

State Budget Committee
Meeting Minutes
September 23rd, 2016

Members:

Representative Tim Brown, Chairman
Senator Luke Kenley
Senator Karen Tallian
Representative Terry Goodin
Brian Bailey, State Budget Director

Alternate Members:

Representative Bob Cherry
Representative Sheila Klinker
Senator Stoops

Chairman Brown called the meeting to order at 9:00 AM in the Business Conference Center at the Ivy Tech Lawrenceburg Riverfront Campus. Chris Lowry of Ivy Tech welcomed the Budget Committee to Ivy Tech Lawrenceburg. Following introductory remarks, Representative Brown introduced the July Budget Committee minutes. Senator Tallian made a motion to adopt the July minutes, Senator Kenley seconded the motion. The minutes were adopted by consent of the committee.

Matt Kent with IDOA presented a project that would pay for design work associated with renovating the former American Legion Building located at 777 North Meridian in Indianapolis. Senator Kenley asked Mr. Kent how many veterans organizations have committed to moving into the building. Mr. Kent stated that the department thinks the building needs to be renovated before organizations will commit to locating there. Mr. Kent also presented a State House floor repair project. Chairman Brown stated that IDOA should look at the entire State House building and that it would be helpful to have a global picture of maintenance work needs for the State House.

Senator Tallian asked Tom Morrison of Indiana University how the lease payback arrangement works. Mr. Morrison explained that state statute permits universities to bond, but they can only seek a bond on projects that have been approved by the General Assembly. For projects that do not require state funding and for which universities are using their own funds, it is not timely for the universities to wait every two years for the General Assembly to include the project in the budget bill. Several years ago, with help from members of the Budget Committee, Indiana University developed the IU Building Corporation as a way to bond projects, while still having the State Budget Committee review financing. Senator Tallian asked how long it would take the University to pay back the Certificates of Participation. Mr. Morrison responded that the repayment period is 20 years, the same as a bond, and that at the end of the 20 year term, the Trustees of Indiana University would own the building. Senator Tallian asked who would be responsible for maintenance and renovations after 20 years. Mr. Morrison stated that this

project is an auxiliary of the university, and would not be eligible for state R&R funding, and would be entirely up to the university to pay for future maintenance work.

After the Review Items were discussed, Senator Kenley moved to adopt the July agenda, Representative Goodin seconded the motion. The motion to adopt the proposed agenda was taken by consent of the committee.

The September Budget Committee Agenda is as follows:

I. Agency Projects

1. Department of Correction (640) \$700,000
Replace Roof on Indiana Women's Prison Recreation Building

The Department of Correction requests approval to replace the existing roof membrane on the recreation building at Indiana Women's Prison. The structure was built in the 1960s and the current roof was installed in 1984. The roof structure and membrane is weather cracked, split, separated, and contains asbestos, which will be removed as part of this project. The main gym is 15,200 square feet and the attached lower sections total 6,300 square feet, at a cost of \$23.25 per square foot. The roof membrane will be replaced with a two-ply bitumen system that is standard at all IDOC facilities.

Funding: 2015 Postwar Construction
(Public Safety R&R 70505-2017)

2. Department of Correction (615) \$178,000
Replace Roof on Gary Parole Office

The Department of Correction requests approval to replace the existing roof membrane at the Gary Parole Office. The structure was built in the 1980s and the roof was scheduled for replacement in the 2019 master plan. Due to heavy rain fall since April 2016, the roof was unable to hold the water which caused leaks and permanent tears to the roof membrane. The office is approximately 10,000 square feet, at a cost of \$17.80 per square foot. The roof membrane will be replaced with a two-ply bitumen system that is standard at all IDOC facilities.

Funding: 2015 Postwar Construction
(Public Safety R&R 70505-2017)

3. Department of Correction (620 & 685) \$1,874,781.26
Radio Communication Infrastructure Upgrades

The Department of Correction requests approval to replace the radio hardware and infrastructure to allow for migration to the IPSC digital public safety communications network at Indiana State Prison and Rockville Correctional Facility. The current infrastructure and hardware has been in use for 15 years and requires an upgrade. This is a phased plan that began in 2014 with a target completion of FY19.

Funding: 2015 Postwar Construction
(Public Safety R&R 70505-2017)

4. Department of Correction (630) \$503,000
Replace Steam and Condensate Line at Pendleton Correctional Facility

The Department of Correction requests approval to replace the current steam and condensate lines at Pendleton Correctional Facility. The existing lines were installed in 1985 and span 750 feet. The pipes have eroded with several leaks and weak spots that now require replacement. The proposed new system has a 10-year warranty and a projected life service of 30 years.

Funding: 2015 Postwar Construction
(Public Safety R&R 70505-2017)

5. Indiana War Memorial Commission (315)/ Department of Administration (061) \$550,000
777 N. Meridian Street Building Design and Remediation Fees

The Department of Administration, on behalf of the Indiana War Memorial Commission, requests funding to begin the design work for the renovation of the American Legion Building, located at 777 N. Meridian Street. This building is situated on the northwestern corner of American Legion Mall and previously served as the Indiana headquarters for the American Legion; however, it currently is vacant. Originally built in the 1920s, the interior of the building is in need of a complete renovation of electrical, HVAC, and technological systems. The renovation will also include a reconfiguration of the current elevator and adding a second stairwell for proper egress. The current funding will also address any remediation issues that may be necessary to prepare the site for renovation and future use.

Funding: 2013 General Fund
(General Government R&R 19601-2013)

6. Department of Administration (061) \$166,087
State House Floor Repairs

The Department of Administration requests funding to continue addressing floor repairs on the first floor of the State House. The first floor of the State House has several areas where the flooring has risen up due to conditions underneath the first level of flooring. Moisture infiltration into the concrete and conduit lines underneath the flooring has caused several areas to swell and crack; thereby presenting a tripping hazard. This request will remove the flooring from those sections and address the concerns underneath. The work will be done during the legislative break to minimize disruption.

Funding: 2015 General Fund
(General Government R&R 19607-2017)

7. Department of Natural Resources (300) \$365,664
Brookville Lake and Whitewater Memorial State Parks Comfort Station Rehab

The Division of State Parks and Reservoirs requests funding to renovate three comfort stations at Whitewater Memorial State Park. The Brookville-Whitewater Complex is DNR's most visited location with approximately 1,680,495 visitors each year. This project consists of renovating three comfort stations in the Whitewater campground prior to the 2017 recreation season.

Funding: 2015 General Fund
(Conservation and Environment R&R 19619-2016)

8. Department of Natural Resources (300) \$551,166
Brookville Lake and Whitewater Memorial State Parks Nature Center

The Division of State Parks and Reservoirs requests funding to renovate and repair the old beach house at Whitewater Memorial State Park. Whitewater State Park is a living memorial to our veteran's and an economic driver for the region. This project consists of renovating and re-opening the beach house facility as a full-time nature center. The bathrooms and shower facilities in the beach house will also be renovated and repaired as part of this project.

Funding: 2015 General Fund
(Conservation and Environment R&R 19619-2016)

9. Department of Natural Resources (300) \$851,504.85
Lawn Mower Replacement

The Divisions of Forestry and State Parks and Reservoirs requests approval to begin replacing an aging fleet of 157 commercial mowers. The average age is 8.9 years, with the oldest units being purchased in 1984. These funds will be used to replace 49 mowers that have been in use for at least 8 years, with most units having in excess of 5,000 hours of use.

The Division of Forestry manages 13 State Forests and Recreation areas covering approximately 153,000 acres providing a variety of dispersed and highly developed recreation facilities and opportunities. The Division of State Parks has 32 gated properties across the State with 172,000 acres, offering a variety of features, activities, and safety structures that require mowing and maintenance.

Funding: 2015 General Fund
(Conservation and Environment R&R 19610-2017)

10. Department of Natural Resources (300) \$22,275
Repair of Clifty Falls Inn Roof

The Division of State Parks and Reservoirs requests funding to finish a roofing project at the Inn at Clifty Falls State Park in Jefferson County. Unexpected damage to the sheeting and insulation resulted in a cost overrun that brought the total project cost above the threshold for requiring Budget Committee approval. The original project was approved by the State Budget Agency Administrative Action in October 2015 for \$92,850. DNR is requesting an additional amount of \$22,275 to complete the project. The total cost for this project will be \$115,125.

Funding: 2015 General Fund
(Conservation and Environment R&R 19610-2017)

11. Department of Natural Resources (300) \$75,000
Fawn River Dam Decommission

The Department of Natural Resources is requesting additional federal funding to decommission the Fawn River Dam. The dam is located near Orland, Indiana, in the northwest corner of Steuben County. It was built around 1910 and is currently being used to serve the needs of the Fawn River State Fish Hatchery. Beginning in the spring of 2016 the fish hatchery will no longer rely on the dam for their operations. Recent inspections have shown the dam embankment to have deficiencies related to erosion, tree growth, and animal burrowing, making it at risk for failure. The decommissioning of this dam will entail a relatively new process for Indiana of naturalizing the area by restoring the natural river flow in a more cost effective manner. The original total for this project was \$410,000, with \$210,000 from the General Fund and \$200,000 from the Fish & Wildlife Service Cooperative Agreement Award. The Fish & Wildlife Service has awarded an additional \$75,000 for the Cooperative Agreement Award, bringing the total cost of this project to \$485,000.

Funding: Federal Fish & Wildlife Service Cooperative Agreement Award

12. Department of Transportation (800) \$1,600,000
Construction of the Materials & Testing Hot Mix Asphalt Center

The Department of Transportation requests approval to construct the new Materials & Testing Hot Mix Asphalt Center located in Indianapolis. The existing lab will be relocated to 6,000 square feet of garage space that will be renovated for the new testing center. The new testing center will improve employee safety regarding the handling of trichloroethylene (TCE) that is used in hot mix asphalt extractions to determine the quality of the product. Additional lab space and fume hoods will be included in this project. The newly constructed lab will increase operational efficiencies and facilitate better testing to ensure the quality of asphalt pavements throughout the state.

Funding: 2015 INDOT Building & Grounds
(Transportation 30515-2017)

13. Department of Transportation (800) \$1,600,000
Replace the roof of the Materials & Testing Building

The Department of Transportation requests approval to replace the roof of the Materials & Testing building located in Indianapolis. The Materials & Testing building was built in 1967 and is approximately 65,000 square feet. The current roof was installed in 1995 and consists of a 2" spray polyurethane foam system. There is significant moisture infiltration throughout most of this roof and extensive deterioration of the elastomeric coating. The roof will be replaced with an EPDM rubber roof which will cost \$26.66 per square foot.

Funding: 2015 INDOT Building & Grounds
(Transportation 30515-2017)

14. Department of Transportation (800) \$720,000
Materials & Testing Building Mechanical, Electrical and Plumbing Systems Engineering Fee

The Department of Transportation requests approval for the Materials & Testing building engineering fee. This building was built in 1967 and still has original utilities with exception to repairs over the years. There are mechanical, piping, electrical and dust collection and fume hood issues. The engineering review will be the first phase of the general mechanical renovation of the Materials & Testing building.

Funding: 2015 INDOT Building & Grounds
(Transportation 30515-2017)

15. Indiana State Police \$939,346
HVAC Upgrade for Fort Wayne and Lowell Posts

The Indiana State Police requests approval to proceed with the HVAC upgrade at the Ft. Wayne and Lowell locations. These facilities have original HVAC systems that were installed between 1977 and 1978. The Lowell Post is 18,700 square feet and the Fort Wayne Post is 15,575 square feet. The systems operate with obsolete pneumatic controls and use R-22 refrigerant which will no longer be produced or imported in the US after Jan 1, 2020. When the current units go offline, all climate control is lost within the facility. The new "zoned" systems will provide better technology and greater efficiency reducing costs to maintain and operate. The projects will be completed in three phases. Phase one will include studies of the facilities and their electrical/utility needs in order to assist with determining which HVAC system is needed. Phase two and three will be removal/disposal of old equipment and installation of new equipment.

Funding: 2015 State Police Building Fund
(Public Safety R&R 70323 - 2016/2017)

II. University Projects

1. Indiana University – Bloomington \$53,000,000
Memorial Stadium Excellence Academy and Related Stadium Renovations

Project No. A-1-16-1-04

The Trustees of Indiana University request approval to enter into a lease agreement between Indiana University and the Indiana University Building Corporation (IUBC). Under the terms of the agreement, IU will lease land to the IUBC, which will issue certificates of participation and use the proceeds to renovate Memorial Stadium and construct a new building addition with associated exterior concourse connections to the existing Memorial Stadium. The 99,424 GSF addition will provide services for student athletes and guests including IU's student athlete development program called the Excellence Academy and a new multipurpose event suite called the Hoosier Room. Renovations to the existing facility will refurbish the current Hoosier Room and sports medicine areas to include expanded and updated locker room and sports medicine facilities and increase ADA accessibility through seating platform, concessions, and restroom upgrades.

The IUBC will finance the construction and renovations with an estimated cost of \$53 million to be financed through certificates of participation to be retired through annual lease payments by IU to the IUBC. IU will reacquire the facilities at the end of the lease term. Funding for the lease payments will be exclusively from revenues generated by and gifts provided to the Athletic Department.

Funding: Certificates of Participation
 CHE Review: August 11, 2016

**Cost Summary
 September 23rd 2016**

2015 Federal Fish & Wildlife Service Grant	\$75,000
2013 General Fund	\$550,000
2015 General Fund	\$1,956,697
2015 INDOT Buildings and Grounds Fund	\$3,920,000
2015 Post War Construction Fund	\$3,255,781
2015 State Police Building Fund	\$939,346
Certificates of Participation (Debt to be repaid by annual lease payment)	\$53,000,000
Total	\$63,696,824

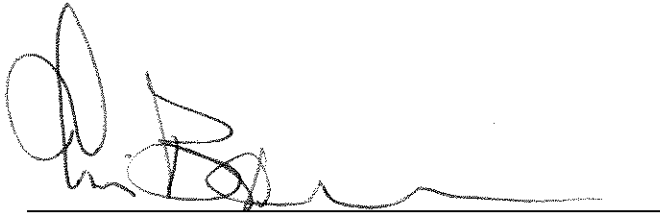
III. Review Items

1. IC 4-2-6-15 Advisory Recommendation – SOS
2. Medicaid State Plan Amendments - FSSA
3. Comprehensive Strategic Plan – Northwest Indiana RDA

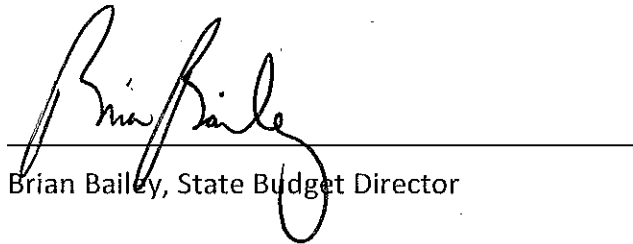
4. Marian University Primary Care Shortage Scholarship – CHE
5. Unemployment Insurance Fund Update – DWD
6. GigaPoP – IU
7. I-Light – IU
8. PMTF – INDOT
9. Airport Development – INDOT

IV. Reports Received (Sent)

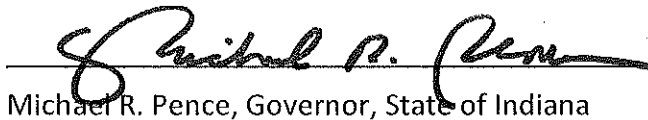
1. 21st Century Research & Technology Fund Semi-annual and Quarterly Report – IEDC (8/2/16)
2. Excellence in Performance Award – DOE (8/15/16)
3. IPSRMC Claims Summary-Basic and Catastrophic Fund Activity – DOI (8/23/16)
4. FY16 EDGE Report – IEDC (8/26/16)
5. 2nd Annual Report for the Regional Cities Initiative – IEDC (9/1/16)
6. 15th Annual Report for the 21st Century Research & Technology Fund – IEDC (9/1/16)
7. First Steps Report – FSSA (9/2/16)



Representative Tim Brown, Chairman



Brian Bailey, State Budget Director



Michael R. Pence, Governor, State of Indiana