

**MINUTES**

**JOINT COMMITTEE ON STATE BUILDING CONSTRUCTION**

August 4, 2011  
Room 144-S—State Capitol

**Members Present**

Representative Jo Ann Pottorff, Chairperson  
Senator Pat Apple  
Senator Marci Francisco  
Senator Laura Kelly  
Senator Carolyn McGinn  
Representative Steve Brunk  
Representative Bob Grant  
Representative Kay Wolf

**Members Absent**

Senator Dwayne Umbarger  
Representative Bill Feuerborn

**Staff Present**

Audrey Dunkel, Kansas Legislative Research Department  
Ryan Weir, Kansas Legislative Research Department  
Amy Deckard, Kansas Legislative Research Department  
Shirley Morrow, Kansas Legislative Research Department  
Jim Wilson, Office of the Revisor of Statutes  
Daniel Yoza, Office of the Revisor of Statutes  
Gary Deeter, Committee Secretary

**Conferees**

Richard Gaito, Deputy Director, Division of Facilities Management, Kansas Department of Administration  
Jennie Chinn, Executive Director, Kansas State Historical Society  
Rick Gudenkauf, Chief Fiscal Officer, Kansas Department of Labor  
Danny Decker, Plant Supervisor, Kansas Department of Commerce  
Marshall Kennedy, Chief Fiscal Officer, Kansas Commission on Veterans' Affairs  
Stephen Dunkin, Superintendent, Kansas Veterans' Home  
Jim Conant, Director, Resource Management, Kansas Department of Revenue

**Other Attending**

See attached list.

## Morning Session

Chairperson Pottorff called the meeting to order and welcomed Richard Gaito, Deputy Director, Division of Facilities Management, Kansas Department of Administration, who presented two proposed leases, both from the Kansas Department of Revenue (KDOR). Both proposed leases were for the Driver's License Bureau and located in small towns (Troy and Seneca), so they were presented together ([Attachment 1](#)). He noted that because no other bids were available, sole-source approval was given for the leases. The proposed leases will continue unchanged indefinitely, based on the current costs of \$4.20 per square foot (psf) at Troy and \$4.80 psf at Seneca, costs which include taxes, insurance, maintenance, utilities, parking, and janitorial services. The Troy space at the Doniphan County Courthouse received an energy performance rating of 92, and the landlord of the unrated Seneca location on Main Street will take steps to improve energy savings. Both leases have a 120-day-notification escape clause if the agency chooses to use it.

Senator Kelly requested action on the proposed leases be delayed until the afternoon so that further information could be presented regarding statewide lease costs. Senator Francisco noted that payments for certain leases for the Kansas Department of Social and Rehabilitation Services (SRS) appeared to be annual and if some SRS offices are being closed, those annual payments might be recovered. Senator Francisco stated that employees from the closed SRS offices would be relocated in other nearby SRS offices, a fact which suggests that other SRS offices have unused or vacant space. A request was made for SRS to provide answers to the following questions at the September Committee meeting.

- Have landlords been notified across the state regarding SRS office closures;
- Has the lease-escape clause of 180 days begun for proposed office closures;
- How many SRS leases have annual payments;
- What policy governs the procedure for annual payments;
- What staff reductions are made in relation to available space;
- How many employees were housed in each office as of the last lease agreement;  
and
- How many employees are currently housed in each office?

Jennie Chinn, Executive Director, Kansas State Historical Society, reported on the agency's five-year capital improvements budget ([Attachment 2](#)). She thanked the Committee for its work in expediting lighting replacement at the Topeka facility, and highlighted various rehabilitation and repair projects, many of which costs were being met with private funds. She commented that replacing the air conditioning for the computer server room has been placed on hold, since the Department of Administration is considering consolidating servers statewide. She emphasized that the key funding for the agency is the annual \$125,000 provision for emergency repairs. Members noted that the \$125,000 has not been increased for at least five years and commented that an increase should be considered.

Rick Gudenkauf, Chief Fiscal Officer, Kansas Department of Labor (KDOL), reviewed the agency's five-year capital improvements budget ([Attachment 3](#)). He said that \$115,000 was allocated annually for maintenance on existing buildings and that no major projects were planned for FY 2012, or several years thereafter. He stated the agency owns five buildings in Topeka and that the rehabilitation and repair costs were met by two fee funds. The agency also leases facilities in other areas of the state. Kathy Sparks, Deputy Secretary, KDOL, stated a leaking roof on one Topeka building had been addressed by the previous administration. Mr. Gudenkauf stated that the agency retained about \$1 million from sale of a building in Wichita. Since some of the funds are controlled by federal regulations, the \$1 million must be allocated only to unemployment insurance-related costs.

Danny Decker, Plant Supervisor, Kansas Department of Commerce, reported on the agency's five-year capital improvements projects, stating that \$80,000 is allocated annually to address repair and rehabilitation of the eight field offices statewide ([Attachments 4 and 5](#)). Two buildings currently are for sale, one in Pittsburg and one in Hutchinson, and the Chanute facility has been sold for \$42,500. Mr. Decker said proceeds from the sale of the Chanute property will be retained by the agency. All agency sites are now Americans with Disabilities Act (ADA) compliant, and all the buildings are used to administer federal programs. Senator McGinn requested an updated list of all workforce sites statewide.

### **Afternoon Session**

Marshall Kennedy, Chief Fiscal Officer, Kansas Commission on Veterans' Affairs, reported that \$1.2 million has been allocated for FY 2013 and FY 2014 for rehabilitation and repair for the Kansas Soldiers' Home in Dodge City and the Kansas Veterans' Home in Winfield. Funding is provided through the State Institutions Building Fund ([Attachment 6](#)).

Stephen Dunkin, currently Superintendent of the Kansas Veterans' Home and formerly the superintendent of the Kansas Soldiers' Home, stated:

- All roofs damaged by hail have been replaced;
- One cottage damaged by fire has been razed;
- Ten cottages at Fort Dodge are uninhabitable and are used for storage;
- Currently, cottage vacancies run 33 percent;
- Present policies regarding the cottages need re-evaluation, since World War II and Korean War veteran populations are rapidly decreasing;
- Currently, General Lee Tfanelli is conducting a study to evaluate other programs that might utilize the facilities. Two possibilities are addressing post-traumatic-stress-syndrome cases and drug and alcohol treatment programs;
- Homeless female veterans are an increasing population, as are female single-parent veterans; and

- The Dodge City packing plant and Dodge City Community College are excellent local resources to consider in developing new programs.

Mr. Dunkin noted that repair and rehabilitation funds are used to comply with fire and safety regulations. Senator Francisco recommended the agency investigate the energy savings program that allows energy savings to pay for energy-reduction initiatives.

Jim Conant, Director, Resource Management, Kansas Department of Revenue, appeared before the Committee in response to previous lease questions. He said a driver's license exam station is located in each county or in an adjacent county, often in the County Treasurer's office, in order to provide convenient access for applicants (Attachment 7). Noting 104 of the 105 counties in Kansas have some sort of driver's license service, he illustrated with a map that 40 counties have full-service sites and 32 have leased space in various locations (Attachment 8). Twelve stations were closed in 2002. All costs for driver's license stations are funded by fees. He provided details of all leased spaces, locations, and psf costs (Attachment 9). The leases total \$524,514 annually and are funded by the Vehicle Operating Fund and the Highway Fund. Indefinite leases often reflect the landlord's recognition that the offices provide the landlord with ancillary economic benefits. Full service offices receive new applicants, whereas limited service offices merely process renewals. Licenses must be renewed every six years and the person must appear at the renewal office.

*By motion of Senator Francisco and second by Senator Apple, the Committee unanimously approved the KDOR leases at Troy and Seneca.*

The meeting was adjourned at 1:45 p.m. The next meeting was scheduled for Thursday and Friday, September 8-9, 2011.

Prepared by Gary Deeter  
Edited by Audrey Dunkel

Approved by the Committee on:

September 8, 2011  
(Date)