

LONG RANGE CAPITAL PLANNING COMMISSION
Meeting Minutes
February 12, 2015
Oklahoma State Capitol
Room 419C, 1:00 p.m.
Oklahoma City, Oklahoma

A meeting notice was filed with the Secretary of State and Agenda posted in accordance with the Open Meeting Act.

MEMBERS PRESENT: Cliff Branan, Branan Property Company
Jeffrey Davis, Partner, Acorn Growth Companies
Charles Ford, President, Charles Ford Company
Todd Holder, Cashier, Alva State Bank
Kirkland Hall, CEO and Vice-Chairman, Hall Capital
Jerry Winchester, President/CEO, Seventy Seven Energy
John Woods, President/CEO, Norman Chamber of Commerce

ABSENT: Jeff Stava, Chief Operating Officer, Tulsa Community Foundation
Grant Humphreys, Town Founder, Carlton Landing

GUESTS: Ben Davis, OMES/DCAM/ Planning Director
Justin Henry OMES/DCAM/ Planning
Dan Ross, OMES/DCAM/ DCAM Administrator
Tim Tuck, OMES/DCAM/ Legal Division
Beverly Hicks, OMES/DCAM/ Planning
Melissa Milburn, OMES/DCAM/ Director of Real Estate and
Leasing Services
Jennifer Ramsey, OMES/DCAM/Construction & Properties
Carie Carman, OMES/DCAM/Construction & Properties
Dana Webb, OMES
Tyler Powell, Secretary of Energy and Environment
Jordan Perdue, State Bond Advisor's Office
Shawn McCarty, Department of Mental Health and SAS

I. Call to order and confirmation of quorum. [Jeff Davis]

Chairman Davis called the meeting to order at 1:00 p.m. The roll was taken and it was ascertained that a quorum was present. Chairman Davis was advised that notice of the meeting had been given, and an agenda posted in accordance with the Open Meeting Act.

II. Approval of Minutes from the November 6, 2014 Commission meeting. [Jeff Davis]

Charles Ford moved to approve the November minutes. Todd Holder seconded the motion, the minutes passed and the following votes were recorded:

Sen. Cliff Branan - Abstain; Jeffrey Davis - aye; Charles Ford - aye; Kirkland Hall - aye; Todd Holder - aye; Jerry Winchester - Abstain.

III. Recognition of new Long Range Capital Planning Commission member Cliff Branan. [Jeff Davis]

Commissioner Davis welcomed senate appointment Cliff Branan who replaced Ted Fisher.

IV. Discussion and possible action to approve changes to FY2015 capital projects for the Office of Management and Enterprise Services. [Mark Sauchuk]

Mr. Sauchuk, Director of Facilities with the Division of Capital Assets Management (DCAM) requested to divert funding from three approved FY2015 projects to fully fund project #090-1003 - Tulsa Parking Lot Expansion and Resurfacing.

He explained to the commissioners the importance of expanding and resurfacing the parking lot adjacent to the Kerr Edmondson Building for the safety of tenants and the public.

Charles Ford moved to approve the recommendations, Kirkland Hall seconded the motion, the motion passed and the following votes were recorded:

Sen. Cliff Branan - aye; Jeff Davis - aye; Charles Ford - aye; Kirkland Hall - aye; Todd Holder - aye; Jerry Winchester - aye; John Woods - aye.

Commissioner Woods entered the meeting at 1:25 p.m.

V. Overview of 2015 proposed legislation affecting the work of Long Range Capital Planning Commission. [Dana Webb]

Ms. Webb, Director of Policy and Legislation updated the commission on proposed legislation of SB142 by Senator Simpson, SB156 by Senator Garrison, HB1986 by Representative Ortega and HB1560 by Representative Hall.

Recommended action: None

VI. Discussion and possible action to approve transfers of surplus real property. [Melissa Milburn]

Mr. Ben Davis, Director of Planning with the Division of Capital Assets Management (DCAM) explained that last year legislation was passed that all real estate transfers have to come before the commission to be approved.

Ms. Milburn, Director of Real Estate and Leasing Services requested the following five real property assets by consent docket below be transferred. Proceeds from the sales will be deposited in the Maintenance of State Buildings Revolving Fund except for item #4, LICRAT properties.

1. Kate Barnard Center, 3200 NW 39th Street, Oklahoma City, Oklahoma County
2. Enid Recycling Center, 730 South 9th Street, Enid, Garfield County
3. Vacant land located on SE 6th Street, Buffalo, Harper County
4. Lead-Impacted Communities Relocation Assistance Trust (LICRAT) properties, Pitcher, Ottawa County – Those properties will be transferred to the Quapaw Tribe of Oklahoma.
5. Laura Dester Center, 653 South Quincy, Tulsa, Tulsa County

Jerry Winchester moved to approve the transfers, Charles seconded the motion, the motion passed and the following votes were recorded:

Sen. Cliff Branan - aye; Jeff Davis - aye; Charles Ford - aye; Kirkland Hall - aye; Todd Holder - aye; Jerry Winchester - aye; John Woods - aye.

VII. Presentation of the Report on the 2014 Sale of State Properties, Reduction in Leased Space, Maintenance of State Buildings Revolving Fund, and of the State's Deferred Maintenance Needs. [Justin Henry]

Mr. Henry, assistant planner with DCAM gave a presentation and overview of the 2014 report that was recently delivered to the Governor and Legislature.

Recommended action: None

VIII. Progress Update on the Real Property Asset Management Program. [Ben Davis & Justin Henry]

Mr. Davis, Director of Planning gave a refresher of where the commission has been the past two years since the legislature reconstituted the LRCPC and the vision of where they're heading as OMES/DCAM moves forward with the real property asset management program.

By implementing proven asset management practices, the State of Oklahoma will maintain an optimized real property portfolio that effectively serves the public and supports agency missions based on the ten guiding principles that were adopted by the commission in 2014 as the foundation for the program.

Mr. Davis covered the context and progress that has been made since the changing of the law which stemmed from a report that was completed by OMES in December 2012 that established an outline for reforming capital planning and real property asset management with the state.

The legislature responded in the 2013 session by passing several laws.

HB 1910 directed all proceeds from underutilized properties to be deposited into the Maintenance of State Building Revolving Fund. The fund was created exclusively to fund the Capital Improvements Plan as developed by the commission. This bill created four goals – Decrease state-owned property, privatize State-owned property, better maintained state-owned capital assets and eliminate the state leasing of private property whenever possible.

HB 1990 consolidated real property functions under the new position of the State Facilities Director with OMES. It requires establishing and monitoring of benchmarks and performance measures. It required management, operations and maintenance practices standardization across the entire state.

It authorizes OMES to provide facilities operation and maintenance services to agencies on a cost-recovery basis starting next year, if, by agency request or agency is in bottom 10% based on performance measures to be put in place by July 1, 2016. Exception is possible for agencies complying with program requirements that are created as authorized by the Director of OMES.

Mr. Davis made it known in 2013 the first statewide real property assets inventory of what the state owns and is leasing was created by Melissa Milburn, Director of Real Estate and Leasing Services and her staff. She also created the underutilized properties list that helped identify properties to go out for bid.

The commission in 2013 developed the first Capital Improvements Plan and budget to be funded in 15 years. OMES began development of Real Property Asset Management program within DCAM.

HB 3050 in 2014 changed the law to read proceeds all property transactions proceeds will go in to the revolving fund and the commission must approve all real property transactions. There are some exemptions, Transportation and Turnpike Authority and some other agencies. Mr. Davis noted that there should be an influx of proceeds going to the revolving fund.

The Facilities behavior based program 20% by 20-20 was started in 2014 to help reduce the state's energy consumption, with the goal in mind of 20% by 20-20. The commission recommended the fiscal year of 2016 capital budget and 2016-2020 Capital Improvements plan that is currently under consideration by the legislature.

OMES finance and budget division in 2014 developed a new budget system called Hyperion that will better integrate capital and operating budgets and provide staff with a better mechanism for collecting accurately cost estimates, site plans and strategic planning for agencies to help make

better decisions and prioritizing capital request. The Hyperion system is to begin the Spring of 2015.

Moving forward Mr. Davis went over the six objectives of the Real Property Management Program.

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| 1. Inter-Agency Network | 5. Benchmarks and Performance Measures |
| 2. Statewide Database | |
| 3. Accountability and Proficiency | 6. Fiscal Reforms |
| 4. Operations and Maintenance Standards | |

Recommended action: None

IX. Subcommittee reports:

- **Capital Improvements Plan Subcommittee [John Woods]**
- **Maintenance Standards and Facilities Strategy Subcommittee [Jerry Winchester]**
- **Policy and Funding Subcommittee [Grant Humphreys]**

No subcommittee reports.

X. Updates and discussion. [Jeff Davis]

Chairman Davis made everyone aware of the next meeting April 2, 2015 at 1:00 p.m.

XI. Adjournment. [Jeff Davis]

There being no further business; Kirkland Hall made a motion to adjourn. Jerry Winchester seconded the motion. The meeting was adjourned at 2:15 p.m.