

MINUTES OF THE MEETING
FINANCE AND CLAIMS COMMITTEE
MONTANA STATE SENATE

April 15, 1983

The 24th meeting of the Senate Finance and Claims Committee met on the above date in Room 108 of the State Capitol. Sen. Himsl called the meeting to order at 9:12 a.m.

ROLL CALL: All members were present.

CONSIDERATION OF HOUSE BILL NO. 558: Sen. Himsl said this is the bonding bill. He said we will not have a lot of testimony on the bill, nor any lengthy testimony. The presentation will be made by the Chairman and if there are any questions from members of the committee they may ask members of the agency of the projects. Perhaps we can expedite the bill this way. I will ask first the Chairman of the House Appropriations Committee and then the sponsor of the bill, Rep. Manuel.

REP. BARDANOUVE: We made this through the House, but Rep. Manuel, Waldron and myself had quite a battle in the House on it.

REP. REX MANUEL, chief sponsor of the bill said this is the bonding authorization and is connected with HB 511 which has been signed by the governor. This bill increases 4 cents on the cigarette tax. It can raise \$36 1/2 million to pay off the bonds. You will see in HB 900 that the package calls for almost all of it. There is also a little over \$3 million Fish and Wildlife bonding authority. It passed the House. The Senate has to get 2/3 vote to pass it. It is pretty self-explanatory. The total on line 16 is \$39,334,695. I will ask Mr. Brusett to explain the part on page 1, line 20. He can explain it better.

MORRIS BRUSETT, Director of the Department of Administration, said section 2, page 2, authorizes the refunding of our prior Long Range Building bonds. The amendment on page 1, line 20 authorizes to refund those bonds if in the best interest of the state. Refunding is a method of refinancing our old issues. If a high interest rate like last time and now at 10.3% we may have to refinance them. Many things have to be considered before a decision to refinance is made. The penalty rate has to be considered and you do not recall the ones where the penalty would be more than the savings realized on the interest savings. Some of the bonds you do not pay off but put the money in the bank and pay them all off at once. If we approve this, we will be at \$13 million. HB 448 would restrict that since it was in the law before. This would not be done quickly using new bond issues. To reconsider it will get a lower interest rate. \$62.9 million considering refunding in connection with a new bonding issue. Some very reputable companies have given us some proposals. One at \$40 million and one at \$43 million. It does set forth a concept that you can analyze. The veterans' proposal is not as reported the other night. If it goes past the tentative state for analysis only at the present time. \$16 million if reviewed, based on \$43 million in bonds. We are not selling that many. We are reviewing the validity of those analyses. We are having it reviewed by a revenue firm and a major CPA firm. They will review the figures that were used. We have to

wait until we get the final figures. Some will be in earmarked funds. There will also be a departmental legal review made of it. At this stage we are in an analysis stage. We will get the final figures from you. We submit any proposals for the review by a major CPA and advise them if feasible, set it before the bonding board and they will make the decision. If we do this we will remove our \$9 million end down. We have some bonds that go out (the 80 issues) for 80 years. There is no short term savings here, only long term savings on this.

SEN. DOVER: You talked about bonds that are high and you buy low. Are the higher bonds bid off or someone else pick them up?

MR. BRUSETT: It depends on the penalty provision and it all depends on that. Several at 10 years, last year at 5 years. Up to that 5%, then 4% and then 3%. We would only recall the ones that would pay.

SEN. ETCHART: What is the amount of bonds outstanding as of January 1?

MR. BRUSETT: After January 1 or May 1, \$62.9 million in Long Range Building. Another highway issue, some on the university. I am not sure whether it is a January or a May 1 date.

SEN. KEATING: Is the retirement of these bonds connected with a specific revenue source?

MR. BRUSETT: The old bonds are financed from several sources. Cigarette tax, tobacco tax, income tax, etc. Some are in the sinking fund, workmans' compensation is by those sources, employment security is by those sources, a certain amount of building is financed through other earmarked funds. It goes to a sinking fund and we pay it out.

SEN. SMITH: Do any funds flow out of that sinking fund and into the general fund?

MR. BRUSETT: About \$25 million flows out and into the general fund. That would be your excise tax of tobacco and cigarette income and corporate license tax that was not needed to fund the bonds

SEN. SMITH: The same tax flows into it and if more than needed, flows out to the general fund?

MR. BRUSETT: There is a reason for it. There used to be revenue bills. 65 and 67 issue. That was 11% license tax, 11% cigarette tax, etc. Anything you get of this kind, you have to have a lot more revenue to get a rating on them. G.O. (general obligation bonds) now both. It was specified only \$14 million in bonds. Now you do not need that balance.

MR. BRUSETT: The capitol renovation is a land grant.

SEN. BOYLAN: The sin tax. This Legislature can put it in for that. Does it bind that up until the bonds are paid off? How can you pledge the next legislature? Could they come in there and remove the tax?

MR. BRUSETT: The sin tax flows into the sinking fund. Unless you take away the bond, you cannot take away the revenue for them. We couldn't change that unless refund the bonds. The money flows in and is used to guarantee payment of the bonds, and to pay them.

SEN. BOYLAN: What if they say cigarettes are poison and they cannot be on the market - what then?

MR. BRUSETT: We will have plenty of money to pay it off if everyone stops smoking.

Sen. Himsel declared the hearing on HB 558 closed.

DISPOSITION OF HOUSE BILL NO. 558: Motion by Senator Dover do pass.

SEN. STORY: The other bill might be smaller and then we might have to amend this down.

SEN. HAMMOND: Does the amount in this bill have to match the amount in the other bill?

REP. BARDANOUVE: If the Senate performs surgery on the other bill, you cannot issue more bonds than you can use. If you cut down on something you have to reduce the number of bonds.

QUESTION was called. Voted and passed with Sens. Story and Hammond voting "no".

CONSIDERATION OF HOUSE BILL NO. 900: Rep. Manuel, chief sponsor of this bill, said it is the Long Range Building bond bill. HB 833 originally, it is separated in 900. HB 833 will be on the House floor tomorrow. It has the coal tax reclamation projects and the cash projects in it. This is only the LRB projects recommended by the House. On page 3 you will find the major expansion of the prison. It creates a four man over-sight prison committee. This is to follow through when they make the plans for the prison and to see that there are some ideas expanded on behalf of the Legislature. He handed out an Exhibit 1, attached, labled "Montana State Prison Expansion presented to the Long Range Building Committee, March 29, 1983" and went into some explanation of the placement of the building, towers, fence changes, food service, etc.

Page 5, line 12 is the remodeling of Cisel Hall at EMC, then the DNRC building for \$6.9 million. He went through the other projects on page 5 and 6 of the bill and gave a brief description of each.

SEN. DOVER: On this prison, I really appreciate the language. The committee has done a lot and it is good to have an over-sight committee like the guard tower which has been addressed and re-addressed. Are we really going to get down to something here?

REP. MANUEL: That is our understanding.

CARROLL SOUTH, Director, Department of Institutions, said I think we

are a little gun shy. The architect that is chosen will have a lot to do with the final say and I think the committee will have a hand in hiring him.

SEN. SMITH: I didn't bring the pictures with me but I never saw such a badly designed tower in my life. There is all kinds of vision blocked out. You have to get up from the control station and take the top off the thing to watch. I was wondering if they could do something to this so that a person could sit and watch. A trap door, if small, and you could not get out on the tower to stop an escape or to put a light on the escapee.

SEN. DOVER: On the maximum wire fence and the general fence; some chainlink at 6 feet and 12 feet dual. When touching the fence would alarms there prove feasible?

SEN. BOYLAN: I have some amendments to be offered. I think it will be an improvement. Rep. Ellerd will make the presentation for them.

SEN. SMITH: The razor wire; square fence instead of circular?

SEN. OCHSNER: There have been some discussions about visual sight. They said they could reinsert strips.

MR. SOUTH: You can, but the guard tower loses visibility.

REP. ELLERD, District 75, said I would be here in opposition to HB 900 because of the situation at the prison. I have some problems with the construction at the new prison. The difference in cost is one. He explained the cost of the new prison, the cost of remodeling the other. He said there is a difference in cost of nearly \$9 million. He discussed a Mr. Parish and his report. He said he was an advocate of fixing up the old prison; that was in the past now, and he wanted to be sure if we build a new one it would be done right. He said there should be contingent funding for an additional 96 beds beyond what they have set in the bill, and they could take the money out of the DNRC building. Amendment attached.

SEN. HIMSL: Were these amendments offered in the House?

REP. ELLERD: No. Rep. Seifert offered one amendment.

REP. BARDANOUVE: That was to move another \$3 million, plus \$400,000 to put in another maximum unit. It was rejected over there.

SEN. SMITH: Was this plan of yours reviewed by the LRB committee?

REP. ELLERD: Long Range Building was given the presentation by the Department. The additions I gave you are recommended to be done. The decision is that we will need the building eventually, and why not now instead of later.

SEN. SMITH: Did LRB have this proposal to review?

SEN. DOVER: I would like to go through some of these things. #2 the food service. \$600,000. Built inside the maximum security unit. #3 this fence. I would like Rep. Thoft to explain this.

REP. THOFT: The concern is there are no guard towers at the corners of the main security and none are planned.

SEN. DOVER: Two guard towers then?

REP. THOFT: Yes.

SEN. DOVER: No guard tower between maximum and minimum security. #4 on internal security. Are you talking about the locks on the windows, etc? They lock the doors and walk out the windows.

REP. THOFT: The locking system on closed security systems are not good. In minimum security they can walk right out the window.

SEN. DOVER: The fence; what are you talking about spending there?

REP. THOFT: The fence is the circular one on the map. The fencing proposal is to square it off. Build it out for maximum security area. A good deal is in the proposal.

SEN. DOVER: Are you asking for more? That would not provide any more space between maximum and minimum security?

REP. THOFT: No, but more between medium and minimum security.

SEN. BOYLAN: Rep. Thoft has some comments.

REP. THOFT: I would certainly support the amendments. If we are going to do a job, we should do it right. The food service in maximum security would be loaded into a truck and hauled around. It will present a continual break of security six times a day. Another problem - a buffer zone. If we build 26 and 27 and need to expand the only alternative is to use up the buffer zone. That is the problem I have with this. I think we need a 196 maximum now. 120 were proposed in the special session. That is now down to 96. There is no separation from medium. We need to construct 27, two guard towers and we need to resolve the food system to maximum.

SEN. HIMSL: You people have been working on the Special Task Force. You hired this man Parish and you got one plan from him. One time the recommendations are one way, then comes along Parish with another one. The last I saw was he favored Plan B, now you come along with another plan. It seems to me you get whatever you ask for from him.

REP. ELLERD: I never recommended the renovation of the old prison. His recommendation was the one throughout the whole procedure. His first choice was to build new.

SEN. HIMSL: I have the impression he put out the book and one recommendation, then another. I would hope you have hired an architect that would come up with a sensible proposal and then not vacillate.

REP. THOFT: I think all this vacillating has been good. This is the fourth plan. We have been batting ourselves over the head and we are getting better.

SEN. REGAN: You have indicated the food service would cost about \$600,000, more beds \$3.8 million. What kind of figures for the guard towers, locking system and fence line? \$600,000 in number 3, the first part of #5 is \$75,000.

REP. THOFT: Building #26 would be \$4,299,900.

SEN. HIMSL: Where is it on the amendment sheet? #2 is \$600,000; #3 is \$600,000; #4 is \$400,000 and the first part of #5 is \$75,000.

SEN. KEATING: #3 on Plan B is the food care addition. Would you not need this if you put the food service in the maximum security or is this the kitchen?

REP. THOFT: I understood #3 is to be built now.

SEN. DOVER: Is it for the expansion of the food service or security. Mr. South, we gave you some money to get the job done. Do you still have the money?

MR. SOUTH: \$205,000.

SEN. DOVER: Can you use that money and bring the kitchen up or do you still need more money to bring it up?

MR. SOUTH: We will still have food care service for the other two facilities.

SEN. DOVER: I don't know. Phil?

PHIL HAUCK, State Architect, Department of Administration: I don't think you would realize any savings at all.

SEN. SMITH: The chairman of Long Range Building - I would like to have him make some comments about this.

REP. MANUEL: Food service in maximum - these people stay in their cells all day. They get out one hour a day. The breach of security. How would you like to work in this kitchen in maximum security. If you had a kitchen in maximum, there is a breach of security right there. How would you like to be working there with knives and equipment in there? I think it is a fine suggestion to bring the food in.

SEN. SMITH: With all the kitchen utensils that you would have accessible to them.

REP. MANUEL: Yes. Everything should be brought in and it would be brought out.

SEN. BOYLAN: Rep. Brand wants to talk.

REP. BRAND: From the onset with this, after the special session, I have worked with the problem. I have had meetings with various individuals and I was a strong proponent of renovating the old prison. I followed the committee throughout. As you know, the Governor's people in Institutions had changed their plans. It was prepared on the fact that the people wanted to do the old prison. Plan B is very good and there are some good valid amendments you should consider. A lot of the prison escapes came from the trucks. That is how the contraband is brought in and out. The more activity that goes in and out of a facility, the more contraband goes in and out. One other thing; there has to be some input before the architect draws up the plans. People who work in the prison, not the Administration - guards and others - there are inmates who can be devious and are in positions that ply themselves on new inmates coming into the prison. Everyone who has been working there and the old inmates can tell you the prison has its own system. The prison now is a very low security prison.

SEN. DOVER: On this food service of going back and forth. Could they be doing this?

MR. SOUTH: That is civilians going back and forth.

SEN. DOVER: You hear these stories. It is amazing the communication they have back and forth. Do you think a closed security kitchen might not help to cut this down?

MR. SOUTH: If you have a closed food service within the maximum security and you have civilian employees the pay would be outrageous. The danger is great. The possibility of lawsuits prevalent. You will have to bring in lower security prisoners to work in there and then the danger of passing contraband, prison communications, etc. really goes up.

SEN. DOVER: You send all the trays, etc., over there. What is the chance of working a communications system?

MR. SOUTH: There is more security than if you had lower security people working in there.

SEN. HAFLEY: One thing I missed. We have a plan to put a 96 unit in intermediate side and a 96 unit in maximum side. Is your proposal to put the one in the max side in now too?

REP. ELLERD: The amendment is for the contingency funding.

SEN. HAFLEY: To fill the beds for #27. Then build the number of maximum when they need it?

REP. ELLERD: Mr. Parish's position - he was kind of caught between burning the gammit at both ends. (1) to look at the old prison, and (2) work with the Department on their plans. There were some changes made between the final plan and the one presented. Plan B will serve the state best.

DISPOSITION OF HOUSE BILL NO. 900:

Motion by Sen. Dover that amendment 3, 4, and 5 be accepted except \$300,000 instead of \$600,000; and \$900,000 there. #4 and \$400,000. \$75,000 in #5. My thinking on #3 is the guard towers. It bothers me that we do not have a guard tower between 20 and 28, especially if we increase distances. You have the backup of high security. If we don't do it now, you will be back to do it.

MR. HAUCK: That is less than 200 feet. You can put it there but I personally don't think you need it.

SEN. DOVER: #4 - the reason is if we don't do it now to revamp those locks it will be in the general fund in another few years. #5, the fence expansion. If we are going to all this expense, it's a lot cheaper to allow for it now than turn it out when it is more expensive later on.

SEN. OCHSNER: This #5 you have proposed the fence is 200 feet additional north and south of Plan B.

SEN. DOVER: Just the 1st half.

SEN. OCHSNER: This proposal for the 200 feet is in addition to Plan B.

REP. THOFT: As I understand it, that is what the plan for more room for future expansion later refers to.

SEN. OCHSNER: More room for moving to later?

REP. THOFT: Yes.

SEN. HIMSL: Have you reviewed these amendments with the idea of adding to the plan?

MR. HAUCK: I just saw the amendments this morning. We feel there is plenty of room for expansion in Plan B. 200 feet north and south is excessive.

SEN. DOVER: I think it was referring to 100 feet to the north and 100 feet to the south - that is around another building.

MR. HAUCK: How far do you go and how much? We have taken a middle course.

SEN. THOMAS: Would you extend the fence all across or just the high security area?

SEN. ETCHART: I served on the committee. Rep. Ellerd, I would have to feel we do not need the top part of #5. I think the two guard towers at \$600,000 is reasonable. I would agree on #4 for internal security. The locks, etc., are not much.

SEN. DOVER: I would like to modify my amendment.

MODIFICATION OF AMENDMENT BY SEN. DOVER: I would say just look at 3 and 4.

SEN. HAFNEY: Is 14.4 million sufficient money for a guard tower to be added to the plan? One in the corner?

REP. THOFT: We did not adopt that. We are planning on putting one in the righthand lower corner of the sheet. We did not adopt the other one.

SEN. HAFNEY: On the sheet, I see at the bottom, a guard tower to the left of 31. Three in a row on the left and 2 other towers?

MR. HAUCK: I don't know where the figures of \$300,000 came from for each guard tower. About \$200,000 a piece.

SEN. VAN VALKENBURG: What about the operational costs for the guard towers?

MR. SOUTH: When we were looking at guard towers and talking about how much money, we took the minimum amount on Plan B and thought if the Legislature did not think it too much, they could add the tower or towers and the operational costs for them. It would be about \$100,000 to operate a guard tower, and about \$200,000 to build one. One thing the Governor wanted to do was to provide a viable plan with the least amount of operational expenses.

SEN. OCHSNER: How many new?

MR. SOUTH: Our proposal calls for three additional ones.

SEN. OCHSNER: The other ones will be continued?

SEN. KEATING: Your proposed amendment #3 is to provide a guard post tower at each corner.

REP. ELLERD: That provides the funding for two. The figures came from Mr. Parish.

SEN. HIMSL: Plan B provides for 28, 29 and 30.

SEN. KEATING: The right hand corner of Plan B and the square corners? Is that right? That is what Sen. Dover proposed, was to add a third tower. I think the amendment is they would both be on the same side.

SEN. VAN VALKENBURG: I think there is a need for one more in the southwest corner of the prison complex. I think there is no coverage at all in the area and it would be feasible as you look at the plan. You need some coverage there. With guard tower 21 you have a straight line of coverage down the east side. I think the one tower is justified and the long term operating expense is also justified.

SEN. KEATING: Isn't there a guard tower up at the end?

MR. SOUTH: Yes. It was never used since I have been there. It has no useful purpose.

SEN. STIMATZ: How many existing hours? On the new ones manned - how many hours?

MR. SOUTH: Twenty-four.

SEN. STIMATZ: Is it necessary?

MR. SOUTH: I would not like to have it not manned once it was constructed.

SEN. AKLESTAD: We had people working on this for months and we come in here and revamp it now. Is it our intention there should be a guard tower added here? Is that our proposal?

REP. THOFT: The ink is hardly dry on Plan B.

REP. ELLERD: If there is any doubt in anyone's mind, I think an expert could be contacted. Rep. Manuel, do you think there is anything you can shed on my problem?

REP. MANUEL: LRB feels these three extra guard towers are adequate at this time. That is the reason for the four man oversight committee. There is a possibility it could be added within the contract if it proved necessary. We felt it was adequate.

SEN. AKLESTAD: I am not saying the proposal is bad, but I am not saying it is good either. If you are going to start putting things in and changing it all, why have an architect?

SEN. HIMSL: It seems to me we are getting into an area of no expertise at all. I think what we have to accept is the general concept here. We are asking to pass judgment on a thing the architect has not seen until now.

SEN. DOVER: I think saying it is not our business, we have a problem here and we need to do something.

SEN. HIMSL: Neither you nor I are competent to pass judgment on whether the fence should be extended 100 feet or 200 feet. We are not ready to nor capable of designing the prison in here.

SEN. SMITH: I attempt to back up what you just said. We are sitting here trying to make a decision on something a task force has worked on, prison experts have worked on, and experts have looked at and worked on.

SEN. OCHSNER: It was brought out here that Plan B came into being a few days ago. They did not agree with Plan A nor with the old prison and it came down in a lot of flurry. Nothing has really been designed.

SEN. REGAN made a motion that HB 900 do pass, but Sen. Dover's amendments were still sitting as a motion on the floor.

REP. THOFT: (after Sen. Dover again explained his amendments) The

area between maximum and intermediate there is 200 feet. Maximum is 400 feet.

SEN. THOMAS: The purpose of this committee - this is a schematic drawing. It would be difficult to sit down and plan out a prison. The committee would have input into legislatures' thinking. I think some of these problems will be solved when the plan is made and the prison ready to be built.

SEN. REGAN: When you design a building or determine to build, you have a rough estimate of what it may or may not cost. You furnish the architect some guidelines. You say, design it; this is what we hope to accomplish. If you accept the drawing there is nothing magic about this plan or the money in it. It is obvious they are going to have to do something about it. It is just not up to us to tell them how many feet or anything. I think we should reject the amendments. Accept the plan before us and turn this over to an architect. I think we should reject the amendments and just go along with the bill.

SEN. DOVER: I think what Sen. Regan has said is a thing that could save us a bundle of money and a good idea. I think we have made a point that we want a system that is going to work. You will have the guard towers that are necessary, etc. I will withdraw the motions, but I hope they will consider them and put them into their plan.

SEN. HIMSL: That is the problem. We are asking them to build and on a certain amount of money and we don't know what extenuating circumstances there might be.

SEN. HAFHEY: I appreciate what Sen. Himsl is saying. Rep. Donaldson put the language in on the four persons, etc. I think we have the concept before us. There is some concern about the State not doing what is wanted by the committee. It is my opinion if the four person oversight committee has the responsibility of shifting around something - the basic concept is a three division compound. This is the furthest down the line any building program has ever been.

SEN. BOYLAN: I would move the original amendments.

REP. ELLERD: I would hope ----

SEN. HIMSL: Just a minute, one of the members is asking a question.

SEN. STORY: I have a question for clarification.

REP. ELLERD: We are just absolutely a joint legislature and may be doing something bad. The plans you have before you were drawn up by the Department. We will go with a four man committee. They laughed at the eight man committee. We have no expertise in building a prison. There aren't four persons in this whole building who know enough to be on an oversight committee of this sort. I don't think you should throw it all on a four member staff.

DISPOSITION OF HOUSE BILL NO. 900: Motion by Sen. Boylan to adopt

the original amendments

SEN. STIMATZ: In Sen. Boylan's motion, do we still vote on #1 and exclude the amounts and are we voting on \$14 million?

SEN. HIMSL: His motion is not divided; it is not segregated. It would increase by \$5,563,000 and strike the DNRC building.

SEN. STIMATZ: If we pass that amount of money are we locked in and when does the construction start? (No one seemed to know the answer to this and so indicated.)

SEN. SMITH: I would address this to Mr. South. Carroll, do you intend to hire a prison construction expert?

MR. SOUTH: We would get a Montana architect and they would get an expert.

MR. HAUCK: We do not design the prison.

SEN. HAFLEY: We received two sheets of paper. One sheet strikes the DNRC. The other is the others. Who did these?

BOB PEARSON: I prepared it at Rep. Ellerd's request.

SEN. HAFLEY: The motion contemplates striking the DNRC and making further additions to the prison plan.

QUESTION was called on Sen. Boylan's motion. Voted, defeated, Sens. Boylan and Ochsner voting "yes".

Motion by Sen. Regan on page 4, line 14, strike 14 and subsequent lines through page 5, line 11. I am taking out the four members who are supposed to be a committee that are on the oversight committee. I do this because I really feel it is impossible for an architect to design a facility of this type and expect the committee to function. They do not have the expertise. Let the State Architect work with whatever architect is hired. That is the way it should be done. The function of the Legislature is to provide the money and express the interest in what we want.

SEN. AKLESTAD: I would resist the motion. We were dealing with experts before and we do not have a good track record from before. I think that there should be some overview that would have some plain old common horse sense.

SEN. ETCHART: I would resist this amendment. I listened to Rep. Brand's testimony and he told it the way I saw it. I don't think the task force was a failure. I served on it. I think we are coming out with a lot better solution. A watch dog will not hurt.

SEN. OCHSNER: I agree with Sen. Etchart. The only way it got to you now. If not, the LRB would have seen it.

SEN. HAFLEY: This group - they would be there and looking but the

construction would be expected to be started. They would be advising and looking and hopefully, it would be done before two years pass.

QUESTION was called on Sen. Regan's motion to remove the four oversight people. Voted, lost, with Sen. Regan voting "yes".

MOTION by Sen. Thomas that HB 9 be concurred in.

SEN. VAN VALKENBURG: I propose to buy the Moss mansion. I understand the purpose of all the other buildings in here, but do not understand buying the Moss mansion. There is a piece of land available to it.

SEN. HIMSL: My understanding from the reviews in Long Range Building, it would not include the furnishings. LRB did not include it.

SEN. VAN VALKENBURG: Why do we need it?

SEN. HIMSL: It was not the recommendation of the committee.

REP. MANUEL: It was in the coal tax money and was withdrawn and put in in the House.

SEN. AKLESTAD: We had discussion on the prison for hours. Question #1: The building. The DNRC is probably the only one in Helena with that amount of square footage. I imagine it was taken into consideration before deciding to build another building.

REP. MANUEL: DNRC operates in four different buildings and there is nothing available to rent that even comes close.

SEN. AKLESTAD: State government and buildings - what they lease they only guarantee a lease for three years, is that right?

REP. MANUEL: I will leave this to Phil. I don't think that is accurate. They can go beyond three years.

SEN. AKLESTAD: What is the average time?

MR. BRUSETT: That is the average. I think we do have a limitation of three years and then you can renew.

SEN. AKLESTAD: Only three years - that is not a good contract if someone puts out \$10-15 million in a building and then can only get a three year lease program. No wonder you have trouble. You could get square footage cheaper if it was for a longer period of time.

MR. BRUSETT: The three year limit is the Attorney General's opinion with a purchase option basis. It was an interpretation that we can go no longer than a three year lease.

SEN. HIMSL: There is the problem that the lessor may not want to go along with it.

MR. BRUSETT: There is an inflation rate too. Sometimes they don't want a longer lease. With something that is quite old and they would

have to fix it up, etc., that is true.

SEN. AKLESTAD: On the DNRC building, the Department, it would appear from some information I have, put together the interest rate and expenditures you could probably lease as cheap if maybe a 30-40 year lease expectancy.

MR. HAUCK: I would refer to Bob Robinson on that.

BOB ROBINSON, DNRC: We did an amortization rate, taking our current rent and inflating it at 6% a year. In 21 years, if you pay rent at the current rate and inflate it, you would have spent the same number of dollars in 21 years.

SEN. BOYLAN: We still put our money into the budgets for rent from the State. Was that considered, Mr. Robinson?

MR. ROBINSON: \$250,000 a year if we pay the rent, security, maintenance, etc.

REP. MANUEL: At the present time two owners including the convent where the nuns used to be. DNRC has to pay the maintenance and energy. We have a fact sheet that shows all the rent.

SUBSTITUTE MOTION by Sen. Aklestad on page 5, lines 14 and 15 that the language be stricken. This is taking out the DNRC building.

SEN. HAFLEY: I would rise against the motion. I appreciate what you are saying. I don't think that building is a good building for the State to stay in. We have already defeated that part. It was part of another motion.

SEN. ETCHART: I don't know if all the members of this committee had a chance to take a look at it. To cast an educated vote, you simply have to look at it. With the expensive records that are being stored there, I would certainly have to resist the motion.

SEN. AKLESTAD: I agree the buildings are possibly inadequate. There is the square footage in Helena and we don't need to go into another new building. The overall picture of these buildings is not good. The new building would probably be worn out before it is paid for.

QUESTION was called on Sen. Aklestad's motion to remove the DNRC building. Voted, lost, 6-10 on Roll Call Vote.

SEN. BOYLAN: Have we gotten any legislation through here because of overcrowding and run down? Can they speed it up and get it alleviated because of the over crowding?

MR. HAUCK: We do have to go through all the stuff. We have things we plan on doing to alleviate the over crowding. Some are metal buildings and we are going to bid them first and get them started. They will not take the 32 or 36 months. That is the concrete reinforced building we are talking about. The metal buildings should

be done in about a year, or less.

MR. BRUSETT: We changed section 6 of the bond act to get them erected first instead of waiting for the bond bill to close. Our plans would be, as some are approved by the government for building, we would get them started.

QUESTION was called on Sen. Thomas' motion to concur in HB 900 with no amendments. Voted, carried.

SEN. HIMSL: HB 833 is the cash portion of this Long Range Building program and is coming down. Since we are not certain when we will get this bill I will close this meeting and leave it to the call of the chair.

SEN. LANE: I may want to discuss HB 909 then. It is the bill that extends to Boulder - the study commission at Boulder - Rep. Marks' bill.

Sen. Himsl said we could talk about it at the next meeting also.

Sen. Himsl to carry HB 558, Sen. Etchart to carry HB 900.

The meeting was adjourned.


SEN. HIMSL, Chairman

ROLL CALL

FINANCE AND CLAIMS COMMITTEE

48th LEGISLATIVE SESSION - - 1983

Date 4-15/83

NAME	PRESENT	ABSENT	EXCUSED
Senator Etchart, VC	✓		
Senator Dover	✓		
Senator Keating	✓		
Senator Smith	✓		
Senator Thomas	✓		
Senator Van Valkenburg	✓		
Senator Stimatz	✓		
Senator Story	✓		
Senator Ochsner	✓		
Senator Haffey	✓		
Senator Jacobson	✓		
Senator Regan	✓		
Senator Lane	✓		
Senator Aklestad	✓		
Senator Hammond	✓		
Senator Tveit	✓		
Senator Boylan	✓		
Senator Himsl, Chairman	✓		

LIST OF MINIMUM PROPERTIES TO REMAIN IN THE P. B. MOSS HOME, 1914 Division, Billings, Montana under conditions of gift to be yet completed:

1. All draperies, portiers, and curtains.
2. Library: 2 straight chairs, one leather topped desk, two leather upholstered chairs, and one leather davenport.
3. South Sitting Room: All furniture: davenport, love seat, rocker, desk, coffee table, two side chairs, one upholstered chair, one rocker, two end tables.
4. Dining room: Dining table, dining room chairs.
5. Kitchen: Two service tables, old original gas stove.
6. Parlor Room: Five pieces original French furniture and carpets.
7. Bedrooms clockwise from head of stairs:
 - a. All furniture exception one chest of drawers.
 - b. Master bedroom, all furniture.
 - c. All furniture.
 - d. All furniture.
 - e. All furniture.
 - f. All furniture.
8. All full-sized room carpets (rugs) except the Library rug.

All other property is excluded from such gifting at this time, including without limitation, the Steinway Grand Piano, the Harp and all other property not specifically named above. The right is reserved to gift properties not named above. The above is a minimum list of items expected to be gifted.

Given to me by Billings
City Manager A. Thelen

RECEIVED

JAN 10 1983

CLARK & PARKER
DIVISION

Commissioner has proposal for Moss mansion

By JOANN BRAAM
Of The Gazette Staff

The Western Heritage Center would have a new home under a plan suggested this week by Yellowstone County Chairman Mike McClintock.

McClintock proposed that local officials consider making the Moss mansion on Division Street the new headquarters for the museum.

The mansion, he said, also would be preserved as an historic homesite.

Heirs of Preston B. Moss recently offered to give the city of Billings the 1902 mansion, providing it is used as an historic home.

City officials, concerned about operating costs of the building, have not yet made up their minds whether to accept the offer. They are seeking a state grant to help pay costs.

The French gothic-style building, currently used as a private residence for a member of the Moss family, is listed on National Register of Historic Places.

It is considered one of the most historically significant buildings in Billings.

Under McClintock's proposal, operating expenses would be shared by the county and the city. Some of the money to pay for those expenses, he suggested, could come from funds the county now spends to operate the Heritage Center.

The county pays \$400 a month to lease the land on which the museum is located. The county owns the building.

Operating expenses at the mansion if it was converted to an historic homesite has been estimated by city officials to be \$60,000 to \$70,000 a year. Officials say admission fees could raise about \$30,000 a year.

McClintock, who is retiring from office this week, made his suggestion to fellow commissioners. He proposed that commissioners consider discussing the idea with city officials.

"The idea is worth pursuing," Tom Moss, assistant director of the Community Development Department in Billings said Wednesday. (Moss is no relation to the Moss family who owns the mansion).

He said it must first be learned whether the Moss family would agree to making it the home of the Heritage Center.

June Sampson, director of Heritage Center, said McClintock's proposal will be discussed by the museum's board officers Jan. 12.

The mansion has been reported by a local architect to be in good shape and requiring little renovation.

Under the proposed agreement with the Moss family and the city, the Moss family also would give the city one third of the land on which the house is built. The city would be required to buy the remaining two-thirds valued at \$102,000.

x-Givetchen. Please
place in

Coal tax file
PH

go
1-4-83

Terry

VERL P. BRADY, M.A.I., & ASSOCIATES



REAL ESTATE APPRAISERS CONSULTANTS

3223 FAIRMEADOW DRIVE, BILLINGS, MT 59102 TEL. (406) 652-3393

April 22, 1982

Mr. Tom Moss
Community Development Department
P. O. Box 1178
City of Billings, MT 59103

Dear Tom:

In response to your request I submit herewith an appraisal report of property known as the Moss Mansion, located at 914 Division Street, Billings, Montana.

The purpose of the appraisal is to estimate the market value of the property as of April 12, 1982. The property is appraised in fee simple ownership assuming no indebtedness against the land or the improvements. Also, the purpose of the appraisal is to estimate the value of the property subject to a life estate reservation to the owner. It has been proposed that the city purchase approximately 2/3 of the land area. Therefore, for administrative purposes, I have shown the value of 2/3 of the land area subject to the life estate reservation and the value of the whole property subject to the life estate reservation.

The property was inspected April 12, 1982, and as a result of my investigation and analysis described herein, the estimated values are as follows:

Fair market value of the property	\$500,000.00
Value of whole property subject to a life estate reservation to the owner	\$241,150.00
Value of 2/3 land area subject to a life estate reservation to the owner	\$102,500.00

Respectfully submitted,

Verl P. Brady
Verl P. Brady, M. A. I.

Amendment to HB 900

This amendment reduces BPICA appropriations by \$1,763,888 to allow for improved security at the prison:

1. Page 6, line 4.

Strike: "\$499,000"

Insert: "\$381,112"

2. Page 6, lines 5 through 11.

Strike: lines 5 through 11 in their entirety

This amendment provides an additional \$3.8 million to the above to allow for the contingent appropriation for an additional 96 beds at the prison:

1. Page 5, line 20.

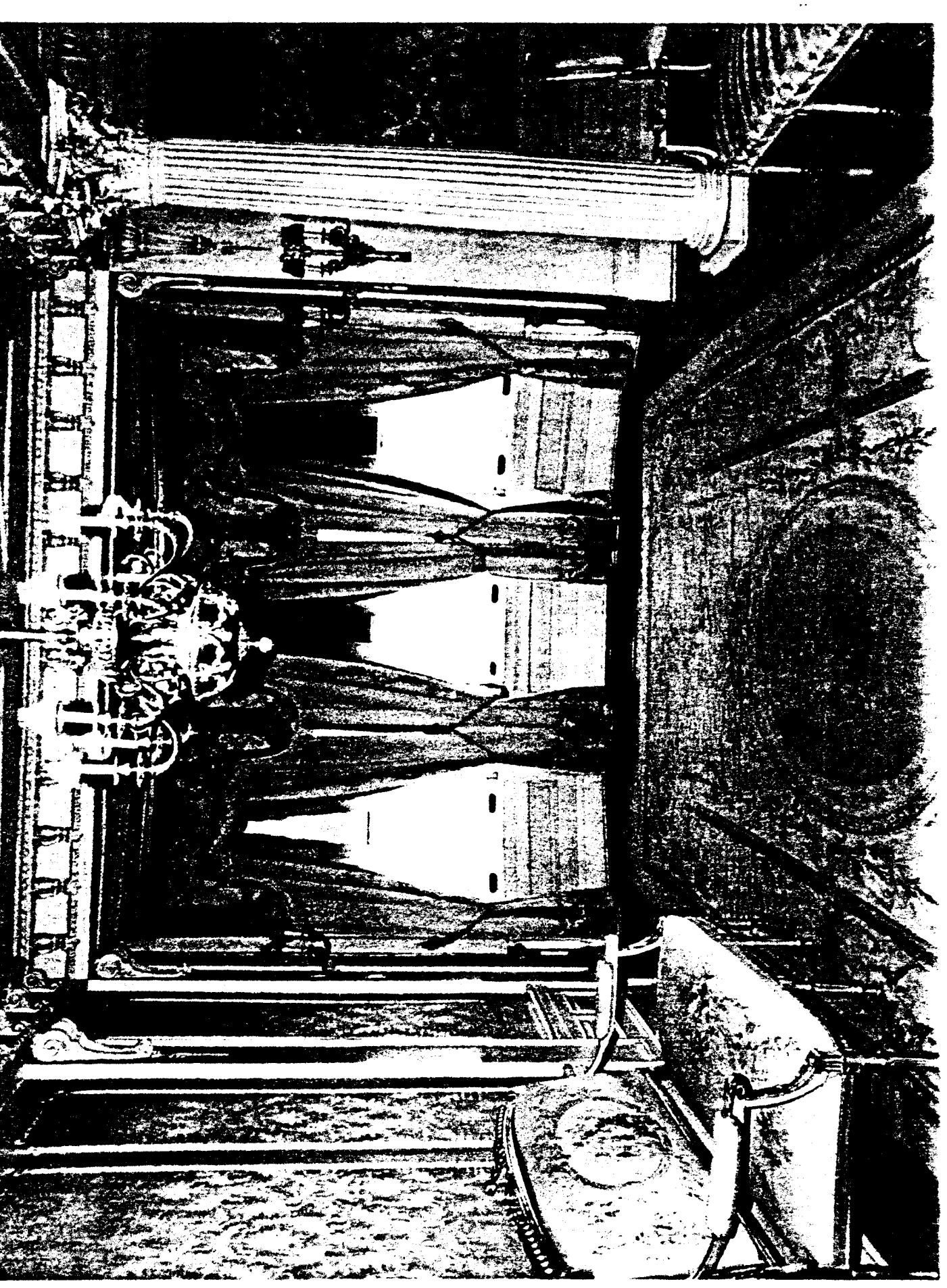
Strike: "5,302,000"

Insert: "4,446,407"

2. Page 5, line 21 through line 11 on page 6.

Strike: line 21 through line 11 on page 6 in their entirety





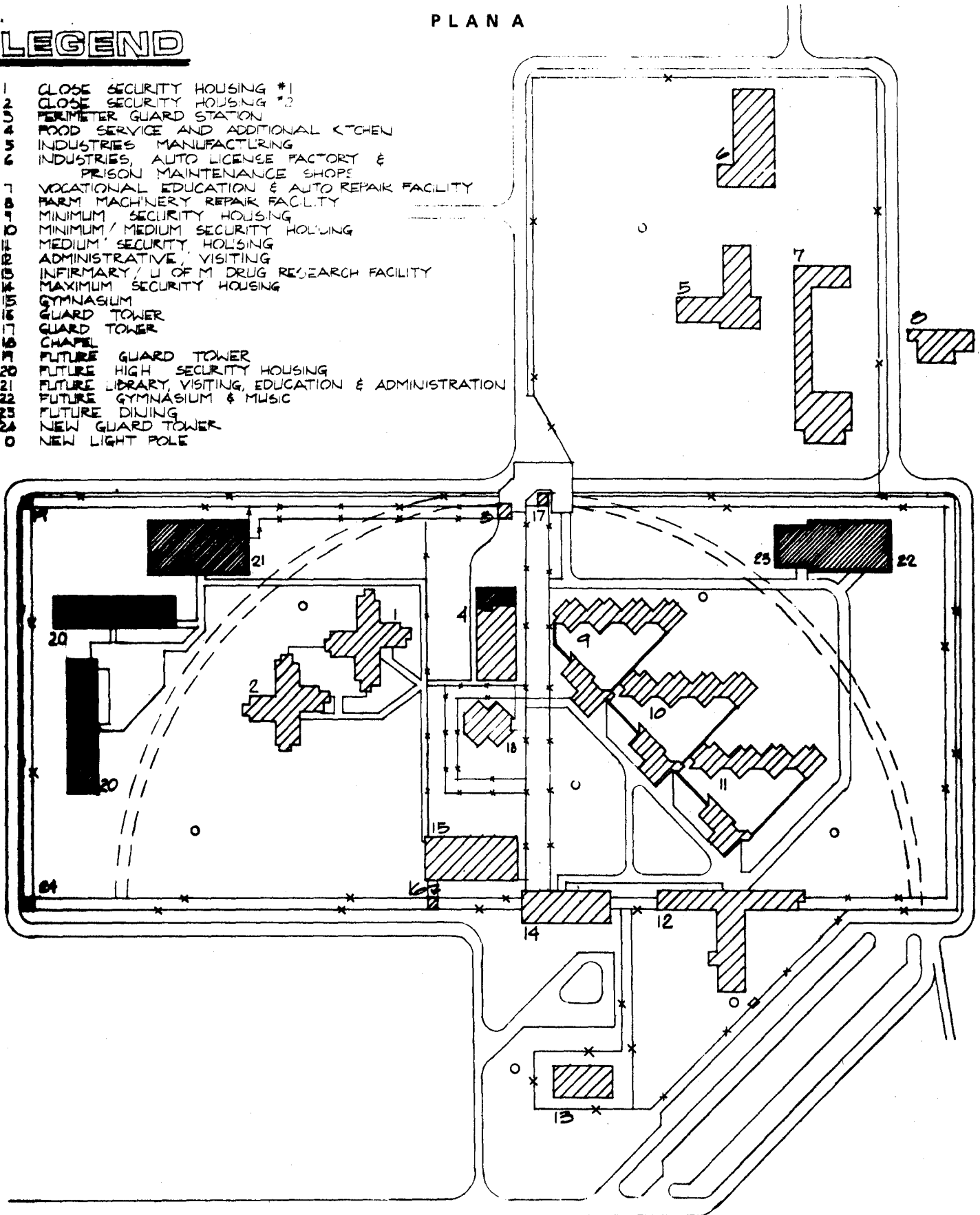


ex 1
4/15/83

MONTANA STATE PRISON EXPANSION PRESENTED TO THE
LONG RANGE BUILDING COMMITTEE, MARCH 29, 1983

LEGEND

- 1 CLOSE SECURITY HOUSING #1
- 2 CLOSE SECURITY HOUSING #2
- 3 PERIMETER GUARD STATION
- 4 FOOD SERVICE AND ADDITIONAL KITCHEN
- 5 INDUSTRIES MANUFACTURING
- 6 INDUSTRIES, AUTO LICENSE FACTORY & PRISON MAINTENANCE SHOPS
- 7 VOCATIONAL EDUCATION & AUTO REPAIR FACILITY
- 8 FARM MACHINERY REPAIR FACILITY
- 9 MINIMUM SECURITY HOUSING
- 10 MINIMUM / MEDIUM SECURITY HOUSING
- 11 MEDIUM SECURITY HOUSING
- 12 ADMINISTRATIVE, VISITING
- 13 INFIRMARY / U OF M DRUG RESEARCH FACILITY
- 14 MAXIMUM SECURITY HOUSING
- 15 GYMNASIUM
- 16 GUARD TOWER
- 17 GUARD TOWER
- 18 CHAPEL
- 19 FUTURE GUARD TOWER
- 20 FUTURE HIGH SECURITY HOUSING
- 21 FUTURE LIBRARY, VISITING, EDUCATION & ADMINISTRATION
- 22 FUTURE GYMNASIUM & MUSIC
- 23 FUTURE DINING
- 24 NEW GUARD TOWER
- 0 NEW LIGHT POLE



192 UNIT MONTANA STATE PRISON CLOSE SECURITY EXPANSION

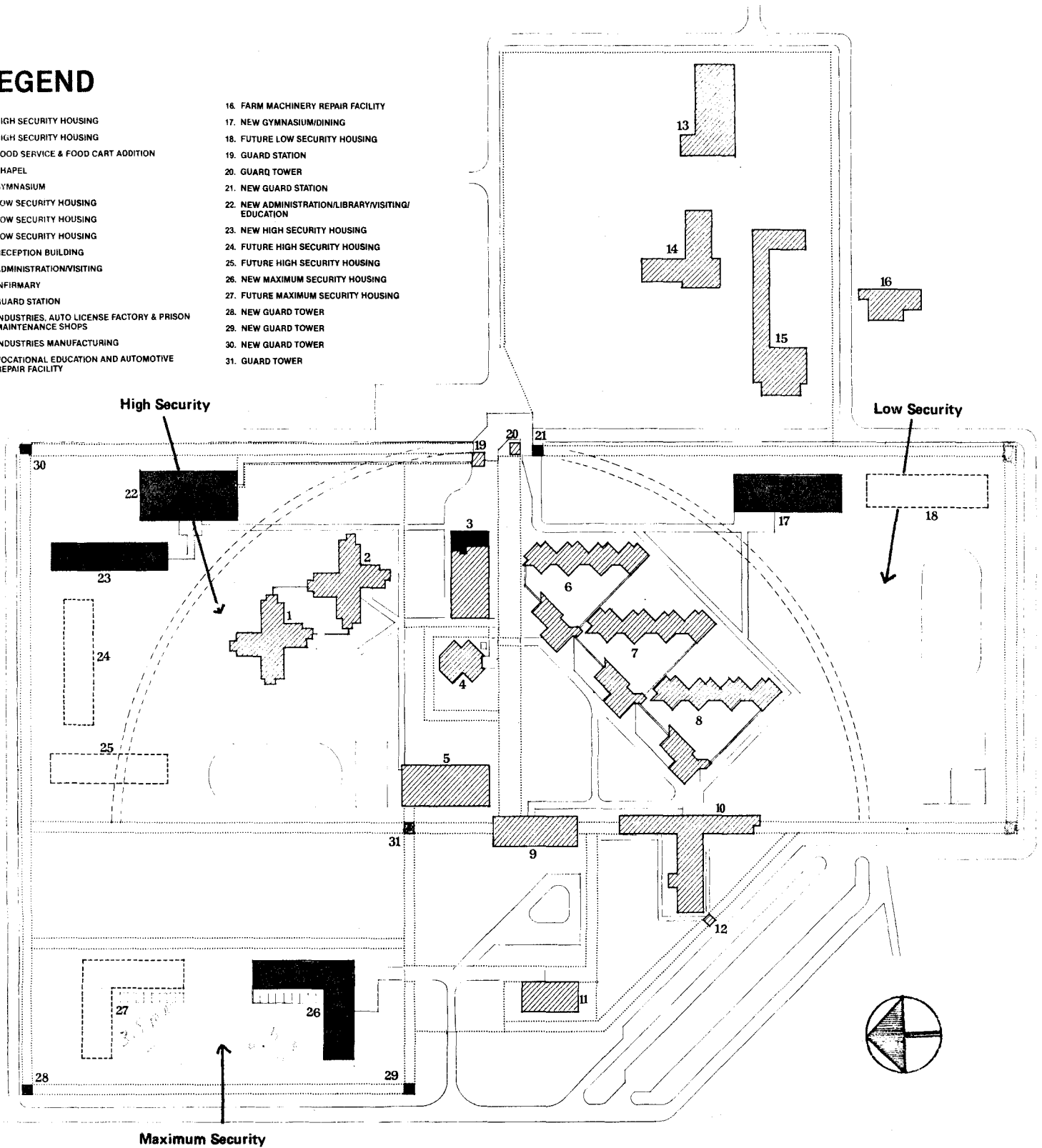
0 200 600



PLAN B

LEGEND

- | | |
|---|---|
| 1. HIGH SECURITY HOUSING | 16. FARM MACHINERY REPAIR FACILITY |
| 2. HIGH SECURITY HOUSING | 17. NEW GYMNASIUM/DINING |
| 3. FOOD SERVICE & FOOD CART ADDITION | 18. FUTURE LOW SECURITY HOUSING |
| 4. CHAPEL | 19. GUARD STATION |
| 5. GYMNASIUM | 20. GUARD TOWER |
| 6. LOW SECURITY HOUSING | 21. NEW GUARD STATION |
| 7. LOW SECURITY HOUSING | 22. NEW ADMINISTRATION/LIBRARY/VISITING/EDUCATION |
| 8. LOW SECURITY HOUSING | 23. NEW HIGH SECURITY HOUSING |
| 9. RECEPTION BUILDING | 24. FUTURE HIGH SECURITY HOUSING |
| 10. ADMINISTRATION/VISITING | 25. FUTURE HIGH SECURITY HOUSING |
| 11. INFIRMARY | 26. NEW MAXIMUM SECURITY HOUSING |
| 12. GUARD STATION | 27. FUTURE MAXIMUM SECURITY HOUSING |
| 13. INDUSTRIES, AUTO LICENSE FACTORY & PRISON MAINTENANCE SHOPS | 28. NEW GUARD TOWER |
| 14. INDUSTRIES MANUFACTURING | 29. NEW GUARD TOWER |
| 15. VOCATIONAL EDUCATION AND AUTOMOTIVE REPAIR FACILITY | 30. NEW GUARD TOWER |
| | 31. GUARD TOWER |



HIGH AND MAXIMUM SECURITY EXPANSION

MONTANA STATE PRISON

The attached schematic identified as Plan A is the administration's proposal contained in H.B. 833 and consists of two adjacent compounds. The attached schematic identified as Plan B shows the modifications made to Plan A at the request of the Long Range Building Committee. For identification purposes, existing housing units A, B & C are located in the low security compound. Existing Close units 1 and 2 are located in the high security compound.

Plan B envisions three separate adjacent compounds designated as low, high and maximum security. The 96 bed Maximum Security Compound is located approximately 200 feet from the High Security Compound and is self-contained.

Plan C is not shown in schematic form but is compared in attachments 1 and 2 to Plans A and B for construction and operational costs. Plan C envisions adjacent Low Security and High Security Compounds with the Maximum Security Compound removed one mile.

By locating the Maximum Security Compound within 200 feet of the main compound as shown in Plan B, the two guard towers planned for in Plan A can be used to provide partial observation of the Maximum Security Compound thereby necessitating the addition of only one guard tower. If the Maximum Security Compound is located further than 200 feet from the main compound, four guard towers will be required to provide adequate observation of the new compound.

Each of the three plans would have a single-bunk capacity of 744, however Plan A does not have as much future expansion capability as do Plans B and C. Each plan requires the construction of four separate buildings, but plans B and C require much more site work.

The Plan B schematic shows two new support buildings, #17, a dining room/gymnasium in the Low Security Compound and #22 in the High Security Compound. Building #22 will accommodate visiting, education/library, treatment staff and a sick bay to provide medical examinations for all high security inmates. Two new housing units are shown, #23, in the High Security Compound and #26 in the Maximum Security Compound.

Attachment 1 shows a potential on-site capacity of 1128 for Plans B and C. The additional housing units required to achieve an on-site capacity of 1128 are drawn with broken lines on the Plan B schematic. These buildings are #18, #24, #25 and #27 and are shown for informational purposes only, to indicate that further expansion is possible. However, all comparisons made here exclude construction or operational costs for the buildings shown with broken lines.

Attachment 2 shows staffing levels, construction costs and operational costs for the three different plans. All operational costs shown are annualized FY 1983 costs based on the Prison's FY 1983 appropriation of \$9,307,930.

We are very concerned about the increasing population at Montana State Prison and the immediate need for more bed space.

We would propose that the dining room/gymnasium building, shown as building #17 on Plan B and the fence modifications in the Low Security Compound be contracted separately. The fact that this building is a steel building, for use by low security inmates, should allow an expedited design/build process. Hopefully, this process would allow completion of the building and fence modifications within a year, at which time inmates would be housed dormitory style in the building until completion of the total project.

I. Three separate Prison Compounds:

- A. Low Security
- B. High Security
- C. Maximum Security

II. Separation of Service Components and Staff:

A. Low Security

- *1. Chapel - utilize but no mixing with high security.
- *2. Infirmary - share existing.
- 3. Visiting - separate.
- 4. Dining - separate.
- 5. Recreation - separate.
- 6. Education and Library - separate.
- 7. Method of separation - Double 16' security fence.
- 8. Security staff - Separate.
- 9. Program staff - Separate counselors;
shared medical, psychological educational & religious.
- 10. Administrative staff - share.

B. High Security

- *1. Chapel - utilize but no mixing with low security.
- *2. Infirmary - share existing.
- 3. Visiting - separate.
- 4. Dining - separate.
- 5. Recreation - separate.
- 6. Education and Library - separate.
- 7. Method of separation - Double 16' security fence.
- 8. Security staff - Separate.
- 9. Program staff - Separate counselors;
shared medical, psychological, educational & religious.
- 10. Administrative staff - share.

C. Maximum Security

1. Chapel - no access.
2. Infirmary - separate by physical barrier.
3. Visiting - Separate within housing unit.
4. Dining - Separate, within housing unit.
5. Recreation - Separate, recreation yard surrounded by concrete fence attached to housing unit.
6. Education and Library - Separate, within housing unit.
7. Method of separation - total isolation by security fences.
8. Security Staff - Separate.
9. Program Staff - Separate counselors;
shared medical, psychological educational and religious.
10. Administrative staff - share.

III. New System Capacity

(Two housing units, two support buildings.)

Future Expansion Potential

(One additional housing unit in low security and maximum security; two additional housing units in high security.)

A. Prison

1. Low Security	288
2. High Security	288
3. Maximum Security	96
4. Intake (present maximum security building)	42
5. Dairy Modular	<u>30</u>
	744

A. Prison

1. Low Security	384
2. High Security	480
3. Maximum Security	192
4. Intake (Present maximum security building)	42
5. Dairy Modular	<u>30</u>
	1,128

B. Other Components

1. Swan	55
2. Pre-Release	<u>100</u>

B. Other Components

1. Swan	55
2. Pre-Release	<u>100</u>

C. Total New

<u>System Capacity</u>	<u>899</u>
------------------------	------------

C. Total System Expansion

<u>Potential</u>	<u>1,283</u>
------------------	--------------

Plans A, B and C
ADDITIONAL STAFFING REQUIRED

Attachment 2

	PLAN A	PLAN B	PLAN C
<hr/>			
<u>ADMINISTRATION</u>			
Administrator	1	1	1
 <u>SUPPORT SERVICES</u>			
Maintenance Worker	2	2	2
 <u>TREATMENT SERVICES</u>			
Social Worker	3	3	3
Psychologist	1	1	1
Teachers	1	1	1
Librarian	.5	.5	.5
Secretarial Pool	1	1	1
Recreation	3	3	3
L.P.N.	<u>3.2</u>	<u>4.8</u>	<u>4.8</u>
	12.7	14.3	14.3
 <u>SECURITY</u>			
Lieutenant	1.6	1.6	1.6
Sergeant	8	8	9.6
C. Officer - Housing	35.2	35.2	35.2
C. Officer - Towers	9.6	14.4	28.8
C. Officer - Control	3.2	3.2	3.2
C. Officer - Visiting	3.2	3.2	3.2
C. Officer - Yard	4.8	4.8	4.8
C. Officer - Recreation & Dining	3.2	3.2	3.2
C. Officer - Sally Port	1.6	1.6	4.8
C. Officer - Trans.	<u>2.2</u>	<u>2.2</u>	<u>3.8</u>
Total Security	72.6	77.4	98.2
Total	88.3	94.7	115.5
Present Staff reassigned	19.2	19.2	19.2
Net Increase	69.1	75.5	96.3
FY 1983 Authorized Positions	304.57	304.57	304.57
Total FTE Required	373.67	380.07	400.87

Plans A, B and C
Construction Costs
Attachment 2

Page 2

	Plan A	Plan B	Plan C
	*11,821,700	*11,821,700	*11,821,700
Additional	-0-	2,207,700	3,355,000
Total	11,821,700	14,029,400	15,176,700
FTE required	373.67	380.07	400.87

Operational Costs

FY 1983 MSP

Appropriation	9,307,930	9,307,930	9,307,930
Additional costs	1,616,420	1,774,661	2,148,605
Total	10,924,350	11,082,591	11,456,535

Staffing and construction costs for two new guard towers are included as a part of Plan A, consequently, only one additional guard tower would be required if the New Maximum Security compound is located within 200' of the main compound as per plan B. Each guard tower requires 4.8 FTE. An additional seven day nurse position is required to provide medical coverage to three compounds.

Plan C requires four guard towers, in addition to the two in Plan A. An additional seven day escort position is also required to assure timely and secure movement of inmates between the new Maximum Security Compound and the main compound. A separate guard station is required to monitor access to the compound due to the total separation from the main compound.

*A warehouse costing \$387,000 is included in the administration's long range building request but has not been included here.

AMENDMENT TO HOUSE BILL 900, THIRD READING COPY (BLUE)

Page 5, lines 14 and 15

Strike: lines 14 and 15 in their entirety

The Legislative Fiscal Analyst shall amend totals as needed on page 1, line 16 of House Bill 558 to reflect this amendment to House Bill 900.

Amendments to HB 900, third reading (blue) copy

Proposed by Rep. Bob Ellerd

1. Page 3, line 7.

Strike: "\$14,416,400"

Insert: "\$19,980,288"

2. Page 3, line 19.

Following: "OBJECTIVE."

Insert: "To assist in achieving the separation objective for maximum security, the appropriation includes funds for providing a self-contained food service for the maximum security compound. Sufficient funds are included to provide a food service capability for the compound up to its ultimate capacity of 192 inmates. The estimated cost for this food service is \$600,000."

3. Page 3, line 25.

Following: "FENCE."

Insert: "Sufficient funds are included to provide a guard tower at each corner of the compound including the minimum security end of the compound."

4. Page 4, line 6.

Following: "STAFF."

Insert: "To assist in achieving the objective of improved internal security, the appropriation includes sufficient funds to revamp the locking systems and other internal security installations at the prison."

5. Page 4, line 13.

Following: "FACILITIES."

Insert: "Sufficient funds are included to allow for the expansion of the perimeter fence lines by approximately 200 feet to the north and south."

Following: line 13

Insert: "(f) The appropriation includes \$3,800,000 for the provision of 96 high security beds in addition to those to be provided by the basic appropriation. If constructed, the prison would provide housing for 833 prisoners within the security compound. This appropriation may be used only upon a finding by the governor that additional facilities are needed to adequately house prisoners in a secure environment and that the public health, welfare, and safety requires action prior to the convening of the 49th legislature."

STANDING COMMITTEE REPORT

..... April 15 19 83

MR. President

We, your committee on Finance and Claims

having had under consideration House Bill No. 558

Respectfully report as follows: That House Bill No. 553

BE CONCURRED IN

~~DODASXX~~

W.C.

STANDING COMMITTEE REPORT

..... April 15 19 83

MR. President

We, your committee on Finance and Claims

having had under consideration House Bill No. 900

Respectfully report as follows: That House Bill No. 900

BE CONCURRED IN

~~XXXXXX~~
DO PASS

J.C.

SENATE COMMITTEE

FINANCE AND CLAIMS

Date _____

Bill No. 900 Time 11:15

Name	YES	NO	ABSENT	EXCUSED
Senator Etchart, VC		✓		
Senator Dover		✓		
Senator Keating			✓	
Senator Smith	✓			
Senator Thomas		✓		
Senator Van Valkenburg		✓		
Senator Stimatz		✓		
Senator Story	✓			
Senator Ochsner	✓			
Senator Haffey		✓		
Senator Jacobson		✓		
Senator Regan		✓		
Senator Lane		✓		
Senator Aklestad	✓			
Senator Hammond	✓			
Senator Tveit			✓	
Senator Boylan	✓			
Senator Himsl, Chairman		✓		

6

10

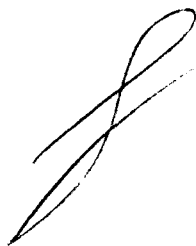
2

Sylvia Kinsey
Secretary

Senator Himsl
Chairman

Motion:

AK - 9 10 0 P DNR 6.



SENATE COMMITTEE

FINANCE AND CLAIMS

Date _____

Bill No. 900 Time 11:18

Name	YES	NO	ABSENT	EXCUSED
Senator Etchart, VC	✓			
Senator Dover	✓			
Senator Keating			✓	
Senator Smith	✓			
Senator Thomas	✓			
Senator Van Valkenburg	✓			
Senator Stimatz	✓			
Senator Story		✓		
Senator Ochsner	✓			
Senator Haffey	✓			
Senator Jacobson	✓			
Senator Regan	✓			
Senator Lane	✓			
Senator Aklestad		✓		
Senator Hammond		✓		
Senator Tveit			✓	
Senator Boylan	✓			
Senator Himsl, Chairman	✓			

Sylvia Kinsey
Secretary

Senator Himsl
Chairman

Motion: _____

m 900
not