley Engineers
Aimee McKinlay	Envision Engineering

Adam Young	Spectrum Engineers
Don Brinkerhoff	Human Services
Tiger Funk	Southern Utah University
Lori Haglund	VBFA Architects
Sid Pawar	AJC Architects

On Wednesday, September 4, 2019, the Utah State Building Board held a regularly scheduled meeting in Room 250 of the State Capitol. The meeting was called to order at 9:07 A.M.

☐ APPROVAL OF MINUTES FROM THE JULY 10, 2019 BOARD MEETING

Chair Burgess asked for comments or corrections to the minutes from the July 10th Building Board Meeting. None were brought forward.

MOTION: Stan Plewe moved to approve the minutes from the July 10, 2019 Board Meeting. The motion was seconded by Kevin Van Tassell and passed unanimously.

☐ FIVE YEAR NOTICE OF REVIEW AND STATEMENT OF CONTINUATION FOR RULE R23-26, DISPUTE RESOLUTION

Assistant Attorney General, Mike Kelley explained the purpose for the five year review. There has been no reason to change the rule which is referred to in DFCM's contracts and general conditions. He recommends the board approve R23-26 so that it can continue on the books.

MOTION: Richard Fairbanks moved to approve the Five Year Notice of Review and Statement of Continuation for Rule R23-26, Dispute Resolution. The motion was seconded by Kevin Van Tassell and passed unanimously.

☐ REPEAL OF R23-33 RULES FOR THE PRIORITIZATION AND SCORING OF CAPITAL IMPROVEMENTS BY THE UTAH STATE BUILDING BOARD

Assistant Attorney General, Mike Kelley explained this rule needs to be repealed based upon the recent changes to state statute which moves the prioritization and scoring process for capital improvements responsibility from the State Building Board to DFCM. Since a large part of this rule is incorporated into the statute, the rule is no longer needed. Mr. Kelley requested the Board repeal Rule R23-33.

MOTION: Lisa Barrager moved to repeal R23-33 Rules for the Prioritization and Scoring of Capital Improvements by the Utah State Building Board. The motion was seconded by Kevin Van Tassell and passed unanimously.

□ REQUEST FOR APPROVAL FOR THE UNIVERSITY OF UTAH HOSPITAL 6TH FLOOR RENOVATION (NON-STATE FUNDED)

Dan Lundergan, Chief Operations Officer for University of Utah Health – Hospitals and Clinics, and Robin Burr from the University of Utah explained this project has been approved by the Board of Trustees and outlined in their original budget earlier last year. The university would like to renovate the Hospital 6th floor which will require moving of the orthopaedic and trauma surgical sub-specialty unit to the ACC; freeing up the vacated unit for renovation. The cost of \$19,111,380 will include equipment, soft costs and construction which will address code, ADA, functionality and provide an accommodating space for their patients. There was discussion concerning what constituted actual soft costs, the relevancy of the 1981 design and the adjustment required for new equipment and technology. The project will be funded by clinical revenues and no state O&M will be request.

MOTION: Richard Fairbanks moved to approve the University of Utah Hospital 6th Floor Renovation. The motion was seconded by Stan Plewe and passed unanimously.

□ REQUEST FOR APPROVAL FOR THE UNIVERSITY OF UTAH SOUTH JORDAN HEALTH CENTER RENOVATION (NON-STATE FUNDED)

Dan Lundergan explained this building was originally constructed in 2012 and is an extension of the medical ambulatory strategy. The project does not expand the building but reconfigures the existing space at the South Jordan Health Center and addresses the increase clinical demand for this area. The project will be constructed in two phases creating 35-40 exam rooms. In addition, it will provide 24,364 sf of clinical space and faculty workspace with Urgent Care relocated with the expanded laboratory on level one. The childcare capacity will be doubled and the facility will maximize their site of service designation for orthopaedic and physical medicine and rehabilitation. The cost of \$10,992,089 is for equipment, construction and soft costs. There was discussion concerning the University's approval process before a project moves forward for Building Board consideration. Robin Burr addressed how the university budgets and manages costs. This project will be funded by clinical revenues and no state O&M will be request.

MOTION: Stan Plewe moved to approve the University of Utah South Jordan Health Center Renovation. The motion was seconded by Lisa Barrager and passed unanimously.

Richard Fairbanks commended the University of Utah Health Care System and expressed appreciation for the excellence they bring to the community.

□ ADMINISTRATIVE REPORT FOR DFCM

DFCM Assistant Director, Darrell Hunting delivered the administrative report. The report covers the period of June 15, 2019 – August 15, 2019. There are no significant updates to the lease report.

Lease Report: No items to report this period.

Professional Services Agreements, 69 Agreements Issued

The Professional Services Agreements awarded during this period consist of:
49 Design Agreements, 20 Planning/Study/Other Agreements.
No significant items

Construction Contracts, 51 Contracts Issued

The Construction Contracts awarded during this period consist of:
3 New Spaces, 22 Remodeling Contracts, 3 Paving/Roofing Contracts, and 23 Other
No significant items

Report of Contingency Reserve Fund

Decreases, Capital Development

Capital Development started period with \$5,574,034, had no increases and five decreases for \$510,504, and ending with a balance of \$5,063,530.

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Report of Project Reserve Fund Activity

Development Project Reserve Fund had one increase for \$242,090 and ending with a balance of \$3,854,511. The Improvement Project Reserve Fund started with a balance of \$6,356,223, had multiple transfers in of \$1,069,029 and multiple transfers from the fund of \$413,888, and ending with a balance of \$7,011,364.

Increases

The increases reflect savings on projects that were transferred to Project Reserve per statute.

Decreases

The decreases are to award construction contracts that were over budget.

Jeff Reddoor asked about the change order percentage for development projects and if this was in the report. Mr. Hunting indicated where this was found. There was discussion as to whether the report contained adequate information for the Board or whether problems should be flagged so they can be addressed at the meeting. Chair Burgess suggested this be a discussion for the next meeting. Jim Russell suggested that DFCM provide more meaningful information such as the identification of projects that went above the allocation. Mr. Russell further explained that their contingency continues to grow because DFCM manages it well. Eventually these funds are tapped by the Legislature and then the funds starts building again. Mr. Russell noted that the national standard for project change orders runs in the 6-12% range. DFCM is 4.5% on a regular basis which is well below the national standard.

Jeff Reddoor made a few announcements:

The deadline for Operation and Maintenance reporting into the Risk Connect System is September 30th.

Jake Njord will be taking pictures of two new Board members after the meeting.

Chair Burgess announced the Board would take a short break and reconvene in State Office Building 4112.

□ **ADJOURNMENT**

MOTION: Lisa Barrager moved to adjourn the meeting. The motion was seconded by Stan Plewe and passed unanimously.

The meeting adjourned at 9:51 A.M.

BUSINESS MEETING

Guests in Attendance:

Tyler Brinkerhoff	UTECH
Jared Haines	UTECH
Don Brinkerhoff	Human Services
Vince Wolff	Utah National Guard
Brandon Clark	Utah National Guard
Heather Knighton	MHTN Architects
Lori Haglund	VBFA Architects
Julee Attig	Reaveley Engineers
Aimee McKinlay	Envision Engineering
Erin West	Spectrum Engineers
Sid Pawar	AJC Architects
Chad Campbell	BTECH
Darrell Hunting	Division of Facilities Construction and Management
Robin Burr	University of Utah
Ben Berrett	Utah State University
Tiger Funk	Southern Utah University
Jim Russell	Division of Facilities Construction and Management
Cee Cee Niederhauser	Division of Facilities Construction and Management
Tani Downing	Department of Administrative Services

The Board reconvened in State Office Building 4112. Chair Burgess welcomed the group and called the meeting to order at 10:10 AM.

□ **UTECH/HIGHER EDUCATION CAPITAL DEVELOPMENT CHANGES SB 102**

Utah System of Technical Colleges Interim Commissioner Jared Haines and Assistant Commissioner for Facilities and Planning Tyler Brinkerhoff made a presentation on the changes required by SB 102 and what that means for technical colleges in the state. Commissioner Haines explained that SB 102 provided for a restricted fund which will be used for dedicated projects. The Legislature appropriates monies each year for the Board of Trustees to develop plans and provide recommendations for facilities within the technical college system. The bill

appropriates \$14 Million ongoing each year but withheld the entire amount the first year as a transitional year and the second year withheld 50% of that amount so the expectation is that in FY21 the system would have \$7 Million in the fund and each year thereafter would receive an additional \$14 Million again. For this year, the USTC Board of Trustees has identified two priorities:

1. Bridgerland Technical College, Health Sciences Building
2. Mountainland Technical College, Payson Campus

Although the CBE's have not been completed, we estimate the cost for each building to be approximately \$36,000,000.

Commissioner Haines reported they are in a preparation and planning mode. The Board of Trustees plans to appoint a capital facilities committee in their next meeting who will work closely with College Presidents and staff to develop a plan that includes consideration of a space utilization study for labs and classrooms. In addition, a ten year master plan for the system will help track and engage the best way to utilize and prepare for those dedicated project funds.

There was discussion concerning how the building requests will be prioritized in the future and how the funding will be distributed within the system. Jeff Reddoor indicated that USHE will have the money dispersed in percentages. USTC will disperse based on needs to each of the colleges. Master planning will be reviewed carefully in order to strategically plan these projects to make the best use of funding. Non-dedicated projects will continue to come to the Board for approvals.

Jeff Reddoor discussed the presentation from USHE given by Associate Commissioner Rich Amon to the Higher Ed Executive Appropriations Committee which is included in the Board's informational packet. This presentation covers the process Higher Ed will use to implement SB 102. Mr. Reddoor mentioned that this year the Board of Regents will meet on September 12th to prioritize projects. The Board of Regents will then submit their three projects on the 13th; there will also be one land bank request which will be separate. There were concerns that this date does not give DFCM adequate time to put their CBE's (Capital Budget Estimates) together for the new projects. The major change for the Capital Development Hearing this year is that there will only be three projects coming forward from Higher Education rather than ten. In addition, state statute requires the Board to score the Regents projects by a higher factor. Last year the Board's prioritization matched USHE priorities but this doesn't always happen. Mr. Reddoor explained the ranking of HE projects which will have a multiple factor of 2.2, 2.0 and 1.8 factors.

Jeff indicated that the space utilization study will determine the space HE is utilizing. The study will not be available this year. Higher Ed will consider the space they already have allocated vs how much their present space is being used. The HE handout shows the scoring they will be using – enrollment, performance, student growth, square foot per student, facility age and condition, and space utilization measures will all be considered.

□ BOARD DISCUSSION OF LEGISLATIVE AUDIT AND NEW ROLE IN CAPITAL DEVELOPMENT PRIORITIZATION AND CAPITAL IMPROVEMENT CHANGES

Jeff Reddoor discussed the recent Legislative Audit which looked at some of the processes used by the Building Board. The auditors felt that many of the changes implemented by the Board in recent years were steps in the right direction; however a question continued to surface about the appropriateness of these projects – such as size or use of the building; especially when square footage was added to the building later in the process. Several years ago, the Needs Statement obtained from institutions and agencies were reviewed to include this information. Apparently more is needed. In the future, we will scrutinize to determine if this information is adequate to meet the needs of the Legislature. There was discussion concerning how the Board could come to be more informed and be a player in the project rather than just a rubber stamp. In the future, the Board will be working with DFCM on these projects as well as the creation of the Five Year Book.

DAS Executive Director, Tani Downing commented that additional questions were added to the Feasibility and Needs Statement received from agencies and institutions; however, the Board will need to refine what they would like to receive on these statements in order to address some of the concerns from the Legislative Audit. In addition, Jim Russell commented that the Feasibility Needs Statement, because of time constraints, is going to make it impossible to address all issues this year. It was mentioned that in the future, the dates may have to be changed in order to get good data. Tani Downing commented that DFCM along with the Building Board Chair and Director will need to sit down and talk about what success looks like and how does the audit fit in with the statute. Do we need to change and review things? What does success look like now and in the future?

Mr. Reddoor discussed the Capital Development Hearing that will take place next month. The prioritization will continue to be a two day process but there is a possibility that the score will not be released immediately after our prioritization process. This will give Board members time to address some problems so the scores may be released later.

☐ ANNUAL TRAINING IN THE OPEN AND PUBLIC MEETINGS ACT

Assistant Attorney General, Mike Kelley gave an overview of the Open and Public Meetings Act but indicated that Ed Lombard from the Assistant Attorney General's Office would arrive shortly to do the training.

Jeff Reddoor asked Tiger Funk, Assistant Vice President of Facilities Management at SUU to address some concerns with requesting new space vs old space inventoried at SUU. Mr. Funk mentioned that the Board of Regents scoring criteria, awards five points to institutions who take the most square footage off line when requesting a new building. However, President Wyatt mentioned that one of their strategies at SUU is to look at their existing buildings and try to obtain more life out of them. SUU feels they were missing these available points because they weren't demolishing their old buildings, but trying to utilize the space for a little while longer in order to get as much use out of the building as possible. With the new scoring criteria, which is part of this year's consideration; hopefully, this issue has been resolved and will not be an issue in the future. Jeff Reddoor indicated he will meet with President Wyatt to determine if this has been resolved.

Ed Lombard from the Assistant Attorney General's Office addressed the Board about the rules

of the Open and Public Meetings Act. Gov. Entities are beholding to the public. The act instructs us to hold your meetings in a transparent and open manner and to the extent possible; everything is out in the open. During the training, Mr. Lombard discussed:

What is a meeting?

What is a quorum? (For the Board it is 4 people).

Electronic Meetings

Field Trips as a Meeting (anchor location)

Notice requirements (check the box for media circulation notice)

Agenda specificity

Extra meeting scheduling and notice requirements

Closed meetings

Investigative proceedings regarding allegations of misconduct

Strategy to engage in discussion of sale of property

Staying on Subject with the Agenda – no deviations

Minutes- date, time place, members present and absent, recording of votes

Recordings

Electronic messages – while in a meeting it is a violation to pick up your phone.

Crime and punishment

Enforcers – Brian Mulder, Attorney General's Office, District Court, Court of Appeals

Windows – 30 days if it deals with financial or 90 days for anything else.

ADJOURNMENT

The meeting adjourned at 12:00 pm and Board members were invited to enjoy lunch.