

**MINUTES OF THE
JOINT CAPITAL FACILITIES & ADMINISTRATIVE SERVICES
APPROPRIATIONS SUBCOMMITTEE
THURSDAY, FEBRUARY 3, 2005, 2:00 P.M.
RoomW025, West Office Building, State Capitol Complex**

Members Present: Sen. Bill Hickman, Committee Co-Chair
Rep. D. Gregg Buxton, Committee Co-Chair
Sen. Mike Dmitrich
Rep. Roger Barrus
Rep. DeMar “Bud” Bowman
Rep. Stephen Clark
Rep. Wayne A. Harper
Rep. Fred R. Hunsaker
Rep. Brent H. Goodfellow
Rep. Michael T. Morley

Members Excused: Sen. Peter Knudson
Pres. John Valentine
Rep. Ralph Becker

Staff Present: Steve Allred, Fiscal Analyst
Bonnie Brinton, Committee Secretary

Public Speakers Present: Director Terry Schow, Utah Division of Veterans Affairs
Executive Director Blaine Petersen, Utah State Office of
Rehabilitation
Deputy Director Dick Buehler, Division of Forestry, Fire and State
Lands
Deputy Director Sherman Hoskins, Department of Natural
Resources
Superintendent Karen Clarke, Utah State Developmental Center,
Department of Human Services
Director Bart Hopkin, Office of Administrative Support,
Department of Human Services
Executive Director Scott Carver, Department of Corrections
Superintendent Linda Rutledge, Public Education, Utah Schools
for the Deaf and Blind
Director Karl Wilson, Services for At-Risk Students, Public
Education
Director Gordon Bissegger, Administrative Services, Courts
Acting Division Director Miles Moretti, Division of Wildlife
Resources, Department of Natural Resources
Director Keith Stepan, Division of Facilities Construction and

Management
Deputy Director Ken Nye, Division of Facilities Construction and
Management
Assistant Commissioner, Kevin Walthers, Higher Education

A list of visitors and a copy of handouts are filed with the committee minutes.

Co-Chair Buxton called the meeting to order at 2:05 p.m.

1. State Agency State-Funded Capital Development Requests

a. National Guard - Veterans Nursing Home

Director Terry Schow, Utah Division of Veterans Affairs, presented information on this proposal. He asked all veterans to stand and recognize Col. George Wahlen. He recognized Frank Maughn, State Disabled American Veterans Commander and other veteran leaders present to support this funding request. The State fund request is for \$4,500,000.

Rep. Bowman commended Mr. Schow on the outstanding work he does in behalf of the veterans of the State.

b. Public Education - Buffmire Rehabilitation Center Annex

Executive Director Blaine Petersen, Utah State Office of Rehabilitation, presented information on this proposal. The State fund request is for \$7,029,000.

c. Department of Natural Resources - Fire Management Service Facility

Deputy Director Dick Buehler, Division of Forestry, Fire and State Lands, introduced Glenn Beagle, Conservation Service Center Manager and Joel Frandsen, State Forester, Division of Forestry, Fire and State Lands.

Mr. Buehler presented the information on the proposal. He said the division had considered suggestions made after the last request and reduced the cost of the project by 50 percent. Dedicated credits will be applied towards the operation and maintenance of the requested facility. The State fund request is for \$694,000.

d. Department of Natural Resources - Price Region Office

Deputy Director Sherman Hoskins presented information on the proposal.

Analyst Steve Allred presented intent language and explained that this language would go in the Capital Authorization Act, along with other non-state funded projects approved on Monday, for consideration by the full Legislature. Similar language passed in the 2002 General Session, but an arrangement between the Department and Carbon County didn't work out.

MOTION: Sen. Dmitrich moved to accept the following intent language:

It is the intent of the Legislature that the Division of Facilities Construction and Management, acting on behalf of the Department of Natural Resources, may enter into a lease purchase agreement to provide needed space for agency programs in the Price area if the Department of Natural Resources obtains the approval of the State Building Board by demonstrating that the lease purchase will be a benefit to the State and that the lease, including operation and maintenance costs, can be funded within existing agency budgets.

The motion passed with Sen. Hickman and Rep. Harper voting against the motion and Rep. Clark absent for the vote.

Sen. Hickman said the cost of a lease purchase contract is much higher than a general obligation bond. Dennis Carver, Financial Advisor, stated that the Department is seeking approval to find funding options for the building.

Rep. Morley declared a potential conflict of interest.

e. Department of Human Services - Development Center Housing

Superintendent Karen Clarke, Utah State Developmental Center, and Director Bart Hopkin, Office of Administrative Services, presented information on the proposal. Ms. Clarke introduced Dr. George Kelner, Acting Director, Division of Services for People with Disabilities. She stated that the division is seeking support for and possible funding for five town-house style residences and that work complies with their Master Plan. The State fund request is for \$2,575,000 with increased O&M of \$83,300.

Rep. Bowman said he had visited the Center and found it crowded but well managed.

f. Department of Corrections - 288 Bed Facility in Gunnison

Executive Director Scott Carver presented information on the proposal and responded to questions from Subcommittee members. The State fund request is for \$14,600,000, which is an increase over the amount on the table distributed to the Subcommittee. However, VOI/TIS funds of \$1,383,800 are available to offset the cost to the State. The increase in O&M is \$187,700.

Rep. Barrus suggested that the Department request funds from Gunnison City to help with the cost of bringing additional water into the area.

g. Public Education - School for Deaf and Blind Building

Superintendent Linda Rutledge and Director Karl Wilson, Services for At-Risk Students, presented information on the proposal. The State fund request is for \$13,608,000 with increased O&M of \$374,500. A study was conducted and it was determined that this amount would be necessary to fulfill the needs of the School. A location has not yet been determined.

h. Courts - Provo Land Purchase

Director Gordon Bissegger, Administrative Services, presented information on this proposal. The State fund request is for \$225,000 with increased O&M of \$20,000.

Mr. Allred read proposed intent language regarding the St. George Property Exchange and explained that this language would go in the Capital Authorization Act for consideration by the full Legislature.

MOTION: Rep. Harper moved to accept the following intent language:

It is the intent of the Legislature that the Division of Facilities Construction and Management negotiate and enter into an agreement with the City of St. George for the future exchange of the current Courthouse property in St. George for a replacement Court facility site, with the exchange of title occurring after funding is authorized by the Legislature for the construction of the replacement facility.

The motion passed unanimously with Sen. Dmitrich and Reps. Clark and Morley absent for the vote.

John R. Day, 4th District Juvenile Court, presented information on a Fourth District Study of projections and needs.

i. Department of Natural Resources - Midway Hatchery Renovation

Acting Division Director Miles Moretti, Utah Wildlife Resources, and Vaughn Nelson presented information on this proposal and responded to questions from Subcommittee members. The State fund request is for \$4,800,000 with increased O&M of \$194,100.

j. Multi-Agency - Richfield Regional Center

Director Keith Stepan and Deputy Director Ken Nye, Division of Facilities Construction and Management, presented information on this proposal. Director Stepan stated that the Governor had asked them to wait until next year to request funding and the division has agreed to this.

4. Higher Education Energy Usage Study

Assistant Commissioner, Kevin Walthers, Higher Education, introduced this study entitled, "Energy Assessment Project - Final Report."

Scott Gutting, Energy Strategies, and Mark Space, etc Group, Inc., summarized the report which was commissioned by the State Board of Regents and the University of Utah and responded to questions from subcommittee members. The purpose of the project was to analyze and prepare a report related to fuel and power expenditures by Utah institutions of higher education.

The Report made the following recommendation regarding energy management:

We recommend that the energy management and energy efficiency functions for State buildings and associated funding of the Utah Energy Office be reassigned to DFCM and that a single State Energy Manager, the leader of a DFCM energy management group, be appointed.

Mr. Walters said this report has been very helpful and that energy assessment will continue to be monitored in the future. He agrees with the recommendations in the

Report. Director Stepan said that DFCM is receptive to being a part of any plan to save energy costs.

5. Other Business

Mr. Allred distributed a CFAS Subcommittee Recommended Appropriation Changes chart showing possible appropriation increases to be prioritized in the next meeting.

MOTION: Rep. Bowman moved to approve the minutes of January 26 and 31.

The motion passed unanimously with Sen. Dmitrich and Rep. Harper absent for the vote.

MOTION: Rep. Goodfellow moved to adjourn.

The meeting was adjourned at 4:25 p.m. by Co-Chair Buxton.

The minutes were reported by Bonnie Brinton.

Sen. Bill Hickman
Committee Co-Chair

Rep. D. Gregg Buxton
Committee Co-Chair