



LEGISLATIVE-CITIZEN COMMISSION ON MINNESOTA RESOURCES

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Becca Nash, Director

LCCMR Subcommittee on Capital Projects

MINUTES

Tuesday, August 16, 2022

Time: 15 minutes following LCCMR meeting adjournment (est. 4:00 PM) to 5:00 PM

Location: through electronic means (YouTube)

Subcommittee members present: Rita Albrecht, Sen. Kari Dziedzic, Rep. Rick Hansen, Rep. Dale Lueck, Jeremy Peichel, Michael Reese, Sen. Torrey Westrom

Subcommittee members excused:

Chair: Rita Albrecht

Commissioner Albrecht called the meeting to order at 2:45 p.m.

1. Roll call attendance

Diana Griffith took roll call for attendance. There were 5 members present at the time of roll call.

Member	Y	N
Commissioner Albrecht	X	
Commissioner Dziedzic - Sen	excused	
Commissioner Hansen – Rep	X	
Commissioner Lueck - Rep	X	
Commissioner Peichel	X	
Commissioner Reese	X	
Commissioner Westrom – Sen	excused	

Commissioner Dziedzic joined the meeting.

Commissioner Westrom joined the meeting.

2. Approve minutes from August 8, 2022

MOTION: Commissioner Reese approved the minutes for August 8, 2022 – motion prevailed (7 Yes - 0 No)

3. Discussion and Possible Action: Additional Information and Requirements for ENRTF- Funded Capital Projects

Director Nash provided an overview of the documents posted for today’s meeting. Chair Albrecht started the review of the posted document that is titled “Draft Recommendations with Proposed Statutory Language and Questions ” (version 8/15/2022).

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MOTION: Commissioner Hansen moved to recommend any statutory changes passed during the 2023 Legislative session become effective on July 1, 2023– motion prevailed (7 Yes / 0 No).

Member	Y	N
Commissioner Albrecht	X	
Commissioner Dziedzic - Sen	X	
Commissioner Hansen – Rep	X	
Commissioner Lueck - Rep	X	
Commissioner Peichel	X	
Commissioner Reese	X	
Commissioner Westrom – Sen	X	

MOTION: Commissioner Hansen moved to adopt the following definition for capital projects:

Capital project means a project that includes expenditures for long lived (10 years or more) fixed assets (land, building, capital equipment, or other improvement to land).

Eligible activities include:

- Purchase of land, buildings, easements
- Predesign and design
- Construction (including environmental testing and site preparation)
- Major renovation, roof reconstruction and replacement, major window replacement (if add to value or life of building)
- Fixtures, furnishings and equipment, only if installed:
 - Upon initial construction, or
 - During major renovation to make the facility usable for the first time by the state agency or grant recipient
- Staff costs for project management if pursuant to a plan approved by LCCMR
- Art – up to 1% of appropriation for building construction or alteration (M.S. §16B.35)

Ineligible activities include:

- Options to purchase land or buildings
- Fixtures, furnishings and equipment that don't fit into categories above
- General studies to evaluate the need for a capital project
- Educational, promotional or informational costs incurred for a project not yet sited
- Computer and financial modeling for a project not yet sited
- Master planning
- All relocation and moving costs
- Operating and maintenance costs
- Betterments to leaseholds with less than a 10-year term
- Software and data management systems
- Personal computers
- Marketing expenses

- Motion prevailed (6 Yes / 0 No / 1 Excused).

Member	Y	N
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Commissioner Albrecht	X	
Commissioner Dziejczak - Sen	X	
Commissioner Hansen – Rep	X	
Commissioner Lueck - Rep	X	
Commissioner Peichel	X	
Commissioner Reese	X	
Commissioner Westrom – Sen	excused	

MOTION: Commissioner Hansen moved to recommend to the Legislature a 50% match requirement for all entities and any match must be from non-ENRTF sources – motion prevailed (5 Yes / 0 No / 2 Excused).

Member	Y	N
Commissioner Albrecht	X	
Commissioner Dziejczak - Sen	Excused	
Commissioner Hansen – Rep	X	
Commissioner Lueck - Rep	X	
Commissioner Peichel	X	
Commissioner Reese	Excused	
Commissioner Westrom – Sen	X	

MOTION: Commissioner Hansen moved to recommend the following new language for Chapter 116P requiring full funding as a recommendation to the Legislature:

116P.XX [FULL FUNDING REQUIRED]

(a) If an appropriation from the trust fund for a capital construction project or project phase is not sufficient, by itself, to complete the project or project phase, and thus requires a commitment from sources other than the trust fund:

(1) the commitment must be in an amount that, when added to the appropriation, is sufficient to complete the project or project phase; and

(2) the appropriation for a project or project phase is not available until the commitment is determined to be sufficient.

(b) The commitment under this section must be demonstrated in the work plan in accordance with the standards and principles applied by the commissioner of management and budget under section 16A.502.

- Motion prevailed (4 Yes / 0 No / 3 Excused).

Member	Y	N
Commissioner Albrecht	X	
Commissioner Dziejczak - Sen	Excused	
Commissioner Hansen – Rep	X	

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Commissioner Lueck - Rep	X	
Commissioner Peichel	X	
Commissioner Reese	Excused	
Commissioner Westrom – Sen	Excused	

MOTION: Commissioner Hansen moved to recommend the following new section in Chapter 116P requiring compliance with sustainable building guidelines as a recommendation to the Legislature:

116P.XX [SUSTAINABLE BUILDING GUIDELINES]

The sustainable building guidelines established under sections 16B.325 and 216B.241, subdivision 9, apply to new buildings and major renovations receiving funding from the environment and natural resources trust fund. A recipient of money appropriated from the trust fund for a new building or major renovation must ensure that the project complies with the guidelines.

- Motion prevailed (4 Yes / 1 No / 2 Excused).

Member	Y	N
Commissioner Albrecht	X	
Commissioner Dziejdzic - Sen	Excused	
Commissioner Hansen – Rep	X	
Commissioner Lueck - Rep	X	
Commissioner Peichel	X	
Commissioner Reese	Excused	
Commissioner Westrom – Sen		X

MOTION: Commissioner Hansen moved to recommend to the Legislature the adoption of the following language in statute requiring construction assurances:

A proposer’s work plan for a capital construction project must provide appropriate assurances with contractors, including but not limited to, fixed price contracts or performance bonds, that construction will be completed in a manner that is consistent with the approved work plan and design.

AMENDMENT: Commissioner Westrom amended Commissioner Hansen’s motion to recommend implementation by the LCCMR rather than as statute change by the Legislature.

- Motion prevailed (3 Yes / 2 No / 2 Excused).

Member	Y	N
Commissioner Albrecht		X
Commissioner Dziejdzic - Sen	Excused	
Commissioner Hansen – Rep		X
Commissioner Lueck - Rep	X	
Commissioner Peichel	X	
Commissioner Reese	Excused	

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Commissioner Westrom – Sen	X	
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RENEWED MOTION: Commissioner Hansen renewed his motion as amended by Commissioner Westrom:

Recommend to the commission the implementation of the following language requiring construction assurances:

A proposer’s work plan for a capital construction project must provide appropriate assurances with contractors, including but not limited to, fixed price contracts or performance bonds, that construction will be completed in a manner that is consistent with the approved work plan and design.

- Motion prevailed (5 Yes / 0 No / 2 Excused).

Member	Y	N
Commissioner Albrecht	X	
Commissioner Dzedzic - Sen	Excused	
Commissioner Hansen – Rep	X	
Commissioner Lueck - Rep	X	
Commissioner Peichel	X	
Commissioner Reese	Excused	
Commissioner Westrom – Sen	X	

Members agreed discussions will continue tomorrow (August 17).

4. Public Testimony

There was no public testimony.

5. Adjourn

Meeting adjourned at 4:00 p.m.