

STATE OF ARIZONA

## Joint Committee on Capital Review

STATE  
SENATE

RUSSELL K. PEARCE  
CHAIRMAN 2009  
PAULA ABOUD  
AMANDA AGUIRRE  
SYLVIA ALLEN  
CHUCK GRAY  
AL MELVIN

1716 WEST ADAMS  
PHOENIX, ARIZONA 85007

PHONE (602) 926-5491

FAX (602) 926-5416

<http://www.azleg.gov/jlbc.htm>

HOUSE OF  
REPRESENTATIVES

JOHN KAVANAGH  
CHAIRMAN 2010  
RICH CRANDALL  
DAVID LUJAN  
JOHN MCCOMISH  
NANCY McLAIN  
DAVID SCHAPIRA  
KYRSTEN SINEMA

### MINUTES OF THE MEETING JOINT COMMITTEE ON CAPITAL REVIEW

Tuesday, December 14, 2010

---

The Chairman called the meeting to order at 1:13 p.m., Tuesday, December 14, 2010 in Senate Appropriations Room 109. The following were present:

Members:	Representative Kavanagh, Chairman	Senator Allen
	Representative Lujan	Senator Gray
	Representative McComish	Senator Melvin
	Representative McLain	
	Representative Schapira	
Absent:	Representative Crandall	Senator Pearce, Vice Chairman
	Representative Sinema	Senator Aboud
		Senator Aguirre

#### APPROVAL OF MINUTES

Hearing no objections from the members of the Committee, Chairman John Kavanagh stated the minutes of August 10, 2010 would stand approved.

#### SCHOOL FACILITIES BOARD - Review of Laveen Elementary School District Enrollment Counts.

Mr. Jack Brown, JLBC Staff, stated that this item is a review of the Joint Committee on Capital Review (JCCR) request that the School Facilities Board's (SFB) provide enrollment counts before releasing funds for the construction of the Laveen Elementary School District (ESD) project. The JLBC Staff presented options to the Committee.

Mr. Jack Brown, JLBC Staff, responded to member questions.

*Senator Gray moved that the Committee give a favorable review of the Laveen Elementary School District project. The motion carried.*

(Continued)

**ARIZONA STATE UNIVERSITY - Review of Student Health Services Center and Other Bond Projects.**

Ms. Marge Zylla, JLBC Staff, presented Arizona State University's (ASU) request for a \$14.8 million bond issuance to fund new construction and building renewal projects. The \$23.5 million debt service for the issuance will be repaid over the next 20 years with tuition revenues and the Health and Wellness student fee. The JLBC Staff presented options to the Committee.

Mr. Matt Salmon, Principal, Upstream Consulting, representing ASU, responded to member questions.

Mr. Steve Miller, Deputy Vice President for Public Affairs, ASU, responded to member questions.

*Senator Gray moved that the Committee give a favorable review to ASU's Student Health Services Center and Other Bond Projects totaling \$14.8 million, with the following standard university financing provisions:*

Standard University Financing Provisions

- *A favorable review by the Committee does not constitute endorsement of General Fund appropriations to offset any revenues that may be required for debt service, or any operations and maintenance costs when the project is complete.*
- *ASU shall provide the final debt service schedule for the projects as soon as it is available.*

The motion carried.

**ARIZONA GAME AND FISH DEPARTMENT - Review of FY 2011 Building Renewal Allocation and Ben Avery Shooting Facility Projects.**

Mr. Ted Nelson, JLBC Staff, presented a request from Arizona Game and Fish Department (AGFD) to expend \$506,800 in appropriated funds for its FY 2011 Building Renewal Allocation Plan.

Mr. Nelson also presented the request for the Committee to review an \$800,000 expenditure for improvements to the Ben Avery Shooting Facility. The JLBC Staff presented options to the Committee.

Mr. Fred Bloom, Chief Engineer, AGFD, responded to member questions.

*Senator Gray moved that the Committee give a favorable review to Arizona Game and Fish Departments' FY 2011 Building Renewal and Ben Avery Shooting Facility Projects.* The motion carried.

**ARIZONA DEPARTMENT OF TRANSPORTATION - Review of FY 2011 Building Renewal Allocation Plan.**

Mr. Juan Beltran, JLBC Staff, presented the Arizona Department of Transportation's (ADOT) request for the Committee to review its FY 2011 Building Renewal Allocation Plan. An amount of \$1,000,000 in funding for this plan will come from the State Highway Fund and \$50,000 will come from the State Aviation Fund. The JLBC Staff recommended a favorable review.

*Senator Gray moved that the Committee give a favorable review of ADOT's FY 2011 Building Renewal Allocation Plan, including the provision that ADOT report any project reallocations above \$100,000.*

The motion carried.

**ARIZONA DEPARTMENT OF ADMINISTRATION - Consider Recommending FY 2011 - FY 2013 Exemptions from Annual Rent Payments.**

Mr. Steve Grunig, JLBC Staff, stated that this item is a request from the Arizona Department of Administration to change the annual rent payment schedule for the Office of Pest Management from yearly to semi-annual payments, and the Board of Respiratory Care Examiners from yearly to quarterly payments. The JLBC Staff recommended the proposed FY 2011, FY 2012, and FY 2013 exemptions from annual rent payments.

*Senator Gray moved that the Committee recommend the proposed FY 2011, FY 2012, and FY 2013 annual rent payments for the Office of Pest Management and Board of Respiratory Care Examiners be changed as outlined. The motion carried.*

**EXECUTIVE SESSION – Arizona Department of Corrections – Approval of Energy Management System.**

*Senator Gray moved that the Committee go into Executive Session. The motion carried.*

At 1:32 p.m. the Joint Committee on Capital Review went into Executive Session.

*Senator Gray moved that the Committee reconvene into open session. The motion carried.*

At 1:51 p.m. the Committee reconvened into open session.

*Senator Gray moved that the Committee approve the contract as presented. The motion carried.*

Without objection, the meeting adjourned at 1:51 p.m.

Respectfully submitted:

---

Mya Trivison, Secretary

---

Leatta McLaughlin, Principal Fiscal Analyst

---

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>.