

# Utah State Building Board



## BUSINESS MEETING

April 5, 2017

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### MINUTES

#### Members in Attendance:

Ned Carnahan, Chair  
Lisa Barrager  
Fred Hunsaker  
Gordon Snow

#### Guests in Attendance:

Rep. Froerer	House of Representatives
Sen. Harper	Utah State Senate
Jeff Reddoor	Building Board
Patty Yacks	Building Board
Ken Hansen	DAS
Marilee Richins	DAS
Bruce Whittington	DFCM
Mike Ambre	DFCM
Jim Russell	DFCM
Debbie Kurzban	Attorney General's Office
Sherry Ruesch	Dixie State University
Joseph Demma	UCAT
Comm. Woolstenhulme	UCAT
Tyler Brinkerhoff	UCAT
Ken Nye	University of Utah
Rich Amon	USHE
Ben Berrett	Utah State University

On Wednesday, May 3, 2017, the Utah State Building Board held a business meeting in Room 4114 of the State Office Building, in Salt Lake City, Utah. The meeting was called into order at 12:37 PM.

#### **LEGISLATIVE UPDATE AND CHANGES IMPACTING THE BOARD**

Chair Carnahan opened the floor to Sen. Harper and Rep. Froerer to address issues that came out of the legislative session. Rep. Froerer began by focusing on bonding issues, specifically related to the DXATC project. Bonding can only be approved through legislative approval. There needs

to be controls implemented to ensure that project scope and costs reflect what was originally approved.

The second issue involves the DPS Brigham City building which was a last minute appropriation request. There was not enough research completed in the initial stages of this request. It was later determined that the request was approximately \$1M under what was needed to complete the project. This shortage is not a reflection of the Building Board or DFCM. However, Rep. Forerer reinforced the importance of having projects follow the standard request process.

Sen. Harper would like UCAT to bring forward recommendations to consider as the Building Board and DFCM work on formalizing the bond verification process.

Mr. Snow asked Rep. Forerer and Sen. Harper to comment on whether they would like the Board to require a certification of funds for non-State projects. Currently, there is no intent language addressing this procedure, however the Board believes it is good practice and has requested institutions provide this documentation prior to giving their approval. Sen. Harper confirmed that there were amendments to Rep. Forerer's bill that were not drafted. Funding certification for non-State projects was one out of five other amendments that were not put into code. Sen. Harper and Rep. Forerer believe that the certification process is absolutely critical to move projects forward and would like the Board to continue this procedure.

Commissioner Woolstenhulme confirmed that the Board of Trustees met last week and agreed to move forward with the lease bond agreement under new intent language for the DXATC project. He thanked everyone for their work on this issue. Commissioner Woolstenhulme also confirmed that internal polices have been developed to keep his office involved in the entire building process; from request to ribbon cutting.

Rep. Forerer recommends that additional information be collected to certify donor contributions. He referenced a \$47.5M donation for the University of Utah's MED Center that would no longer be available if the State did not commit. The IGG requests that more information be provided under circumstances that a donor stipulates their contribution.

The Board recommends that Mr. Reddoor work with counsel to draft a rule to certify funds for non-State funded projects.

Mr. Snow expressed concerns with both the use of student fees and the criticality of need for Salt Lake Community's request of a new student center. Rep. Forerer has concerns with using student fees, especially for infrastructure requests. Chair Carnahan considered having USHE and SLCC present their master plan to the Board, as this is under the Board's purview, and how this request fits in. Chair Carnahan also wants to know if this project has been approved by the Board of Trustees. IGG will take into consideration concerns raised from the Board.

Mr. Reddoor requested comments from Rep. Forerer and Sen. Harper on an allowable percentage of project overages and if there should be a set percentage for when a project should return back for legislative approval. Mr. Russell stated the standard leeway is a 10% in overages. Sen. Harper would like to bring this topic into one of the two IGG meetings scheduled this summer. Mr. Reddoor brought up a significant accomplishment that the Board recently made by separating programming into its own phase. Mr. Russell agrees that this change will be helpful in determining square footage. However, there continues to be concern in estimating cost of construction, especially with escalation. Chair Carnahan would like to continue to address this topic in an upcoming business meeting.

Rep. Forerer asked Mr. Reddoor to provide an update on O&M. The Board is now able to capture costs on an individual building level, approximately \$207M in O&M expenditures were reported for FY16. A database has been created to house these reported costs and the Board is working on a way to visually present the data for transparency purposes. The Board is also currently working on developing a rule that will require agencies to report their O&M funding budget. There are concerns on identifying where their revenue sources are coming from. Mr. Reddoor stated that this rule would be focused on the budget for O&M as a whole in order to adequately fund existing facilities and to make comparisons on how O&M is distributed. Mr. Reddoor is open to comments from stakeholder, institutions, and agencies in developing this rule. Mr. Reddoor will start drafting this rule. A finalized version will be reviewed by the Board for approval.

Mr. Reddoor informed the Board of a rule change to the dates for when an agency can revise a project request. Currently this deadline occurs in May. This rule will be changed to allow for revisions up until the cost estimate is completed from DFCM. A clear date will be determined.

The final legislative update impacting the Board is that Mr. Reddoor's position has been changed to an appointed Director position. Mr. Bachman also informed the Board that procurement rules will also be developed for the Board. There are also a number of five-year reviews that will be coming before the Board.

**□ FUTURE AGENDA ITEMS**

- Utah State Fair Park: Arena Naming Update
- Update from DFCM on a new building standard for student housing
- Capital development process update from USHE and UCAT
- Formalize the land banking process
  - The Board will consider lumping capital development and land banking requests into one prioritization list.
- Cost comparison on new construction versus leasing from DFCM to the Board
- SUU: School of Business, groundbreaking on April 27
- WSU: New Science Building, groundbreaking on May 9
- UDC: New Prison, groundbreaking on June 15