

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

DON SHOOTER
CHAIRMAN 2011
PAULA A. ABOUD
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HOUSE OF
REPRESENTATIVES

JOHN KAVANAGH
CHAIRMAN 2012
LELA ALSTON
CHAD CAMPBELL
STEVE COURT
NANCY McLAIN
JUSTIN OLSON
ANNA TOVAR

MINUTES OF THE MEETING

JOINT COMMITTEE ON CAPITAL REVIEW

June 26, 2012

The Chairman called the meeting to order at 9:48 a.m., Tuesday, June 26, 2012, in Senate Appropriations Room 109. The following were present:

Members:	Representative Kavanagh, Chairman	Senator Shooter, Vice-Chairman
	Representative Alston	Senator Biggs
	Representative Campbell	
	Representative Court	
	Representative McLain	
	Representative Olson	

Absent:	Representative Tovar	Senator Aboud
		Senator Klein
		Senator Murphy
		Senator Schapira

Excused:		Senator Crandall
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ARIZONA DEPARTMENT OF ADMINISTRATION - Review of Revised FY 2013 Building Renewal Allocation Plan.

Mr. Stefan Shepherd, JLBC Staff, presented the Arizona Department of Administration's (ADOA) request for review of its FY 2013 Building Renewal Allocation Plan.

The JLBC Staff presented options to the Committee.

Mr. Shepherd responded to member questions.

Ms. Jean Clarke, State Procurement Administrator, ADOA, responded to member questions. Ms. Clarke, in response to a request, will be sending members information regarding regions, adjustment factors, and listed contractors.

Senator Shooter moved that the Committee give a favorable review to safety-related projects as agreed to by the Chairman. The remaining items in the allocation plan will be considered subsequent to receipt of additional information that addresses the Job Order Contract process. The favorable review included the following provisions:

(Continued)

1. *ADOA notify the Chairman and JLBC Staff that they plan to spend less than \$50,000 on an emergency project. ADOA can proceed without Committee review.*
2. *If the emergency is \$50,000 or greater, ADOA will request JCCR review.*
3. *The Chairman can allow ADOA to move forward with an emergency project of greater than \$50,000 without Committee review.*
4. *The Chairman will notify ADOA if he does not agree that the project is an emergency and will request that ADC not proceed with the project.*

The motion carried.

ARIZONA DEPARTMENT OF CORRECTIONS - Review of FY 2013 Building Renewal Allocation Plan.

Mr. Stefan Shepherd, JLBC Staff, presented the Arizona Department of Corrections' (ADC) request for review of its FY 2013 Building Renewal Allocation Plan. They were appropriated \$4.6 million and would intend to spend most all of it on perimeter electronic security systems at 8 of their complexes.

The JLBC Staff presented options to the Committee.

Mr. Michael Kearns, Division Director, Administrative Services, ADC, responded to member questions.

Senator Shooter moved that the Committee give a favorable review to ADC's FY 2013 \$10,372,600 Building Renewal Allocation Plan with the provision that ADC report any change in the spending plan to the JLBC Staff, including reallocations between projects and allocations from the contingency plan. The favorable review also included the following provisions for the \$173,636 emergency contingency allocation:

1. *ADC notify the Chairman and JLBC Staff that they plan to spend less than \$50,000 on an emergency project. ADC can proceed without Committee review.*
2. *If the emergency is \$50,000 or greater, ADC will request JCCR review.*
3. *The Chairman can allow ADC to move forward with an emergency project of greater than \$50,000 without Committee review.*
4. *The Chairman will notify ADC if he does not agree that the project is an emergency and will request that ADC not proceed with the project.*

The motion carried.

ARIZONA STATE PARKS BOARD – Review of FY 2013 State Lake Improvement Fund Capital Expenditures.

Mr. Art Smith, JLBC Staff, presented the Arizona State Parks Board FY 2013 State Lake Improvement Fund (SLIF) capital projects plan totaling \$1,500,000. He noted that the Lake Havasu City Fire Department has recommended that the 4" water mains be replaced by 8" water mains at Lake Havasu State Park to improve water flow to the parks fire hydrants at a cost of \$623,300. Additionally, the Parks Board is requesting \$577,300 to provide to provide water and electricity to its 47 campsites. Both projects at Lake Havasu would also select contactors using the Job Order Contract process. Further, the Parks Board has allocated a total of \$299,400 in SLIF monies for emergency building renewal repairs and replacements.

(Continued)

The JLBC Staff presented options to the Committee.

Mr. Smith responded to member questions.

Mr. Kent Ennis, Deputy Director, Arizona State Parks, responded to member questions.

Senator Shooter moved that the Committee give a favorable review of the Arizona State Parks Board's FY 2013 State Lake Improvement Fund capital projects totaling \$1,500,000 with the provision that the projects are ultimately approved by the Parks Board. The favorable review also included the following provisions for the \$300,000 emergency contingency:

1. *The Parks Board notify the Chairman and JLBC Staff that they plan to spend less than \$50,000 on an emergency project. The Parks Board can proceed without Committee review.*
2. *If the emergency is \$50,000 or greater, the Parks Board will request JCCR review.*
3. *The Chairman can allow the Parks Board to move forward with an emergency project of greater than \$50,000 without Committee review.*
4. *The Chairman will notify the Parks Board if he does not agree that the project is an emergency and will request that the Parks Board not proceed with the project.*

The motion carried.

ARIZONA GEOLOGICAL SURVEY– Consider Recommending FY 2012 Rent Exemption.

Mr. Stefan Shepherd, JLBC Staff, presented the Arizona Geological Survey (AZGS) request that the Committee recommend to ADOA a rent exemption of \$13,300 for FY 2012. The former Arizona Department of Mines and Mineral Resources (ADM MR) occupied space at 1400 W. Washington Street. When ADM MR was merged into AZGS in July 2011, AZGS never occupied the space at 1400 W. Washington Street and instead consolidated ADM MR into their current space at 1520 W. Adams Street.

The JLBC Staff presented options to the Committee.

Mr. Shepherd responded to member questions.

Ms. Nola Barnes, General Manager, Building Planning and Services, ADOA, responded to member questions.

Mr. Lee Allison, Director, Arizona Geological Survey, responded to member questions.

Senator Shooter moved that the Committee recommend to the Arizona Department of Administration a rent exemption for FY 2012 for the Arizona Geological Survey in the amount of \$13,300. The motion carried.

APPROVAL OF MINUTES

Hearing no objections from the members of the Committee to the minutes of March 27, 2012, Chairman John Kavanagh stated the minutes would stand approved.

Without objection, the meeting adjourned at 11:00 a.m.

(Continued)

Respectfully submitted:

Alanna Carabott, Secretary

Leatta McLaughlin, Assistant Director

Representative John Kavanagh, Chairman

NOTE: A full audio recording of this meeting is available at the JLBC Staff Office, 1716 W. Adams.
A full video recording of this meeting is available at <http://www.azleg.gov/jlbc/meeting.htm>.