

**MINUTES OF THE JOINT CAPITAL OUTLAY SUBCOMMITTEE**  
**Meeting No. 2, Thursday, April 2, 2009, 8:30 a.m.**  
**Senate Hearing Room, Ground Floor, Boji , 124 W. Allegan, Lansing, Michigan 48933**

The Joint Capital Outlay Subcommittee was called to order by the Chair, Senator Michelle A. McManus at 8:30 a.m.

Members present: Senators McManus, Jelinek, Hardiman, Pappageorge, Switalski, Cherry, and Clark-Coleman  
Representatives Lahti, Dean (entered during meeting), Bennett, Durhal, Bauer, Caul, Proos, Booher, Haines

Members absent/excused: Senators Brown, Cropsey, and Scott  
Representative Switalski

Chair McManus placed agenda Item Number 1 before the Subcommittee.

1. MINUTES OF JOINT CAPITAL OUTLAY SUBCOMMITTEE MEETING NO. 1

With no objection, the minutes of the March 5, 2009 JCOS meeting were approved by a voice vote.

Chair McManus placed agenda Item Number 2 before the Subcommittee.

2. TRANSFERS

DMB Letter Date: 2/24/09

	<b>Line Item</b>	<b>Transfer Amount</b>
<b>A.</b>	<b>Mackinaw City Marina.</b> This transfer shifts \$800,000 in Federal U.S. Coast Guard funding from the infrastructure improvements lump sum to the Mackinaw City project line within the Waterways Boating program in order to provide funding for the completion of Phase V, and accurately reflect the total cost of the project. This project is a multiple-phase project with appropriations dating back to FY 2001-02. The FY 2008-09 appropriation (Phase V) included floating docks, utility connections, and ice bubblers for winter protection of the docks. Work on the current phase is progressing faster than anticipated, and the transfer is necessary to keep the project moving throughout the Spring in order to complete the current project phase prior to the Summer season.	\$800,000

<b>B.</b>	<b>Port Austin Site Improvements.</b> The original appropriation for the Port Austin project was \$500,000. The project includes shoreline protection for an erosion problem at Bird Creek that is affecting a parking lot. Along with a new parking lot configuration, there will be updates to the restroom facility, dock, and utility improvements. This transfer shifts \$500,000 in State waterways funding from the infrastructure improvements lump sum to the Port Austin project line item to fund the project according to the engineer's cost estimate. This transfer is being requested in lieu of waiting to request funding in the next fiscal year to complete this phase of the project. The Governor's FY 2009-10 budget recommendation includes \$2.5 million for other improvements at Port Austin, including new floating piers, utility upgrades and a comfort station.	\$500,000
<b>C.</b>	<b>Mitchell State Park Seawall and Walkway Replacement.</b> The original appropriation for the Mitchell State Park seawall replacement and walkway project totaled \$1,250,000 (\$937,500 Federal/\$312,500 State). This FY 2006-07 transfer shifts \$187,500 in State waterways funds from the infrastructure improvements lump sum to the Mitchell State Park project line item within the Waterways Boating program. Initial costs were based on preliminary engineering estimates. The project involves the extensive use of steel in a 1,500 foot seawall that connects Lake Cadillac and Lake Mitchell. The cost increase results from higher than anticipated costs for steel and other components. A pending FY 2008-09 supplemental request (DMB letter dated 2/12/09) for \$562,500 in Federal funds would bring the total cost of the project to \$2 million.	\$187,500

Senator Jelinek moved approval, supported by Representative Lahti.

The motion prevailed by a vote of 15-0-5

Yeas: Senators McManus, Jelinek, Hardiman, Pappageorge, Switalski, Cherry, and Clark-Coleman

Representatives Lahti, Bennett, Durhal, Bauer, Caul, Proos, Booher, and Haines

Nays: 0

NV/Excused: Senators Brown, Cropsey, and Scott

Representatives Dean, and Switalski

Chair McManus placed agenda Item Number 3 before the Subcommittee.

3. PLAN APPROVALS/CONSTRUCTION COST AUTHORIZATIONS

DMB Letter Date: 3/11/09

The Department of Management and Budget has approved program and schematic planning documents for the Whiting Hall Renovation project at Jackson Community College, and is requesting subcommittee approval of these planning documents. The project received planning authorization in PA 278 of 2008. The Management and Budget Act requires the Department of Management and Budget to review planning documents and then submit them to the JCOS for consideration. These planning documents have yielded a construction cost estimate of \$21,900,000. As customary, this cost will be financed 50% from the State and 50% from institution resources. The DMB requests a cost authorization be established in the next available

appropriations bill so that final design and construction may commence.

Representative Booher moved approval, supported by Senator Switalski.

The motion prevailed by a vote of 15-0-5

Yeas: Senators McManus, Jelinek, Hardiman, Pappageorge, Switalski, Cherry, and Clark-Coleman

Representatives Lahti, Bennett, Durhal, Bauer, Caul, Proos, Booher, and Haines

Nays: 0

NV/Excused: Senators Brown, Cropsey, and Scott

Representatives Dean, and Switalski

Chair McManus placed agenda Item Number 4 before the Subcommittee.

4. PLANNING AUTHORIZATION REVISION

DMB Letter Date: 3/23/09

The Department of Management and Budget has recommended revision of the planning authorization for Washtenaw Community College contained in Public Act 278 of 2008. The proposal originally included the construction of a new complex with a total cost of \$16,000,000. The project as revised will renovate two existing buildings at a total cost of \$14,800,000.

Senator Cherry moved approval, supported by Representative Bauer.

The motion prevailed by a vote of 15-0-5

Yeas: Senators McManus, Jelinek, Hardiman, Pappageorge, Switalski, Cherry, and Clark-Coleman

Representatives Lahti, Bennett, Durhal, Bauer, Caul, Proos, Booher, Haines

Nays: 0

NV/Excused: Senators Brown, Cropsey, and Scott

Representatives Dean, and Switalski

Chair McManus placed agenda Item Number 5 before the Subcommittee.

5. USE AND FINANCE STATEMENTS

Item	DMB Letter	Project	Cost	Financing	Annual Operating
A	2/27/09	Grand Rapids Community College – Davenport Campus Acquisition & Renovation. The purchase consists of six buildings on 8.07 acres located 1.5 blocks from the eastern edge of GRCC's	\$9,000,000 to \$12,000,000	Bond Proceeds & Private Gifts	\$325,000 in first year & \$625,000 annually thereafter

		campus. Acquisition expected in June 2009; renovation completion by August 2010.			
<b>B</b>	2/27/09	U of M Ann Arbor – Central Campus Area 2009 Utility Tunnel and Piping Replacement. This is part of the University's 2006 master plan to replace sections of brick tunnels and piping. The current project will replace approximately 600 feet of tunnels and 125 feet of piping. Estimated completion date: December 2009.	\$6,600,000	University Utility Resources	None
<b>C</b>	2/27/09	MSU – Owen Hall Refurbishment. The project includes the renovation of the central commons area to provide a new dining center and lounge, front desk and reception area. The lower level will include group study rooms, a new community kitchen, game room, and TV lounge. The project also includes a new fire protection system and expanded loading dock. Estimated completion date: July 2009.	\$10,000,000	Housing and Food Service Reserve	No Change
	2/27/09	MSU – T. B. Simon Power Plant Fuel Handling Modifications. Install 5,000 feet of new railroad track, install covered storage to coal for boiler 4, enhance storm water run-off containment system and provide expanded ash silo capacity. Estimated completion date: January 2011.	\$15,000,000	University General Fund	No Change
<b>D</b>	3/23/09	Kellogg Community College – C Classroom Building Renovation. The project includes replacement of mechanical and electrical systems, adjusting classroom sizes by removing interior walls, furniture replacement and other improvements.	\$5,000,000	College Building and Maintenance Fund	Year 1: \$207,615 Thereafter: \$213,843

Senator Jelinek moved approval, supported by Representative Dean.

The motion prevailed by a vote of 16-0-4

Yeas: Senators McManus, Jelinek, Hardiman, Pappageorge, Switalski, Cherry, and Clark-Coleman  
Representatives Lahti, Dean, Bennett, Durhal, Bauer, Caul, Proos, Booher, Haines

Nays: 0

NV/Excused: Senators Brown, Cropsey, and Scott  
Representative Switalski

There being no further business before the Subcommittee, Chair McManus adjourned the meeting, the time being 8:45 a.m.

Senator Michelle A. McManus, Chair \_\_\_\_\_

Pam Yeomans, Committee Clerk, (517) 373-2768