

# **CONTROLLING BOARD**

**OHIO OFFICE OF BUDGET AND MANAGEMENT**

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## **MINUTES OF THE MARCH 8, 2004 MEETING**

President, Lisa Dodge, called the Controlling Board meeting to order at 1:40 p.m. Serving on the Controlling Board were Senator Bill Harris, Representative Charles Calvert, Senator John Carey, Representative Jim Hoops, Senator Robert Hagan and Representative Sylvester Patton.

The minutes of the February 23, 2004, meeting were distributed. A motion to approve the minutes was made by Senator Harris, seconded by Representative Calvert and approved by the Board members.

Attached is the March 8, 2004, meeting agenda. President Dodge said Items 56, EXP021-04 and Item 74, DRC509-04 have been deferred. Item 51 EDU333-04, amount revised to \$7,080,000.00 and Item 52, EDU334-04, amount revised to \$20,138,000.00.

Senator Harris said there are three items on the agenda today Item 3, SOS048-0405, Item 4, SOS049-0405 and Item 5, SOS050-04 in which the Secretary of State is proposing contracts to purchase new voting machines for the majority of Ohio's counties as well as a voter education program. This request totals in excess of \$120 million. In the past two weeks since these items were added to the agenda, legislative leaders of both houses have asked and agreed to a bipartisan request by members of senate to create a joint committee to study newly discovered and potentially as of yet undiscovered security issues surrounding the voting machines and systems. The Joint Committee will also be making policy recommendations on other related items. The committee held its first hearing last week and has scheduled additional hearings including one this Wednesday at which time the committee has invited Secretary of State Blackwell to outline the steps he has taken to address these issues. Knowing that the Joint Committee on Ballot Security is anticipating several hearings. It is not possible for us to resolve these issues here today. Additionally, Secretary of State Blackwell has repeatedly stated that he will not withdraw these items from consideration today however, I would prefer that we wait for the joint committee to complete its work and then bring these items back for consideration. This is not to say that this Controlling Board will not have additional questions for the Secretary of State after the Joint Committee has completed its work. The concept of how a state's citizens cast their ballot is too important for us to get it wrong. We have the time to make sure that we get it right and get it right the first time. A motion to defer items 3, SOS048-0405, Item 4, SOS049-0405 and Item 5, SOS050-04 was made by Senator Harris, seconded by Representative Calvert and approved by all Board members.

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

The following Items were discussed and acted upon as stated.

Item 7, UAK189-04 was held by Senator Harris and Representative Hoops. Senator Harris asked how many acres have been purchased to date for the athletic field expansion and the dollar amount. Misty Villers, University of Akron said she did not have the total acreage or dollar amount with her today but can provide that information to the Board members later. Senator Harris asked whether the university currently has a detailed plan for future projects for the athletic field expansions. Ms. Villers said yes, in

# CONTROLLING BOARD

## OHIO OFFICE OF BUDGET AND MANAGEMENT

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1999 the University of Akron had a Campus Master Plan done which included creating additional playing fields. The university is following their master plan by acquiring these different properties and trying to develop a field expansion. Representative Hoops questioned whether purchasing additional property around the current piece of property would create a housing shortage for students. Ms. Villers said she is unaware of a housing shortage. Representative Hoops urged the university look at the housing issue as they continue to purchase these properties to make sure that there is enough housing for the students in other areas as they implement this plan. President Dodge suggested that perhaps the university could provide Board members with some sort of indication as to whether they are looking at the issue of student housing and how it ties into this plan. The item was approved without objection.

Item 9, BGU074-04 was held by Senator Carey. Senator Carey asked whether an RFP was done. Lise Konecny, Bowling Green State University said no, the university did not put out an RFP because the amount of the project was under the threshold and advertising is expensive so they spoke to the three firms and selected this firm based on past experience. The item was approved without objection.

Item 15, OSU903-04 was held by Representative Patton. Representative Patton asked why Baxter Hodell Donnelly Preston was not included in the original contract. Cindy Felt, Ohio State University said at the time the university negotiated the original contract they were not sure what building the Department of Mechanical Engineering was going to go into. Representative Patton asked why the urgency to enter into a contract when the university knew that there would be changes. Ms. Felt said the design of the building takes much longer so they wanted to go ahead and begin the design as they were addressing those issues. Representative Patton asked how the original contractors were selected. Ms. Felt said this was a selection-based contract, it was advertised in the Ohio Register and firms were interviewed. On 650 Ackerman where they are going to a swing space, they selected this particular firm for that part of the building and it was a separate RFP for that entire building. They are actually the A&E on that project too. Representative Patton expressed his concerns that the university should not enter into any contract until they know where they are going and exactly what they are going to do. The item was approved without objection.

Item 19, UTO043-04 was held by Senator Carey and Senator Hagan. Senator Carey asked what percentage of the \$2 billion in deferred maintenance for universities belongs to the University of Toledo and where does the kitchen equipment and china rank on the list of priorities for the university's maintenance needs. Fred Peltier, University of Toledo said he did not know the amount of deferred maintenance for the University of Toledo. The university is recycling an old building so the food service and equipment is intended to make that building function. Senator Carey asked why the kitchen equipment was not in the china bid. Mr. Peltier said they only looked for Ohio firms that would be able to provide all of the equipment. Senator Carey expressed his concern about the university presenting china as a Capital improvement and asked that the message be taken back to the administration that this is the kind of request that reaffirms unfortunately that the universities don't get the fiscal situation in the state. Senator Hagan asked for clarification on the price of salad plates. Mr. Peltier said the salad plates are \$75.80 per dozen. Senator Hagan questioned the higher bid contract being awarded to a Michigan firm and the 5% purview that is allowed under Buy Ohio. Mr. Peltier said it is his understanding that Ohio and Michigan have a reciprocity agreement in terms of purchasing so that the low bidder regardless of home state would be acceptable. The item was deferred by request of the agency.

# CONTROLLING BOARD

## OHIO OFFICE OF BUDGET AND MANAGEMENT

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Item 23, ADJ101-04 was held by Representative Hoops. Representative Hoops asked whether the request is retroactive. Mark Oestler, Adjutant General's Department said the first part of the work was done on an emergency basis and therefore would be considered retroactive. The item was approved without objection.

Items 43 through 50, EDU325-04, EDU326-0405, EDU327-04, EDU328-04, EDU329-04, EDU330-04, EDU331-04 and EDU332-04 were held as a group by Senator Harris. Senator Harris asked whether there is coordination between the Department of Education and the School Facilities Commission so that discussion can take place about how the proposed dollars would be spent. Larry Albanese, Department of Education said yes there is. The items were approved without objection.

Item 65, DNR445-04 was held by Representative Patton. Representative Patton inquired about the Tire Amnesty Grant Program. Chris George, Department of Natural Resources said this program will be modeled after the Market Development Grant Program where the Division of Recycling & Litter Prevention will be passing grants through to 52 local solid waste districts to implement tire recycling programs that they feel best fit the needs of their particular district. Representative Patton asked if tire retailers charge consumers a fee to remove or replace tires. Mr. George said yes there is some disposal fee on tires. Representative Patton expressed his concern about the retailers who charge consumers for the disposal of tires and retailers in turn dumping the tires. The item was approved without objection.

Item 67, DHS685-0405 was held by Representative Calvert and Senator Harris. Representative Calvert questioned why the department is asking for \$180,000.00 for FY05. Mark Atkeson, Department of Public Safety said \$180,000.00 for FY05 is to ensure that the department does not have to come back to the Board to request additional spending authority. The fleet vehicles are being replaced at a higher mileage than in the past and the department is incurring increased maintenance and repair costs as a result. Representative Calvert asked why the department didn't come from the start knowing they would have a retroactive situation to bring before this Board. Mr. Atkeson said the department was planning to prepare the Controlling Board request in early February when the bill showed \$40,800.00 but they had several transmission repairs and other large invoices that put them over the limit. Senator Harris asked whether it would be better to project the amount in the original budget request as opposed to coming back to the Board with a retroactive request. Mr. Atkeson said State Purchasing was working on a state term contract at the end of FY03 with Graham Ford to include maintenance and repairs but that did not materialize and through a number of different factors they did not get to the Controlling Board until today. Senator Harris asked when the contract was last bid. Mr. Atkeson said this is an open ended contract from 1994 and the department recently secured bids from the Ford dealerships in the Columbus area and Graham Ford was still 30% lower than the nearest competitor. The item was approved without objection.

Item 71, DRC500-04 was held by Representative Hoops. Representative Hoops asked if these purchases are absolutely necessary. Donna Lehner, Rehabilitation and Correction said yes they are. The department has had the Kronos time clocks for almost ten years and the software became obsolete and needed to be upgraded. Last year DAS purchased on behalf of DRC and four other state agencies the upgraded Kronos software iSeries. All five agencies have the Kronos time clocks. Representative Hoops asked if this purchase saves money in the long run. Ms. Lehner said this will save maintenance,

# CONTROLLING BOARD

## OHIO OFFICE OF BUDGET AND MANAGEMENT

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operational costs, the hidden costs of malfunctions in clocks and staff time. The price that DAS paid for the software includes any future upgrades so the department can expect to be able to keep the new Kronos clocks for some time at no additional cost. The item was approved without objection.

Item 72, DRC503-04 was held by Representative Hoops and Senator Hagan. Representative Hoops asked whether there would be additional requests as a result of transferring funds out of these line items. Kay Northrop, Department of Rehabilitation and Correction said the department anticipates bringing one additional request in FY05 to the Controlling Board to transfer another \$9 to \$12 million to cover the deficit in the medical line. Representative Hoops asked what the department is doing to lower that deficit. Ms. Northrop said one of the things the department is looking at is bringing in an outside expert to look at their relationship with OSU to see if that can be made more efficient. Senator Hagan questioned the increase of fifteen to twenty-five percent above FY2003 levels for the Ohio State Medical Center. Ms. Northrop said because OSU had worked with the department for so many years to try to keep the increases within the department's budget allocations, they found themselves in a position where they were losing money in treating offenders. Senator Hagan asked if out-sourcing had been the result of an increase in the cost of medical care. Ms. Northrop said the department has seen an increase in nursing care due to the national nursing shortage and the hiring freeze implemented when the department was initially planning to close Lima Correctional Institution. As a result the percentage of vacancies increased dramatically therefore they have to use more overtime and more agency nurses to cover those. Senator Hagan asked about the pharmaceutical increase. Ms. Northrop said per statute the department purchases all of their medications through the Department of Mental Health Pharmacy Service Center. The department did a request for information about two years ago to see if they could get better prices by out-sourcing and the results of that RFP indicated that they were getting the best price using the Pharmacy Service Center. The item was approved without objection.

President Dodge asked if there was a motion to waive the seven-day rule to add DAS436-04 to the agenda. Senator Harris moved and Representative Calvert seconded.

Item 81, DAS436-04. Bruce Curtis, Department of Administrative Services, State Architect's Office apologized to the Board for not being at the last meeting and said that this is the department's last request having to do with the Coit Road project. They are strictly here to ask for a change of intent on \$73,423.00 that was released nearly ten years ago. They are trying to move that money for a similar purpose in order to complete the remediation of the site. Nothing has changed since his February 27, 2004, e-mail to Board members, in fact another three weeks has passed and they believe that they are now in the shutdown period. The department has been advised that the cost of closure is going to be around \$25,000.00. The good news is that the department can finally announce that they believe they see the end of this project. The item was approved with Senator Hagan voting no.

With no further business before the board, the meeting was adjourned at 3:00 p.m.

Respectfully submitted,

Francene Johnson  
Controlling Board Executive Secretary

# CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

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*03/08/04 Minutes approved by the Board:*

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