

# Utah State Building Board



**MEETING**

**April 6, 2016**

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## **MINUTES**

### **Members in Attendance:**

Ned Carnahan, Chair  
David Tanner  
Gordon Snow  
David Fitzsimmons  
Chip Nelson  
Fred Hunsaker

### **Guests in Attendance:**

Jeff Reddoor	Utah State Building Board
Ken Hansen	Department of Administrative Services
Eric Tholen	Division of Facilities Construction & Management
Bruce Whittington	Division of Facilities Construction & Management
Jim Russell	Division of Facilities Construction & Management
Lee Fairbourn	Division of Facilities Construction & Management
Darrell Hunting	Division of Facilities Construction & Management
Dorothy Taylor	Division of Facilities Construction & Management
CeeCee Niederhauser	Division of Facilities Construction & Management
Bianca Shama	Division of Facilities Construction & Management
Alan Bachman	Attorney General's Office
Nicole Alder	Attorney General's Office
Rich Amon	USHE
Ken Nye	University of Utah
Ben Berrett	Utah State University
Bob Askerlund	Salt Lake Community College
Malin Francis	Salt Lake Community College
Ezra Nielsen	Salt Lake Community College
Tiger Funk	Southern Utah University
Darek Sagers	Utah National Guard
Julie Attig	Reaveley Engineers
Tiffany Woods	Spectrum Engineers
Greg Warner	State Fair Park
Frank Young	Utah Valley University

Kurt Baxter	Utah Valley University
Joel Coleman	Utah School for the Blind and Disabled
Jim Nielson	Axis Architects
Fran Pruyn	CRSA
Tom Jensen	Wadman Engineering
Channing Adler	EDA Architects
John Shuttleworth	EDA Architects
Lori Haglund	VBFA
Sherry Ruesch	Dixie State University
Vicky Golie	Babcock Design Group

On Wednesday, April 6, 2016, the Utah State Building Board held a regularly scheduled meeting in Room 250 of the Utah State Capitol Building, Salt Lake City, Utah. Chair Ned Carnahan called the meeting to order at 9:05 am.

**☐ APPROVAL OF MEETING MINUTES OF March 2, 2016**

Chair Carnahan asked for comments or corrections to the minutes. Cee Cee Niederhauser stated further clarification should be added to page 1, paragraph 1 of the minutes to read: "Bob Fitch participated in the meeting via telephone." In addition, on page 4, paragraph 4, a sentence should be added which states: "There was not a quorum present."

**MOTION: Gordon Snow moved to approve the Minutes of March 2, 2016 with the corrections and additions as noted. The motion was seconded by David Tanner and passed unanimously.**

**☐ REQUEST FOR APPROVAL OF REVOLVING LOAN FUND FOR SALT LAKE COMMUNITY COLLEGE**

DFCM Energy Manager Bianca Shama reported SLCC is requesting a loan in the amount of \$519,930. This request is to install a combined heat and power system at the central plant of the Jordan Campus. It is estimated this project will have an annual savings of approximately \$75,000 with payback estimated at 6.5 years. Repayment for this loan will begin in early 2017. This project will result in significant energy and cost savings, extra capacity in the campus hot water system, and reduced overall campus source emissions. After this loan is issued, the balance of the Fund will be approximately \$500,000. SLCC Energy Manager Ezra Nielsen clarified this CHP System, which generates electricity using natural gas, is similar to the one at Utah State University but much smaller. Vice President of Facilities Bob Askerlund answered questions from the Board and confirmed this system is a natural fit for the campus.

**MOTION: David Tanner moved to approve the Revolving Loan Request from Salt Lake Community College. The motion was seconded by Chip Nelson and passed unanimously.**

**☐ REQUEST FOR APPROVAL OF THE STATE'S NEW "EXISTING BUILDING" METERING STANDARD**

Bianca Shama reported this document closely mirrors DFCM's High Performance Building

Standard, but addresses the needs of existing buildings. The standard is necessary in order to meet the requirements of Section 3.5 and 3.6 of the Facility Maintenance Standards which were revised on September 1, 2015. It will provide guidance and consistency across the state as an increased number of energy meters are being installed and set the minimum standard of performance for building level meters. A draft of this standard was distributed to all agencies/institutions, as well as the construction/design community on December 15, 2015. Comments received were reviewed and incorporated into the final document and then redistributed for comment on February 11, 2016. There were no fundamental concerns during the second comment period of the revised document.

**MOTION: David Tanner moved to approve the New “Existing Building” Metering Standard. The motion was seconded by David Fitzsimmons and passed unanimously.**

**❑ FUNDING CERTIFICATION FOR THE SALT LAKE COMMUNITY COLLEGE CAREER AND TECHNOLOGY EDUCATION CENTER AT WESTPOINTE**

Jeff Reddoor reviewed the intent language from the Legislature last year requiring certification of other funds (donations or institutional funding) for new projects. After discussion with Legislators and Fiscal Analysts, the Board will implement this again for new Capital Development projects. The Legislature appropriated \$42,590,500 for the Career and Technology Building at Westpointe with \$250,000 of private donations from the College. Bob Askerlund presented a letter of certification of other funds from SLCC President Denece Huftalin. The letter verified that SLCC has received a commitment of \$250,000 from Hexcel Corporation to support their composites lab at the Westpointe Center. President Huftalin confirmed if an unforeseen problem arises that cancels this funding, SLCC has the capacity and will pay for project costs. Board members had concerns with the Hexcel Donor Agreement which accompanied the letter and indicated \$200,000 in capital equipment for the lab, ongoing materials donations at a market value of \$5,000 for the next 5 years, and \$25,000 in scholarships over the next 5 years. After discussion, the Board felt confident with this arrangement since funds from Hexcel would be guaranteed by the College.

**MOTION: Gordon Snow moved to approve the Funding Certification for SLCC’s Career and Technology Education Center at Westpointe and recommended the project move forward. The motion was seconded by David Tanner and passed unanimously.**

**❑ FUNDING CERTIFICATION FOR THE UTAH STATE UNIVERSITY BIOLOGICAL SCIENCES BUILDING**

The Legislature recently appropriated \$28,000,000 in FY 2017 and \$10,000,000 in FY 2018 for the Biological Sciences Building. This \$38,000,000 will be combined with \$7,000,000 from private donations and other institutional sources for a total of \$45,000,000 for this project. Ben Berrett, Director of Planning, Design and Construction for Utah State University presented a certification letter from President Stan Albrecht and Vice President for Business & Finance David Cowley confirming that USU has the entire \$7,000,000 of non-state funds on hand and immediately available for this project. There was an issue concerning the amount of funds

being issued from the Legislature and the timing of these funds. Jeff Reddoor stated the Board is charged with certifying only the non-state portion of the funding for this project which is the \$7,000,000.

**MOTION:** Gordon Snow moved to approve the Funding Certification for the Utah State University Biological Sciences Building and recommended the project move forward. The motion was seconded by Chip Nelson and passed unanimously.

**❑ REQUEST FOR APPROVAL OF DESIGN AND CONSTRUCTION OF THE ATHLETIC FIELD DOME AT THE UTAH VALLEY UNIVERSITY VINEYARD CAMPUS**

UVU Vice President of Facilities Frank Young, and Kurt Baxter, Director of Engineering/Space, presented UVU's request to begin study and planning for a dome to cover the athletic fields at the Vineyard Campus. Chair Carnahan clarified this request: This is for design/construction. No state funds will be used for this structure with WAC Conference affiliation funds providing construction revenue. O&M will be provided from athletic team budgets using these facilities. The estimated cost is \$1.5 Million. The Board had concerns with O&M funding for this facility and the durability of this type of air structure dome.

Chair Carnahan recognized the attendance of Representative Gage Froerer at the meeting.

The Board questioned if there would be a student fee increase. Mr. Young clarified this will be supported by a user fee, not a student fee. The Board continued to have reservations concerning this project and suggested further study.

**MOTION:** David Tanner moved to request UVU return to the Board with a study on different building types that would fit their need for an athletic covering and that O&M cost and life cycle cost for each building type be addressed in this study. The motion was seconded by Gordon Snow and passed unanimously.

**❑ REQUEST FOR APPROVAL OF A REALLOCATION OF FY 2014 CAPITAL IMPROVEMENT FUNDS FOR UTAH COURTS FROM THE PROVO JUVENILE COURTS BOILER AND VAV BOX REPLACEMENT PROJECT TO THE FIFTH DISTRICT IRON COUNTY CEDAR CITY COURTS**

Alyn Lunceford from Utah Courts reported in FY 2014 they received an allocation of \$257,364 in Capital Improvement funds for the Provo Juvenile Courts Boiler and VAV Box Replacement Project. After thorough investigation, these problems were resolved by DFCM by rebalancing the existing HVAC system and repairing the boiler system rather than replacement. Utah Courts is requesting this \$257,364 be reallocated to the Cedar City Courts Infrastructure Updates which will include the remodel of the public restrooms, public waiting area, and expansion of security fence for additional parking and landscaping in the front of the building. Utah Courts believes this remodel will best prepare this building for occupancy by the Department of Juvenile Justice Services when the new Fourth District Court Facility in Provo is completed in 2019. Jeff Reddoor expressed his support for this reallocation.

**MOTION:** David Fitzsimmons moved to approve the Reallocation of FY 2014 Funds for Utah Courts from the Provo Juvenile Courts Boiler and Vav Box Replacement Project to the Fifth District Iron County Cedar City Courts. The motion was seconded by Fred Hunsaker and passed unanimously.

#### **REQUEST FOR APPROVAL OF FY 2017 CAPITAL IMPROVEMENT FUNDING**

Jeff Reddoor presented the FY 2017 Capital Improvement List. Highlights for this list show 63% of funds will go to higher education (including ATC's) with 37% going to state agencies. Many critical life/safety projects were addressed with this year's funding and are listed on the last page: 1) Unified Lab First Floor Life Safety Repairs; 2) DWR Statewide Radon Mitigation; 3) Statewide Energy Metering Project; and 4) Retrofit of State Owned Fuel Tanks to Meet EPA Requirements. The List also shows a \$40,000 appropriation for the Structural Snow Load Study under Statewide Programs which may be re-appropriated in the future. The \$250,000 allocation for the Planning Fund is to allow programming for the Department of Agriculture Building Replacement. Capital Improvements were funded at 1.1% resulting in \$117,825,100. With this level of funding, the state is actually seeing a decrease in the deferred maintenance backlog.

**MOTION:** Fred Hunsaker moved to approve the FY 2017 Capital Improvement Funding. The motion was seconded by David Fitzsimmons and passed unanimously.

Prior to the monthly reports, Chair Carnahan stated four Board members were assigned to analyze content, formatting and documentation for the following reports:

David Fitzsimmons	University of Utah
Fred Hunsaker	Utah State University
David Tanner	DFCM
Ned Carnahan	UDOT

#### **□ UNIVERSITY REPORTS**

Ken Nye, Facilities Business Director at the University of Utah, reported Mr. Fitzsimmons had recently contacted him with suggestions for the U of U monthly report. There were 13 design agreements and 7 planning/other types of agreements. The most significant agreement awarded was for design on the Hospital Cath Lab with a project budget of almost \$2 Million for medical equipment. Construction contracts included one new space contract, 11 remodeling contracts and 2 site improvements. The most significant construction contract awarded was the CM/GC contract for the Alumni House Addition which was authorized by the Legislature as part of the FY 2015 Revenue Bond Bill. Project Reserve Fund had no significant activity. The Contingency Reserve had one large draw of \$117,775 for asbestos abatement of insulation covering one of the old expansion tanks that had been contaminated with asbestos patching material used in the past to repair cracks.

Ben Berrett, Director of Planning, Design and Construction for Utah State University, reported there were 5 professional contracts this month. The most significant was a Medium Voltage Upgrade for FY 15 for a design contract to replace a section of the distribution system and a

Medium Voltage Upgrade to recalibrate the switch gear for a large generator at the central plant. There were 5 construction contracts. The most significant included an update to the emergency egress lighting and generator at the Spectrum and an elevator upgrade to replace two electronic control and transfer systems. There were no increases to the Contingency Reserve; however there were two draws from the fund – for a campus controls upgrade of air handler replacement/controls for \$21,657.65 and the Morgan Theater Upgrade for \$2,553.56. The Project Reserve Fund received contributions from several projects which closed this month. Notable was Old Main Roof Replacement North Wing and Health LS Code Asbestos FY 14. There were two decreases to the fund for contracts awarded for the Spectrum Emergency Lighting and Elevator Upgrades. The Contingency and Project Reserve are healthy. Fred Hunsaker commented on the importance of analyzing the monthly reports to determine if they are measuring the correct things. He would like to see the addition of performance measurements in the report and information of any trends in the construction industry such as material costs or accessibilities.

#### **❑ ADMINISTRATIVE REPORT FOR DFCM**

DFCM Director Eric Tholen commented that DFCM will look forward to feedback from the Board concerning their monthly report. DFCM had 6 renewals of existing leases this reporting period. There were 38 professional service agreements (23 were for design and 15 planning/other agreements), and 37 construction contracts. Notable is a CM/GC contract on the Carbon County Courts Facility and the DUP Museum Replacement Compressor which came in with high bids and will draw on FY 2017 funds to complete construction. In addition, Mountainland Applied Technology College HVAC Improvements Project will draw upon Project Reserve Fund to make the award. This award will show up in next month's report. The Capital Development Contingency Reserve Fund saw transfers to 4 projects this period for a total of \$338,000 and received zero transfers to the fund. The fund currently has a balance of \$6.5 Million. The Capital Improvement Contingency Reserve Fund saw transfers to 12 projects for a total of \$147,000 and received funds from one project for \$9,445. The fund saw an increase from \$5.2 Million last month to \$6.9 Million. Mr. Tholen noted as per HB 2, \$5 Million of the Contingency Reserve will be transferred out to the General Fund during the next reporting cycle. The Capital Development Project Reserve Fund had two transfers totaling \$1.2 Million. This fund had a starting balance of \$1.8 Million and an ending balance of \$3 Million. The Capital Improvement Project Reserve had 16 transfers into the fund totally \$514,000 and 5 transfers out of the fund totally \$159,000. The current balance went up from \$5.8 Million to \$6.2 Million; however, as per HB 2, \$1.225 Million will be transferred from the Project Reserve to the General Fund. This month there is a Project Reserve Activity Report which lists agency totals for increases and decreases to this fund over a 12 month period.

David Tanner suggested some additions to the report might include a DFCM report on the impacts of the withdrawal of funds by the Legislature. A quarterly economic trend to show happenings in the construction industry and the possible financial impact on specific projects would be helpful with projections for the coming year. In addition, Mr. Tanner suggested further explanation on recently issued contracts should be included (what DFCM is seeing and why).

#### **❑ FUTURE AGENDA ITEMS**

- 1) Jeff Reddoor presented the 2016 General Session Appropriations for Capital Development.
- 2) SB 156 will require the Building Board to make new rules concerning adjustments for O&M. This will be discussed in the May Business Meeting. Several Board members requested a copy of this bill.
- 3) Capital Improvements saw an adjustment in funding from \$2.5 Million to \$3.5 Million.
- 4) Site utility infrastructure upgrades up to \$7 Million will now be funded through Capital Improvements.
- 5) Chair Carnahan reported the IGG Subcommittee has requested the Building Board develop a process for land banking.
- 6) Chip Nelson requested the Chair forward the template for presentations to Board members.
- 7) Last year the Legislature funded \$250,000 for an Infrastructure Inventory Study which identified the infrastructure components of all state properties. This information will now be moved to the Automated Geographic Reference Center (AGRC) and available to the public.
- 8) August 17 and 18 will be the Capital Development Tour. The Board will travel in Blackhawk helicopters with the UNG. Send your acceptance of helicopter flight to Chair Carnahan.
- 9) Meetings with the Board of Regents to discuss the prioritization process will be held in the near future.

**□ ADJOURNMENT**

**MOTION:      Chip Nelson moved to adjourn the meeting. The motion was seconded by David Tanner and passed unanimously.**

The meeting adjourned at 11:48 am.