

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 55th LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON LONG-RANGE PLANNING

Call to Order: By **CHAIRMAN ERNEST BERGSAGEL**, on February 6, 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: **HB 5** - Long Range Building
Program overview and review of
ongoing Department of Fish,
Wildlife and Parks projects
Executive Action: none

HEARING ON HOUSE BILL 5 LONG RANGE BUILDING PROGRAM (LRBP) OVERVIEW

Mr. Tom O'Connell, Architecture and Engineering (A & E) Division Administrator, Department of Administration (DOA), gave an overview of the Long Range Building Program. An outline of his presentation **EXHIBIT 1** and a Status Report for the LRBP **EXHIBIT 2** were distributed, as well as some pictures of the Davidson Honor College building, University of Montana **EXHIBIT 3A**, the Bio Science Building at Montana State University **EXHIBIT 3B**, and the plans for the Pine Hills Campus revamp **EXHIBIT 3C**.

Mr. O'Connell reviewed some of the larger ongoing building projects (**EXH. 1**).

Discussion took place regarding the Prison Boot Camp building project. **Mr. O'Connell** explained details of the \$1.7 million water line project proposed for the Montana State Hospital. If

the lawsuit filed by the Montana Advocacy Program is resolved in the near future, the major building project can be bidded out immediately.

{Tape: 1; Side: a; Approx. Time Count: 0.0-27.9}

Mr. O'Connell reviewed the LRBP (EXH. 1) and distributed copies of the revenue estimates for the LRBP account. **EXHIBIT 4** He pointed out that the revised revenue estimate for the program shows a remaining balance of \$544,754. Ms. LeFebvre added that the A & E Division has revised the beginning cash balance, and this would leave the projected ending fund balance at \$402,464 (p. F-2, EXH. 2).

{Tape: 1; Side: a; Approx. Time Count: 28.0-36.5}

Mr. O'Connell reviewed the growth of the LRBP. **EXHIBIT 4A** Many maintenance-type projects are being bonded because the revenue isn't available from the cash program. Financing with General Obligation (GO) bonds vs. revenue bonds was discussed.

{Tape: 1; Side: a; Approx. Time Count: 36.6-43.9}

Mr. O'Connell then reviewed a three-page summary of the LRBP by agency, with the shaded areas representing the bonded projects, the plain areas the cash projects. **EXHIBIT 4B** The funding for the renovation and restoration of the State Capitol building was explained. The Historic Restoration funding was handled separately because it was not endorsed by the Capitol Advisory Committee.

{Tape: 1; Side: a; Approx. Time Count: 44.0-Tape 1:b:2.6}

Mr. O'Connell gave a statewide perspective and estimated that, including projects approved by the Board of Regents, there is well over \$.5 billion in projects going on. He briefly reviewed the layout of the Governor's Budget book. **EXHIBIT 5**

{Tape: 1; Side: b; Approx. Time Count: 4.8-16.2}

Ms. Kathy Willis, A & E Division, DOA, then reviewed the contents of the Project Status Report (EXH. 2); she distributed copies of an overview designed to help understand the Status Report. **EXHIBIT 6** She reviewed the other, non-legislative areas of funding authority for the LRBP **EXHIBIT 6A**; appropriation transfers were explained.

{Tape: 1; Side: b; Approx. Time Count: 16.3-25.1}

It was brought out that there is \$19 million worth of unissued bonds from the prior three legislative sessions. **CHAIRMAN BERGSAGEL** suggested there should be language which would keep authority with the specific project the Legislature intended it to be used on.

Ms. Willis explained Sections D, E and F of the Status Report (EXH. 6, Examples 1, 2, 3, 4 and 5). Section D represents the total authority (cash - Section E, plus bond - Section F) for each department. Section E gets its numbers from Section C;

Section F is derived from Section B. Section G is a recap of non-legislative authority.

{Tape: 1; Side: B; Approx. Time Count: 25.2-Tape 2:a:7.6}

Questions were then asked. **Ms. LeFebvre** distributed a handout **EXHIBIT 7** which delineated the authority which went straight to the Department of Fish, Wildlife and Parks (FWP), and was not routed through the A & E Division.

{Tape: 2; Side: a; Approx. Time Count: 7.7-11.0}

Mr. Pat Graham, Director of FWP, gave a short introduction.

{Tape: 2; Side: a; Approx. Time Count: 11.1-14.0}

Mr. Jerry Wells, FWP Field Services Division Administrator, then gave an overview of their Capital Projects program. The program is divided into two portions: (1) Capital Construction and Maintenance and (2) Wildlife Habitat and Fishing Access. In the latter, almost all funds have been or will be expended. The ones that remain tied up mainly have to do with conservation easements and acquisition of fishing access sites on the Ruby River. Most of the Capital Construction program is comprised of numerous small projects.

The results of a 1994 internal review of the Capital program were outlined.

Mr. Wells passed out an example of the stages of a typical capital construction project, which typically lasts three to four years. **EXHIBIT 8**

{Tape: 2; Side: a; Approx. Time Count: 14.2-26.1}

Mr. Wells said that in the past week, FWP has closed out appropriations from the 51st, 52nd and 53rd legislative sessions totaling a little over \$300,000. **EXHIBIT 9** The department plans to come up with a process to enable them to more efficiently close and revert project authority when appropriate. They plan to prepare and monitor a monthly capital project log for all of their appropriations at the department level. They will continue to seek ways to improve the implementation of the capital program, and do larger projects instead of smaller ones.

{Tape: 2; Side: a; Approx. Time Count: 26.2-28.0}

Questions were then asked. The Bluewater project funded in the 54th Legislature was discussed. **Mr. Graham** explained they had come in for a larger appropriation than they ended up with. Money that the Long Range Planning Committee had approved was redirected and implementation of the project was delayed as a result.

{Tape: 2; Side: a; Approx. Time Count: 28.0-29.6}

The committee then reviewed the status of the projects with remaining balances on the books, starting from the 48th legislative session and moving forward, going through A & E

funded projects (Status Report, pp. C-6 - C-13), then projects funded directly to FWP (EXH. 7).

48th Legislature

A & E Approp. - Construction, Fish Hatchery, Creston Springs (Status Report, p. C-13) - **Mr. Larry Peterman**, FWP Fisheries Division Administrator, explained the delays, which began with the collapse of the Kokanee salmon fishery in Flathead Lake. They need to build a seawall and do foundation and roof work on the state hatchery building.

{Tape: 2; Side: a; Approx. Time Count: 31.9-34.1}

Direct Approp. - Miscellaneous Inholdings Parks, HB 833 - **Mr. Arnold Olsen**, FWP Parks Division Administrator, explained that this money was set aside for the purchase of parcels of land inside state sites which came up for sale between legislative sessions. This account should be closed out by March 1, 1997.

{Tape: 2; Side: a; Approx. Time Count: 34.2-36.4}

51st Legislature

A & E Approp. - Miles City Headquarters - **Mr. Graham** explained that there was some interpretation work remaining to be done; the project will be off the books by the next biennium.

{Tape: 2; Side: a; Approx. Time Count: 38.6-39.3}

Direct Approp. - Waterfowl Habitat Enhancements Statewide - **Mr. Don Childress**, FWP Wildlife Division Administrator, explained a number of the projects had recently been completed and an \$80,000 expenditure is currently being processed.

Direct Approp. - 89 Waterfowl S/W - AA - **Mr. Childress** added there are projects that are already under construction and bids awarded; by the end of the 1997 construction season all funds will be expended.

{Tape: 2; Side: a; Approx. Time Count: 39.4-40.7}

Direct Approp. - Clearwater Fish Barrier, Seeley Lake HB 777 - **Mr. Graham** explained this project had been delayed because an individual had considered building a small hydroelectric project on the site for a while, but the project is now back on track.

Direct Approp. - Dam Inspections Statewide, HB 777 - **Mr. Dick Mayer**, Design and Construction Bureau, FWP Field Services Division, said the project should be off the books in the spring of 1997. There were some other dams including a dam at Bearpaw reservoir which had some improvements made to it. Questions were asked.

{Tape: 2; Side: a; Approx. Time Count: 41.3-43.9}

52nd Legislature

A & E Approp. - State Park Maint. & Development Statewide - **CHAIRMAN BERGSAGEL** wanted to know why FWP was planning to revert \$196,000. **Mr. Olsen** explained that this money had been set aside as match with the Billings community. They raised \$100,000, but the other \$196,000 they'd hoped to raise didn't materialize, so FWP is giving back its match. This is concerning the Lake Elmo project. **Mr. Olsen** said that most of the projects left in this account were scheduled for completion in 1997.

{Tape: 2; Side: b; Approx. Time Count: 0.0-3.4}

A & E Approp. - Wildlife Habitat Maintenance Statewide - It was explained that these are funds that are set aside for operations and maintenance; those projects are in progress; all of the money is currently allocated for work in 1997. This account pays for work done on fences, internal road systems, etc.

A & E - Dept. Property Development Statewide - same type of projects as above.

A & E - Headquarters Maint. & Improvements Statewide - this amount will be reverted.

{Tape: 2; Side: b; Approx. Time Count: 3.5-5.4}

53rd Legislature

A & E Approp. - Fish Hatchery Maint. Statewide - **Mr. Peterman** explained the legal access questions were in reference to the pipeline extension FWP is putting in at the Jocko River Hatchery.

A & E Approp. - Design Bluewater Hatchery Replacement - **Mr. Peterman** stated that FWP has in excess of \$500,000 invested in design and beginning water development.

{Tape: 2; Side: b; Approx. Time Count: 8.6-10.6}

A & E Approp. - Makoshika State Park Improvements - **Mr. Olsen** explained the project had ongoing needs for roads and a portion of a utility line needs to be relocated; the project should be completed in 1997.

{Tape: 2; Side: b; Approx. Time Count: 12.2-14.1}

A & E Approp. - Bannack State Park Preservation - **Mr. Graham** explained that for two sessions money was redirected from the coal tax trust fund into capital for cultural and historic park renovations and a sizeable portion of that went into Bannack building restorations.

{Tape: 2; Side: b; Approx. Time Count: 14.2-15.8}

54th Legislature

A & E Approp. - Fish Health Lab - **Mr. Peterman** explained that the Fish and Wildlife Service moved their Ft. Morgan, Colorado facility to Bozeman and the Fish Health Lab portion of the funding will no longer be necessary. When whirling disease was found in the Missouri River below Holter Dam, FWP got approval

for an emergency fund transfer to protect the Great Falls water supply; this was part of the funding that was used to do that. The original Fish Health Lab appropriation was \$344,000 (see Giant Springs Hatchery A & E approp.); \$200,000 was transferred. The Fish Health Lab is no longer going to be built; the remaining funds will be used to replace the residence and renovate a space to use for processing fish. **Mr. Graham** clarified that funds from the 53rd Legislature (See A & E Approp. - 53rd Legis. - Oxygenate Giant Springs Water) were combined with Fish Health Lab funds to create the Giant Springs Hatchery Water Supply Project. The oxygenation project still needs to be done. **Ms. Hamman** added that when the emergency reallocation was done, the OBPP took into consideration legislative intent. **Ms. Willis** agreed to provide more information about the series of fund transfers which occurred in this situation.

{Tape: 2; Side: b; Approx. Time Count: 15.9-27.9}

Direct Approp. - South Sandstone Dam - **Mr. Dave Mott**, FWP Administration and Finance Division Administrator, said that the local conservation district recently decided they did not want to take ownership of the dam or the financial obligation. The water users association is considering taking on the project but has not decided. Under the existing language, the only way the money can be spent is if the state divests its interest in the dam. **Mr. Graham** agreed to provide more information on this issue, which concerns maintaining public access if the ownership transfer occurs.

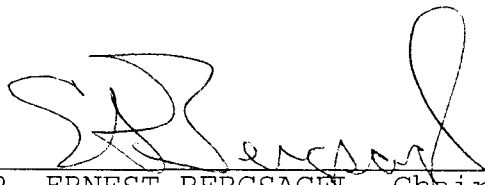
{Tape: 2; Side: b; Approx. Time Count: 29.5-34.8}

Direct Approp. - Thompson Chain of Lakes - **Mr. Graham** said he believed the extra authority, left over after the timber sold for much less than anticipated, could be reverted.

{Tape: 2; Side: b ; Approx. Time Count: 34.8-36.5}

ADJOURNMENT

Adjournment: 12:00 noon.



REP. ERNEST BERGSAGEL, Chairman



DEBBIE ROSTOCKI, Secretary

EB/DR

This meeting was recorded on two 90-minute audiocassette tapes.3