

# Utah State Building Board



## MEETING

February 1, 2010

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## MINUTES

### Utah State Building Board Members in Attendance:

Mel Sowerby, Chair  
Steve Bankhead  
George Daines  
Cindi Gilbert  
Wilbern McDougal  
Jeff Nielsen

### DFCM and Guests in Attendance:

Gregg Buxton	Division of Facilities Construction & Management
Kurt Baxter	Division of Facilities Construction & Management
CeeCee Niederhauser	Division of Facilities Construction & Management
John Nichols	Division of Facilities Construction & Management
Alan Bachman	Attorney General's Office/DFCM
Sherry Ruesch	Dixie State College
Gary Straquadine	Utah State University
Darrell Hart	Utah State University
Scott Snelson	Tooele Applied Technology Center
Jenniel Allen	Department of Health
Jessi Robertson	Envision Engineering
Libby Crapo	Action Door
Dena Bahar	FFKR Architects
Debra Caruso	Diamond Phillips
Alyn Lynceford	State Courts
Judy Duncombe	Utah State Fair
Andrew Carlino	Utah State Fair
Bob Askerlund	Salt Lake Community College
Jennifer Sasich	MHTN Architects
Ken Nye	University of Utah
Keith Davis	Department of Human Services
Jackie McGill	Spectrum Engineers
Chris Hipwell	Wadman Corp.

Sarah Parris

BNA Consulting

On Monday, February 1, the Utah State Building Board held a regularly scheduled meeting at the Utah State Library for the Blind and Disabled, Rooms 218-219, Salt Lake City, Utah. Chair Mel Sowerby called the meeting to order at 9:02am.

**APPROVAL OF MINUTES OF December 2, 2010 .....**

Chair Sowerby sought a motion for approval of the minutes.

**MOTION: Steve Bankhead moved to approve the meeting minutes of December 2, 2010. The motion was seconded by George Daines and passed unanimously.**

**APPROVAL OF PLANNING FUND FOR PRE-DESIGN/PLANNING FOR THE TOOEE ATC BUILDING .....**

Scott Nelson, President of the Tooele Applied Technology College introduced Dr. Gary Straquadine, Dean and Executive Director of the USU Tooele Region Campus. The idea of a shared facility in Tooele County to offer career and technical education along with some USU program offerings was introduced. Mr. Nelson thanked the Building Board for help with obtaining a new facility several years ago for the Salt Lake-Tooele ATC. They had previously occupied the Libby Edwards Building but made a successful transition to the Highland Center. This move was a very successful and productive move.

Kurt Baxter added that this is a Building Board ranked project this year. They are looking to do some planning with Tooele ATC so that next year when it is presented to the Building Board they will have a better idea of square footage, size and costs. Funds in the amount of \$15,000 are being requested from the planning account and will be reimbursed when the project is funded.

Scott Nelson explained that obtaining funding for this project is critical at this point because the Tooele ATC is a new institution as of July 1<sup>st</sup>. There is tremendous demand in Tooele County for trained workers and there are no other proprietary schools or training facilities available in the area. They plan to use the funds to conduct a program needs assessments in Tooele County as well as determine the scope of the project to make sure it is the appropriate size. They are also securing some alternative forms of funding and have verbal commitments for about 25% for the project. Mr. Nelson indicated they will create a preliminary design plan to present to the Building Board and the Legislature next year.

Questions arose concerning the ranking of this project. Kurt Baxter indicated that his project was in 12<sup>th</sup> position which is one place behind Southwest ATC. He was also questioned concerning the origination of the funds and elaborated that the DFCM planning fund is used specifically for just these types of situations which allow preliminary studies and plans for these types of projects.

Mel Sowerby said that he was aware that they had identified a site and Scott Nelson responded that Utah State University has secured 50 acres of land in Tooele County and has agreed to allow Tooele ATC to construct their building on USU property.

Dr. Gary Straquadine explained that this is actually part of a greater master plan. The city of Tooele has been generous to the educational institution. They have deeded 54 acres to Utah State University. The county school district has an 8 acre community learning center adjacent to the 54 acres and through additional purchases they have made, this acreage is where they will continue to build an educational corridor for our community

**MOTION: Mel Sowerby moved to approve the Planning Fund for the Tooele ATC Building. The motion was seconded by Cindi Gilbert and passed unanimously.**

**☐ FIVE YEAR NOTICE OF REVIEW AND STATEMENT OF CONTINUATION FOR RULE R23-26 DISPUTE RESOLUTION .....**

Alan Bachman explained that six or seven weeks ago the Legislature amended 63A5-208 to require rules to be enacted that concern dispute resolutions and provided some criteria they wanted in the rules. Neither went so far as to require those rules to be presented to the Government Operation Interim Committee for review, comment and recommendations before August 31, 2004. We enacted rules and 5 years have gone by. Those rules will expire if we don't file notice with Administrative Rules again to continue them. There is a memo from Gregg Buxton in your packet, dated January 19, 2010 that recommends that your board authorize the filing of the Five Year Notice of Review and Statement of Continuation for Rule23-26 at your meeting today. We are not recommending any amendments at this point but simply asking for the Board to have a motion that approves the recommendation made by Director Buxton in the letter to your Board.

Cindi Gilbert indicated that Mr. Bachman obviously feels the need for this rule to continue. Has it been used, what kind of response have you had to it and do you feel like it has served the purpose for which it was created? Mr. Bachman responded that this combines a policy issue with a legal issue. Since he has been involved he has not seen a problem with it. It has time requirements for filing concerns or claims and has worked effectively in making sure people bring things to us in a timely manner if they have concerns on a project. A couple of times the rule has been beneficial in early settlements which is exactly when you want to settle construction disputes. You don't want them to linger. The rule is very effective in forcing certain situation to occur early on before emotions get hardened. The Legislature requires this rule to make sure that conflicts don't move to higher levels.

**MOTION: George Daines moved to approve the continuation of Rule23-26 Dispute Resolution. The motion was seconded by Wilbern McDougal and passed unanimously.**

**☐ SURPLUS SALE OF OGDEN ECCLES GROUP HOME.....**

John Nichols, Real Estate Manager of DFCM brought a request for declaration of surplus property for the group home in Ogden. He explained the property was a group home used for housing minors who were under the supervision of the Department of Human Services, specifically the Division of Child and Family Services. They have closed that program. Mr. Nichols explained that they have not ascertained another agency that really needs the home at this point. It is a historic home in a residential area. DFCM is requesting that you approve the declaration of surplus so that they can then sell the property on the market.

Mel Sowerby asked about the appraisal on the property and Mr. Nichols indicated the property appraised for \$180,000. He said the appraisal was much lower than expected but considerable time was spent looking at that to make sure it was a legitimate and accurate appraisal. He feels the low appraisal is a reflection of the market right now.

Jeff Nielson asked who would be interested in buying this home? John Nichols said that there are people interested in the historic nature of the house and one person has already expressed interest in purchasing and renovating it. He also indicated that they would definitely list the home at a higher price than the appraisal.

Jeff Nielson questioned where the money would go from the sale of the property? Mr. Nichols responded that the statute generally states for property purposes, where possible the funds go to the benefit of the agency that is occupying the building. Gregg Buxton said that he thought it would go back to the Land Acquisition Fund. Mr. Nichols clarified that is where it will be retained at first and a determination will be made later as to where it will actually go.

**MOTION: Cindi Gilbert moved to approve the Surplus Sale of the Ogden Eccles Group Home. The motion was seconded by Jeff Nielson and passed unanimously.**

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

Ken Nye provided the two University of Utah Administrative Reports. Under the December 18<sup>th</sup> report there were 4 design agreements. He indicated the only significant item under professional services agreements for the month was item 7 which was a commissioning agreement for the North Chiller Plant Project. He mentioned it because it was the more substantial agreement out of the package of procurements. Under Construction Contracts, there are 6 remodeling contracts. In addition, there are 3 older project closeouts on this report.

Mr. Nye indicated that the University did a more scaled back approach to the work on the Natural History Building because they were not sure who would be using the building. The Physics Building drainage project had some issues with an underground flow of water that

was entering the building causing substantial damage on the lower levels. This project has turned into a combination of repairing the damage as well as preventing water flow. In addition, they are having some problems with the continuing replacement of the high temperature water lines in the Neurosciences area.

The January 8<sup>th</sup> Report had one design agreement and 5 under the study and other category. The one that is the most noteworthy is the Ambulatory Care Facility. They are partnering with IHC to determine how they can co-locate Primary Children's Hospital and the Ambulatory Care Facility. The primary focus is how the operation will work together and whether they want to share certain aspects of the operations and support space. After that is determined they will go through the normal programming process.

On Construction Contracts, they had one remodeling contract. Under project reserve on page 3 they had one decrease from the project reserve fund. This was for another high temperature pipe which extended going north. This project came in over budget largely because of the constrained site. They had budget for the standard cost of replacing pipe but that site required all the excavated materials to be hauled off site partially because there is so much construction on campus there is no place to store it.

Gregg Buxton expressed concern that the University was using the contingency fund to work on failing pipes without it being a project of some sort. Ken Nye reassured Mr. Buxton that the cost of repairing breaks was absorbed internally and is not part of the infrastructure project that was being presented.

Gregg Buxton requested that representatives from the University bring an accounting of projects that were accomplished with the bond money in order to report to the Capital Facilities Committee this year.

**MOTION: Cindi Gilbert moved to approve the Administrative Report of the University of Utah. The motion was seconded by George Daines and passed unanimously.**

Darrell Hart provided the Utah State University Administrative Report. He acknowledged that the University also had two reports – for December and January. Three professional and one construction contract was issued. The reserve fund was in good shape. Three projects were closed out which added a little over \$6,000 to the project reserve fund. There are 53 current project and 25 of those are complete or substantially complete with 21 in construction and 7 in the design stage. There was one pending in December.

For the January Report there was one professional and 3 construction contracts. The contingency reserve was in good shape and no changes in the project reserve fund. There are 53 current projects and 25 are complete or substantially complete with 21 in construction and one pending project into study.

**MOTION: Steve Bankhead moved to approve the Administrative Report for Utah**

**State University. The motion was seconded by Jeff Nielson and passed unanimously.**

**☐ ADMINISTRATIVE REPORT FOR DFCM .....**

Kurt Baxter presented the Administrative Report for DFCM. He had no significant lease report items. For Architectural and Engineering agreements awarded, the two largest were the University of Utah Science Building and the USU Agricultural Building Design. For construction contracts, they had the U of U Neuropsychiatric Institute, USU College of Agriculture and ABC Warehouse Expansion. These are COCD contracts which start out very small but will eventually grow to larger amounts as the project develops.

The contingency fund had a few decreases and some change orders as well. If you turn to the final pages you will see the project reserve fund ending balance at 9.6 million.

Gregg Buxton asked the Board to make note that the Legislature is taking \$5 million of that money. They are also going to take \$1 million from the contingency fund. Kurt Baxter commented that our fiscal analyst and our accountant Dave Williams have agreed on the numbers and feel like we can make it through the year with that reduced budget.

Steve Bankhead asked Mr. Bachman if he could explain why it is a procedural point of view that we make motions to accept reports from the University of Utah and Utah State University but we do not with DFCM? Alan Bachman explained that there doesn't have to be a difference. It is the prerogative of the Board whether you want to approve them or not.

Mel Sowerby responded that it is the view that since DFCM is the support staff for the Building Board we should be on the same page. That has been the view in the past and that is why there was no motion necessary for this informational report. Gregg Buxton clarified that the difference was the delegated authority to the DFCM to follow and execute the standards of the State of Utah. The DFCM is there to make sure rules and procedures are followed. The job of this Board is to question if something is out of order.

Mr. Buxton also asked Alan Bachman to explain procedures concerning approval of a long term lease agreement with the Fairpark. His concern was that proper procedures be used with the approval from the Legislature and the Building Board. Mr. Bachman explained that theoretically it would be ideal to have that on the Building Board Agenda, but that's not going to be a legal obstacle if the Legislature wants to act without it.

**☐ ADJOURNMENT .....**

**MOTION: Mel Sowerby moved to adjourn at 9:47am. The motion was seconded by Steve Bankhead and passed unanimously.**

Building Board members were encouraged to attend the presentation to the Capital Facilities Subcommittee at 2:00 pm, Room 250 Capitol Building