

STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

RUSSELL K. PEARCE
CHAIRMAN 2009
PAULA ABOUD
AMANDA AGUIRRE
SYLVIA ALLEN
JORGE LUIS GARCIA
CHUCK GRAY
AL MELVIN

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

PHONE (602) 926-5491

FAX (602) 926-5416

<http://www.azleg.gov/jlbc.htm>

HOUSE OF
REPRESENTATIVES

JOHN KAVANAGH
CHAIRMAN 2010
RICH CRANDALL
DAVID LUJAN
JOHN MCCOMISH
NANCY McLAIN
DAVID SCHAPIRA
KYRSTEN SINEMA

MINUTES OF THE MEETING JOINT COMMITTEE ON CAPITAL REVIEW

Tuesday, April 27, 2010

The Chairman called the meeting to order at 8:05 a.m., Tuesday, April 27, 2010 in House Hearing Room 4.
The following were present:

Members:	Representative Kavanagh, Chairman	Senator Pearce, Vice Chairman
	Representative Crandall	Senator Aguirre
	Representative Lujan	Senator Allen
	Representative McComish	Senator Garcia
	Representative McLain	Senator Gray
	Representative Sinema	Senator Melvin
Absent:	Representative Schapira	Senator Aboud

APPROVAL OF MINUTES

Hearing no objections from the members of the Committee, Chairman John Kavanagh stated the minutes of March 23, 2010 would stand approved.

ARIZONA DEPARTMENT OF ADMINISTRATION

A. Review of FY 2010 Emergency Building Renewal Project.

Mr. Martin Lorenzo, JLBC Staff, stated that this item is a request to rehabilitate the water well system that is located at the Arizona State Prison Complex Safford's Fort Grant unit at an estimate total cost of \$160,000. The JLBC Staff recommended a favorable review.

Mr. Mike Landry, Bureau Administrator for Engineering and Facilities, Department of Corrections, responded to member questions.

Senator Pearce moved that the Committee give a favorable review of ADOA's request to rehabilitate the 2 wells located at the Fort Grant unit. The motion carried.

B. Consider Recommending FY 2010 Partial Rent Exemptions and FY 2011 Quarterly Rent Payments.

Mr. Juan Beltran, JLBC Staff, stated that this item is a request for recommendation of 8 partial rent exemptions for FY 2010 totaling \$381,000. In addition, this is a request to recommend allowing the Corporation Commission to make quarterly payments in FY 2011 instead of 1 annual payment due at the beginning of FY 2011. The JLBC Staff recommended that the Committee recommend the proposal.

(Continued)

Senator Pearce moved that the Committee recommend the proposed FY 2011 quarterly payment plan for the Corporation Commission and the proposed FY 2010 partial rent exemptions for the Arizona Department of Agriculture, Arizona Health Care Cost Containment System, Department of Commerce, Registrar of Contractors, Department of Juvenile Corrections, Department of Mines and Mineral Resources, Secretary of State, and Department of Water Resources. The motion carried.

SCHOOL FACILITIES BOARD

A. Review of \$100 Million Lease-Purchase Issuance.

Mr. Jack Brown, JLBC Staff, stated that this is a review of School Facilities Board's (SFB's) \$100 million lease-purchase issuance. The JLBC Staff presented options to the Committee.

Mr. Grant Hamill, Managing Director, Stone & Youngberg, responded to member questions.

Mr. Dean Gray, Executive Director, School Facilities Board, responded to member questions.

Representative Kavanagh moved that the Committee table this item until a later date pending agency response. The motion carried.

B. Review of Lease-Purchase Refinancing.

Mr. Jack Brown, JLBC Staff, stated the FY 2011 Education BRB requires SFB to enter into a refinancing agreement that reduces the board's debt service obligation in FY 2011 by up to \$60.0 million. The FY 2011 Education BRB requires that before entering into a refinancing agreement, the agreement's proposed terms must be submitted for review by the JCCR. The JLBC Staff presented options to the Committee.

Senator Pearce moved that the Committee give a favorable review of the refinancing agreement with the provision that SFB submit a final debt service schedule associated with the refinancing agreement. The motion carried.

Without objection, the meeting adjourned at 9:15 a.m.

Respectfully submitted:

Sandy Schumacher, Secretary

Leatta McLaughlin, Principal Fiscal Analyst

Representative John Kavanagh, Chairman