

Utah State Building Board



MEETING

June 3, 2015

MINUTES

Members in Attendance:

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

Guests in Attendance:

Jeff Reddoor	Utah State Building Board
Ken Hansen	Department of Administrative Services
Marilee Richins	Department of Administrative Services
Bruce Whittington	Division of Facilities Construction & Management
Jim Russell	Division of Facilities Construction & Management
CeeCee Niederhauser	Division of Facilities Construction & Management
Lee Fairbourn	Division of Facilities Construction & Management
Dorothy Taylor	Division of Facilities Construction & Management
Wayne Christensen	Division of Facilities Construction & Management
John Harrington	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
Greg Stauffer	USHE
Ken Nye	University of Utah
Mike Perez	University of Utah
John Nixon	University of Utah
Ben Berrett	Utah State University
Kevin Griffin	UDOT
Tiger Funk	Southern Utah University
Mike Steele	Utah State Fairpark

Greg Warner	Utah State Fairpark
Tyler Brinkerhoff	UCAT
Robert Brems	UCAT
Bob Askerlund	SLCC
Bob Spohr	DHS
Greg Peay	UDOC
Michael Manwiller	Heber Valley Railroad
Steven Allred	Legislative Fiscal Analyst
Julee Attig	Reaveley Engineers
James Kilpatrick	BNA Consulting
Kelle Stephens	DXATC
John Fellows	LRGC
Stephen Urquhart	Utah State Senate
Wayne Harper	Utah State Senate
Curt Webb	Utah State House of Representatives
Don Ipson	Utah State House of Representatives
Jon Stanard	Utah State House of Representatives
Jonathan Ball	UFAO

On Wednesday, June 3, 2015 the Utah State Building Board held a regularly scheduled meeting in Room 250 of the Utah State Capitol Building in Salt Lake City, Utah. It was noted that Chair Carnahan, Jeff Reddoor and Fred Hunsaker would be arriving late to the meeting, however a quorum was present. Acting Chair Chip Nelson called the meeting to order at 9:30 am.

□ APPROVAL OF MINUTES OF MAY 6, 2015

Acting Chair Chip Nelson asked if there were any additions or corrections to the minutes. There were none.

MOTION: David Tanner moved to approve the Minutes of May 6, 2015. The motion was seconded by David Fitzsimmons and passed unanimously.

□ FUNDING CERTIFICATION FOR UNIVERSITY OF UTAH CROCKER SCIENCE CENTER

John Nixon, CFO and Chief Administrative Officer at the University of Utah presented the certification letter for both the Crocker Science Center and the Huntsman Cancer Institute from University President David Pershing. Mr. Nixon noted the University has donations and other institutional sources for their balance of the funding of these two projects; however, they are willing to use and have the capacity to pay for their portion of project costs should an unforeseen exigency arise that impaired this funding.

MOTION: Gordon Snow moved to accept the letter from University of Utah President, David Pershing as credible evidence and to approve the certification of funding for the Crocker Science Center. The motion was seconded by Bob Fitch and passed unanimously.

□ **FUNDING CERTIFICATION FOR UNIVERSITY OF UTAH HUNTSMAN CANCER INSTITUTE**

Mr. Nixon presented the funding certification letter from President Pershing. He responded to questions concerning whether this was the final phase of the Huntsman Cancer Institute Project and reported that with the current objective in mind this phase (Phase IV) is the final phase for this project, however they cannot foresee future needs.

MOTION: David Tanner moved to accept the letter from University of Utah President, David Pershing as credible evidence and to approve the certification of funding for the Huntsman Cancer Institute. The motion was seconded by Gordon Snow and passed unanimously.

□ **APPROVAL OF REVOLVING LOAN FUND FOR HEBER VALLEY RAILROAD**

Mike Manwiller, Chief Mechanical Officer for Heber Valley Railroad and John Harrington, DFCM Energy Program Manager presented their request for a loan to address lighting issues in the Heber Valley Railroad Maintenance Shop. Presently, the old inadequate lighting makes it difficult to maintain the locomotives and equipment properly. They are requesting a loan for \$20,560.00 which will retrofit the lighting in the maintenance shop to LED fixtures with a five year payback. Heber Valley Light and Power has agreed to provide a custom incentive for this project in the amount of \$4,500.00. The estimated loan repayment schedule will begin in 2016. The project will provide both significant energy saving and cost savings, and increased safety on site by the resulting increased lighting in the shop area.

MOTION: David Fitzsimmons moved to approve the loan in the amount of \$20,560.00 from the State's Facility Energy Efficiency Fund for Heber Valley Railroad. The motion was seconded by Bob Fitch and passed unanimously.

□ **ADMINISTRATIVE REPORTS FOR UNIVERSITY OF UTAH AND UTAH STATE UNIVERSITY**

Ken Nye, Director of Business Services at the University of Utah reported they had four design agreements and two planning/study/other agreements. Notable was the solar project on the Williams Building Parking Structure in Research Park which will generate 445 KW of power and is paid for entirely by energy savings. Notable under construction contracts was the Better Buildings Challenge Project approved in September, 2014 and is also being paid by energy savings. The Stadium Restrooms Addition is using the CM/GC delivery method and as a result the construction cost will be added to this contract as work is bid out to subcontractors. There were no changes to their Project Reserve Fund. The Contingency had one draw of \$24,293 for the Sidewalk and Bike Path Improvements Project as a result of revisions for ADA compliance.

Ben Berrett, Director of Planning, Design and Construction at Utah State University reported they had one professional services contract which was for metering assessment services on the Price Campus. There were eleven construction contracts. Notable is the \$884,785.00 contract for 1200 East Walkway Improvements which will widen the sidewalk by the Logan City Cemetery and includes utility work, such as high voltage upgrades, and a water line. There was

also a construction contract for Elevator Upgrades for four buildings in the amount of \$366,133.00. Other projects include The Animal Science HVAC Upgrade, Elevator Upgrades for the Maeser Lab and Morgan Theater Buildings, Critical Improvements for Sidewalk Extension/Curb Repair and Medium Voltage Upgrades including restoration of landscape after electrical communication lines are installed. Miscellaneous Contracts include mostly asbestos removal projects. There was one decrease to the Contingency Reserve Fund for the final phase of fire sprinklers in the BNR Building. There were no changes to the Project Reserve Fund this month.

At 9:46 am Chair Ned Carnahan, Jeff Reddoor and Fred Hunsaker arrived at the meeting. After which time, Chair Carnahan presided over the meeting.

□ **ADMINISTRATIVE REPORT FOR DEPARTMENT OF TRANSPORTATION**

Kevin Griffin, UDOT Director of Maintenance reported there were no new contracts this month. UDOT is in the process of developing a new Building Preventative Maintenance Program. UDOT also has a committee for their Land and Building's Program as directed by the Legislature. Their main focus again this year will be salt storage facilities and establishment of enclosures for their salt fleet which does not fit into their existing stations resulting in early deterioration of this valuable equipment. There were questions from the Board concerning salt slurry. Mr. Griffin responded that in order to make the brine solution, UDOT must bring in rock salt which is placed in a brine making device resulting in a 23% brine solution. This solution is then pumped into 5,000 gallon tanks and stored above ground. All of the salt used to make solution must be covered in order to prevent ground leaching.

□ **ADMINISTRATIVE REPORT FOR DFCM**

DFCM Interim Director, Bruce Whittington reported DFCM processed five leases – three for new space for agencies and two for renewal of space. In addition, DFCM awarded 12 professional service agreements and 26 construction contracts during this reporting period. The 26 construction contracts only required \$16,000.00 from the Project Reserve Fund resulting in very little impact to the fund. The Capital Development Contingency Reserve saw a transfer for three projects totally \$135,000.00 and a \$3.4 Million balance in the Contingency Reserve Fund. The Contingency Reserve for Capital Improvements had transfers to 12 projects for a total of \$88,000.00 and left a balance of \$4.2 Million in the Fund. The Capital Development Reserve Fund has a balance of \$1.8 Million with no activity this reporting period. This low numbers in this fund are a result of monies transferred into the General Fund this Legislative Session. The Project Reserve Fund for Capital Improvements increased slightly to just under \$4.5 Million. This month there is an additional report of the Contingency Reserve Analysis. This report looked at all eligible projects that contributed to the Reserve Fund. A determination was made that if these projects were to require, through the life of the contract, to take their allocation back to the finished project, the Reserve Fund would have a slight positive balance of \$161,000.00 which is a healthy balance.

Following the DFCM Report, the Board recessed for 15 minutes and re-adjourned at 10:12 am

Upon returning, Chair Carnahan welcomed the following Legislators to the meeting: Senators

Stephen Urguhart and Wayne Harper; Representatives Curt Webb, Don Ipson and Jon Stanard.

□ **FUNDING CERTIFICATION FOR DIXIE APPLIED TECHNOLOGY COLLEGE PERMANENT CAMPUS**

Dixie ATC President, Kelle Stephens read her letter of certification to the Board:

During the 2015 General Session, the Legislature appropriated \$31,900,000 from state funds for the Dixie Applied Technology College permanent campus. The total project scope was \$44,900,000 with the difference coming from non-state sources.

The Dixie ATC warrants that the \$13,000,000 difference will be obtained from the following sources: up to \$8,000,000 in local government bonding, with project scope reduction and value engineering for the balance. Another \$100,000 is currently available in private funds.

With this letter, I respectfully request release of the \$31,900,000 so that we may begin the project.

Board members expressed their support for the project but required specifics about changes in scope as required by the Legislature. Ms Stephens indicated they would work with an architect to determine the needed changes however DXATC does not have the funds to move forward with these changes presently. Gordon Snow clarified the Board does not have the authority to release the \$31.9 Million in order to begin the project. That was authorized by the Legislature. The Board's role is to certify they have received credible evidence that DXATC has the additional funds for the project. Upon certification, DFCM is authorized to commence the project. The total project amount has been reduced to \$40 Million which equaled:

Original funding	\$44,900,000 - \$5,000,000 in scope reduction =	\$ 31,900,000
	Bonds	\$ 8,000,000
	Private Funds	<u>\$ 100,000</u>
		\$ 40,000,000

DXATC President said it is possible the ATC may be able to raise additional donations during the course of this project which could allow the ATC to build the project with its original programming. This programming was based on need for this facility. If additional contributions do not come forward, scope could be decreased through value engineering, and/or shelled space. Ms Stephens also suggested the project could be constructed in phases with careful attention to project budget. The Board refused to certify the project based on this premise. The discussion continued that DXATC would need additional funds from the DFCM Programming Fund in order to make changes in scope reduction. In addition, Board members indicated they would need a letter of confirmation from the local government confirming the bonds are in place.

MOTION: Chip Nelson moved to approve up to \$400,000.00 from the DFCM Design/Program (Planning/Design) Fund to be used for re-programming of the DXATC Permanent Campus and which will be reimbursed upon release of funding for the project. The Board requires DXATC to return with the following information in order to obtain funding certification: 1) a revised budget (after programming and design are determined) showing changes to the scope of the project from its original intent, 2) evidence of any additional funds raised from the community via donations, 3) a letter from

local government supporting the bond and the amount. The motion was seconded by Gordon Snow and passed unanimously

Ms Stephens indicated they had discussed schematic design and program revisions. She was unsure which was being funded. Jeff Reddoor clarified it was programming and not design. Mr. Nelson said the intent of the motion is that DXATC receive up to \$400,000.00 to re-program and revise the budget for the project. In addition, the Board would like to see an explanation of what was deleted from the original scope. DFCM voiced concerns with the motion explaining that “programming” has already been funded. Design (which is what is needed), involves verification of the program and scope and would include reductions and alternates to the project. This would keep the project moving forward and is more efficient. Input on the cost from a general contractor vs a programmer would be more beneficial in our present economy. DFCM suggested the motion give permission for design and pre-construction services. It was agreed the original motion should be amended to include the words “and/or design”.

AMENDED

MOTION: Chip Nelson moved to approve up to \$400,000.00 from the DFCM Design/Program Fund to be used for re-programming and/or design of the DXATC Permanent Campus and which will be reimbursed upon release of funding for the project. The Board requires DXATC to return with the following information in order to obtain funding certification: 1) a revised budget (after programming and design are determined) showing changes to the scope of the project from its original intent, 2) evidence of any additional funds raised from the community via donations, 3) a letter from local government supporting the bond and the amount. The motion was seconded by Fred Hunsaker and passed with five in favor and one opposed.

Voting recorded as:

Yes: Bob Fitch, Gordon Snow, Chip Nelson, Fred Hunsaker, David Fitzsimmons

No: David Tanner

Board members agreed they wanted to see this project move forward. However, David Fitzsimmons expressed concern that this sets an unfortunate precedence for future projects and encouraged the Board to not allow this to happen again in the future. Chair Carnahan suggested DFCM return to the Board with an update to this project possibly in September. Rob Brems, President of UCAT expressed appreciation to the Board for their support. Ms. Stephens also expressed appreciation for direction on this project.

□ **FUTURE AGENDA ITEMS**

The Capital Development Tour is scheduled for the week of August 17th; however the exact days have not been determined. This year the Board will tour the northern and central areas. A schedule of project locations will be presented after requests are gathered in mid-July. The Board also expressed interest in viewing the Non-State Funded projects this year if they were in the area.

Jeff Reddoor reported on the progress of Legislative assignments recently addressed by Subcommittee I. They have completed a New Feasibility Analysis which was a modification of the DFCM Needs Statement and will be used by all State and Non-State Funded projects. The O&M Analysis is in progress. These assignments will be presented to the IGG Subcommittee in September.

□ **ADJOURNMENT**

MOTION: David Fitzsimmons moved to adjourn the meeting. The motion was seconded by Fred Hunsaker and passed unanimously.

The meeting adjourned at 11:23 am.