

State Budget Committee
Meeting Minutes
May 29, 2013

Members:

Representative Tim Brown, Chairman
Representative Terry Goodin
Senator Luke Kenley
Senator Tim Skinner
Chris Atkins, State Budget Director

Alternate Members:

Representative Eric Turner
Representative Sheila Klinker
Senator Brandt Hershman

Representative Brown called the meeting to order at 11:00 AM in the Reading Room at the Indiana State Archives.

Following introductory remarks, Representative Brown introduced the April Budget Committee minutes. After committee discussion, Representative Brown made a motion to adopt the proposed minutes, Senator Kenley seconded. The motion to adopt the minutes was taken by consent. An amendment to the May agenda was also put forth by Representative Brown; this motion was seconded by Senator Kenley and taken on consent by the committee.

After each agenda item was presented and discussed Representative Brown motioned to adopt the proposed agenda, Senator Kenley seconded. The motion to adopt the proposed agenda was taken by consent. Representative Brown also made a motion to elect Senator Kenley as the Chairman of the Budget Committee; this was seconded by Representative Klinker and taken on consent by the committee.

I. Minutes

1. April 16, 2013

II. Agency Projects

1. Westville Correctional Facility (680) \$431,453
Administration Building Roof Replacement

The Department of Correction requests approval to replace the roof for the Administration building of Westville Correctional Facility. The current coal tar pitch roof is over 30 years old and has numerous leaks throughout the building. Insulation has deteriorated from moisture. The new roof system includes light weight insulated concrete and a two-ply Siplast SBS modified bitumen system. The new roof system will come with a 20 year warranty.

Funding: 2011 Post War Construction Fund

2. Westville Correctional Facility (680) \$611,585
ICI and Gym Roof Replacement

The Department of Correction requests approval to replace the roof for the ICI Multipurpose and Gym building at Westville Correctional Facility. The current coal tar pitch roof is over 36 years old and has numerous leaks throughout the building. The new roof system includes light weight insulated concrete and a two-ply Siplast SBS modified bitumen system. The new roof system will come with a 20 year warranty.

Funding: 2011 Post War Construction Fund

3. Department of Correction (620) \$1,254,200
PEN Products Building Roof Replacement

The Department of Correction requests approval to replace the roof and repair deck on the PEN Industries building at the Indiana State Prison. Due to the age of the roof being approximately 30 years, the current condition of the roof requires replacement. There are cracks, bubbles and openings throughout the roof area which has made this roof ineligible for restoration. The new roof system includes light weight insulated concrete and a two-ply Siplast SBS modified bitumen system. The new roof system will come with a 20 year warranty.

Funding: Post War Construction Fund "Previously Approved" \$1,216,150
2011 Post War Construction Fund \$38,050

4. Indiana War Memorials Commission (315) \$248,854
Roof Repair and Replacement

The Indiana War Memorial Commission requests approval to fund roof replacement and repairs on building A and B of the American Legion Mall. Building A is the location for the National Headquarters of the American Legion while Building B houses the State chapter of the American Legion. Water infiltration into the building structures has caused damage to the interior walls and bulkheads. This request will fund the replacement of the Building A roof, and the repair of the Building B roof.

Funding: 2011 General Fund

5. Department of Natural Resources (300) \$155,855
Group Camp Mattresses

The Division of State Parks and Reservoirs requests funding to replace 511 Group Camp and Rent-a-Cabin mattresses. A large portion of these mattresses have reached the end of their useful life cycle. This request would start all of the mattresses in Parks on a 10 year replacement cycle.

Funding: 2011 General Fund

6. Department of Natural Resources (300) \$217,800
Turkey Run Suspension Bridge

The Division of State Parks and Reservoirs requests funding to repair damage to the Turkey Run Suspension Bridge. The recent flooding in April caused Sugar Creek, which runs through Turkey Run State Park, to rise to within a foot of the suspension bridge and caused an uprooted tree to become lodged in the structure. This bridge is the main access point from the entrance to the park to the various hiking trails. The bridge is heavily damaged and unsafe for patrons to use. The bridge will need to have the stringer beams, suspension cables, and hangar rods replaced as well as repair damage in the concrete towers on either side of the river.

Funding: 2011 General Fund

7. Department of Natural Resources (300) \$450,000
Greene-Sullivan State Forest Comfort Station and Campground Upgrades

The Division of Forestry requests funding for upgrades to the Comfort Station and Campgrounds at Greene-Sullivan State Forest. Current facilities are aged and in need of significant upgrades. The project will upgrade the comfort station by replacing pit toilets with flush toilets and replacing showers; replacing the septic system for the restrooms, replacing leaking water spigots and drinking fountains in campgrounds, and providing electricity and security features to the campsites.

Funding: 2011 General Funding

8. Department of Natural Resources (300)

Spring Mill Lake Dredging \$767,000

The Division of State Parks and Reservoirs requests funds to begin phase one of dredging Spring Mill Lake at Spring Mill State Park. The size of open water areas has been significantly reduced over time due to ongoing sediment accumulation originating from suspended solids in the flow from the three tributaries. The lake has historically been utilized for recreational fishing and swimming, but neither is taking place due to low water levels. If nothing is done, the lake level will drop and the area will become wetlands which will restrict any recreational activity. The project will start the dredging of the lake and establish sediment control strategies to manage incoming sediment.

Funding:	2009 General Fund "Previously Approved"	\$405,000
	General Motors Settlement	\$362,000

9. Department of Natural Resources (300) \$1,683,300
Interlake State Recreation Area

The Division of Outdoor Recreation requests approval to begin construction on a gatehouse and office facility, as well as a maintenance building and entrance road at Interlake State Recreation Area (SRA). This request will provide funding to create a gatehouse to collect revenue and house staff that oversees the management of the property. The second building, a maintenance building, would be used for large and small projects, vehicle work, repair and equipment and vehicle storage. The project also includes construction of an entrance road that is in poor condition and needs to be repaired.

Funding:	2011 General Fund "Previously Approved"	\$95,000
	2009 and Prior General Fund "Previously Approved"	\$103,070
	Institutional Roads Dedicated Fund	\$231,000
	Federal Recreational Trails Program Grant	\$1,254,230

10. Department of Natural Resources (300) \$936,000
Unity Software Re-write

The Division of Water requests funding to re-write the Unity Software used in daily operations. Funding for this project will be used to cover Unity Code developer costs. The Unity Software is used primarily by the Division of Water, but other divisions and agencies, including IDEM, also use this system. Water permits, dam inspections, water use reporting, water well locations, floodplain management, violations tracking, control structures, conservancy districts, and more are all components of the Unity database system.

Funding: 2011 General Fund

11. Commission on Public Records (62) \$184,334
State Archives Electronic Shelving Upgrade

The Indiana Commission on Public Records is seeking funds to replace the electronic system boards used to move the shelving units at the State Archives. The current system was installed 12 years ago and the electronics are failing. About 20% of the shelving has failed, limiting access and these sections must now be moved with manual hand cranks. Electronic failures continue to occur and within 6 months we anticipate as much as half of the Archives to require manual hand-crank access. The project also includes a safety upgrade to the system.

Funding: 2011 General Fund

12. Law Enforcement Training Board (103) \$199,650
 Outdoor Firing Range Reclamation

The Law Enforcement Training Board requests approval to proceed with reclamation of the outdoor firing range at the Indiana Law Enforcement Academy. The earthen berm has not been reclaimed since the initial construction in 2000. Funding this project will remove all the lead, brass, copper, and other materials from the earthen berm in the outdoor firing range.

Funding: 2011 Law Enforcement Training Fund

III. University Projects

1. Indiana State University \$4,000,000
 Demolition of Statesman Towers
 Project No. C-1-13-2-02

The trustees of Indiana State University request authorization to demolish the two Statesman Towers. This 318,708 GSF/150,539 ASF demolition will more effectively utilize campus space and lower utility and maintenance costs. Constructed in 1967 for use as student housing, the Towers were later converted to classroom space for the Bayh College of Education and Scott College of Business, but both Colleges have been relocated to other recently renovated facilities. Estimated annual utility and maintenance savings is \$750,667.

The estimated \$4,000,000 cost of demolition, including design and environmental remediation, will be funded from the University's Housing and Dining Reserves and Facility Reserves. The current balance of the Housing and Dining Reserves is \$36,276,953. The current balance of Facility Reserves is \$7,531,764.

Funding: Housing and Dining Reserves \$2,000,000
 Facility Reserves \$2,000,000
 CHE Review: 3/14/2013

2. Indiana University – Bloomington \$1,750,000
 School of Public Health Roof Replacement
 Project No. A-1-13-2-29

The trustees of Indiana University request authorization to proceed with the roof replacement of the School of Public Health building on the Bloomington campus. This project consists of removing the existing roof down to the decking and replacing it with new insulation and a fully-adhered membrane roof complete with all necessary flashings. Total roofing area for the building is approximately 93,500 sq. ft.

The cost of this project is estimated to be \$1,750,000 and will be funded through Campus Repair and Rehabilitation Funds. The current balance of Campus Repair and Rehabilitation Funds is \$24,871,790.

Funding: Campus Repair and Rehabilitation Funds
CHE Review: 3/8/2013

3. Indiana University – Bloomington \$1,750,000
School of Optometry Mechanical Systems Replacement – Phase I
Project No. A-1-13-2-30

The trustees of Indiana University request authorization to proceed with the upgrade of a portion of the heating, ventilating, and air-conditioning (HVAC) system in the School of Optometry building on the Bloomington campus. This 94,228 GSF/47,661 ASF project consists of removing the existing constant volume reheat system and replacing it with an energy efficient variable volume system.

The cost of this project is estimated to be \$1,750,000 and will be funded through Campus Repair and Rehabilitation Funds. The current balance of Campus Repair and Rehabilitation Funds is \$24,871,790.

Funding: Residential Programs and Services Fund
CHE Review: 3/8/2013

4. Indiana University – Bloomington \$7,000,000
Read Hall Renovation – Phase I
Project No. A-1-13-2-05

The trustees of Indiana University request authorization to proceed with the renovation of the first floor and main lobby area of Read Hall on the Bloomington campus. This 38,321 GSF/24,909 ASF project will create space that supports students living in Read Hall by improving the building circulation pattern along with strategically locating areas for a Community Leadership Development Center (CLDC), a social gathering space, and classrooms. The project also includes a catering kitchen and test kitchen for the dining operations within Residential Programs and Services.

This project is estimated to cost \$7,000,000 and will be funded by Residential Programs and Services funds. The current balance of Residential Programs and Services funds is \$10,096,508.

Funding: Residential Programs and Services Funds
CHE Review: 2/14/2013

5. Purdue University \$3,266,185
Lease of Space at Wishard Hospital – Department of Pharmacy Practice
Project No. B-1-13-5-21

The trustees of Purdue University request approval of a 10-year lease with the Health and Hospital Corporation of Marion County (HHC) for 10,734 sq. ft. of space in the new Wishard Hospital building currently under construction in Indianapolis. This will be a replacement for current space used by the Department of Pharmacy Practice in the old Wishard Hospital. Purdue provides various types of professional advisory and other services to Wishard in connection with the Pharmacy, and has also provided clinical educational experience to Pharmacy Practice students at Wishard.

Under the provisions of the lease, HHC reimburses Purdue for a portion of the compensation of faculty and staff under a Collaborative Services Agreement. These funds from HHC are targeted for the lease payments. The estimated annual rent is based on the total project cost plus 7.25% (\$22.41/sq. ft.) and Purdue's share of the operating costs (\$7.15/sq. ft.). The operating cost will be adjusted annually to reflect actual cost. The base rent increases to \$24.15/sq. ft. in year six. Annual rent is \$317,297 (\$29.56/sq. ft.) in years one through five and \$335,940 (\$31.31/sq. ft.) in years six through ten.

Funding: Departmental Funds – A Collaborative Services Agreement with HHC
CHE Review: 3/14/2013

6. Purdue University \$2,133,900
Ross Enterprise Center – Purdue Research Park Lease Renewal
Project No. B-1-13-5-20

The trustees of Purdue University request approval to renew a lease with the Purdue Research Foundation for 30,000 sq. ft. of space in the Ross Enterprise Center in the Purdue Research Park. The space is being used by staff of the Office of Information Technology for their efforts to develop and implement the system-wide modernization and integration of Purdue's administrative data systems.

The term of the lease is five years with two extension periods of five years each. Annual rent is \$416,700 (\$13.89/sq. ft.) in year one, \$425,100 (\$14.17/sq. ft.) in years two and three, and \$433,500 (\$14.45/sq. ft.) in years four and five. This project will be funded by University General Funds, and the cost of the lease is built into the operating budget for ITaP (Information Technology at Purdue)

Funding: University General Funds
CHE Review: 2/14/2013

7. Ivy Tech Community College of Indiana
 Refunding Student Fee Series H and L Bonds
 Project N. F-0-13-6-07

The Trustees of Ivy Tech Community College request approval to proceed with the issuance of student fee bonds, or other interim financing, to refund up to a par amount of \$19,935,000 currently outstanding for student fee bonds comprising all or a portion of Series H and L. The refunding transaction will not extend the maturity dates of the bonds being refunded. Bonds will be selected for the refunding transaction in a manner consistent with guidelines contained in the Indiana Finance Authority refunding policy and only if such bonds produce a positive net present value savings. At current market conditions, ITCC expects to realize approximately 9.0% savings for Series H valued at \$1.2 million over the remaining 4 years of the bonds and 15.2% savings for Series L valued at \$1 million over the remaining 11 years of the bonds. The permanent financing package is subject to approval by the State Budget Director.

Cost Summary

May 29, 2013	
2011 General Fund	\$2,192,843
2011 Law Enforcement Training Fund	\$199,650
2011 Post War Construction Fund	\$1,081,088
Federal Grant	\$1,254,230
General Fund "Previously Approved"	\$603,070
General Motors Settlement	\$362,000
Institutional Roads Dedicated Fund	\$231,000
Post War Construction Fund "Previously Approved"	\$1,216,150
University Funds	\$19,900,085
Total	\$27,040,116

IV. Review Items

1. Choice Savings Distribution – Indiana Department of Education

2. Remediation Distribution – Indiana Department of Education
3. 21st Century Research and Technology Grants – Indiana Economic Development Corporation

V. Election of Chairman

AMENDMENT TO AGENDA

Purdue University – West Lafayette \$1,212,011
Stewart Center Electrical Secondary Renovation
Project No. B-1-13-2-23

The trustees of Purdue University request approval to replace a portion of the obsolete electrical equipment serving Stewart Center. The existing switchgear has been in service since 1955, and it is difficult to find replacement parts. The project will bring the electrical system up to code and provide a safer working environment and more reliable system.

This project is estimated to cost \$1,212,011 and is funded from Repair and Rehabilitation – University General Funds. The current balance of Repair and Rehabilitation – University General Funds, derived from designated student fees is \$3,339,709.

Funding: Repair and Rehabilitation – University General Funds (From Student Fees)
CHE Review: 4/9/2013

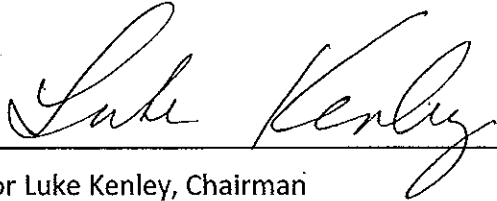
Purdue University – West Lafayette \$850,000
Hansen Hall Roof Sections A-F and 1-14 Repairs
Project No. B-1-13-2-22

The trustees of Purdue University request approval to replace sections A-F and 1-14 of the existing Hansen Hall roof. The roof is deteriorating, especially at several of the roof penetrations. This project is addressing deficiencies before further deterioration causes a major safety risk. Total roofing area for the building is approximately 24,800 sq. ft.

This project is estimated to cost \$850,000 (approximately \$34/sq. ft.) and is funded from Repair and Rehabilitation – University General Funds. The current balance of Repair and Rehabilitation – University General Funds, derived from state appropriations and student fees is \$18,893,615.

Funding: Repair and Rehabilitation – University General Funds (From State Appropriations & Student Fees)
CHE Review: 4/9/2013

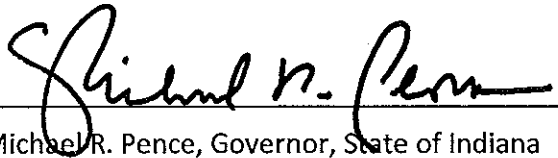
Pursuant to the provisions of IC 4-12-1, the State Budget Committee has reviewed the above items.



Senator Luke Kenley, Chairman



Christopher D. Atkins, State Budget Director



Michael R. Pence, Governor, State of Indiana