

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

MINUTES OF THE DECEMBER 6, 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 November 15, 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 December 6, 2004, meeting agenda. President Dodge said Item 4, UCN394-05, Item 7, OSU039-05, Item 8, OHU242-05 and Item 80, DRC585-05 have been deferred. Item 1, AGO517-05 has been revised to amend the amount to \$115,000.00 to remove Ohio State portion of the request for \$40,000.00 and Item 58, OEB010-05 has been revised to change the amount to \$100,000.00.

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

The following Items were discussed and acted upon as stated.

Item 1, AGO517-05 was held by Representative Hoops. Representative Hoops asked for status of the Lake County Fair case. Kari Hertel, Director of Special Counsel, Attorney General's Office said this request is for representation of a Department of Agriculture employee due to a criminal indictment related to the Department's amusement ride safety inspection and investigation program. The indictments at the time were involuntary manslaughter and reckless homicide. Both of those have been reduced and they are in the middle of the disposition of the case. The Department of Agriculture is following this closely and they believe they properly trained their employees. The item was approved without objection.

Item 3, BGU087-05 was held by Senator Harris and Representative Calvert. Senator Harris questioned why the university paid over the appraised market value for the property. Bob Waddle, Assistant Vice President, Bowling Green State University said this particular property is more valuable than some of the others due to its condition. In the past six years the owner has added things like a new concrete driveway, new vinyl siding, a new garage, and new vinyl windows. Representative Calvert said the university is removing rental property from local tax rolls and asked whether this is being a good neighbor in the community. Mr. Waddle said the university has had some discussions with the county treasurer about it and the city certainly supports what they are doing. The university feels that they have tried to be good neighbors. The item was approved with Senator Harris, Representative Calvert and Senator Carey objecting.

Item 59, EXP061-05 was held by Senator Harris and Senator Roberts. Senator Harris questioned the 41.5% increase of the Ohio State Fair Entertainment Budget for the 2005 Ohio State Fair. Doug Smalley, Finance Director, Ohio Expositions Commission said the increase is on the possibility of attracting a couple of larger name acts to the state fair. He indicated that paid shows produced more

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revenue and will more than offset the costs of the entertainers. Senator Harris inquired about the increased revenue produced for 2004. Mr. Smalley said for example, Clay Aiken was one of the acts at the state fair this year and it cost the Expo Center \$100,000.00 of revenue for which they produced in excess of \$100,000.00 of revenue for that act alone. Senator Roberts asked what are the projected dollars the Expo Center expects to get from this 41.5% increase. Mr. Smalley said typically on a paid act, they try to get anywhere from 10 to 25 percent in excess of the expenses. Representative Patton asked whether the Expo Center was successful in decreasing the number of fair days from 17-days to 12-days. Mr. Smalley said yes. They had 12 days of almost perfect weather and daily attendance was up by approximately 10,000 people per day and this year the fair is projected to turn a profit of approximately \$200,000.00 or better. The item was approved without objection.

Item 9, UTO066-05 was held by Representative Calvert. Representative Calvert asked where the funding is coming from to finance the University's Research and Technology Corridor Initiative. Harry Wyatt, Associate Vice President for Facilities Management, University of Toledo said the Research Corridor is an economic development initiative for the region and the funding will be public/private partnerships. Representative Calvert asked whether the university anticipates coming to the state for funding (either Third Frontier or Department of Development funds) to operate this particular facility. Mr. Wyatt said no, they do not. The item was approved without objection.

Item 14, DAS512-05 was held by Senator Carey and Senator Roberts. Senator Carey asked why the work at the Supreme Court Building wasn't done when the major renovations were taking place. Rick Frank, Legislative Liaison, Department of Administrative Services said the roof was part of the entire overall package for the renovations of the Supreme Court Building. When they started the renovations the roof was functioning and not leaking so they looked to other interior and exterior renovations first. Now they are starting to see wear and tear on the roof and some leaking so they need to do the review to make sure they know what it will cost to repair the roof and to do some repairs before wintertime. Senator Roberts asked whether the department would have to come back to the Controlling Board for additional dollars to do whatever the assessment calls for. Mr. Frank said yes. The item was approved without objection.

Item 55, EDU369-05 was held by Representative Calvert. Representative Calvert expressed his concerns for returning precious education dollars to the federal government and asked if it is possible to get a listing of the school districts that turned back more than \$10,000.00 in either of the two line items, Class Size Reduction or Reading Excellence. Susan Tavakolian, Executive Director, Department of Education said yes, they would provide the information to all board members. The item was approved without objection.

Item 63, JFS108-05 was held by Representative Hoops. Representative Hoops asked if you would be able to read a copy of the perforators the same as an original. Christopher Carlson, Deputy Director, Department of Job and Family Services said yes, it is legible in the photocopies but not as legible as the original. The item was approved without objection.

Item 69, DNR221-05 was held by Senator Carey. Senator Carey asked if the department is confident that D&M Earthmoving will be able to do the work for the bid price. Chris George, Legislative Liaison, Department of Natural Resources said a follow-up contact was made with the contractor and he assured

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the department that he has done this kind of work before, understands the project and owns his own equipment which is different from the other bidders so he won't have to sub-contract out which accounts for the price differential in the bids. The department is very confident that they will be able to do the work satisfactorily for the bid price. The item was approved without objection.

Item 71, DNR496-05 was held by Senator Carey and Representative Hoops. Senator Carey asked what is fund 815, Cooperative Management Projects, used for and what is the balance in the fund. Chris George, Legislative Liaison, Department of Natural Resources said the fund is used as a holding account for the proceeds generated from revenue received off the Corp of Engineers property that they lease. Generally they get about \$80,000.00 per year into that fund from across the state from areas where the Divisions of Wildlife have a lease agreement on Corp of Engineers property. Currently the balance is just under \$239,000.00. Senator Carey asked if the department will still have to rent trucks even with the purchase of this one dump truck. Mr. George said it is the department's hope that they will not. This dump truck will primarily be used for Deer Creek but it will also be used at 26 other wildlife areas around central Ohio. Representative Hoops asked whether the department has looked at other departments like ODOT to transfer a dump truck to the department. Mr. George said they have not looked at long-term borrowing or anything along those lines. Representative Patton expressed his concern for the department not budgeting to purchase a dump truck. The item was approved without objection.

Item 78, RAC243-05 was held by Senator Carey. Senator Carey asked what the Racing Commission is doing to find veterinarians that can serve the Racing Commission. Tom Michael, Legal Representative, Racing Commission said this is an on-going problem and it is hard to fill positions for veterinarians because of the low pay and no state benefits. Also, the position of state veterinarian must specialize in the treatment of horses, having particular familiarity with the use and effects of various drugs, substances and paraphernalia, which can alter or enhance the performance of a racehorse. They also have to work weekends and holidays. Senator Roberts said an RFP is in order as opposed to just doing a survey because an RFP will tell you what you have available for the future. Representative Patton asked whether the main concern is with the pay of the veterinarians or the hours that they work. Mr. Michael said he did not know because it varies by veterinarian. The item was approved without objection.

Item 94, DOT114-05 and item 95, DOT253-05 were held as a group by Representative Calvert. Representative Calvert asked why more money should be spent on studying the rail passenger issue. James Seney, Executive Director, Ohio Rail Development Commission said the proposed study is needed to protect the right-of-way and to ensure the state is in a position to qualify for federal money that may become available for passenger rail development systems in the future. Representative Hoops inquired about the money being used for improvements, repairs, and current needs across the state. Mr. Seney said the Commission has two sources of funds. The federal source, which is \$15 million per year for safety gate crossing improvement projects and the other source of fund is general revenue funds. All of the GRF funds could go into the project but they try to maintain a million dollar Rail Infrastructure fund and approximately two to three million dollar revolving loan that is used for economic development purposes. The Railroad Infrastructure fund is one million dollars set aside to assist railroads that don't do enough business or have the capital to be able to do some major maintenance projects for safety reasons. After the budget cuts this fiscal year the available funds for that Rail Infrastructure fund was \$400,000.00. In September the Commission met with the Governor's Office,

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OBM and ODOT and worked out a plan that would charge back eligible Commission employees' payroll to federal funds and also institute a buy-out for senior employees within the Rail Commission. The plan was approved in October and is in the process of being implemented. That enabled the Commission to restore funds back to the Rail Infrastructure fund to take it back up to one million dollars. It also enables the Commission to have some money in the Economic Development Fund to supplement the revolving loan fund. Money that was left is the money that is assigned to this project. Representative Patton asked once we get the study, where will we go from there. Mr. Seney said we will be at a crossroad at that point and based on the result of the study we will either be moving directly to the Tier One position which requires some form of preliminary engineering and environmental work. If the results of these studies would be negative or insufficient then we would have to decide whether it is worth proceeding any further. Senator Roberts asked for clarification on whether there will be money in the Rail Infrastructure Fund that could be used for the study. Mr. Seney said yes, the Commission has restored the fund to one million dollars which it was before the budget cuts. President Dodge said that some members have some outstanding issues that they would like to see addressed and perhaps these items should be deferred to the January meeting. The items were deferred without objection.

President Dodge asked if there was a motion to waive the seven-day rule to add NEM049-05 and DRC594-05 to the agenda. Senator Carey moved and Representative Calvert seconded.

Item 110, NEM049-05. Sheri Stoll, Vice President for Administration and Finance, Northeastern Ohio Universities College of Medicine said this request is to fund the renovation of two large lecture halls at the college which are used by first and second year medical school students. The item was approved without objection.

Item 111, DRC594-05. Stuart Hudson, Chief of Construction, Department of Rehabilitation and Correction said asbestos was detected in the heating and ventilation system at the Corrections Training Academy and four buildings cannot be occupied until the abatement work is completed and the HVAC units are replaced or repaired. 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

12/06/04 Minutes approved by the Board:
