

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

MINUTES OF THE JULY 26, 2004 MEETING

President, Lisa Dodge, called the Controlling Board meeting to order at 1:40 p.m. Serving on the Controlling Board were Senator John Carey, Representative Charles Calvert, Senator Jay Hottinger, Representative Jim Hoops, Senator Tom Roberts and Representative Shirley Smith.

The minutes of the July 12, 2004, meeting were distributed. A motion to approve the minutes was made by Representative Calvert, seconded by Senator Roberts and approved by the Board members.

Attached is the July 26, 2004, meeting agenda. President Dodge said Item 3, AGO507-05 has been deferred. Item 71, SFC210-05 has been revised to remove Smoot Construction from the contract.

A motion for blanket approval of all items not held for questions was made by Representative Calvert and seconded by Senator Carey and approved by all Board members.

The following Items were discussed and acted upon as stated.

Item 57, DNR465-05 was held by Senator Hottinger and Senator Roberts. Senator Hottinger asked why the wide difference between the purchase price and the two appraisals of the property on Middle Bass Island. Sam Speck, Director, Department of Natural Resources said three years has elapsed and the purchase of other acreage for a state park and marina has had an impact on land values around it. The previous appraisals presumed the land would be used as a residential area and were not assuming a state park in their appraisals. Senator Roberts asked whether the price they are paying is comparable to the appraised value of the other properties in the area. Director Speck said a direct comparison couldn't be made in the sense that they are looking at lots further up on the island where there is a significant appreciation of property values. Representative Calvert asked whether the department is buying to the high water mark or the low water mark. Director Speck said this is inside a marina and they are not buying any submerged land. The item was approved without objection.

Item 14, OSU993-05 was held by Representative Calvert and Senator Roberts. Representative Calvert asked whether there is any assurance that what is in this study would be implemented. Kathy Dillow, Business and Finance, Ohio State University said this project would develop a ten to twenty year master plan for the College of Food, Agriculture and Environmental Sciences facilities across the State of Ohio. Senator Roberts inquired about the master plan. Ms. Dillow said the university started out to replace the barns at the Don Scott Field site due to their rundown condition. While reviewing this project, the College and Campus Planner determined it would be wise to develop a long-range plan to determine the best uses of the College's locations all over the state and decided on the ten to twenty year master plan. The master plan is looking at all the facilities across the state and trying to develop a plan for upgrading all of the facilities. The item was approved without objection.

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Item 28, DEV841-05 was held by Senator Carey. Senator Carey inquired about the high cost per job ratio. Tom Johnston, Department of Development said the ratios are a little high but the department felt very strongly about this project primarily because of the involvement of Procter & Gamble, a major employer in Ohio. Procter & Gamble has an enormous commitment to developing its minority supplier chain. In a recent Columbus Dispatch article they indicated that they will deliver \$1.5 billion in annual minority business spending by July 2005. This company and this project will help them meet that goal. The item was approved without objection.

Item 34, EDU359-05 was held by Senator Hottinger. Senator Hottinger asked why the department is coming to the board now for FY04 Mandate Assistance funds. Susan Tavakolian, Department of Education said there was some confusion in the department. The person who manages this program had checked to see how much was in the line item and had the impression that the cash had already been transferred when in fact, the cash had not been transferred. It was late in June so the department decided to bring the request to the Controlling Board Meeting in July. Senator Hottinger asked if there is enough money to cover the transfer. Ms. Tavakolian said yes. The item was approved without objection.

Items 35, DOH135-05 and 36, DOH136-05 were held as a group by Senator Carey. Senator Carey questioned why only one RFP was received for each proposal. Sean Keller, Department of Health said although these are specialized trainings the department attempted to bid this to a wider audience. A notice was sent out to potential bidders indicating the web site where they could secure the information to bid. The list contained in excess of 85 potential vendors, which were all Ohio-based companies. They also sent specific memos out to potential bidders to see if they were interested. But as the vendors learned more about the specialized nature of the training they indicated that they had a lack of resources and infrastructure to carry out the project. The items were approved without objection.

Item 42, DMH440-05 was held by Representative Calvert. Representative Calvert questioned the high inflation rate for the property over the last nine years. Paul Morganski, Department of Mental Health said he could not speak directly to why the property escalated to that level. President Dodge asked whether there is anything on the site at this point. Mr. Morganski said it is a vacant site. The item was approved with Representative Calvert objecting. Department of Mental Health sent a follow-up letter to members, which explained that the parcel being purchased by the department is a "premium" parcel as compared to the entire 33-acre site.

Item 51, DMR405-05 was held by Representative Calvert and Senator Hottinger. Representative Calvert asked why the study is needed. Matt Whitehead, Department of Mental Retardation and Developmental Disabilities said the department has been doing waivers for some time. This is a self-determination waiver, which is person-centered funding and person-centered planning so that people with disabilities can live more independently as part of the Independence Plus Grant. The Center on Self-Determination will help the department identify strategies to make an appropriate waiver request to the Center for Medicaid and Medicare Services (CMS). This study would allow for choice and creativity in how waiver money is spent. It's going to further build upon our understanding and commitment to link person-centered plans and individual budgets, allowing

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people to live in settings that they choose. There are five other states in the nation that have an Independent Plus Waiver so Ohio would be on the cutting-edge of self-determination in the nation. It is the department's goal to have this waiver operational in 2005 so they are in the second of three years of planning. Representative Calvert asked if any of those states already receive waivers. Mr. Whitehead said yes, and that they are already operational. Representative Calvert asked whether instead of doing our own study we could learn from the states that are already operational. Mr. Whitehead said the funds that the department is using are federal funds. The person that the department is contracting with at the Center on Self-Determination assisted the other states in implementing their programs and was actually the person that helped the federal government write the Independence Plus Waiver. The department will use him and his expertise to help create the plan here in Ohio. Senator Hottinger said his questions have been answered. The item was approved with Representative Calvert objecting.

Item 60, DRC550-05 was held by Representative Calvert and Senator Roberts. Representative Calvert said he wanted to publicly thank the department for the efforts they have made on this request in terms of responding to the Boards concerns. Senator Roberts inquired about the purpose of bonding. Rick Hickman, Department of Administrative Services, said bonding typically deals with construction issues. The situation the department is experiencing at Belmont is not a construction issue. It is an issue the department believes is tied to design not to construction. In the area of performance bonds, projects are bonded so that if issue arises during construction they are able to, with the help of the bonding company, make sure that appropriate action is taken to correct the project as it relates to construction. This is not what the department experienced with Belmont so our alternative has been to deal with the consultants involved with their insurance companies and we have identified three insurance companies representing the three consultants who we believe to be responsible for the problem and we are in discussions with them. Once we understand the full extent of the cost to the state we will begin mediation and recover the cost that the state has incurred to correct the situation. Senator Roberts expressed his concern that as part of this negotiation that there will be some agreement that the rights of the consumer, the inmate in this case. The item was approved without objection.

Item 73, DOT170-05 was held by Representative Hoops. Representative Hoops asked whether there would be coordination with other departments in eliminating the trees. Todd Nielsen, Department of Transportation said no they would not be working with other agencies other than the U. S. Fish and Wildlife Service. Essentially they will take a look at the whole Indiana Bat problem as it relates to transportation projects in trying to find better ways to mitigate the issue. Representative Hoops asked whether this person would have to be involved with every construction project. Mr. Nielsen said that is correct. Representative Hoops asked if the new rule would actually stop projects because of new federal regulations. Mr. Nielsen said the Section 7 Programmatic consultation would look at these issues so they don't have to get to the point of stopping for a project. The item was approved without objection.

Item 74, DOT191 was held by Senator Carey. Senator Carey asked for an update on the Hubbard Arterial project, what the environmental concerns were that delayed it for 13 years, how the creation of TRAC in 1997 slowed it down and what the total federal and state dollars amount to that Ohio

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has invested in this project so far. Todd Neilsen, Department of Transportation said since the project is more locally based and it is more an economic development issue, they are giving ownership to the local Metropolitan Planning Organization, Eastgate, to enable them to administer the consultant agreements with the project. This additional money for further environmental planning is federal demonstration dollars, which can only be used for that particular purpose. The TRAC has allocated \$2.7 million for design of the project. In terms of the total amount that is being committed the original agreement for the project was a little over \$2.2 million and this modification of \$400,000.00 will make the total a little over \$2.6 million. Senator Carey asked what did the State of Ohio get for the \$2.2 million and what will they receive for the additional \$400,000.00. Mr. Neilsen said it is his understanding the initial \$2.2 million was for project development of the original conceived project. However, once they began to see that there were massive impacts to the local area that is when they decided to change the scope to an arterial project. This \$400,000.00 additional will go to the environmental review of this new downgraded scope. Senator Carey asked whether there are other projects where we've awarded engineering but there is no construction cost estimate for the agreement and there is no projected construction date. Mr. Neilsen said yes. The \$2.7 million for design is listed in the TRAC tier 2. These are projects that are funded up to a certain stage of development whether that be environmental review, design, or right-of-way and there are no construction dollars identified. The item was approved without objection.

President Dodge asked if there was a motion to waive the seven-day rule to add DAS475-05 and JFS090-05 to the agenda. Representative Calvert moved and Senator Carey seconded.

Items 76, DAS475-05. Nancy Isom, Department of Administrative Services said this request is to approve the renewal of the contract with EzGov, Inc. for hosting, technical support and application services for the State's central e-payment engine solution. The request is being presented as an add-on today because between the mid-June time-frame there were some issues with EzGov, Fifth Third Bank and the Treasurer's Office in terms of their compliance with the state's processing requirements and VISA's processing requirements. Since that time EzGov has been working with the department, the Treasurer's Office and Fifth Third Bank to resolve and rectify those issues. A copy of a letter was delivered to President Dodge prior to the meeting from Fifth Third Bank to the Treasurer's Office addressing three primary issues that were identified. Senator Roberts asked if the Board could have a copy of the letter from Fifth Third Bank. Ms. Isom said she would provide the Board members with a copy of the letter. The item was approved without objection.

Item 77, JFS090-05. Christopher Carlson, Department of Job and Family Services said this request is for a contract with Local Area 7 which is comprised of 47 counties across the state of Ohio. It is actually a contract with Montgomery County who has been designated as the fiscal agent for Area 7 and those 47 counties. The contract is for JFS to pay for its staff participating in the local One-Stops for their overhead, space, etc. The department had planned on this request being on the August agenda but the negotiations wrapped up much quicker than anyone had envisioned. Since all of our partners and everybody had worked so closely and quickly and since this is really just about paying for our staff who are there today and for us paying our fair share of the local One-Stop we felt it incumbent upon us to come to the Board as quickly as possible even if that meant doing it as an add-on. The item was approved without objection.

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With no further business before the board, the meeting was adjourned at 2:35 p.m.

Respectfully submitted,

Francene Johnson
Controlling Board Executive Secretary

07/26/04 Minutes approved by the Board:
