

**MEETING MINUTES - March 19, 2004 1:30 – 2:30 pm**

Prepared By: Elaine Schacher

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**MEMBERS PRESENT:**

Bill Neland, Chair  
Tom McMullen, Vice Chair  
Ron Polvi, Northwest Natural Gas  
Ed Galligan, Port of Portland  
Denny Nielsen, Salem Hospital  
Doug Spencer, Providence Health Systems

**MEMBERS NOT IN ATTENDANCE:**

Edith Yang, A.I.A.

**OTHERS PRESENT:**

Bill Foster, DAS Facilities Division  
Shirley Finanger, DAS Facilities Division  
Elin Shepard, DAS Facilities Division  
Elaine Schacher, DAS Facilities Division

Marjorie Taylor, Legislative Committee Services Office  
Dallas Weyand, Legislative Fiscal Office  
Mark Hunt, Department of Education  
Linda Riddell, Dept of Human Services

**Distribution:** All members present.

**Handouts:**

- Minutes from February 20, 2004 meeting
- Funding Matrix 2003-2005 Legislatively Adopted
- Overview of Agency Reporting Process
- CPAB Reporting Schedule 2004 (revised)
- Administrative Rule Draft for CPAB changing role titled "Statewide Facility Planning Process" – (revised)
- Sustainability Board Meeting Schedule 2004

**INTRODUCTORY REMARKS:**

Chairman, *Bill Neland* called the meeting to order at 1:35 pm. He commented that Edith Yang phoned to advise that she was unable to attending this meeting. She requested Bill to remind the Board about sustainability. She will attend the next meeting.

**APPROVAL OF MINUTES FOR FEBRUARY MEETING:**

The February 20, 2004 minutes were approved. *Ed Galligan* moved, *Tom McMullen* seconded.

**FUNDING MATRIX presented by Shirley Finanger:**

*Shirley Finanger*, distributed and summarized the Funding Matrix created to show the amount and source of funding by agency. There were no questions on the content and the Board agreed it was a useful tool.

## **DISCUSSION OF AGENCY PRESENTATIONS presented by Shirley Finanger:**

- a) Two agencies will be reporting to the April CPAB Meeting: Military and Oregon Youth Authority. Transportation was moved to the second group to be with DAS because the Transportation building, located on the Mall, will be discussed so DAS and ODOT need to be together. Several other agencies were moved to different groups due to agency request.
- b) The CPAB Reporting Schedule was revised and distributed to the Board. Shirley explained that the reason there are so many agencies in Group IV (July 16, 2004) is the fact that the plans would not be available sooner. Since each agency will need only 20 minutes there should not be a problem getting through all of them.
- c) Shirley presented a written outline titled, "Overview of Agency Reporting Process." She identified items in a Space Needs Plan, a Maintenance Plan and a Project Plan. Shirley commented that preventative maintenance was not part of the presentations in 2002. Also, impacts from E-board and budget reductions were also added, as well as deferred maintenance identification and plan for reduction. Project Plans should include a description of the project and funding source. Identify the compelling reasons that require this project and what options they explored to reach this decision.

*Tom McMullen* requested clarification on the dates within the 2007-2009 biennium. His concern is that delaying deferred maintenance for 2 years seems longer than it should be. He does not want to see agencies avoid deferred maintenance because funding is minimal and not deal with it for two years. He thinks it is important to start the discussion and how they plan to integrate it into their plan. Also, they need to address how they will fund future maintenance cost.

*Shirley Finanger* responded that the Legislature will approve the 2005-2007 budget in the January, 2005 session for a 2 year period. The 2005-2007 biennium ends June 30, 2007. Agency presentations need to be done by June 30, 2004 according to the Administrative Rule and this doesn't allow enough time to get the presentations done as well as funding approval by the deadline. Once the agency plan presentations are done in August or September, she requested that the Board help develop a deferred maintenance plan with prioritization guidelines for budget presentations to BAM and Legislative Fiscal for the 2007-2009 biennium.

**Deferred Maintenance** was discussed and it was agreed that the Board does not want agencies abandoning planning for deferred maintenance because funding is minimal and it is important to start the discussion in order to plan how it can be integrated into what funding is requested from the legislature.

*Shirley Finanger* stated that she is creating a report to Identify Deferred Maintenance by category (Roof, HVAC, Structural, Bldg. Exterior and Other), for each agency. It will be presented at the next meeting.

*Doug Spencer* asked if replacement of roofs or upgrades were considered capital improvements and if it's an actual replacement. *Shirley Finanger* responded that most of it will be capital construction.

## **TEMPORARY RULE UPDATE presented by Bill Foster:**

*Bill Foster* distributed a revised copy of the temporary rule titled "Statewide Facility Planning Process" Division 125-125-0050. As discussed in the last meeting, the temporary rule was filed, preliminary submittals have been done, and the rule is being refined throughout the process. Several minor changes were made for clarity:

### **► Changes**

- A. Siting of a new building was not in the first draft so this process was added (state-owned land or a new acquisition).
- B. Salem-Keizer Area Project Review.

The effective date of this Temporary Rule should be April 23, 2004. By the May CPAB meeting, the transition will be taking place to take on the role of the Capital Planning Commission. There may be a broader group of people attending the Board Meetings temporarily until the transition is complete. The Web site is being adjusted to allow public notice and materials to be posted in order to fulfill the Budget Note that applies for the interim period.

*Bill Foster* commented that the purpose of this discussion was to see if the Draft Rule makes sense and if it adequately describes the process of the Board. The Rule articulates the process CPAB has been using and includes the CPC functions that will become a function of this Board through June, 2005.

*Bill Neland* asked if the composition of this Board would continue through the end of this year.

*Bill Foster* responded that there will be some change. At a minimum, the current Board members should continue through this Budget Review cycle. The changes that are ultimately made will be to better address the Capital Planning Commission functions. When the temporary rule goes into effect, additional members will be added. The Board will get bigger and eventually return to seven members, however, the earliest this will happen is July 1, 2005. Board members are appointed by the DAS Director and due to change in that position, some requests have not been addressed. Bill will pursue getting the new CPAB Board nominees added to the new DAS Director's schedule as soon as possible.

*Bill Foster* asked if there were any questions about the Temporary Rule and further explained that the agency presentation process will be set up so that specific information will come with a submittal. The Board will be looking at the adequacy of the information and the process rather than doing a lot of additional evaluation. The intent is to create a good listing of applicable materials that need to be provided with a Board submittal when considering a site. He explained that there are two classes of siting: 1) State-Owned Property; and 2) new acquisitions. In siting a facility, the emphasis should be first to utilize current state-owned property. If for some reason, no suitable, state-owned property is available, then outside sites would be considered. Items considered would be characteristics of the site, topography, environmental features, zoning and other elements. If it is state-owned property, then the Area Plan where it is located would be identified and reviewed for consistency with that plan.

The Capitol Mall Project Review Committee will be set up for more of a design review of process for projects on the Capitol Mall. If a project is located on the Capitol Mall, the submittal would go to this committee first, and then come to CPAB with their comments. Some other items would only be reviewed by this committee, such as placement of satellite dishes, etc.

#### **LEASE vs OWNED presented by Bill Foster:**

*Bill Foster* commented that the Board started a lease/ownership discussion at the last meeting and suggested the Board pick up this discussion again. He asked if the Board needs more information in the agency submittals. There are a number of variables. One issue is the amount of volatility. In the case of some client/service agencies, client populations shift so often that it does not make much sense to own. Frequent changes in service delivery can also cause facility changes. Moving population bases and partnerships with other agencies, create too many variables to have a single standard. Bill suggested that Facilities staff articulate this more and he would submit something to the board in the future to further refine what an analysis would look like and guidelines for the level of sophistication required in the analysis, based upon size and cost of the project.

Following extensive discussion among the board, the following ideas/solutions were presented to develop an analytical process for making decisions whether to lease or own:

- Life-cycle cost Assessment and defining what the life cycle is.
- Length of time the facility will be needed and serve the needs of the agency – Define long-term and short-term.
- Apply standards which are quick and use a well-recognized approach
- Initial Cost of the facility
- Size (square footage)
- Residual value of the facility (assumptions and predictions)
- Potential for resale and estimate of potential gain or loss
- Kind of facility (office space, laboratory, armory, etc)
- Use of the facility
- Location
- Time available before facility needs to be occupied
- Building quality level required
- Site development costs

- If state were to own the facility, is there another agency that could occupy the facility should current agency not need it or outgrow it
- Variable factors to be considered – population changes, location changes
- Who should own the property to best utilize and manage the facility

**NEXT MEETING DATE: April 16, 2004 from 1:30 pm to 3:30 pm at the Forestry Building.**

**Meeting adjourned at 2:30 pm.**