

# **CONTROLLING BOARD**

**OHIO OFFICE OF BUDGET AND MANAGEMENT**

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## **MINUTES OF THE DECEMBER 15, 2003 MEETING**

President, Tom Johnson, called the Controlling Board meeting to order at 1:45 p.m. Serving on the Controlling Board were Senator Bill Harris, Representative Charles Calvert, Senator Scott Nein, Representative Jim Hoops, Senator Tom Roberts and Representative Sylvester Patton.

The minutes of the December 1, 2003, meeting were distributed. A motion to approve the minutes was made by Senator Harris, seconded by Representative Patton and approved by the Board members.

Attached is the December 15, 2003, meeting agenda. President Johnson said Item 4, CTC071-04 should read Cincinnati State Technical and Community College. The following items were deferred: No. 19, ADJ089-05. No. 83, DOT230-04, No. 84, DOT231-04 and No. 85, DOT241-04. Item 60, EDU314-04 was withdrawn. A motion for blanket approval of all items not held for questions was made by Representative Calvert, seconded by Senator Harris and approved by all Board members.

The following items were discussed and acted upon as stated.

Items 74, DNR425-04, Item 75, DNR426-04 and Item 76, DNR427-04 were held by Representative Calvert, Senator Harris and Representative Hoops. Representative Calvert asked whether the size of North Bass Island measured at the high or low watermark. Director Sam Speck, Department of Natural Resources said the purchase of the Island is based on the value of what is visible not what is submerged. Representative Calvert said they received correspondence saying that the wetlands is below the surface of the lake when it is at full pool, and that ODNR had testified land below the surface is considered owned by the state. Mr. Calvert questioned whether the department is buying something that they already own. Director Speck said purchase of the property was based on the value of what's visible, not what is submerged and he was not sure the high water mark would be a factor by the time pending legislation makes it through the General Assembly. Representative Calvert asked for clarification on whether some of the local elected officials are in favor of the state buying the island that is part of Ottawa County. Mr. Speck said he had talked with some of the local officials including the county commissioners who wanted to be certain that they were not going to lose substantial tax dollars. Representative Calvert asked if there would be any requests for money in either of the next two capital budgets for North Bass. Mr. Speck said at this point, no.

Senator Harris inquired about the type of marina and the capability of public usage the marina would provide. Director Speck said at Middle Bass, there is a significant marina there today but in the near future the department will remove the whole middle part of the marina to make it possible to nearly double the amount of boats that can get in there and develop amenities around it so that it will be a tremendous transient marina. Senator Harris asked what is the vision for the marina at North Bass. Director Speck said at North Bass there is a large dock, which is separate from the marina and is used for bringing barges in to unload equipment. The marina is a relatively small marina and the department does not plan to build a large marina. Senator Harris said it appears that there is no intention to commercialize the property that would be purchased and inquired about expanding the growing of the

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grapes once the purchase was made. Director Speck said that the matching federal funds come with strings and those strings are that you can't use it for commercial development.

Representative Hoops asked how much revenue would be received through the use of the island. Director Speck said they have not projected revenue yet. Representative Hoops asked if the revenues that will generate be used for the upkeep of the island. Director Speck said they have different funds and he can't say that everything that they earn will be spent there.

Representative Patton asked if the purchase of this island was on a radar screen six months ago. Director Speck said yes, in the current capital budget there was a provision for about \$6.8 million toward the purchase of North Bass Island and was passed by the legislature. Item 74 was approved with Representative Calvert objecting.

Item 75, DNR426-04 was held by Representative Calvert. Representative Calvert released the hold. The item was approved without objection.

Item 76, DNR427-04 was held by Representative Calvert. Representative Calvert released the hold. The item was approved without objection.

Item 1, AGO017-0405 was held by Senator Nein. Senator Nein asked what the \$400,000.00 would be used for. Chris Hansen, Attorney General's Office said the dollars that are freed up are GRF dollars and can be used under the guidelines of GRF for operations of the Attorney General's Office. The focus will primarily be used for law enforcement activities, the additional overtime of agents and other investigators that are involved in some of the activities that could not have been anticipated back in January. The item was approved without objection.

Item 20, DAS402-0405 was held by Senator Roberts. Senator Roberts asked why the savings isn't more than \$13,497.00. Marcey Earley-Jeter, Department of Administrative Services said in addition to the \$13,497.00 savings, the operating cost to run the state facility was omitted from that savings and that number equates to approximately \$81,000.00 per year. Additionally it would cost the department \$1.2 million to renovate the state owned building for the Ohio Department of Job and Family Services use. Senator Roberts asked if the cost for telephones is \$100,000.00 per office. Ms. Earley-Jeter said that is correct. Senator Roberts asked what the department is getting for the \$100,000.00. Rick Frank, Department of Job and Family Services said these are call centers and processing centers for Unemployment Compensation purposes, which include the lines and all the technological needs to be able to receive incoming calls for the call centers. The sites are the same, \$40,000.00 for installation and \$60,000.00 for the lines. The item was approved without objection.

Item 22, DAS413-0405 was held by Representative Patton. Representative Patton asked what does the department expect to get out of advertising in the Tiffin Tribune and why they did not go to any of the major cities in the State of Ohio to advertise. Jeff Westcover, Department of Administrative Services said the department advertised in the Tiffin Tribune because it is the newspaper of general circulation in the county where the work was performed. The department also advertised on their web site and in this case all of the vendors that the department typically sees were notified of this opportunity and they distributed 18 RFP's in response to the contractor request. The item was approved without objection.

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Item 37, DEV601-04 and Item 59, DEV625-04 were held as a group by Senator Harris. Senator Harris asked for an update on the \$2.5 million loan that was previously approved by the Controlling Board earlier this year. Tom Johnston, Department of Development said the circumstances involved a project that was approved by the Controlling Board that involved the Columbiana County Port Authority and the approval of a loan and a 412 Grant. After Controlling Board approval the company who would benefit from the ports involvement Summitville Tiles, Inc. became involved in some financial hardships, which required restructuring of their business plan. They had some facilities outside of Ohio that financially became a burden on their operations and had to be closed and that changed the complexion of the projects that were submitted to Controlling Board for approval through the Columbiana Port Authority. The department is here today to requests the Controlling Boards approval to change the intent of the 412 Grant, Item Number 59, changing the name of the grant recipient from the Columbiana County Port Authority to Summitville Tiles. The other request, Item 37 involves a request to approve a 166 Direct Loan to Summitville Tiles. The previous loan and the 412 Grant to the Port Authority were not used by the Port for the benefit of Summitville Tiles. The 412 Grant in the amount of \$320,000.00 remains encumbered and it is an open encumbrance in CAS, the department is asking for a change of the name on that encumbrance. The 166 Loan has been reduced from the amount that was approved by the Controlling Board for the Port Authority \$2.5 million to \$780,000.00, which is the amount of the request today because of downsizing of the project. The items were approved without objection.

Items 38 through 51, DEV603-04 through DEV616-04 were held by Senator Roberts. Senator Roberts asked what specifically would the money be used for. Tom Johnston, Department of Development said line item 422, Third Frontier Action Fund, does not require the projects to create or retain jobs. Some of the funding will go to fund seed funds which in turn will let others make decisions on exactly where those investments will be made and a couple of the projects are specifically geared towards furthering the commercialization of some technology that has been identified. It does a full range of things but two main things are investment in funds and the commercialization of a technology. Senator Roberts asked if the department has any type of accountability system in place for grant recipients. Mr. Johnston said yes, through the department's quarterly review and evaluation process they have asked for meetings with the principals of the entity that received the money to address concerns and asked them to make corrections to the direction in which they are going. Items 38 through 51 were approved without objection.

Item 78, PUC041-04 was held by Representative Patton. Representative Patton inquired about the \$100,000.00 application fee for Certificate of Environmental Compatibility and Public Need applications. Beth Trombold, PUCO said the \$100,000.00 application fee pays primarily for staff time to investigate and oversee the application process from different stand points involving environmental concerns, public hearings and staff time spent surveying the project site. Representative Patton asked why some are charged a \$50,000.00 fee. Ms. Trombold said the fee depends on the type of project. If the project is going to require fewer staff hours going in and they know that then they are not going to charge a full application fee. Senator Roberts asked if the agency is charging too much since they are giving almost half of the fee back in most occasions. Ms. Trombold said the members have indicated that the application fee is adequate at this time. The item was approved without objection.

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With no further business before the board, the meeting was adjourned at 3:05 p.m.

Respectfully submitted,

Francene Johnson  
Controlling Board Executive Secretary

*12/15/03 Minutes approved by the Board:*

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