

MINUTES

MONTANA HOUSE OF REPRESENTATIVES
51st LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON LONG RANGE PLANNING

Call to Order: By Chairperson Connelly, on March 6, 1989, at
7:05 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: None

LONG RANGE BUILDING PROGRAM
EXECUTIVE ACTION

Tape 50:A:000

CARROLL SOUTH discussed the agreement made regarding the Western Montana College (WMC) request. He stated that WMC would request \$280,000 instead of the \$732,000. \$230,000 of this would be for the repair of the Physical Education roof, and \$50,000 would be for design work for the Student Union Building. This would leave approximately \$1,100,000 to be put into the cash program and spent. Two considerations arose out of this: 1) the repayment obligation to the general fund as well as WMC on that kind of a split; 2) the actual projects to be funded themselves. MR. SOUTH suggested that the committee look at repayment options, and distributed EXHIBIT 1, which listed three options. Mr. South reviewed the options, and said that the most realistic was option #2. He said that this option also reflected what WMC had already paid, approximately \$350,000.

MR. SOUTH distributed EXHIBIT 2, which was a computation of the exact amounts that WMC had used of the original bond issue, what they had already paid, and exactly what they would owe on the additional \$280,000. MR. SOUTH summarized, stating that option #2 was within \$800.00 a year of what WMC's obligations would be on these total expenditures.

Motion: SEN. MCLANE (50:A:140) moved option #2, on EXHIBIT 1.
The motion CARRIED unanimously.

MR. SOUTH said that under option #2 on EXHIBIT 1, \$1,100,000 would be transferred into the cash account, options for which had been developed by the Architecture and Engineering Division of the Dept. of Administration (A&E). TOM O'CONNELL, A&E, (50:A:153) distributed EXHIBIT 3, which listed these options. He discussed this, stating that there were additional projects on the list, as well as reinstatements of projects previously removed from the priority list. He also said that the revenue projections had been reworked based on subcommittee work, the WMC reversion, and a compromise estimate on the revenues from the cigarette tax, as well as an estimate of the amount lost to the pay plan.

MR. O'CONNELL said that the projects which could be funded were listed in priority order. He suggested that the University system roof repair and replacement projects, that were removed due to the increased cost of the MSU Electrical Distribution System, be reinstated. He also suggested that the repair cost of \$78,220 for the Mansfield Library be added in with this project. He pointed out that the water main project would be funded at its original level.

MR. O'CONNELL also went through the new projects to be added that were not on A&E's priority list at their initial presentation. He said that if the committee were to act upon all of the recommendations listed on EXHIBIT 3, the remaining cash balance would be \$218,000, a necessary amount for the cash flow problem.

REP. BARDANOUE (50:A:282) asked about the project he had been interested in, and Mr. O'Connell said that he had left it off the list so that Rep. Bardanoue could present it to the committee. MR. O'CONNELL clarified that without the project, there was a \$218,000 balance in the Capital Construction Program cash fund.

REP. BARDANOUE (50:A:310) said that based on the positive impacts of community support in Bozeman and Helena on the state parks in those communities, he would like to initiate a partnership parks program with a \$150,000 allocation to the Parks Program designated for Lake Elmo in Billings. This money would encourage more community participation in the improvements to the area. The city and/or county must raise \$150,000 in cash, not in kind, for major improvements to the park. He said that the community would have a dollar for dollar match on any monies that they raised. REP. BARDANOUE said that he had discussed the proposal with the parties concerned, and had worked on it with Don Hyyppa of FWP and Tom O'Connell of A&E. He said that he had worked for the money from WMC in order to accommodate the requests from the Dept. of Military Affairs, projects they had not been able to fund, as well as for this partnership parks program.

REP. THOFT (50:A:427) asked if the amount of money committed was enough for the Dept. of Military Affairs, and General Blair said that they would be able to hold their own. He added that there was an additional \$400,000 in federal funds available just

needing the authorization of the legislature. He said that it was for the armory design in Billings, and storage facilities in Belgrade.

Motion: REP. THOFT (50:A:550) moved approval of priorities 56, 59 & 60 (EXHIBIT 3), as well as the additional federal funds in the amount of \$389,597.

Vote: The motion CARRIED unanimously.

A discussion followed about the \$150,000 allocation, and whether it would be taken off the top, or out of the fund balance, as well as the potential end fund balance.

REP. HIMSL (50:A:623) asked if there had been any application for the Lake Elmo project, and REP. BARDANOUE said that it would be allocated to the Dept. of Fish, Wildlife and Parks Dept., Parks Division for Lake Elmo. How the money would be spent would be up to the Parks Division. SEN. MANNING asked what would happen if the money weren't matched, and REP. BARDANOUE said that the money would revert back to the long Range Building Program cash fund.

REP. THOFT asked if there was a time frame for the project, and if the money could be matched in part. REP. BARDANOUE replied that the money would have to be raised during this biennium, with amounts up to \$150,000 matched dollar for dollar. He stated that the intent was to get out of funding local parks at 100%.

SEN. MANNING (50:A:661) asked if the intent was to get Montana people more involved in helping themselves rather than depending upon the state or federal government for funding, and REP. BARDANOUE said yes.

Motion: SEN. MANNING (50:A:682) moved all of the new additions on EXHIBIT 3, inclusive of Rep. Bardanoue's community project in the Billings area, Lake Elmo, with the understanding that the money comes out of the ending balance, and with Rep. Bardanoue supplying the necessary language clarifying the stipulations on the match.

Discussion: REP. BARDANOUE objected to the motion, stating that the Lake Elmo project should have an equal priority rating with the other projects.

Substitute Motion: SEN. MANNING (50:A:725) made a motion for all motions pending that the committee approve all of the projects in the program as listed on Exhibit 3, inclusive of the Lake Elmo project for \$150,000.

Discussion: Mr. South asked that one figure be corrected before the vote was taken. For the Dept. of Military Affairs, a federal amount for the Livingston Armory, Priority 5, the amount should be \$798,000. REP. THOFT (50:B:005) asked why the Lake Elmo Project was not taken care of in the parks funding program, and REP. BARDANOUE said that there had not been enough money for it. He added that it took time for new concepts, and that he hadn't had time to draw it up at that time.

Recommendation and Vote: SEN. MANNING'S motion CARRIED.

Motion: SEN. MANNING (50:B:015) moved that Rep. Bardanouve supply the language to ensure the agreement with regards to Lake Elmo.

Vote: The motion CARRIED unanimously.

CURT CHISHOLM, Dept. of Institutions, asked the committee if the dam project at the Montana State Prison Ranch would be acted upon in the full Appropriations Committee, and the committee agreed to act on the project then and move it into the Long Range Building bill.

ADJOURNMENT

Adjournment At: 7:55 a.m.



REP. CONNELLY, Chairperson

MEC/cm

5225.min

Long Range Planning

DATE _____

[illegible]

EXHIBIT 2DATE 3-6-89HB Long Range Building
Morgan

March 3, 1989

DEBT SERVICE METHODOLOGY
WESTERN SWIMMING POOL BONDS

WESTERN WILL SPEND:

Swimming Pool design	\$83,698
Bond Issuance Costs	\$2,371
P.E. Roof	\$230,000
S.U.B. Design	\$50,000

TOTAL	\$366,069

If Western had borrowed only this amount in 1985 when bonds were sold at 7.677% interest, Western would have paid:	\$41,928 annual payments 15 bond life years

	\$628,920

	Principal	Interest	Total
Western paid in FY1986:	\$90,394	\$28,103	\$118,497
Remaining Principal	\$275,675		
Western Paid in FY1987:	\$117,337	\$21,164	\$138,501
Remaining Principal	\$158,338		
Western Paid in FY1988	\$66,290	\$12,156	\$78,446
Remaining Principal	\$92,048		
Western Paid in FY1989:	\$6,554	\$7,066	\$13,620
Remaining Principal	\$85,494	\$68,489	\$349,064
Annual payments required to retire the remaining balance at the original interest rate of 7.677%	\$11,789		
	11		

Total Remaining Payments	129679		
Total Paid to Date	349064		

Actual Cost 15 years	478743		
Original 15 year cost	628920		

Prepayment Savings	-150177		

EXHIBIT 3
 DATE 3-6-89
 HB Long Range Build

**LONG RANGE BUILDING PROGRAM
 CAPITAL PROJECTS MODIFICATIONS**
 March 6, 1989

REVENUE:

Department of Administration Projections:

Funds Available in 90-91 Biennium	\$5,429,445
A&E Operating Expenses	<u>\$1,138,051</u>
Funds Available for Capital Projects	<u>\$4,291,394</u>

Projected funds for the pay plan	(\$ 50,000)
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Funds Available from WMC Swimming Pool Bonds	\$1,100,000
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Increased Cigarette Tax Projections Recommended by the Long Range Planning Committee	<u>\$250,000</u>
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REVISED FUNDS AVAILABLE	<u>\$5,591,394</u>
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PROJECTS:

PRIORITIZED PROJECTS

Priority	Project	Capital Projects Fund	Other Funds	Total
1	Construct Low Security Housing, MSP	\$1,184,600		
2	Building Modifications Center for the Aged	45,396		
3	Maintain Water Towers, Statewide	450,000		
4	Carpet Replacement, Missoula Vo-Tech	80,000		
5	Hazardous Material Abatement, Statewide	200,000		
6	Roof Replacement, Institutions	352,500		
7	Replace Custer Lodge Roof, PHS	155,000		
*8	Replace Roofs, University System (increase by \$78,220 for Mansfield Library, UM)	473,120		
9	Academic Building Roof Repair, MSD&B	10,000		
*10	Modify AJM Johnson Elevator, MSU	0		
11	Replace Water Softener Tanks, MSH, Galen	45,000		
*12	Supplemental, Cottages 16AB&C, MDC (increase by \$201,900 for remodel)	289,900		
13	Replace Floors, MSH, Galen	20,000		

EXHIBIT 3
 DATE 3-6-89
 HB Long Range Bull

PRIORITIZED PROJECTS CONTINUED

Priority	Project	Capital Projects Fund	Other Funds	Total
*14	Electrical Distribution, Ph. II, MSU (Increase CPF by \$481,655)	\$1,153,355	\$524,871	\$1,678,226
*15	Major Maintenance Water Mains, UM	130,000		
16	Exterior Doors and Vestibules, WMC	14,000		
17	Engineering Hall Window Retrofit, Tech	132,750		
18	Statewide Maintenance & Improvements, DSL	34,200		

* Indicates modification to project.

ADDITIONAL PROJECTS

1	Correct Code Deficiencies, MSH, Galen	\$ 15,000		
2	Remodel Unit 55/56 for Women's Correctional Center, Warm Springs	45,000		
3	Construct M-1 bays, Statewide	30,000	\$1,340,000	\$1,370,000
4	Remodel Missoula Armory & Study Armories Statewide	12,000	80,000	92,000
5	Construct Livingston Armory	500,800	798,000	1,298,800
Project Totals		\$5,372,621	\$2,742,871	\$8,115,492

Adjusted Capital Projects Fund Balance	\$218,773
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OTHER PROJECTS

56	Federal Spending Authority, D of MA	\$300,000
59	P.E. Roof Replacement, WMC	230,000
60	Plan SUB Remodel, WMC (decrease from \$502,000)	50,000

VISITOR'S REGISTER

Long Range Planning

SUBCOMMITTEE

AGENCY(S) _____

DATE

3-6-89

DEPARTMENT _____

NAME	REPRESENTING	SUP- PORT	OP- POSE
<u>Jim Whaley</u>	<u>AEE</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Tom Dornell</u>	<u>AEE</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Jim Macpherson</u>	<u>WNIC</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Ken Serkes</u>	<u>EMC</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Sylvia Hosenberg</u>	<u>U of M</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Henry McClernan</u>	<u>Man. & Tech</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Gary Blas</u>	<u>DMA</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT
IF YOU HAVE WRITTEN COMMENTS, PLEASE GIVE A COPY TO THE SECRETARY.