



STATE OF ARIZONA

# Joint Committee on Capital Review

STATE  
SENATE

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## MINUTES OF THE MEETING

### JOINT COMMITTEE ON CAPITAL REVIEW

April 1, 2015

The Chairman called the meeting to order at 8:29 a.m., Wednesday, April 1, 2015 in Senate Appropriations, Room 109. The following were present:

Members:	Senator Shooter, Chairman	Representative Olson, Vice-Chairman
	Senator Cajero Bedford	Representative Alston
	Senator Farley	Representative Gray
	Senator Hobbs	Representative Montenegro
	Senator Kavanagh	Representative Sherwood
	Senator Yarbrough	Representative Stevens
Absent:	Senator Griffin	Representative Meyer

#### APPROVAL OF MINUTES

Hearing no objections from the members of the Committee to the minutes of December 17, 2014, Chairman Don Shooter stated that the minutes would stand approved.

#### ADOPTION OF COMMITTEE RULES AND REGULATIONS

Mr. Richard Stavneak, JLBC Staff, stated that the Committee Rules and Regulations remain the same as last session.

*Senator Shooter moved that the Committee adopt the JCCR Committee Rules and Regulations. The motion carried.*

#### DEPARTMENT OF ECONOMIC SECURITY (DES)/DEPARTMENT OF CHILD SAFETY (DCS) - Review of Joint Occupancy Buildings.

Mr. Ben Beutler, JLBC Staff, stated DES/DCS is requesting review of its Joint Occupancy Buildings. The JLBC Staff presented options to the Committee.

Mr. Jim Hillyard, Deputy Director of Operations, DES, responded to member questions.

(Continued)

Representative Olson moved that the Committee give a favorable review of the plan for DES to retain ownership of the 7 joint occupancy buildings. The plan included a requirement that DES/DCS amend their intergovernmental facility services agreement to ensure DCS' continued right to use the joint occupancy buildings located at:

1. 4635 S. Central, Phoenix
2. 220 N. Leroux Street, Flagstaff
3. 319-321 E. 3<sup>rd</sup> Street, Winslow
4. 605 S. 7<sup>th</sup> Street, Globe
5. 1140 F Avenue, Douglas
6. 2981 E. Tacoma Street, Sierra Vista
7. 480 N. Grand Avenue, Nogales

The favorable review included the following provisions:

- A. DES guarantees DCS its current space in each building, as long as desired. The allocation of space between the departments may be changed by mutual agreement should one agency vacate space and the remaining agency desire the vacated space. If DCS desires to reduce space in one of the locations and DES does not need the additional space, DCS agrees to provide a 6-month notice prior to vacating the space to allow DES to formulate a backfill plan.
- B. If one of the 7 joint occupancy buildings is sold, the proceeds of the sale will be divided between DCS and DES in proportion to the then current proportional occupancy.

The motion carried.

#### **STATE DEPARTMENT OF CORRECTIONS (ADC) - Review of Revised FY 2014 Building Renewal Allocation and Revised FY 2015 Building Renewal Allocation Plans.**

Ms. Micaela Larkin, JLBC Staff, stated ADC is requesting review of expenditure plans for building renewal monies prior to expenditure. The Committee favorably reviewed the FY 2014 Building Renewal Plan on August 20, 2013 and the FY 2015 Building Renewal Plan on June 19, 2014, as well as the reallocation of contingency monies within the plans at the December 17, 2014 meeting. The JLBC Staff presented options to the Committee.

Mr. Mike Landry, Engineering and Facilities Administrator, ADC, responded to member questions.

Representative Olson moved that the Committee give a favorable review to revisions of the FY 2014 and FY 2015 Building Renewal Plans. For the FY 2014 plan, \$1,702,500 in savings from perimeter and lock upgrades will be re-allocated to other projects. For the FY 2015 building renewal plan, monies for the conversion from evaporative cooling to air conditioning at APSC - Eyman are to be used at ASPC - Tucson instead. The favorable review includes the following provision:

*ADC shall report any change in the spending plan to the JLBC Staff, including reallocations between projects and non-emergency use of contingency monies. If there is significant change of scope in the reallocation reported by ADC, the JLBC Staff shall recommend ADC request Committee review of the reallocation.*

The motion carried.

**ARIZONA EXPOSITION AND STATE FAIR BOARD - Review of FY 2015 Capital Improvement Expenditures.**

Mr. Steve Grunig, JLBC Staff, stated the Arizona Exposition and State Fair Board is requesting review of FY 2015 Capital Improvement Expenditures. In June 2014, the Committee gave a favorable review to the Arizona Exposition and State Fair Board's FY 2015 expenditure plan for 9 capital projects from the Arizona Exposition and State Fair Fund totaling \$731,000. One of these projects has been completed for \$100,000 less than the original estimate, leaving \$369,000 currently available from the agency's FY 2015 Capital Outlay Bill appropriation. The JLBC Staff presented options to the Committee.

Ms. Wanell Costello, Executive Director, Arizona Exposition and State Fair, responded to member questions.

*Representative Olson moved that the Committee give a favorable review to Arizona Exposition and State Fair's \$285,000 expenditure plan from the Arizona Exposition and State Fair Fund for 4 capital projects.*

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|---|-----------|
| 1. Home Arts Building Fire Alarm System | \$110,000 |
| 2. Coliseum Emergency Generator         | \$ 75,000 |
| 3. Coliseum Boiler                      | \$ 50,000 |
| 4. Home Arts Evaporative Coolers        | \$ 50,000 |

The motion carried.

**ARIZONA GAME AND FISH DEPARTMENT - Review of FY 2014 Building Renewal Allocation Plan.**

Ms. Krista MacGahan, JLBC Staff, stated that Arizona Game and Fish Department is requesting review of expenditure plans for FY 2014 building renewal monies. The JLBC Staff presented options to the Committee.

*Representative Olson moved that the Committee give a favorable review to Arizona Game and Fish Department's FY 2014 Building Renewal Allocation Plan for \$297,100 from the Game and Fish Fund as shown below. The FY 2014 Capital Outlay Bill (Laws 2013, 1<sup>st</sup> Special Session, Chapter 8) appropriated a total of \$547,600 from the Game and Fish Fund for building renewal. The bill specified the appropriation in FY 2014 is available through the end of FY 2015.*

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| 1. Tucson Regional Office Remodel                    | \$166,100        |
| 2. Tonto Creek Fish Hatchery Septic System           | 35,000           |
| 3. State Headquarters Major Maintenance Fund Deposit | 52,200           |
| 4. Preventative Maintenance                          | <u>43,800</u>    |
| <b>Total</b>   | <b>\$297,100</b> |

The motion carried.

**ARIZONA DEPARTMENT OF TRANSPORTATION (ADOT) - Review of De-Icer Buildings Project.**

Mr. Ben Beutler, JLBC Staff, presented ADOT's request for review of \$2.3 million for 5 de-icer buildings. The JLBC Staff presented options to the Committee.

*Representative Olson moved that the Committee give a favorable review to the expenditure of \$2,280,000 from the State Highway Fund by ADOT for the construction of 5 de-icer buildings to house chemicals used during winter months. The buildings are to be located at Camp Verde, Fredonia, Kayenta, St. Johns, and Three Way.*

*The favorable review includes the provision that ADOT shall report any project reallocations above \$100,000 to the Committee.*

The motion carried.

**ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Consider Recommending FY 2015 Partial Rent Exemptions.**

Ms. Rebecca Perrera, JLBC Staff, stated A.R.S. § 41-792.01D authorizes the Director of ADOA, on recommendation from the JCCR, to grant a full or partial exemption from the payment of state-owned rental fees if the agency has vacated its space or if the agency does not have the financial resources to make the payment.

Mr. Paul Shannon, Assistant Director, Budget and Resource Planning, ADOA, responded to member questions.

*Representative Olson moved that the Committee recommended a \$20,000 partial rent exemption for the Registrar of Contractors (ROC) to be replaced by a corresponding rent payment from the Governor's Office of Faith and Community Partnerships in FY 2015. The motion carried.*

*Representative Olson moved, for voting purposes, that the Committee recommended a partial rent exemption for \$66,900 for ADOA and \$13,200 for the Department of Public Safety (DPS) due to the demolition of 2 of their buildings. The motion carried.*

Without objection, the meeting adjourned at 9:30 a.m.

Respectfully submitted:

  
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Kristy Paddack, Secretary

  
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Jack Brown, Principal Fiscal Analyst

  
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Senator Don Shooter, Chairman