

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 59th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG RANGE PLANNING

Call to Order: By **CHAIRMAN JACK WELLS**, on January 31, 2005 at 8:00 A.M., in Room 350 Capitol.

ROLL CALL

Members Present:

Rep. Jack Wells, Chairman (R)
Sen. Jon Tester, Vice Chairman (D)
Sen. John Brueggeman (R)
Sen. Mike Cooney (D)
Rep. Carol C. Juneau (D)
Sen. Bob Keenan (R)
Rep. Ralph L. Lenhart (D)

Members Excused: Rep. John E. Witt (R)

Members Absent: None.

Staff Present: Laura Dillon, Committee Secretary
Catherine Duncan, Legislative Branch
Amy Carlson and Mike Burke, OBPP

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 5, 1/31/2005
Executive Action:

Reference book is: Governor's Budget State of Montana, Fiscal Years 2006-2007, Long Range Building Program (LRBP), Volume 4.

CHAIRMAN WELLS called the meeting to order and opened the discussion of HB 5 projects.

Joe Triem, Department of Administration, Architecture and Engineering, provided some background about the projects on the agenda. The committee has scheduled hearings concerning university projects specific to Montana State University (MSU).

Geoff Gamble, President, Montana State University, told the committee that he would be introducing the projects and allowing other university representatives to speak. The MSU projects included in LRBP represent a portion of the needs faced by MSU-Bozeman, the Montana Agriculture Experiment Station and MSU affiliated campuses. The complete LRBP submission from MSU includes over \$200 million in code and deferred maintenance projects. A \$42 million spending authority request has also been included.

Roof Repairs and Replacements, Page 56

Proponents' Testimony:

Bob Lashaway, Facilities Director, Montana State University, explained that this project included a series of statewide roofing repairs. The project was previously presented to the committee by the department. Mr. Lashaway wanted to acknowledge the five roofs at MSU-Bozeman included in the project. There will be no operation and maintenance consequence as a result of this project.

Opponents' Testimony: none.

Questions from Committee Members and Responses: none.

{Tape: 1; Side: A; Approx. Time Counter: 0 - 8.8}

Code and Deferred Maintenance, Page 73

Proponents' Testimony:

Mr. Lashaway said that this project had been discussed by the University of Montana (UM) previously before the committee. The appropriation is allocated for general code and deferred maintenance projects within the Montana University System. The appropriation has traditionally been split evenly between UM and MSU. Common projects addressed include mechanical and electrical system repairs, building envelopes, fire alarms, and public access. There is not an operation and maintenance cost change associated with this project.

Opponents' Testimony: none.

Questions from Committee Members and Responses: none.

Heating, Ventilation, Air Condition Upgrade, Page 88

Proponents' Testimony:

Mr. Lashaway discussed this project for Heating, Ventilation and Air Conditioning (HVAC) upgrades at MSU-Northern in Havre. The HVAC systems in Pershing Hall and Brockman Center will be upgraded through the project. The original system in Pershing Hall is near the end of its life and causes significant ventilation problems in the building. The cooling system currently housed in Brockman Hall fails regularly and cannot meet the demands of upper level labs.

Opponents' Testimony: none.

Questions from Committee Members and Responses: none.

Heating System Improvements, Page 91

Proponents' Testimony:

Mr. Lashaway explained that this project would allow for heating system improvements at MSU-Billings. The boiler in McMullen Hall will be replaced as part of the project. Mechanical components associated with the system will also be repaired. This project will be coordinated with other boiler replacement projects on campus, which have been included in HB 12. There will be no change in operation and maintenance as a result of the project.

Opponents' Testimony: none.

Questions from Committee Members and Responses:

SEN. KEENAN asked what "commissioning" referred to.

Mr. Lashaway responded that commissioning is the process by which the design construction is tested.

SEN. KEENAN asked what was done with contingent funds that are not used.

Mr. Lashaway replied that project contingencies were set aside to ensure that enough money will be available to complete the project. Contingencies that are not used during construction are usually used to complete items that were identified during the

design process. Most contingencies will be used on some aspect of the project.

SEN. KEENAN asked if a contingency had ever not been used.

Tom O'Connell, Department of Administration, Architecture and Engineering, replied that the beginning fund balance listed in the bill is made up in part of contingencies that have been reverted.

Heating, Ventilation and Air Conditioning, Page 100

Proponents' Testimony:

Mr. Lashaway stated that this project will address mechanical system deferred maintenance at the Great Falls College of Technology (COT). The heating units are obsolete and fail on a regular basis. Replacement parts for the system are no longer manufactured. Mr. Lashaway stated that if the bonding bill is in fact created, this project will be included as part of a larger Great Falls COT project in that bill. The university will work with the department to draft an amendment, which will strike the project from HB 5 if it becomes included in the bonding bill.

Cathy Duncan added that an amendment to HB 5 should be drafted with language to indicate that this would be contingent on passage of the bonding bill.

Opponents' Testimony: none.

Questions from Committee Members and Responses:

CHAIRMAN WELLS asked what "hydronic" meant.

Mr. Lashaway replied that the term was used in reference to nonsteam fluid systems.

REP. LENHART commented that dual heating-cooling systems can be very economical. He wanted to know if the university had looked into the costs of such a system.

Mr. Lashaway responded that possible options are looked at as part of the design process.

{Tape: 1; Side: A; Approx. Time Counter: 8.8 - 21.9}

General Maintenance, Page 115**Proponents' Testimony:**

Mr. Lashaway discussed this appropriation for general classroom maintenance. The appropriation for this project is split between MSU and UM, with each university receiving half. The funding goes to address classroom and lab upgrades including lighting, seating and flooring. There are no continuing operation and maintenance costs associated with this project.

Opponents' Testimony: none.

Questions from Committee Members and Responses: none.

Facility Repairs, Page 118**Proponents' Testimony:**

Mr. Lashaway explained that the appropriation for this project will fund repairs in several facilities on the MSU-Billings campus. Drive equipment in the library elevator, as well as wiring and cable in the Cisel Hall elevator, will be replaced. Fire sprinkler systems will be installed in the Library and McMullen Hall. The mechanical and electrical structure in the Science Building will be improved to accommodate classroom upgrades. There is no continuing operation and maintenance associated with this project.

Opponents' Testimony: none.

Questions from Committee Members and Responses: none.

{Tape: 1; Side: A; Approx. Time Counter: 21.9 - 24.8}

Heating Plant, Page 123**Proponents' Testimony:**

Mr. Lashaway presented this project for improvements to the heating plant at MSU-Bozeman. The project includes the last phase of a three boiler upgrade. This project will also address seismic improvements to the building. The exterior walls of the building will be braced and the masonry repaired and reinforced. There is no operation and maintenance consequence for the state.

Opponents' Testimony: none.

Questions from Committee Members and Responses:

Mr. Lashaway distributed an amendment for the next project (Exhibit 1). The amendment switches the appropriations of the next two projects. The total appropriation for the two projects remains the same.

EXHIBIT(j1h24a01)

Water and Sewer Improvements, Page 128**Proponents' Testimony:**

Mr. Lashaway stated that this project would facilitate improvements to the water and sewer system at MSU-Bozeman. The existing system is old and its pipes are prone to corrosion and breaks. The system is approaching its maximum capacity. MSU has collaborated with the City of Bozeman to include the system in the city's master plan assessment of water and sewer. The funding for this project is intended to handle the first few problems identified by the study. There will be no change in operation and maintenance responsibilities.

{Tape: 1; Side: A; Approx. Time Counter: 24.8 - 31}

Opponents' Testimony: none.

Questions from Committee Members and Responses: none.

Electrical Upgrades, Page 130**Proponents' Testimony:**

Mr. Lashaway explained that the appropriation for the previous project will be switched with the appropriation for this project. It has been determined that the Electrical Upgrades Project at MSU-Bozeman needs immediate attention. New circuits will be installed under the project. The instances of failure have increased with the existing system. Mr. Lashaway gave an example of a recent power failure, which took about three days to repair. The project has no operation and maintenance consequence.

Opponents' Testimony: none.

Questions from Committee Members and Responses:

SEN. COONEY asked if any long-term damage has been sustained as a result of power failures.

Mr. Lashaway replied that extra precautions had been taken to ensure that more serious damage would not occur after the first few power failures. Because of this, there has not been any long-term damage resulting from the failures.

Facility Repairs and Improvements, Page 132

Proponents' Testimony:

Mr. Lashaway explained that Agriculture Experiment Stations across the state were included in this project. Water system repairs as well as structural repairs will be part of this project. There will be no change in the operation and maintenance impacts.

Opponents' Testimony: none.

Questions from Committee Members and Responses:

CHAIRMAN WELLS asked how many total Agricultural Experiment Stations were included in the project.

Mr. Lashaway answered that seven stations will be included in the project.

{Tape: 1; Side: B; Approx. Time Counter: 0 - 10.2}

Campus Improvements, Page 138

Proponents' Testimony:

Mr. Lashaway explained that this project would fund various code and maintenance improvements to the MSU-Northern campus. The project will reduce the significant amount of deferred maintenance needs that have built up over the years. Pedestrian improvements, including sidewalks and steps, will be repaired. Parking will be upgraded and made more accessible. Several Americans with Disabilities Act (ADA) code issues will be addressed through the project.

Opponents' Testimony: none.

Questions from Committee Members and Responses:

Ms. Duncan asked whether the agency priority list included the entire university system or just MSU projects.

Mr. Lashaway answered that the Board of Regents set the priority list for all university projects.

{Tape: 1; Side: B; Approx. Time Counter: 10.2 - 12.4}

General Spending Authority, Page 202

Proponents' Testimony:

Mr. Lashaway explained that this project was a request for general spending authority, which MSU will use to address any projects that come up between funding cycles. The total authority requested for all MSU campuses is \$7 million.

Opponents' Testimony: none.

Questions from Committee Members and Responses: none.

Black Box Theater, Page 204

Proponents' Testimony:

Mr. Lashaway stated that this project was a request for authority to construct a theater building at the MSU-Bozeman campus. The building will accommodate a variety of theater and film classes as well as exhibitions. The theater has outgrown its existing space in the Student Union Building. The project will be funded by student dollars and the state's portion of the operation and maintenance at the Student Union Building will be transferred to the new building. There will be no change in the net amount as a result of this transfer.

{REP. JUNEAU entered the meeting at 8:45 A.M.}

Opponents' Testimony: none.

Questions from Committee Members and Responses:

Ms. Duncan asked if the university was requesting that the state pick up the entire operation and maintenance cost for this project.

Mr. Lashaway replied that the university is asking that the state acknowledge that the theater always was state funded as part of the Student Union Building. Transferring the theater's portion of operation and maintenance to the new building will not result in any change for the state.

Ms. Duncan asked if the university had any operation and maintenance cost estimates.

Mr. Lashaway did not have the estimates available, but assured the committee members that he could have the numbers ready at a later date.

CHAIRMAN WELLS asked how the operation and maintenance was divided out.

Mr. Lashaway replied that the university will discontinue paying for the theater space in the Student Union Building once it has been vacated.

Mr. Triem added that there would be no additional operation and maintenance costs for the state.

Mr. Lashaway continued that there were several other authority only projects that the university would like to be included in HB 5. The university has an amendment that would inset these projects in the bill (Exhibit 2).

EXHIBIT(jlh24a02)

{Tape: 1; Side: B; Approx. Time Counter: 12.4 - 22.5}

Mr. Gamble discussed the three projects included in the amendment:

- 1) Animal Bioscience Building, MSU-Bozeman
- 2) Museum of the Rockies, MSU-Bozeman
- 3) Native American Student Center, MSU-Bozeman

{SEN. TESTER entered the meeting at 9:00 A.M.}

Animal Bioscience Building, MSU-Bozeman

Proponents' Testimony:

Jeff Jacobsen, Montana State University, College of Agriculture, further explained the Animal Bioscience Building Project. The project will allow for expansion of the existing livestock science program. The College of Agriculture has the expertise as well as livestock readily available to participate in the cow genome project (Exhibit 3). The university partners with several states and the federal government on the genome project.

EXHIBIT(jlh24a03)

{Tape: 1; Side: B; Approx. Time Counter: 22.5 - 31}

REP. JIM PETERSON, HD 30, stated his support for the project. He has agreed to become part of the fund-raising effort.

Opponents' Testimony: none.

Questions from Committee Members and Responses:

SEN. COONEY asked how the fund-raising dollars were accounted for. He was concerned that some of the funds may contribute to the spending cap.

Ms. Duncan replied that she did not believe any of the money raised for this project would contribute to the cap.

SEN. TESTER asked if the \$12.5 million proposed for the project would all be raised with private funds.

Mr. Jacobsen indicated that this was correct.

SEN. TESTER asked if there was a time line for the project.

Mr. Gamble replied that the total \$12.5 million was scheduled to be raised over the next one to two years.

SEN. TESTER asked if there would be operation and maintenance costs for the state.

Mr. Gamble responded that there would be an operation and maintenance consequence, but he feels this will be offset by the benefits the completed project will bring to the state.

SEN. TESTER asked if the project would replace an old building or construct an entirely new one.

Mr. Gamble stated that a new building would be constructed.

SEN. COONEY asked what "state funds" referred to in the amendment.

Mr. Lashaway replied that the project needs some funding to address deferred maintenance. The state funds are usually only a small portion of the project.

Ms. Duncan added that the project asked for authority, rather than appropriated funds. These will not affect the state spending limitations.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 10.7}

Museum of the Rockies, MSU-Bozeman**Proponents' Testimony:**

Mr. Lashaway said the funding for this project is proposed for an addition to the Museum of the Rockies. The museum has become a very important educational center as well as tourist attraction and continues to grow beyond its current space. The project would renovate the museum entrance to provide additional space and restrooms for visitors. New exhibit space and food service operations will also be added.

Sheldon McKamey, Dean and Director, Museum of the Rockies, stated that the museum is an example of a public-private partnership. The request is for \$12.5 million in authority and the majority of these funds will go towards renovation. A portion of the funds will be used for excavating and covering the courtyard. The research and collections programs will benefit from increased space. The post-graduate programs in History and Paleontology are expected to continue to grow and she feels the museum should correspond with this growth.

{Tape: 2; Side: A; Approx. Time Counter: 10.7 - 17.3}

Opponents' Testimony: none.

Questions from Committee Members and Responses:

SEN. TESTER asked how much had been raised for the project so far.

Ms. McKamey responded that about \$2.3 million had been raised.

Mr. Gamble added that the fund raising campaign has hired a consultant to further ensure that the campaign will be successful.

SEN. TESTER asked how the operation and maintenance costs of the existing building were paid.

Mr. Gamble answered that the building was paid for through the state appropriation to MSU.

SEN. TESTER asked what "other expenditures" referred to on the project outline.

Mr. Lashaway responded that the other expenditures referred to the permitting fees associated with the museum. Projects located on campus generally will not have these types of fees.

CHAIRMAN WELLS went over some of the figures listed in the amendment with the university representatives for further clarification.

SEN. TESTER asked if the estimated operation and maintenance costs included deferred maintenance.

Mr. Lashaway stated that the university intended to avoid deferred maintenance and keep up with every project that can be addressed within the year.

REP. JUNEAU asked how long bonding authority lasted, once it was granted by the committee.

Mr. O'Connell stated that typically the authority continues indefinitely. There have been rare instances where authority is granted within a limited frame of time.

Mr. Gamble added that MSU has voluntarily reverted authority on past projects.

{Tape: 2; Side: A; Approx. Time Counter: 17.3 - 31}

Native American Student Center, MSU-Bozeman

Proponents' Testimony:

Dr. Walter Flemming, Native American Studies, Montana State University, distributed a project outline to the committee members (Exhibit 4). MSU is focused on increasing Native American student enrollment over the next five years. Currently all of the Native American activities are housed in a basement room at Wilson Hall. Construction of a new facility will better accommodate the center's many uses and also allow for future growth. The proposed building will include adequate space for lectures, a computer center, school outreach programs, and advisory programs. The university would like the legislature to consider assuming the operation and maintenance costs associated with the new facility.

EXHIBIT(jlh24a04)

Dr. Henri Mann, Native American Studies, Montana State University, reviewed some of the programs that could be provided to the Native American population through the new facility.

{Tape: 2; Side: B; Approx. Time Counter: 0 - 14.8}

Opponents' Testimony: none.

Questions from Committee Members and Responses:

SEN. TESTER asked how contingencies for each project were determined.

Mr. Lashaway responded that the contingency estimates are based on previous design costs and can vary depending on the nature of the building.

SEN. TESTER asked if structural testing was included in the contingency fees and Mr. Lashaway indicated that it was.

SEN. TESTER asked about the construction management on the project.

Mr. Lashaway replied that Architecture and Engineering Division, and MSU resources would be used for project construction.

REP. JUNEAU asked where the center would be located.

Mr. Gamble replied that the campus was looking at four possible sites for the project.

{Tape: 2; Side: B; Approx. Time Counter: 14.8 - 31}

Mr. Gamble went on to discuss MSU projects potentially included in the bonding bill (Exhibit 5).

EXHIBIT(j1h24a05)

CHAIRMAN WELLS asked if the committee members had questions about the bonded projects and then concluded the hearing.

{Tape: 3; Side: A; Approx. Time Counter: 0 - 4.3}

ADJOURNMENT

Adjournment: 10:10 A.M.

REP. JACK WELLS, Chairman

LAURA DILLON, Secretary

JW/ld

Additional Exhibits:

EXHIBIT ([j1h24aad0.PDF](#))