

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 55th LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON LONG-RANGE PLANNING

Call to Order: By CHAIRMAN ERNEST BERGSAGEL, on January 31, 1997, at 8:00 A.M., in Room 317 of the State Capitol.

ROLL CALL

Members Present:

Rep. Ernest Bergsagel, Chairman (R)
Sen. Thomas A. "Tom" Beck, Vice-Chairman (R)
Sen. John "J.D." Lynch (D)
Rep. Matt McCann (D)
Rep. Tom Zook (R)

Members Excused: none

Members Absent: none

Staff Present: Nan LeFebvre, Legislative Fiscal Division
Debbie Rostocki, Committee Secretary

Committee Business Summary:

Hearing(s) & Date(s) Posted: HOUSE BILL 300, 1/27/97
HOUSE BILL 188 - Department of
Administration - -Information
Technology financing overview
HOUSE BILL 398 - Testimony -
Long Range Building Program -
Lease/purchase overview

Executive Action: none

HEARING ON HOUSE BILL 300

Opening Statement by Sponsor: REP. AUBYN A. CURTISS, HD 81, explained the bill and testimony in support of the bill from Mr. Larry Dolezal, Lincoln County Commission Chairman, was submitted. EXHIBITS 1, 2 and 3
{Tape: 1; Side: a; Approx. Time Count: 0.0-4.2}

Proponents' Testimony: Mr. John Schwartz, Bill Meyer Engineering, rose in support of the bill.
{Tape: 1; Side: a; Approx. Time Count: 4.3-9.4}

Mr. Steve Curtiss, one of the recently appointed commissioners for the Glen Lake Irrigation District, spoke in support of the bill.

{Tape: 1; Side: a; Approx. Time Count: 9.5-12.4}

Former **SENATOR BOB BROWN** explained that the Glen Lake Irrigation District had been in his district and stressed the need to continue addressing the problems with the dam.

{Tape: 1; Side: a; Approx. Time Count: 12.5-15.6}

Mr. Doug Benford, another one of the newly appointed Irrigation District commissioners, rose in support of the measure.

{Tape: 1; Side: a; Approx. Time Count: 15.7-17.2}

Opponents' Testimony: none

Questions From Subcommittee Members and Responses: **SEN. LYNCH** questioned the language in the bill giving the project priority. In response to **SEN. LYNCH**, **Mr. Schwartz** said half of the funding being in the form of a sponsored loan would be acceptable. **CHAIRMAN BERGSAGEL** said he had an amendment for **HB 8** that would give the District a 20-year loan at 4.5% interest, and added that the committee was apprehensive about setting a precedent of bringing a bill into the grants program and prioritizing the project. **Ms. LeFebvre** explained why the project had been prioritized in the bill.

In response to **SEN. LYNCH**, **Ms. LeFebvre** said the project could be put in **HB 6** at the bottom of the list. **Mr. Schwartz** asked the committee to consider making a 0 interest loan or amending the bill to give the District the option of requesting repayment of the loan in 1999 via a grant. **CHAIRMAN BERGSAGEL** said a recommendation could be made to the Dept. of Natural Resources (DNRC). Discussion took place regarding doing the project in phases.

Closing by Sponsor: **REP. CURTISS** closed.

{Tape: 1; Side: a; Approx. Time Count: 17.3-37.1}

HEARING ON HOUSE BILL 188
FINANCING OVERVIEW

Ms. Lois Menzies, Department of Administration Director, spoke.
EXHIBIT 4

{Tape:1 ; Side:a ; Approx. Time Count:37.2-Tape 1:b:6.3}

Ms. Menzies answered questions regarding the funding for MT PRRIME. **Mr. Tony Herbert**, Information Services Division Administrator, explained cadastral mapping funding. **Ms. Menzies** spoke about general fund involvement. Discussion took place.

{Tape:1 ; Side:b ; Approx. Time Count:6.4-15.5}

TESTIMONY ON HOUSE BILL 398
LONG RANGE BUILDING PROGRAM LEASE/PURCHASE OVERVIEW

Ms. Debra Fulton, Dept. of Administration General Services Division Administrator, gave an overview of the Department's proposals regarding leasing vs. building state government office space in Helena. **EXHIBITS 5 and 6**

{Tape:1 ; Side:b ; Approx. Time Count:15.6-30.6}

Questions were then asked. Discussion took place about the pros and cons of leasing vs. purchasing buildings.

{Tape:1 ; Side:b ; Approx. Time Count:30.7-35.6}

In response to **CHAIRMAN BERGSAGEL**, **Ms. Fulton** explained that the \$350,000 being requested in **HB 5** was for architectural fees to write the request for proposal for the new facility. **EXHIBIT 7**

Ms. Fulton gave the justification for why she felt the state should build or lease/purchase rather than lease and why the additional space is needed and how her proposals would provide a cost-effective solution.

{Tape:1 ; Side:b ; Approx. Time Count:35.7-Tape 2:a:10.4}

Questions: **CHAIRMAN BERGSAGEL** requested that **Ms. Fulton** provide a cost/benefit analysis between current lease rates vs. the projected cost per square foot for the proposed Dept. of Public Health and Human Services (DPHHS) building. He wanted to know the vacancy rate within the City of Billings for office space.

CHAIRMAN BERGSAGEL stated he wanted to know the future operational and personal services costs of the proposed DPHHS building and a more detailed breakdown of construction cost estimates. **Ms. Fulton** said personal services and operating cost estimates were not included because the Dept. only expects an increase in maintenance.

Ms. Fulton reviewed how her proposals would affect the location of state agencies in Helena.

CHAIRMAN BERGSAGEL requested a breakdown of the impact of lease/purchasing on the overall debt service for the state. He also wanted the Department's best guess as to how many contracts under \$2 million they expected to negotiate as per the amendment proposed in **HB 398**.

Letters supporting the Office of Public Instruction's purchase of office space were presented to the committee. **EXHIBIT 8 Ms.**

LeFebvre distributed a revised committee meeting calendar.

EXHIBIT 9

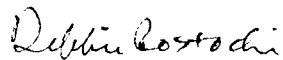
{Tape:2 ; Side:A ; Approx. Time Count:10.5-19.4}

ADJOURNMENT

Adjournment: 10:30 A.M.



REP. ERNEST BERGSAGEL, Chairman



DEBBIE ROSTOCKI, Secretary

EB/DR

This meeting was recorded on two ninety-minute audiocassette tapes.