

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

MINUTES OF THE FEBRUARY 28, 2005 MEETING

Director, Tom Johnson, called the Controlling Board meeting to order at 1:40 p.m. and introduced Michele Hulse as the new Controlling Board president. Serving on the Controlling Board were Senator John Carey, Representative Charles Calvert, Senator Robert Spada, Representative Tom Raga, Senator Ray Miller and Representative Sylvester Patton.

The minutes of the February 7, 2005, meeting were distributed. A motion to approve the minutes was made by Senator Spada, seconded by Representative Calvert and approved by the Board members.

Attached is the February 28, 2005, meeting agenda. President Hulse said Items 1, AGO523-05 and Item 48, DNR227-05 have been deferred. Item 22, COM510-05 has been revised to change waiver amount to \$65,285.00 and Item 25, DEV010-05 revised to correct the loan amount to \$6,000,000.00.

A motion for blanket approval of all items not held for questions was made by Senator Carey and seconded by Senator Spada and approved by all Board members.

The following Items were discussed and acted upon as stated.

Item 12, SSC044-05 was held by Senator Carey. Senator Carey asked which HVAC and Electrical Contractors were selected for the Fine Arts & Library Chiller Cross Connect project and the total amount of the contracts. Butch Kotcamp, Director of Facilities, Shawnee State University said West End Electric and B.B. & E., Inc. were selected for the project. The contract amount for the HVAC contractor is \$275,100.00 and \$6,840.00 for the electrical contractor. Senator Carey asked whether the university is comfortable West End Electric could provide the work at the price quoted. Mr. Kotcamp said yes. The item was approved without objection.

Item 20, CSR039-05 was held by Senator Spada. Senator Spada asked if \$170.00 is the correct price for each of the 88 Ohio county flags. Ron Keller, Capitol Square Review and Advisory Board said yes and the price also includes the flagpoles for all 88 flags and the work to be done so that the flags will fit the flagpoles. Senator Spada asked at what time the county flags would be displayed. Mr. Keller said they have a specific number of holidays that are important to veterans that they display the state flags on and the county flags will be displayed on some of those dates for special events. The item was approved without objection.

Item 32, EDU381-05 was held by Senator Carey. Senator Carey asked for an update on the development of diagnostic and performance test. Judy Feil, Department of Education said the grade K-3 diagnostics have been developed and distributed to schools. The diagnostics for the other grades have been put on hold until later this year. Senator Carey asked if the request is retroactive. Susan Tavakolian, Department of Education said no, these were tasks that were under the original contract. Senator Carey asked what happens to the federal money if it is not used. John Childs, Controller, Department of Education said the funds would be returned to the federal government if they were not used within the period of availability. The period of availability for this particular grant is until January 2007. Senator

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

Carey asked how much the state has spent on the diagnostic test so far. Mr. Childs said approximately \$45 million state dollars. The item was approved without objection.

Item 34, EXP069-05 was held by Representative Calvert, Senator Spada and Senator Miller. Representative Calvert questioned the percentage of sponsorship gross dollars. Doug Smalley, Finance Director, Expositions Commission said this is an incentive to raise more dollars for the marketing firm. The more dollars that they raise the higher percentage they receive as it goes up. Representative Calvert asked if the contract is retroactive. Mr. Smalley said no, the contractor would be raising money for the 2005 State Fair, which occurs in fiscal year 2006. Senator Miller asked when the contract was awarded initially. Mr. Smalley said the contract was initially approved in 2003 with a two-year extension. Senator Miller asked if the Exposition Commission suggests to the vendor that they should subcontract with a minority owned business. Mr. Smalley said certainly, if it were to the benefit of the Exposition Commission. Senator Spada questioned why the contract has the stipulation that the advertising dollars be paid up front and reimbursed later. Mr. Smalley said the Expositions Commission has had a tight cash flow and it has been in their best interest to receive sponsorship dollars up front and then pay them out afterwards. The item was deferred without objection.

Item 50, DNR506-05 was held by Senator Spada and Representative Raga. Senator Spada asked how many employees are included in Object Class 10 Payroll expense grouping. Mindy Bankey, Department of Natural Resources said there are five full time employees currently paid out of the fund, three additional employees will be covered under the fund for this project in addition to interim and project employees. Senator Spada asked if there are eight total employees in this line item. Ms. Bankey said she would provide additional clarification later. Representative Raga asked whether the department has allocated in its upcoming budget the expenses that will come back to the GRF and the other funds after the program is complete. Ms. Bankey said yes. The item was deferred without objection.

Item 52, DNR508-05 was held by Senator Spada. Senator Spada asked what the cash balance is in Fund 161, the Depreciation Reserve Fund. Mindy Bankey, Department of Natural Resources said the department is requesting to transfer \$800,000.00 of \$2.7 million leaving the balance of the fund at \$1.9 million. Senator Spada asked what is the prioritization for the funds. Ms. Bankey said the prioritizations would be the Mohican and Deercreek facilities that were taken off line and to make repairs to facilities that received heavy damage as a result of the December 2004 storms and the January 2005 flooding. The item was approved without objection.

Item 53, DHS724-05 was held by Representative Calvert. Representative Calvert asked who the last seller was and how much land was involved in the \$550,000.00 purchase. Mark Half, Department of Administrative Services said the information is not in the appraisal. Representative Calvert asked if there is anything located on the four properties located east of the two properties that are going to be used with this new purchase. Captain Dave Dicken, State Highway Patrol said he was not aware of what is located there. Representative Calvert asked if the state of Ohio owns the other four pieces of property, is it possible to use the additional state property rather than spending this money to buy two acres. The item was deferred without objection.

Item 54, DHS727-05 was held by Representative Calvert. Representative Calvert asked why the maintenance team need a week to inspect the MARCS tower sites. Captain Dave Dicken, Department of

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

Public Safety, State Highway Patrol said there are annual inspections that need to occur once a year for all 211 towers throughout the state. The balance of the duties relate to maintenance issues and that can depend on the nature of the difficulty, it can be a relatively quick fix or it may be a day or more so it is speculative in terms of what the precise need will be. The item was approved without objection.

Item 56, DHS730-05 was held by Senator Spada and Senator Miller. Senator Miller asked how is it that all three bids were from North Carolina. Kathy Ludowese, Chief Fiscal Officer, Department of Public Safety said the department received three quotes and the lowest bid was selected. Senator Miller asked if there are other companies in the country that sell this type of equipment. Kevin Page, Department of Public Safety said there are other companies that manufacture this type of equipment, however most of the equipment that the department has on hand is Law Enforcement Associates (LEA) equipment. Senator Spada questioned why the department ended up with only one vendor. Mr. Page said the areas that are covered through these companies are covered through representatives and they will not infringe on another area of a representative through the company. The item was approved without objection.

Item 60, DRC603-05 was held by Senator Carey. Senator Carey asked if the department currently uses the special data diskettes, Prison Inmate Inventory. Rod Woods, Chief, Recovery Services, Department of Rehabilitation and Correction said it is compatible with what they have been doing for the past seven years and the diskettes have been modified and enhanced specifically for the department. Senator Carey asked why the request is before the Controlling Board today since it is under the \$75,000.00 threshold for institutional agencies. Mr. Woods said the department typically makes two purchases a year of \$30,000.00 each and in fiscal year 2004 the purchase order was not paid until this current fiscal year, which put the department over the limit. The item was approved without objection.

Item 62, DRC606-05 was held by Representative Raga. Representative Raga asked why the hourly rate changed from \$100.00 to \$125.00 per hour. Greg Trout, Chief Counsel, Department of Rehabilitation and Correction said Fred Cohen had done consulting work for the department in the mid 1990's at the rate of \$125.00 per hour and has kept that same rate for the State of Ohio even though his rate in other states has increased. His typical rate is \$150.00 per hour. Representative Raga asked are there other principals involved in the consulting on this particular issue. Mr. Trout said yes, there was originally a team of four experts who were selected on the basis of their knowledge of correctional law or as healthcare practitioners with expertise in the corrections area. A fifth physician was added because the primary physician on the team was not always available for the team visits. Senator Miller asked if the services provided by Fred Cohen are legal services. Mr. Trout said they are legal services and he was the principal author of the report and provides Correctional Healthcare Consulting Services. Senator Miller asked when the contract with Mr. Cohen will end. Mr. Trout said this current addendum would expire on June 30, 2005. Senator Miller asked if he could have a copy of the report. Mr. Trout said yes, a copy will be sent to him. The item was approved without objection.

Item 63, DRC607-05 was held by Senator Miller. Senator Miller asked why they couldn't find an Ohio company to provide the department with raw milk. Mike Randle, Deputy Director, Department of Rehabilitation and Correction said they issued two previous solicitations through the Department of Administrative Services for raw milk services in fiscal year 2004 and both solicitations came back with no bid. The department believes this is primarily because the \$60,000.00 that they were requesting did not draw the number of vendors that they expected. Senator Miller asked whether OSU provide the

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

products. Mr. Randal said he cannot say for sure but ideally the department would like to produce the majority of the raw milk in house and that is the goal. The item was approved without objection.

Item 67, DOT081-05 was held by Representative Calvert. Representative Calvert asked if any new products are being developed for the department by the American Association of State Highway and Transportation Officials (AASHTO) at this time. Michele Holdgreve, Department of Transportation said they do not have any new products it is just implementation and testing of existing products that the department is currently using. Representative Calvert asked why the price is increasing from \$285,000.00 (2003) to \$368,750.00 (2004) for this request if there are no new products being developed. Ms. Holdgreve said the difference between 2003 and 2004 is the department changed to new computers and had to get all of the new computers compatible with the software. They needed assistance from AASHTO with the software as they changed to the new systems. Representative Calvert asked why the contract is retroactive. Ms. Holdgreve said AASHTO works on the federal fiscal year system, which does not end until October so their pricing for this fiscal year was not available until after October. Also, instead of having particular licensing's for the products the department decided to do a site license. It was basically getting the prices from AASHTO, getting the new agreements reviewed, and getting the release and permit before the department could come to the Controlling Board. Senator Carey asked the department to send a letter to the Board members explaining what steps will be taken to prevent retroactive contracts in the future. The item was approved with Representative Calvert and Representative Raga objecting.

Item 68, DOT293-05 was held by Representative Raga and Senator Miller. Representative Raga asked if the department would have to come back to the Board again on this project. Ms. Holdgreve said to the best of her knowledge this should be the last significant design change to this project. Senator Miller asked whether there are extensions on the contract with URS Corporation. Michele Holdgreve said the Board has already approved the previous modifications listed on page two. The \$1,500,000.00 is for an additional modification to the contract to address some slide issues that incurred once the contract went to construction. Senator Miller questioned the number of changes to the contract. Ms. Holdgreve said it is not uncommon to bring projects back to the Controlling Board for multiple changes. The item was approved without objection.

Item 69, DOT307-05 was held by Senator Carey and Senator Spada. Senator Carey asked whether the decorative vandal protection fence would add any value or safety to protection of human life. Michele Holdgreve, Department of Transportation said the City of Cleveland, Slavic Village Development Corporation, the Village of Newburgh Heights and the Village of Cuyahoga Heights approached the department in the midst of the redevelopment of their area to see if they could spruce up the fence to make it look better. As far as additional safety restraints, it is the same type of fence it just looks nicer. Senator Carey asked has the department thought about approaching this the same way the School Facilities Commission does, in that if the community wants something extra, they pay for it. Ms. Holdgreve said as far as approaching this with local contributions there are times where what the locals have asked of us exceeds the 5% threshold and local communities do participate when they exceed that amount but if it is a small amount or within the 5% threshold the department usually covers those costs. Senator Spada expressed his concern of the department spending money on decorative bridges at this time with the tight budget situation. Ms. Holdgreve said the department is trying to be better neighbors and get local communities involved. They understand that these items do come at a cost and is that cost

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

translated into the value or are those dollars better spent elsewhere and that is the concern that she will take back to the department. The item was deferred without objection.

ODOT Quarterly Report (4th Quarter 2004) was held by Representative Calvert. Representative Calvert said he was concerned about several items on the report and the following items should not be approved without further exploration and should be brought back to a future Controlling Board:

<u>Project</u>	<u>County</u>	<u>Amount</u>	<u>Work</u>
325-02	LUC	\$1,128,215.67	ODOT/Contractor agreement to complete remaining work
562-02	FRA	\$150,000.00	bikeway repairs
560-03	FRA	\$841,375.89	upgrade wireless equipment
151-04	D12	\$17,588.35	clearing and grubbing, fence removed and replaced
286-03	ATB	\$52,518.00	home office overhead

A motion to have the items brought to a future Controlling Board was made by Representative Calvert, seconded by Senator Carey and approved by the Board members with Representative Patton objecting.

With no further business before the board, the meeting was adjourned at 3:20 p.m.

Respectfully submitted,

Francene Johnson
Controlling Board Executive Secretary

2/28/05 Minutes approved by the Board:
