

**MINUTES OF THE  
JOINT CAPITAL FACILITIES & ADMINISTRATIVE SERVICES  
APPROPRIATIONS SUBCOMMITTEE  
Wednesday, February 2, 2000, 2:00 P.M.  
Room 405, State Capitol Building**

Members Present:            Sen. Beverly Evans, Committee Co-Chair  
                                 Rep. Gerry A. Adair, Committee Co-Chair  
                                 Rep. Jeff Alexander  
                                 Sen. Mike Dmitrich  
                                 Rep. Ralph Becker  
                                 Rep. DeMar "Bud" Bowman  
                                 Rep. Brent H. Goodfellow  
                                 Rep. Bradley T. Johnson  
                                 Rep. Loraine T. Pace  
                                 Rep. Raymond W. Short  
                                 Rep. Richard L. Walsh

Members Excused:         President Lane Beattie

Staff Present:             Kevin Walthers, Fiscal Analyst  
                                 Jonathan Ball, Fiscal Analyst  
                                 Sharon Johnson, Committee Secretary

List of others present on file.

Co-Chairman Adair called the meeting to order at 2:03 p.m.

**1.     DFCM, Internal Service Funds** (Tab 26, page 6)

Dan Olsen, GOPB, addressed the committee regarding service contracts requested by agencies after the session. He clarified that it is a policy issue to include funds for those requests. The agencies do not request supplementals.

**2.     Archives** (Tab 10)

Mr. Walthers stated that there had been a concern with vacant positions being unfilled at Archives. That concern has been alleviated and DHRM has removed those positions. They are working together to see that staffing needs are being met. The analyst's recommendation for Archives is a relatively flat budget with some corrections for Internal Service Funds and the 2-day correction for the number of work days this year. Statistics show that records requests are up and while microfilming services had been down they are beginning to climb again. One concern of Archives is dealing with the records of the 3<sup>rd</sup> District Court and the analyst encourages cooperation with them in managing these records.

Jeff Johnson, Director of Archives, told the committee that they currently have one vacant position and are in the process of interviewing for that. Rep. Goodfellow and Pace questioned Mr. Johnson about the status of archiving former governor's records and raised the issue of long-term electronic storage. HB 246 would appropriate money for the governor's records and SB 125 would set standards for electronic storage. There is an increased workload but no new money is currently available. Betsy Ross, Chair of the State Records Committee stated the FTE situation should be addressed.

Rep. Adair told the committee that Exec. Appropriations plans to cut budgets this year. He also told the committee that leadership has requested them to formulate a plan as to buildings, leases, and lease purchases going through the Capital Facilities committee only.

**MOTION:** Rep. Walsh moved to adopt the minutes of Jan. 28<sup>th</sup> with a correction on page 2, under UTAX, to read "The first phase of the three phase project has been completed but the 3<sup>rd</sup> stage is currently on hold due to vendor problems." The motion passed unanimously.

### **3. Debt Service (Tab 1)**

Mr. Walthers stated that the obligation the state has for FY 2001 is \$158,046,300. Breaking down the debt service by agency the figures show that Higher Education and the Highway Fund represent 70% of the bonding needs for the state. He discussed the Constitutional Debt Limit and the Statutory Debt Limit. While Debt Service has had incremental growth over the last three years prior to that there was a big jump due to the highway project.

Ed Alter, State Treasurer, addressed the committee about the state's bond rating. It remains a Triple A rating due to our strong economy, financial policies and a strong rainy day fund. We are no longer considered a low-debt state, this should not affect the bond rating as long as there are sound policies and procedures in place to identify and meet the needs of the state. Reps. Adair and Johnson questioned Mr. Alter about scenarios that may affect our bond rating.

Rep. Becker discussed the role of the building board in maintaining our bond rating and meeting the building needs of the state. Reps. Walsh, Dmitrich and Goodfellow commented on the constitutional and statutory debt limits, general obligation bonds and maintaining funding options. The analyst directed the committee to pages 7-10 of Tab 1 for policy guidelines to managing the state's facilities.

**4. DFCM (Tab 16)**

The Analyst presented the operating budget of DFCM and responded to 1999 intent language regarding facility management software, facility needs statement and design ownership.

Rich Byfield, Director DFCM, stated that need statements are essential. He also addressed the design ownership issue. Currently the architect owns the copyright of any building he designs and the state pays additional money to reuse the same design. Other states have joint copyrights. If the state reuses a design there is usually a hold/harmless clause. This type of agreement limits the flexibility of the state as they are tied to one firm.

Mr. Walthers told the committee about prototype use in Florida. They are not concerned with design ownership but with improved economies of scale in construction. Sen. Evans questioned whether reuse could be written into agreement for prototypical buildings. Mr. Byfield said it would be possible and that common language and a standardized process are necessary. Reps. Pace, Adair, Johnson and Short commented on prototypes and reducing costs. The committee viewed a power point presentation of Florida's project. Mr. Byfield said that currently in Utah the agency drives the design of new facilities. Ideally the design would be done first and then adaptations would be made to fit the agency.

**Building Board**

Dave Adams, State Building Board, introduced the board and presented the mission statement of the board. Their purpose is to increase efficiency and cost effectiveness while producing a quality product. They are asking for a slight increase in debt service to save money in the long run. Kay Waxman, State Building Board, addressed the merits and disadvantages of a Performance Based Procurement System. The team approach mitigates problems and decreases contention while producing cost savings. When a team makes a proposal they preview risks and problems that may occur. Keith Stepan, State Building Board, also discussed the performance based procurement system. The Building Board recommends a performance based process. A hearing will be held March 15 then they will go to a rule-making process and future hearings. Mr. Adams stated that long-term plans need to be made. A 5 year plan alone is not sufficient. 80% of the current priority list is renovation and replacement and does not address all of the state's future needs. Sen. Evans, Reps., Adair, Pace, and Goodfellow commented on the board's efforts. Chuck Canfield and Joe Jenkins, State Building Board, also addressed the committee.

**5. Project Recommendations (Tab 3)**

Mr. Walthers summarized his top recommendations: USU Heating Plant, \$2 million for design; State Hospital-Rampton II Building; Capitol Preservation Board; UVSC Classroom Additions, the only project not dealing with repair or maintenance; and OWATC Maintenance Building. Some other projects in the state will be addressed using federal funds or donations but are not on the analyst's list.

**6. Facility Pool Discussion**

The committee chairs stated that the committee must establish a decision making process for state buildings. First, agencies that need new footage or a lease must bring notation from DFCM and recommendations from the proper appropriation subcommittee on what is needed and funded. In the interim Executive Appropriations will receive this information. Secondly, purchases, lease/purchases and buybacks will follow the same procedure. Rep. Goodfellow suggested the Capital Facilities meet in the interim in order to deal with the dynamic business environment today. Change is constantly occurring and the committee needs to be able to deal with change throughout the year. The committee concurred with Rep. Goodfellow.

Each committee member made a recommendation for Fiscal Year 2001.

Rep. Becker felt that bonding in the \$100-\$150 million range is necessary.

Rep. Bowman concurred. If issues are not resolved now, we will just get further behind.

Rep. Pace felt that bonding is necessary and that the Rampton Building and USU are top priorities.

Rep. Johnson supports the process and stated that we should build what we can with the \$27 million tentatively allocated. He agreed that maintenance is a top priority but we need to be conservative. He is concerned with bonding and future indebtedness.

Rep. Walsh shared Rep. Johnson's concerns about the economic cycle. Some bonding may be necessary, such as the USU heating plant which is reaching a crisis level, but a big bond may dig the state into a hole.

Sen. Dmitrich suggested bonding in the range of \$75 million. We need to deal with USU, Logan Courthouse, Dixie Graff Bldg, WSU's chiller...Let's go for as much as we can get.

Rep. Goodfellow stated that a plan be made which justifies the need. Then determine how much money is needed and bond to the minimum level.

Rep. Short supported whatever you can get with a majority in the House Republican Caucus.

Sen. Evans supports bonding. There is never a good time to buy so address the list, look at the needs, get the figures and go from there.

Rep. Adair said that we have to look beyond next year to the next 10 years. We can't wait to pay cash, bonding is necessary.

**MOTION:** Sen. Evans moved that the committee return on Friday to evaluate the list, assess the needs and make a realistic decision on replacement and maintenance.

Committee discussion ensued and the committee listed projects to be heard during Friday and Monday's meeting. Rep. Dmitrich questioned funding "This is the Place" state park and Rep. Short commented that project presenters should not count on being funded as a result of the Friday and Monday meeting.

**REPLACEMENT MOTION:** Sen. Evans moved to start the decision process on Friday by hearing a very brief presentation from the projects listed on Friday, Feb. 4<sup>th</sup> and Monday, Feb. 7<sup>th</sup> agenda. The motion passed with Rep. Short voting no and Rep. Alexander absent at time of voting.

Rep. Becker questioned the analyst about Fairpark funding. Rep. Short commented.

**MOTION:** Rep. Walsh moved to adjourn. The motion passed unanimously.

The meeting was adjourned at 4:55 p.m.

The minutes were reported by Sharon Johnson.

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Sen. Beverly Evans  
Committee Co-Chair

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Rep. Gerry A. Adair  
Committee Co-Chair