

Utah State Building Board



MEETING

March 19, 2003

MINUTES

Utah State Building Board Members in attendance:

Keith Stepan, Chair
Kay Calvert, Vice-Chair
Steven Bankhead
Haze Hunter
Larry Jardine
Manuel Torres

DFCM and Guests in attendance:

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| Joseph A. Jenkins | Division of Facilities Construction & Management |
| Kenneth Nye | Division of Facilities Construction & Management |
| Kent Beers | Division of Facilities Construction & Management |
| Francis X. Lilly | Division of Facilities Construction & Management |
| Michael Benson | Snow College |
| Chad Duke | Salt Lake Community College |
| Sen. Beverly Evans | Utah State Senate |
| Dennis Geary | College of Eastern Utah |
| Darrell Hart | Utah State University |
| Rep. Loraine Pace | Utah State House of Representatives |
| Greg Peay | Department of Corrections |
| Michael Raddon | Spectrum+Bennion |
| Bryan Wilmot | Department of Corrections / UCI |
| Brent Windley | Utah State University |

On Wednesday, March 19, 2003, the Utah State Building Board held a regularly scheduled meeting in room 129 of the Utah State Capitol in Salt Lake City, Utah. Chair Keith Stepan called the meeting to order at 9:03 am.

APPROVAL OF MINUTES OF FEBRUARY 5, 2003

The minutes of the February 5, 2003 Building Board meeting were modified to reflect the participation of Manuel Torres at that meeting.

MOTION: Haze Hunter moved to accept the minutes of February 5, 2003. The motion was seconded by Larry Jardine and passed unanimously.

Chair Stepan welcomed Senator Beverly Evans to the meeting.

□ REPORT ON LEGISLATIVE RESULTS

Joseph Jenkins reviewed DFCM's funding with the Building Board. One year ago, the Legislature decided that DFCM was to be funded out of their contingency reserve and project reserve accounts. The Legislature reviewed funding this year, and determined that there would not be enough money in the general fund to fund DFCM operations. The Legislature mandated that all capital improvement staff funding come from capital improvement funds. Joseph Jenkins noted that the staff involved in roofing, paving, and hazardous materials abatement were already being paid out of that account. This year, the rest of the project managers in the capital improvement section will be funded from that account. The balance of DFCM operations will be funded out of contingency reserve and project reserve funds. The Legislature has been considering ways to fund DFCM operations from project budgets. DFCM recommended to the Legislature to fund projects from savings, which would give DFCM the incentive to manage the project better. DFCM recommended that some of their operations be funded out of general funds, particularly real estate and some of the administrative and accounting staff, since many of their activities may not be project-related.

Joseph Jenkins stated that DFCM would operate successfully from contingency reserve and project reserve funds for another year. DFCM funding will remain unchanged from last year.

Joseph Jenkins acknowledged the Legislature and gave special thanks to Senator Evans and Representative Pace for their efforts in the capital development funding process. Rep. Pace was willing to negotiate a settlement at the last minute that allowed passage of the bond bill that set capital improvements at \$42,700,000, which is the 0.9% funding level. The legislature approved the new Archives administration building at \$8 million, \$1 million less than our estimate. \$40 million was funded for the Merrill Library at Utah State University, a project budgeted at \$42,200,000. The legislature cut \$2,200,000 from that project. The Legislature funded \$6.6 million to buy to the Vineyard School and 11 acres of land adjacent to Utah Valley State College, and \$10 million for the Capitol restoration. DFCM has two full projects for the year, both with reduced funding. Joseph Jenkins expressed that the projects would be completed successfully, although scope may have to be cut. The Archives administration building will be constructed adjacent to the Rio Grande Depot.

Utah State University put \$2 million of their own funds into the project to conduct the programming and design of the Merrill Library with the anticipation that they would be reimbursed when the project was funded. DFCM and USU are now in agreement to see what can be built for the budget that the Legislature approved. Scope may have to be changed, but construction costs are favorable. USU will not take their \$2 million unless there is available funds at the end of the project.

The Legislature funded the West Jordan District and Juvenile Court through a revenue bond contingent upon the sale of the existing courthouse to Sandy City. DFCM and Sandy City have agreed to sell the project for \$4.5 million, slightly under appraisal. We sold it for that price because Sandy City is willing to let the District and Juvenile Court staffs remain in the building rent-free until August, 2005, at which time the West Jordan facility should be completed. The West Valley Driver License Division offices have also been funded for \$1.2 million through a revenue bond. The Snow College Activity Center was also authorized. Snow College would discuss that project later on in the meeting.

Chair Stepan extended his compliments to Sen. Evans and Rep. Pace for their work in the Legislature. Joseph Jenkins asked Ken Nye to discuss other legislative items.

Ken Nye summarized the following legislation before the Board:

HB 21 – State Building Ownership Authority Recodification. HB21 was passed, changing the membership of the SBOAA to consist of the governor, treasurer, and the Building Board Chair. They will have some work to do later this year. DFCM will work with the new body to prepare projects for financing.

HB 115 – DFCM Contract Claim Resolution Process. HB 115 would have required DFCM to adopt an administrative rule to establish a process whereby DFCM would be responsible for resolving all claims on a project, and that a building could not be occupied until a third party certify that all outstanding claims had been settled. DFCM was concerned about the feasibility of the projects being conducted under that rule. Rep. Clark agreed to withdraw the bill with the understanding that DFCM would work with him to address some of his concerns during the interim.

HB 147 – Prompt Payment Act. HB 147 did not pass. The bill was referred to the interim for further study.

HB 161 – Snow College Richfield Campus Name Change. The Legislature passed this bill, which would have a much greater impact on higher education than on DFCM. The bill establishes that all higher education functions at the Snow College South Campus in

Richfield falls under the auspices of Snow College, and that it is a branch campus of Snow College. There is no longer a separate UCAT institution in Richfield and Snow College will fulfill both roles.

HB 232 – UCAT Amendments. HB 232 passed. The bill strengthened the role of the UCAT president and board. “Regional Technology Colleges” are now referred to as campuses of UCAT. The bill clarified that the campuses need to follow the policies and directions of the UCAT president and the board.

Joseph Jenkins commented that HB 232 would change the way that the campuses would approach the Building Board for project prioritization. In the past, campuses approached DFCM for project and capital improvement funds. Campuses now must go through the UCAT board for approval, and the board would bring their recommendations to the Building Board.

Chair Stepan suggested that the Building Board build closer relationships with the leadership of UCAT.

HB 232 changed UCAT’s ability to lease property, clarifying that they do have the authority to lease property, but they must provide an annual report to DFCM and the Building Board.

HB 362 – Delays on Construction Projects. HB 362 did not pass.

SB 58 – The Legislature changed the name of the Division of Youth Corrections to the Division of Juvenile Justice Services.

SB 101 and SB 129 – These bills both considered incorporating considerations on whether or not general contractors have health insurance as part of the selection process. Neither bill passed. There is an interim study item for DFCM that will deal with the issue of health insurance.

Ken Nye mentioned that the first item of intent language under HB 1, the Appropriations Act, is a direction for the Department of Corrections and the Department of Public Safety to study the feasibility of combining their training academies.

When the State was created, some property was reserved for public purposes. The land is administered by the State and Institutional Trust Lands Administration (SITLA). Much of the proceeds from the property benefits public education, but there are several other purposes that were designated, one of which is for public buildings in the capital city. The proceeds for public buildings have been coming to DFCM, and have been used for minor renovations at the Capitol. The funding levels have been small. A major transaction

involving most of the property reserved for public buildings is underway. Use of these funds for the Capitol restoration is not an improper use of trust lands.

Kevin Walters stated that the funds from the sale of the trust lands was \$4.2 million. Instead of putting the funds into an endowment, some wanted to earmark it for teacher supplies. It became clear that the money had to be used for public buildings. \$4.2 million will go to the State Capitol. An equivalent sum was taken from the capital budget and used for teacher supplies.

Kay Calvert asked if the original intent of the arrangement was to create a land trust for use at a later time, or if the parcels of land were intended to have public buildings built on them.

Ken Nye replied that the intent was to establish a trust to benefit the designated parties: public education, higher education, or public buildings.

Ken Nye stated that the authorization requires that the Building Ownership Authority verify that there are sufficient funds within the current fee structure and other budgets to cover the debt service on the West Jordan Courts before that project can be completed. The Snow College Activities Center appropriation requires that the Board of Regents and the Building Board review and approve the scope and funding of the project before it can proceed. The approval will be addressed later on in the agenda. The sale of the Iron County Correctional Facility was authorized for a price of \$2 million, \$1,550,000 in cash, and \$450,000 will be addressed by allowing Adult Probation and Parole to continue to use space in the facility for another ten years. Iron County will operate the facility. Joseph Jenkins stated that he felt that the \$2 million price was fair and adequate compensation for the State of Utah.

Ken Nye confirmed that HB 47 did pass.

Ken Nye recognized Kevin Walthers for his help in working with DFCM on coordinated solutions to the challenges addressed in the session.

☐ INTERIM STUDY ITEMS

Ken Nye stated that each year the Legislature passes a resolution called the Master Study Resolution, identifying items to be studied during the interim session. There are many more items in the resolution than get addressed in the interim. There are some items in this year's resolution that will likely receive attention during the interim. On some of those items, DFCM has committed to working with the Legislature.

Four of the study items will involve the monitoring of legislative interest during the interim: prompt payment, capital facilities funding, considering health care benefits in the selection process, and State purchase and sale of property. Ken Nye stated that DFCM is more

concerned about study items on the construction bidding process and the VBS method, the construction claims issue referred to in HB 115, and the concerns over the State's Owner-Controlled Insurance Program (OCIP). DFCM committed with Sen. Clark and Rep. Harper to actively initiate discussion groups to examine those specific items, so that DFCM can address those items outside of a legislative hearing or to be more prepared for a future hearing if one would occur.

Ken Nye extended an invitation to participate on the study groups to members of the Legislature, representatives of the A/E and construction communities, and the interested public. DFCM particularly encourages participation from the Building Board.

Chair Stepan concurred that Board participation would be essential. He stated that the list of study items includes several important issues for the Board to consider in the coming months.

Joseph Jenkins stated that an analysis is being done on the operations and maintenance (O&M) of all State-owned buildings. UAPPA has come up with a formula to identify operations and maintenance funding levels for each building in the State. They will address the issue in their March meeting, and will bring the issue to the Building Board.

Dennis Geary of the College of Eastern Utah mentioned that the UAPPA meeting will consist of the facilities directors of the higher education institutions in the State of Utah.

Rep. Pace mentioned that she and Sen. Evans have expressed great frustration with the way capital facilities have been funded. She mentioned that they would like to explore alternate approaches during the interim. The Legislature may authorize additional appropriations committee meetings this year. She stated that, as it is very difficult to evaluate a project on paper, she would like to have some of the new committee members join the Building Board if they choose to do a facilities tour later in the year. Since higher education is predominant among the projects she suggested that the Legislature might need to separate the higher education priority from the list of projects from the remaining state agencies. She suggested that the Board of Regents, Legislature, and the Building Board collaborate during the interim on an alternative. She stressed that the list that comes to the Legislature should include only those projects that are needed. Critical needs should be addressed in order of their urgency. She encouraged the Board of Education to look closely at the missions and needs of the institutions.

Keith Stepan stated that the separation of the priority lists would be a good first step.

Sen. Evans cited that the cooperation of the Building Board and the Board of Regents has been an improvement, however she cautioned leaving the UCAT Board out of the system.

UCAT is funded in a different committee than higher education.

Lynne Ward acknowledged Rep. Pace and Sen. Evans for co-chairing the Capital Facilities Committee. She offered to work with the two chairs to work on their concerns and problems during the interim. She mentioned the Ogden/Weber ATC as an underrepresented facility that was not placed very high on the list of needed projects. She asked if the O&M issue would include a discussion on what is to be considered operations and maintenance. She suggested that some of the problem is definitional.

Camille Anthony stated that she went through the legislative process for the first time this year. She thanked Sen. Evans and Rep. Pace for the access they provided to DAS and DFCM staff. She appreciated their willingness to keep staff included in the process.

Haze Hunter stated that he felt that the Building Board has always done the best job they could at prioritizing projects, but that regardless of the Board's recommendations, the Legislature sometimes does what they want. He stated that it may be helpful to work with the Legislature to compare notes. He expressed satisfaction at the quality of the Board's prioritization process.

Kay Calvert raised a point about the VBS contractor selection process. She asked if there is a question if the process is saving the State money, or is it an effort to quantify and track savings.

Joseph Jenkins stated that both issues are at stake in the study item on the VBS process. He stated that most people seem satisfied with the process. There are some legislators who are considering whether VBS is the best way to procure contracts. There is a specific concern that a certain number of contractors are getting a majority of the work. DFCM provided a list of all VBS contractor selections to the Legislature showing them that it is not the case. However, very large projects attract a limited number of proposing firms who have the capacity to do them. He stated that there is significant overall diversity in the range of contractors selected.

□ HISTORICAL REVIEW OF HIGHER EDUCATION CAPITAL PROJECT FUNDING
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Joseph Jenkins invited Ken Nye to discuss the agenda item.

Ken Nye stated that Kevin Walthers prepared information for the Capital Facilities Committee that would be very informative to the Building Board. It focused on higher education, addressing the level of funding provided to the different institutions compared to their enrollment statistics. DFCM has updated the information to include the results from

the 2003 session. He stated that the document given to the board is not a thorough analysis of the capital facilities.

Kevin Walthers stated that the chart included in the board packet was distributed to the Capital Facilities Committee. Most of the data came from the Board of Regents. The 2002 session accounted for a significant portion of the growth of the smaller institutions over the past sixteen years.

Kay Calvert asked if it was possible to obtain information on donated projects for the purpose of helping institutions that are not as successful at raising funds.

Kevin Walthers stated that he would like to further research donated funds for projects.

Lynne Ward asked Brad Mortensen of the Commissioner's Office if the FTE counts included those FTE's at satellite campuses and at leased spaces. Mr. Mortensen replied that the totals include FTE's only at the main campuses.

Ken Nye stated that a college's mission impacts its ability to attract donations. The University of Utah and Utah State University have a much higher number of non-state funded projects than other institutions, but many of these projects serve purposes that other institutions do not have.

As the Building Board approached its fall hearings, DFCM would like to get further information on some of the caveats listed in the front of the memo to obtain more complete information.

Chair Stepan stated that the report was informative and helpful.

Brad Mortensen affirmed the willingness of the Commissioner's Office to assist DFCM in refining the information presented today.

Darrell Hart of Utah State University suggested that DFCM consider studying institutions' O&M costs over the last fifteen years.

☐ ADMINISTRATIVE REPORTS FOR THE UNIVERSITY OF UTAH AND UTAH STATE UNIVERSITY.....

John Huish of the University of Utah, gave the delegated projects report for the period of January 17 to February 28, 2003. There were some new A/E agreements for improvement projects and remodeling projects.

The following construction contracts were awarded in this period: construction of new space for the Emma Eccles Jones Medical Sciences Building; the contract went to Jacobsen Construction, selected as the CM/GC. The contract amount listed was for pre-construction services only. Another construction project was awarded for the exhaust system modifications in the Biology Building.

The University of Utah also included a quarterly report on statewide accounts for State improvement funds which the University manages. The quarterly report includes a full accounting of these projects. We are including a status sheet for the improvements projects. Starting this quarter, the University will report the status of the projects, the phase of the projects, and a phase completion date.

Chair Stepan asked if there was a claim against the State for for the Fort Douglas Infrastructure Improvements.

Joseph Jenkins replied that there was a claim, but that DFCM was preparing a proposed settlement to offer the trustee in two weeks.

John Huish reported the contingency fund, in which there was no activity for the period. There was no activity in the project reserve fund and in the contingency reserve fund.

The report concluded with a status on the construction contracts that have been closed, are remaining opened, or those that had been recently awarded. John Huish stated that some dates appear problematic, but that the lengthy schedules are attributed to unforeseen conditions and changes in scope.

The East Ballfield Concession project indicates that it is 300 days over schedule. That project has been phase-funded, which has extended the schedule outward to accommodate funding.

The Merrill Engineering Building renovation is a problematic project, requiring the relocation of programs as the work is completed. The University is discovering contingencies that are extending the project.

The report includes a mistake: for the University Hospital Level 4 Cardiac Cath Lab Addition, the notation should be "+166" days left. John Huish concluded the report.

Chair Stepan asked if the projects that are behind are in a liquidated damages situation, or have the contracts been extended. John Huish replied that contract extensions are typically allowed for extenuating circumstances.

Haze Hunter inquired about the Orson Spencer Hall Reroof. John Huish stated that the project has been closed and rescoped because of the difficulty in completing it. The University has decided to complete the project in phases.

Joseph Jenkins mentioned that the Governor's Engineering Initiative funded two buildings at the University of Utah and Utah State. The buildings were put on a bond with the understanding that those buildings could not be constructed until the universities have raised a certain amount of money. An announcement on the funding of a new engineering building at the University of Utah will be made on Friday.

Larry Jardine stated that no contractor appears to be at fault in the schedule extensions on the projects. John Huish stated that there have been no claims or problematic situations with the contractors. Larry Jardine asked if the changes were costing the University. John Huish replied that there have not really be any additional costs.

MOTION: Haze Hunter moved to accept the administrative report of the University of Utah. The motion was seconded by Manuel Torres and passed unanimously.

Brent Windley, Utah State University (USU), reported for the period of January 15, 2003 through February 25, 2003. The only professional contract awarded in this period was for the cogeneration/chilled water project. USU is currently reviewing shop drawings for the project. USU hopes to have chilled water to the new engineering building by June 30.

No new construction contracts were awarded in this period.

There was no activity in the contingency reserve fund for this period.

The report submitted to the board also included USU's quarterly report. The Contingency Fund Cumulative Transfers report indicates that percentages of funds in to funds out are in the confines.

There was no activity in the project reserve fund for this period.

A report on the statewide accounts included a project to the Ag Sciences Elevator and Communications project, which will be moving ahead.

The construction contract status report shows eight new open contracts, one new contract, and the remaining contracts are closed. The open contract is for the cogeneration/chilled water projects.

The current delegated project lists shows 40 projects. USU has been busy in the quarter, closing out 19 delegated projects. The remaining projects are pending funding. The bookstore renovation project, which shows as substantially complete, was bid in two parts. An alternate was included in the bid and the contractor will proceed on that alternate. The bookstore will remain on the project list until the alternate is completed.

Brent Windley stated that all four of the buildings on campus that are under construction are proceeding, some better than others. Ceilings, painting, and drywall are being done on the engineering building, which is on schedule. The masonry is complete on the Edith Bowen Lab School, and the contractor is painting and installing drywall and cabinetry.

MOTION: Larry Jardine moved to accept the administrative report of Utah State University. The motion was seconded by Steven Bankhead and passed unanimously.

☐ REALLOCATION OF CAPITAL IMPROVEMENT FUNDS FOR UTAH STATE UNIVERSITY

Joseph Jenkins invited Kent Beers to present this agenda item.

Kent Beers stated that DFCM recommends that the Building Board reallocation \$340,000 of FY 2003 capital improvement funds, that were originally authorized for the renovation of the USU Military Science Building. DFCM recommends that those funds be reallocated to the Health, Physical Education, and Recreation (HPER) building and the Museum of Art building to upgrade their steam supply systems.

DFCM originally allocated \$1.5 million to the Military Science Building, but funds for that project were reduced to \$355,000 due to budget cuts last year. The remaining funds would have paid for an examination, preliminary engineering, and master planning. Only \$15,000 has been spent so far. USU will continue to work with DFCM to determine the long-term use of the Military Science Building, but DFCM is not sure if it is prudent to proceed with renovation at this time. The HPER and Museum of Art steam supply system is a more urgent need. The existing steam system contains toxic chemicals that need to be extracted out as the system is pumping into occupied areas.

Kent Beers stated that the \$1.5 million originally slated for renovation would not have solved all of the problems of the facility. Darrell Hart added that the building is old and that the second floor contains several half-floors. The building lacks an elevator and the mechanical systems are in poor shape. There are large classrooms without air conditioning. \$15,000 was spent to obtain as-built plans. Until USU decides on a plan for the building, it would be more useful to spend the money on a more immediate need.

Manuel Torres asked why USU wanted to renovate the building one year ago.

Darrell Hart replied that the building is in dire need. USU believed that the classroom space on the second floor of the Military Science Building was needed, but are now trying to move classrooms into the library when it is constructed. Darrell Hart suggested that if USU were to put money into the building, it should be for a short-term use until they can develop a longer-term replacement.

Manuel Torres stated his concern that DFCM and USU approached the Building Board two years ago, and the Board approved the allocation of funds for the Military Science Building, preventing the money from being used for an immediate need.

Darrell Hart stated that uncertainty over the future of the Military Science Building emerged from cuts to USU's capital improvement budget.

Kevin Walthers stated that the Legislative Fiscal Analyst has expressed concern about agencies retaining the funds of capital improvement projects that they cancel. He inquired whether or not funds for cancelled projects should remain in the agency or should be placed in a general pool.

Chair Stepan asked if projects involving cleaning should be handled through capital improvement funds or maintenance funding. Darrell Hart replied that USU will install a new steam delivery system on that project. He stated that he made the decision to shut the existing steam rooms down to reduce the hazards to occupants.

Joseph Jenkins stated that DFCM has addressed Kevin Walthers' concerns in reallocating capital improvement funds. DFCM does not want to get into a situation where an agency may put money into a project, for fear of losing it, despite an ineffective use of funds. DFCM has indicated to USU and the University of Utah that it will protect their capital improvement budget if one of their improvement project is funded. Reallocation of improvement funds must go to another improvement project and the agencies must approach the Board for authorization.

Haze Hunter remarked that he has noticed an increase in reallocation request. Joseph Jenkins replied that the increase is attributable to a conscientious effort to help the agencies in keeping their funds. DFCM investigates each reallocation request prior to Board approval. Joseph Jenkins stated that almost every future Board meeting will involve an improvement request.

Kent Beers confirmed that he investigated the USU reallocation request, and he did concur

on the urgency of the project.

MOTION: Steven Bankhead moved to accept the request to reallocate capital improvement funds at Utah State University. The motion was seconded by Lynne Ward and was passed unanimously.

Ken Nye observed that DFCM is regarding USU and the University of Utah in a particular way. Agencies may be wondering why DFCM is not considering other agency requests like they have for USU and the University of Utah. Ken Nye cited that two issues distinguish these institutions from the rest of government: capital improvement projects are delegated to them to manage, and they have much more control over available funds. In addition, USU and the University of Utah receive far less than their proportionate share of capital improvement funds. These institutions have longer lists of unmet needs.

☐ AUTHORIZATION OF CAPITAL IMPROVEMENT FUNDS TO BEGIN WORK ON THE UTAH STATE FAIR PARK DESERET BUILDING

Joseph Jenkins stated that this item is an emergency request for the use of capital improvement funds on the Deseret Building, also known as the 4-H Building. DFCM had anticipated doing a roof replacement on the building, but further investigation indicated that the building was structurally-unsound. An engineer's evaluation stated that the roof is a concern enough to justify condemnation of the building. If DFCM is to work on the building, it must begin immediately so that a facility is ready for use for the State Fair in September. Chair Stepan requested a motion to place the authorization request on the agenda.

MOTION: Kay Calvert moved to add the emergency authorization request for capital improvement funds for the Fair Park Deseret Building to the agenda. The motion was seconded by Manuel Torres and passed unanimously.

Kent Beers presented subsequent information on this agenda item. He stated that DFCM's roofing manager discovered a significant deflection on the roof of the Deseret Building while conducting a survey. Near where the swamp cooler is located, there is a 9" drop in the roofline. DFCM hired a structural engineer to assess the condition of the roof and the building. The engineer concluded that the roof is in imminent danger of failure and recommended that the building not be occupied during the winter. Each member of the roof truss is overstressed, bearing 1.6 to 9 times its load capability. The Deseret Building is on the National Register of Historic Places. DFCM has contacted Wilson Martin, the State Historic Preservation Officer for assistance in determining the best course of action. DFCM is considering all options, including the demolition and reconstruction of the facility, or a complete restoration and rehabilitation including seismic upgrade. The walls are

constructed of unreinforced masonry and are seismically unstable. The existing walls would not support a new roof. A cost estimate to upgrade the roof only is approximately \$200,000. Because the building is essential for the operation of the Fair, it is imperative that DFCM begin work on the project in mid-April. Accordingly, DFCM is approaching the Board for early authorization of capital improvement funds.

Kent Beers stated that there is money in the emergency roofing fund from last year that could be used or the Building Board could view this project as an emergency due to the timing and life-safety issues and authorize FY 2004 funds at this point in time.

Joseph Jenkins stated that DFCM cannot select a course of option until receiving comments from the State Historic Preservation Officer. He stated that if DFCM brought the issue back to the Board in May, they would not have enough time to complete the project in time for the Fair.

Kay Calvert expressed concern about the Building Board approving a project without knowing whether it will be renovated or demolished and reconstructed.

Haze Hunter expressed concern that a cost comparison has not been done on the two options. Kent Beers stated that either option would range from \$500,000 to \$700,000.

Chair Stepan requested a motion to approve early funding of the Deseret Building on the condition that DFCM report back to the Board in May on the chosen alternative.

MOTION: Manuel Torres moved to approve early funding of the Deseret Building on the condition that DFCM report to the Board in May on the chosen alternative and the cost. The motion was seconded by Kay Calvert.

Lynne Ward asked how much money was in the roofing account. Kent Beers replied that DFCM had considered drawing from the roofing account to initiate the project. DFCM will have to retain an engineering firm to conduct design work whether the building is renovated or rebuilt. Lynne Ward suggested a substitute motion, concerned that the Board may set a precedent of approving projects before they are funded.

MOTION: Lynne Ward moved to authorize DFCM to use emergency roofing funds for the initial phase of planning, design, and demolition, if needed, and that DFCM request further funding at the May meeting. The motion was seconded by Steven Bankhead.

Kent Beers stated that as long as DFCM starts the project in April, it will be completed in time for the Fair. DFCM could use the roofing funds to start the project in April.

Haze Hunter asked if it is legal to approve the use of emergency roofing funds for a project that may involve new construction. Joseph Jenkins replied that DFCM can use the funds, because it is an emergency. In May, DFCM will return to request the balance of the funds for construction or renovation. Kent Beers added that the statute for capital improvements allows DFCM to use up to \$1.5 million for demolition and reconstruction of a new building.

Chair Stepan requested a vote on the motion.

The motion passed unanimously.

❑ SNOW COLLEGE ACTIVITY CENTER RENOVATION AND ADDITION.....

Joseph Jenkins stated that President Benson sought the approval of the Snow College student body for an increase in fees to fund upgrades to the activity center. President Benson received approval for the project from the Board of Regents. The legislature approved the project based on Board of Regents approval, Building Board approval, and obtaining funding. The project will be funded through the Community Impact Board. DFCM is bringing the project to the Building Board for its approval. He introduced President Benson.

President Benson stated that final approval on the increase in student fees came last week. He stated he would like to reduce the projected cost of the project from \$2 million to \$1.5 million. Snow College does not have an estimate from the architects. When the solicitation went out, 25 architects expressed interest in the project. Snow College is unsure if its student enrollment is for next year, and has made a conservative estimate on the number of fee-paying students. He requested approval of \$1.5 million before the CIB Board.

Chair Stepan asked President Benson to describe the building. President Benson stated that the building is 25 years old. It was constructed in 1978 at a cost of \$4.5 million. At that time, Snow College had 1100 students. Enrollment has doubled since then. 55-60% of the users during the school year come from the community. During the summer, that number is closer to 90%. The building is heavily used by the citizens of Ephraim and Sanpete County. Snow College intends to build three classrooms on the east side of the building in addition to a dance studio. The project will also improve the shower and locker room facility and a repainting of the floor.

Manuel Torres stated that the CIB is a funding mechanism for cities and counties. He asked how Snow College is being funded through the CIB. President Benson replied that the Activity Center was built with a dual purpose to serve Snow College and Sanpete County.

Lynne Ward asked about the expected annual O&M for the Activity Center. President Benson replied that Snow College does not intend to ask for additional O&M because the addition of the space is so limited.

MOTION: Manuel Torres moved to approve the application of Snow College for the Activity Center Renovation and Addition. The motion was seconded by Steven Bankhead and passed unanimously.

President Benson thanked Joseph Jenkins for his support of Snow College.

Chair Stepan congratulated Joseph Jenkins on his new assignment as an LDS Mission President to Zimbabwe.

ADMINISTRATIVE REPORTS FROM DFCM

Joseph Jenkins stated that the report was self-explanatory. No motion was required for the report.

UPCOMING VALUE-BASED PROCUREMENT SELECTIONS.....

Larry Jardine agreed to participate on the Weber State Lampros Hall selections for the CM/GC and A/E phases.

Chair Stepan suggested that Kerry Casaday be considered to participate on the University of Utah Moran Eye Center II CM/GC Selection.

Kay Calvert agreed to participate on the selections for programmer and exhibits master planner for the Utah Museum of Natural History.

Chair Stepan agreed to participate on the Archives building selection.

OTHER

Lynne Ward stated that she received a tentative timetable for the issuance of general obligation bonds. After the session, we start a series of meetings involving DFCM, the Division of Finance, and the Governor's Office of Planning and Budget. The total GO Bond issuance is somewhere between \$200 million and \$300 million. The bonds will be issued in late June or early July. GOPB anticipates being able to maintain the AAA bond rating.

Haze Hunter asked how the State stands in terms of the total indebtedness and its bond

limit. Lynne Ward replied that the State has \$1.2 million in outstanding bonds, which is a medium-to-high debt load.

☐ ADJOURNMENT

MOTION: Manuel Torres moved to adjourn the meeting at 10:58am. The motion was seconded by Steve Bankhead and passed unanimously.

Minutes prepared by: Francis Xavier Lilly