

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

MINUTES OF THE FEBRUARY 10, 2003 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 James Carnes, Representative James Hoops, Senator Robert Hagan and Representative Sylvester Patton.

Executive Secretary, Vanessa Niekamp, distributed the minutes of the January 27, 2003, meeting. A motion to approve the minutes was made by Senator Harris, seconded by Representative Calvert and approved by the Board members.

President Dodge announced the following items are deferred from the agenda at the request of the Senate and House Majority Caucuses: Item 7, OHU190; Item 11, ADJ049; Item 12, ADJ050; Item 28, EDU270; Item 31, EPA311; Item 35, JFS126; Item 40, DNR120; Item 43, DNR348; Item 55, DOT181; Item 56, DYS336 and Item 57, DYS337.

Senator Harris addressed the Board: "I want to make sure that everyone here realizes, on behalf of all the Legislators on this Board, that the request to hold these items just cited by the president; and in the future additional items that meet the same criteria, that's using GRF money, at our request, will be looked at very carefully, and will be held. You know and I know, as we all do, right now the very serious budgetary problems that we're having. We feel that it's essential to watch this very carefully. There's been a major improvement by the Controlling Board, with OBM, and LSC in reviewing issues that come before the Board. To insure that only those that need to come before the Controlling Board and are justified, appear before the Board. We've gone from over a hundred issues, sometimes being of the agenda, to now in the thirties or forties, fifties, and low sixties. I think that indicates the significant improvement that has been made. On the same token, on behalf of Representative Calvert, and certainly he may want to say more; we want to make sure that we share with you, this is not an attempt or an effort by the Controlling Board to monitor these areas, but it's by the Legislature and we will continue to do this."

Representative Calvert addressed the Board: "I want to echo what Senator Harris has said about this, with one slight change. I think he mentioned the fact that we will be looking at GRF funds; I think we will be looking at all funding sources as we go forward. We have a very serious budget problem in the State of Ohio, and we are asking agency heads to go back and take a look at how they are spending money. Maybe there are some other ways we can use those precious resources in another direction. Hopefully we all understand the situation we face."

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

Attached is the February 10, 2003, meeting agenda. A motion for blanket approval of all items not held for questions was made by Representative Calvert, seconded by Senator Harris and approved by all Board members.

The following items were discussed and acted upon as stated.

Item 1, AGO220 was held by Senator Hagan. Senator Hagan asked if the standard \$125.00 per hour rate would be sufficient. Matt Cox, Attorney General's Office, stated there has been indication from outside attorneys, this rate may not always be sufficient. However, the rate will remain unchanged at this time. Senator Hagan asked if the Office could be better prepared to present these, instead of coming in later and requesting additional dollars. Mr. Cox stated the ODJFS request is the result of a lawsuit. Senator Hagan asked for an explanation of the collection process. Mr. Cox stated an Agency has 45 days to certify a claim over to the Attorney General, then in-house counsel attempts to collect the funds. If the in-house counsel is unable to collect the funds, the claim is then released to an outside counsel. The outside counsel is paid 30% of the funds that are collected. If no funds are collected, then the counsel is not paid. Senator Hagan suggested the Office attempt to collect more funds by the in-house counsel and not use the outside counsel. Mr. Cox stated the Attorney General is looking into the cost effectiveness of this issue. The item was approved without objection.

Item 2, SOS033 was held by Senator Harris and Representative Patton. Senator Harris asked if the federal government has appropriated the money to the state for this reform. David Kennedy, Secretary of State, stated Ohio is currently calculated to receive \$150,000,000.00. Senator Harris asked what has been appropriated in state money to pay our share. Mr. Kennedy stated there is a 5% match. Representative Patton asked if existing equipment would be upgraded with this money or if new machines will be purchased. Mr. Kennedy stated new machines would be purchased. The item was approved without objection.

Item 7, OHU190 was deferred at the request of the Senate and House Majority Caucuses.

Item 9, WSU012 was held by Representative Calvert. Representative Calvert asked if the original contract was competitively bid. Bill Battelle, Wright State University, stated the contract was competitively bid. Representative Calvert asked if the other two Universities are providing funding. Mr. Battelle stated additional funding will be provided by the Universities. The item was approved without objection.

Item 10, BOR096 was held by Senator Hagan. Senator Hagan asked who made the mistake and how it happened. Marc Cloutier, Executive Director, stated he takes responsibility for the mistake. Dr. Cloutier explained a request with this vendor was previously brought before the Board. At that time Mr. Cloutier explained there would be two contracts that would not exceed \$82,000.00, however the

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

Board only approved the first contract. At this time the second contract still needs the Boards' approval. The item was approved without objection.

Item 11, ADJ050 was deferred at the request of the Senate and House Majority Caucuses.

Item 12, ADJ050 was deferred at the request of the Senate and House Majority Caucuses.

Item 14, ADJ052 was held by Representative Calvert. Representative Calvert asked how much money the other three organizations will be contributing to the project. Michael Snow, Administrative Officer, stated Cincinnati Hamilton County Library has pledged \$3,000,000.00, the Village of Woodlawn has pledged \$2,000,000.00 and Hamilton County is loaning the Village of Woodlawn the \$2,000,000.00. Representative Calvert asked for an explanation of the cost, because both appraisals are less than the requested price. Mr. Snow stated the price is based on the appraisal conducted by the Village, which was slightly more than the Departments appraisals. The item was approved without objection.

Item 17, CSR026 was held by Senator Carnes. Senator Carnes asked if the project was bid. Ron Keller, Executive Director, stated the vendor was chosen from the State Term Contract. The item was approved without objection.

Item 20, DEV was held by Representative Hoops. Representative Hoops asked how the amount of the request was developed. Tom Johnston, Chief Fiscal Officer, stated the maximum amount allowed for the loan is \$350,000.00. Representative Hoops asked what would happen if this request was not approved. Mr. Johnston stated the transaction would not happen and the assets would be moved to another state. The item was approved without objection.

Items 21, DEV373; 22, DEV374; 23, DEV375 and 24, DEV376 were held by Senator Carnes. Senator Carnes asked why the project was divided into four requests. Tom Johnston, Chief Fiscal Officer, stated the sites are not contiguous and therefore needed to be requested separately. Senator Carnes asked if the locals would contribute toward the project. Mr. Johnston answered yes. Senator Carnes asked what the balance of the fund would be after these requests. Mr. Johnston stated the balance of the Assessment Fund would be \$8,600,000.00. Senator Hagan asked who is responsible for the asbestos on the site. Mike McKim, Project Engineer, stated the site includes former steel factories, rail lines and a number of other industries. Senator Hagan asked what contributions the previous inhabitants of the site made toward the project. Mr. Johnston stated the rail lines have contributed the land for the project. The items were approved without objection.

Item 28, EDU270 was deferred at the request of the Senate and House Majority Caucuses.

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

Item 30, EPA310 was held by Senator Harris, Senator Hagan, and Representative Calvert. Senator Harris asked if the matching money has been spent. Don McNeal, Fiscal Administrator, answered yes. Senator Harris asked if the federal grant is being used to supplement existing payroll, or was the grant a planned receipt budgeted for payroll. Jennifer Klein, Legislative Liaison, stated the grant was included in the budget to pay for payroll costs. Ms. Klein further explained the employees paid out of this grant would be switched to other duties, if this grant for this project was not available. Senator Hagan asked if these funds are being used because there are no other funds available for payroll. Ms. Klein stated no, the grant funds are for this specific work. Representative Calvert had no additional questions. The item was approved without objection.

Item 31, EPA311 was deferred at the request of the Senate and House Majority Caucuses.

Item 33, DOH062 was held by Senator Hagan and Representative Patton. Senator Hagan asked why it has taken so long for this item to come to the Board. Sean Keller, Administrator, stated there are a number of entities involved to prepare a Bioterrorism plan and the Department has moved as quickly as possible. Senator Hagan asked if the Department could perform some of the work. Mr. Keller stated the state staff will carry out as much of the work as possible, however the expertise of the vendor is also needed. Representative Patton asked if the plan ties in to the Ohio Homeland Security Act. Mr. Keller stated he believes it is independent. Representative Patton asked who would pay for the MARCS equipment that will be needed at the hospitals. Mr. Keller stated the funding included in this request would pay for the equipment. The item was approved without objection.

Item 35, JFS126 was deferred at the request of the Senate and House Majority Caucuses.

Item 37, LOT014 was held by Representative Calvert. Representative Calvert asked if the advertising is working. Vicki Allen O'Malley, Legislative Liaison, stated the Commission believes the advertising is working. Ms. O'Malley provided the Board a copy of the most recent Media Review report. The item was approved without objection.

Item 39, DNR111 was deferred at the request of the Agency.

Item 40, DNR120 was deferred at the request of the Senate and House Majority Caucuses.

Item 42, DNR122 was approved as amended: Natural Resources requests Controlling Board approval to transfer and release \$67,000.00 from Access Development, and \$23,000.00 from Project Planning, to KH Butler Ohio River Access for the KH Butler Ohio River Access project, Gallia County.

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

Item 43, DNR348 was deferred at the request of the Senate and House Majority Caucuses.

Item 48, DRC381 was deferred at the request of the Agency.

Item 49, DRC384 was held by Representative Calvert. Representative Calvert asked what is included in the amount listed as "other." Harry Hagem, Deputy Director, stated the amount is for specialized training for parole officers. Representative Calvert asked why we are doing the training. Donna Lehner, Controlling Board Administrator, indicated the funds are to train parole officers on specialized issues to help the offenders obtain employment. The item was approved without objection.

Item 51, DOT151 was held by Senator Carnes. Senator Carnes asked why there are so many contract revisions to the project. Michele Holdgreve, Legislative Liaison, stated there are two projects included in this contract. Ms. Holdgreve stated this is the first amendment to the this contract. The item was approved without objection.

Item 52, DOT152 was held by Senator Carnes. Senator Carnes asked if there would be any additional modifications needed. Michele Holdgreve, Legislative Liaison, stated the Department is not aware of any additions to the contract. The item was approved without objection.

Item 53, DOT160 was held by Representative Hoops. Representative Hoops asked if the project engineer should have caught the error. Michele Holdgreve, Legislative Liaison, stated the error was in the plan. Ms. Holdgreve stated the contract was with the County and if any funds are re-cooped, the County will have to pursue them. Representative Hoops asked what responsibility the County has for approving the plans. Ms. Holdgreve stated she would look into the legal issues and provide an answer at a later date. The item was approved without objection.

Item 54, DOT161 was held by Representative Hoops and Senator Hagan. Representative Hoops asked if this should have been part of doing the project. Michele Holdgreve, Legislative Liaison, stated the contractor based the bid on an estimated amount of water that would be needed to perform the work. However, due to the excessive heat, additional water was needed. Representative Hoops asked why the state is responsible for the additional water. Ms. Holdgreve stated the estimated amount of water was included in the contract; if additional water was needed, the Department is responsible for it. Representative Hoops asked if the wells are capped after the construction is done. Ms. Holdgreve stated she assumes they are capped. Representative Hoops asked if the State is now responsible for the wells. Ms. Holdgreve stated she could not answer the question. Senator Hagan asked why the price per gallon also went up. Ms. Holdgreve stated the additional price includes the price for digging the well, pumping the water, and delivering the water to the site. Representative Patton asked who owns the water. Ms. Holdgreve stated the water was purchased from farmers in the area. The item was approved without objection.

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

Item 55, DOT181 was deferred at the request of the Senate and House Majority Caucuses.

Item 56, DYS336 was deferred at the request of the Senate and House Majority Caucuses.

Item 57, DYS337 was deferred at the request of the Senate and House Majority Caucuses.

With no further business before the board, the meeting was then adjourned at 3:50 p.m.

Respectfully submitted,

Vanessa Niekamp
Controlling Board Executive Secretary

02/10/03 Minutes approved by the Board:
