

STATE CAPITOL COMMITTEE
Department of Enterprise Services
1500 Jefferson Street – Room 2208
Olympia, Washington 98501
March 29, 2012
10:00 a.m.

Meeting Minutes
(Approved: August 22, 2012)

MEMBERS PRESENT

Brad Owen, Lieutenant Governor
Sam Reed, Secretary of State
Marty Brown, Governor Gregoire's Designee

MEMBERS ABSENT

Peter Goldmark, Commissioner of Public Lands

OTHERS PRESENT:

Buccarelli, Kim, DES
Casey, Martin, DES
Erskine, Jim, DES
Friddle, Steve, City of Olympia
Gow, Tom, Puget Sound Meeting Services
Henderson, Tom, DES
Jacobs, Bob, Olympia Capitol Park Foundation
Lewandowski, Steve, OFM

Lindahl, WSP
Martin, Carrie, DES
McAfee, Carey, DES
McDonald, Patrick, SOS
Noble, Ron, DES
Scheel, DES
Turner, Joyce, DES

Welcome and Introductions

Lieutenant Governor Brad Owen called the State Capitol Committee (SCC) meeting to order at 10:00 a.m. A quorum was present.

Approval of Agenda

Secretary Reed moved, seconded by Marty Brown, to approve the agenda as published. Motion carried.

SCC will review four items on the Agenda for Action: Approval of Minutes, Approval of 2012 Schedule, Perry Street Parking, and IBM Building; and two items for Information: DES Director's Report and DES Facilities Report.

Approval of Minutes – June 30, 2011

Secretary Reed moved, seconded by Marty Brown, to approve the June 30, 2011 minutes, as presented. Motion carried.

Approval of 2012 Schedule

Joyce Turner, Director, Department of Enterprise Services, advised that the annual meeting schedule is subject to change based on the availability of members. Scheduled meetings include:

- March 29
- June 21
- October 11
- December 6

Marty Brown moved, seconded by Secretary Reed, to approve the 2012 meeting schedule as presented. Motion carried.

DES Director's Report

Director Turner reported that since the committee's last meeting in June, the Department of General Administration is now the Department of Enterprise Services (DES). The new department was created on October 1, 2011, and includes a section of the Office of Financial Management, a section of the Department of Personnel, a section of the Department of Information Services, the Department of General Administration, and the Department of Printing. The department includes 1,000 employees located at multiple locations across Thurston County and within the state with 700 employees located in the Jefferson Building. The department manages 24 operations with multiple shifts representing a diverse workforce. Job titles range from accountants, custodians, attorneys, architects, and engineers with 300 IT professionals.

Major projects include the strategic document comprised of the department's vision and mission statements. The department provides services to enable state agencies to complete their respective missions. The mission of DES is delivering innovative business solutions and services to serve the needs of partners. The department developed a series of goals to include completion of a successful consolidation supporting employees and building a new culture at DES, recognize DES delivers exceptional services and continue to improve customer service, reduce the overall cost of government and services, and be innovative and constantly looking for ways to provide improvements. The agency has embarked on a number of LEAN projects and developed a substantial action plan for 2012.

Over the fall, Heritage Park became the site for *Occupy Olympia*. Expenses related to the activity are less than \$35,000. With the wet winter and spring, the area needs sand and reseeded of the lawn, resulting in additional expense. Two donations were received from *Occupy Olympia* to help with restoration efforts.

Some vacant state buildings have been listed for sale. The department is working with a private commercial real estate broker to advertise and promote the sale of properties with several located in Olympia. The 600 Franklin Building, site of the former Department of Personnel, is for sale. The site of the Department of Fish and Wildlife (WDFW) building on Capitol Way near the Farmers Market is for sale as well as two WDFW properties nearby of an old warehouse and a vacant lot. Proceeds from the sale are returned to WDFW. DES received an offer on the three WDFW properties. Other properties listed for sale are located in Tacoma, Yakima, and Sunnyside.

The area experienced a severe snow and ice storms in January causing the loss of 38 beautiful trees on Capitol Campus. DES is documenting losses for FEMA reimbursement and is working on promoting a donation program for replacement of some of the trees lost in the storm. Approximately five to six trees are scheduled to be planted in the spring.

Secretary Reed asked about the services provided by Consolidated Technology Services (CTS). Director Turner reported CTS is Washington's utility technology provider for state agencies. Small Agency Client Services (SACS) is now under DES and provides efficient, centrally located accounting, budgeting, and payroll services for 45 small agencies. The Office of Financial Management provides vital information, fiscal services, and policy support.

Perry Street Parking

Tom Henderson, DES Facilities Division Assistant Director, briefed members on a proposed land acquisition. In 2008, the Legislature approved purchase of two small parcels in west Olympia adjacent to the Perry Street Child Care Center. At that time, the owner declined to sell the entire site. The state

leased two small lots adjacent to the center for use as parking for parents and staff. Currently, the property owners are willing to sell the property and the state needs to complete the acquisition to increase the value of the original property and increase future marketability. The request is to approve the acquisition of the property. Funding is included in the budget authorization to purchase the property.

Secretary Reed questioned the need to approve the purchase if approval was previously attained by the committee. Assistant Director Henderson replied that the initial approval was limited to only the property that was purchased and not for the overall site.

Secretary Reed moved, seconded by Marty Brown, to approve purchase of the two lots used for parking (approximately 0.25 acre) adjacent to the Perry Street Child Care Center, located in Olympia, Washington.

Mr. Brown asked about the number of parking spaces. Assistant Director Henderson replied that there are approximately 10 parking spaces pending the final design of the lot.

Motion carried.

IBM Building

Assistant Director Henderson reported the proposed request is to approve the demolition of the IBM Building. The building was constructed in 1958, purchased by the state in 1976, and occupied by Employment Security Department until February 2011. The building is in poor condition and would cost too much to renovate. The proposal is to demolish the building, which is consistent with the Master Plan since 1982.

Secretary Reed moved, seconded by Marty Brown, to approve demolition of the IBM Building located at 106 Maple Park Avenue SE, Olympia, WA.

Mr. Brown asked about the cost for demolition. Assistant Director Henderson reported the cost is approximately \$100,000, which is included within DES operating funds.

Motion carried.

DES Facilities Report

Assistant Director Henderson updated the committee on the status of projects:

- **Legislative Building Hydronic Loop Repairs** - The project is currently in design and includes critical repairs to the building's heating and cooling system. The project is scheduled for July – November 2012 at a cost of approximately \$1.2 million.
- **Natural Resources Building Roof Replacement and EIFS Repairs** - water is infiltrating the Natural Resources Building through its failing roof system and failing Exterior Installation Foam System (EIFS) perimeter parapet wall cap, causing damage to the exterior envelope and interior spaces. The project replaces portions of the roof and the EIFS parapet wall cap, and makes repairs to the south side of the building where water has infiltrated the EIFS system around the windows. The cost of the project is approximately \$4.4 million.
- **Legislative Building Critical Exterior Repairs** - this project provides critical repairs identified in the 2010 investigation of water leaks. The study revealed extensive water infiltration through the mortar joints, stone, gutters, and roof flashing causing damage to both the exterior and interior finishes of the Legislative Building. The cost of the project is \$956,000.

- **Capitol Lake Dredging** - the project provides a consultant to assist in designing the roadmap to move forward with the permit process for dredging the lake. The permit process is a substantial undertaking requiring up to 15 different permits. The work involves investigation concerning the condition of the sediment that will be removed in terms of what the sediment contains and how and where it can be deposited. Irrespective of the long-term maintenance plan for the lake, dredging will be required.
- **GA Reuse for Heritage Center, State Library and WSP** - DES has \$150,000 to begin a process to review the scope to house the Heritage Center, State Library, and the WSP to include potential tenants and the costs associated with the overall project.

Lt. Governor Owen recalled that the state replaced the heating and cooling system of the Legislative Building during the last major renovation project. He questioned the need for the project so soon after the initial installation in the early 2000s. Assistant Director Henderson replied that the seals are failing in the valves, which is creating leaks within the system. Other materials are causing the valve seats not to close properly. Consequently, the system has to be operated at a higher temperature to avoid problems with leakage through the valves. Lt. Governor Owen asked why the state is not pursuing the warranty or the workmanship of the contractor. Assistant Director Henderson responded that there are some concerns regarding the design of the initial system and that there were no strainers in the system to remove materials. The system was not cleaned properly during the initial installation, which caused some pitting and some problems within the seats of the valve system. Those are the issues the current consultant is considering to ensure those types of issues do not occur in the future. The original system was installed in 1983/84. Lt. Governor Owen suggested the department should consider whether the installation was completed correctly. He also questioned leaks occurring within the Legislative Building and why those issues were not addressed when major renovation of the building occurred. Assistant Director Henderson said some areas were treated during the renovation but not the entire building. The current leaks are located between the parapet and the flashing. Some of the flashing is very in some areas and needs to be replaced.

- **West Campus Underground Utility Repairs** – The project repairs or replaces all substandard underground utility infrastructure under 15th Avenue between Water Street and the O'Brien Building.
- **Capitol Campus Parking Garage Lighting Upgrades** – the project is funded by a combination of local and federal utility grants and a Certificate of Participation purchased through the Office of the State Treasurer. The project replaces all existing lighting systems in the DES operated parking garages on Capitol Campus saving the state approximately \$117,000 annually in utility costs.

Secretary Reed asked about the status of the budget for cleaning the capitol dome. Assistant Director Henderson said the goal is to receive \$1.4 million from the supplemental budget to assist in cleaning the dome with another \$2.5 million necessary to complete the cleaning, which includes redoing mortar joints. That amount will be included in the 2013-2015 budget request.

Adjournment

With there being no further business, Lt. Governor Owen adjourned the meeting at 10:29 a.m.

SCC MEETING MINUTES

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