

State Budget Committee
Meeting Minutes
Friday, August 28, 2009

Members:

Senator Luke Kenley, Chairman
Senator John Broden
Representative Jeffrey K. Espich
Representative Dennis T. Avery
Christopher A. Ruhl, State Budget Director

Alternate Members:

Senator Brandt Hershman
Senator Karen Tallian
Representative Randy Borrer

Senator Kenley called the meeting to order at 9:45 A.M. in room 123 of the Medical Education building. After introducing the Committee members, Senator Kenley requested that Director Ruhl explain the three amendments: one added a project for Indiana University, one added a project for Indiana University-Purdue University Indianapolis, and one modified the project list for the Department of Transportation's Buildings and Grounds project. After discussion, Senator Kenley requested that the amendments be taken with consent. The amendments were adopted with five ayes.

After each item on the Agenda was presented and discussed, Representative Espich made a motion to adopt the Agenda as amended. Senator Broden seconded. Agenda adopted with five ayes.

I. Agency Projects

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| 1. | <u>War Memorials Commission (315)</u>
Soldiers' and Sailors' Monument Repairs
Project No. A66-9-001 | \$415,021 |
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The glass framing that encloses the observation level of the Soldiers' and Sailors' Monument has been leaking for some time. During the course of discovery, major structural deterioration was uncovered in the supporting structure for the "Miss Victory" statue at the top of the Monument. The damage found threatens the structure of the statue and should be addressed immediately. The observation level is closed to the public and must remain closed until the repairs are made. Also, the attachment system for the Christmas lights on the outside of the Monument is deteriorating. There are no means of access to the outside of the observation level except by crane or scaffolding. There is a very narrow time frame available for larger projects at the Monument between the Brickyard 400 in late July and the lighting of the Christmas lights in November.

Funding: 2007 General Fund
Preventative Maintenance

2. Pendleton Correctional Facility (630) \$200,000
Powerhouse Repairs/Rehabilitation
Project No. B2-920

This project provides all design, labor, materials and equipment to install a reverse osmosis water filtration system on the feed water supply system for the powerhouse at the Pendleton Correctional Facility. The installation of this filtration unit will greatly reduce the harmful impact of contaminants on the boiler's internal components as well as the steam powered hot water generation equipment by removing them from the feed water supply system. Installing a reverse osmosis system will significantly lengthen the service life of these assets, while increasing their operational efficiency.

Funding: 2009 Postwar Construction Fund
Repair and Rehabilitation

3. Correctional Industrial Facility (635) \$1,212,000
Replace Fire Alarm System
Project No. D83-902

The facility wide fire alarm system at the Correctional Industrial Facility is 22 years old and is located throughout the 445,000 square foot facility. The current system experiences false alarms, phantom alarms, alarms not notifying the main control computer, and false alarms that the main computer cannot reset. The system currently has a faulty power supply which has overcharged batteries causing them to rupture. A majority of the replacement parts must be manufactured or taken from a spare system. This request will provide a stand alone system that will adequately protect the facility.

Funding: 2009 Postwar Construction Fund
Repair and Rehabilitation

4. Camp Summit Correctional Facility (661) \$470,000
Facility Energy Management
Project No. D12-901

The Camp Summit Facility is a juvenile boot camp located in LaPorte County. The building is 11,360 square feet, masonry construction, and was built in 1952 as a work center. This project will replace the existing boiler system which is currently 37 years old and on the verge of failure. Currently, the boiler does not supply enough heat to all areas of the facility and is experiencing valve failure due to the age of the components. In addition, this project will fund the replacement of the 56 year old windows at the facility. The current windows are of a poor design and are inefficient. Installing new windows will allow for the installation of security screens and will enhance the building's natural ventilation, thereby decreasing the energy consumption and reducing the security concerns that the current windows pose.

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Funding: 2009 Postwar Construction Fund
Repair and Rehabilitation

5. Plainfield Educational Re-Entry Facility (660) \$190,000
Reline Sewage Mains
Project No. B5-902

This project provides sewer service for the Indiana Law Enforcement Academy, the Plainfield Correctional Facility, and the Plainfield Educational Re-Entry Facility. After internal pipe inspections, it was discovered that infiltration of the waste water system by storm and ground water is occurring throughout the piping network. Infiltration of the piping network is causing an increase in water filtration, which increases filtration costs by an estimated \$250,000 per year. This project will install an impermeable liner throughout the clay tile sewer, eliminating the exterior water penetration.

Funding: 2009 Postwar Construction Fund
Repair and Rehabilitation

6. Department of Natural Resources (300) \$963,280
Salamonie Collection System and Water Tower Repairs
Project No. 300SP4039001000

The Division of State Parks and Reservoirs is requesting funds to replace a sanitary sewer at Salamonie Reservoir (\$224,980) and provide maintenance at various water towers. Funds are requested to reconstruct the 1966 collection system at Salamonie Reservoir, which has exceeded the useful lifecycle and is no longer capable of maintaining effluent flows. IDEM has issued a Notice of Violation and an Agreed Order with Finding of Fact. If DNR does not act, penalties will be assessed by IDEM. Funds are also requested to repair water towers at Roush Lake (\$252,540), Mississinewa Reservoir (\$212,980) and Lieber State Recreation Area (\$272,780). Inspections of welds, pitted areas, roof vents and primer and paint showed the towers to be out of compliance with IDEM standards.

Funding: 2009 General Fund
State Parks and Reservoirs-Repair and Rehabilitation

7. Department of Natural Resources (300) \$240,000
Falls of the Ohio Boat Ramp
Project No. 300SP4039005000

Visitors to the Falls of the Ohio Boat Ramp often experience unsafe launching conditions due to excessive and strong currents. This construction will reduce the safety hazard and improve the experience for those utilizing the boat ramp. The Falls of the Ohio Boat Ramp has been in the design and developmental stage for over two years. Initially a grant was received from the U.S. Fish and Wildlife Service to construct the Charlestown Boat Ramp. The Division of Fish & Wildlife is reallocating \$562,500 of federal reimbursement from the Charlestown project to partially fund this project. This request of \$240,000 will be the required state match to the federal funds.

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Funding: 2009 General Fund
State Parks and Reservoirs-Repair and Rehabilitation

8. Department of Natural Resources (300) \$275,000
Lincoln Financial Foundation Gallery Remodel
Project No. 300MU4149512000

Part of the Indiana coalition's proposal to acquire the Lincoln Financial Foundation Collection (LFFC) is the renaming of the former Futures Gallery and retrofitting the gallery so it could accommodate the LFFC collection. The design work has been completed, and these funds will support actual renovation. Total cost of construction is estimated to be \$355,846; however, DNR has identified internal funds to partially support this project. This request is for \$275,000. Once funded, the project will be sent for bid in October 2009 with an estimated public opening in mid-September 2010. This meets the expectations of the Lincoln Financial Foundation as a condition of their gift to the State of Indiana.

Funding: 2009 General Fund
Museums and Historic Sites-Repair and Rehabilitation

9. Department of Natural Resources (300) \$175,000
Ouabache State Park Design and Electrical Service
Project No. 300SP4039004

Ouabache State Park is one of 33 properties managed by the Division of State Parks and Reservoirs. This request will fund the burial of approximately 1/3 of the extensive overhead electrical system running through the entire park. A significant amount of overhead electric service runs through dense tree growth which has caused a small electrical fire. Removing trees and limbs from the area is deemed a temporary fix, where burial of the lines is more permanent.

Funding: 2009 General Fund
State Parks and Reservoirs-Repair and Rehabilitation

10. Department of Natural Resources (300) \$344,300
Preservation of Facilities
Project No. 300FW4029002000

The Division of Fish and Wildlife operates more than 30 fish and wildlife management areas, state fish hatcheries and other field facilities. Structures on these sites include offices, storage areas, piers, nesting islands, boat ramps, fish rearing ponds, residences, and other buildings. This request includes repairing the retaining wall at the South Bend fish ladder (\$100,000), and building maintenance on various sites (\$244,300).

Funding: 2009 General Fund
Fish and Wildlife-Repair and Rehabilitation

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11. Department of Natural Resources (300) \$291,500
Health and Safety
Project No. 300FW4029001000

The Division of Fish and Wildlife operates more than 30 fish and wildlife management areas, state fish hatcheries and other field facilities. These properties provide office space for staff, storage of equipment and supplies, public visitation areas and free access to hunting, fishing and trapping opportunities. Projects included in this request are removal of an old livestock facility at Goose Pond causing safety issues (\$200,000), HVAC work at various facilities (\$19,000), various maintenance at property residences (\$32,500), and pit toilet replacements at certain locations (\$40,000).

Funding: 2009 General Fund
Fish and Wildlife-Repair and Rehabilitation

12. Department of Natural Resources (300) \$230,000
General Rehabilitation
Project No. 300MU4149472000

The Division of Historic Sites operates twelve sites throughout the state that have historic value. This request will fund repair and rehabilitation work at three different sites. The projects include foundation work at Corydon Historic Site (\$140,000), roof work at the Levi Coffin home (\$50,000) and second floor stabilization at Limberlost State Historic Site (\$40,000).

Funding: 2009 General Fund
Museums and Historic Sites-Repair and Rehabilitation

13. School for the Blind (550) \$150,000
Central Electrical Distribution System Repair
Project No.

During a recent storm, water infiltrated the electrical distribution system on campus and damaged several key components of the system. The damage was caused when water infiltrated the underground utility area that houses the central electrical distribution system. The water leaked onto the electrical busbars causing them to fail, disrupting the power supply campus-wide. This request will replace the electrical busbars and install new electrical conduits to Aldur Hall. Aldur Hall is an education building and dormitory. The electrical distribution system has been equipped with a temporary solution until this project could be requested.

Funding: 1999 General Fund
Air Condition Wilson and Churchman

14. Department of Transportation (800) \$18,207,714
Buildings and Grounds

The Department of Transportation received a 2009 biennial capital appropriation in the amount of \$25,000,000. In fiscal year 2010, the Department of Transportation requests \$18,207,714 of their biennial capital appropriation to fund nine capital projects, and various maintenance

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projects across their 400 facilities. This request will fund construction of multiple salt storage and unit buildings, a Materials and Testing building, preventative maintenance, and repair and rehabilitation.

Buildings and Grounds Summary:

Construction of Chesterton Unit Salt Building	\$1,700,000
Construction of Michigan City Unit Salt Building	\$1,600,000
Construction of Sullivan Unit Salt Building	\$1,100,000
Design and Construction of Michigan City Unit Building	\$2,100,000
Design and Construction of Sullivan Unit Building	\$2,100,000
Construction of Alexandria Unit Salt Building	\$1,200,000
Design and Construction of Westfield Unit Building	\$2,100,000
Construction of Fort Wayne Materials and Testing Building	\$3,850,000
Construction of Westfield Unit Salt Building	\$1,100,000
Projects less than \$250,000	\$1,357,714

Funding: 2009 State Highway Fund
Buildings and Grounds

II. University Projects

1. Ball State University (780) \$2,000,000
Marilyn K. Glick Center for Glass
D-1-10-1-03

Ball State University requests approval to proceed with the Marilyn K. Glick Center for Glass project. The focal point of the project will be a studio area which will include a hot shop with three glass furnaces to allow students to create glass art of their own design. The building will also include an observation area allowing spectators to view the glass-making process, classroom space, work areas, and faculty offices. The project is expected to cost \$2,000,000 to be funded by Gift Funds. In addition to the funds identified for construction, the gift will also provide for the creation of a visiting artist program and community and children's outreach opportunities.

Funding: Gift Funds
CHE Review: August 14, 2009

2. Ivy Tech Community College (710) \$20,518,880
Goshen/Elkhart New Campus
Project No. F-0-10-1-01
Project No. F-0-06-1-09

At the July and December 2008 Budget Committee meetings, the Committee authorized Ivy Tech Community College to proceed with the financing and construction or purchase of a new campus building at Elkhart for \$16,518,880. The funding consisted of \$1,018,880 in Gift Funds and \$15,500,000 of \$16,000,000 HEA 1001-2007 Bonding Authority.

Ivy Tech requests that the HEA 1001(ss)-2009 Bonding Authority of \$4,000,000 be released to expand the project to now include a Community Center and road and infrastructure improvements.

The original project was to construct a new 70,000 square foot facility that will serve as a full-service campus to alleviate the current and projected space needs of the campus. The project will be financed using 2007 bonding authority and private donations. The General Assembly authorized \$16,000,000 in fee-replaced bonding authority for this project, \$15,500,000 of which has been released by the Budget Committee. ITCC has secured \$1,018,880 in community support for the project in the form of land.

Originally, it was thought that community donations and county funding would be able to provide the necessary funding to accommodate the need for the 10,000 square foot community center and the necessary road and infrastructure improvements. However, because of the severe economic condition of the community, these sources of planned funding are no longer available. The Community Center will be used for community workforce training efforts and hosting local community events. The road and infrastructure improvements are being requested by county officials in order to accommodate the increase in traffic that the project will generate in the area, as well as to upgrade the underground utilities necessary to serve the College.

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The project has a preliminary financing plan that does not include capitalized interest. Of the funding for the project, approximately 5% is derived from non-state sources. Ivy Tech Community College's ratio of debt service to operating and debt service appropriations is 14% for FY 10 and is 15.1% for FY 11.

This project is eligible for fee replacement. Recommendation and/or approval of this project and its financing by the Budget Committee do not constitute a commitment to plant expansion. The permanent financing package is subject to approval by the State Budget Director.

Funding:	HEA 1001(ss)-2009 Bonding	\$ 4,000,000
	HEA 1001-2007 Bonding	\$15,500,000
	Gifts	\$ 1,018,880
CHE Review:	August 14, 2009	

3. Ivy Tech Community College (710) \$20,000,000
Sellersburg Workforce Education and Technology Center
F-0-00-1-09

Ivy Tech Community College requests approval to proceed with a project to construct a new facility and renovate existing facilities in Sellersburg.

At the July 2008 meeting, the Budget Committee reviewed this ITCC project for \$16 million of the \$20 million 2007 bonding authority. ITCC planned to execute this project as a Build-To-Suit With Purchase Option. The savings intended by this methodology did not materialize and ITCC now intends to build the project using the traditional design, bid, build process. ITCC requests the approval to proceed with the additional \$4 million of 2007 bonding authority to complete the project. The cost of the project will now be \$20 million.

The planned project will construct the Workforce Education Center and also renovate the existing main campus buildings. The Workforce Education Center will contain all health programs, the general education and liberal arts programs, a wired Corporate and Community Center, an auditorium/lecture hall, and an exhibit space. This project also provides funding for limited renovation of the existing campus buildings which will create additional space for educational offerings out of vacated space, revamp the Enrollment Services area, and resurface the exterior of the buildings. The project will be funded using 2007 bonding authority.

The project has a preliminary financing plan that does not include capitalized interest. This project was not recommended by CHE to the General Assembly and Governor for authorization in the 2007 Budget. Of the funding for the project, 0% is derived from non-state sources. Ivy Tech Community College's ratio of debt service to operating and debt service appropriations is 14% for FY 10 and 15.1% for FY 11.

This project is eligible for fee replacement. Recommendation and/or approval of this project and its financing by the Budget Committee do not constitute a commitment to plant expansion. The permanent financing package is subject to approval by the State Budget Director.

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Funding: HEA 1001-2007 Bonding Authority
CHE Review: August 14, 2009

4. Indiana University – Bloomington (750) \$1,500,000
Billy Hayes Track – Reconstruction
A-1-09-2-36

Indiana University requests approval to proceed with the reconstruction of the existing outdoor running track and field-events areas at the Billy Hayes Track located on the Bloomington campus. The track is worn and delaminated in certain areas and the deteriorating track base adds to the poor condition of the track. This project is estimated to cost \$1,500,000 and is to be funded by the Indiana University Department of Athletics Gift Funds.

Funding: Gift Funds
CHE Review: August 14, 2009

5. Indiana University – Purdue University Indianapolis (750) \$18,500,000
Parking Garage – New Construction
A-2-09-1-40

Indiana University requests approval to proceed with the construction of a five-level parking structure on the IUPUI campus. The structure sits at the southwest corner of the two blocks bound by Blackford, Michigan, California, and Indiana streets, and will provide approximately 1,300 parking spaces when completed. The new garage will serve the Informatics and Communication Complex, Inlow Hall, the Engineering Science and Technology building, and University Library. The project is estimated to cost \$18,500,000 and will be funded by revenue bonds to be repaid by IUPUI parking operating funds. Indiana University also requests authorization to issue revenue bonds under IC 21-35-3, in which the principal amount shall not exceed the sum of \$18,500,000. These costs include the cost of construction, renovation, and equipment, as well as costs associated with the issuance of the bonds, capitalized costs, underwriters' or original issue discount costs. The permanent financing package is subject to approval by the State Budget Director.

Funding: Bonding Authority IC 21-35-3, repaid by IUPUI Parking Operations
CHE Review: August 14, 2009

Cost Summary

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1999 General Fund	\$150,000
2007 General Fund	\$415,021
2009 General Fund	\$2,519,080
2009 Postwar Construction Fund	\$2,072,000
2009 State Highway Fund	\$18,207,714
University Funds	\$23,018,880
HEA 1001-2007 Bonding Authority	\$35,500,000
HEA 1001-2009 Bonding Authority	\$4,000,000
Total	\$85,882,695

III. Review Items

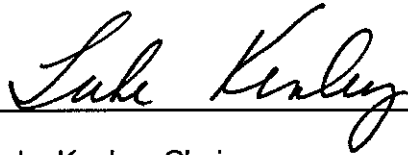
- 1. Indiana Department of Transportation – PMTF Funding Formula
2. Indiana Department of Transportation – ARRA
3. Department of Education – Buddy System
4. Department of Education – School Internet Connectivity
5. 21st Century Research and Technology Fund

IV. Discussion Item

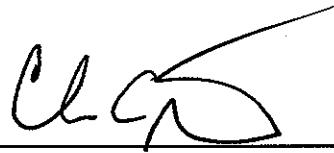
1. Discussion of State University Capital Projects

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Pursuant to the provisions of IC 4-12-1 and IC 10-14-3-28, the State Budget Committee recommends approval of these projects.

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Senator Luke Kenley, Chairman

A handwritten signature in cursive script, reading "Chris Ruhl", written over a horizontal line.

Christopher A. Ruhl, State Budget Director

A handwritten signature in cursive script, reading "M E Daniels, Jr.", written over a horizontal line.

Mitchell E. Daniels, Jr., Governor, State of Indiana

