

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

MINUTES OF THE AUGUST 12, 2002 MEETING

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

Executive Secretary, Vanessa Niekamp, distributed the minutes of the July 29, 2002 meeting. A motion to approve the minutes was made by Representative Calvert, seconded by Senator Carnes and approved by the Board members.

Attached is the August 12, 2002 meeting agenda. A motion for blanket approval of all items not held for questions was made by Senator Harris and seconded by Representative Patton.

The following items were discussed and acted upon as stated.

Items 1, AGO021 and 2, AGO202 were held by Senator Roberts. Senator Roberts asked is there a trend where attorney fees are \$125.00 an hour. Andy Bowers, Director of Special Counsel, stated the in-state rate is generally \$125.00 an hour. Senator Roberts asked for the percentage of contracts that are billed at the higher rate of \$175.00 an hour. Mr. Bowers stated the majority of the contracts are at the \$125.00 an hour rate, and only in special circumstances will the higher rate be utilized. Senator Roberts asked if the office could provide him a report listing all the contracts that are above the \$125.00 an hour rate. Mr. Bowers stated they would provide him the report. Senator Roberts asked if the office has considered hiring an attorney in-house to perform these services. Mr. Bowers stated many of these cases wrap up very quickly and an in-house attorney would not be utilized on a full time basis. Senator Roberts asked for the total fees paid for the reapportionment case. Doug Lumpkin, Attorney General's Office, stated approximately \$300,000.00 to date. Representative Patton asked if the Attorney Generals' Office has someone that is assigned to work with the outside counsel. Mr. Bowers stated yes. The items were approved with Senator Roberts and Representative Patton objecting.

Item 3, CTC052 was held by Representative Calvert. Representative Calvert asked why the College is using the same engineer to correct this, and why are we paying him to correct his error. Jim Boyd, Administrator of Capital Projects, stated the building is unique and the problem only occurs when the temperature and the humidity both reach over 90°. Representative Calvert asked why the engineer could not predict the problem. Mr. Boyd stated neither the College nor the engineer has ever experienced a problem like this before. The item was approved with Representative Calvert objecting.

Item 7, MUN004 was held by Representative Calvert. Representative Calvert asked when the property was sold last. Robert Keller, University Architect, stated he does not have the information. Representative Calvert asked if the family that currently owns the property has had possession of it for an extended period of time. Mr. Keller stated yes. The item was approved without objection.

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Item 8, MUN005 was held by Senator Carnes and Representative Calvert. Senator Carnes asked why the contract has continued so long without exploring other vendors. Robert Keller, University Architect, stated there is a clerical error on the request. The contract was last advertised in December of 1993 and then awarded in December of 1994. Senator Carnes asked again why the contract has continued for such a long time. Mr. Keller stated the University continued with this vendor to maintain continuity for access on the campus and avoid the use of multiple security cards. Representative Calvert asked if there would be additional requests for this project. Mr. Keller stated there would be additional requests. Representative Calvert asked when the project would be complete. Mr. Keller stated they are half way through the process. Senator Harris asked if there are other vendors who could provide the access cards. Mr. Keller stated each vendor provides an access card that is unique to the security system, but there are other vendors who provide the same type of service. The item was deferred by request of the Board.

Item 9, OSU715 was held by Senator Roberts and Representative Patton. Senator Roberts asked what type of 27" T.V. costs \$750.00. Jean Fry, Office of Facility Planning and Development, stated the T.V. is a standard set and the lowest price that could be obtained in the area. Senator Roberts asked what type of laptop case costs \$262.00. Ms. Fry stated it is a hard shell case to protect the laptop from damage. Representative Patton suggested the University look into purchasing these items from the internet. Ms. Fry stated she would take the message back to the appropriate people. The item was approved without objection.

Item 11, OSU724 was held by Representative Patton. Representative Patton asked if the University is certain the vendor can perform the work for the bid price. Jean Fry, Office of Facility Planning and Development, stated the University has met with the vendor to review the plans and are confident the vendor can perform the work for the bid price. The item was approved without objection.

Item 18, DAS224 was held by Senator Harris, Senator Roberts and Representative Patton. Senator Harris asked why the department is moving forward with a design contract when there is no money allocated to the project. Tom Poulton, Deputy State Architect, stated there is \$5,500,000.00 appropriated to do something to Murray Hall and the decision was made to proceed with a design contract anticipating funds will be allocated to continue the project. Senator Harris asked how long the study would be valid. Mr. Poulton stated the study is completed and this contract is for the design of the facility. Representative Patton asked if the department should put this project on the shelf until the next capital bill has passed. Mr. Poulton stated the department felt it is best to move forward with the project. Senator Roberts asked if the OCSEA violations have anything to do with this project. William McHugh, Bureau Chief, stated yes the citations are a consideration. The item was approved with Representative Patton objecting.

Item 19, DAS225 was held by Senator Carnes. Senator Carnes asked why the department wants to perform the reviews. Bruce Curtis, Department of Administrative Services, stated the department believes having an outside source review the documents has been highly beneficial. Numerous problems have been avoided by making revision and clarifications before the construction begins. Mr. Curtis further explained the department has noticed significant savings by doing the outside reviews. The item was approved without objection.

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Item 28, ERB031 was held by Senator Harris. Senator Harris asked for the current availability of the funds. Jay Easterling, Fiscal Officer, stated the cash available as of August 8th was \$183, 019.00. Senator Harris asked what kind of reductions the Board received. Mr. Easterling stated 15%. Senator Harris asked if there is any other way to absorb these cuts. Mr. Easterling said without the additional appropriation, staff levels will have to be cut. Senator Harris asked how many employees would need to be cut, if this increase is not approved. Mr. Easterling stated 4 to 5 employees would be laid off. Senator Harris asked if the Board has cut any positions at this time. Mr. Easterling stated they have lost 3 positions. The item was approved without objection.

Item 34, DNR087 was held by Representative Calvert. Representative Calvert asked if the facility model is a computer program. Bill Moody, Deputy Director, stated the model would be a paper document that will analyze various aspects of the project. Representative Calvert asked if the project could be completed using revenue bonds instead of state funding. Mr. Moody stated the department is entertaining a study to determine the demand for the facility. The item was approved without objection.

Item 39, DRC331 was held by Representative Carey. Representative Carey asked what the cost of the project includes. Dave Calhoun, Chief of Construction, stated the cost includes: equipment rental, the hauling and disposal of debris, filling in the site and labor costs for the management of the site. Representative Carey asked if this project could wait until the capital budget is passed. Mr. Calhoun stated the building is unable to be repaired and needs to be demolished. Recently the roof of this building blew off during a storm and landed on the security fence, which came to the Controlling Board for emergency repairs. The item was approved without objection.

Item 40, DRC332 was held by Representative Carey and Senator Roberts. Representative Carey asked if there is any reason why this project can not wait until after the capital budget is approved. Michael Randle, Chief of the Ohio Prison Industry (OPI), stated the Pickaway Correctional Institution has additional space where the warehousing facility could be relocated and save OPI significant funds that are now used to lease a facility. Senator Roberts asked how many individuals are going through the meat processing program. Mr. Randle stated currently the department is researching the type of expertise needed to operate the meat-processing facility. Senator Roberts asked what savings would the department report due to this change. Mr. Randle stated an annual lease payment of \$500,000.00 and the savings of using the same equipment for both the meat processing plant and the warehouse. The item was approved without objection.

Item 43, SFC074 was held by Senator Roberts. Senator Roberts asked for more specifics on the request. Eric Bode, Chief Fiscal Officer, stated the request is to release funds for 4 school districts that have been approved by the Commission. Mr. Bode stated all 4 of the projects are near completion. Senator Roberts asked why the increase is required to complete the projects. Melanie Drerup, Senior Manning Director, stated additional security, run off in the drinking water, sub-flooring that failed, poor soil conditions, telephone installations, and an underground fuel tank. The item was approved without objection.

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Item 44, SFC075 was amended to read: *School Facilities Commission requests Controlling Board approval to release \$425,595,501.00 for 29 school districts participating in OSFC programs, and to approve the conditional approval of the Commission for 15 of those districts totaling \$5,978,842,714.00 with a state share of \$3,146,496,632.00.* Senator Roberts held the item. Senator Roberts asked how the Commission views the allegations printed in the press lately. Eric Bode, Chief Fiscal Officer, stated the Commission views the design manual as essential and most of the over runs result from unforeseen conditions. Senator Roberts asked if the manual identified specific products that should be used. Mr. Bode stated no, the manual only points out different types of systems and products that can be chosen, but none have vendor specific. The item was approved without objection.

Item 46, SFC077 was held by Senator Roberts. Senator Roberts asked what process is used in selecting the firms. Rowel Julia, School Facilities Commission, stated 50 to 60 proposals were received, reviewed and graded after an RFP process. The highest scoring firms were interviewed and 16 firms were chosen. The item was approved without objection.

Item 49, DOT093 was held by Senator Harris. Senator Harris asked why the incentive was not included when the contract was written. Michele Holdgreve, Legislative Liaison, stated the incentive should have been included when the contract was written, however the department would like to complete this section of the project at the same time the rest of the project is completed. The department believes the incentive will ensure the completion of the entire project at the same time. Senator Harris asked when would the project be complete. Ms. Holdgreve stated the expectation is August 15, 2003. Representative Calvert asked if the contractor would receive the incentive if the project were completed on time. Ms. Holdgreve stated no. Representative Calvert asked what happens if the project is late. Ms. Holdgreve stated the contractor would be fined \$20,000.00 a day until the project is complete. The item was approved without objection.

Item 53, DOT137 was held by Senator Carnes and Representative Carey. Senator Carnes asked how the department plans on implementing this project. Michele Holdgreve, Legislative Liaison, stated this is a preliminary step in the process that will provide the department projections for the implementation of the project. Representative Carey asked what type of quality control is involved on these types of studies. Ms. Holdgreve stated the department scopes each of the studies. The item was approved without objection.

Item 54, DEV 166 Loan was added to the agenda with a motion to waive the seven-day rule by Representative Calvert and seconded by Senator Harris. The item was approved without objection.

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
08/12/02 Minutes approved by the Board: