

## **MINUTES OF THE SEPTEMBER 21, 2016, FACILITIES COMMITTEE MEETING**

The Facilities Committee (“Committee”) of the Board of Regents of the Smithsonian Institution (“Smithsonian”) conducted a meeting on September 21, 2016, in the Regents’ Room of the Smithsonian Castle in Washington, DC. Participating were Committee Chair Robert P. Kogod and Committee members Michael Lynton\*, Bob MacDonald\*, and Roger Sant\*. Board and Executive Committee Chair John W. McCarter, Jr.\* also participated in the meeting.

Also present by invitation of the Committee were Secretary David Skorton; Director of Smithsonian Facilities Nancy Bechtol; Interim Deputy Under Secretary for Finance & Administration John F. Benton; Chief of Staff to the Secretary Greg Bettwy; Office of the Regents Senior Researcher & Writer Jennifer Ehlinger (recorder); Deputy Director for Smithsonian Facilities Walter Ennaco; Director of the Office of Facilities Management and Reliability Kendra Gastright; Inspector General Cathy Helm\*; Under Secretary for Finance & Administration/Chief Financial Officer Albert Horvath; General Counsel Judith Leonard; Senior Advisor to Senator Patrick Leahy Kevin McDonald\*; Deputy Director of the Office of Planning, Design, & Construction Debra Nauta-Rodriguez; Deputy Chief of Staff to the Regents Rachel Parker; Director of Government Relations Nell Payne; and Chief of Staff to the Regents Porter Wilkinson.

### **CALL TO ORDER**

Committee Chair Robert P. Kogod called the meeting to order at 10:02 a.m.

### **REVIEW OF THE MAY 10, 2016, COMMITTEE MEETING MINUTES**

The Committee reviewed the minutes of the May 10, 2016, meeting.

### **REVIEW OF COMMITTEE CHARTER AND PROPOSED AMENDMENTS**

The Committee reviewed its Charter per its mandate to annually review and assess the Charter and evaluate its own performance with respect to its requirements. Two routine modifications were proposed, which would revise the Charter’s language to accurately reflect current Committee practices and bring it more in-line with language used by other Regent Committees.

### **FACILITIES CAPITAL AND MAINTENANCE REPORT**

The Committee reviewed the Facilities Capital and Maintenance financial reports. The charts reflect the final fiscal year 2016 appropriation levels for Capital and Maintenance Funding, as well as the fiscal year 2017 request currently before Congress. The charts also demonstrated the anticipated requirement levels for fiscal year 2018 – fiscal year 2022, including the financial impact of the National Air and Space Museum (“NASM”) Revitalization project.

\* *Participated by telephone*

## **FACILITIES UPDATE – MAINTENANCE REVIEW AND COST BENCHMARKING**

The Committee was updated on the status of Facilities Maintenance and Cost Benchmarking. Director of the Office of Facilities Management and Reliability Kendra Gastright discussed the current facility condition ratings and the assessment process, including management’s efforts in benchmarking both the Maintenance and Capital metrics and costs. Great progress has been made with regard to large revitalization projects at individual facilities across the Smithsonian; however, the backlog of deferred maintenance and repairs continues to grow at other facilities. Maintenance funding has not kept pace with the increase in Smithsonian space for many years. Committee members recognized the need to keep an appropriate focus on requirements for Maintenance and Capital funding.

## **FACILITIES CAPITAL TEN-YEAR PLAN SCENARIOS**

Under Secretary for Finance & Administration/Chief Financial Office Albert Horvath and Deputy Director of the Office of Planning, Design, & Construction Debra Nauta-Rodriguez reviewed the Smithsonian’s current ten-year plan and alternative scenarios based upon federal funding levels. Costs projected for the NASM Revitalization were reflected in context with the Smithsonian’s other capital priorities for a range of possible federal funding levels.

The recommendation is that the Smithsonian continue to seek a commitment of a \$200 million per year federal base revitalization level, with the NASM Revitalization as a supplement to the base. Management will rank and prioritize major revitalization projects, including full or partial building renovations and modernizations based on funding levels; establish contingency strategy and risk mitigation for capital funding levels below \$200 million; and re-strategize with regard to the Collections Framework Plan, including funding sources and potential inter-agency sharing.

Committee members commented on the successful funding, construction, and timeline of National Museum of African American History and Culture (“NMAAHC”) and suggested using that as a model for other Smithsonian buildings and projects.

## **MAJOR CAPITAL PROJECT UPDATES**

Mr. Horvath, Ms. Nauta-Rodriguez, and Deputy Director for Smithsonian Facilities Walter Ennaco briefed the Committee on the status of the Smithsonian’s major Capital Projects.

Updates were provided on the South Mall Campus Master Plan, the NASM Revitalization, the Udvar Hazy Center Collections Storage Module 1, the National Museum of National History Paleo Halls, the completion of the Smithsonian Tropical Research Institute Gamboa Lab, the Central Parking Facility at the National Zoological Park, the Consolidated Administrative Headquarters Initiative, and the successful completion of NMAAHC.

During his update on plans to construct a parking facility at the National Zoological Park, Mr. Horvath noted that Congressional authorization would be required for the project. More details and information on the project, including financing and authorization will be presented for discussion at the Committee's next meeting.

The Committee discussed the success of NMAAHC and excitement surrounding the grand opening events to begin in the next few days, and culminating in the Dedication Ceremony on September 24, 2016. Mr. Kogod, Committee members, and the Secretary thanked members of the Smithsonian Facilities team and all Smithsonian staff for their efforts in making NMAAHC possible.

#### **EXECUTIVE SESSION**

The Committee adjourned its open session at 11:09 a.m. to conduct an executive session.

#### **ADJOURNMENT**

There being no further business to consider, the meeting was adjourned at approximately 11:22 a.m.

#### **EMAIL BALLOT**

Due to a lack of quorum at the scheduled meeting, the Committee voted to approve the following two motions via email ballot on October 6, 2016:

**VOTED** that the Audit and Review Committee approves the minutes of the May 10, 2016, meeting.

**VOTED** that the Facilities Committee recommends that the Governance and Nominating Committee recommend to the Board of Regents the approval of the proposed amendments to the Facilities Committee Charter.

Respectfully submitted,

Robert P. Kogod, Chair