



Department of Buildings & General Services
Office of the Commissioner
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Agency of Administration

January 15, 2015

The Honorable Members of the
2015 General Assembly
State House
115 State Street
Montpelier, VT 05633

Dear Members,

Enclosed is a compilation of reports due to the General Assembly from the Department of Buildings and General Services. You will find a list of those reports in the Table of Contents, along with reference to the legislation requiring the reports. Some of these reports were prepared working in conjunction with other Departments.

Should you have any questions concerning these reports, please feel free to contact me at the above number or email mike.obuchowski@state.vt.us.

Sincerely,

A handwritten signature in dark ink that reads "Micheal J. Obuchowski".

Micheal J. Obuchowski
Commissioner

cc: Electronic Filing – Legislative Council
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Reports to the 2015 General Assembly



January 15, 2015
State of Vermont
Agency of Administration
Department of Buildings and General Services

Michael J. Obuchowski
Commissioner

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TAB 1

HIGH MILEAGE DRIVERS/USERS:

Act 179 of 2014, Section E. 118 (a)

Requires that the Commissioner of the Department of Buildings and General Services submit an annual "...report to the House and Senate Committees on Appropriations... detailing the number of State employees, by department, that during the previous fiscal year exceeded the "mileage breakeven point," the point at which employee mileage reimbursement becomes more expensive than use of State-owned or leased vehicles..."

Background

As a part of the Fleet Management Services (FMS) program, BGS conducts a review of the mileage reimbursement records of all departments at the end of each fiscal year to identify high mileage drivers. A complete spreadsheet of mileage reimbursement detail for all State employees is provided at the end of each fiscal year by the Department of Finance. The following provides a summary of that FY 2014 data.

Total Number of Drivers Reimbursed for Driving Personal Vehicle During Fiscal Year 2014	5019
Total Miles Driven	9,735,022
Total Cost to State	\$5,480,127
Number of Drivers Who Drove Over 11,000 Miles	128
Total Miles Driven by those 128 drivers	2,027,093
• Average Miles Driven per Driver	15,837
Total Cost to State	\$1,143,489
• Average Cost Per Driver	\$8,934

Following the review of high mileage drivers, departments are contacted to advise them of the potential savings available by using a FMS vehicle in place of reimbursed miles. Areas are identified where FMS believes the use of State vehicles would have a positive financial impact. Departments are strongly encouraged to provide fleet vehicles to the identified high mileage drivers. It is suggested that FMS could provide a cost comparison that, in most cases, would result in a significant savings to the department.

If an identified high mileage driver chooses to continue use of their private vehicle, they are required to claim reimbursement at the reduced GSA mileage rate in accordance with Administrative Bulletin 3.4 which directs the use of the reduced GSA mileage reimbursement – currently \$0.235 per mile – when an employee's annual travel for performing official duties requires an assigned vehicle. The link to Bulletin 3.4 which stipulates when the reduced rate applies is provided below.

If the 2,027,093 miles (driven by these 128 high mileage drivers in FY 2014) were to be reimbursed at the reduced GSA rate of \$0.235 (vs. the current full GSA reimbursement rate of \$0.56/mile), there will be a savings to the State of \$658,805.22.

Mileage Breakeven Point

You will see in the attached document (Attachment A) the explanation of the breakeven point at which it becomes more cost effective to utilize a fleet vehicle vs. reimbursing an employee for driving their private vehicle. That breakeven point is currently 11,000 miles. For annual travel greater than 11,000 miles, driving an FMS vehicle is saving the State money. It should be noted that this analysis was based on using the most economical Model Year 2014 compact sedan from the State contract and projected vehicle-related expenses and fuel costs. There is no one-size-fits-all solution. The more expensive the vehicle, the more miles would need to be driven to realize any savings. This would be impacted by the increased price of the vehicle, an increase in the cost of fuel, or change in the fuel economy of the vehicle (32 mpg is the current standard).

If the miles on the following chart were traveled using the most economical fleet compact sedan available, the potential savings to the State for FY 2014 would have been an estimated \$295,200.

The chart provides a breakdown by department of the State employees who drove in excess of the 11,000 mile breakeven point.

Drivers Who Drove > 11,000 Miles (Breakeven Point)

Department	# of Drivers	Total Miles	Total Amt Reimbursed
VTrans	39	730,027	\$ 411,250
DAIL	22	315,616	\$ 179,951
DCF	15	211,959	\$ 119,335
Judiciary	13	196,438	\$ 110,512
Financial Reg	11	157,503	\$ 88,609
Labor Dept	7	123,416	\$ 69,457
Health	4	58,631	\$ 33,006
Corrections	3	45,197	\$ 25,426
Agriculture	3	40,800	\$ 22,977
Leg Council	3	37,771	\$ 21,210
DII	2	34,694	\$ 19,535
Health Access	1	13,710	\$ 7,714
ACCD	1	13,575	\$ 7,634
Education	1	12,799	\$ 7,202
Human Svcs	1	12,001	\$ 6,751
Tax Dept	1	11,826	\$ 6,653
Mental Health	1	11,130	\$ 6,267
Total	128	2,027,093	\$ 1,143,489

The attached spreadsheet (Attachment B) provides the State employee position detail of this information.

Note: The Federal Reimbursement Rate (FRR) was adjusted as follows during FY 2014:

On January 1, 2013 the FRR increased to \$0.565/mile

On January 1, 2014 the FRR decreased to \$0.56/mile

The blended reimbursement rate for FY 2014: \$0.5625

Link to Administrative Bulletin 3.4:

http://aoa.vermont.gov/sites/aoa/files/AOA-Bulletin3_4-June2014%20%282%29.pdf

Attachments:

- A. Explanation of Breakeven Point – 11,000 Miles
- B. Spreadsheet Detail – FY 2014 High Mileage Drivers

Explanation of Breakeven Point – 11,000 Miles

This cost comparison analysis is based upon using the most economical compact sedan (2014 Ford Focus) from the State contract.

The breakeven point is 11,000 miles. When annual travel is less than 11,000 miles, the current full GSA mileage reimbursement rate of \$0.56 per mile is more cost effective. When annual travel is at or above 11,000 miles, leasing the compact sedan from Fleet Management Services is more cost effective -- any mileage over 11,000 miles is saving money. This does not take into consideration employees sharing the Fleet vehicle – it is the Fleet vehicle that needs to travel more than 11,000 miles in order to be more cost effective than mileage reimbursement – not the employee.

Data analysis detail:

Annual cost for base model compact sedan from FMS traveling 11,000 miles:

Annual Fleet Vehicle Cost (18,000 miles or less) -- \$5,167

Estimated Fuel Cost (11,000/32 mpg *\$2.95 per gallon) -- \$1,014

Total Estimated Annual Cost \$6,181/11,000 miles = \$0.56/mile

Annual cost per mile for base model compact sedan from FMS traveling 14,000 miles

Note: The fuel cost increases with increase in the miles traveled.

\$6,458/14,000 miles = \$0.46/mile

Annual cost per mile for base model compact sedan from FMS traveling 18,000 miles

Note: The fuel cost increases with increase in the miles traveled.

\$6,826/18,000 miles = \$0.38/mile

Annual cost per mile for base model compact sedan from FMS traveling 24,000 miles

Note: Miles in excess of 18,000 annually are charged at a lower rate: insurance and administrative fees are fixed expenses allocated over the first 18,000 miles annually and are excluded from the per-mile rate charged for additional miles traveled.

\$8,491/24,000 miles = \$0.35/mile

Personal vehicle mileage reimbursement for X miles:

$$11,000 \text{ miles} \times \$0.56 = \$ 6,160$$

$$14,000 \text{ miles} \times \$0.56 = \$ 7,840$$

$$18,000 \text{ miles} \times \$0.56 = \$10,080$$

$$24,000 \text{ miles} \times \$0.56 = \$13,440$$

Note: This was calculated using the \$0.56 reimbursement rate that went into effect January 1, 2014.

Attachment B

The following state employees exceeded the mileage break-even point of 11,000 miles during FY 2014:

Department	Job Title	Miles SUM	Amount SUM
Agriculture, Dept of	Agriculture Water Quality Spec	15,443	\$8,686.60
Agriculture, Dept of	Animal Health Specialist	14,089	\$7,946.95
Agriculture, Dept of	Agriculture Scientist III Che	11,268	\$6,343.47
Dept for Children and Families	Social Worker	21,603	\$12,158.31
Dept for Children and Families	Social Worker	18,320	\$10,314.70
Dept for Children and Families	Social Worker	18,049	\$10,157.43
Dept for Children and Families	Social Worker	17,862	\$10,068.35
Dept for Children and Families	Senior Social Worker	14,650	\$8,252.77
Dept for Children and Families	Social Worker	13,982	\$7,871.10
Dept for Children and Families	Social Worker	12,610	\$7,090.80
Dept for Children and Families	Business Systems Analyst II	12,556	\$7,080.51
Dept for Children and Families	Social Worker	12,520	\$7,047.01
Dept for Children and Families	DCF Quality Assurance Spec	12,352	\$6,958.47
Dept for Children and Families	Social Worker	11,949	\$6,722.50
Dept for Children and Families	Domestic Violence Specialist	11,829	\$6,659.17
Dept for Children and Families	Social Worker	11,315	\$6,363.65
Dept for Children and Families	Social Worker	11,185	\$6,300.12
Dept for Children and Families	Social Worker	11,177	\$6,290.16
Commerice & Comm Dev,	Agency Secretary	13,575	\$7,633.77

Corrections, Dept of	Restorative System Admin	13,631	\$7,643.16
Corrections, Dept of	Corrections Assistant Superint	13,486	\$7,610.49
Disabilties Aging Ind. Living	Aging & Dis Qual & Prog Spec	19,717	\$11,102.85
Disabilties Aging Ind. Living	Adult Protect Servs Invest	18,750	\$10,561.30
Disabilties Aging Ind. Living	Field Services Manager	17,997	\$10,122.75
Disabilties Aging Ind. Living	Voc Rehab Reg Mgr	17,131	\$9,629.77
Disabilties Aging Ind. Living	Adult Protective Services Supr	16,686	\$9,394.46
Disabilties Aging Ind. Living	Public Guardian	16,167	\$9,097.79
Disabilties Aging Ind. Living	Voc Rehab Benefits Counselor	15,768	\$8,874.47
Disabilties Aging Ind. Living	Housing & Community Serv Spec	15,353	\$8,641.41
Disabilties Aging Ind. Living	Public Guardian	13,800	\$7,765.74
Disabilties Aging Ind. Living	Public Guardian	13,749	\$7,741.41
Disabilties Aging Ind. Living	Public Guardian	13,547	\$7,612.50
Disabilties Aging Ind. Living	Senior Blind Serv Rehab Coun	13,444	\$7,572.34
Disabilties Aging Ind. Living	Public Guardian	13,427	\$7,552.33
Disabilties Aging Ind. Living	Public Guardian	12,898	\$7,257.75
Disabilties Aging Ind. Living	OPG Regional Supervisor	12,866	\$7,241.31
Disabilties Aging Ind. Living	Adult Protective Services Supr	12,825	\$7,224.64
Disabilties Aging Ind. Living	Voc Rehab Reg Mgr	12,779	\$7,194.10
Disabilties Aging Ind. Living	Public Guardian	12,736	\$7,156.78
Disabilties Aging Ind. Living	Public Guardian	12,342	\$6,947.90
Disabilties Aging Ind. Living	VR Counselor II - Deaf & Hard	11,523	\$6,482.56
Disabilties Aging Ind. Living	ADA Program Manager	11,073	\$8,581.63

	Hard		
Disabilities Aging Ind. Living	ADA Program Manager	11,073	\$8,581.63
Disabilities Aging Ind. Living	OPG Regional Supervisor	11,038	\$6,195.71
Education, Agency of	Education Medicaid Specialist	12,799	\$7,201.52
Financial Regulation, Dept of	Financial Examiner III	19,462	\$10,949.93
Financial Regulation, Dept of	Administrative Insurance Exami	15,790	\$8,880.04
Financial Regulation, Dept of	Snr Fin Exam AC:Fin Institut	15,632	\$8,796.55
Financial Regulation, Dept of	Snr Fin Exam AC:Fin Institut	14,980	\$8,426.38
Financial Regulation, Dept of	Administrative Insurance Exami	14,969	\$8,423.75
Financial Regulation, Dept of	Snr Fin Exam AC:Fin Institut	14,606	\$8,215.99
Financial Regulation, Dept of	Snr Fin Exam AC:Fin Institut	14,401	\$8,094.92
Financial Regulation, Dept of	Sen. Fin. Examiner, AC: IT	12,356	\$6,958.15
Financial Regulation, Dept of	Insurance Examiner I	12,122	\$6,819.13
Financial Regulation, Dept of	Snr Fin Exam AC:Fin Institut	11,639	\$6,548.30
Financial Regulation, Dept of	Insurance Examiner III	11,546	\$6,495.89
Health, Dept of	Senior Radiological Health Spe	17,154	\$9,649.19
Health, Dept of	Public Health Inspector I	15,051	\$8,478.06
Health, Dept of	Oral Health Director	13,749	\$7,739.45
Health, Dept of	Public Health Inspector III	12,677	\$7,139.28
Human Services, Agency of	Field Director	12,001	\$6,751.23
Information & Innovation, Dept of	Info Systems Security Dir	17,698	\$9,963.43
Information & Innovation, Dept of	Info Tech Spec II	16,996	\$9,571.55

Judiciary	Hearing Officer	21,767	\$12,253.70
Judiciary	Court Officer B	21,097	\$11,875.93
Judiciary	Superior Judge	18,778	\$10,556.63
Judiciary	Superior Judge	18,249	\$10,267.09
Judiciary	Hearing Officer	15,569	\$8,743.62
Judiciary	Superior Judge	15,550	\$8,752.15
Judiciary	Superior Judge	13,635	\$7,671.39
Judiciary	Magistrate - Family Court	13,362	\$7,517.11
Judiciary	Superior Judge	12,244	\$6,883.16
Judiciary	Court Officer B	12,137	\$6,830.15
Judiciary	Environmental Judge	11,711	\$6,591.02
Judiciary	Associate Justice	11,225	\$6,316.75
Judiciary	Magistrate - Family Court	11,114	\$6,253.52
Labor, Dept of	Passenger Tramway Technician	26,648	\$14,988.72
Labor, Dept of	VT DOL District Manager	22,177	\$12,483.40
Labor, Dept of	Senior Passenger Tramway Tech	21,079	\$11,878.05
Labor, Dept of	Career Develop Facilitator III	14,001	\$7,870.36
Labor, Dept of	VT DOL District Manager	13,888	\$7,814.91
Labor, Dept of	Passenger Tramway Technician	13,207	\$7,433.98
Labor, Dept of	Occupational Safety Consultant	12,416	\$6,987.99
Legislative Council	Secretary Of Senate	12,920	\$7,248.88
Legislative Council	State Senator	12,728	\$7,166.61
Legislative Council	State Senator	12,123	\$6,794.34

Mental Health, Dept of	DMH Psychologist	11,130	\$6,267.08
Tax, Dept of	Tax Field Auditor II	11,826	\$6,652.66
Transportation, Agency of	AOT Technician V	37,284	\$21,007.47
Transportation, Agency of	AOT Technician V	35,508	\$20,010.06
Transportation, Agency of	AOT Technician V	28,308	\$15,957.15
Transportation, Agency of	AOT Senior Manager I	28,119	\$15,839.06
Transportation, Agency of	AOT Technician IV	27,164	\$15,301.93
Transportation, Agency of	AOT Manager IV	25,794	\$14,508.36
Transportation, Agency of	AOT Technician VI	23,728	\$13,376.97
Transportation, Agency of	AOT Technician V	23,550	\$13,265.92
Transportation, Agency of	AOT Technician VI	22,906	\$12,900.49
Transportation, Agency of	AOT Technician IV	22,783	\$12,844.93
Transportation, Agency of	AOT Technical Apprentice I	22,759	\$12,833.80
Transportation, Agency of	AOT Technician VI	21,665	\$12,206.43
Transportation, Agency of	AOT Senior Manager I	21,623	\$12,179.66
Transportation, Agency of	AOT Technician IV	21,481	\$12,085.02
Transportation, Agency of	AOT Technician V	21,358	\$12,045.48
Transportation, Agency of	AOT Technician III	21,305	\$12,004.76
Transportation, Agency of	Civil Engineer III	20,877	\$11,752.34
Transportation, Agency of	Civil Engineer IV	18,632	\$10,493.50
Transportation, Agency of	AOT Technician III	18,443	\$10,383.58
Transportation, Agency of	AOT Technician III	17,674	\$9,957.53
Transportation, Agency of	AOT Technician VIII	15,721	\$8,844.56
Transportation, Agency of	AOT Technician VII	15,374	\$8,649.96
Transportation, Agency of	AOT Technician IV	14,643	\$8,248.19

Transportation, Agency of	AOT Technical Apprentice III	14,342	\$8,100.28
Transportation, Agency of	Civil Engineer VII	13,559	\$7,634.01
Transportation, Agency of	Civil Engineer VII	13,489	\$7,593.25
Transportation, Agency of	AOT Senior Manager I	13,485	\$7,585.97
Transportation, Agency of	AOT Technician VI	13,342	\$7,536.37
Transportation, Agency of	AOT Technician II	13,190	\$7,431.94
Transportation, Agency of	AOT Technician VIII	13,057	\$7,354.92
Transportation, Agency of	Civil Engineer III	13,034	\$7,347.84
Transportation, Agency of	AOT Technician VI	12,931	\$7,277.22
Transportation, Agency of	Civil Engineer III	12,387	\$6,976.11
Transportation, Agency of	AOT Technician III	12,260	\$6,914.63
Transportation, Agency of	AOT Technician IV	12,253	\$6,899.46
Transportation, Agency of	AOT Technician IV	11,887	\$6,693.45
Transportation, Agency of	Civil Engineer III	11,535	\$6,496.25
Transportation, Agency of	Civil Engineer III	11,346	\$6,385.35
Transportation, Agency of	AOT Technician III	11,231	\$6,325.97
Vermont Health Access	VCCI Nurse Case Manager	13,710	\$7,713.93

TAB 2

**ROBERT H. WOOD JR. CRIMINAL JUSTICE AND FIRE SERVICE TRAINING
COUNCIL: Act 178, Sec. 13 (g)**

It is the intent of the General Assembly that the Commissioner of Buildings and General Services reexamine any lease agreements entered into pursuant to authority granted by 2008 Acts and Resolves No. 200, Sec. 32(e) and 2009 Acts and Resolves No. 43, Sec. 48 conveying land and No. 178 mineral rights located at the Robert H. Wood, Jr. Criminal Justice and Fire Service Training Council. On or before January 15, 2015, the Department of Buildings and General Services shall submit this plan to the House Committee on Corrections and Institutions and the Senate Committee on Institutions

1. Governance Model – *Extension Requested, will submit under separate cover*
2. Reexamine Lease Agreements

This memo is in response to the legislative intent expressed in the 2014 Capital Budget Adjustment Act that the Commissioner of BGS reexamine any lease agreements conveying land and mineral rights at the Robert H. Wood Jr. Criminal Justice and Fire Service Training Council in Pittsford.

The Commissioner of BGS is authorized to sell or lease land, mineral rights, or both, at the Robert H. Wood Criminal Justice Training Council. The transaction is limited to up to ten acres of land or mineral rights, with a lease term of no more than ten years, with a sale or lease price based on the fair market value of the source mineral rights. Sale proceeds are directed to a capital fund, and lease proceeds are directed to a property management fund. See 2008 Acts and Resolves No. 200, Sect. 32(e), and 2009 Acts and Resolves No. 43, Sec. 48.

The only operative agreement regarding mineral rights at Pittsford is a lease between BGS and Casella Construction, Inc dated January 18, 2011. I have also found a “Mineral Lease, Purchase Option” dated January 18, 2013 in the records. In what follows, the key terms of the 2011 lease are summarized:

Term: The lease term is ten (10) years, which does not begin until the Lessee obtains all approvals necessary to extract the minerals. Access to the property may be extended beyond the lease term to remove minimum materials or to comply with permit requirements (remediation of the land).

Price: Casella agrees to pay \$.65 per ton for extracted/processed material. After the first year, an annual adjustment is to be made to the price per ton based on the percentage change in the Boston Consumer Price Index.

The records show that the parties discussed “fair market value” for the material. An appraisal “Rowe Gravel Pit Extension” was completed by George Silver and Associates on behalf of BGS, as well as a “Rowe Gravel Pit Expansion Study” by Sanborn, Head and Associates for Casella. Additionally, the adjoining Rowe property has a lease with Casella at a rate of \$1 per yard. The George Silver appraisal indicates that royalty agreements studied range from \$.50 per ton to \$1.31 per ton, and that for this particular property/mineral, \$.65 per ton is a reasonable royalty rate as of November 2008. If BGS wanted to know whether \$.65 per ton is consistent with fair market value for the subject minerals as of 2014, consultation with a professional with expertise in mineral valuation would be required.

Payment Provisions: Casella is to make quarterly payments of \$24,375 as “advance payment for minerals to be extracted the following year.” At the end of the first year, the State and Casella are to “true up” for the amount of materials actually extracted. If the amount paid is greater than the value of the material actually extracted, then the amount overpaid is carried over and applied against the next quarterly payment. Conversely, if the value of extracted material exceeds the amount paid in quarterly payments, the balance is due within 30 days of the lease term. The total value of the quarterly payments, if all were made, would equal \$975,000 over ten years (for 1,500,000 tons of material).

It is possible, however, that the State will not receive the total \$975,000 in the event that Casella does not extract 1,500,000 or more tons of material. This amount is a minimum amount that Casella is “entitled to remove,” not a minimum amount that Casella must remove or pay for. Thus, it is possible that Casella could take less than the minimum tonnage. Because of the true up function, the quarterly payments are not an absolute guarantee for the full \$975,000. It is also true that the State could receive more than the \$975,000 if Casella extracts an amount of material in excess of the 1,500,000 tons.

Termination: The State has the ability to terminate the Lease by written notice if Casella has not obtained necessary approvals by June 15, 2011, and it is “apparent that the approvals will not be obtained within a reasonable time . . . if good reason exists for such termination.” The State may also terminate immediately if permit conditions are violated, and may terminate for breach of lease following a 30 day cure period.

As of March 2014, Casella indicated that they are still actively pursuing the approvals for this site, but have not received an Act 250 permit. As of November 14th 2014, it does not appear that Casella has received the necessary approvals to extract material from the site. If this is the case, the State has the ability to terminate the Lease if it is apparent that the approvals will not be obtained within a reasonable time. If the State wants to pursue this option, it should verify approval status with Casella, and may want to check on the status of any pending litigation.

Other Provisions: Casella is required to install a scale at the site and weigh all material leaving the leased area. Every two years, the State will hire a third party to conduct a survey to verify the volume of extracted materials. Casella will reimburse the cost of the third party verification. Standard state provisions apply (including indemnification).

TAB 3

ART IN STATE BUILDINGS PROGRAM; REVIEW OF GUIDELINES AND PROCEDURES: Act 178, Sec. 15

- (a) The Commissioner of Buildings and General Services and the Vermont Council on the Arts, Inc. shall evaluate the effectiveness of the current guidelines and procedures for the Art in State Buildings Program, including the use of program terms and whether modified or new guidelines or procedures are required.**
- (b) On or before January 15, 2015, the Commissioner of Buildings and General Services and the Vermont Council on the Arts, Inc. shall report to the House Committee on Corrections and Institutions and the Senate Committee on Institutions with the results of the evaluation described in subsection (a) of this section.**

History:

This report is to provide a status update for work on the Art in State Buildings Program. In the 2014 Capital Budget Adjustment Act, BGS and the Arts Council were directed to evaluate the current guidelines and procedures for the Art in State Buildings Program ("Program"). This direction came as a result of legislative language introduced in the Capital Bill that would have altered some of the Program's practices. Testimony was taken by the House Corrections and Institutions Committees during the 2014 legislative session regarding the Program and some ongoing issues raised by BGS and the Arts Council. The goal in evaluating the current guidelines is to assess whether ongoing issues associated with the Program could be resolved without the need for legislative changes.

Emily Kisicki of BGS worked closely with Michele Bailey of the Arts Council to review the guidelines and discuss the Program as a whole. Emily and Michele also consulted with Alex Aldrich, Rep. Bill Botzow, David Schutz, and Wanda Minoli as part of a series of meetings that began in June 2014. The most recent meeting was held on November 21, 2014 with the Art in State Buildings Legislative Advisory Committee.

As a result of these meetings, BGS and the Arts Council were able to agree on a number of changes to make to the Program Guidelines and Procedures. In most cases, these changes are needed because the language was outdated, inconsistent with current statute, or inconsistent with current practice.

Four main issues were identified for discussion. Two of those issues remain unresolved between BGS and the Arts Council (Sections 2 and 3), but the positions of each organization are clearly stated:

1. Arts Council Notification: (Arts Council & BGS Agree)

By statute, the Commissioner has the authority to approve up to two sites per year for potential inclusion in the Program (29 V.S.A. 44(a)(2)). Currently, the BGS Commissioner and the Arts Council meet annually on an undefined date to identify eligible sites to recommend for participation in the Program. The Arts Council has voiced its desire to become involved in a Project at its very earliest stages. For instance, the Council has suggested that it be notified of and/or included in conceptual design work or feasibility studies for State Capital projects. The

Arts Council feels that it usually becomes involved after capital projects are already designed, and that costs for art installations could be better absorbed by the capital project's budget if the Art process began earlier in project development. The main concern for BGS is efficiency and retaining control over the design process for the capital project. Over the summer, BGS and the Arts Council discussed ways that the Program could be incorporated earlier in the planning process for capital projects.

The recommendation is that BGS and the Arts Council establish set timing for their annual meeting to discuss sites. Ideally, the meeting would occur soon after the legislative session adjourns. At the meeting, BGS and the Arts Council could discuss projects, and feasibility studies or conceptual design work, authorized through the capital bill that year. Projects that are part of the State Ten Year Capital Plan could also be discussed. The BGS Commissioner could then identify what projects to recommend for inclusion in the Program on an annual basis, and the Council would have as much advance notice as possible of potential future capital projects that may be eligible for inclusion in the Program.

Additionally, an existing statutory requirement is that the BGS Commissioner "ensure that early in the building design phase, the architect will discuss the placement and form of artwork with the selected artist, and that bid specifications will inform potential contractors of the artwork to be installed in the building or facility." 29 V.S.A. §44a(7). BGS could commit internally to ensuring that all Project Managers are knowledgeable about the Program and able to identify when a Project that they are assigned to is eligible for inclusion in the Program. If a site is recommended for inclusion in the Program, the Project Manager should be notified immediately so that he or she can prepare for potential project and budget impacts and connect with the Arts Council and the Architect.

2. Artist Honoraria: (BGS and Arts Council do not agree)

The Arts Council currently uses some portion of the Art Acquisition Fund to pay honoraria for design proposals. Under Section V(A)(2) of the Guidelines, honoraria for design proposals is something that must be covered within the Project budget. The amount or rate of such honoraria is undefined in the Guidelines. Honoraria for Art selection panel member is established as an administrative cost borne by the Council that comes from the \$5,000 administrative fee that the Council automatically deducts from the amount (up to \$50,000) that may be transferred to the Art Acquisition Fund per year. Alex Aldrich states "*where those (panelist honorariums) have existed, they have been covered under the administrative-- not artists fees -- portion of budget. In the last 6-8 years honorariums or expense reimbursements for panelists have not even been offered. Panelist (who aren't employees or architects) have volunteered their time and expenses with no impact at all on the budget.*"

BGS has raised the issue of whether artist honoraria are or should be eligible expenses funded through the Art Acquisition Fund. Relevant statutory language is copied below (emphasis added):

29 V.S.A. § 43. Art acquisition fund

(a) An art acquisition fund is created to finance the design, construction and purchase or commissioning of works of art to be included as an integral part of the structure of state buildings and facilities. Such works of art may be attached to the structure or may be detached within or outside the structure.

(b) Amounts in the art acquisition fund at the end of each fiscal year shall not revert to the general fund.

(c) Amounts in the fund shall be expended upon order of the council for acquisition or commissioning of works of art and for administration, as provided in this chapter.

Under § 43, the purpose of the Fund is to finance design, construction, and purchase or commissioning of works of art. The council may expend amounts from the fund for acquisition or commissioning of works of art (and for administrative costs, limited to \$5,000 in § 44(a)). The issue is whether honoraria for design proposals, even to artists who are not ultimately selected to provide art to a state building through the Program, is considered “acquisition or commissioning of works of art” for which the Council may expend Fund money.

BGS perspective:

From the BGS perspective, the goal is to maximize the amount of money that will actually go to the art acquired for State buildings. Additionally, the statute is clear that the purpose of the Program is to “enhance the working environment, to improve the character and quality of state buildings in order to create an environment of distinction, enjoyment and pride for all citizens, and to encourage the donation of works of art to the state” (29 V.S.A. § 41). The focus of the Program is then appropriately with acquiring art for buildings.

The question is ultimately one of legislative intent and whether the General Assembly meant to fund honoraria for design work through the Program as part of the “design”—or whether the intent was to more narrowly limit funding to the actual pieces of art being acquired or commissioned. The statute is not explicit on this point. Lastly, the actual amounts spent on design honoraria are unknown and may not be significant. Lastly, BGS does not provide honoraria for design or other proposals for architects or any other bidders for State projects

Arts Council perspective:

The Council argues that commissioning artists to create site-specific works of art for buildings is an important aspect of the program. Providing artist finalists honoraria to create preliminary design proposals is a standard procedure in the field of public art and is absolutely an important part of the design process. It also provides the art selection panel with a better understanding of the artists approach to the project before selecting an artist for the commission. A public art program is only as strong as the artists making art for it and when good artists opt-out because their time and talents aren’t being compensated, the goals of the program will suffer. Artists usually do not have the financial resources to invest in the time necessary to create preliminary designs. The State of Vermont should not be asking artists to share their ideas for free when other

public art programs across the country are compensating artists for their preliminary design work with honoraria. The overall amount of artist honoraria does not represent a significant percentage of the program budget. Over the history of the program honoraria amounts have ranged from \$250 - \$1000 per artist – depending on the project budget.

3. Site preparation costs: (BGS and Arts Council do not agree)

The responsibility for site preparation and other associated costs is a topic on which BGS and the Arts Council have been unable to reach agreement. Section V(B) of the Guidelines specifies that money transferred to the Art Acquisition Fund may not be used for: “necessary site preparation such as wall or ground preparation to receive the works of art, including standard lighting and structural footings . . .[or] any decorative or landscape elements peripheral to the artworks themselves and any services such as water, electricity, or lighting that are needed to activate the artwork.”

BGS perspective:

This issue has become problematic where there is an expectation that the costs outlined above will be borne by BGS or within the capital project’s budget. These costs have proven to be significant in some cases, and the BGS project manager is then left to find money in a project budget over and above the \$50,000 that has already been transferred to support the art installation. In some cases, there may be ongoing operational costs associated with an art project (such as lighting, water, or electricity). Often times, the cost of site preparation and decorative or landscape elements is unknown or not fully discussed when the art is selected for a site, so the total cost impact of an art piece is unknown until some point closer to when the art is ready for installation.

BGS has argued that these costs should be part of the budget for the art installation because they are necessary to support the art. A major issue for BGS is that the extra costs are not budgeted for, and typically end up coming out of the established budgets for capital projects. Another issue is that these costs are largely unknown at the time the artwork is selected.

There is nothing in the statute that states that amounts from the Fund may not be spent on site prep or decorative/landscape elements. At the same time, there is nothing explicitly directing that Fund money be used for that purpose. However, one could argue that these costs are a necessary part of the “installation” of the art, which is discussed throughout the statute, especially when they become known only after the project has gone to bid.

BGS suggests:

- Legislative change, change to guidelines, or change in practice that no BGS or project funds will be expended to support an art installation above the statutory amount (currently \$50,000/year).

Arts Council Perspective

The Arts Council believes that if the site preparation costs came out of the program funds it would be at the expense of the artist. The program funds have not increased since the program began in 1988. The Council argues that becoming involved earlier in the design process would greatly mitigate site preparation costs related to artwork because they could be better incorporated into the overall budget for the capital project in preparation for the initial construction bid. The art selection process has always included the BGS project manager as voting member of the local art selection panel. They have traditionally been responsible for advising and guiding the panel and the artist on costs and issues associated to site preparation as well as maintenance issues. The Council believes that a clarification of project manager and artist expectations should be developed in the guidelines so that more timely planning and appropriate budgeting could occur.

The Arts Council suggests:

- Prior to any changes in policy a “pilot” site/building be identified in order to develop an effective procedure for early planning and budgeting.
- Early stage budgeting by BGS project managers of eligible projects to include art fund transfer amount and site work as part of the construction budget request.
- Establish a general policy in the program guidelines that any site preparation costs that exceed amounts not already planned for and included in the construction budget will not come out of the art budget but should not exceed 20% of the overall art budget. (i.e. Currently art budget is \$50,000/year therefore any site preparations should not exceed \$10,000)

Other Suggestions that both BGS and Arts Council are interested in considering:

- Requirement that all art project proposals include a detailed discussion of site needs total costs, and funding sources.
- Have the amount for Art Acquisition Fund be a separate line item in the capital bill.

4. Invest in Public Art: (BGS & Arts Council agree to explore)

At the November meeting of the AISB Legislative Advisory Committee, Commissioner Obuchowski indicated that in the coming years, there may be limited opportunities for AISB projects that provide ideal locations for the installation of public art. (i.e. fewer building projects and projects with limited public visibility). The Committee expressed a desire to continue to provide opportunities for artists to enhance public infrastructure and a longstanding need to maintain and conserve the current State Art Collection.

At the Committee meeting, the Council shared information about a pilot public art program currently underway. Vermont communities were asked (through a “Request for Proposals”) to propose existing or proposed infrastructure improvement projects in which they would like to integrate artistic elements. Communities were encouraged to think beyond the ordinary as they envisioned new buildings, roads, bridges, and other public spaces. The Council hoped to receive 25 project proposals. Instead, 43 project proposals from 33 different community organizations were submitted. Project ideas included everything from wastewater systems, bike paths, main street gateways, and pocket parks, to facilities such as educational centers and community health care facilities. This demonstrated a strong interest in and demand for creative and vibrant community infrastructure.

Given this scenario, the Committee asked the Council and BGS to explore the feasibility of guideline revisions that would allow for expanded use of program funds to include maintenance and/or conservation of the current State Art Collection as well as local municipal projects. (i.e. other town-owned structures such as town halls/offices, schools etc.) The inclusion of local projects in the program could 1) expand the impact of the program to include a broader range of Vermont communities, 2) provide wider public visibility and value and 3) increase the exposure of the work of Vermont artists.

Summary:

BGS and the Arts Council have met several times in response to the legislative direction to evaluate the Art in State Building Program Guidelines. It is clear that changes to the Guidelines are needed. In many cases, changes are uncontroversial and necessary to align the Guidelines with current law or practice. However, there are three main issues (timing of Arts Council involvement in capital project development, honoraria, and site costs) that remain unresolved. Negotiations about program and guideline changes will continue throughout the coming fiscal year. Further recommendations will be brought before the AISB Legislative Advisory Committee for their review, discussion and approval.

TAB 4

WEEKS SCHOOL; VERGENNES; MASTER PLAN: Act 178, Sec. 22

(a) The Commissioner of Buildings and General Services shall contract with an independent third party to develop a master plan for the former Weeks School property located in the City of Vergennes and the Town of Ferrisburgh.

In developing the master plan, the independent third party shall consult with the City of Vergennes, the Town of Ferrisburgh, local and regional organizations, and affected State agencies and landowners. The master plan shall include an evaluation of whether the property may be subdivided and sold, and for what purposes it may be used.

(b) On or before January 15, 2015, the Commissioner of Buildings and General Services shall provide an update on the plan described in subsection (a) of this section to the House Committee on Corrections and Institutions and the Senate Committee on Institutions.

The requirements of the proposal are:

To provide a comprehensive master plan for the future use for the former Weeks School property located at MacDonough Drive in Vergennes, Vermont. The purpose of the master plan is to identify issues, opportunities, and any needs of the State and local communities to help formulate and organize the State's short term and long term plan for the property.

"In developing the master plan, the independent third party shall consult with the City of Vergennes and the Town of Ferrisburgh, local and regional organizations, and affected State agencies and landowners. The master plan shall include an evaluation of whether the property may be subdivided and sold, and for what purposes it may be used.

Said master plan should include, at a minimum, a blueprint outlining the future use or uses of the property. Like most blueprints, this is a detailed document that addresses the physical development, redevelopment and public investment on a parcel by parcel basis consistent with state and local land use laws; the town plan; regional economic development plan(s), and is consistent with the mandates and requirements of the Division of Historic Preservation.

Said Master Plan should incorporate current land use patterns and practices as well as recommendations on the highest and best use for future land use consistent with all applicable local and state requirements.

Current Status:

A Request for Proposal (RFP) was issued in the fall of 2014 and (4) proposals were received. A team of BGS employees familiar with the site and associated buildings and current use, were brought together to review the proposals in early December to review and evaluate the proposals. The committee met and a recommendation for selection was made. The Selection committee has written the selection memo and the contract is now in process of being drafted and approved by Purchasing and Contract Administration and then circulated to the winning bidder. The winning bidder has been notified.

It is expected that the contract will be fully executed by January 30, 2015. The duration of the contract is less than 6 months at a cost not to exceed \$30,000.

TAB 5

CAPITAL PLANNING CAPABILITIES: Act 179, Sec. 29

(a) The Commissioner of Buildings and General Services and the Commissioner Of Finance and Management, in consultation with the Joint Fiscal Office, shall evaluate options for the State's capital planning capabilities in order to improve transparency and accountability for authorized capital construction projects and opportunities to develop a long-term statewide capital planning application in accordance with 32 V.S.A. § 701a.

(b) On or before January 15, 2015, the Commissioner of Buildings and General Services shall present the results of the evaluation described in subsection (a) of this section to the House Committee on Corrections and Institutions and the Senate Committee on Institutions.

This report reviews findings and recommendations toward satisfying Section 29 of Act 178 of 2014. Section 29 requires the Commissioner of Buildings and General Services (BGS) and the Commissioner of Finance and Management (F&M), in consultation with the Joint Fiscal Office (JFO), to evaluate State capital planning capabilities and to present the results of this evaluation to your respective committees by January 15, 2015:

Over the past year, BGS and F&M have worked together, and consulted with JFO, to evaluate options for improving the management of capital construction projects. This effort is part of a larger effort to also examine ways to improve state management of transportation and information technology projects. Management of any of these projects includes developing, planning, overseeing, accounting and reporting components.

F&M is currently developing a RFP that will seek consultants to assist the State in developing business requirements in support of four major enterprise wide business processes. These four process are greatly integrated and are all critical to achieving the overall goal of greater transparency and accountability in our long term capital planning and management efforts. The four major business processes are:

- Upgrading the state's core financial application, VISION, to assist with accounting and reporting for capital projects
- Implementation of a new statewide Project Management and Project Costing system to enhance developing, planning and managing of capital projects
- Implementation of a new statewide E-Procurement system to aide in the development and management of bid solicitation and contract management
- The retirement of the Agency of Transportation's and the Department of Labor's current Project Costing applications

Users and major stakeholders of these four business processes will have an opportunity to provide input during the requirements gathering process which should last from December 2014 through May 2015. Upon completion of this requirements gathering process, the state should be in a position to proceed with the evaluation and selection of a software solution(s) that allows for

greater transparency and accountability, and the incorporation of industry standards and best practices in our long term capital, transportation and information technology planning and management efforts. We estimate that such a solution(s) would be fully operational by 2018, and would require annual funding in fiscal years 2016 through 2018. The total cost estimate cost for this overall project is estimated at \$17 million.

TAB 6

**RESOURCE CONSERVATION AND ENERGY REVOLVING FUND:
Act 178, Sec. 41, 29 VSA, Sec. 168**

In accordance with Act 178 of 2014, Section 41. 29 V.S.A. § 168, State Energy Management Program; Revolving Funds, (f) Beginning on or before January 15, 2015 and annually thereafter, the Department of Buildings and General Services shall report to the Senate Committee on Institutions and the House Committee on Corrections and Institutions on the expenditure of funds from the State Resource Management Revolving Fund for resource conservation measures and the Energy Revolving Fund for energy efficiency improvements and the use of renewable resources. For each fiscal year, the report shall include a summary of each project receiving funding and the State's expected savings.

State Resource Management Revolving Fund (SRMRF) Project Summary:

In total, seventeen projects have received funding through the SRMRF. Twelve projects have been paid back in full and five projects have an outstanding balance. There were three projects approved for funding in 2014.

2014 Projects:

- The Department of Buildings and General Services and the Department of Corrections collaborated on an LED lighting retrofit project for the gymnasium located at the Southern State Correctional Facility. The project cost \$16,435 and will save \$2,609 annually in electricity costs.
- The Agency of Transportation has requested \$57,830 for an LED lighting retrofit project at the Chimney Corners Park and Ride. The project will save \$6,464 annually in electricity costs.
- The Department of Buildings and General Services has insulated and air sealed attic space in the State House. The project cost \$21,000 and will save over \$1,900 annually in heating and cooling costs.

SRMRF Summary:

Over the last ten years \$1,012,567 has been borrowed from the fund resulting in over \$1,128,000 in avoided energy costs to the State. The SRMRF currently has \$1,128,068 available for funding future resource conservation projects.

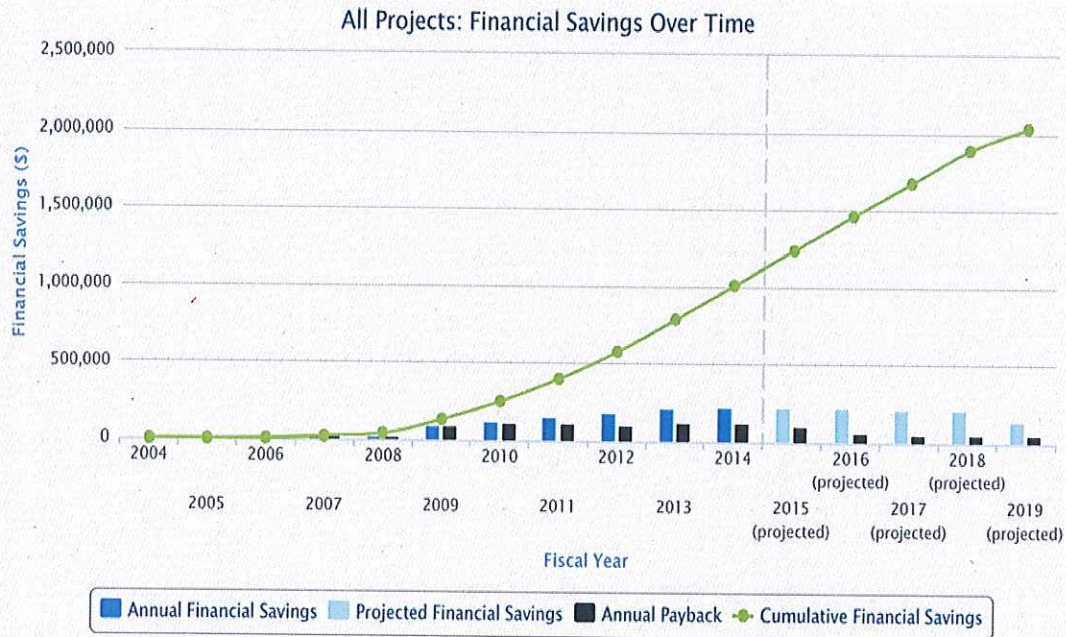
These projects have helped to conserve over 230,000 MMBTU of energy and roughly 16,000 million metric tons of carbon dioxide equivalency.

State Energy Revolving Fund (SERF) Project Summary:

The first SERF project has been approved. The Department of Buildings and General Services has requested \$524,121 to implement several energy conservation measures at the Costello Courthouse located at 32 Cherry Street, Burlington, Vermont. This project is estimated to save \$52,506 annually in avoided energy costs. Please find the attached project application for further information.

The State Resource Management Revolving Fund

This report demonstrates the current and projected financial savings associated with projects that have been funded with SRMRF dollars. If no other projects were to be funded through the SRMRF the initiative will have saved tax payers \$2,032,322 by the end of FY2019.



FISCAL YEAR	ANNUAL FINANCIAL SAVINGS (\$)	PROJECTED FINANCIAL SAVINGS (\$)	ANNUAL PAYBACK (\$)	CUMULATIVE FINANCIAL SAVINGS (\$)
2004	0	0	0	0
2005	0	0	0	0
2006	4,009	0	4,009	4,009
2007	15,154	0	15,154	19,163
2008	19,227	0	18,061	38,390
2009	91,769	0	88,814	130,158
2010	120,012	0	113,120	250,170
2011	147,766	0	106,145	397,937
2012	177,657	0	100,198	575,593
2013	212,574	0	117,920	788,168
2014	220,556	0	117,342	1,008,724
2015	0	225,044	97,912	1,233,768
2016	0	225,235	63,854	1,459,004
2017	0	215,287	54,865	1,674,290
2018	0	215,287	48,947	1,889,577
2019	0	142,745	46,736	2,032,322

SRMRF Project Summary

State Resource Management Revolving Fund Summary 2015										
Total Borrowed Over Time: \$1,012,567			Administrative Fee: \$5,063			Total Savings To Date: \$1,128,068				
Total Amount Repaid: \$849,275			Available Funding: \$1,021,338							
Requester	Project			Loan			Loan Repayment as of 12/31/14			
Agency/ Dept	Project #	Description	Approval Date	Approved	Borrowed	Admin. Fee	Annual Savings	Date	Amount	
ANR	SRMRF 0001	VFD at Fish Hatchery	9/21/05	\$7,000.00	\$7,000.00	\$35.00	\$2,955.00	FY08	\$7,035.00	
AOT	SRMRF 0002	Lighting upgrade in Garages	5/5/06	\$100,000.00	\$100,000.00	\$500.00	\$11,000.00	FY09	\$100,500.00	
ANR	SRMRF 0003	Bald Hill boiler (amendment)	4/9/07	\$65,000.00	\$64,822.30	\$324.11	\$5,272.00	FY15	\$65,146.41	
AOT	SRMRF 0004	Traffic Signal LED lighting	8/13/08	\$130,000.00	\$107,120.00	\$535.60	\$33,600.00	FY09	\$107,655.60	
BGS	SRMRF 0005	Pittsford Woodchip feeder system replacement	8/14/08	\$100,000.00	\$100,000.00	\$500.00	\$46,000.00	FY13	\$100,500.00	
DOC	SRMRF 0006	NSCF Package - ext lighting, refrigeration motors, VFD's, motor	2/18/09	\$55,000.00	\$5,192.64	\$25.96	\$6,710.00	FY09	\$5,218.60	
BGS	SRMRF 0008	Williston NB VFD's	~7/2/09	\$25,000.00	\$23,590.60	\$117.95	\$2,514.00	FY10	\$23,708.55	
DOC	SRMRF 0010	SSCF lighting	12/28/09	\$9,000.00	\$4,247.99	\$21.24	\$2,554.00	FY10	\$4,269.23	
ANR	SRMRF 0011	Ed Weed recirculating aquaculture system	2/16/10	\$130,000.00	\$126,803.04	\$634.02	\$30,784.00	FY12	\$127,437.06	
BGS	SRMRF 0012	Statehouse HVAC upgrade	4/22/11	\$160,000.00	\$137,740.00	\$688.70	\$31,959.00	FY15	\$138,428.70	
ANR	SRMRF 0014	Bald Hill WW Heat Recovery System	6/10/11	\$9,000.00	\$6,007.58	\$30.04	\$4,312.00	FY12	\$6,037.62	
AOT	SRMRF 0015	Rutland Airport - net metering for multiple projects	9/13/11	\$175,000.00						
ANR	SRMRF 0016	Bald Hill PV	8/24/12	\$80,000.00	\$56,690.00	\$283.45	\$6,800.00	12/31/2014	\$39,500.61	
ANR	SRMRF 0017	Ed Weed Recirc Phase II	9/6/12	\$260,000.00	\$237,297.53	\$1,186.49	\$31,700.00	12/31/2014	\$109,810.51	
BGS	SRMRF 0018	Williston Info Ctr LED Energy Leadership Challenge	10/5/12	\$25,000.00	\$21,508.00	\$107.54	\$4,400.00	12/31/2014	\$8,646.22	
BGS	SRMRF 0019	audit	4/29/13	\$22,000.00	\$5,354.38	\$26.77	\$17,236.00	FY13	\$5,381	
BGS/DOC	SRMRF 0020	SSCF Gym Lighting	4/13/14	\$16,435.00	\$9,192.59	\$45.96	\$2,609.00	12/31/2014	\$0	
AOT	SRMRF 0022	Chimney Corners Park and Ride LED Retrofit	12/9/14	\$57,830.00	\$0.00	\$0.00	\$6,464.00	12/31/2014	\$0	
BGS	SRMRF 0023	State House Air Sealing and Insulation	11/10/14	\$21,000.00	\$0.00	\$0.00	\$1,905.00	12/31/2014	\$0	
BGS/DOC	SRMRF 0024	NWSCF Pumps and Boiler Replacement	Awaiting DOC Approval	\$170,000.00						
Totals					\$1,012,566.65	\$5,062.83			\$849,275.26	



State Energy Revolving Fund Application

Department of Buildings & General Services
2 Governor Aiken Ave.
Montpelier, VT 05633

[phone] 802-828-3519
[fax] 802-828-3533

Agency of Administration

SERF Project #	1
Date Received	12/04/14

I. General Information

State Agency or Department Buildings & General Services	Project Title (Target Infrastructure – Conservation Measure) 32 Cherry Street Lighting Controls and HVAC Upgrade
Project Manager (Responsible Individual) Mike McArdle and Daniel Edson	Building Name and Physical Address (if applicable) Costello Courthouse, 32 Cherry Street, Burlington, VT

II. Project Information

A. DESCRIPTION

1. Lighting and HVAC Controls Upgrade

Combination occupancy and ambient light level sensors will be mounted on ceilings with new efficient dimming light drivers. The new sensors and dimming drivers will be integrated into the existing building automation control system. The control logic works such that when occupant presence is not detected for an adjustable amount of time, light levels are dimmed and the HVAC is commanded to enter unoccupied temperature mode. The system also controls ambient light levels and compensates for daylight such that the lights dim as daylight is more available. This is referred to as "daylight harvesting".

2. Lighting Conversion to LED

This measure replaces the existing fluorescent lamps with LED technology lamps. This technology reduces lighting electricity costs by more than 40% due to reduced power draw per lighting level lumen and less heat load placed upon the air conditioning system.

3. Ventilation heat recovery

Currently the building exhausts a great deal of air, per code, and to compensate, an equal amount of fresh air is brought into the building which must be heated or cooled to inside temperatures. The proposed retrofit system recovers otherwise wasted heat or cooling from the exhaust heat and delivers the heat or cooling to the incoming fresh air, thereby saving the energy otherwise needed to heat or cool incoming outdoor air.

4. Metering

Monitoring and verification are necessary to insure that recommended energy conservation measures are actually reducing energy usage. In order to run an efficient building, continual knowledge of the building's energy use and distribution is very helpful. This measure is to install meters at all electric panels such that every light and plug load zone can be monitored for energy demand and usage. System failures and anomalies (for example if someone brings in an electric heater) that otherwise would go undetected, are recognized and addressed thereby keeping the building efficient.

B. IMPLEMENTATION PLAN

The lighting and HVAC controls will be supplied by the controls contractor that currently services the existing building automation system.

The LED retrofit kits will be purchased through the State LED light purchasing contract.

All electrical wiring will be put out to bid.

The heat recovery system installation will be put out to bid.

The electrical sub-meters will be supplied by the controls contractor and installed by the electrical contractor.

The lighting controls and sub-meters will be seamlessly integrated into the existing building automation system by the controls contractor.

C. ESTIMATED ANNUAL SAVINGS		
Please provide additional documentation to verify methodology and calculations.	Estimated Annual Savings (Units)	Estimated Financial Savings (\$)
Electrical Savings – Associated annual electrical usage reduction (kWh) and avoided cost at current rates.	364,402 (kWh)	\$ 49,633.00
Heating Fuel Savings – Associated annual heating fuel (oil, natural gas, wood, etc.) usage reduction and avoided cost at current rates.	2611 (ccf)	\$ 2,873.00
Water Conservation – Associated annual water usage reduction (gallons) and avoided cost at current rates.		
Waste Reduction – Associated waste reduced, reused or recycled and the avoided costs at current rates.		
Other Types of Benefits – For example: avoided maintenance costs.		
Emissions Reduction – The equivalent amount of greenhouse gas reductions this project will achieve. (This information is not required. If left blank, BGS will calculate this for you).	206.5	(MTCO ₂ E)
Total:	N/A	\$ 52,506.00

III. FUNDING & ACCOUNTING	
A. PROJECT FINANCES	
Total Project Cost	\$ 650,774.00
Incentive or Rebate Amount	(\$ 136,880.00)
Sub-total	\$ 513,894.00
Administrative Fee (2%)	\$ 10,277.88
Total Interest (2%)	\$ 66,312.16
Loan Amount	\$ 524,171.88
Annual Loan Payment	\$ 52,506.00

C. FINANCIAL METRICS	
Simple Payback Period	9.76
Lifetime Return on Investment	53%
Internal Rate of Return	6%
Net Present Value	\$ 113,179
Cost Per MTCO ₂ E Abated	\$ 173.04
Expected Life of Project	15 Years

B. PROJECT SCHEDULE	
Start Date	Completion Date
01/31/2015	06/01/2015

TAB 7



State of Vermont

Department of Mental Health

Commissioner's Office

Redstone Office Building

26 Terrace Street

Montpelier VT 05609-1101

<http://mentalhealth.vermont.gov/>

Agency of Human Services

[phone] 802-828-3824

[fax] 802-828-1717

[tty] 800-253-0191

MEMORANDUM

TO: Representative Alice Emmons, Chair
House Corrections & Institutions Committee

FROM: Paul Dupre, Commissioner
Department of Mental Health

Michael Obuchowski, Commissioner
Department of Buildings and General Services

DATE: January 12, 2015

SUBJECT: Permanent Replacement for the Secure Residential Program

Pursuant to the Level 1 Psychiatric Care Evaluation required by the Fiscal Year fiscal year 2014 Appropriations Act, Sec. E.314.2, the Commissioner of Buildings and General Services, in consultation with the Commissioners Mental Health and Corrections, shall develop a proposal to establish a permanent secure residential facility no later than January 15, 2015.

Please find attached a copy of the Project Brief and the projected costs for the permanent replacement of the temporary Middlesex Therapeutic Community Residence (Secure Residential Program) in Middlesex.

Please let us know if you have any questions regarding the information contained within the report brief or require additional information.

Thank you.

C: Secretary Cohen, Agency of Human Services
Committee Members

Brief - 14 Bed Permanent Replacement

Secure Residential Recovery Treatment Facility

What is the current need

The current temporary secure residential recovery program, the Middlesex Therapeutic Community Residence (MTCR) in Middlesex, Vermont opened in June, 2013 with capacity to serve 7 residents. Since opening, the facility has served 24 residents with an average length of stay (LOS) of 4.5 months. The facility has admitted 22 individuals and seen 15 discharges over the past one and a half years of operation. The process for referral into the facility is managed by the DMH care management team in coordination with higher level of care facilities, most frequently inpatient treatment settings. There is an average of 3-5 referrals identified each month for potential admission to the MTCR.

As part of Act 79 passed in 2012, the DMH was given authority to develop an additional 7 Intensive Residential Recovery beds in the northwestern portion of the state. At the time, funding for these additional beds as part of the overall system of care was not appropriated to DMH. Subsequent to passage of this legislation, DMH on an ongoing basis has been evaluating the capacity of inpatient, crisis, and Intensive Residential Recovery (IRR) beds available and/or coming on line in the various regions of the state since the closure of the former Vermont State Hospital. During this time, the most challenging dispositions from inpatient care are those individuals who no longer require inpatient treatment services, but who may remain either emotionally or behaviorally dysregulated and in need of supervision within a secure (locked) treatment setting prior to return to the community. These individuals, while relatively small in numbers overall, account for a significant number of either Level I or other involuntary patient treatment days, resulting in longer lengths of stay in the finite number of inpatient beds, at the highest level of care.

The inability to manage timely transfer to less acute levels of care results in unnecessary delays in accessing the most acute inpatient beds from the community, corrections, and emergency department settings.

At the time of program development, the DMH determined that it would not seek a waiver of existing requirements for Therapeutic Community Residences, with regard to the potential use of emergency involuntary procedures, from the Division of Licensing and Protection for residents admitted to the program. Efforts to provide alternative spaces to minimize the need for such emergency procedures through planning for adequate programmatic space, resident room configurations, and access to the outdoors were prioritized, as well as, a stronger emphasis on a recovery-oriented residential environment. As such, the current MTCR Program does not have the physical space to safely manage individuals who may require periodic emergency involuntary procedures during the course of admission to the program. This programmatic limitation has been a significant consideration in the referral process and readiness of individuals who might otherwise have been served in this level of care.

What is proposed recommendation

Consistent with Act 79 mental health services transformation and development of a comprehensive continuum of care, the DMH proposes to repurpose the 7 remaining IRR beds identified in Act 79 into secure residential recovery beds. In combination with the 7 existing beds in the MTCR, the additional compliment of like beds will better address the care system's ongoing need for this level of care in the continuum of existing bed capacity. The proposed facility would be a newly constructed or renovated

14-bed, involuntary, secure (locked) residential facility located within the state of Vermont on lands to be acquired for this specific construction or renovation. The program would be a permanent replacement facility for the MTCR and continue to serve individuals who are not ready for discharge to the community, but who no longer require acute inpatient psychiatric care. Residents in this facility would not be in active crisis. The focus of care would continue to be provision of psychiatric rehabilitation services and psychosocial treatment delivered in a positive behavioral support framework to assist individuals to engage in their own recovery and develop the necessary skills to move to less intensive services and, ultimately, independent living. The permanent replacement program will require a waiver of current TCR standards to include the potential need for and use of brief emergency involuntary interventions with residents served.

Who this facility would serve

Residents of the facility would include those people who remain in acute care settings due to a high risk of self-harm, or neglect, or pose a danger to others. They would be individuals who do not require inpatient acute psychiatric services, but whose care needs exceed local community program resources. Some of these individuals are suicidal with a high risk of self harm. Other individuals manifest a high incidence of aggressive behaviors and are dangerous to others. Another, smaller, group would include those who are no longer clinically severely symptomatic, thus no longer requiring acute care, but who must remain in a secure environment for prolonged periods of time awaiting resolution of a criminal proceeding.

Specific examples of the kinds of behavior the facility would treat include:

- people with severe symptoms of mental illness such as delusions of persecution which only partially respond to acute hospital-based treatment and are prone to act on those delusions by assaulting others;
- individuals with mental illness whose mental status fluctuates with episodes of severe symptoms such as hallucinations in which assaultive behavior or self destructive urges are prominent, yet have prolonged periods of stability between these episodes;
- individuals with a primary mental illness and cognitive impairments, who have a high frequency of assaultive behaviors.

How many people would be served and for how long

Initially the facility would open with the transfer of the current 7 residents admitted to the MTCR. Up to 7 additional individuals who are currently in acute care settings would be admitted in the weeks and months following the opening of the facility, to its full capacity at 14 beds. As currently operating, this facility will continue to have capacity to be a longer term residential treatment program. It is anticipated that the length of stay could be approximately 3 months to 2 years or more. As individual progress and recovery is attained and as community program beds, capable of providing the next level of care for the population served become available, it is expected that the length of stay for the secure residential facility would shorten. Unlike the current MTCR, the permanent replacement facility would have the capacity to respond to emergency situations utilizing emergency involuntary interventions if needed to stabilize individual resident assaultive behavior. Currently, assaultive behaviors warranting such intervention, require residents to be transferred to other care settings, most often emergency department services and/or psychiatric inpatient care settings until the behavioral crisis has passed and the individual's care needs can be managed in less acute levels of care. The proposed permanent secure residential program would be able to manage such brief episodes of resident behavior, rather than potentially unnecessary transfers to higher levels of care settings and requiring assessment outside of the program.

How the program would fit within the mental health system

Initially, only inpatients in acute care hospitals who meet the criteria for the secure residential facility would be served by the program. Individuals from the secure residential facility could transfer to other community residential care services within the existing continuum of care, such as intensive residential recovery programs. *It should be noted that violent behavior in and of itself is not a sufficient criterion for admission to the proposed secure residential facility. Persons in acute psychotic crises (who might be assaultive) would be admitted directly to an acute inpatient unit of a general medical hospital. On the other hand, individuals who demonstrate dangerous behavior as a result of mental illness but are not in a psychotic crisis and do not require the medical services of an inpatient acute care unit, would be eligible for the secure residential program.*

Program and services that would be provided

Program characteristics include the capacity to maintain a safe, secure environment regardless of the level of risk. The environment of care should permit separation of sub-groups so that all are safe and individuals with a history of abusive treatment by others are not further traumatized by contact with individuals prone to aggressive, assaultive behavior. Staff would be trained and credentialed to work with this population group. Program interventions would focus on connecting with the resident using positive behavioral supports designed to facilitate the individual's growth in skills needed for return to the community. The focus of programming would be:

- Behavioral analysis and development of individualized treatment plans
- Treatment of underlying mental illness
- Life skills development
- Psycho-social and psycho-educational programming focused on learning how to be safe and responsible citizens
- Supporting and motivating residents (and their home communities) to engage in a recovery process
- Discharge planning

Staffing required

Because of its residential treatment mission the staffing requirements of the 14 bed secure residential recovery facility differ significantly from those of an acute inpatient psychiatric unit. The current MTCR utilizes 32 staff positions who provide program and treatment services. Personnel include Registered Nurses, Mental Health Specialists, and Mental Health Recovery Specialists, a Program Director, a behavioral Psychologist, a Social Worker, and a half-time Psychiatrist. Additional resident capacity would proportionately increase the number of Mental Health Specialists and Mental Health Recovery Specialists and hours of psychiatry oversight needed.

Accreditation and certification

The current MTCR is licensed by the State of Vermont, Department of Aging and Independent Living, Licensing and Protection Division, as a Therapeutic Community Residential (TCR) Program. Licensing for the 14 bed program would be the same. Capacity to provide emergency involuntary interventions will require a waiver of the current TCR licensing requirements. Other forms of program accreditation may be sought through nationally recognized accrediting organizations and would be identified as permanent program development and planning occurs.

Estimated cost

The estimated cost of this project, excluding land acquisition costs, would be approximately \$12M. Attached please find the preliminary program for the development of this facility as well as the project cost estimate calculations. The total capital cost with debt service spread over 20 years is estimated to be \$16.2M. The projected average annual operating costs would be approximately \$5.1M.

Potential revenue sources for operating costs

Given the requirement to adequately fund the community system of care, the 14 bed residential program (at least initially) would be funded primarily through Global Commitment (Medicaid), with some private pay.

Time frame for planning and implementation of permanent facility

A time line for planning and implementation will be developed in the upcoming year subsequent to this initial report, as well as, any other activities as directed by statutory requirements that may be outlined in this upcoming legislative session. Planning activities currently rely on any unspent planning funds; \$50K allocated in the 2013-2014 legislative session to BGS, and may require additional planning dollars in the FY 16 appropriation in order to achieve project milestones going forward. In the upcoming year, DMH will also be analyzing Certificate of Need (CON) Application requirements for the changes proposed in the program and this report as well.

THERAPEUTIC COMMUNITY RESIDENTIAL FACILITY
Program Comparison (Previous 15-bed vs 14-bed)

Mental Health - Adult Primary Unit		2008 Program			2010 SD Allocation			2014 Program (14-Beds)		
		No. of Spaces	NSF/Space	Total NSF	No. of Spaces	NSF/Space	Total NSF	No. of Spaces	NSF/Space	Total NSF
Ref										
Unit Space		Cluster A (7 Beds)			Cluster A (4 Beds)			Cluster A (7 Beds)		
1	Patient Room, Private	6	120	720	3	135	405	6	120	720
2	Patient Room, Private, Medical	1	200	200	1	178	178	1	200	200
3	Toilet/Shower, Patient	6	50	300	3	38	114	1	50	50
4	Toilet/Shower/Tub, Patient HC	1	80	80	1	58	58	1	120	120
5	Activity/Recreation	1	200	200	0	200	0	0	200	0
6	Living Room	0	160	0	1	152	152	1	160	160
	Dining Room							10	30	300 Added Dining Room on each unit
7	Kitchenette	1	60	60	1	100	100	1	100	100
8	Quiet Sitting Room	1	160	160	1	95	95	2	100	200
Subtotal				1,720			1,102			1,850

Unit Space		Cluster B (8 Beds)			Cluster B (5 Beds)			Cluster B (7 Beds)		
1	Patient Room, Private	7	120	840	4	139	556	6	120	720
2	Patient Room, Private, Medical	1	200	200	1	204	204	1	200	200
3	Toilet/Shower, Patient	7	50	350	4	37	148	1	50	50
4	Toilet/Shower/Tub, Patient HC	1	80	80	1	64	64	1	120	120
5	Activity/Recreation	1	200	200	0	200	0	0	200	0
6	Living Room	0	160	0	1	177	177	1	160	160
	Dining Room							10	30	300 Added Dining Room on each unit
7	Kitchenette	1	60	60	1	104	104	1	100	100
8	Quiet Sitting Room	1	160	160	1	99	99	2	100	200
Subtotal				1,890			1,352			1,850

Unit Space		Cluster C (0 Beds)			Cluster C (6 Beds)			Cluster C (0 Beds)		
1	Patient Room, Private	0	120	0	4	136	544	0	136	0
2	Patient Room, Private, Medical	0	200	0	2	178	356	0	178	0
3	Toilet/Shower, Patient	0	50	0	4	36	144	0	36	0
4	Toilet/Shower, Patient HC	0	80	0	2	67	134	0	67	0
5	Activity/Recreation	0	200	0	0	200	0	0	200	0
6	Living Room	0	160	0	1	183	183	0	183	0
7	Kitchenette	0	60	0	1	93	93	0	93	0
8	Quiet Sitting Room	0	160	0	2	100	200	0	100	0
Subtotal				0			1,654			0

Team Care and Support

1	Exam Room	1	120	120	1	128	128	1	120	120
2	Charting and Records Storage	1	300	300	1	152	152	1	200	200
3	Team Conference/Report Room	1	360	360	1	343	343	1	360	360
4	Medication Room	1	100	100	1	98	98	1	100	100
5	Tub Room	1	120	120	1	113	113	0	120	0

Also serves as psychiatry space when on site
Probably does not need to exceed 200 for facility size

Included on Units

6	Clean Utility	1	100	100	1	98	98	1	100	100
7	Soiled Utility	1	100	100	1	101	101	1	100	100
8	Storage, Patient Clothing	1	80	80	1	79	79	1	80	80
9	Storage, Equipment	1	80	80	1	129	129	0	80	0
10	Housekeeping /Cleaning Supply Stor	1	120	120	1	128	128	1	120	120
11	Staff Lockers/Team Room	1	160	160	1	157	157	1	100	100
12	Toilet, Staff	1	60	60	1	61	61	1	60	60
Subtotal			1,700			1,587			1,340	

Could be reduced as conference/report room already exists.

Dining and Residential Activities

1	Dining Room	1	375	375	1	620	620	0	375	0
2	Kitchen	1	750	750	1	301	301	1	750	750
3	General Storage	1	750	750	1	254	254	1	750	750
4	Seclusion Suite									
4	- Seclusion Room	1	100	100	2	98	196	1	100	100
5	- Restraint Room	0	100	0	0	100	0	1	100	100
6	- Ante Room	1	100	100	1	132	132	1	100	100
7	- Toilet Room	1	60	60	1	48	48	1	60	60
8	- Restraints Closet	1	20	20	0	20	0	1	20	20
9	Toilet, Patient	1	60	60	2	38	76	1	60	60
10	Patient Laundry	1	160	160	1	137	137	1	160	160
11	Comfort Room	0	120	0	1	99	99	0	100	0
12	Toilet, Visitor	1	60	60	1	65	65	1	60	60
Subtotal			2,435			1,928			2,160	

Added Dining Room on each unit

Include this capacity

Include this storage area

Delete

Therapy and Work Area

1	Exercise/Fitness	1	225	225	1	306	306	1	225	225
2	Entrance Vestibule	1	80	80	2	118	236	1	80	80
3	Multi-Purpose Activity (Noisy)	1	400	400	1	451	451	1	400	400
4	Multi-Purpose Activity (Quiet)	0	225	0	1	451	451	0	225	0
5	Bi-Purpose: Group Therapy/Class Rm	1	225	225	1	361	361	1	225	225
6	Comfort Room	1	120	120	1	97	97	1	120	120
7	Interview/Consult Rooms	1	120	120	1	150	150	0	120	0
8	Bi-Purpose: Group Therapy/Library	1	225	225	1	304	304	0	225	0
9	Pastoral Parlor/Serenity Room	1	160	160	1	208	208	0	160	0
10	Volunteers	0	160	0	1	152	152	0	160	0
11	Toilet, Visitor	1	60	60	0	60	0	1	60	60
Subtotal			1,615			2,716			1,110	

Delete

Delete

Delete

Clinical Team Cluster

1	Office, Nurse Manager/Admin Supervisor	1	120	120	1	120	120	0	120	0
2	Office, Program Manager	1	120	120	1	118	118	1	120	120
3	Office, Psychiatrists	1	60	60	1	59	59	0	60	0
4	Office, Social Workers	1	100	100	1	101	101	1	160	160
5	Office, Quality Assurance	1	100	100	1	100	100	0	100	0
6	Workstation, Secretarial	1	64	64	1	79	79	1	64	64

Would increase for shared space with Nurse

Delete

7	- Unit Mailboxes	1	5	5	1	6	6	1	5	5
8	- Equipment/Files/Storage	1	100	100	1	127	127	1	100	100
9	Office, AT/OT	1	150	150	1	145	145	0	150	0
10	Wrkstns, Rehab, MHW & Hoteling	2	40	80	2	39	78	1	40	40
11	Toilet, Staff	1	60	60	2	64	128	1	60	60
Subtotal				959			1,061			549

Housekeeping Services										
1	Storage Cleaning Supplies	0	150	0				1	150	150
2	Storage, Equipment	0	150	0				1	150	150
3	Housekeeping Closets	0	60	0				1	60	60
4	Washer/Dryer Room	0	100	0				1	100	100
Subtotal				0						460
includes area for flammable material; to be located in adjacent space in Materials Management. Stock in equipment storage rooms...not in Housekeeping Central.										
Distributed throughout in addition to those programmed on patient unit and in dietary.										
Commercial equipment -Delete. This should be part of patient laundry. We do not need this capacity on site. No - BGS Use										

Maintenance and Grounds										
1	Office/Plan Room/Library	0	100	0				1	120	120
2	Maintenance Shops	0	170	0				1	250	250
3	Grounds Equipment and Supplies	0	300	0				1	300	300
4	Workstation-Maintenance Workers	0	48	0				1	48	48
Subtotal				0						718
Delete No - BGS Use										
includes: key room, flammable materials storage room (150 sf), carpentry, plumbing, electrical, paint, metal working and welding. A clean and a dirty staging assembly area surrounded by work cages for benches and tools										
We do not need this capacity on site. No - BGS Use										
Out structure: a couple large riding mowers, a small backhoe, ditch witch etc. 3 bay garage outbuilding. We do not need this level of equipment storage. No - BGS Use										
Shared by two										

Total 15-bed Unit		10,319	11,400	14-bed	10,037
Number of Units		1	1		1
Total NSF		10,319	11,400		10,037
Department Total Net SF (NSF)		10,319	11,400		10,037
NSF to DGSF Multiplier		1.55	1.47		1.55
Departmental Gross SF (DGSF)		15,994	16,720		15,557
BGSF Multiplier		1.25	1.25		1.25
Building Gross SF (BGSF)		19,993	20,900		19,447
Number of Beds		15	15		14
DGSF		15,994	16,720		15,557
DGSF/Beds		1,066	1,115		1,111
BGSF		19,993	20,900		19,447
BGSF/Bed		1,333	1,393		1,389

DEPARTMENT OF BUILDINGS & GENERAL SERVICES

PROJECT COST ESTIMATE

Date: January 9, 2015

Dollars based on December 2014

Project Name: NEW 14-BED THERAPUETIC COMMUNITY RESIDENTIAL FACILITY

Location: To Be Determined

Construction Cost (19,500 gsf x 450/sf)	\$8,775,000
A&E 8% x Construction (Fee Adjustable)	\$702,000
Reimbursable 2% x Construction	\$175,500
Administrative, Bonds, Art and Inspections 5% x Construction	\$438,750
Contingency (5% - 10%) x Construction	\$877,500
Special Items for Programming; Consultant Fees; Site Considerations; Fitup Costs, etc.	\$438,750
Land Acquisition	To Be Determined
GRAND TOTAL	\$11,407,500

Estimate based on Today's dollars

Energy conservation & use of renewable energy measures not evaluated in estimate

Engineer: Michael J. Kuhn

TAB 8

**TRANSFER OF UNEXPENDED BOND BALANCES FOR MAJOR MAINTENANCE:
29 VSA, Sec. 152(23)**

In accordance with the requirements of 29 VSA, Sec. 152(23) pertaining to the Transfer of Unexpended Bond Balances for Major Maintenance, BGS Commissioner reports no funds were transferred and expended from unspent balances during FY2014.

TAB 9

HISTORIC PROPERTY STABILIZATION AND REHABILITATION SPECIAL FUND: 29 VSA, SS155(c)

(a) There is established a special fund managed by and under the authority and control of the Commissioner, comprising net revenue from the sale or lease of underutilized State-owned historic property to be used for the purposes set forth in this section. Any remaining balance at the end of the fiscal year shall be carried forward in the Fund; provided, however, that if the Fund balance exceeds \$250,000.00 as of November 15 in any year, then the General Assembly shall reallocate funds not subject to encumbrances for other purposes in the next enacted capital appropriations bill.

(b) Monies in the Fund shall be available to the Department for the rehabilitation or stabilization of State-owned historic properties that are authorized by the General Assembly to be in the Fund program, for payment of costs of historic resource evaluations and archeological investigations, for building assessments related to a potential sale or lease, for one-time fees for easement stewardship and monitoring, and for related one-time expenses.

(c) On or before January 15 of each year, the Department shall report to the House Committee on Corrections and Institutions and the Senate Committee on Institutions concerning deposits into and disbursements from the Fund occurring in the previous calendar year, the properties sold, leased, stabilized, or rehabilitated during that period, and the Department's plans for future stabilization or rehabilitation of State-owned historic properties.

This report was also filed under separate cover by the Vermont Division for Historic Preservation.

Submitted to the House Committee on Corrections and Institutions
and the Senate Committee on Institutions

Historic Property Stabilization and Rehabilitation Special Fund **2015 Annual Report**



2015 Annual Report

Historic Property Stabilization and Rehabilitation Special Fund

**Submitted to the House Committee on Corrections and Institutions
and the Senate Committee on Institutions
in accordance with 29 V.S.A. §155(c)**

**Laura V. Trieschmann
State Historic Preservation Officer
Vermont Division for Historic Preservation**

**Noelle MacKay
Commissioner of the Department of Housing and Community Development
Agency of Commerce and Community Development**

**Michael Obuchowski
Commissioner of the Department of Buildings and General Services
Agency of Administration**

January 15, 2015

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Executive Summary

Purpose: The Historic Property Stabilization and Rehabilitation Fund finances stabilization and rehabilitation of state-owned historic properties. The Fund was to provide net proceeds realized from the sale and/or lease of other vacant or underutilized historic properties owned by the state. This pilot program was to fill a funding gap and provide a higher level of stewardship for state-owned historic resources by allowing private sector partnerships to stabilize and rehabilitate underutilized properties. Sale or lease of any of the eligible properties was not to yield much money, because transfers and leasing was coordinated with local municipality and/or non-profit organization with a preservation and history focus.

The Legislative Joint Fiscal Committee approved the proposal for implementing the Fund at its July 21, 2011, meeting. The Vermont Department of Buildings and General Services (BGS), Division for Historic Preservation (DHP), and the Vermont Advisory Council for Historic Preservation have worked diligently to transfer, sell, or deaccession properties approved for inclusion in the Fund.

Properties eligible for the Fund: In 2011, the General Assembly approved fourteen historic properties as eligible for this Fund. Eight properties remain on the list, two of which were added in 2014.

Accomplishments in 2014: The current Fund balance as of November 15 is \$100,000, which is the appropriated funding amount; eight properties are currently eligible for this Fund. In 2014, ownership of one property was transferred to a local historical society and two properties were returned to active use as historic sites, with lease agreements in progress. Retention of two other properties was the result of archaeological and historical research that identified the potential to yield significant information about prehistory and history; the standing structures on associated with these properties are not contributing to the identified significant contexts. Preparations for a master plan are pending for another property with two historic resources. No activity occurred in 2014 to facilitate the transfer, sale, or enhance the use of two additional properties.

Property	Town	Dept	Proposed Action	2014 Finding/Action
Farmhouse and barn, Lower Newton Rd	St. Albans	BGS	Subdivide up to 10 acres & sell property.	No Action
Arsenal & Fairbanks buildings	Vergennes	BGS	Subdivide & sell or lease portion or all of property.	Master Plan RFP released
Fuller Farmhouse	Hubbardton	DHP	Explore possibility of subdivision & sale or lease of house and/or land.	Determination not to deaccession or lease; significant property
Eureka Schoolhouse	Springfield	DHP	Transfer with covenants to an organization or municipality, or sell with covenants.	Lease agreement with Springfield Chamber of Commerce; no income received
Bradley Law Office	Westminster	DHP	Transfer with covenants to a non-profit organization.	Transferred to Westminster Historic Society; no income received
Bishop Cabin	Orwell	DHP	Sell or enter into a long-term lease with covenants on the land.	Determination not to deaccession or lease; significant property
Burtch-Udall (Theron Boyd House)	Quechee	DHP	Identify opportunities for leasing, partnering, or otherwise enhancing use of property	No Action; tours by appointment
Kent Museum	Calais	DHP	Identify opportunities for leasing, partnering, or otherwise enhancing use of property	Two short-term lease agreements implemented, no income received; tours by appointment

Accomplishments in 2014

The Bradley Law Office State Historic Site was successfully transferred to the Westminster Historical Society, which has taken a great interest in continuing restoration of the building and promoting its historical significance.

After discussions with the Town of Springfield, interested residents, and the Chamber of Commerce regarding the Eureka Schoolhouse, the Division for Historic Preservation (DHP) has determined it is in the best interest to retain ownership of this property and continue to operate it as an historic site open to the public on weekends. In order to best facilitate this, a lease agreement with the Springfield Chamber of Commerce will enable the site to be open on weekdays for tours.

Archaeological and historical studies completed by DHP staff have aided in recording the archaeological significance of the land associated with the Fuller Farmhouse at the Hubbardton Battlefield and Bishops Cabin at Mount Independence, leading to a determination that these properties should not be deaccessioned or leased. Removal of any acreage associated with the Revolutionary War battlefield (July 7, 1777) in Hubbardton because of the proposed sale of Fuller Farmhouse would compromise the historical integrity of the site. Bishops Cabin is located on Lake Champlain shore at Mount Independence, where Native Americans over 13,000 years ago lived and soldiers fighting during the American Revolution camped and died. Accordingly, these sensitive archaeological sites must be protect and the non-contributing farmhouse and cabin razed for security and safety issues, as well as integrity of the sites.

A request for proposals was recently distributed for the preparation of a Master Plan for the Arsenal and Fairbanks Buildings in Vergennes. This master plan will ensure the preservation and future adaptive use of these historic resources.

No activity occurred in 2014 to facilitate the transfer or sale of the farmhouse and barn in St. Albans or the leasing/enhancement of the Burtch-Udall House. DHP has undertaken a preservation plan for the exterior restoration of the Burtch-Udall House as well as opened the building to the public by appointment for tours.

Two short-term agreements to lease the Kent Museum were initiated. The museum was opened to the public by appointment for tours.

The current Fund balance as of November 15 is \$100,000, which is the appropriated funding.

Calendar Year 2014 Activities:

Property	Town	Dept	Actions Taken	Income into Fund
Farmhouse and barn, Lower Newton Rd	St. Albans	BGS	None	\$0
Arsenal & Fairbanks buildings	Vergennes	BGS	Master Plan RFP released	\$0
Fuller Farmhouse	Hubbardton	DHP	Completed archaeological assessment. Documented the historical and architectural significance of the farmhouse as it relates to the context of the town and the Battle of Hubbardton (7/7/1777).	\$0

			Assessment of Integrity completed on farmhouse for eligibility. Complete assessment for septic system location.	
Eureka Schoolhouse	Springfield	DHP	Agreement with Springfield Chamber of Commerce for leasing of property, opening schoolhouse for tours and community events. Hired seasonal staff for weekend tours.	\$0
Bradley Law Office	Westminster	DHP	Successful transfer to the Westminster Historical Society.	\$0
Bishop Cabin	Orwell	DHP	Conducted archaeological assessment, determining sensitivity of land to yield information significant to the history and prehistory. Assessment of Integrity completed of cabin for eligibility.	\$0
Burtch-Udall House (Theron Boyd)	Quechee	DHP	Opened for tours by appointment and preservation plan for exterior implemented.	\$0
Kent Museum	Calais	DHP	Established leasing agreements through insurance certificates for short-term leasing. Opened house for tours by appointment.	\$0

Proposed Events for 2015

The lack of revenue from this pilot program has suggested it is not overwhelmingly successful. Therefore, it is proposed that for FY2015, the Fund be used to raze non-contributing buildings at Hubbardton and Mount Independence and used to relocate or demolish the house and barn at St. Albans, should marketing for the properties sale or development not prove fruitful. The Fuller Farmhouse, Bishops Cabin, Arsenal & Fairbanks buildings, St. Albans Farmhouse and barn, Eureka Schoolhouse, Kent Museum, and Burtch-Udall House should be removed from the list of approved properties for the reasons stated in this document. Thereafter, with no approved properties on the eligible list, the future of the Fund should be explored for feasibility and practicality. A program of this type can be proactive for the adaptive use, rehabilitation, and stabilization of historic resources. Aspects to consider in the feasibility study are criteria for inclusion on the eligible list, addition of other state agencies managing historic properties, and realistic expectations of income for replenishment of the Fund.

Proposed Calendar Year 2015 Activities:

Property	Town	Dept	Proposed Action	Proposed Income into Fund
Farmhouse and barn, Lower Newton Rd	St. Albans	BGS	Develop marketing strategy to sell or develop the property.	Unknown

			Explore relocation or demolition of house and barn; mitigation to document and salvage.	
Arsenal & Fairbanks buildings	Vergennes	BGS	Conduct structural analysis. Complete Master Plan. Identify and collaborate with partners to find best use for the buildings and/or the larger property. Protect archaeological sites and buildings.	Unknown
Fuller Farmhouse	Hubbardton	DHP	Demolish or relocate house; protect archaeological site	NA
Eureka Schoolhouse	Springfield	DHP	Finalize lease agreement with Springfield Chamber of Commerce	None
Bishop Cabin	Orwell	DHP	Demolish cabin; protect archaeological site.	NA
Burtch-Udall (Theron Boyd House)	Quechee	DHP	Identify opportunities for leasing, partnering, or otherwise enhancing use of all or part of the property (now vacant). There is no intent to sell the property. Rather, the goal is to identify partners and actions that will enhance preservation and sustainability.	Unknown
Kent Museum	Calais	DHP	Further leasing agreements with Art at the Kent and Cradle to Grave Arts. Identify additional opportunities for leasing, partnering, or otherwise enhancing use of the property. There is no intent to sell the property. Rather, the goal is to identify partners and actions that will enhance preservation and sustainability.	Unknown

Annual Review of the Fund by BGS and the Vermont Advisory Council on Historic Preservation:

The Fund is a self-contained, funded program, revenue to expenditures. The Fund was seeded with a \$100,000 appropriation and possible net proceeds from the sale or lease of properties approved in ACT 40 of 2011. The annual balance is limited to \$250,000. Any unencumbered overage returns to the General Fund for reallocation. The current Fund balance as of November 15 is \$100,000; expenditure of the fund requires that BGS request excess receipts.

In accordance with the Fund management process, approved by the Legislative Joint Fiscal Committee in July 2011, meetings were held to discuss and review the status of the program. The annual review meeting between BGS and DHP was held on December 4, 2014, to discuss the draft of this report, FY14 project status, and proposed FY15 projects.

A draft of this report was distributed to the Vermont Advisory Council on Historic Preservation (Council) in and was discussed at their December 17, 2014, meeting. The Council unanimously moved to approve the following motion:

The Council has reviewed the Draft 2014 Annual Report to the General Assembly on the Historic Property Stabilization & Rehabilitation Special Fund and concurs with the proposed activities for 2015.

The Council reiterates that this is an important program for state-owned historic properties. It requires diligent attention to ensure implementation. The Council recommends that the program be integrated into BGS and DHP work plans to ensure steady progress and emphasizes that finding a purpose, or repurpose, for vacant or under-utilized historic state properties is an important aspect of the state's stewardship responsibilities. The Council would like to see this model replicated by other state agencies, in particular, the Vermont Agency of Natural Resources property-holding divisions.

The Fund: Program Description and Process

1. Purpose of the fund

Act No. 40 ("An act relating to capital construction and state bonding") established the Historic Property Stabilization and Rehabilitation Special Fund (Fund) during the 2011 Legislative session. An innovative partnership between the Department of Buildings and General Services (BGS) and the Division for Historic Preservation (DHP), the Fund finances stabilization and rehabilitation of state-owned historic properties from the net proceeds realized from the sale and/or lease of other under-utilized historic properties owned by the state. The Fund is a pilot program at this time; it only includes historic properties owned by BGS and DHP as designated by the General Assembly.

The Fund:

- Fills a funding gap and provides a higher level of stewardship for state-owned historic resources.
- Allows the state to comply with 22 V.S.A. §14, which directs state agencies to develop plans for maintaining historic properties under their ownership and to institute procedures to assure plans and programs contribute to the preservation of historic properties in their portfolio, while avoiding unreasonable economic burden to the state.
- Ensures the historic integrity of properties sold or leased with historic preservation easements or covenants.
- Allows the state to form private-sector partnerships in order to stabilize and rehabilitate underutilized properties.
- Is a self-contained funded program.

2. Statutory Authority

The Fund was established by Act No. 40 during the 2011 Legislative session by amending 29 V.S.A. §155. Act No. 41 during the 2012 Legislative session amended the law. The Fund is managed by and under the authority and control of the Commissioner of BGS. (See Appendix II for the full text.)

During the 2012 legislative session, the General Assembly amended 29 V.S.A. §155 to:

- 1) Include net revenue from "lease" of properties, along with sale, into the Fund.
- 2) Clarified that, if the Fund balance exceeds \$250,000.00 as of November 15 in any year, then the general assembly shall reallocate "funds not subject to encumbrances for other purposes."
- 3) Clarified the purposes of the Fund to state that "rehabilitation and stabilization" include "payment of costs of historic resource evaluations and archaeological investigations, for building assessments related to a potential sale, or lease, for one-time fees for easement stewardship and monitoring, and for related one-time expenses."
- 4) Clarified that "lease" of historic properties are included in the Fund.

The Legislative Joint Fiscal Committee approved the proposal for implementing the Fund at its July 21, 2011, meeting.

3. Summary

All state agencies own and manage historic properties and there are not enough monies to maintain and manage all of them. BGS owns and/or administers over 150 buildings that have been identified as historic. DHP owns and maintains more than 80 buildings. Most are actively used for state programs and services under a stable preservation maintenance program. Several of those owned by DHP are open to the public. Some, however, are vacant or underutilized, with little prospect for productive use. In times of tight budgets, maintenance is often lacking and many of the buildings considered neglected. The establishment of the Fund is an innovative response to this problem, one that prioritizes underutilized properties for stabilization and rehabilitation, provides a revenue stream to help fund needed repairs, and fosters the lease or sale of properties that would better serve non-state purposes. Included in the list of properties for possible lease or sale are some owned by DHP that are not related to the mission of DHP's state historic sites program. Several of these properties (such as Bishop Cabin, in Orwell, and Fuller Farmhouse, in Hubbardton) are not open to the public.

The Fund is not meant as a substitute for capital budget support for the state historic sites that are maintained by DHP and open to the public. The state historic sites regularly open to the public will continue to be funded in the capital budget. However, several properties that are currently not officially open to the public -- Kent Museum and the Theron Boyd House -- may use monies from the Fund to supplement capital budget appropriations for work necessary to stabilize and maintain them.

It is the intention of the State that historic properties, which have received investments from the Historic Property Stabilization and Rehabilitation Special Fund, be kept by the State in its portfolio. However, if the Commissioner of BGS determines, based upon a recommendation from the Fund Advisory Group, that an investment from the Fund is necessary to secure a building from further deterioration, or to conduct an archaeological study, or for any other necessary purpose PRIOR to transfer or sale, then use of the Fund is appropriate, and the historic property can be removed from the State's portfolio.

Deaccessioning, transfer or sale of historic buildings should be based on the following criteria:

- a building is not suited to serve a mission-related purpose;
- a building will better serve the public in non-state ownership and/or use; and/or
- there is better opportunity for long-term preservation than if the building remained in state ownership.

Prior to transferring a property to a municipal or non-profit entity, it will be important to ascertain that entity's commitment and ability to sustain future operating and maintenance costs.

By November 1 of each year, BGS and DHP will hold an Annual Review meeting to review activities and accomplishments of the program during the previous year, select the priority projects that will be funded in the following calendar year, and ensure that no funds above \$250,000 remain unobligated.

If in the future, the program is expanded to include other state agencies and departments, a prerequisite for participation will be a completed inventory of the historic status of the properties that the agency or department administers, and a recommended list of properties for potential stabilization, rehabilitation, lease, transfer, or removal, along with associated cost estimates.

4. Management of the Fund

The BGS Commissioner manages the program associated with the Fund with a dedicated Fund Advisory Group consisting of a BGS Commissioner designee; the State Curator and Assistant State Curator; the State Historic Preservation Officer or designee, and State Historic Sites Chief or designee; and the Commissioner of the Department of Housing and Community Development or designee. The Advisory Group makes recommendations to the BGS Commissioner on the operations of the Fund.

The BGS Commissioner, working with the Fund Advisory Group, will submit a Report to the Legislature by January 15 of each year, developed on the following timetable and outline:

- Annual Review meeting between BGS and DHP held each year
- Draft of Report circulated to DHP and Advisory Council on Historic Preservation each year
- The Report will include information on deposits, disbursements, properties sold and stabilized or rehabilitated, and plans for future property transfers, leases and stabilization or rehabilitation of state-owned properties, and recommendations for changes and improvements in the program.

The Advisory Group will meet and request disbursements from the Fund as needed. Requests will be presented to the BGS Commissioner for his/her review and final approval.

5. Deposits into the Fund

The Fund was capitalized with \$100,000 seed money in the FY12 capital bill.

The FY12 capital bill authorized the deposit of net revenues from:

- the sale of 3469 Lower Newton Road, St. Albans
- the sale or lease of the Fuller Farmhouse at the Hubbardton Battlefield, Hubbardton
- from the donation of the Hyde Log Cabin, Grand Isle
- from the sale or lease of the Bishop Cabin at Mount Independence
- from the donation of the Bradley Law Office, Westminster
- from the donation or sale of the Eureka Schoolhouse, Springfield

BGS Commissioner will deposit net revenues from the sale of underutilized state-owned historic properties into the Fund.

The Fund balance on November 15 of any year is capped at \$250,000. Unobligated monies in excess of that amount will be reallocated by the General Assembly for other purposes in the next enacted capital appropriations bill. The BGS Commissioner may seek additional appropriations for the Fund through the Capital Budget.




Historic properties transferred out of state ownership will be protected with a covenant and/or historic preservation easement if DHP deems it necessary. The intent is to protect the exterior of the building, any outstanding interior features and/or associated collections, and, if warranted, associated property and landscape features, and/or archaeological sites. DHP will recommend historic features that should be protected, and will require that the property owner obtain DHP's prior written approval before undertaking any construction, alteration, rehabilitation, or other activity that might affect the protected features of the historic property.




6. Disbursements from the Fund




The Fund can be used for: 1) rehabilitation or stabilization of state-owned historic properties; 2) payment of costs of historic resource evaluations, archaeological investigations, and/or building assessments related to potential sale, transfer, or lease; 3) easement stewardship fees; and 4) other related expenses. The Fund is available for payment of easement stewardship fees that cover baseline documentation and annual stewardship monitoring.


Appendix I

Detailed description of historic properties in the Fund as of December 2014

Property/Address	Department	Why is this property in the Fund? <u>Proposed Action/Status</u>	Deposits into Fund to date	Proposed Income into Fund
Farmhouse and barn 3469 Lower Newton Rd, St. Albans 	BGS	<u>Why is this property in the Fund?</u> Property does not provide a useful function to the St. Albans Prison and is now vacant. It does not enhance the mission of BGS but it is an historic site. <u>Proposed Action:</u> Advertise sale or adaptive use of property. If proven not viable, prepare documentation recording the structures, salvage architecturally significant elements, and relocate or raze buildings.	\$0	Unknown
Arsenal Building Fairbanks Building Weeks School Vergennes  	BGS	<u>Why is this property in the Fund?</u> Buildings, part of the Weeks School Complex, are now vacant and mothballed. They do not enhance the mission of BGS, but are historic sites. <u>Proposed Action:</u> Prepare Master Plan. Because of the historic and architectural significance of the larger property, rehabilitation/adaptive use is possible. Each of the buildings should be evaluated individually for its contribution to the whole.	\$0	Unknown
Fuller Farmhouse 441 Frog Hollow Rd Hubbardton	DHP	<u>Why is this property in the Fund?</u> The house is not associated with the history of the Hubbardton Battlefield; it is now vacant. The house does not enhance the	\$0	\$0

Property/Address	Department	Why is this property in the Fund? <u>Proposed Action/Status</u>	Deposits into Fund to date	Proposed Income into Fund
		mission of the Historic Sites program. The land, however, is archaeologically sensitive and is likely to yield information associated with the battle and possibly Native American sites. <u>Proposed Action:</u> Retain ownership of land and protect archaeological site; raze house.		
Eureka Schoolhouse, 470 Charlestown Rd Springfield 	DHP	<u>Why is this property in the Fund?</u> Additionally research has determined that the property, improved by a reconstructed schoolhouse and relocated covered bridge, contribute to the State Historic Sites' mission of interpreting Vermont's history. The schoolhouse is leased to the Springfield Chamber of Commerce as a tourist information center and opened by DHP on the weekends for tours. <u>Proposed Action:</u> Maintain lease with Springfield Chamber of Commerce and continue DHP operation as historic site on weekends.	\$0	\$0
Bishop Cabin Orwell 	DHP	<u>Why is this property in the Fund?</u> Only accessible by water, this small lot of land is part of the Revolutionary War site and is historically and archaeologically significant. However, the cabin has no historical or architectural significance. <u>Proposed Action:</u>	\$0	\$0

Property/Address	Department	Why is this property in the Fund? <u>Proposed Action/Status</u>	Deposits into Fund to date	Proposed Income into Fund
		Retain ownership of the land and protect archaeological site; raze the cabin.		
Bradley Law Office, 3613 US Route 5 Westminster  	DHP	<u>Why is this property in the Fund?</u> Although the building is a historically significant, rare two-room office building from the early 19 th century, its location makes it difficult for DHP to staff and operate it as one of the State-owned Historic Sites. The Westminster Historical Society opens it for tours to herald the history of the community and William Czar Bradley. <u>Proposed Action:</u> The property was transfer with covenants to the Westminster Historical Society.	\$0	\$0 Transferred 2014
Burtch-Udall House (Theron Boyd) 75 Hillside Road, Quechee 	DHP	<u>Why is this property in the Fund?</u> This property was added to the Fund to aid in exploring opportunities for leasing, partnering, or otherwise enhancing use of all or part of the property (now vacant and closed to the public except by appointment). *Deed restriction: must be retained by "a qualified public or non-profit historic preservation organization." <u>Proposed Action:</u> There is no intent to sell the property. Rather, the goal is to identify partners and actions that will enhance preservation and sustainability.	\$0	\$0
Kent Museum	DHP	<u>Why is this property in the Fund?</u>	\$0	\$0

Property/Address	Department	Why is this property in the Fund?	Deposits into Fund to date	Proposed Income into Fund
<p>281-299 Old West Church Road, Calais</p> 		<p>Proposed Action/Status</p> <p>This property was added to the Fund to aid in exploring opportunities for leasing, partnering, or otherwise enhancing use of all or part of the property (now vacant and closed to the public except by appointment).</p> <p>*Deed restriction: must be retained by “a qualified public or non-profit historic preservation organization.”</p> <p><u>Proposed Action:</u> There is no intent to sell the property. Rather, the goal is to identify partners and actions that will enhance preservation and sustainability. Short-term leases have been made for two exhibits in 2015.</p>		

Appendix II

Act No. 40 An act relating to capital construction and state bonding. (H.446). Approved May 20, 2011.
29 V.S.A. §155 was amended during the 2012 legislative session.

Sec. 25. PROPERTY TRANSACTIONS; MISCELLANEOUS

(f) Following consultation with the state advisory council on historic preservation as required by 22 V.S.A. §742(7) and pursuant to 29 V.S.A. §166, the commissioner of buildings and general services is authorized to subdivide and sell the house, barn, and up to 10 acres of land at 3469 Lower Newton Road in St. Albans. Net proceeds of the sale shall be deposited in the historic property stabilization and rehabilitation fund established in Sec. 30 of this act.

Sec. 26. PROPERTY TRANSACTIONS; MISCELLANEOUS

(b) The commissioner of buildings and general services on behalf of the division for historic preservation is authorized to enter into the agreements specified for the following properties, the proceeds of which shall be dedicated to the fund created by Sec. 30 of this act:

- (1) Fuller farmhouse at the Hubbardton Battlefield state historic site, authority to sell or enter into a long-term lease with covenants.
- (2) Hyde log cabin in Grand Isle, authority to donate property free of covenants to Grand Isle or, in the alternative, to donate the building to Hyde Park, or in the alternative to sell the property.
- (3) Bishop Cabin at Mount Independence State Historic Site in Orwell, authority to sell or enter into a long-term lease with covenants on the land.
- (4) Eureka Schoolhouse in Springfield, authority to transfer with covenants to a local organization or, in the alternative, to sell the property.
- (5) Bradley Law Office in Westminster, authority to transfer with covenants to a local organization.

Sec. 30. 29 V.S.A. §155 is added to read:

§155. HISTORIC PROPERTY STABILIZATION AND REHABILITATION SPECIAL FUND

(a) There is established a special fund managed by and under the authority and control of the commissioner, comprising net revenue from the sale or lease of underutilized state-owned historic property to be used for the purposes set forth in this section. Any remaining balance at the end of the fiscal year shall be carried forward in the fund; provided, however, that if the fund balance exceeds \$250,000.00 as of November 15 in any year, then the general assembly shall reallocate the funds not subject to encumbrances for other purposes in the next enacted capital appropriations bill.

(b) Monies in the fund shall be available to the department for the rehabilitation or stabilization of state-owned historic properties that are authorized by the general assembly to be in the fund program, for payment of costs of historic resource evaluations and archaeological investigations, for building assessments related to a potential sale or lease, for one-time fees for easement stewardship and monitoring, and for related one-time expenses.

(c) On or before January 15 of each year, the department shall report to the house committee on corrections and institutions and the senate committee on institutions concerning deposits into and disbursements from the fund occurring in the previous calendar year, the properties sold, leased, and stabilized or rehabilitated during that period, and the department's plans for future stabilization or rehabilitation of state-owned historic properties.

- (d) Annually, the list presented to the general assembly of state-owned property the commissioner seeks approval to sell pursuant to section 166 of this title shall identify those properties the commissioner has identified as underutilized state-owned historic property pursuant to subsection (b) of this section.
- (e) For purposes of this section, "historic property" has the same meaning as defined in 22 V.S.A. §701.

Sec. 31. TRANSITION; FUNDING

- (a) On or before July 15, 2011, the department of buildings and general services and the division for historic preservation shall develop a proposal for the program required in Sec. 30, 29 V.S.A. §155(b), of this act and shall present the proposal to the chairs of the house committee on corrections and institutions and the senate committee on institutions. The chairs shall review the proposal and recommend to the joint fiscal committee whether or not to approve the proposal. After review of the proposal and the chairs' recommendations, the joint fiscal committee shall approve the proposal, disapprove the proposal, or direct the departments to amend and resubmit the proposal to the chairs by a date certain.
- (b) Of the funds appropriated in Sec. 6(a)(3) of this act, the sum of \$100,000 is allocated in fiscal year 2012 to the historic property stabilization and rehabilitation special fund created in Sec. 30 of this act.

Appendix III

Title 22: Libraries, History, and Information Technology

Chapter 14: HISTORIC PRESERVATION

22 V.S.A. §701. Definitions

(6) "Historic property" or "resource" means any building, structure, object, district, area or site that is significant in the history, architecture, archaeology or culture of this state, its communities or the nation.

22 V.S.A. §743. Cooperation of agencies

An agency, department, division or commission shall:

- (1) Consult the Vermont advisory council on historic preservation before demolishing, altering or transferring any property that is potentially of historical, architectural, archaeological or cultural significance, including any property listed on the state register. An agency, department, division or commission shall submit its annual capital improvement plan to the council.
- (2) Initiate measures and procedures to provide for the maintenance, through preservation, rehabilitation or restoration, of properties under its ownership that are listed on the state or National Register; the measures and procedures shall comply with applicable standards prescribed by the state historic preservation division.
- (3) Develop plans for the maintenance, through preservation, rehabilitation or restoration, of historic properties under their ownership in a manner compatible with preservation objectives and which does not result in an unreasonable economic burden to public interest.
- (4) Institute procedures to assure that its plans, programs, codes and regulations contribute to the preservation and enhancement of sites, structures and objects of historical, architectural, archaeological or cultural significance. (Added 1975, No. 109, § 4.)

22 V.S.A. §742. Duties and powers of the council

- (7) Provide an advisory and coordinative mechanism by which state undertakings of every kind which are potentially deleterious to historic preservation may be discussed, and, where possible, resolved, giving due consideration to the competing public interests which may be involved. The head of any state agency or department having direct or indirect jurisdiction over a proposed state or state-assisted undertaking, or independent agency having authority to build, construct, license, permit, authorize or approve any undertaking, shall prior to the approval of the state funds for the undertaking, or prior to any approval, license, permit or authorization as the case may be, take into account the effect of the undertaking on any historic property that is included in the state register of historic places. Where, in the judgment of the council such undertaking will have an adverse effect upon any listed district, area, site, building, structure or object, the head of the state agency or department shall afford the council reasonable opportunity to comment with regard to the undertaking.
- (8) Advise on any participation in the review of federal, federally assisted, and federally licensed undertakings that may affect historic properties and sites and approve any participation in the review of nonfederal undertakings, including, but not limited to proceedings under the state land use and development act (10 V.S.A. chapter 151).

22 V.S.A. §765. Transfer of state property

When transferring real property under its jurisdiction that contains significant archaeological, aboriginal or other anthropological resources, the state, may, upon the recommendation of the state historic preservation officer, with the advice of the state archaeologist, condition the transfer upon such covenants, deed restrictions or other

contractual arrangements as will limit the future use of the property in such a way as will protect those resources. (Added 1975, No. 109, §4; amended 1995, No. 46, §47.)

22 V.S.A. §766. Reservation of lands to be sold

Upon written notice to the head of a state agency administering state lands, given by the state historic preservation officer, with the advice of the state archaeologist, the agency head shall reserve from sale any state lands, including lands forfeited to the state for nonpayment of taxes, on which sites or artifacts are located or may be found, as designated by the state archaeologist under section 763 of this title, provided, however, that the reservation of the lands from sale may be confined to the actual location of the site or artifacts. When the sites or artifacts have been explored, excavated or otherwise examined to the extent desired by the state archaeologist, he or she shall then file with the agency head a statement releasing the lands and permitting their sale. (Added 1975, No. 109, § 4; amended 1995, No. 46, § 48.)

22 V.S.A. §767. Cooperation between agencies

All state agencies, departments, institutions and commissions, as well as all municipalities, shall cooperate fully with the state archaeologist in the preservation, protection, excavation, and evaluation of specimens and sites; and to that end:

- (1) When any state, regional or municipal agency finds or is made aware by an appropriate historical or archaeological authority that its operation in connection with any state, state assisted, state licensed, or contracted project, activity, or program adversely affects or may adversely affect scientific, historical, or archaeological data, the agency shall notify the state archaeologist and shall provide him or her with information concerning the project, program, or activity. The provisions of this chapter shall be made known to contractors by the state agencies doing the contracting.
- (2) The state archaeologist, upon notification or determination that scientific, historical, or archaeological data including specimens, is or may be adversely affected, shall, after reasonable notice to the responsible agency, conduct or cause to be conducted a survey and other investigations to recover and preserve or otherwise protect such data, including analysis and publication, which in its opinion should be recovered in the public interest.
- (3) The division shall initiate actions within 60 days of notification under subdivision (1) of this subsection and within such time as agreed upon in other cases. The responsible agency is authorized and directed to expend agency funds for the purpose of recovering the data, including analysis and publications, and the costs shall be included as part of the contractor's costs if the adverse effect is caused by work being done under contract to a state agency. (Added 1975, No. 109, §4.)

TAB 10

FEE FOR SPACE: Act 152, Sec. 269

FACILITIES OPERATIONS REVOLVING FUND

(Fee for Space)

January 15, 2015

CONDITION OF THE FUND

Fiscal year 2014, while being an operating challenge and withstanding budget rescissions and restrictions to spending, came out favorably and yielded a positive impact on the condition of the "Fee for Space" fund of \$250,619. This was a reversal of the prior year's (FY13) performance that yielded a loss of (\$692,641) to the program.

The fund balance at the end of FY 2014 was a negative (\$3,301,560).

The program budget was upwards of \$27.4M for FY14. Planning for FY15 shows the program at a funding level in excess of \$29M with a rescission in excess of (\$1M).

Beyond the impact of vacant space resulting from Tropical Storm Irene, this program is always directly affected by the variability in weather patterns and heating fuel pricing from year to year. It can experience significant overruns as a result of these variables.

Actual cost in FY14 saw fuel costs across the board, cause a \$800K upward pressure versus FY13 levels. The plan for FY15 within the program is to budget at the FY14 level to try and mitigate this impact. Additional impact to the program also comes from staff salary expense and employee benefits. Healthcare expenses for FY14 tracked at the FY13 level but have upward exposure in FY15 with an almost 25% increase from those prior year levels. Additionally

allocated costs for internal services saw FY13 and FY14 at similar levels with significant upward pressure coming in FY15.

FY 2014 saw some variability in the repair and maintenance costs associated with buildings. Normally, we can see overruns on the cost of repairs and maintenance expenditures for plumbing and heating as well as electrical systems due to the volume and complexity of these repairs needed to keep buildings functioning correctly as the existing infrastructure continues to age. In FY 2013, the program experienced a \$564,119 underrun on all repairs and maintenance related to building expenditures in the program statewide. FY14 saw this effort return to prior year levels with an increase of \$400K in those categories.

In summary the performance in FY14 yielded a reduction in the fund deficit but we do have challenges coming in FY15 with increased costs where we may have realized savings in the prior year.

TAB 11

**STATE PURCHASED OF APPAREL; REPORT ON IMPLEMENTATION:
29 VSA, Sec. 49. § 924**

In accordance with Title 29, VSA, Chapter 49, § 924, the Department of Buildings and General Services is reporting on the degree of voluntary compliance with Act 105, AN ACT RELATING THE STATE PURCHASING OF APPAREL, FOOTWEAR, OR TEXTILES.

The commissioner shall submit a report to the house and senate committees on government operations concerning the degree of voluntary compliance with this subchapter; the number of vendors who agreed to and the number that declined to comply with the provisions of this subchapter; the status of the commissioner's efforts to coordinate with other states with those jurisdictions' efforts to develop an effective strategy to monitor vendor compliance with the requirements of this subchapter or with similar requirements of those jurisdictions; a description of any exceptions approved pursuant to section 923 of this title; and any other information relevant to this subchapter.

Based on reporting requirements outlined in Title 29, VSA, Chapter 49, § 924 the following is provided:

- 1) The number of vendors who agreed to and the number that declined to comply with the provisions of this subchapter. The following number represents any new contract or purchase order issued for apparel, footwear and textile issued and/or renewed between January 1, 2014 to December 31, 2014.

Agreed: 23

Declined: 0

- 2) A description of any exceptions approved pursuant to section 923 of this title; and any other information relevant to this subchapter.

N/A; no exceptions have been requested and/or approved.

On-Going Efforts:

- Ongoing review of requirements and vendor compliance.

TAB 12

Capital Construction Bill: 32 VSA, 701a (d)

(d) On or before January 15, each entity to which spending authority has been authorized by a capital construction act enacted in a legislative session that was two or more years prior to the current legislative session shall submit to the House Committee on Corrections and Institutions and the Senate Committee on Institutions a report on the current fund balances of each authorized project with unexpended funds. (Added 1989, No. 258 (Adj. Sess.), § 4; amended 2007, No. 200 (Adj. Sess.), § 36, eff. June 8, 2008; 2011, No. 104 (Adj. Sess.), § 33, eff. May 7, 2012; 2013, No. 51, § 36; 2013, No. 178 (Adj. Sess.), § 28 eff. June 9, 2014.)

**ACTS OF 1996 THROUGH ACTS OF 2012
UNSPENT CAPITAL FUNDS AS OF 1/1/2015**

PROJECT	APPROPRIATION PER ACT	PROJECT BUDGET	AMOUNT EXPENDED	ENCUMBRANCE AMOUNT	PROJECT BALANCE	COMMENTS
ACTS OF 1996						
Duxbury/Moretown Land Sale	50,000.00	102,293.58	56,737.22	0.00	45,556.36	Reallocate \$45,556.36 in 2015/2016
ACTS OF 2009						
Purchase Property/Obtain Permits & Design for Brattleboro/Rockingham State Police Building	650,000.00	644,183.70	427,945.69	106,541.65	109,696.36	Westminster Public Safety New Facility Construction Bid Opening January 2015
ACTS OF 2010						
Bennington State Office Building & Courthouse	6,958,340.00	6,070,140.41	6,021,077.81	0.00	49,062.60	Reallocate \$49,062.60 in 2015/2016
East Region Major Maintenance	0.00	2,968,746.19	2,967,307.17	0.00	1,439.02	To be used for various construction projects
East Region ADA Renovations	50,000.00	81,248.50	25,708.99	0.00	55,539.51	Ramp to 4 Gov. Aiken Ave. from Baldwin St.
ACTS OF 2011						
Hebard SOB State Share, Façade Replacement & Water Intrusion Prevention	350,000.00	350,000.00	344,161.15	0.00	5,838.85	To be used for roof repairs above restaurant
Newport, NSCF Maintenance Shop	350,000.00	110,320.00	5,040.00	53,060.00	52,220.00	Design almost complete; permit process to begin
Montpelier, Capital District Heat Plant	7,000,000.00	13,883,581.00	13,740,579.28	139,848.37	3,153.35	Project closeout underway
Maintenance East Division	0.00	3,325,453.86	3,317,451.29	7,596.00	406.57	To be used for various construction projects
ADA Renovations - Statewide	50,000.00	50,000.00	0.00	0.00	50,000.00	Ramp at 4 Gov. Aiken Ave. from Baldwin St.
Perform Repairs & Upgrades to County Courthouses to Comply with ADA	200,000.00	197,710.00	195,630.91	0.00	2,079.09	Remaining courts: Bennington Superior Court, Chittenden Superior Court, Orleans Superior Court, Grand Isle Superior Court, Washington Superior Court, and Rutland Superior Court
VT Veterans' Home Design/Upgrade Kitchen & Dietary Storage Area	100,000.00	98,855.00	32,737.12	65,162.88	955.00	Federal Grant application waiting for Federal approval
ACTS OF 2012						
Statewide Contingency	300,000.00	300,000.00	14,139.04	0.00	285,860.96	To be used for Dept. of Health Laboratory
Statewide Major Maintenance	6,700,000.00	285,561.00	184,864.80	0.00	80,696.20	BGS Commissioner to determine spending
108 Cherry St., HVAC Upgrades	1,000,000.00	1,000,000.00	844,305.00	45,139.95	110,555.05	Old Section VAV boxes to be replaced
Ongoing Committee Room Renovations & Sound System Upgrade (State House)	430,960.00	430,960.00	402,257.85	0.00	28,702.15	Reallocate \$28,702.15 in 2015/2016
VT Veterans' Memorial Cemetery Master Plan	250,000.00	250,000.00	211,347.78	30,868.26	7,783.96	Construction documents to be completed May 2015; construction to begin June 2015
Tropical Store Irene - Waterbury Complex	12,000,000.00	11,770,111.00	10,957,403.77	811,737.42	969.81	Construction on new building and remaining original buildings
Statewide Major Maintenance - East Region	0.00	3,000,000.00	2,783,680.40	35,195.36	181,124.24	To be used for various construction projects
VT Veterans' Home Mold Phase II	0.00	354,439.00	139,364.46	52,514.25	162,560.29	Mold removal continues in the building
Perform Repairs & Upgrades to County Courthouses to Comply with ADA	200,000.00	198,281.00	98,403.55	0.00	99,877.45	Remaining courts: Bennington Superior Court, Chittenden Superior Court, Orleans Superior Court, Grand Isle Superior Court, Washington Superior Court, and Rutland Superior Court
Lamoille County Courthouse Planning/Design for Renovations & Addition	250,000.00	247,852.00	194,777.00	0.00	53,075.00	Construction to begin pending future funding
Review of State Police Facilities	50,000.00	18,967.14	13,967.14	0.00	5,000.00	Reallocate \$5,000 in 2015/2016