

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

MINUTES OF THE SEPTEMBER 13, 2004 MEETING

President, Lisa Dodge, called the Controlling Board meeting to order at 1:45 p.m. Serving on the Controlling Board were Senator Bill Harris, Representative Charles Calvert, Senator John Carey, Representative Jim Hoops, Senator Tom Roberts and Representative Sylvester Patton.

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

Attached is the September 13, 2004, meeting agenda. President Dodge said Item 57, DHS704-05 has been deferred. Item 46, JFS08-05 pages 1 and 2 have been revised for clarification.

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

The following Items were discussed and acted upon as stated.

Items 29, DAS495-05 and Item 56, DHS703-05 were held as a group by Representative Hoops, Senator Roberts, and Representative Patton. Representative Hoops asked for the total estimated cost of the plan. Mark Patchen, Department of Public Safety, Emergency Management Agency said the total cost for completing the plan is \$150,000.00. Mr. Patchen indicated they don't have a firm estimate of the cost for completing interoperability throughout the state at this time and probably won't until after the plan is developed. Representative Hoops asked where the money is going to come from to pay for this if you do not know how much it is going to cost. Mr. Patchen said some of the money will be from Homeland Security funds and some will be addressed through normal budgets that expand and improve their communication systems. Representative Hoops asked when the plan would be completed. Mr. Patchen said they hope to have the plan completed within six months to award a contract. Senator Roberts asked whether the \$150,000.00 would be spent primarily for the study. Mr. Patchen said yes. Senator Roberts questioned the selection of RCC Consultants, Inc. Mr. Patchen said they put out a Requests for Proposal, had six vendors respond to that request and then through a multi-discipline team of local law enforcement, local fire and state personnel conducted evaluations of those vendors. And, based on the scoring system, RCC was the one receiving the highest score and the lowest bidder. Representative Patton expressed his concern about the potential cost to local governments of participating in MARCS or an alternative interconnection. Mr. Patchen said the intent of this study is not to deter from the focus on the MARCS system. One of the strategies for the plan will be for local governments, when the application fits, to join the MARCS system and become MARCS users. They also realize that not everyone is going to be able to get onto the MARCS system. We know that we need some strategies to allow different agencies to communicate among themselves during the interim of transition to MARCS.

Senator Harris questioned the intent of the study. Mr. Patchen said the intent is not to change the direction of MARCS. MARCS is still the direction state agencies are going to go to implement communications and interoperability. We are encouraging local users to join the system, as the system will allow. This study is to focus on those people who opt not to join MARCS. We are not trying to

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create a separate system. We are trying to create a way to link systems until we can come up with a common system that everyone would use. Senator Harris asked whether the state is going to issue directives that set forth a procedure within this strategy or continue to do guidance. Mr. Patchen said they would issue directives from the standpoint of the funding sources they control. They have no authority at this point to issue directives over how a township, county or city will spend their local dollars.

Senator Roberts suggested that maybe a complete legislative briefing on MARCS and other interagency systems would be helpful for the board to understand how all of this is coming together. Mr. Patchen said they would be happy to do a joint briefing on MARCS and some of the other efforts they are making through Homeland Security funds.

President Dodge asked whether a report of the \$150,000.00 study could be provided on what the conclusions of the study are and where they are headed once the study is concluded. Mr. Patchen said they could provide a report that would outline the planning concepts for interoperability in Ohio within a couple of months with the completion of the plan. Item 29, DAS495-05 was approved without objection and item 56, DHS703-05 was approved with Senator Roberts and Representative Patton objecting.

Item 2, UAK200-05 was held by Representative Calvert. Representative Calvert asked whether this parcel has the same value the foundation paid for each of the first five parcels. Michael Sermersheim, Deputy General Counsel, University of Akron said the university purchased the five parcels for roughly \$30,000.00 to \$40,000.00 each twelve years ago before the market had expanded. Representative Calvert questioned how two independent appraisers came in with the exact same value for parcel six. Misty Villers, Fiscal Officer, University of Akron said both appraisers were independent appraisers and they both selected three comparables. When they selected the three comparables they broke them down per square foot for the sales price. Then they took a mid-range after they made their adjustments to make it comparable to the current property. The mid-range between those comparables both ended up being \$43.00 per square foot and they multiplied that by the size of the building so it did come out to the same price. Representative Calvert questioned why the City of Akron is doing the demolition work on a piece of property they don't own. Mr. Sermersheim said the City of Akron has put together a revitalization plan for the neighborhood that includes both properties. These are run down buildings that are in very bad shape. It is part of the city's vision to cooperate in the spirit of revitalization in this area to provide for the demolition and they have agreed to do that. Representative Calvert asked whether the building on parcel six is currently rented at \$41.00 per square foot. Ms. Villers said no, Summit County has been using the building as a storage facility. The item was approved without objection.

Item 5, BGU085-05 was held by Representative Calvert. Representative Calvert asked why the university is offering more for the property than what the appraisal is worth. Bob Waddle, Assistant Vice President, Capital Planning, Bowling Green University said this property gives the university the largest bundle that they own on the South side of the property and the value was important to the university because the property is directly across from the main academic core of campus and will be a very valuable property in the future. Representative Calvert asked what the plans are for the property. Mr. Waddle said the university plans to use the property for graduate student housing. As part of the long-range master plan, they may look to move some fraternity houses or other residential living. The item was approved without objection.

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Item 11, UCN393-05 was held by Senator Carey. Senator Carey asked whether the project was bid. Chuck Darling, University of Cincinnati said this project was bid in a general bid and this request is a change order to the general contractor for this particular project resulting from the removal of the screens and finding damaged material and building material behind those screens. Senator Carey asked whether any other change orders are anticipated and how close the project is to completion. Mr. Darling said the university does not anticipate any more change orders. The screens have been removed and this is the clean-up part of the phase. The item was approved without objection.

Item 19, SSC040-05 was held by Representative Hoops. Representative Hoops asked whether this is a design issue. Butch Kotcamp, Director of Facilities, Shawnee State University said the university added a handrail to extend the entire length of the south section and now there are steel beams protruding into the walkway so they need to remove the steel beams for safety. Representative Hoops asked if this is something that came about because of all the other construction that is going on. Mr. Kotcamp said that is correct. The item was approved without objection.

Item 30, DAS497-05 was held by Senator Harris. Senator Harris asked what are the department's plans and coordination to bring broadband services to Appalachian communities. Nancy Isom, Department of Administrative Services said the department is working very closely with the Department of Development in hiring the Program Director. A representative from the Department of Development has participated in the interviews to hire this person. Senator Harris asked whether any consideration was given to transferring a current employee to this position rather than hiring a new FTE to serve as the Program Director. Mark Smith, Administrator, Digital Government, Department of Administrative Services said transferring to the Department of Development, there were no staff that had this technical skill set. Within the Department of Administrative Services, Office of Information Technology, the position was broadly posted and they had a few internal applicants as well. Through the selection process the individual they ultimately selected was not a transfer position. Senator Harris questioned the need for the expense for a state vehicle, office space, equipment and software. Mr. Smith said this individual will be traveling substantially throughout the Appalachian region working with the local governments, local businesses as well as the broadband providers within the region. This person will primarily be based within Athens. The equipment is primarily focused on the evaluation of what the options are and updating some of the information that is out there using some of the equipment money to purchase some equipment for a pilot mode. Senator Harris inquired about the \$149,716.00 previously approved in the current biennium, none of which was ever disbursed. Mr. Smith said this position is relatively unique in that it needs to have both technical skills as well as very good communication skills in working with the local governments and providers. They had intended to fill the position in 2004, went all the way through the process and none of the candidates quite fit the mold so it wasn't until fiscal 2005 that they had the right person in place. They expended no funds until they had the program director in place. Nothing was spent in 2004, they have worked with the Appalachian Regional Commission, the federal government and have extended that two-year grant to 2006. Senator Carey asked if part of the collaborative effort is working with OET. Mr. Smith said they are certainly looking at that and will be looking at every possible avenue both public and private as far as infrastructure to leverage it as far as they can. The item was approved without objection.

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Item 44, EDU364-05 was held by Senator Harris. Senator Harris asked for additional information on the FY04 obligation of the \$125,900.00. Susan Tavakolian, Executive Director, Department of Education said this obligation is against a federal grant. It is a federal grant that has a 27-month life cycle so the department actually has until September 2005 to expend money out of this grant. The department originally thought the invoice for this particular obligation would be received in FY04 and they had sufficient appropriation in FY04 to handle that. However, they didn't receive the invoice until FY05. In FY05 they didn't have sufficient appropriation to pay off that grant. So, essentially, the money is there but they don't have sufficient appropriation authority to make the payment. The item was approved without objection.

Item 45, EPA503-05 was held by Senator Carey. Senator Carey inquired about the success of recovery from the businesses or individuals that are responsible for scrap tire piles. Robert Large, Supervisor, Scrap Tire Unit, Environmental Protection Agency said the department is working very closely with the Attorney General's Office providing all the information they need on the legal description of the property, the owners involved and the accumulated cost. The intent is to pass that on to the responsible party so that the department can recover cost from the proper individuals. If the department can't recover cost they are placing liens against the property. Senator Carey asked what percentage of the cost is collected. Mr. Large said it is a very small amount - probably five percent. Generally the corporations and individuals have gone bankrupt by the time the EPA is overseeing the clean-up of the large piles. The item was approved without objection.

Item 46, JFS080-05 was held by Senator Harris. Senator Harris inquired about the difference between the increased amounts of request for appropriation. Rick Frank, Legislative Liaison, Department of Job and Family Services said there are two reasons for the way it is appropriated now in the new request. (1) When the Commission was set up initially they were given \$125,000.00 in each fiscal year but the Commission did not start right away so the department had to make assumptions on allocation amounts. (2) Initially they started working with making presentations from the agency, other members, other interested parties and obviously they are not paying for those services. Now they are getting into when they start coming down on positions for areas for which they want to try to get more information. This is where they are going to be using a lot of the funds as they hire fiscal and legal positions. Senator Harris asked whether the deliverables changed with this increase in appropriation. Mr. Frank said this is for all of the contracts that they are looking at hiring, it is not for just one specific contract. They will be doing a number of contracts under this one line item and they will be competitive selections. The item was approved without objection.

Item 63, DRC570-05 was held by Senator Carey. Senator Carey asked how much the original system cost. Doug Forbes, Director, Business Administration, Department of Rehabilitation and Correction said the department has worked with Viisage Technology for eight years developing this system and they have spent approximately three million dollars over that time period with the company. Senator Carey asked whether a new RFP would be done for this system. Mr. Forbes said that given the investment the department has made over time they felt that their best avenue would be to go ahead with this upgrade. Senator Carey asked when the system would need to be upgraded again. Mr. Forbes said they have been on a pattern of three to four years. He stated that as the department upgrades some of the measures through the replacement of hardware, moving away from proprietary equipment, they are hopeful the economics of a full RFP will be more beneficial. Senator Carey asked what the equipment does. Mr.

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Forbes said this equipment is used to capture and store photos, signatures and scar, mark and tattoo images and to issue various types of identification cards, paper printouts and reports. The item was approved without objection.

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

Respectfully submitted,

Francene Johnson
Controlling Board Executive Secretary

09/13/04 Minutes approved by the Board:
