



STATE OF ARIZONA

Joint Committee on Capital Review

STATE
SENATE

DAVID M. GOWAN
VICE-CHAIRMAN
LELA ALSTON
SEAN BOWIE
DAVID BRADLEY
RICK GRAY
SINE KERR
VINCE LEACH

1716 WEST ADAMS
PHOENIX, ARIZONA 85007

(602) 926-5491
azleg.gov

HOUSE OF
REPRESENTATIVES

REGINA E. COBB
CHAIRMAN
CHARLENE R. FERNANDEZ
RANDALL FRIESE
JOHN KAVANAGH
AARON O. LIEBERMAN
WARREN PETERSEN
BEN TOMA

MINUTES OF THE MEETING

JOINT COMMITTEE ON CAPITAL REVIEW

June 24, 2020

The Chairman called the meeting to order at 10:36 a.m., Wednesday, June 24, 2020 via video conference. The following were present:

| | | |
|----------|---|--|
| Members: | Senator Gowan Senator Alston Senator Bowie Senator Gray Senator Kerr Senator Leach | Representative Cobb, Chairman Representative Fernandez Representative Friese Representative Kavanagh Representative Toma |
| Absent: | Senator Bradley | Representative Lieberman Representative Petersen |

APPROVAL OF MINUTES

Senator Gowan moved that the Committee approve the minutes of April 29, 2020. The motion carried.

CONSENT AGENDA

The following items were considered without discussion:

ARIZONA EXPOSITION AND STATE FAIR BOARD (AESF) - Review of Coliseum Building Roof Repair Project.

A.R.S. § 41-1252 requires Committee review of expenditure plans for monies appropriated for capital projects. AESF Board requested Committee review of \$1,000,000 from the AESF Fund for roof repairs to the Arizona Veterans' Memorial Coliseum building (Coliseum) on the State Fairgrounds. Of the \$1,000,000 amount, \$669,000 is allocated from the agency's FY 2020 capital improvement appropriation with the remaining \$331,000 allocated from the agency's FY 2020 operating appropriation.

(Continued)

The JLBC Staff provided options and potential provisions:

- A. AESF shall report to the JLBC Staff if the actual cost of the project included in the expenditure plan exceeds the estimated cost by more than 20%.
- B. If an emergency arises that is not addressed by the existing expenditure plan:
 - 1. AESF shall notify the Chairman and the JLBC Staff that they plan to spend less than \$50,000 from their capital improvement appropriation on an emergency project. AESF can proceed without Committee review.
 - 2. The Chairman can allow AESF to move forward with an emergency project of greater than \$50,000 without Committee review.
 - 3. The Chairman will notify AESF if she does not agree that the project is an emergency and that the project will require full Committee review.

An "emergency" project is defined as unforeseen, critical in nature, and of immediate time sensitivity.

- C. No monies from the FY 2019 (Laws 2018, Chapter 277) or FY 2020 (Laws 2019, Chapter 264) capital improvement appropriation may be spent on projects related to the 1938 WPA Civic Building without prior Committee review.
- D. On or before January 31, 2021 and July 31, 2021 the Arizona Exposition and State Fair Board shall report to the JLBC Staff on the status of all capital improvement projects and capital improvement expenditures, including prior projects reviewed by the Committee.

ARIZONA GAME AND FISH DEPARTMENT (AGFD) - Review of FY 2021 Building Renewal Allocation Plan.

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. AGFD requested the Committee review its \$1,059,800 FY 2021 Building Renewal Allocation Plan. The JLBC Staff provided options and potential provisions:

- A. AGFD shall report any expenditure of the building renewal emergency allocation of \$75,000 to the JLBC Staff as part of its existing semi-annual building renewal status report.
- B. In accordance with A.R.S. § 41-790, AGFD's Headquarters Major Maintenance Fund may not use building renewal monies for movable equipment.

ARIZONA DEPARTMENT OF CORRECTIONS (ADC) - Review of FY 2021 Building Renewal Allocation Plan and Revised FY 2020 Building Renewal Allocation Plan.

A.R.S. § 41-1252 requires Committee review of expenditure plans for building renewal monies. ADC requested the Committee review its FY 2021 Building Renewal Allocation Plan (*Table 1*). The FY 2021 Capital Outlay Bill appropriated \$5,464,300 from the Department of Corrections Building Renewal Fund to ADC for general building renewal. The expenditure plan includes 16 projects at 8 state prison facilities.

(Continued)

ADC also requested the Committee review a reallocation of \$1,200,000 of its FY 2020 Building Renewal funding to complete a project at Perryville prison and for additional funding for future projects (*Table 2*).

The JLBC Staff provided options and potential provisions:

- A. ADC shall report to the JLBC Staff any reallocations between project categories as listed in *Table 1* that exceed \$100,000. ADC shall report this information as part of its existing semi-annual building renewal status report.
- B. If ADC adds a new project category not listed in *Table 1*, the department shall report the proposed project category and expenditure plan to the Chairman and JLBC Staff. The Chairman will notify ADC whether the expenditure plan will require Committee review.
- C. ADC shall notify the Chairman and the JLBC Staff if they plan to spend the contingency allocation. The Chairman will notify ADC if the contingency plan will require full Committee review.

| Table 1 | |
|--|---------------------|
| FY 2021 Building Renewal Plan | |
| <u>Security Projects</u> | |
| Door Control and Lock Upgrades - 2 Units (Safford) | \$ 607,500 |
| Door Control Panel Upgrades - 3 Units (Tucson) | 330,000 |
| Food Trap Locks - Eyman Browning Unit | 329,200 |
| Setback Fence Installation - Winslow | 290,000 |
| Electric Vehicle Access Gates - 2 Units (Yuma) | 285,000 |
| Electronic Perimeter System Replacement - Phoenix Aspen Unit | <u>100,000</u> |
| <i>Subtotal</i> | \$ 1,941,700 |
| <u>Plumbing and Water Pump Projects</u> | |
| Plumbing Chase Walls Phase 1 - Eyman Browning Unit | \$ 881,700 |
| Water Pump Station Repairs - Perryville | <u>75,000</u> |
| <i>Subtotal</i> | \$ 956,700 |
| <u>Generator Projects</u> | |
| Emergency Generators Replacement - Winslow | \$ 514,300 |
| Emergency Generator Replacement - Eyman SMU I | 200,000 |
| Emergency Generator Replacement - Tucson Main Control Center | <u>125,000</u> |
| <i>Subtotal</i> | \$ 839,300 |
| <u>Roof Replacement</u> | |
| Warehouse Roof Replacement - Yuma | \$ 491,400 |
| <u>Heating, Air Conditioning and Ductwork Projects</u> | |
| Ductwork Replacement - 3 Units (Eyman) | 235,000 |
| Air Conditioning Replacement - 3 Units (Perryville) | 98,100 |
| Heater Replacement - Douglas Mohave Unit | <u>50,000</u> |
| <i>Subtotal</i> | \$ 383,100 |
| <u>Fire System Projects</u> | |
| Fire Alarm System Upgrade - Phoenix | \$ 197,800 |
| Contingency | \$ 654,300 |
| Building Renewal Total | \$5,464,300 |

(Continued)

| Table 2 | | | |
|---|---------------------|--------------------|--------------|
| FY 2020 Building Renewal Reallocation | | | |
| | Original Allocation | Revised Allocation | Difference |
| Structural Repair - Florence Central Unit | \$ 700,000 | \$ - | \$ (700,000) |
| Duct Replacement - Tucson Cimarron Unit | 743,600 | 243,600 | (500,000) |
| Catwalk Repairs - 3 Units (Perryville) | - | 418,900 | 418,900 |
| Contingency | - | 781,100 | 781,100 |
| Total | \$1,443,600 | \$1,443,600 | \$ 0 |


ARIZONA DEPARTMENT OF ADMINISTRATION (ADOA) - Consider Recommending Secretary of State FY 2021 Rent Exemption.

A.R.S. § 41-792.01D, authorizes the Director of ADOA, on recommendation from the Joint Committee on Capital Review, to grant a full or partial exemption from the payment of state-owned rental fees if an agency does not occupy their space or lacks the financial resources to make a payment. ADOA requested the Committee recommend a full exemption totaling \$407,200 for the Secretary of State in FY 2021 for the Records Management Center located at 1919 West Jefferson. The JLBC Staff provided options.

Senator Gowan moved that the Committee give a favorable review with provisions as outlined in the JLBC Staff analysis, to the first 3 consent agenda items listed above. For the ADOA item, the Committee recommended a full rent exemption totaling \$407,200 for the Secretary of State in FY 2021 for the Records Management Center located at 1919 West Jefferson. In addition, the Committee recommended an ongoing rent exemption in future years unless the Legislature provides additional funding to SOS to cover the rent cost of the Records Management Center property. The motion carried.

Without objection, the meeting adjourned at 10:38 a.m.

Respectfully submitted:



 Kristy Paddack, Secretary



 Jack Brown, Deputy Director



 Representative Regina Cobb, Chairman