



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

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MINUTES OF THE MEETING

JOINT COMMITTEE ON CAPITAL REVIEW

April 27, 2017

Chairman Lesko called the meeting to order at 9:05 a.m., Wednesday, April 27, 2017 in Senate Appropriations Room 109. The following were present:

Members:	Senator Lesko, Chairman	Representative Shooter, Vice-Chairman
	Senator Allen	Representative Allen
	Senator Cajero-Bedford	Representative Alston
	Senator Farley	Representative Cardenas
	Senator Hobbs	Representative Carter
	Senator Kavanagh	Representative Leach
	Senator Yee	Representative Rios

Absent:

DEPARTMENT OF JUVENILE CORRECTIONS (DJC) - Review of FY 2017 Building Renewal Allocation Plan.

Mr. Chris Gustafson, JLBC Staff, stated that A.R.S. § 41-1252 requires the Committee to review expenditure plans for building renewal monies prior to expenditure. The FY 2017 Capital Outlay Bill (Laws 2016, Chapter 126) appropriated a total of \$1,100,000 for building renewal from the Criminal Justice Enhancement Fund. DJC is requesting a review of the remaining \$776,300 of the department's appropriation for building renewal projects in FY 2017 for Roof Repair, Floor Covering Systems, HVAC Replacement and Shower Door Replacement at the Adobe Mountain Juvenile Facility. At its September 2016 meeting, the Committee favorably reviewed \$350,000. The JLBC Staff presented options to the Committee.

Mr. Jeff Hood, Interim Director, DJC, responded to member questions.

Constituents, Julie Reed and Ann O'Brien, testified to their concerns regarding the Adobe Mountain Juvenile Facility.

(Continued)

Senator Kavanagh moved that the Committee give a favorable review for the remaining \$776,300 for building renewal projects. The favorable review included the following provisions:

- A. DJC shall not use any building renewal monies for projects located in Department of Corrections occupied buildings or in currently vacant buildings.
- B. If DJC adds a new project not listed in this request, the department must submit the proposed project and expenditure plan for Committee review.
- C. DJC shall report any project reallocations above \$50,000.
- D. If an emergency arises that is not addressed by the existing expenditure plan:
 - 1. DJC shall notify the Chairman and the JLBC Staff that they plan to spend less than \$50,000 on an emergency project. DJC can proceed without Committee review.
 - 2. The Chairman can allow DJC to move forward with an emergency project of greater than \$50,000 without Committee review.
 - 3. The Chairman will notify DJC if she does not agree that the project is an emergency and that the project will require full Committee review.

An "emergency" project is defined as unforeseen, critical in nature, and of immediate time sensitivity.

The motion carried.

ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) – Review of Funding Reallocation for 1740 West Adams Renovation.

Mr. Geoffrey Paulsen, JLBC Staff, stated A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. At the June 2016 and December 2016 JCCR meetings, the Committee favorably reviewed ADOA's building renewal project of \$4,200,000 to renovate the old Department of Health Services building at 1740 West Adams. Pursuant to a Committee provision, ADOA is requesting review of its plan to increase the project budget by another \$1,059,000 to reinforce the concrete floor slabs and structural columns inside the building. ADOA proposes using \$791,000 in cost savings from other FY 2017 Building Renewal projects and \$268,000 from its Contingency Allocation. The JLBC Staff presented options to the Committee.

Mr. John Hauptman, General Manager, Construction Services, ADOA, responded to member questions.

Senator Kavanagh moved that the Committee give a favorable review of the reallocation of \$791,000 in cost savings from other FY 2017 Building Renewal Projects and \$268,000 from the Contingency Allocation for a total \$1,059,000 to be used to reinforce the concrete slab and structural columns at the 1740 West Adams building with the provision that ADOA shall report to the Committee on how they plan to address agencies with early termination penalties. The motion carried.

Without objection, the meeting adjourned at 9:36 a.m.

Respectfully submitted:



Kristy Paddack, Secretary



Jack Brown, Assistant Director



Senator Debbie Lesko, Chairman