

Utah State Building Board



MEETING

September 5, 2012

MINUTES

Utah State Building Board Members in Attendance:

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

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
Rich Amon	Department of Administrative Services
Alan Bachman	Office of the Attorney General
Kimberlee Willette	Governor's Office of Planning and Budget
Mark Bleazard	Legislative Fiscal Analyst Office
John Harrington	Division of Facilities Construction & Management
Bianca Shama	Division of Facilities Construction & Management
Lynn Hinrichs	Division of Facilities Construction & Management
John Nichols	Division of Facilities Construction & Management
Ken Nye	University of Utah
Mike Perez	University of Utah
Chris Hill	University of Utah
Ben Berrett	Utah State University
W. Ralph Hardy	Commission of Higher Education
Amber Craighill	BHB Engineers
Keri Hammond	EDA Architects
David Tanner	Southern Utah University
Russ Bachmeier	FFKR Architects
Jim Michaelis	Utah Valley University

Joel Herd
Bob Askerlund
Frank Verucchi, Jr.

Utah Valley University
Salt Lake Community College
Meridian Engineering

On Wednesday, September 5, 2012 the Utah State Building Board held a regularly scheduled meeting in Room 250 of the Utah State Capitol Building, Salt Lake City, Utah. Chair George Daines called the meeting to order at 9:01 am and noted that a quorum was present.

☐ APPROVAL OF MINUTES OF JULY 11, 2012

Chair Daines sought a motion for approval of the minutes.

MOTION: Ned Carnahan moved to approve the meeting minutes of July 11, 2012. The motion was seconded by Gordon Snow and passed unanimously.

☐ UNIVERSITY OF UTAH WOMEN'S SOFTBALL STADIUM APPROVAL

Mike Perez and Dr. Chris Hill, Director of Athletics for the University of Utah reported they would like to construct a facility which will replace the Women's Softball Diamond, now being used as the site for the new Student Life Center. The total project cost is \$2.9 Million. Mike Perez said the stadium was consistent with the master plan. No state funding would be used for construction, or operation and maintenance of this project. Dr. Hill reported that the facility will include restrooms, locker rooms for visiting and home teams, and a sports medicine area. In addition, there will be a scoreboard and press box for score keeping, as well as batting cages for home and visiting teams. This project isn't necessarily a requirement of the Pac 12, but fulfills a need to provide a competition site that could host NCAA events. During the questions and answer question, Dr. Hill clarified that other campus sports facilities would be upgraded in the future.

There was a discussion concerning how the Board should account for the value of the land on a building project and if this should be considered. The Board determined that the value of the land was not being considered but possibly should be in the future. DFCM Real Estate Manager John Nichols, clarified that the Board of Regents holds the deeds for recent land transactions. Ken Nye from the University, said that state law allows quite a few state entities to hold title of property. This authorization was given by state statute. Alan Bachman was asked to research this issue and provide the Board with more information of how the universities hold title and the variations as to which they hold title.

There was clarification concerning the definition of state funds and non-state funds, O & funds, ancillary funds and the additional budget for the Pac 12. Chair Daines suggested that the university submit a more detailed financial report to DFCM specifying how the University will pay for each project in the future.

With respect to future building projects, Dr. Hill told the Board that the NCAA has specific standards that must be followed for building facilities used for NCAA events. The University would like to build and maintain sporting facilities within the next four to five years that are equal to other Pac 12

schools so that they can be competitive. He assured the Board that these facilities will not exceed requirements but will be consistent with other universities. Chair Daines requested more information concerning this issue

MOTION: Gordon Snow moved for approval of the University of Utah's Women's Softball Stadium for the University of Utah. The motion was seconded by Chip Nelson and passed unanimously.

☐ APPROVAL OF REVOLVING LOAN FUND FOR WEBER STATE UNIVERSITY

Bianca Shama, DFCM Program Director reported that Weber State has requested \$400,000 for a total campus re-commissioning project that will look to optimize the functioning of all of their buildings with the internal ability to do continuous reassessment every five years. The payback is less than three years with estimated loan repayment scheduled to begin in June 2013 and be completed by January 2016, with quarterly payments of \$37,000. This project will result in both significant energy savings and cost savings. Ms. Shama answered questions concerning the Revolving Loan Fund which will be \$1.9 Million if today's projects are approved. There are additional requests coming in and funds are returning to the Revolving Loan Fund as well, so it will continue replenish itself. Ms. Shama said that Weber State is involved in several other energy projects and has experienced a substantial decrease in "trouble" calls for maintenance, resulting in savings. Ned Carnahan asked if continuous reassessments are taking place presently and are they using existing staff to accomplish this? Mark Halverson from Weber State said they currently have staff that monitor projects, look for energy initiatives and start implementation. Staff salaries are paid from energy savings.

MOTION: Ned Carnahan moved to approve the Revolving Loan Fund for Weber State University. The motion was seconded by Jeff Nielson and passed unanimously.

☐ APPROVAL OF REVOLVING LOAN FUND FOR UNIVERSITY OF UTAH

Bianca Shama, DFCM Program Director reported that the University of Utah is requesting a loan in the amount of \$300,000 to add evaporative cooling to four buildings to help offset the demand in these buildings for mechanical cooling. The payback is less than 1.7 years. The estimated loan repayment schedule will begin in June 2013 and be completed by 2015 with quarterly payments of \$53,450. This project will result in both significant energy savings and cost savings. Chair Daines asked, if more money were added to the Energy Program would there be more projects and Ms. Shama answered, yes. Chair Daines asked if she could estimate how much would be needed in order to fund the back log of projects. John Harrington, Energy Director for the State of Utah explained that they just finished \$35 Million in state projects through ARRA Funding. Energy projects are a smart investment for the state and they are seeing Higher Education reallocating some of their energy savings from their utility bills to reinvest in their facilities. Even endowment funds have been used to finance energy projects because universities see it as a great investment. Chair Daines expressed the desire to have the Board highlight the accomplishments of the Energy Program in an effort to obtain more funding from the Legislature. Mr. Harrington said that since

2006 they have now saved the state \$2.5 Million on their energy bills throughout the state and garnered an additional \$4.5 Million in incentives. These energy incentives from the utility company are free and should continue on an ongoing basis in order to expand. Chair Daines requested that Mr. Harrington prepare a presentation for the October Board Meeting showing the amount the Energy Program would need to realize projects that have a three to six year return on investment. This would assist the Board with their prioritized recommendations to the Legislature.

MOTION: David Fitzsimmons moved to approve the Revolving Loan Fund for Weber State University. The motion was seconded by Sheila Gelman and passed unanimously.

☐ UVU REALLOCATION OF CAPITAL IMPROVEMENT FUNDS FOR CHILLER REPLACEMENT

Kurt Baxter, DFCM Planning and Budget Manager and Jim Michaelis from UVU addressed the Board. Mr. Baxter said UVU began a project and discovered their chiller for heat recovery was inadequately sized and needed to be replaced with a larger unit. The replacement would require significant electrical upgrade and increased costs. UVU has requested to reallocate \$150,000 from their Road and Paving Project (which can be postponed), and \$96,000 from the SOB Cement Replacement Project. Mr. Michaelis said the Chiller Replacement is a higher priority since the University needs the heat for the coming winter.

MOTION: Gordon Snow moved to approve the UVU Reallocation of Capital Improvement Funds for Chiller Replacement. The motion was seconded by Ned Carnahan and passed unanimously.

Chair Daines announced that the next four agenda items were Five Year Notices of Review and Statements of Continuation for Rules. This is simply a renewal of existing rules. These matters can be voted on separately or as a group unless someone has a question about a specific rule. Ned Carnahan asked for a short review of each rule.

☐ FIVE YEAR NOTICE OF REVIEW AND STATEMENT OF CONTINUATION FOR RULES:

**R23-6 VALUE ENGINEERING AND LIFE CYCLE COSTING OF STATE OWNED FACILITIES RULES AND REGULATIONS.
R23-12 BUILDING CODE APPEALS PROCESS
R23-4 SUSPENSION/DEBARMENT
R23-5 CONTINGENCY FUNDS**

Alan Bachman addressed the Board with his concerns that these rules be continued so that they do not expire, become unenforceable and be removed from the Utah Administrative Code before DFCM has had adequate time to review and amend them, if needed. After discussion of each rule, the Board decided to vote on the rules as a group.

MOTION: Ned Carnahan moved for continuation of all four rules which were presented to the Board today. The motion was seconded by David Fitzsimmons and passed unanimously.

☐ ADMINISTRATIVE REPORTS FOR UNIVERSITY OF UTAH AND UTAH STATE UNIVERSITY

Ken Nye with the University of Utah indicated their report would be brief. On page one there were six design agreements and four other types of agreements issues which were all routine. On page two, under construction contracts, there were eight remodeling contracts and three site improvement contracts. These were also fairly routine contracts issued. Page three had one increase to the Project Reserve Fund, and returned the remaining funds of \$8,716 from the HPER Complex HTW Lines back as provided by statute. On page four, the Contingency Reserve Fund had a number of increases, which represents a portion of the budget for each of the Capital Improvement Projects for FY 2013. There were three decreases to the Contingency Reserve Fund. The largest being the Eyring Chemistry HVAC System Upgrades to take care of a number of code deficiencies which were identified as the job progressed. This was for the amount of \$20,777.

MOTION: Gordon Snow moved to accept the Administrative Report from the University of Utah. The motion was seconded by Sheila Gelman and passed unanimously.

Ben Berrett from Utah State University said they had seven professional and eleven construction contracts this month. He highlighted two larger contracts on page two. The first being Old Main Masonry Restoration which is a continual process working on the exterior deteriorating masonry for Old Main. They had a few large pieces fall off the building this year which could be quite dangerous. This year, they have increased the budget for this project by \$118,540 from the Bid Reserve. They do expect this to be an ongoing project for this 225,000 sf building which contains a great deal of masonry. The next one was the Fine Arts Precast Concrete Panel Replacement which was built in 1965 and has big parapet walls which are bolted on to deteriorating concrete which is a significant hazard. These are being replaced with fiberglass. This is just the first phase as they are doing all the areas that are over pedestrian walkways. It includes the addition of \$50,744 from the Bid Reserve. Their Contingency Reserve Fund is at \$454,000 this month, with one significant increase of \$23,000.00. There were several draws from the Fund. The largest one being from BNR Fire Protection Phase II for \$12,600, which required the addition of fire sprinklers to the entire building because of water line problems. Page four shows the status of the Project Reserve or Bid Reserve Fund at 587,000.00 which is in good shape.

MOTION: Chip Nelson moved to approve the Administrative Report from Utah State University. The motion was seconded by Sheila Gelman and passed unanimously.

☐ DFCM ADMINISTRATIVE REPORT

Kurt Baxter, DFCM Planning and Budget Manager indicated part of the report was missing due to the transition phase of new accounting software at DFCM. Therefore, architect/engineering agreements and construction contracts were not included in this report. He reported that the Contingency Fund had increases to the Fund as a result of decreased change orders and modifications. Decreases to the Fund for new construction were from the Centennial Commons Building and Kamas DOT Maintenance Station. The Project Reserve started with \$5.7 Million balance and has increased to \$5.9 Million. These Funds will be reallocated for future projects.

☐ DISCUSSION

There was a recap of agenda items and considerable discussion concerning a schedule for review of Administrative Rules, the state's energy savings, bonding capacities, and land grant process. Alan Bachman suggested that when agencies and institutions submit items for the Board Agenda, they should indicate the statute that relates to their request and the criteria in that statute. The Board continued their discussion and addressed concerns over campus master plans and revenues for institutions of higher learning.

Rich Amon, the new DAS Deputy Director was introduced. Mark Bleazard will be taking Mr. Amon's place as Legislative Fiscal Analyst for the Board.

☐ ADJOURNMENT

MOTION: Sheila Gelman moved to adjourn the meeting. The motion passed unanimously.

The meeting adjourned at 10:59 am.