

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON LONG RANGE PLANNING

Call to Order: By Chairperson Connelly, on February 16, 1989, at 8:10 a.m.

ROLL CALL

Members Present: All

Members Excused: None

Members Absent: None

Staff Present: Claudia Montagne, Secretary; Carroll South, Staff Researcher, Legislative Fiscal Analyst's Office

Announcements/Discussion: Chairperson Connelly introduced the roof replacement/repair issue for the library at the University of Montana (EXHIBIT 1), and said that the committee would take it under consideration during executive action on the Capital Construction Program. Chairperson Connelly announced that the committee would not meet again until Tuesday, February 28, because of transmittal deadlines.

COAL SEVERANCE TAX LOANS

Tape 43:A:099

CARROLL SOUTH (43:A:099) introduced the Coal Severance Tax Loans portion of the Water Development Program. He stated that the applications were not prioritized by the department because there was no set amount of money limiting the number of loans which could be authorized. He also indicated that there were some changes in loan amounts in the bill: 1) Noxon Community Gravity Water Co., a loan for \$222,550; 2) Anaconda/Deer Lodge County, a loan for \$500,000. He also reminded the committee that neither Anaconda/Deer Lodge County nor Browning's loan applications had been recommended initially. Browning had come into the committee with an emergency loan application request.

REP. BARDANOUE asked which applications were in question, and which ones were carryovers from the last session. CARALEE CHENEY, Chief, Water Development Bureau, Dept. of Natural Resources and Conservation (DNRC) answered that the Big Arm and Somers projects were in question, and that the carryovers were Sun Prairie, Dutton, Evergreen, East Glacier, and Pondera, found on page 6 of the bill. REP. BARDANOUE asked MR. SOUTH if he had checked with the federal government regarding the requirement that the money be paid out only for the East Bench because of the charge. MS CHENEY answered that the person to talk to was Ken

Antonson at the Bureau of Reclamation. REP. BARDANOUVE requested Mr. South to visit with Mr. Antonson on this subject.

REP. THOFT asked if the committee had carried over any project more than once. MS CHENEY said yes, and that Pondera County's loan request was one of these.

REP. BARDANOUVE (43:A:215) asked if the department approved the Cascade County loan application. MS CHENEY said that they had come in originally for a grant, and for that reason had not recommended the loan. The grant request was withdrawn, and at that time, the larger loan application was submitted. The department had reviewed the application and technically it was acceptable. MR. SOUTH reminded the committee that Cascade County's Sun Prairie project also had a request to re-authorize a \$200,000 loan, and that would be added to this \$584,014.

SEN. MANNING (43:A:267) asked how much money they have been able to raise on their own. MS CHENEY said that the total project cost was \$1,200,000, and that they received an EPA grant for \$684,038. The \$200,000 re-authorization was for their water system, and this loan was for the sewer system, she said. REP. THOFT asked who could come in before the committee to address the financial prospectus of this project. MS CHENEY said that the department's bond counsel, Mae Nan Ellingson, had reviewed this closely and could come in. REP. THOFT (19:A:365) made a motion to have Mr. South contact the Bureau of Land Management (BLM) regarding the East Bench Project, and to ask Ms Ellingson to address the committee regarding the Sun Prairie project.

MOTION: SEN. MANNING (19:A:388) moved funding all of the loan applications with the exceptions of Cascade County until further checking with the bond counsel, and East Bench pending the consultation with the BLM.

DISCUSSION: REP. CONNELLY asked if this motion included authorizing the Anaconda/Deer Lodge and Browning applications. REP. BARDANOUVE asked if there were questions with Anaconda/Deer Lodge, and MS CHENEY said that the county was uncertain as to what they were going to do. Therefore, the department felt it was too early for a loan authority, and recommended no funding. REP. THOFT asked if it counted against the total bonding authority or indebtedness when a project was approved and the bond was not sold. MS CHENEY said that it did count against the total bonding authority, and MR. SOUTH added that Ms Ellingson could address that issue when she came.

MOTION: SEN. MANNING (43:A:478) made a substitute motion which moved funding all of the loan applications with the exception of Cascade County until further checking with the bond counsel, and East Bench pending the consultation with the BLM, and which excluded the Anaconda/Deer Lodge project until the bond counsel comes in.

DISCUSSION AND VOTE: MS CHENEY said that the rapid rate of growth of general obligation bonded indebtedness has been a concern to their bonding advisor, but since a few of the bonds have been paid off, this concern has been lessened. REP. BARDANOUE asked if the committee had ever authorized a loan for a plan prior to the project, and MS CHENEY said they had only when the loan would provide the match for some other grant monies.

The motion PASSED unanimously.

MOTION: REP. BARDANOUE (43:A:627) moved acceptance of the loan re-authorizations from the last bienniums, located on page 6 of the bill.

DISCUSSION AND VOTE: No discussion. The motion PASSED unanimously.

REP. BARDANOUE (43:B:000) gave a report on the amounts appropriated for the Water Development and Reclamation and Development Grants Programs by the Appropriations Subcommittee on Natural Resources. He stated that there was \$2,300,000 in the Reclamation and Development Grant Program (RIT), \$516,000 in the Water Development Grant Program, and \$1,169,000 in the Renewable Resource Development Grant Program.

LONG RANGE BUILDING PROGRAM EXECUTIVE ACTION

MR. SOUTH (43:B:023) referred the committee to the work sheet, or pages 4 through 11, Capital Construction Program Book (EXHIBIT 2) for executive action on the Capital Construction Program. He suggested that the program be divided into five parts for the purposes of executive action: 1) Cash Program; 2) Fish, Wildlife & Parks; 3) University System; 4) Dept. of Military Affairs; and 5) Miscellaneous. MR. SOUTH also handed out a sheet listing the accounting entities in numerical order with a description of how the monies were raised (EXHIBIT 3).

MOTIONS, DISCUSSION AND VOTES: REP. BARDANOUE (43:B:041) moved Priority #19, page 83 (Capital Construction Program), Remodel Grain Laboratory, Great Falls, and the motion PASSED unanimously. He stated that the monies were raised from fees charged to farmers for protein samples.

SEN. MANNING (43:B:056) moved Priority #36, page 119 (Capital Construction Program), Maintenance Projects, Statewide, Highway Dept. The funds are from highway fuel taxes. The motion PASSED unanimously.

REP. BARDANOUE (43:B:064) moved Priority #37, page 122 (Capital Construction Program), Maintenance Section Headquarters Complex, Bridger, funded by highway fuel taxes. The motion PASSED unanimously.

SEN. MCLANE (43:B:073) moved Priority #38, page 124 (Capital Construction Program), Sandhouses at Helena Headquarters, Lincoln and Cascade Section, using funds from highway fuel taxes. The motion PASSED unanimously.

SEN. MANNING (43:B:082) moved Priority #39, page 126 (Capital Construction Program), Land Acquisition, Kalispell, funded by highway fuel taxes. The motion PASSED, with REP. BARDANOUE dissenting.

SEN. MANNING (43:B:105) moved Priority #40, page 128 (Capital Construction Program), Headquarters Renovation, Glendive, funded by highway fuel taxes. REP. BARDANOUE asked if the A&E had looked these over, and MR. WHALEY replied that they rely on Dept. of Highways expertise. The motion PASSED unanimously.

SEN. MCLANE (43:B:111) moved Priority #41, page 130 (Capital Construction Program), Construct Equipment Storage Additions, Stanford, Shelby, Lewistown, Miles City, Wolf Point, and Alberton. The projects would be funded by highway fuel taxes. The motion PASSED unanimously.

REP. THOFT (43:B:117) moved Priority #42, page 133 (Capital Construction Program), Supervisor Housing Units, Montana State Prison Ranch, funded by income from the ranch itself. The motion PASSED unanimously.

SEN. MANNING (43:B:123) moved Priority #43, page 136 (Capital Construction Program), Tin Cup Joe Irrigation System, Montana State Prison Ranch, funded by ranch income. REP. THOFT asked about the acreage involved, and REP. BARDANOUE answered 720 acres. He said that it would be a gravity feed sprinkler system. SEN. HIMSL asked if there was enough water, and REP. BARDANOUE answered that there would be if they got all of the water rights. The motion PASSED unanimously.

SEN. HIMSL (43:B:168) moved Priority #44, page 139 (Capital Construction Program), Acquisition of the Arcade Building, Lower Level, Helena, funded by Worker's Compensation assessments. The motion PASSED unanimously. REP. BARDANOUE defended the project, saying that it was given to the state, and that these monies were for renovation of the building.

SEN. HIMSL (43:B:187) moved Priority #45, page 141 (Capital Construction Program), Power Supply Project, Workers' Compensation, Helena, funded by Worker's Compensation assessments. The motion PASSED unanimously.

SEN. MANNING (43:B:199) moved Priority #46, page 143 (Capital Construction Program), HVAC Replacement and Major Maintenance, Helena Job Service, funded by Federal labor funds. The motion PASSED unanimously.

REP. THOFT (43:B:204) moved Priorities #47-51, pages 145-154 (Capital Construction Program), Job Service Offices, repairs and renovations, funded by Federal labor funds. The motion PASSED unanimously.

SEN. MANNING (43:B:214) moved Priority #52, page 155 (Capital Construction Program), Interagency Fire Center and Hangar, Helena, funded by U.S. Forest Service funds. The motion PASSED unanimously.

REP. BARDANOUE (43:B:223) moved Priorities #53-55, pages 158-165 (Capital Construction Program), Nursery Shop, Freezer and Storage, Missoula, funded by sale of tree seedlings. The motion PASSED unanimously.

SEN. MANNING (43:B:235) moved Priority #57, page 169 (Capital Construction Program), Oil and Gas Division Addition, Billings, funded by taxes on oil products. The motion PASSED unanimously.

SEN. MANNING (43:B:262) moved Priority #58, page 171 (Capital Construction Program), Maintain Liquor Warehouse Roof, funded by liquor sales proceeds. REP. THOFT asked what would happen if we privatized the liquor business. SEN. MANNING replied that the bill under consideration privatized the stores, and not the warehouses. REP. BARDANOUE asked if the \$170,000 was insurance money. MR. WHALEY replied that the insurance money from the hail damage had not been enough to replace the entire roof. At that time a cap sheet had been installed. The roof had not been aluminized or protected from ultra violet light, and that needed to be done now. MR. WHALEY said they were actually putting a mineralized cap sheet on it, which would be good for the life of the room. He said it was a 2 acre roof, and repairs for the hail damage had been completed with the insurance money. The motion PASSED unanimously.

REP. BARDANOUE (43:B:313) asked the representatives of the A&E office about the status of the negotiations with Montana State University System (MSU) over their power system project. Mr. O'Connell reported that they had come to an agreement. Essentially, the compromise would require some shifting of funds since it represented \$481,000 more from the cash program. REP. BARDANOUE and REP. THOFT directed Mr. O'Connell back to the table. Mr. O'Connell said that they had gone through the project on an item by item basis, and that the percentage of participation in that project (academic versus auxiliary uses) had changed from a 55%/45% split to a 66%/33% split. A discussion followed on the process used during the last biennium to determine these percentages. MR. O'CONNELL said that he would be back with a full report on the shifting of funds to cover the \$481,000 increase when the University System capital program came up for executive action.

ADJOURNMENT

Adjournment At: 10:45 a.m.

M. E. Connelly

REP. CONNELLY, Chairperson

MEC/cm

4025.min

PROJECT SUMMARY

The present roof was installed in 1973 when the Library was constructed. The roof system consists of 4 plys of asphalt roofing over approximately 2" of rigid insulation. The roof has been well maintained over the years. A protective fibrated aluminum roof coating has been applied periodically as recommended. The optimum life expectancy of this type of roof is normally 15 to 20 years. However, most asphalt roofs in this climate are hard pressed to achieve this age.

During the last few years, the routine maintenance items like patching splits, repairing blisters, etc. were increasing in frequency due to the rapid deterioration of the asphalt roof membrane. When a asphalt roof reaches this advanced age the membrane is no longer able to withstand the stresses associated with the regular cycles of expansion and contraction and is susceptible to splitting. It was our recommendation to replace this roof during this biennium because of the uncertainty of its ability to endure three more years until it could be funded during the next legislative session.

We submitted a project for the replacement of this roof to State Long Range Building Program for legislative consideration as it was in need of replacement. The State Architecture and Engineering Division believed this project should not receive consideration in this session due to the State's limited construction budget and their judgement that it could be replaced at a later date. Since that time the roof received extensive damage during the recent severe winter storm. Insurance coverage will replace only a portion of the damage caused by the storm. However, the remaining portion of the roof is no longer able to properly protect the valuable contents of the building. The entire roof is in immediate need of replacement.

This would be the optimum time to replace this roof as the insurance settlement would pay for a portion of the necessary work to complete this project.

Since this is a repair and maintenance project, we will use our in-house staff for the design of the new roofing system and for the construction administration.

The cost of this project is based on the attached estimate. The proposed funding for this project is as follows:

Funds Remaining in a Previous Roofing Appropriation	\$ 25,000.00
*Insurance Settlement	\$ 80,000.00
Legislative Funding	<u>\$135,263.00</u>
TOTAL PROJECT:	\$240,263.00

COST ESTIMATE

February 8th, 1989

Replace Mansfield Library Roof
University of Montana
Missoula, Montana

Tear off existing roof membrane	\$ 11,888.00
Install new insulation (to achieve R-30)	\$ 95,100.00
Install new roof membrane (60 mil EPDM)	\$ 59,438.00
Install river washed rock ballast	\$ 23,775.00
Install wall and parapet flashing	\$ 18,720.00
Rework roof drains	<u>\$ 4,000.00</u>

TOTAL CONSTRUCTION COST: \$212,921.00

Project contingency @ 10%	\$ 21,292.00
Inspection Services	\$ 5,000.00
Printing	\$ 800.00
Legal and Administrative	<u>\$ 250.00</u>

TOTAL RELATED COSTS: \$ 27,342.00

TOTAL PROJECT COST: \$240,263.00

MONTANA

University of Montana
Tuesday/February 7, 1969

Missoula, Montana

KRAMM

Storm inflicts extensive damage on UM Repair bill may exceed \$10,000

By Phillip C. Johnson
Kramm Reporter

The storm which blew through Missoula last week caused extensive damage on the UM campus, including cracked roofs, uprooted trees, frozen water pipes and broken windows, UM's facilities director said Monday.

Hugh Jesse said high winds and low temperatures caused "major" damage to the north-west corner of the Mansfield Library roof either Tuesday night or Wednesday morning.

The roof sustained stress cracks and peeling but the full extent of the damage is unknown, he said. If the roof must be replaced it could cost nearly \$250,000.

Jesse said he is unsure how much of the damage will be covered by UM's insurance policy.

The cost of the heating plant garage also sustained damage, Jesse said, adding

See Damage, page 8



Photo by Seth Stuber

THE LIMBS of a blue spruce cover the ground in front of the Forestry School Monday. The tree fell last Tuesday night during the storm that closed UM for more than three days.

UM sizes damage of storm

By PATRICIA SULLIVAN
of the Missoulian

University of Montana officials are anxious for a thaw, and not just because they have spring fever.

Maintenance workers can't get on the roof of the Mansfield Library to check for weather-related damage until there's a break in the freeze, said campus services director Hugh Jesse.

The northwest corner of the library roof was damaged during high winds last week, Jesse said, but whether that damage was major or minor will have to wait until temperatures rise.

"If the damages are significant enough to warrant replacement, it could be \$240,000 to \$250,000," Jesse said. "We have to wait for a break in the weather.... We can do as much damage walking and looking as the wind did."

Like a careless reader who bends down a book's page corner to mark his place, the wind lifted insulation from the roof and folded it back. Jesse said custodians noticed the damage in time, otherwise "it would have peeled off." No interior damage was done, library personnel said Monday.

"They're looking into whether we have insurance to cover that," said Sylvia Weisenburger, acting vice president for administration and finance.

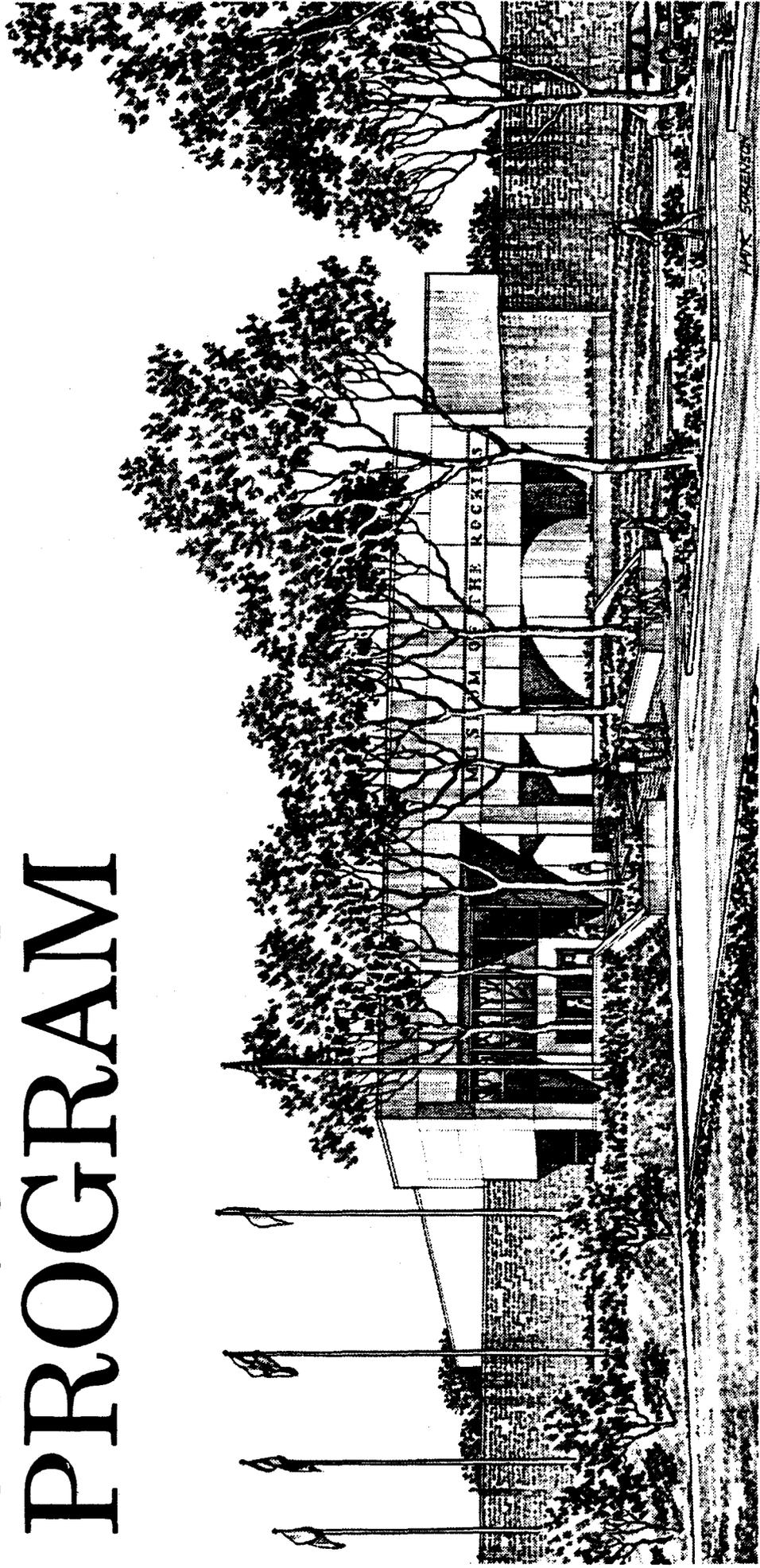
The heating plant's garage roof, smack in the path of Hellgate Canyon winds, also suffered some damage, and other buildings may have been damaged, too, but Jesse said he won't know until they can be inspected.

So far, at least \$10,000 worth of damage has been counted on campus, mostly from broken windows, and frozen and broken water lines. The skylight on the Performing Arts/Radio-TV Center has to be replaced, and a sprinkler unexpectedly went off in the art annex building, he said.

Rescheduling of classes, midterm exams and events is being left to individual instructors, said Don Spencer, acting vice president for academic affairs.

DATE 2-16-89
HB Capital Construction
Carzen LFA

CAPITAL CONSTRUCTION PROGRAM



Museum of the Rockies

state of montana 1990-1991

EXHIBIT 3
DATE 2-16-89
HB Capital Construct.
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Accounting Entity #

Collected from:

02031	Sale of tree seedlings
02085	Sale of waterfowl stamps, prints
02086	Bighorn sheep license auction
02114	Portion of hunting license
02408	Coal tax interest earnings
02409	Sale of hunting and fishing licenses
02410	Earnings on FWP trust
02411	Park entry and camping fees
02415	Portion of fishing license
02422	Highway fuel tax
02432	Tax on oil producers
02453 ✓	Charge for protein samples
02455	Work Comp assessments
03068	U.S. Forest Service funds
03097	Federal tax on firearms, fishing equip.
03098	Donation authority
03128	Federal labor funds
05007	Cigarette tax Interest earnings Supervisory fees Deferred payments
05014	Previous bond sale
06005	Liquor sales
06533	Sale of agricultural products
07037	Rent on student housing, meal charges
73100	Student building fees
71213	Private donations

