

# Utah State Building Board



## MEETING

June 6, 2012

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### MINUTES

#### Utah State Building Board Members in Attendance:

N. George Daines, Chair  
Ned Carnahan  
Gordon Snow  
Chip Nelson  
David Fitzsimmons  
Sheila Gelman

#### DFCM and Guests in Attendance:

Gregg Buxton	Division of Facilities Construction & Management
Cee Cee Niederhauser	Division of Facilities Construction & Management
Kurt Baxter	Division of Facilities Construction & Management
Kim Hood	Department of Administrative Services
Kimberlee Willette	Governor's Office of Planning and Budget
Alan Bachman	Attorney General's Office
Rich Amon	Legislative Fiscal Analyst Office
Bianca Shama	Division of Facilities Construction & Management
Lynn Hinrichs	Division of Facilities Construction & Management
Cheryl Searle	Division of Facilities Construction & Management
John Nichols	Division of Facilities Construction & Management
Ken Nye	University of Utah
Ben Berrett	Utah State University
Dave Tanner	Southern Utah University
Jim Michaelis	Utah Valley University
Val Peterson	Utah Valley University
Matt Holland	Utah Valley University
Jerry Jensen	Utah Department of Corrections
Bob Askerlund	Salt Lake Community College
Carol Verbecky	Utah Valley University
Cory L. Duckworth	Utah Valley University
Rick Stock	Sunrise Engineering
Gary Riddle	CBRE
Calvin and Linda Bird	Child Care
Amber Craighill	BHB Engineers

Jim and Joan Nichol	Child Care Express
Johnny Anderson	Utah House of Representatives
Kellie Jeffrey	UVU Wee Care
Jessica Steele	UVU Wee Care
Mary Ellen Larsen	UVU Wee Care
Michelle Taylor	Utah Valley University
Maggie Brown	Utah Valley University
Julie Mohr	Utah Valley University
Tracy Halverson	PFCCA of Utah

On Wednesday, June 6, 2012, the Utah State Building Board held a regularly scheduled meeting in Room 250, Utah State Capitol, Salt Lake City, Utah. Chair George Daines called the meeting to order at 9:01 am.

**APPROVAL OF MINUTES OF MAY 2, 2012**

Chair Daines sought a motion for approval of the minutes.

**MOTION: Ned Carnahan moved to approve the meeting minutes of May 2, 2012. The motion was seconded by Gordon Snow and passed unanimously.**

**APPROVAL OF REVOLVING LOAN FUND FOR UTAH STATE UNIVERSITY HOUSING DEPARTMENT**

Lynn Hinrichs from DFCM introduced Bianca Shama who was recently promoted to Manager of Energy Improvement Projects which also includes the Energy Revolving Loan Fund. Ms. Shama explained the USU Housing Department was requesting a loan in the amount of \$161,534 to switch out the current inefficient lighting in 59 of their buildings which will upgrade to more cost effective lighting solutions. The payback for this project will be 3.8 years and if approved will begin September, 2012.

**MOTION: Gordon Snow moved to approve the Revolving Loan Fund for Utah State University Housing Department. The motion was seconded by Ned Carnahan and passed unanimously.**

**PROPOSED MODIFICATION TO RULE 23-1-40**

DFCM Deputy Director, Lynn Hinrichs said there was a previous request (two Board meetings ago) to modify the minimum level of project size for bid security from \$50,000 to \$100,000. During the thirty day comment period for this proposed rule change, a Subcontractor Association wrote in an objection to the change, claiming that subcontractors could be negatively affected by not having surety protection available on smaller projects under the new limit. In an effort to address their concerns, while recognizing that the new limit may only be suitable to DFCM and not to other state agencies, DFCM negotiated a revision to this rule which allows the Division to go to the \$100,000 limit, as they were seeking, but keeps the other agencies at \$50,000 with an exception. The exception is that they can present an argument to the DFCM Director to go to the higher limit if they can prove they have a selection process which ensures their General Contractor will be financially solvent and can potentially absorb responsibility in the event of a claim for unpaid bills for that amount. In addition, DFCM added

some language which states that at any time the Division can ask for bonding on smaller amounts if they think there are risks associated with the project and it seems prudent to do so. The association that filed the complaint is pleased with this revised language. Therefore, DFCM proposed that this rule be approved by the Board and have another thirty day comment period before it is finalized.

**MOTION: David Fitzsimmons moved that the Board accept the Proposed Modification to Rule 23-1-40. The motion was seconded by Sheila Gelman and passed unanimously.**

**☐ LONG TERM LEASE REQUEST FOR THE DEPARTMENT OF PUBLIC SAFETY, DIVISION OF THE HIGHWAY PATROL**

DFCM Commercial Real Estate Specialist, Cheryl Searle said their request was for a ten year lease agreement with a ten year renewal option for the Department of Public Safety. The current building location of the Department of Public Safety, Division of the Utah Highway Patrol is inadequate for current and future needs in terms of space, program delivery requirements, parking and safety. Kane County has constructed a building on their land and they have space in the building to accommodate this Department of the State of Utah. This lease will be an "at cost" lease and will be beneficial to both the State and County, allowing better coordination and communication between these two similar law enforcement agencies, easier access to roads and highways for State troopers, and up-to-date evidence facilities. Ms. Searle indicated the office space available is 708 square feet. She is negotiating the common areas of the building with the two agencies and therefore has not included the cost of the leases. In response to questions from the Board, Ms. Seale said she has completed several similar transactions around the state and is well aware of the price range it should be. A ten year lease allows the County to recoup some of the cost involved in getting the building ready for occupancy. In addition, it is beneficial for both sides because it allows the County to reclaim the space if needed and/or the State to move if conditions change for them. There is sufficient time for agencies to determine if they work well together or if they need space to expand. In addition, there is an inflationary clause in the lease. This type of lease has been done in Uintah, Cache, San Pete, Juab and Washington Counties and they are in the process of closing one in Iron County. DFCM Real Estate Manager, John Nichols indicated that most offices have five year leases. However, when the State co-locates with other government entities, it is advantageous to have a ten year or longer lease in order to tie up the space. The O & M is very low with these types of leases.

**MOTION: Gordon Snow moved that the State enter into negotiations for the Long Term Lease Request for the Department of Public Safety, Division of the Highway Patrol. The motion was seconded by Ned Carnahan and passed unanimously.**

**☐ A PRIVATE PROVIDER'S PROSPECTIVE**

Chair Daines clarified that this agenda item involves the Board's previous approval of UVU's Wee Care Center on May 2, 2012. After this approval occurred, private day care providers in the Orem area requested they have an opportunity to address the Board. He announced there will be a discussion concerning both sides of this issue so that the Board can decide if they want to reconsider their approval of this item.

Representative Johnny Anderson, from the Utah House of Representatives District 34 addressed the Board. He is in the child care business and a volunteer leader for the Utah Private Child Care Association. Rep. Anderson discussed his bill, which was filed during the 2012 session, called the Utah's Act for Responsible Government Competition which actually requires government agencies to conduct a feasibility study to determine the impact of government based businesses on the private sector. The act did not pass but has been slated for interim study this summer. Governments in the state of Utah are competing in the private sector on a grand scale which is why this issue is being studied. Representative Anderson reported that in the city of Orem there are 219 vacancies in the existing private child care facilities. He expressed concern on the impact that a government-based business would have on the private sector in the area. Rep. Anderson answered questions from the Board concerning the cost of day care, subsidies for low-income families, availability for drop-in day care in the area, and teaching labs at other university day care facilities.

Tracy Halverson, President of the Utah Private Child Care Association spoke in favor of UVU's Wee Child Care Center explaining that it would be a win for the community. Competition is healthy and can actually improve the quality of child care in the area. Students are in need of "drop-in care" since they only need child care for a few hours while attending school. Most providers do not provide that because they are looking to fill their vacancies with full time children in order to make a profit. She would like to see the community work together to assist these disadvantaged students and to help families receive quality child care.

Joan Nichol, a child care business owner, addressed the Board to clarify that there are hourly centers in Utah County in the vicinity of UVU. A child coming in for one to two hours would not be profitable to her, but a consistent flow of children would be profitable. Presently, there are hourly programs in the area which provide services for children of college students.

UVU President, Matt Holland introduced Senator John Valentine. Senator Valentine spoke in favor of the Center and said that when the idea was first introduced, he felt concern about the Center's competition with the private sector. However, he feels UVU has a different perspective. This particular situation is not in direct competition, but in fact, fills a gap that otherwise would not be addressed in the community. Child Care is an impediment to many students, especially single mothers who have a high drop-out rate. This type of facility, in the fastest growing university in the state, would address this issue. It is one hundred percent funded by private donations, with the O & M being internally funded.

President Matt Holland made a short presentation to the Board concerning the goal of the Wee Child Care Center which is to provide day care for those who would not otherwise be able to afford it (see attachment A). He believes in the free market and limited government and considers this effort will help the child care market by allowing more young parents to graduate so they can participate in the free market. President Holland reminded the Board the importance of post-secondary training in today's world. Governor Herbert is concerned that there are low percentages of young women graduating from college. UVU has the lowest female graduation rate of almost any institution in the nation and this should be corrected. Dr. Susan Madsen of UVU's Business School researched why this was happening and discovered that child care and family issues are the number one obstacles to completing school. Survey results in 2010 indicated that 2,277 students have indicated that they needed child care. The Wee Care Center will serve 210 students in Phase I and 266 as the final Phase II build-out.

That is only a tenth of the student population needs for day care, leaving plenty of room for the private sector. One tenth of this day care facility will operate at market rate to enable the Center to defray the cost of O & M. President Holland introduced Jessica Steele, Maggie Brown and Kellie Jeffrey who are single mothers and testified they could not have graduated without help from the Wee Care Center. They were pleased with the quality of care and encouraged the support of this facility in order to assist others who are less advantaged. President Holland summarized by stating that there is an overwhelming number of students who would not be able to attend school without these services. Everything the University is trying to do will place fewer burdens on the State, energize the market and move the community forward. He requested that the Board not reconsider their original decision.

Gordon Snow expressed appreciation to President Holland for his clarification regarding who the Center is really for. He expressed concern that once the grant money was depleted, that the program could revert back to student fees for support. President Holland gave his personal commitment that this would not happen. Chip Davis said that the University had done a fine job of answering questions concerning how this would affect private enterprise in the area. He encouraged Representative Anderson and said that he hoped his legislation would be approved in the next Legislative session. He encouraged the Board and asked Director Buxton to require this type of economic analysis before making decisions for businesses and private enterprise. Chair Daine requested that there be a formality to the economic analysis and that Director Buxton work with Representative Anderson.

Chair Daines asked if the Board would like to make a motion. Failing a motion, Chair Daines declared that the original decision concerning the UVU's Wee Care Center would stand.

(The Board took at five minutes break and reconvened at 11:30 am)

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

Ken Nye reported that by mistake they prepared a monthly report rather than a quarterly report. On page one there are seven Design Agreements and one Planning /Study/Other Agreement. On page two there are six Remodeling Contracts and four Site Improvement Contracts. Page three shows no activity in the Project Reserve Fund. Page four shows one decrease to the Contingency Reserve Fund of \$31,189 for the Eyring Chemistry HVAC System Upgrades. The majority of this expense involved inadequate plumbing in the labs which was installed in 1967. Proper venting needed to be added to bring it up to current code.

**MOTION: Sheila Gelman moved to approve the Administrative Report for the University of Utah. The motion was seconded by Ned Carnahan and passed unanimously.**

Ben Berrett from Utah State University reported they have a monthly and quarterly report prepared. They had three Professional Contracts and eleven Construction Contracts issued. There were no increases to the Contingency Reserve Fund. The decreases to the Contingency Reserve Fund include some small change orders. The largest was the Medium Voltage Upgrade FY11 which was for the CVE-RCDE switch. The Contingency Reserve is at \$327,000. The Project Reserve fund had no increases. One decrease to the Project Reserve was for Campus Wide Bike Racks for \$1,802. The Project Reserve Fund is at \$751,218.

There was no voting on the Utah State Administrative Report.

**ADMINISTRATIVE REPORTS FOR DFCM**

Kurt Baxter reported there were no Lease Reports this month. There were twenty-six Architect/Engineering Agreements awarded. Most notable was the Utah State Huntsman School of Business Building Addition on page one which is under design with GSBS Architects. There were forty-four Construction Contracts issued. Notable was the Utah College of Applied Technology in Tooele (a \$12 Million contract), and Kamas Maintenance Station for \$2.4 Million. The Kamas Maintenance Station contract involved \$1.2 Million from the State and \$1.2 Million from UDOT. The Contingency Reserve Fund is at \$8.3 Million. Pages 23 - 28 show the analysis from DFCM Accounting which indicates a projected need of \$6.166 Million, leaving \$2.2 Million in excessive revenue at this time. Page 22 shows the Project Reserve at approximately \$5.7 Million.

**REALLOCATION OF CAPITAL IMPROVEMENT FUNDS FOR WORK FORCE SERVICES**

Kurt Baxter reported this involves four projects from last month that went into the Project Reserve Fund. DFCM would like to reallocate the \$100,000 from these projects to Work Force Services Restroom Remodel Project. This will allow modernization and design to meet the current code and ADA requirements.

**MOTION: Chip Nelson moved to approve the Reallocation of Capital Improvement Funds for Work Force Services. The motion was seconded by David Fitzsimmons and passed unanimously.**

**DISCUSSION OF POSSIBLE FUTURE AGENDA ITEMS**

Ned Carnahan said he had compiled a list of questions concerning policies and procedures for the Board. The Board discussed whether these questions should be on the agenda for a future meeting or part of the next training session. Chair Daines suggested that Mr. Carnahan distribute his list of questions to the Board members to see if there are any additions prior to their next meeting. Director Buxton asked Board members to comment on the electronic distribution of the informational packet. Chair Daines said that it is working, but he would like to see the Board move toward using an I-Pad system because of the ease of adding new documents and having the previous month's meeting readily available. Rich Amon told the Board that the Executive Appropriations Committee is going to hear a topic on Capital Improvements on June 19<sup>th</sup> and will be broadcast on the internet. He is presently working on the report.

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

The meeting ended at 11:03 am.



## Wee Care Center

- Our goal is to assist those who cannot otherwise afford child care
  - This tightly defined set of students can neither afford to work or attend college because child care costs are prohibitive
  - The Wee Care facility provides an affordable, highly-accessible and flexible child care solution
- By allowing these students to secure the benefits of higher education in early child rearing years, we actually strengthen the long-term child care market and enhance state tax revenues

## State Goal for Higher Education

- 66% of all adults will have a college degree, certificate or postsecondary education by 2020
- Roughly 45% of Utah adults now have postsecondary degrees or certificates
- Governor's Initiative to have more women attend Utah universities and colleges
- UVU has one of the lowest female graduation rates in the nation

## Why Young Women Drop Out or Do Not Attend School

40.9% of women surveyed cited child care and family issues as the reason they dropped out or did not attend school.

-- Women in Education Project, by Dr. Susan Madsen

## National Coalition for Campus Child Care Centers

- 92% of colleges provide some type of child care for student families
- 83% provide some type of care for faculty and staff
- 50% maintain a dual focus

## Child Care in USHE

### Facilities exist on the following campuses

- University of Utah
- Utah State University
- Weber State University
- Salt Lake Community College
- Utah Valley University

### Smaller institutions use Child Care Resources & Referral

- Southern Utah University
- Snow College
- Dixie State College
- College of Eastern Utah

## Critical Need

To provide low income parents a location that provides child care that is

- Safe
- High Quality
- Affordable
- Accessibility for short-term care, i.e. class period

## Current Child Care Arrangements

75% of students with children use spouses, older children, or extended family as their primary child care service when the student is on campus.

-- 2010 Child Care Needs Survey

## Child Care Demand at UVU

- The study showed 2,227 students who needed child care
- The new facility could serve 210 students at a time, or 9.5% needing child care, in Phase I, and 266 in Phase II
  - Figures based on 45 sq. ft. ratios (recently changed from 35 sq. ft.) as required by federal grants and accreditation

— 2010 Child Care Needs Survey

## Wee Care Eligibility

- UVU or Turning Point Student
- Pell Grant eligible
  - Not eligible if making \$24,000 or more (single or married)
- Single parents receive priority

## Current Wee Care Children

- Currently serving 125 children
- 101 qualify for Federal Food Program and are considered below poverty level
- 91 are free
- 10 are reduced

## Engaged Learning

- Training and engaged learning opportunities associated with Wee Care:
  - Paid Wee Care teachers currently enrolled in the UVU Elementary Education program: 20
  - Generally 3-4 employees from the Wee Care Center graduate each year from UVU and go on to teach elementary school
  - Six to eight students from the Education Department use the Wee Care Center each year as an observation laboratory

## Local Costs for Child Care

### Kindercare Rates

\$150 Per week	Newborn	\$30 per day
\$112 per week	4-year old	\$25 per day
\$97 per week	7-year old	\$20 per day

## Funding Our Wee Care Center Expansion Building Costs

- o Estimate of the facilities cost \$2.2 million
- o All facility costs to be raised through private donations
  - \$450,000 - UVU Foundation
  - \$1.75 million - New private donations
- o Additional O&M of \$72,000 to be funded through user fees

## Funding Our Wee Care Center Expansion Federal Grants

### CCAMPIS (Child Care Access Means Parents in School)

- o Approx. \$173,000 per year
- o Amount granted is 1% of amount awarded to the school in Pell Grants - based on a particular year
- o This grant can only be received by universities and colleges

## Funding Our Wee Care Center Expansion Other Funding (210 students)

### Student Parents

- o Non-refundable registration of \$10 fee per child
- o \$15 per child fee each semester for supplies and materials
- o Based on sliding scale, from \$1.00 - \$2.75 per hour, per child

### Faculty/Staff Parents

- o Charged market rate
  - \$425 per month for infants
  - \$390 per month for 1 to 2-year olds
  - \$370 per month for 3 to 5-year olds

### Community donors

- o Donations usually amounting to \$5,000 - \$7,000 per year

## Funding Our Wee Care Center Expansion Budget (210 students)

Projected Sources & Uses of Funds	
<b>INCOME PROJECTION</b>	
CCAMPIS Grant	\$173,000
195 Student Parent Fees	308,000
15 Faculty/Staff Parent Fees	72,000
Baby Steps Grant	7,500
Federal Food Reimbursement	43,800
Community Donors	8,000
Total	<u>809,300</u>
<b>EXPENSES</b>	
Salaries and Benefits	444,500
Food and Supplies	81,700
Operations and Maintenance	72,000
General Operating	<u>3,600</u>
Total	<u>\$801,800</u>

## Summary

- o Child care is a standard service on campuses nation-wide
- o Most Wee Care Center clientele would not be able to attend school if these services were not available
- o The Wee Care Center will serve less than 10% of the child care needs for our campus
- o Accessibility and the ability to have child care for as little as an hour maximizes flexibility
- o The Wee Care Center, by helping students achieve their educational goals, strengthens the future child care market

## Questions?