

**MINUTES OF THE JOINT CAPITAL FACILITIES AND ADMINISTRATIVE  
SERVICES APPROPRIATIONS SUBCOMMITTEE**

**Wednesday, January 31, 2001, 2:00 p.m.**

**Room 131, State Capitol Building**

Members Present: Rep. Gerry Adair  
Sen. Beverly Evans  
Sen. Mike Dmitrich  
Sen. John Valentine  
Rep. Jeff Alexander  
Rep. Roger Barrus  
Rep. Ralph Becker  
Rep. DeMar "Bud" Bowman  
Rep. David Clark  
Rep. Brent Goodfellow  
Rep. Ty McCartney  
Rep. Loraine Pace

Members Absent: Rep. Greg Curtis  
Rep. Kevin Garn

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

Committee Co-Chair Adair called the meeting to order at 2:01 p.m.

**MOTION:** Rep. Pace moved to approve the minutes of 22<sup>nd</sup> and 24<sup>th</sup> with the following corrections Jan. 22<sup>nd</sup>, page 3, 3<sup>rd</sup> paragraph be corrected to state that the current gubernatorial historian, Ms. Roberts, will continue in that position. The motion passed unanimously with Sens. Valentine, Dmitrich and Rep. Alexander absent at time of voting.

**1. Building Board**

Dave Adams, State Building Board, introduced the Board members and spoke to the effectiveness of the Performance Based Procurement System used in the past few years, it is now called Value Based Procurement. He also addressed the Capital Needs Assessments program and how information gained from this program is used. There is final planning underway for an Owner-Architect agreement to enable building design to be less customized and at a lower cost.

Mr. Adams told the committee that the amount of funds appropriated for Capital Facilities have been declining although state is growing. Some buildings constructed for higher education have been funded through philanthropic organizations and not by the state. Mr. Adams presented the priority list compiled by the Building Board. The priority list consists of existing facilities that

need to be replaced, these are the USU Heat Plant, CEU Main BLDG, Snow Performing Arts Center, Dixie Performing Arts Center, USU Engineering BLDG, Parks and Rec Field House Museum in Vernal, Courts Logan Courthouse. The only item on the list that is new construction is a classroom building for UVSC.

The Building Board estimates that \$429 million is needed in immediate repairs alone for state buildings. Mr. Adams referred to a report prepared by the Legislative Auditor General regarding the percentage that should be set aside for capital improvements. The committee discussed this percentage at length and how that percentage is determined regarding Operation and Management as well as AR and I.

The final recommendation of the Building Board was that by making a Classroom Building Package for CEU, UVSC, WSU, SUU, USU engineering, and U of U engineering, substantial savings would be gained. This package is part of governor's plan to increase the number of technology students in Utah.

Mr. Walthers addressed the Legislative Auditors report and the capital improvement percentage. Basically there is a maintenance backlog that has accrued over the past 100 years and by prioritizing capital development projects the committee will begin to erase some of this backlog. The committee and the Building Board continued to discuss how O & M, structural improvements and utilities all fit into the amount of money the Legislature can appropriate for repairs. Rich Byfield, DFCM, and Ken Nye, DFCM also addressed the committee about projected expenses for the Facilities Management ISF. and capital improvements.

Sen. Evans recommended that the analyst, DFCM and the Legislative auditor reconcile the information to be used in determining the 2% formula to be used for allocating repair funds.

Mr. Adams clarified that by definition a capital improvement is under 1 million and capital development is over 1 million. This definition creates a problem because most improvements currently needed exceed that cap. He stated that USU's heating plant needs to be replaced in entirety and it will cost \$40 million.

Mr. Walthers questioned if the actual classroom package savings will be 15% as determined by the board for the Higher Ed. Technology building. Mr. Adams responded with information about school construction in Cedar City and the savings obtained there. Rich Byfield commented on using different criteria to determine savings which could range from 10% to 15%.

Rep. Goodfellow addressed the priority list approved by the Building Board and asked about the status of the Oxbow facility. Mr. Adams responded that the Oxbow appraisal was not complete when the priority list was made. It is now added on bottom of priority list but the board feels there is still a problem of cost and it needs further analysis. Rep. Goodfellow suggested looking

at the construction cost of Oxbow and having some kind of agreement for repairs.

Rep. Clark asked for clarification of how the emergency list of maintenance backlog is determined. Mr. Adams answered that it is done by the Capital Assessment process and consulting with the engineer. The results are computerized and analyzed with users.

Kent Bierce and Keith Stepan, Building Board, answered questions placed by the committee regarding maintenance and the Oxbow facility. Sen. Evans thanked the Building Board for their work and commented on the working relationship of the Board and the Legislature.

## **2. DFCM Operating Budget (Tab 10, 11)**

Mr. Walters presented information on DFCM Administration. He commented that even after reorganization DFCM program managers are still spending a lot of time on site. Other administrative issues are those of design costs and ownership policies. The State pays the fee and yet does not own design. A possible resolution to this is if the State can't buy the design then maybe they could hire the architect to be an employee and state would therefore own the design.

Mr. Walthers explained how support staff of Capitol Preservation Board have been funded with transfers from Debt Collection to DFCM. The committee and Mr. Byfield discussed the Facilities pool in Section 10 and the hiring and use of a state architect. The analyst's recommendation is on Tab 10, page 7.

Rep. Adair recommended 5 new FTE's in DFCM, to deal with the increased workload that would result from new capital improvement projects. Sen. Evans and Rep. Pace commented on the responsibilities of the new FTE's. Mr. Walthers stated that they would help project managers who have too many things to oversee. He estimated the salary would be \$60,000 plus benefits. Ms. Ireland stated that DFCM supports the governor's budget which advocates a flat budget. Mr. Byfield commented on reducing the size of the department and that much of the managers time is spent in the field. The improvements made in the past have helped DFCM address their workload at this time. Rep. Barrus suggested contract employees instead of FTE's. Mr. Walthers clarified questions about project manager vs. program directors.

Mr. Byfield commented on past policies and current operations which are performance based and a quality staff which is able to get work done, although they can use help with paperwork and document flow. He gave the example of USU, which used outside help in daily activities as an Owners Rep.

**MOTION:** Sen. Evans moved to recommend to Executive Appropriations an additional 3 FTE's for DFCM for \$180,000. Rep. Pace commented on the need for these employees if DFCM is so efficient.

Sen. Evans withdrew the motion

#### **4. Facilities Management (Tab 11)**

Mr. Walthers addressed Capitol Hill management. The Green House funds need to be transferred back from Capitol Preservation Board to DFCM. There is an appropriation to manage the DUP Museum and Council Hall

The Governor's mansion has a POST certified officer there, the analyst recommends DFCM hire a security guard and move the POST officer to a different job. The exterior maintenance on the mansion needs to be funded as well. Mr. Walthers explained the facilities audits which gives a score of how well things maintained.

**MOTION:** Rep. Goodfellow moved to approve DFCM Budget, Page 9. Mr. Quintana, DFCM commented on the capital improvement budget. The motion passed unanimously with Sen. Valentine absent at time of voting

#### **5. Debt Service (Tab 2-Capital Budget Book)**

Mr. Walthers presented the recommendations for the Div. Of Finance. He handed out a worksheet that explained the sources of Debt Service and the philosophy of paying for facilities. The worksheet assumes that facility debt service will be transferred to the capital budget, restoration of one-time funds to ongoing funds and the USU Heat Plant being funded as a FY 2001 supplemental.

Mr. Walthers commented that Section 2.2 does not list full funding for the centennial highway fund but supplementals clear that up and takes care of it. The final number for approval is \$41,553,100 anticipated debt service. The committee can approve the additional \$41 million highway funding now or later. This tab also explains debt use and constitutional vs. statutory debt limit as well as projected Debt Service growth.

Page 10 explains that in 1996 the committee adopted a general guide for financing. This language allows discussion as to wise use of bonding either short or long-term. The analyst's final recommendation is on page 12. The Centennial Highway fund line would read \$82,657,500 if the committee includes transportation figure of \$41 million. Sen. Dmitrich asked for clarification of the \$41 million and if this figure would surface each year. The analyst responded about projected internal savings of the Highway project and that it would depend on how much cash the state pays for the Highway this year.

Lynn Vellenga, DAS Finance, addressed the committee about interest rates and funding schedules. Reps. Clark and Goodfellow commented on the Building Board's recommendations

and bonding. The analyst clarified that this committee approves debt service but doesn't fund it.

**MOTION:** Sen. Dmitrich commented on the bond extension last year and moved to approve the analyst's recommendation for Debt Service on page 12 including the additional \$41 million for a total of \$82,657,500 for the Centennial Highway Fund. The motion passed unanimously with Sen. Valentine, Reps. Alexander, Barrus and Becker absent at time of voting.

## **6. Capitol Preservation Board**

Mr. Walthers, presented information on the Capitol and the \$30,000 transfer of green house funds. He commented about flyers on Capitol walls and information distribution to the employees and the public. The committee discussed the cost of outside functions that are held in the Capitol and the Analyst presented Intent language regarding this on page 7 and his recommendation for the Operating Budget on Page 8.

Dave Hart, Capitol Preservation Board introduced his staff. He commented on signage, the security master plan, and fees. He gave a presentation to the committee about the long-term plan for preservation of the Capitol. He addressed the goals of the preservation and an analysis of the present and future needs. Remodeling options were presented along with historic plans that were developed when the Capitol was first built. The projected time frame for construction of new buildings and renovation was presented which would finish in 2012.

The analyst recommended the committee act on the base budget and discuss details of renovation later. The committee was reminded that Feb. 2 will be a joint meeting in room 303. Mr. Ball gave computer instruction with a spreadsheet to the committee to enable members to develop a priority list.

**MOTION:** There was a motion to adjourn . The motion passed unanimously. Meeting adjourned at 5:25 p.m.

Minutes reported by Sharon Johnson

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Sen. Beverly Evans  
Committee Co-Chair

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Rep. Gerry Adair  
Committee Co-Chair