

SPECIAL MEETING MINUTES
LONG-RANGE CAPITAL PLANNING COMMISSION
Nov. 3, 2016, 1:00 p.m.
Oklahoma State Capitol Building
Oklahoma City, OK, Room 419-C

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
Larry DeWitt, Executive Vice President, Farmers Exchange Bank
Kirkland Hall, CEO and Vice Chairman, Hall Capital
Jerry Winchester, President/CEO, Seventy Seven Energy
Travis Mason, Director, Commercial Oklahoma

MEMBERS ABSENT: Jeff Davis, Partner, Acorn Growth Companies
Jeff Stava, Chief Operating Officer, Tulsa Community Foundation

GUESTS: Denise Northrup, Chief Operating Officer
Ben Davis, OMES CAM, Director of Planning
Tim Tuck, OMES CAM, Legal Division
Beverly Hicks, OMES CAM, Administration
Craig Cherry, State Facilities Director
Mark Sauchuk, OMES CAM, Director of Facilities
Melissa Milburn, OMES CAM, Director of Real Estate and Leasing Services (REALS)
Carie Carman, OMES CAM, REALS
Travis Monroe, OMES
Dan Melton, OSBI
Jordan Perdue, Bond Advisor's Office
Shawn Ashley, eCapitol

I. Call to order and confirmation of quorum. [Jerry Winchester]

Chairman Winchester called the meeting to order at 1:00 p.m. A roll call was taken and a quorum was established. A meeting notice was filed with the Secretary of State and an agenda posted in accordance with the Open Meeting Act.

II. Approval of minutes from the Sept. 15, 2016, Commission meeting. [Jerry Winchester]

Mr. Branan moved to approve the September meeting minutes. Mr. Hall seconded the motion, the motion passed and the following votes were recorded:

Mr. Branan – aye; Mr. DeWitt – aye; Mr. Hall – aye; Mr. Winchester – aye; Mr. Mason – aye.

III. Introduction of new member, Travis Mason. [Jerry Winchester]

Mr. Mason was introduced by Chairman Winchester. He was appointed by the Governor and replaced Donald Kaspereit.

IV. Discussion and possible action to approve regular meeting dates for the 2017 calendar year. [Jerry Winchester]

Mr. Mason made a motion to approve the dates proposed. Mr. Hall seconded the motion, the motion passed and the following votes were recorded:

Feb. 9	Sept. 14
April 13	Oct. 12
June 8	Nov. 9

Mr. Branam – aye; Mr. DeWitt – aye; Mr. Hall – aye; Mr. Winchester – aye; Mr. Mason – aye.

V. Discussion and possible action to approve the transfer of state-owned property. [Melissa Milburn]

a. Vacant land, 208 NE 48th Street, Oklahoma City, Oklahoma County.

Capital Assets Management (CAM) requested approval from the Commission to transfer said vacant property owned by Career Tech. The property will be transferred through intergovernmental agreement for the current appraised value of the property or sold through sealed bid auction. Proceeds from the sale will be deposited in the Maintenance of State Buildings Revolving Fund (MSBRF).

Mr. Hall made a motion to approve. Mr. DeWitt seconded the motion, the motion passed and the following votes were recorded:

Mr. Branam – aye; Mr. DeWitt – aye; Mr. Hall – aye; Mr. Winchester – aye; Mr. Mason – aye.

VI. Overview, discussion and possible action to approve the FY2018-2025 Capital Improvements Plan and FY2018 Capital Budget. [Ben Davis]

Mr. Davis gave an overview and breakdown of the said capital improvements plan and capital budget. A total of 924 requests were received this year, totaling \$5.3 billion dollars. A majority came from higher education, totaling \$4.94 billion. The other agencies constituted 279 projects, totaling \$397.5 million.

Mr. Davis explained that this year's projects were broken down by priority based on the type of project, known as the triage process.

The high priority (HP) projects are critical maintenance or health/safety repairs that are necessary for a facility to maintain or restore its operations. There were 89 HP projects, totaling \$75.2 million dollars that were placed into fiscal years 2018 and 2019.

The medium priority (MP) are important repairs of facility replacements that were not critical to the functioning of the facility. There were 91 MP projects, totaling \$86.7 million dollars that were placed fiscal years 2020, 2021 and 2022.

The low priority (LP) projects were facility upgrades, equipment, transportation replacement and non-urgent repairs. There were 72 LP projects, totaling \$57.8 million dollars that were placed fiscal years 2023, 2024 and 2025.

A bond recommendation was developed for new construction or equipment for large projects that that should not be funded through the pay-as-you-go method. A total of thirteen projects were selected for the bond issue, totaling \$165.2 million. The State Bond Advisor developed a debt service estimate for the recommendation that is based on a 15 year repayment term. The projects that are recommended for the bond project are from:

1. Department of Corrections
2. Department of Health, Public Health Lab
3. Department of Mental Health and Substance Abuse Services, replacement buildings; 3 locations.
4. Central Oklahoma Juvenile Center; 2 projects
5. Medical Examiner Office in Tulsa, Oklahoma.
6. Department of Environmental Quality in downtown Oklahoma City, parking garage.

Mr. Davis provided a breakdown of the money for the capital improvements plan. The eight year total is \$313 million.

Mr. Davis recommended for fiscal year 2018 capital budget, that 35 projects be funded through the Maintenance of State Building Revolving Fund (MSBRF) and the first year of debt service on the bond package totaling \$1.5 million dollars for a total of \$38.99 million dollars. A majority of the 35 projects are major facility renovations, equipment replacement and major repairs.

The recommended budget includes a proposed facility replacement for the Oklahoma State Bureau of Investigation (OSBI). Their southwest office in Lawton, Oklahoma, has severe water and mold issues to the point where it is in the best interest to replace the building rather than try and fix it. The budget also includes the proposed purchase of fixtures, furniture and equipment in conjunction with a major renovation at the Department of Agriculture Building.

Mr. Davis gave a brief summary on policy recommendations. A majority of the recommendations are from previous years. The recommendations are to 1) Establish a consistent annual appropriation to fund the capital budget. 2) To eliminate agency exemptions from the process. 3) Include the capital budget as part of the executive budget. 4) Present the capital plan and budget to the appropriate committees in the House and Senate. 5) Establish an interagency workforce to develop statewide standards for facilities operation and maintenance. 6) Require

all agencies to utilize a statewide computerized management and maintenance system (AssetWorks). 7) Establish and require compliance with statewide operations of maintenance and performance standards. 8) Establish a facilities condition assessment program. 9) Require agencies to invest annually into facilities maintenance and renewal. 10) Establish a continuous improvement model for real property asset management.

Mr. DeWitt made a motion to approve. Mr. Hall seconded the motion, the motion passed and the following votes were recorded:

Mr. Branam – aye; Mr. DeWitt – aye; Mr. Hall – aye; Mr. Winchester – aye; Mr. Mason – aye.

VII. Discussion and possible action to approve changes to the commission’s administrative rules. [Ben Davis]

Mr. Davis informed that a couple of years ago the Commission approved some definition changes. There was some confusion in the rules making process and the definitions never were adopted, so they are being included in the current rules amendments. The amendments include updates to procedures for development, submittal and implementation of the capital plan.

A bill, SB1609, was passed during the 2016 session, which allows agencies with emergency capital needs to submit a funding request to the Director of the Office of Management and Enterprise Services (OMES) to be considered for funding from the MSBRF. If approved, the request goes to the Speaker of the House and the Senate President for approval within five business days. If approved, the Director of OMES, has the authority to fund the emergency need.

Mr. DeWitt made a motion to approve. Mr. Hall seconded the motion, the motion passed and the following votes were recorded:

Mr. Branam – aye; Mr. DeWitt – aye; Mr. Hall – aye; Mr. Winchester – aye; Mr. Mason – aye.

VIII. Updates and Discussion. [Ben Davis] None.

Commissioner Hall request to see a presentation on the capabilities of AssetWorks, known as AIM, at a future meeting.

IX. Adjournment.

There being no further business, Mr. Hall made a motion to adjourn. Mr. DeWitt seconded the motion. Motion carried. The meeting adjourned at 1:38 p.m.