

Utah State Building Board



MEETING

December 10, 2014

MINUTES

Members in Attendance:

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

Guests in Attendance:

Jeff Reddoor	Utah State Building Board
Tyson Gregory	Utah State Building Board
Mike Smith	Utah State Building Board
Kim Hood	Department of Administrative Services
Rich Amon	Department of Administrative Services
Bruce Whittington	Division of Facilities Construction & Management
Jim Russell	Division of Facilities Construction & Management
Lee Fairbourn	Division of Facilities Construction & Management
Wayne Christensen	Division of Facilities Construction & Management
CeeCee Niederhauser	Division of Facilities Construction & Management
Ralph Hardy	USHE
Greg Stauffer	USHE
Ben Berrett	Utah State University
David Cowley	Utah State University
Ken Nye	University of Utah
Mike Perez	University of Utah
Ruth Watkins	University of Utah
Cindy Berg	University of Utah
Rachel Wooten	University of Utah
David Pershing	University of Utah
Natalie Tippetts	University of Utah
Jason Perry	University of Utah

James Bardsley	University of Utah
Jon Pike	St. George City
Sherry Ruesch	Dixie State University
Richard Williams	Dixie State University
Paul Morris	Dixie State University
Bob Askerlund	Salt Lake Community College
Deneece Huftalin	Salt Lake Community College
Malin Francis	Salt Lake Community College
Kevin Griffin	UDOT
Josh Haines	Layton Construction
Jeff Palmer	Layton Construction
Stephanie Ray	Psomas
Michael Dolan	FFKR Architects
Fran Pruyn	CRSA
Kathy Wheadon	CRSA
Chris Coutts	Architectural Nexus
Jim Cavey	Jacobsen Construction
Tracy Neale	GSBS Architects
Julie Attig	Reaveley Engineers
Tyler Brinkerhoff	UCAT
Scott Snelson	UCAT
Channing Alder	EDA Architects
Kim Johnson	Design West Architects
Gabe Kramer	Envision Engineering
Rachel Legree	The Gordian Group
Mark Bleazard	Legislative Fiscal Analyst
Jackie McGill	Spectrum Engineers

On Wednesday, December 10, 2014 the Utah State Building Board held a regularly scheduled meeting in Room 250 of the Utah State Capitol Building in Salt Lake City, Utah. Chair Ned Carnahan called the meeting to order at 9:00 am.

APPROVAL OF MINUTES OF NOVEMBER 5, 2014

Chair Carnahan asked if there were any additions or corrections to the minutes. There were none.

MOTION: David Tanner moved to approve the Minutes of November 5, 2014. The motion was seconded by Fred Hunsaker and passed unanimously.

R23-1 PROCUREMENT RULES, REPLACEMENT AND REPEAL

Alan Bachman explained this new rule will replace the current rule R23-1 and R23-2 whereas the rule was divided between construction and procurement of architect and engineering. This newly proposed rule is based on the new procurement code which has gone through substantial revision over the past several years. There were a few changes based on comments received

so far, however Mr. Bachman stated he was seeking a motion to allow the filing of this rule with these changes if there are no any negative comments during the 30 day comment period, after which time the rule will become effective. Anytime the Board wishes to make changes to this rule in the future, it can be done through an amendment.

- 1) Page 1: R23-1-101 – Scope of the Rules and Compliance by Using Agencies. This rule doesn't apply to Higher Education. Clarification should be noted that this rule applies to the entities that are under the rule making authority of the Building Board.
- 2) Page 12: R23-1-704 Exceptions to Terms and Conditions Published in the RFP. This section does not apply to construction and should be deleted. It applies very well to the Division of Purchasing and their methods for procuring goods and services.
- 3) Page 15: Typo in subsection (1) reads: Except as provided in R23-1-711 (4) should read as R23-1-711 (5) instead.
- 4) Page 16: R23-1-713 (2) should be deleted since it does not refer to current practices and is not needed.

David Tanner voiced concerns with R23-1-716 (2) which refers to the best and final offer process. Mr. Bachman said that DFCM rarely uses a best and final offer process. However if it were to be used, then this section would apply.

MOTION: David Tanner moved the Board approve R23-1 Procurement Rules Replacement and Repeal, and authorized DFCM to file this rule with the suggested changes if there are no negative comments during the 30 day comment period. The motion was seconded by David Fitzsimmons and passed unanimously.

Chair Carnahan informed the Board that Agenda Item #6 for Salt Lake Community College will be moved further back on the agenda to accommodate President Huftalin's schedule.

□ **FIVE YEAR NOTICE OF REVIEW AND STATEMENT OF CONTINUATION FOR RULE R23-16, ADMINISTRATIVE SERVICES, FACILITIES CONSTRUCTION AND MANAGEMENT DISPUTE RESOLUTION**

Alan Bachman explained under state law, rules are to be reviewed every five years in order to access whether they should be continued. R23-16 is a rule regarding dispute resolution which has been in use for a number of years. Mr. Bachman requested a motion from the Board which would authorize DFCM to file the Five Year Notice of Review and Statement of Continuation so this rule could continue on the books.

MOTION: Fred Hunsaker moved to approve the Five Year Notice of Review and Statement of Continuation for R23-16. The motion was seconded by Bob Fitch and passed unanimously.

□ **REQUEST FOR APPROVAL FOR TOOELE APPLIED TECHNOLOGY COLLEGE LAND BANK**

Scott Nelson, Campus President for TATC thanked the Board for their past support of the new TATC Building which is a 74,000 sf state of the art facility. Since opening in June 2013, TATC

has experienced a 41% enrollment growth and 102% certificate attainment growth. It has become a beacon for the community of Tooele and a place for people to gather, meet and to celebrate. The Utah Population Estimates Committee projects a 171% population increase by 2050 for the Tooele County area. TATC has an opportunity to obtain \$750,000 from the State Legislature for special projects. The first project is to use \$525,000 of these funds for a land purchase. The TATC is landlocked and unable to expand physical facilities. The purchase of 3.5 acres of land adjacent to the TATC from Tooele City that will facilitate further development of the envisioned Tooele County Education and Training Corridor. This opportunity came too late to be submitted with the state land banking requests which were prioritized in October. Board members agreed to add Tooele's Land Banking request at the bottom of the Land Banking Prioritization List. It would not be prioritized but would show the Legislature the Board's support for this Land Banking request. Chip Nelson agreed it should be at the bottom of the list but with a footnote indicating that this project did not go through the formal prioritization process. Board members expressed interest in TATC Master's plan and the future use of this land. President Snelson said this was a part of the master plan. The property will be home to the newly established TATC Business Resource/Entrepreneurial Center. This is supported by the Tooele County Alliance for Education, Employment and Economic Development, County Commissioners, City Mayors and Business, Education and Civil Leaders are very supportive of this project. President Snelson assured the Board that TATC was getting a good deal on the land and distributed a plot map showing the location of the property. In addition, the TATC would like to construct a maintenance garage and provide storage space for maintenance equipment, welding and diesel mechanics program materials and to provide dedicated space to properly store compressed gas cylinders used in the welding program. Jeff Reddoor said this \$225,000 cost would come from the TATC's Capital Improvement request.

MOTION: Gordon Snow moved to recommend the land banking request for TATC be place on the bottom of the Land Banking Prioritization List submitted to the Legislature with the footnote that it was not part of the prioritization process. The motion was seconded by David Fitzsimmons and passed unanimously.

□ REQUEST FOR RECOMMENDATION OF UNIVERSITY OF UTAH'S NON-STATE FUNDED ORSON SPENCER HALL REDEVELOPMENT

Last month the Board voted to remove the Orson Spencer Hall Redevelopment Project from the Non-State Funded List. Before this project could be heard by the Board, Chair Carnahan requested a motion to bring this project back to the table for further consideration.

MOTION: Fred Hunsaker moved to bring the University of Utah's Non-State Funded Orson Spencer Hall Redevelopment back to the Board for further consideration. The motion was seconded by Chip Nelson and passed unanimously.

David Pershing, President of the University of Utah and Ruth Watkins, Senior Vice-President addressed the Board and said they have been concerned about this project for at least a decade. In the early years they thought they could renovate OSH in phases. However, engineers indicated this approach would not work for this heavily used core classroom building.

He explained the OSH has 33 classrooms being used all day long, five days a week and the University simply didn't have the excess capacity to accommodate these classes. There were several new key facilities that needed to be completed first before the University could tolerate the temporary loss of this building. The University currently feels ready to tolerate the two year loss of this classroom facility during the rebuilding process. President Pershing indicated the urgent need for this facility to move forward which is why they have not elected to go through the Capital Development State-Funded process. Their funding strategy is as follows:

Donors and Institutional Support	\$35 Million
• \$5 Million existing commitment	
• \$10 Million naming request pending	
• Institution prepared to fill gap (goal is to raise \$20 Million privately)	
Student Fee	\$33.5 Million
• \$45/semester for 10-year period	
• Fee sunsets at 10 years or when paid, whichever is sooner	
• Donor success will reduce fee	
• This is a partnership with students: Elected student leaders have conveyed support	

There is 195,000 square feet for this \$60 Million building with \$1,049,500 being requested from the Legislature for O&M. Alan Bachman clarified that the University is approaching the Legislature for support of this project. This is not your typical non-state funded project, but a courtesy request. They are seeking the Building Board's recommendation but the actual determinative decision will be made by the Utah Legislature. The Board had concerns with the University's funding strategy particularly in regard to the use of a fee being required of students until the building is paid for. This sets precedence for future requests. The student fee is being supported by students who will not be on campus during the period of time the fee is enforced. Gordon Snow expressed concern that this facility is not being funded the right way. Fred Hunsaker confirmed he had viewed the facility and agreed there is a great need for this building. He questioned if there was something in the Capital Development process that would hinder this building request if they were functioning on true need.

MOTION: Chip Nelson moved to recommend the University of Utah's Non-State Funded Orson Spencer Hall Redevelopment to the Legislature subject to the funding being in place from donors and university funds. The motion was seconded by Fred Hunsaker and passed with four in favor and two opposed.

Voting recorded as:

Yes: Chip Nelson, Fred Hunsaker, David Tanner, David Fitzsimmons

No: Gordon Snow, Bob Fitch

□ REQUEST FOR RECOMMENDATION OF DIXIE STATE UNIVERSITY'S NON-STATE FUNDED STUDENT HOUSING PROJECT

President Richard Williams, Vice-President Paul Morris and Mayor Jon Pike presented Dixie's Housing project which is a student dormitory on campus. Dixie has experienced a 2.5% increase in enrollment this year and is expecting an additional 2.5% next year. They have also

noted that their campus is changing from a non-commuter to a commuter campus. They are proposing to build a 350 bed dormitory to remedy the housing shortage in the St. George area. President Williams presented a letter signed by Mayor Pike and St. George City Council members expressing support for this project. Mayor Jon Pike said the City Council has discussed this project over the last couple of years. They feel strongly about this project and offer their full support for the University's housing project. They are hoping that private housing projects will come forward in the future to assist with the housing shortage. Mayor Pike explained the lack of available land in a close proximity to the university has been a hindrance to developers trying to build near the university. They hope to remedy this in the future.

MOTION: Gordon Snow moved to recommend Dixie State's Non-State Funded Student Housing Project based on the community support received and allow it to move forward to the Legislature. The motion was seconded by David Tanner and passed unanimously.

□ REQUEST FOR APPROVAL OF THE KAYSVILLE EDUCATION CENTER ADDITION FOR UTAH STATE UNIVERSITY

David Cowley, Vice-President of Finance at Utah State University reported the University is requesting approval for an addition at the Kaysville Education Center at the Utah Botanical Center, Utah State property in Kaysville. The need is driven by the growth in students desiring to attend the Kaysville Education Center. The number of students has grown from 350 in 2010 to around 500 presently with future growth estimated at around 750 for this location. This is a \$2 Million project with 6,000 sf of addition space which almost doubles the square footage for this facility. This addition will be primarily funded with Regional Campus Funds and 25% of the cost of this project coming from private donations. No state funded O&M will be requested. The Kaysville Education Center was approved years ago during a time when the state was experiencing a budget shortfall. Because of the shortage of funds, agencies and institutions were allowed to either do away with the project or have it move forward without state O&M or Capital Improvement funding. USU elected to move forward with this project without state O&M funding. USU is assuming that since the original project was not allowed state O&M then the new addition wouldn't either. Regional Campus Funds will pay for the O&M for this addition. There was considerable discussion concerning this request. Mr. Cowley's original request was for a non-state funded project with no O&M. However he said that if the Board wanted to move the project forward to the Legislature on the non-state funded project list with a request for state O&M, the University would support this decision and/or a recommendation that O&M be considered for the entire building.

MOTION: David Fitzsimmons moved to approve the Kaysville Education Center Addition for Utah State University as originally submitted as a non-state funded project with O&M being paid by Regional Campus Funds. The motion was seconded by David Tanner and passed unanimously.

Gordon Snow requested he be allowed to make a second recommendation on the project that would not have an impact on the first motion.

SECOND

MOTION: Gordon Snow moved to recommend as a Board that the Legislature consider funding the O&M for the Kaysville Education Center.

Alan Bachman reminded the Board that he was uncertain if a particular statute that said you could not request things later, is actually constitutional. He does not think that state statute can bind a future Legislature or a Legislator from saying they want to appropriate monies when they see fit. It is certainly appropriate for the Building Board to recommend, if they choose, the appropriation of funds for a certain project. Board members were interested in seeing the history of the non-state funded projects to see which ones actually moved forward without O&M during those particular years when funding was tight. Chair Carnahan said this would be made available to the Board. Mr. Cowley said the list being referred to has some characteristics that are different than what is being referred to today. There was a period of time when non-state funded projects were approved and based on prior history, the request to the Legislature for state O&M followed. During the time of budget problems for the state, the Legislature simply declined to appropriate O&M even though the buildings were constructed. USU has several buildings that they expected to receive O&M for but did not receive it.

Utah State University stated they would be delighted to make a request to the Legislature for the O&M at least for this addition. If there is any kind of Board support for that, then that would add credibility to their request.

The motion was seconded by Fred Hunsaker and passed unanimously.

Mr. Cowley indicated he is uncertain how to make this request unless it is included with the other non-state funded projects for Legislature approval with O&M. David Tanner suggested that a list of all Agency and Institutional projects in need of O&M funding should be presented to the Legislature so that it isn't an independent effort from Utah State University. Chair Carnahan suggested this discussion could be an agenda item at a future Board meeting. Jeff Reddoor said the Facility Audit Report will be on the agenda for the January meeting. This report will provide overall condition and maintenance operation of all state owned buildings.

□ **REQUEST FOR RECOMMENDATION OF THE NON-STATE FUNDED SOUTH CITY CAMPUS STRENGTH AND CONDITIONING CENTER FOR SALT LAKE COMMUNITY COLLEGE**

President Denece Huftalin from SLCC said the request for a Strength and Conditioning Center at the South City Campus is a unique request. SLCC has ten campuses across the valley with three locations where they are trying to accommodate student requests for services and resources. This particular project is replacing existing space that had been moved during a recent remodel project at the South City Campus and will service about 5,000 students. The preliminary cost estimate is \$3.9 Million for 11,575 sf. The source of funding is from excess reserves in the existing student fee bond. The project will include an entry reception area, exercise/weight room, multi-purpose instruction space, men's and women's restrooms with showers, two offices, storage and lockers. This space was part of their master plan. O&M will be funded by existing student fees (Student Center Fee) with no additional fees added for this project.

MOTION: David Fitzsimmons moved to recommend Salt Lake Community College Non-State Funded South City Campus Strength and Conditioning Center. The motion was seconded by David Tanner and passed with 5 in favor and one opposed.

Voting recorded as:

Yes: David Fitzsimmons, David Tanner, Fred Hunsaker, Gordon Snow
Bob Fitch

No: Chip Nelson

□ **REQUEST FOR APPROVAL OF THE USHE AUXILIARY DEFINITION**

Jeff Reddoor reported the Operation and Maintenance Audit for 2011 requested that a formal auxiliary definition be created and adopted by the Building Board. There were two definitions listed on page 2 of the Higher Education Auxiliary Space Study which should be considered. Mr. Reddoor suggested that the NACUBO definition which is the standard from the National Association of College and University Business Officers be adopted as the standard definition. For the record, the NACUBO definition reads:

An auxiliary enterprise exists to furnish goods or services to students, faculty, staff, or incidentally to the general public. An auxiliary enterprise also charges a fee directly related to, although not necessarily equal to, the cost of the goods or services. The distinguishing characteristic of an auxiliary enterprise is that it is managed as an essentially self-supporting activity. Examples are residence halls, food services, intercollegiate athletics (only if essentially self-supporting), college stores, faculty clubs, faculty and staff parking, and faculty housing. Student health services, when operated as an auxiliary enterprise, also are included. Hospitals, although they may serve students, faculty, or staff, are classified separately because of their financial significance.

David Tanner requested help in understanding how hospitals with classrooms would be identified. Ralph Hardy said they are singled out separately but constitute a specific kind of auxiliary that is large and significant enough to have its own category. They function as an auxiliary, unless the hospital is serving students specifically and are not authorized on a fee for service basis. Mike Perez said the nuance is if there is instruction involved and typically it is with the School of Medicine and not a hospital. Mr. Hardy said that the University Hospital would be the only auxiliary that falls into this category.

MOTION: David Tanner moved to adopt the NACUBO Definition and all information associated with it as the state standard for an auxiliary definition. The motion was seconded by David Fitzsimmons and passed unanimously.

Ralph Hardy added that there are numerous universities around the country that have medical schools that require an affiliation with a hospital as part of medical instruction. Many of them do so by affiliating separately with privately owned hospitals. We happen to be one of those states that owns and operates a hospital that fills that purpose as well as the purpose of a general hospital. Jim Russell asked if this definition would be added to R63A. Jeff Reddoor said they would discuss this at a later meeting to determine if the Auxiliary Definition should be part of an

Administrative Rule or a policy.

□ **2015 BUILDING BOARD MEETING SCHEDULE**

Jeff Reddoor said the new 2015 schedule for Building Board meetings is now available and stands as documented. This is an informational item and is subject to change.

□ **UNIVERSITY OF UTAH'S REQUEST FOR APPROVAL OF AMBULATORY CARE CENTER, REHABILITATION HOSPITAL; MEDICAL EDUCATION AND DISCOVERY BUILDING**

Mike Perez, Associate Vice-President of Facilities at the University of Utah, Dr. Jim Bardsley, Associate Vice-President of Health Sciences and Jim Russell, Capital Development Project Manager for DFCM presented this project for approval. Mr Perez said The University's Master Plan calls for the downsizing and restructure of the Health Sciences Campus in order to support their academic research and clinical missions. To accomplish this there are three new buildings with shared activities that must be restructured and organized so that their functionality are interconnected and integrated with the existing hospital. They are:

Ambulatory Care Center (Previously authorized programming, design and construction)

Rehabilitation Hospital

Medical Education and Discovery Building

The proposed location of these buildings is on a site with challenging grade changes. As a result, the University is requesting authorization for master planning and programming only of the Rehabilitation Hospital and the Medical Education and Discovery Building to be performed by the same architectural firm that was selected for the Ambulatory Care Center so that the University can determine how they will all work together. This firm will serve as "master design architect" for all three projects which include coordinating details of interconnectedness amongst the buildings as well as exterior design. DFCM is in support of this approach.

The MED and the RH have not been approved yet, but they will be coming forth shortly. The University anticipates the MED will be their #1 State Funded Capital Development Request in the near future. They are requesting Board approval for Master Planning and Programming only. They will return to their Board of Trustee, Board of Regents and to the Building Board for approvals for each of the projects. The collective construction cost for these projects is somewhere between \$225 Million to \$250 Million for 500,000 sf.

MOTION: David Tanner moved to approve programming and master planning for all of the proposed buildings – the Ambulatory Care Center, Rehabilitation Hospital and Medical Education and Discovery Building for the University of Utah so that the project can be programmed and refined in order to move forward. The motion was seconded by Chip Nelson and passed unanimously.

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

Ken Nye from the University of Utah reported there were seven Professional Services Agreements awarded during this time period. There were eleven Construction Contracts with two of those for pre-construction services. The Project Reserve Fund did not have any activity. The Contingency Reserve had no increases and only two small decreases dealing with unforeseen condition or omissions from the design documents.

Ben Berrett from Utah State University reported that under Professional Contracts, #2 Planning and Design FY15 is an update to the Master Plan of the USU Eastern Campus in Price, which was needed. Under Construction Projects, # 6 Miscellaneous Contracts for Medium Voltage Upgrades FY 13 was for three high voltage circuit breakers as USU continues to improve and upgrade their older electrical system and improve functionality with this project. The Contingency Reserve Fund is in good order with a few small decreases this month. The Project Reserve is also in good order with one increase and several small decreases to the fund.

□ **ADMINISTRATIVE REPORT FOR DEPARTMENT OF TRANSPORTATION**

Kevin Griffin, UDOT indicated his report would cover the past two months. They have numerous projects in the design phase and will start advertising in the next 2 – 3 weeks. UDOT did advertise for their Cedar City Office Entry Remodel but unfortunately did not receive any bids. This will be re-advertised in January. UDOT representatives are moving forward with their Hooper Design/Build project and are meeting today for their first workshop meeting. They are looking for innovations to potentially changing the style of building UDOT is using for cost savings and improved efficiency. UDOT has received Order of Occupancy for the new Lehi Maintenance Facility which is a turnkey project with Legacy Point Developers. They are in the process of finalizing the deed transfers with that property. This is a good project for UDOT and for Legacy Point which includes removal of an old UDOT facility from Legacy's prime development area. UDOT does not have Project Reserve or Contingency Reserve presently.

□ **ADMINISTRATIVE REPORT FOR DFCM**

DFCM Interim Director, Bruce Whittington reported DFCM processed a total of 14 leases, five of those were for new space with nine being renewals. There were 22 Professional Service Agreements awarded this period and 47 Construction Contracts. Both the Capital Development and Capital Improvement Contingency Reserve Fund have increased this quarter. The Capital Development increased a little over \$600,000.00 and Capital Improvement by \$1.9 Million. This is mostly the result of a timing issue where several of their large projects and a lot of improvement work has been initiated and therefore the funds transfer from the projects into the Contingency Reserve Fund but yet they are early enough into the project that there has not been a draw of funds. This month's report includes a summary of total impact from agencies and institutions on the Project Reserve Fund. Lastly, DFCM has provided an analysis on all open construction projects that have contributed to the fund and are eligible to draw. Based on the percentage of completion, they are able to project what the impact may be on the Reserve Fund. Contingency and Project Reserve Funds are all healthy.

Chair Carnahan congratulated Legislative Fiscal Analyst Mark Bleazard on his future retirement and expressed appreciation for his service. Mr. Bleazard said he had worked for the state for 31 years and is looking forward to this new chapter. He expressed appreciation to the Building Board and to the DFCM staff.

□ **ADJOURNMENT**

MOTION: David Tanner moved to adjourn the meeting.

Following this meeting the Board met in room 4112 State Office Building for lunch and a business session.

Business Meeting

Chair Danes called the meeting to order at 12:00 pm.

Business Meeting Attendees:

Chair Ned Carnahan
David Fitzsimmons
Bob Fitch
Chip Nelson
Fred Hunsaker
Gordon Snow
David Tanner
Jeff Reddoor
Cee Cee Niederhauser
Mark Bleazard
Kim Hood
Greg Stauffer
Rich Amon
Ralph Hardy
Jim Russell
Ken Nye
Nicole Alder
Alan Bachman
Mack McDonald
Jackie McGill
Mike Smith
Tyson Gregory

□ **NON-STATE FUNDING PROCEDURES**

- 63a-5-104 indicates Legislative approval is not required for Capital Development projects that consist of design and construction of a new facility if the State Building Board determines:

- 1) the requesting agency or institution has provided adequate assurance that state funds will not be use in the design or construction of the facility
- 2) the agency or institution has a plan for funding in place that will not require increased state funding to cover the cost of O&M or state funding for immediate or future capital improvements to resulting facility, (so you could still get O&M for the facility, you just can't get increased funding for it.)
- 3) use of the state property is appropriate, consistent with the master plan for the property
- 4) will not create an adverse impact for the state.

Later the statute indicates DFCM should maintain a record of these and when exemption is given the institution may not request increased state funds for O&M or state capital improvement funding.

Mr. Bachman said that he does not feel this statute prevents anyone from talking with the Legislature about funding.

- Chair Carnahan said the Board needs to determine the best way to gain needed information on non-state projects
 - David Fitzsimmons – Quality of the presentations not as good. The Board struggles with some of the creative funding. Should non-state projects be part of the tour and information dispersed earlier?
 - Jeff Reddoor – Non-state could.
 - Bob Fitch – Does the Board need a checklist for approving projects?
 - Chip Nelson – Concerns with origination of internal funds.
 - Rich Amon – The statute does not clarify the role of the Board in regarding the non-state projects. There should be a process.
 - Greg Stauffer – Regents address the funding issues during their approval process of state and non-state projects. Regents are also concerned about student fee increases but they have those kinds of discussions during the late March approval of the tuition and fee process. Possibly they should overlay the Regents approval processes on these projects to give the Board a confirmation that they have approved this revenue stream since this is a big issue with the Board.
 - Jeff Reddoor -- It would be helpful if Regents approval is acknowledged when information is sent out to the Board about each project. (Greg Stauffer suggested this could be an item of the Agenda Request form that is sent out.)
 - Bruce Whittington -- Regents have detail on O&M? Should there be a process so that the Board knows O&M dollars are available.
 - Ralph Hardy – Regents see non-state funded projects in September with a description of funding and where the O&M will come from.
 - Gordon Snow – These questions and processes have made the Regents more accountable. The Board can expect to see more non-state funded projects in the future. The state's priority needs to be determined and communicated to the Board. The Regents priority also needs to be known. The Board should screen projects for the Legislature.
 - Fred Hunsaker – The Board should ask the tough questions. Difficult for

- the Legislature to get answers with their limited time.
- Mark Bleazard – Legislature relies on the Board's judgment. The Board should set deadlines so that they do not have projects coming forwarded later. Institutions are using donations to get their project higher on the list.
 - Alan Bachman – State statute talks about Building Board powers and mentions a master plan -- Not just for Higher Ed but for the entire state. It doesn't stipulate that the Building Board determines how funds are distributed for a project such as what percentage is student fees, donations, bonding, etc. – only that the funding is in place.
 - David Tanner – Board had some concerns with the property for UDC in American Fork.
- Jeff Reddoor – Approval of Capital Improvement and prioritization of Capital Development projects.
 - Mark Bleazard – Has never seen a master plan for state buildings. The use of technology could change the plan.
 - Jeff Reddoor – There are agency and institution master plans but not a state wide one. The five year book could be considered but it changes from year to year.
 - Alan Bachman – Suggested meeting with the LDS Church to determine how they do their master plan for LDS meeting houses.
 - Fred Hunsaker – Have seen project requests grow each year. Concerns with funding needs rather than wants.
 - Greg Stauffer – How are needs defined? How many years are you supposed to build for? Is this enough for the future? Should have guidance as to specific needs prior to building programming.
 - Dave Tanner – Schedule to require agencies and institutions bring their master plans before the Board. It forces the issue so that they evaluate their needs. Maybe every few months the Board could review these plans.
 - Jeff Reddoor – We are seeing the institution master plans when they are updated.
 - Jim Russell – Most of the agencies do not have the budget to fund their master plans nor would they have the need for it if they do not have a campus.
 - Chip Nelson – Hire of outside consultants not needed. A letter with their needs for the next 5 years will work.
 - Ned Carnahan – Will send out notes from today. Appreciate the interaction with the Board.

□ **FACILITY MAINTENANCE STANDARDS RE-WRITE UPDATE**

Jeff Reddoor – distributed a copy of the Facility Maintenance Standards and indicated these standards are used to measure whether an agency or institution is maintaining their facility according to state standards. Agencies and institutions must score 90% or higher on the annual maintenance audit in order to retain delegation to maintain their own building. If they fail the audit, DFCM may take over the maintenance of their building at a cost to the agency. Higher Ed must meet the standards; however, the state cannot come in and remove their maintenance

authority. The Facility Maintenance Standards have been updated to reflect current need. Recent changes to the standard require an agency or institution to track their O&M costs for each building. In relation to this, metering will have to be added which will require some special funding. At a future meeting, the Board will need to approve this re-write of the Facility Maintenance Standards. Since UCAT falls under the USHE authority, they will be considered like other institutions of higher learning. The Board expressed concern with the maintenance of utilities and infrastructure. Recently the Board awarded funding to DFCM for a state-wide infrastructure study which will supply information next year. Facilities Auditor, Mike Smith said there are some relevant questions in the Facility Maintenance Score Sheet that addresses concerns with general conditions of the parking lot, sidewalks, trail maintenance, etc., but does not largely address utilities and infrastructure.

□ **O&M DISCUSSION**

Recently the IGG Committee requested the Board review O&M processes and work with a sampling group from agencies and institutions to compile a recommendation. A committee has been designated and their first meeting is December 17.

□ **FY 2016 CAPITAL IMPROVEMENT REVIEWS**

Jeff Reddoor distributed a draft of the FY 2016 Capital Improvement List and commented on two important changes to the list:

- 1) These proposed projects were scored using the new Capital Improvement process which was approved last year.
- 2) The three different scenarios were presented on the spreadsheet so that the Board would know a different scenario for each level of funding.

DFCM assisted with Capital Improvements by helping to gather approximately 304 Construction Budget Estimates (CBE), and newly implemented scoping documents which is intended to help stop scope creep and problems with change orders. He encouraged the Board to review these projects and prepare to vote on them at a future Board meeting. DFCM will be a resource to assist the Board with additional insight on these projects. The final approval on Capital Improvements will be requested from the Board in March. Mr. Reddoor commented that \$2.5 Million in infrastructure repairs are part of Capital Improvements for the Department of Human Services, Utah State Developmental Center this year. This amount will be part of their overall budget for Capital Improvements and will not come off the top.

□ **ADJOURNMENT**

MOTION: David Tanner moved to adjourn the meeting. The motion was seconded by Bob Fitch.

The meeting adjourned at 2:01 pm.