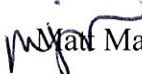




DATE: January 15, 2015

TO: Myron Frans, Commissioner, Minnesota Management & Budget
Legislative Committee Chairs, per M.S. 16B.307, subd. 2 (Distribution list attached)

FROM:  Myron Massman, Commissioner

SUBJECT: Asset Preservation (AP) Summary Report for Calendar Year 2014

Pursuant to Minnesota Statutes 16B.307, subd. 2, enclosed is the Asset Preservation (AP) Summary Report. This report is a list of projects funded from AP appropriations during calendar year 2014.

Enclosures

c: Governor Mark Dayton
Legislative Reference Library (2)

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ASSET PRESERVATION SUMMARY REPORT

Department of Administration

January 2015

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Department of Administration
Real Estate and Construction Services
Voice 651.201.2550
Fax 651.215.6245

Cost to prepare this report: \$600

REPORTING REQUIREMENTS

Minnesota Statutes 16B. 307, subd. 2 (see Appendix 1), states that the commissioner of an agency that has received an appropriation for asset preservation (AP) shall submit:

- A list of the projects in each agency that were funded from Asset Preservation appropriations during the preceding calendar year.
- A list of priority projects for which an AP appropriation will be sought during this year's legislative session.

FUNDING SUMMARY

The Department of Administration received the following AP funding for the preservation of Capitol Complex buildings and infrastructure:

- \$2.5 million in Fiscal Year 2005 (FY05)
- \$5 million in FY06
- \$0.00 in FY08
- \$8.075 million in FY10
- \$8.15 million in FY11
- \$0.500 million in FY12
- \$0.00 in FY14

The Department of Administration also manages AP fund appropriations on behalf of other state agencies. The following is a summary of AP funds appropriated in fiscal years 2010, 2011, and 2012 that have been expended on projects in calendar year 2014. The tables that follow list specific projects that received funding.

FY2009	Department of Corrections	\$ 27,296.84
	Department of Human Services	\$ 20,777.00
	Department of Veterans Affairs	\$ 444,810.02
FY2010	Department of Corrections	\$ 872,641.01
	Department of Human Services	\$ 93,208.00
	Minnesota State Academies	\$ 78,207.00
FY2011	Department of Corrections	\$1,844,968.34
	Department of Human Services	\$2,076,645.57
	Minnesota State Academies	\$ 184,778.45

-continued on next page-

FY2012

Department of Administration	\$ 485,042.00
Department of Corrections	\$3,754,973.55
Department of Human Services	\$ 177,073.00
Department of Veterans Affairs	\$1,257,000.00

FY2014

Perpich Center for Arts Education	\$1,261,241.00
Department of Corrections	\$ 895,000.00
Department of Veterans Affairs	\$1,125,000.00

ASSET PRESERVATION (AP) FUNDING REQUESTS & PRIORITY PROJECTS

Since 2015 is an odd-numbered year and the legislature typically addresses capital bonding in even-numbered years; it is not anticipated that State Agencies will submit asset preservation funding requests in 2015. However, all State agencies will submit their 2016 AP appropriation requests to the Governor who will review and submit final requests to the legislature at the beginning of the 2016 session.

All 2014 final appropriation requests from agencies and recommendations are posted on Minnesota Management and Budget's website at: <http://www.mn.gov/mmb/budget/capital-budget/>

TABLE ONE

**Projects funded in Calendar Year 2014 (CY14) using the Fiscal Year 2009 (FY09)
Asset Preservation (AP) appropriations**

Department	Location	Description	Allocation	Agency Total
Corrections				
78LL0023	Lino Lakes	Repair emergency generator	24,098.00	
78SW0025	Stillwater	Repair Unit D showers	3,198.84	
Total				\$27,296.84
Veterans Affairs				
75MP0046	Minneapolis Vets Home	Replace main sewer line	20,777.00	
Total				\$20,777.00
Human Services				
55SR0042	SPRTC*	MSH and Tomlinson Flooring	52,116.17	
55CA0006	CA-METO**	Replace campus sidewalks	3,559.00	
55BR0008	BRTC***	Replace Bldg 22 sidewalks	49,750.00	
55SR0045	SPRTC	Abate various buildings	68,384.85	
55SR0043	SPRTC	Replace MSH chiller piping	271,000.00	
Total				\$444,810.02
Grand Total				\$492,883.86

- *SPRTC: St Peter Regional Treatment Center
- **CA-METO: Cambridge- MN Extended Treatment Option
- ***BRTC: Brainerd Regional Treatment Center

TABLE TWO

Projects funded in CY14 using the FY10 AP appropriations

Department	Location	Description	Allocation	Agency Total
Corrections				
78LL0022	Lino Lakes	Replace B-building roof	53,230.00	
78ML0049	Moose Lake	Repair perimeter fence electrical circuits	15,000.00	
78ML0040	Moose Lake	Replace summer boiler	70,000.00	
78SW0028	Stillwater	Upgrade B-2 A-east showers	173,765.58	
78RW0021	Stillwater	Replace Industry vacuum pump	25,828.48	
78SH0024	Shakopee	Repair Green House hot water	9,800.00	
78FA0037	Faribault	Repair hot water circulation to housing units	258,140.00	
78SC0027	St. Cloud	Replace AHU in Units A, B and C	90,000.00	
78OP0003	Oak Park Heights	Upgrade security system	176,876.95	
	Total			\$872,641.01
Human Services				
55ML0013	MSOP* Moose Lake	Replace loading dock steps	43,800.00	
55MP0001	19 th Ave Mpls SOCS**	Replace roof	14,925.00	
55MP0002	41 st Ave Mpls SOCS	Replace roof	14,985.00	
55RF0002	Middle St Redwood Falls SOCS	Replace 2 roofs	19,498.00	
	Total			\$93,208.00
Minnesota State Academies				
44BA0018	Blind Academy	Resurface Lysen-Gillen KalWall skylight	34,664.00	
44FA0020	Deaf Academy-Site	Upgrade 10 buildings' elevators to code	25,686.00	
44BA0017	Blind Academy	Repair pool exterior wall	15,682.00	
44BA0016	Blind Academy	Replace playgrounds	2,175.00	
	Total			\$78,207.00
	Grand Total			\$1,044,056.01

*MSOP: MN Sex Offender Program

**SOCS: State Operated Community Services

TABLE THREE

Projects funded in CY14 using the FY11 AP appropriations

Department	Location	Description	Allocation	Agency Total
Corrections				
78ML0045	Moose Lake	Design industry roof warranty replacement	25,000.00	
78ML0046	Moose Lake	Repair perimeter fence underground electrical	45,000.00	
78ML0047	Moose Lake	Repair water main break	10,466.12	
78OP0003	Oak Park Hts	Upgrade security system	150,000.00	
78FA0035	Faribault	Repair domestic hot water	27,385.00	
78FA0036	Faribault	Mitigate Industry flooding	30,000.00	
78RC0014	Rush City	Upgrade fire alarm systems	583,000.00	
78RW0022	Red Wing	Replace DA tank	425,000.00	
78ML0051	Moose Lake	Replace building 60 roof	130,000.00	
78TH0012	Thistledeew	Abate juvenile dorm tile	39,903.60	
78ML0052	Moose Lake	Replace building 64 kitchen roof	176,000.00	
78SW0025	Stillwater	Remodel Unit D showers	13,077.39	
78OP0021	Oak Park Hts	Repair cold water mains	125,000.00	
78LL0022	Lino Lakes	Replace B-building roof	37,770.00	
78TH0014	Thistledeew	Study arc flash	15,000.00	
78SW0028	Stillwater	Upgrade B-3 A-East showers	12,366.23	
Total				\$1,844,968.34
Human Services				
55BR0007	BRTC	Replace building 22 flooring	575,000.00	
55BR0009	BRTC	Replace building 20 curb and sewer casting	13,533.00	
55BR0008	BRTC	Replace building 22 sidewalks	7,200.00	
55RF0002	Middle St SOCS	Replace 2 roofs	19,498.00	
55ML0012	MLRTC	Repair main building roof	38,991.00	
55SR0043	SPRTC	Replace MSH chiller piping	29,000.00	
55SR0017	SPRTC	Upgrade elevators to code	1,037,331.73	
55MH0001	Moorhead SOCS	Replace siding and windows	203,510.00	
55AK0012	AMRTC	Remodel transformers and emergency power	41,573.00	
78ML0023	MSOP-ML	Replace water tower	38,008.84	
55SR0047	SPRTC	Replace kitchen fire alarm	73,000.00	
Total				\$2,076,645.57
Minnesota State Academies				
44BA0015	Blind Academy	Repair Lauritsen and Noyes stone	184,778.45	
Total				\$184,778.45
Grand Total				\$4,106,392.36

TABLE Four
Projects funded in CY14 using the FY12 AP appropriations

Department	Location	Description	Allocation	Agency Total
Administration				
02CB0034	Capitol Building	Site work, drainage, sewer	485,042.00	
Total				\$485,042.00
Corrections				
78RW0020	Red Wing	Replace generator radiator	10,944.75	
78OP0014	Oak Park Heights	Replace electric meters	45,155.80	
78FA0038	Faribault	Replace steps for B-K4	40,000.00	
78FA0039	Faribault	Replace Food Services AHU3	80,000.00	
78FA0040	Faribault	Redesign dishwashing area	250,000.00	
78LL0024	Lino lakes	Replace portion of B-building roof	564,000.00	
78LL0025	Lino lakes	Replace G-Operations roof	536,000.00	
78OP0021	Oak Park Heights	Replace cold water mains	400,000.00	
78SC0048	St. Cloud	Replace power plant boiler controls	500,000.00	
78SH0026	Shakopee	Replace Broker building roof	577,000.00	
78SW0032	Stillwater	Replace main corridor windows	232,000.00	
78SW0033	Stillwater	Replace medium voltage breaker cabinet	200,000.00	
78TH0011	Thistledeew	Replace maintenance garage siding	88,000.00	
78SC0036	St. Cloud	Repair perimeter fence erosion	60,000.00	
78FA0037	Faribault	Repair hot water circulation	134,100.00	
78ML0050	Moose Lake	Electrical grounding	37,773.00	
Total				\$3,754,973.55
Human Services				
55AK0015	AMRTC	Upgrade seclusion suites	120,000.00	
55ML0011	MLRTC	Repair main building exterior	57,073.00	
Total				\$177,073.00
Veterans Affairs				
75LN0009	Luverne	Replace main building roof	350,000.00	
75MP0048	Minneapolis	Waterproof B-16 foundation	225,000.00	
75LN0010	Luverne	Replace nurse call system	325,000.00	
75SB0015	Silver Bay	Renovate Birch kitchen areas	350,000.00	
75MP0026	Minneapolis	Replace B-6 pneumatic controls	7,000.00	
Total				\$1,257,000.00
Grand Total				\$5,674,088.55

TABLE FOUR

Projects funded in CY14 using the FY14 AP appropriations

Department	Location	Description	Allocation	Agency Total
Perpich Center for Arts Education				
25GV0017	Golden Valley	Replace Admin fire alarm controls	351,127.00	
25GV0018	Golden Valley	Replace campus exterior lighting	234,000.00	
25GV0019	Golden Valley	Replace Delta disconnects	676,114.00	
Total				\$1,261,241.00
Corrections				
78SC0048	St. Cloud	Replace E complex roof	160,000.00	
78SC0049	St. Cloud	Replace E Orientation roof	110,000.00	
78SW0034	Stillwater	Update kitchen dish machine area	625,000.00	
Total				\$895,000.00
Veterans Affairs				
75FF0009	Fergus Falls	Replace main building roof	400,000.00	
75HA0021	Hastings	Repair water tower	725,000.00	
Total				\$1,125,000.00
Grand Total				\$3,281,241.00

APPENDIX 1 (One)

16B.307 ASSET PRESERVATION APPROPRIATIONS.

Subdivision 1. Standards.

Article XI, section 5, clause (a), of the Constitution requires that state general obligation bonds be issued to finance only the acquisition or betterment of public land, buildings, and other public improvements of a capital nature. Money appropriated for asset preservation, whether from state bond proceeds or from other revenue, is subject to the following additional limitations:

(a) An appropriation for asset preservation may not be used to acquire new land nor to acquire or construct new buildings, additions to buildings, or major new improvements.

(b) An appropriation for asset preservation may be used only for a capital expenditure on a capital asset previously owned by the state, within the meaning of generally accepted accounting principles as applied to public expenditures. The commissioner of administration will consult with the commissioner of management and budget to the extent necessary to ensure this and will furnish the commissioner of management and budget a list of projects to be financed from the account in order of their priority. The legislature assumes that many projects for preservation and replacement of portions of existing capital assets will constitute betterments and capital improvements within the meaning of the Constitution and capital expenditures under generally accepted accounting principles, and will be financed more efficiently and economically under this section than by direct appropriations for specific projects.

(c) Categories of projects considered likely to be most needed and appropriate for asset preservation appropriations are the following:

(1) projects to remove life safety hazards, like building code violations or structural defects. Notwithstanding paragraph (a), a project in this category may include an addition to an existing building if it is a required component of the hazard removal project;

(2) projects to eliminate or contain hazardous substances like asbestos or lead paint;

(3) major projects to replace or repair roofs, windows, tuckpointing, mechanical or electrical systems, utility infrastructure, tunnels, site renovations necessary to support building use, and structural components necessary to preserve the exterior and interior of existing buildings; and

(4) projects to renovate parking structures.

(d) Up to ten percent of an appropriation subject to this section may be used for design costs for projects eligible to be funded under this section in anticipation of future asset preservation appropriations.

Subd. 2. Report.

By January 15 of each year, the commissioner of an agency that has received an appropriation for asset preservation shall submit to the commissioner of management and budget, the chairs of the legislative committees or divisions that currently oversee the appropriations to the agency, and to the chairs of the senate and house of representatives Capital Investment Committees, a list of the projects that have been funded with money under this program during the preceding calendar year, as well as a list of those priority asset preservation projects for which state bond proceeds fund appropriations will be sought during that year's legislative session.