

**MINUTES OF THE  
JOINT CAPITAL FACILITIES & ADMINISTRATIVE SERVICES  
APPROPRIATIONS SUBCOMMITTEE  
MONDAY, FEBRUARY 6, 2006, 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  
Sen. Peter Knudson  
Pres. John Valentine  
Rep. Roger Barrus  
Rep. Ralph Becker  
Rep. DeMar "Bud" Bowman  
Rep. Stephen Clark  
Rep. Wayne A. Harper  
Rep. Fred R. Hunsaker  
Rep. Janice M. Fisher  
Rep. Michael T. Morley

Staff Present: Steve Allred, Fiscal Analyst  
Jonathan Ball, Technology Analyst  
Todd Wardrop, Fiscal Analyst  
Bonnie Brinton, Committee Secretary

Public Speakers Present: Gordon Crabtree, Interim Chief Executive Officer, University of Utah Health Care  
Dan Lunderyau, Executive Director, University Hospital

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

Co-Chair Hickman called the meeting to order at 2:25 p.m.

**1. Other Business**

**a. University of Utah Hospital Expansion - Gordon Crabtree and Dan Lunderyau**

Gordon Crabtree, Interim Chief Executive Officer, University of Utah Health Care, and Dan Lunderyau, Executive Director, University Hospital, presented the proposal to plan, design, and construct a west wing, two levels to the Eccles Critical Care Pavilion, and parking expansion at the University Hospital under the direction of the director of the Division of Facilities Construction and Management unless supervisory authority has been delegated. Mr. Crabtree stated that this is a Revenue Bond authorization request, and the University is not requesting state funds for operations and maintenance. The

total project budget is \$120,000,000. The University requested an amendment to UCA 638-14-202 changing the revenue bond from \$42 million to \$90 million.

Responding to questions from subcommittee members, Mr. Crabtree stated that the outstanding bonding on the hospital is currently \$70+ million of issued bonds. This additional request for bonding would bring them to the limit of their debt capacity. He also stated that one-half of the donor money has been identified. The original hospital was built in 1965 and was updated in 1981, and seismic standards are in compliance.

**MOTION:** Sen. Dmitrich moved to authorize a Revenue Bond increase in the sum of \$48 million with the understanding that \$42 million has already been authorized to the University of Utah Hospital Expansion project. The motion passed unanimously with Rep. Becker absent for the vote.

**b. Department of Technology Services (DTS) - Authorized Capital Outlay - Jon Ball**

The Technology Analyst, Jonathan Ball, explained how DTS proposes to cover its additional personnel costs. The projected cost is \$3,500,000 which reflects a three-step increase to DTS employees who chose to move from career civil service to exempt positions. In addition, employee salary-driven benefits totals \$900,000, making a total of \$4,400,000.

Mr. Ball presented the efficiencies identified to pay for the personnel expense in response to a request from the subcommittee. First, 40 open positions through attrition for \$2,500,000; employee benefits for \$900,000; reduction in cost from switching circuits from analog to digital for \$650,000; and reduction in cost renegotiation of long distance telephone contract for \$450,000. The total savings is \$4,500,000.

Responding to requests from the subcommittee regarding information on the Utah Communications Agency Network, Mr. Ball distributed three different writeups from the General Sessions of 1999, 2000 and 2001. He pointed out that each one referred to the eight counties along the Wasatch Front as opposed to the entire state.

Finally, the Analyst referred to an Issue Brief distributed to subcommittee members showing the two types of capital outlay authority that DTS is requesting:

1. Carry-forward authority for specific projects originally planned for FY 2006, but deferred until FY 2007 (\$838,500); and,

2. New capital outlay authority for projects planned in FY 2007 (\$24,877,400).

Mr. Ball is supportive of DTS' requests.

**MOTION:** Co-Chair Buxton moved to approve the following:

1. Intent language for inclusion in the *Current Fiscal Year Supplemental Appropriations Act* (H.B. 1):

*The Legislature intends that, under the terms and conditions of Utah Code Annotated 63-38-8.2, \$838,500 in capital outlay authority granted to the Department of Technology Services for Fiscal Year 2006 shall not lapse. The Legislature intends that this authority will be used for the following projects: Asset Management (\$85,000), RACF/UMD Integration (\$112,500), Intrusion Prevention Services (\$120,000), Unattended Install/System Imaging (\$150,000), LAN Infrastructure Upgrades (\$71,000), Storage Virtualization (\$300,000).*

2. \$24,877,400 in Capital Outlay Authority for the Department of Technology Services in FY 2007, to be included in the *New Fiscal Year Supplemental Appropriations Act* (S.B. 4).

## **2. Final Subcommittee Actions and Prioritizations**

### **a. Prioritize Recommendations for Appropriations Increases**

Steve Allred, Fiscal Analyst, discussed the areas of funding for the subcommittee's consideration. He stated that the prioritizations decided on by the subcommittee will be subject to the decisions of the Executive Appropriations Committee.

Mr. Allred referred to Ongoing and One-time items not funded within subcommittee allocation which will have to be prioritized by the subcommittee. He also discussed the Internal Subcommittee Reallocations. These items do not require an increase from the Executive Appropriations Committee but are subject to their approval. The first is Debt Service Savings which has been realized because of reduced bonding for buildings in the past two years. This amount is one-time (\$6,151,800) and could be reallocated to six items: Capitol Building Wireless Technology/Public Safety Radio, \$590,000; CEU Energy Training Center, \$1,100,000; St. George Courthouse Design, \$1,490,000; Unified Health Lab Programming, \$250,000; Parks Campground, \$1,500,000; and Project Reserve Fund, \$1,221,800.

Regarding Risk Management Retained Earnings (FY06), Mr. Allred explained that Risk Management has identified a surplus of (\$2,500,000). The Analyst is proposing that this amount could be used for Capital Improvements (AR&I) with intent language to life/safety hazards.

Finally, regarding DFCM Contingency Reserve Fund (FY06) in the amount of (\$1,500,000), Mr. Allred reminded the subcommittee members of the three projects that are over budget that were approved last year or the year before. DFCM has \$4.3 million in project Reserve Fund for inflation costs, and the additional \$1.5 million would allow them to proceed with these three projects without requesting a supplemental appropriation.

**Ongoing Items Not Funded within Subcommittee Allocation**

**MOTION:** Rep. Buxton moved to approve the Ongoing Items Not Funded within Subcommittee Allocation priority list from Item 1 through 9.

**SUBSTITUTE MOTION:** Rep. Fisher moved to add another item to this list making it Item 10. This would be \$10,000 for the Division of Administrative Rules for training interns.

Pres. Valentine inquired as to the source of funding for this ongoing amount. Mr. Allred stated that it would be the General Fund requested to the Executive Appropriations Committee, and it does not affect the allocation to this subcommittee.

Pres. Valentine requested the Privilege of Division on the substitute motion.

The first half of the divided substitute motion would be to add Item 10 - \$10,000 for the Division of Administrative Rules for training interns to the existing list of Ongoing Items.

The first half of the substitute motion passed unanimously.

The second half of the divided substitute motion would be to approve the list with Item 10 - \$10,000 for the Division of Administrative Rules for training interns added.

The second half of the substitute motion failed with Rep. Fisher voting in the affirmative.

**MOTION:** Rep. Harper moved to approve the list with the following change: Move Item 8, Administrative Rules - Staff Step Increase up two places so it becomes Item 6 and all other items on the list move down one place.

**SUBSTITUTE MOTION:** Rep. Clark moved to approve the list with the following change: Move Item 7, LeRay McAllister Fund on the priority list to Item 2 and all other items on the list move down one place.

The substitute motion failed in the House so the substitute motion failed.

The original motion passed unanimously.

**One-time items Not Funded within Subcommittee Allocation**

**MOTION:** Rep. Morley moved to accept the Items 1 through 6 on the priority list.

**SUBSTITUTE MOTION:** Rep. S. Clark moved to accept Items 1 through 7 on the priority list, excluding Items 8 and 9.

The substitute motion passed in both houses with Reps. Bowman, Fisher, Harper and Morley voting in opposition to the substitute motion.

**Internal Subcommittee Reallocations**

**MOTION:** Rep. Harper moved to accept the Internal Subcommittee Reallocations list as presented. The motion passed unanimously.

**b. Prioritize Capital Projects Recommendations**

**MOTION:** Pres. Valentine moved that the list be adjusted as follows: Items 1 through 5 remain the same as shown on the list; Item 7 would become Item 6; Item 10 would become Item 7; Item 9 would become Item 8; Item 6 would become Item 9; and Item 8 would be dropped entirely.

Pres. Valentine added that he would request that design money be allocated for the Weber State University Buildings 1 and 2 Replacements/Chiller Plant project so that project could be moved forward next year. He also would request that design money be allocated for the Snow College Library/Classroom Building project and the St. George Courthouse project.

**SUBSTITUTE MOTION:** Rep. Morley moved to reduce the amount allocated to the St. George Courthouse to the amount of \$3.620 million to include the land purchase and the payoff of the bond. The design money for this project has already been allocated.

Rep. Hunsaker inquired about the cumulative amount of money designated for design for all the projects. Mr. Allred stated that it is \$4,885,500, and the project cost for the projects which have design money would be approximately \$65 million (not including design costs).

The substitute motion passed unanimously.

**MOTION:** Co-Chair Buxton moved to adjust the list as follows: Move Weber State University Replacement project design to Item 6 and move the Mountainland ATC Northern Utah County Land Purchase project down to Item 9. This would reflect a deference to the recommendations of the Building Board. Also, he moved to remove the design money from Snow College Library and take it off the list.

Pres. Valentine requested the Privilege of Division on the motion.

The first half of the divided motion would be to approve the list with the following changes: Move Weber State University Replacement project design to Item 6 and move the Mountainland ATC Northern Utah County Land Purchase project down to Item 9.

The first half of the motion passed unanimously.

Rep. S. Clark expressed concern regarding funding to the Mountainland ATC project. He stated that he agrees that the Weber State University project is important and should be funded; however, if the Mountainland ATC project is not funded this year, the opportunity will be lost to purchase the land.

The second half of the divided motion is to remove the design money from Snow College Library.

Rep. Morley spoke in opposition to taking Snow College Library off the list as far as funding for design.

The second half of the motion failed unanimously.

**MOTION:** Rep. Barrus moved to pass intent language as follows:

*It is the intent of the Legislature that Weber State University be placed first on the priority list for construction in the following year.*

Co-Chair Hickman ruled that this motion was out of order because this Legislature

cannot obligate next year's Legislature.

**MOTION:** Rep. Fisher moved to replace Item 3 the Midway Fish Hatchery Renovation project with the Weber State University design project, move the Midway Fish Hatchery Renovation project to Item 6 and the Weber State University design project to Item 3.

Co-Chair Buxton spoke against the motion.

Rep. Fisher withdrew her motion.

Rep. Buxton spoke to those in attendance who have received design money for their projects. He expressed a desire to make it very clear that design money only is being requested, and future circumstances may not allow construction funding for these same projects. He wanted this understanding to be clear.

Pres. Valentine stated that funding the design of projects does not bind the next Legislature, but it is persuasive to the Legislature that the design is in place and the construction can begin immediately.

**MOTION:** Pres. Valentine moved to adjourn.

Co-Chair Hickman thanked the subcommittee and staff for their efforts.

Co-Chair Buxton reminded subcommittee members that the Capitol Building tour will be Wednesday at 2:00 p.m.

The meeting was adjourned at 3:35 p.m. by Co-Chair Hickman.

The minutes were reported by Bonnie Brinton.

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Sen. Bill Hickman  
Committee Co-Chair

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Rep. David G. Buxton  
Committee Co-Chair