

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

MINUTES OF THE AUGUST 23, 2004 MEETING

President, Lisa Dodge, called the Controlling Board meeting to order at 1:35 p.m. Serving on the Controlling Board were Senator Bill Harris, Representative Charles Calvert, Senator John Carey, Representative Jim Hoops, Senator Tom Roberts and Representative Sylvester Patton.

The minutes of the July 26, 2004, meeting were distributed. A motion to approve the minutes was made by Senator Harris, seconded by Representative Calvert and approved by the Board members.

Attached is the August 23, 2004, meeting agenda. President Dodge said Items 20, OSU009-05, Item 45, DAS493-05, Item 60, DEV850-05, Item 84, DMH447-05 and Item 94, DNR474-05 have been deferred. Items 111, DOT219-05 and Item 112, DOT229-05 have been revised to correct the fund code to 042 and line item to 772-723.

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

The following Items were discussed and acted upon as stated.

Items 6, BGU082-05 and Item 7, BGU083-05 were held as a group by Senator Harris. Senator Harris asked why in both requests, the University was seeking to pay in excess of the appraised amount. And, in the case of BGU 082-05, the property sold in 1998 for \$14,000.00 and this request represents a 45% increase. Bob Waddle, Assistant Vice President, Capital Planning, Bowling Green State University responded that the appraisal figure reflects what is happening in the neighborhood in that the neighborhood is moving from single family to multi-family housing. Senator Harris asked how the property would be used in the future. Mr. Waddle responded that the University is looking to add more student housing. Senator Harris asked how the cost of student housing through the university compares to the cost of housing by private individuals. He said he was concerned with the taxes being lost as a result of university housing vs. private housing. Mr. Waddle responded that the costs are very close. Representative Calvert noted that the appraisal notes a neighboring property that sold in the last 18-20 months. He questioned whether the University tried to purchase that property. Mr. Waddle responded that the University had not tried to acquire the property because they were unaware it was for sale. The items were approved without objection.

Item 14, CCC071-05 was held by Senator Carey. Senator Carey questioned whether the department ever considered re-bidding this request for services given that there was only one contractor who bid for the electrical/plumbing work and only two contractors who submitted cost proposals for mechanical work. Ray Whitmore, Cuyahoga Community College responded that Cuyahoga Community College re-bid the General Trades portion of the work but is confident in the bids for electrical/plumbing and mechanical. The item was approved without objection.

Item 48, AGR095-05 was held by Senator Roberts and Representative Patton. Senator Roberts questioned the emergency nature of this request. Todd Dickson, Supervisor, Department of Agriculture

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responded that when the department's laboratory was consolidated, lab space became available which brought in the Racing Commission's Toxicology lab. Because the Department of Agriculture couldn't anticipate specific entities that would take up space in the department's lab, it was difficult for them to anticipate all the equipment needs. Senator Roberts asked which vendor held the current contract and whether the department was confident they were getting a competitive/fair price. Mr. Dickson responded that Royal Electric has the contract at this time and that because they are on site, the department is confident they are saving money and time. Representative Patton asked for the total contract amount given to Royal Electric. Mr. Dickson responded that he did not have a specific figure but that the department had come with four previous Controlling Board requests. He indicated he would get that information and provide it to the members. The item was approved without objection.

Item 49, AFC084-05 was held by Senator Roberts. Senator Roberts asked if the original contract was bid out. Dave Gruber, Chief Fiscal Officer, Arts and Sports Facilities Commission responded that the first time this contract was brought before the Board was two years ago because prior to that the contract amount did not exceed the \$50,000 threshold. Senator Roberts questioned how the Commission knew they were getting a competitive price? Mr. Gruber indicated that the commission looks at the rates the Attorney General's Office pays to Special Counsel. This contract amount represents a lower amount than what is paid by the Attorney General's Office. The item was approved without objection.

Item 68, DEV858-05 was held by Senator Carey. Senator Carey questioned whether the \$29,000 amount per job was excessive. Tom Johnston, Chief Fiscal Officer, Department of Development responded that the Development Financing Advisory Committee was impressed with the company and its strong business side. In addition, the department looked at (1) corporate guarantee; (2) personal guarantee and (3) first mortgage lien. The item was approved without objection.

Item 70, DEV863-05 was held by Senator Harris. Senator Harris questioned what assurances the department could provide to the Board that this request did not represent an attempt on the department's part to circumvent the Board's authority. Tom Johnston, Chief Fiscal Officer, Department of Development indicated that the initial contract was handled through an RFP and only after the selection was made did the department decide to go with a one-year trial to be sure they were satisfied with the vendor's level of experience and responsiveness to the development community. Senator Harris questioned why, with the original RFP, the lowest bidder was not awarded the contract. Mr. Johnston indicated that the lowest bidder did not score as high as Mack Environmental. The item was approved without objection.

Item 102, DRC565-05 was held by Representative Hoops. Representative Hoops asked why the lowest bidder was not selected. Kay Northrup, Deputy Director, Department of Rehabilitation and Correction responded that the lowest bidder was not fully responsive. Representative Hoops questioned why the department seems to be moving away from continuing to perform these services in-house. Ms. Northrup responded that the number of referrals and biopsies for Hepatitis C were up from a couple of hundred to in excess of 3,000. It is the department's hope that this will result in enhanced efficiency and cost savings. The item was approved without objection.

Item 112, DOT229-05 was held by Senator Roberts. Senator Roberts asked about the department's corrective plan. Todd Neilsen, Legislative Liaison, Department of Transportation responded that the

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department has now implemented a Property Survey letter that spells out what ODOT will take and what specific reimbursement will be due to the property owner. Senator Roberts asked if the department was in litigation. Mr. Neilsen responded that the issue has gone before the Director's Claims Board that is reviewing the circumstances and trying to reach a settlement. Representative Hoops asked if consideration had to be given to the Indiana bat before trees were cut down. Mr. Neilsen indicated the trees were cut down well before the federal government placed the Indiana bat on the endangered species list. The item was approved without objection.

President Dodge asked if there was a motion to waive the seven-day rule to add JFS092-05 and DRC571-05 to the agenda. Senator Harris moved and Representative Calvert seconded.

Item 115, JFS092-05. Christopher Carlson, Deputy Director, Department of Job and Family Services explained to the Board that this request seeks the transfer of \$46,000,000.00 from the TANF Block Grant to the Title XX Block Grant as allowed under federal law. It is an effort to enable counties to continue providing social services at the estimated level provided in SFY 2004. This request is intended to avert substantial and immediate reductions in essential social services provided through ODJFS. Representative Hoops asked if the department was pursuing anything with the feds that would provide counties with more local flexibility. Mr. Carlson responded that the department is actively engaging with the locals in an effort to come to an agreement about what FY 06/07 will look like. Senator Roberts asked why the department wasn't able to identify the problem earlier. Mr. Carlson indicated that there were accounting problems that have now been fully identified so as to avoid a similar situation down the road. Senator Roberts indicated he is hearing concern from the counties as to whether they will be held harmless. Mr. Carlson stated that the department feels that counties will be held harmless this year and that the county directors are coming to meet with the department on Tuesday (8/24) to discuss the impact. Senator Roberts asked if the department will be able to use existing dollars to fix the problem or if they will be returning to the Board for more. In addition, he questioned whether the department would allow the Auditor to come in and take a look at the program. Mr. Carlson stated that the department does not foresee requesting additional dollars from the Controlling Board and that Director Hayes has stated that the Auditor is welcome to come in to verify the funds. The department just wanted to move forward with this request to avoid any further delays. Senator Harris confirmed with the department that they have the funds for the future in their budget and they will not be returning to the Board or the General Assembly for additional GRF dollars. Further, Senator Harris confirmed that the department is not anticipating fines or penalties from the feds. The item was approved without objection.

Item 116, DRC571-05. Greg Trout, Legal Counsel, Department of Rehabilitation and Correction explained that this request would allow the department to contract with Dr. Puisis in addition to Dr. Shansky. However, he pointed out that the department does not anticipate spending any additional dollars. Senator Roberts asked the department to confirm that they would not be spending more money. Greg Trout explained that Dr. Shansky's contract amount was an "up to" amount and because he will not be participating in all of the site visits, he will not be paid the full amount. Representative Patton confirmed that the panel still includes a Nurse Practitioner as well as a Registered Nurse. The item was approved without objection.

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With no further business before the board, the meeting was adjourned at 2:52 p.m.

Respectfully submitted,

Francene Johnson
Controlling Board Executive Secretary

080/23/04 Minutes approved by the Board:
