

INTERIM EMERGENCY BOARD

Senate Committee Room E
August 18, 2016
9:30 a.m.

MEETING MINUTES

A public meeting of the Interim Emergency Board was held in Senate Committee Room E on August 18, 2016, at 9:30 a.m.

ITEM NO. 1

Sen. John Alario, Chairman, called the meeting to order at 9:34 a.m. and asked that the secretary call the roll.

Present:

- Sen. John Alario, President of the Senate and IEB Chairman
- Rep. Taylor Barras, Speaker of the House of Representatives and IEB Vice Chairman
- Sen. Eric LaFleur, Chairman of the Senate Finance Committee
- Rep. Cameron Henry, Chairman of the House Appropriations Committee
- Commissioner of Administration Jay Dardenne
- Secretary Robert Barham, designee of Lt. Governor Billy Nungesser
- Mr. Ron Henson, designee of State Treasurer John Kennedy

ITEM NO. 2

At Sen. Alario's request, Mr. Henson explained that the State Treasurer's Office has reviewed the application of the Bank of Ruston, a financial institution that applied for designation as a state depository/fiscal agent for the remainder of the four-year period ending June 30, 2019, and upon their review, the State Treasurer's Office made its recommendation for approval.

Mr. Henson moved for IEB approval. The motion passed with no objection.

ITEM NO. 3

Sen. Alario asked Mr. Mark Moses, Director of the Office of Facility Planning and Control, to present Item No. 3. Mr. Moses explained that the LSU Health Sciences Center – Shreveport had submitted an application for emergency funding in the amount of \$775,000 to replace cooling tower #1 of the Shreveport Medical School, which serves the Medical School complex, the school of allied health, the Feist-Weiller Cancer

Center, and portions of the hospital, including critical areas such as the surgical intensive care unit, burn intensive care unit, medical intensive care unit, pediatric intensive care unit, morgue, and animal research facility. On July 11, 2016, one of the complex's three cooling towers failed. The three towers were installed in 1975, are now 41 years old, are at the end of their useful life, and are in dire need of replacement. If one of the two remaining cooling towers were to fail, LSU HSC-S has indicated that patient care, student education, and resident training would be affected. They also had stated that budget reductions over the past seven years had resulted in a strain to the operating budget to the point that the maintenance and/or replacement of essential equipment had been postponed.

Mr. Moses further explained that LSU HSC-S has indicated its intention to replace all three cooling towers with a total projected cost of \$2.5 million. While the LSU Board of Supervisors and the Board of Regents have identified some existing deferred maintenance and capital outlay funds, they are requesting \$775,000 in emergency funding from IEB to meet the more immediate need for replacement of the failed tower.

Presenting the Legislative Fiscal Office's analysis of the request was Matthew LaBruyere, who explained that while LFO did recognize the situation as a qualifying emergency, they were not recommending the item for funding because there are other funds available, particularly major repairs money, which could be used to pay for the project in the meantime. He said the Board of Regents has a \$10 million capital outlay appropriation and LSU has \$5 million. Sen. Alario asked if those funds are available to them right now, and Mr. LaBruyere answered they are not, as they are bond proceeds. Mr. Moses advised that those funds would have to be approved by the Bond Commission and that Facility Planning has not yet requested a line of credit, while the LSU HSC-S request is asking for cash so they can begin work immediately. Mr. LaBruyere added that there is cash available to begin the design process.

Commissioner Dardenne stated that he was making a motion for approval of the request and asked Mr. Moses to explain how that approval would expedite the process as opposed to using the funds from the bonds. Mr. Moses explained that there are dollars available in prior-year funds to start the design, as mentioned by Mr. LaBruyere. Typically any state project greater than \$500,000 must go before the State Engineers Selection Board. However, with the emergency funding they would have the ability to proceed with an emergency selection, which would very much shorten the process and give them the ability to have an engineer on board in about two to four weeks to begin the design, giving them approximately 45 days to complete the documents, and they could be bidding it in late November and have contracts in hand to begin the project at the beginning of the year, with the goal being to complete the tower replacement by March or April before the next summer.

Commissioner Dardenne stated that this is obviously not the type of project he would like to do at IEB when there could be capital outlay available. However, the Shreveport Medical School is financially challenged from a budgetary position; there are a number of deferred maintenance issues being looked at from a multiple university standpoint;

and he thinks the last thing anyone would want is to put the medical school at risk because of a cooling tower failure, which could have quite a negative impact on their ability to provide care for people. He added that this is something he hoped IEB could do, even though it might be done reluctantly.

Sen. Alario said it appears that the design fee is being covered by existing money. Mr. Moses said that was the case; however, they needed to be certain there would be construction dollars available once the design is complete. The complex is currently operating off of only two cooling towers, and loss of a second cooling tower would require them to shut down some operations.

John Carpenter, Legislative Fiscal Officer, came forward to clarify that the LFO is not contesting the emergency nature of the project, and they only wanted to point out that there may be alternative ways of handling it. Since in recent years the IEB has had such a small amount of money available to it, they thought they needed to point out to the board the other funds available. Sen. Alario agreed that was a good point; and as Commissioner Dardenne had stated, IEB doesn't like to fund capital outlay with emergency dollars and they don't want people to think IEB is the place to come to fund capital outlay projects. However, he said this is a different circumstance involving health and safety and possibly lives in this case.

Rep. Henry asked if the \$775,000 weren't used for this project, could it be used for State Police, National Guard, or other resources that are being depleted now due to the current flooding emergency, or if that is even an option. Sen. Alario replied that the state will have a great need in the future to fund the 25% federal match of emergency funds. While it is hoped that Congress will provide a better option, it's not known at this time and the state must be very careful with any spending because of that. Mr. Carpenter added that it is possible that IEB funds may be requested for some emergency expenses, although they would have no idea at present what kind of requests may be made. Rep. Henry pointed out that, although this seems to be an urgent request, the board may have other requests in the future for funds that are being depleted now in the emergency.

Sen. LaFleur said it was his recollection that IEB had not received a large amount of funding this year. Mr. LaBruyere advised that the appropriation is \$1.7 million. Mr. Carpenter added that in years past IEB was getting full funding (1% of the state budget according to Sen. Alario), but there is very little to work with now.

Mr. Henson stated that the State Treasurer's Office has not yet calculated the amount of the FY17 allocation for IEB because that is done after the prior-year books are closed. However, last year's allocation showed approximately \$21.5 million available to the IEB, and he would expect that amount to be approximately \$20 million to \$21.5 million when the allocation is calculated this year. He asked Mr. Moses if he was correct that repair of the other two towers would be covered in the capital outlay bill. Mr. Moses explained that there is a statewide major repairs appropriation in P2 in the amount of \$36 million that can be used on a statewide basis for all state-owned buildings. Separate from that,

the LSU System has \$5 million, Southern University has \$3 million, and LCTCS has \$3 million. All totaled, this is \$50 million, but it is P2, and P2 spending cannot be authorized until all P1 has been addressed. He said because that hasn't happened yet, that is why Facility Planning is recommending that the application be approved so they can be assured that at least one of the three towers will be replaced. Mr. Henson asked how much in needs the \$50 million appropriation is to cover, and Mr. Moses answered there are more than \$1 billion in needs. Mr. Henson asked if the other two towers are included in the \$50 million appropriation or if they are simply included with the many other projects up for consideration. Mr. Moses stated that he believed they are up for consideration with all other projects but that LSU has indicated this to be a priority.

With no further discussion of the matter, Rep. Alario asked for a vote on the motion made by Commissioner Dardenne. The motion passed with no objection.

With no further business to discuss, the meeting was adjourned at 9:48 a.m. without objection.

Respectfully submitted,



Sue Israel, Secretary

Attachments: Documentation relating to the state depository/fiscal agent application and to the appropriation request.

APPLICATION FOR DESIGNATION BY
THE INTERIM EMERGENCY BOARD
AS A STATE DEPOSITORY/FISCAL AGENT
FOR THE PERIOD JULY 1, 2015, TO JUNE 30, 2019

1461615017488
DIVISION OF ADMINISTRATION
COMMISSIONER'S OFFICE
2016 APR 25 PM 2:23

Name of Financial Institution: Bank of Ruston

Mail Address: 505 North Vienna Street

City, State, Zip Code: Ruston, LA 71270

The above named financial institution does hereby make application to the Interim Emergency Board for designation as a State Depository/Fiscal Agent under the provisions of Sections 317 and 320 of Title 49 of the Louisiana Revised Statutes of 1950. Said designation shall take effect upon approval of the Interim Emergency Board and shall expire on a date determined by the Board unless the Louisiana Department of the Treasury recommends the revocation of said designation prior to that date.

The undersigned agrees that the above named financial institution shall:

- (a) Maintain deposit insurance through the Federal Deposit Insurance Corporation or the National Credit Union Administration or their successors and shall notify the Department of the Treasury immediately, in writing, if such deposit insurance is to be terminated and
- (b) Maintain collateral for any funds on deposit by any state depositing authority (as defined by Section 319 of Title 49 of the Louisiana Revised Statutes of 1950) which shall exceed at any time the amount insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration by the pledge of securities in the manner provided by R.S. 6:748.1 and R.S. 49:321.

Attached to and as a part of this official application is the following documentation:

For Banks: The twelve-month Consolidated Report of Condition and Income as of December 31 for the preceding two years.

For Savings and Loan Associations: The twelve-month Office of Thrift Supervision Thrift Financial Report as of December 31 for the preceding two years.

For Credit Unions: The Year-End Statement of Financial Condition as of December 31 for the preceding two years.

The undersigned does hereby declare that this application is true to the best of his/her knowledge and belief and that the above named institution agrees to comply with the conditions and statutes prescribed above.



Signature of Authorized Officer

Mark A. Taylor, CPA CGMA, Senior Vice President & CFO

Name and Title of Officer

(318) 255-3733

Area Code and Telephone Number

04/22/2016

Date of Application

Return this completed original application, one photocopy of it and only one copy of the required documentation to:

Interim Emergency Board
Post Office Box 94095
Baton Rouge, Louisiana 70804-9095



TREASURER OF THE STATE OF LOUISIANA

John Neely Kennedy
State Treasurer

P. O. Box 44154
Baton Rouge, LA 70804
(225) 342-0010
(225) 342-5008

June 20, 2016

Ms. Sue Israel, Secretary
Interim Emergency Board
Post Office Box 94095
Baton Rouge, LA 70804-9095

Dear Ms. Israel:

We have reviewed the application submitted by Bank of Ruston for designation as a state depository/fiscal agent for the period July 1, 2015 to June 30, 2019.

After performing an analysis of key financial ratios for this institution, we recommend approval by the Interim Emergency Board pursuant to LRS 49:317 and 49.320.

If we can be of further assistance, please call me at 342-0055 at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Ron J. Henson".

Ron J. Henson
First Assistant State Treasurer

Enclosure
RJH:ll

cc: John Broussard
Laura Lapeze

2. Previous Legislative Consideration:

- A. Was this program or project considered by the Legislature in the same relative form either by amendment or some legislative instrument? Yes No
If considered, please explain:

- B. Was this item vetoed by the Governor after being included in the current year:
Appropriations Bill: Yes No Capital Outlay Bill: Yes No
If vetoed, please explain the reason:

3. Can this request be covered or partially covered by existing funds in the department or agency's current budget? Yes No
Please explain:

Not at this time, as for FY 2016-2017, the original appropriation was reduced by \$29 million.

4. Will this emergency appropriation require any future recurring appropriations or any possible generation of savings or revenue? Yes No
If so, please explain: (Use additional sheet to continue explanation if necessary.)

5. Expenditure Breakdown--Please provide a detailed breakdown of expenditures by category . If based on a cost estimate, please attach a copy. What is the time period covered by the request (number of months). Attach any other pertinent information.

The following schedule and costs are estimates based on previous equipment proposals and standard historical professional fees.

Design Phase: 45 days - \$75,000

Bid Phase: 30 days

Demolition/Construction: 120 days - \$700,000

- Equipment Construction: 60 days
- Demolition: 14 days
- Installation: 45 days

This original application and two copies with attachments (if any) must be submitted to the Board Secretary (225-342-7000) at the Claiborne Building, 7th Floor, Suite 7-210, or mailed to:

Interim Emergency Board
Post Office Box 94095
Baton Rouge, LA 70804-9095

REQUESTING EMERGENCY PRIORITY FUNDING

Medical School Cooling Tower Replacement LSU Health Sciences Center – Shreveport

Need

- Replacement of three cooling towers serving the entire Medical School and a portion of the adjacent teaching Hospital.
- Upgrade to existing cooling tower controls to increase energy efficiency by utilizing the latest technology and practices.

Supporting Data

- The three existing cooling towers were installed during the original construction of the Medical School in 1975.
- The 41 year old cooling towers have operated past their design life and are on the brink of failure.
- These towers are a critical component in the Medical School and Hospital cooling system. Failure to one of these towers would cause overheating during the warmer months in critical areas of the Medical School and Hospital.
- Some critical areas served include:
 - Surgical Intensive Care Unit
 - Burn Intensive Care Unit
 - Medical Intensive Care Unit
 - Pediatric Intensive Care Unit
 - Cancer Center Building
 - Morgue
 - Animal Research Facility
- Any interruption to these areas could result in huge losses in revenue/research and pose a great risk to patient safety.
- New control systems for the cooling towers will allow better energy management capabilities through the use of variable speed drives and the Building Management System.

Design Description

- Three (3) 1200 ton Cooling Towers:
 - Replace existing 1200 ton (3600 ton total) wooden towers with new units of the same capacity or greater.
 - New cooling towers shall meet current ASHRAE standards for healthcare.
 - Upgrade pneumatic controls to electronic and apply variable speed drive controls to fan motors to increase energy efficiency.
 - If needed, temporary tower capacity shall be provided during demolition/installation is complete so buildings may remain occupied during warmer months.

Expected Improvements

- New cooling towers will improve reliability and decrease outage time for routine repairs.
- New cooling towers will be equipped with more control features allowing more efficient operation and provide better monitoring capabilities through the Building Management System.

Project Category: **New Project**

Project Costs: **100% General Obligation Bonds**

Construction \$ 2,000,000

Design \$ 200,000

Contingency \$ 300,000

TOTAL **\$ 2,500,000**

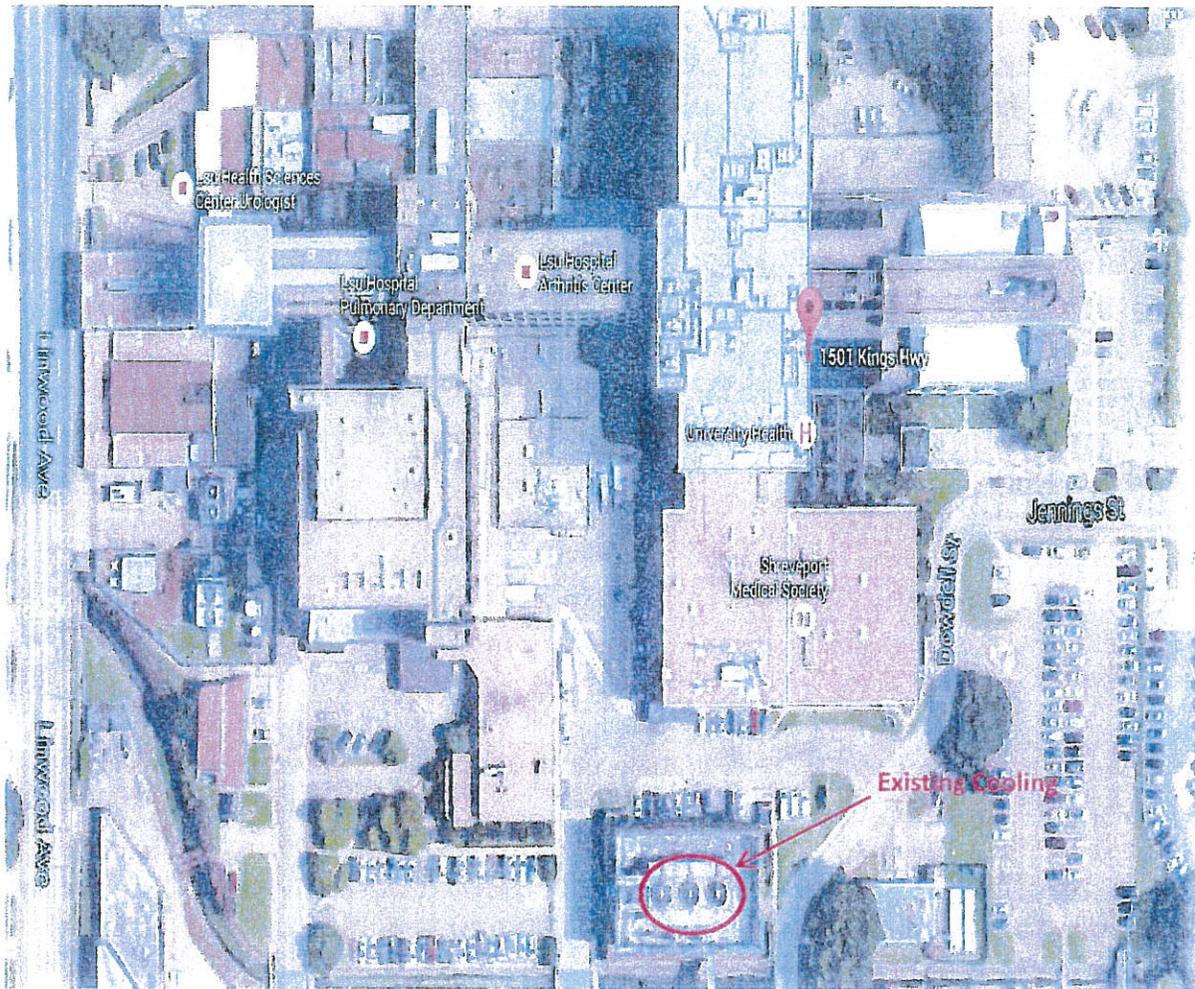


Fig.1 – Site view of Campus with location of existing Cooling Towers.

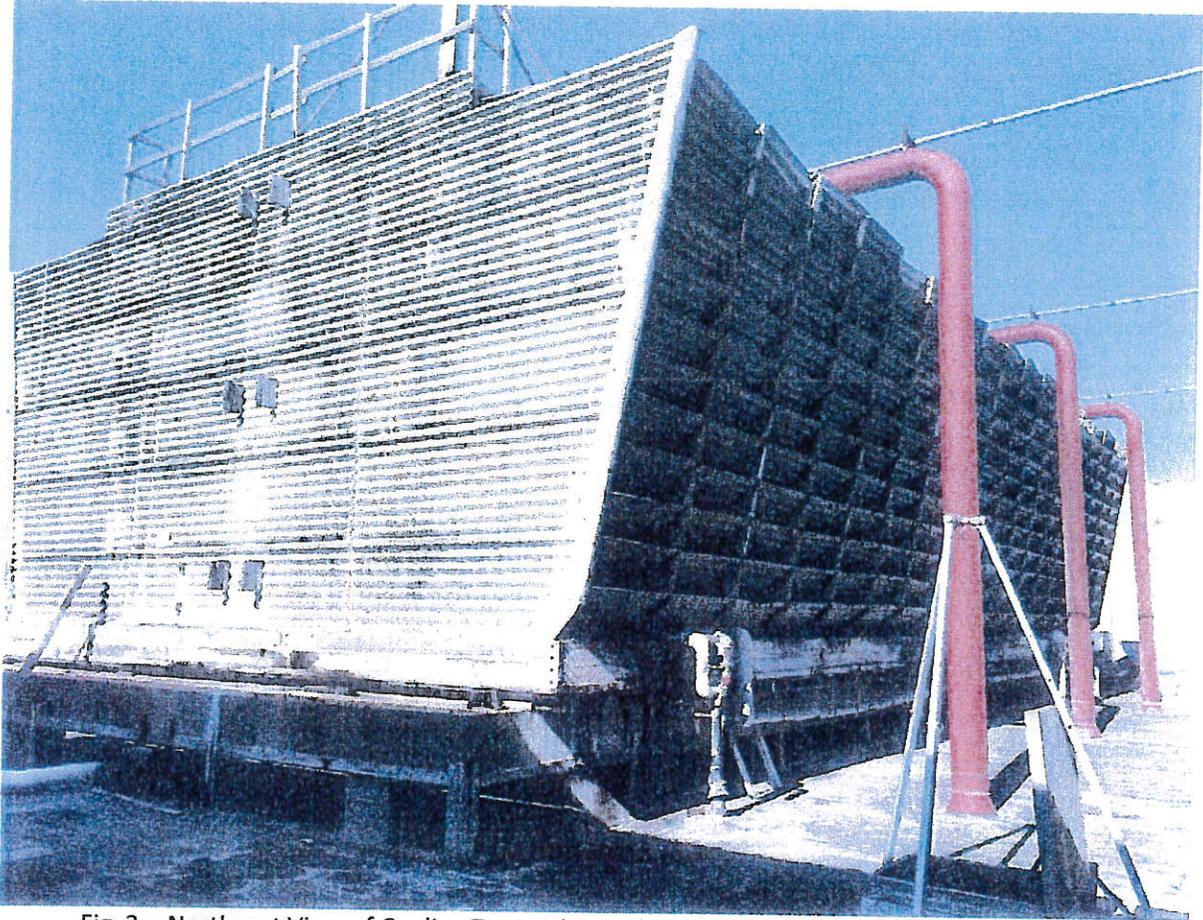


Fig. 2 – Northeast View of Cooling Towers located on the Medical School Power Plant roof.



Fig. 3 – Southwest view of Cooling Towers located on the Medical School Roof.



Fig. 4 – Inside view of Cooling Tower Fan

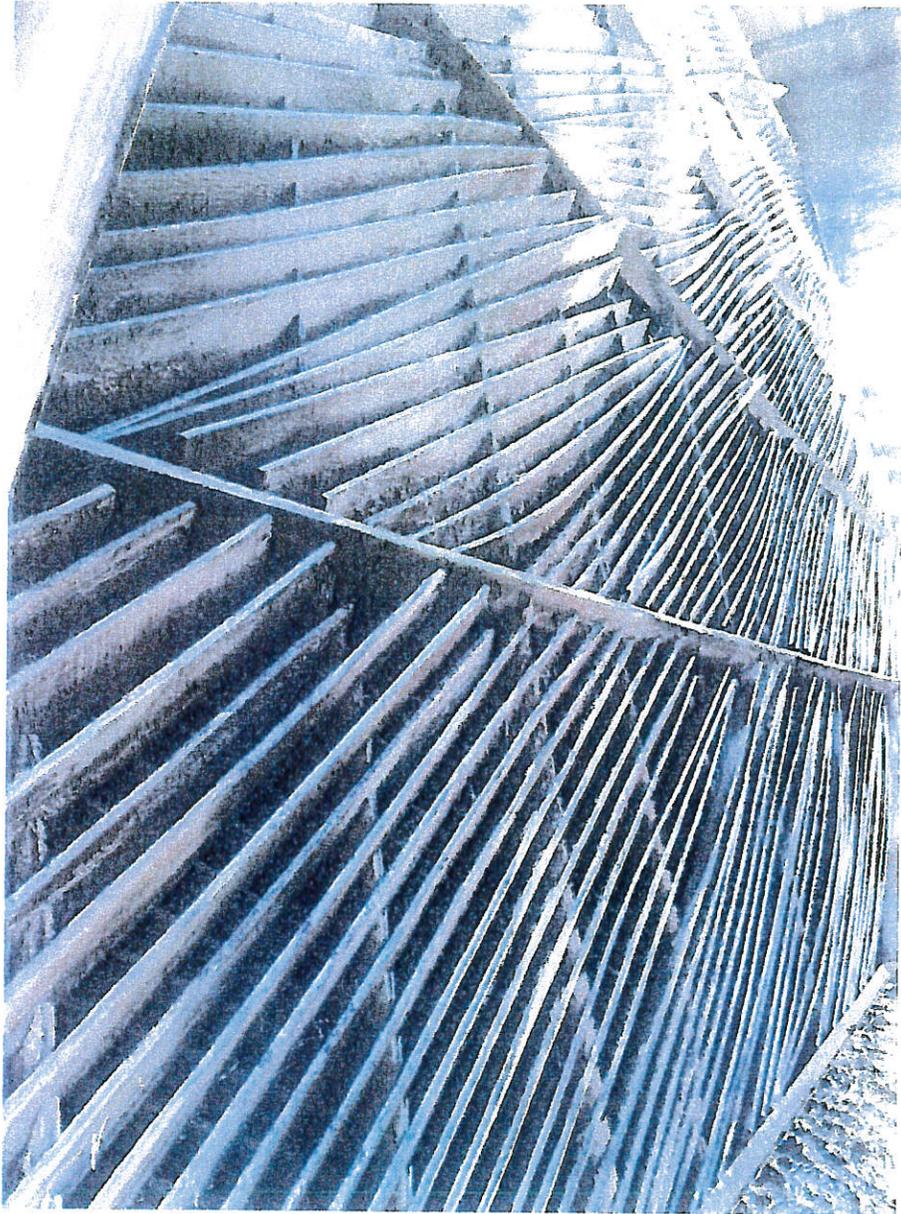


Fig. 5 – Inside view of Cooling Tower wooden fill

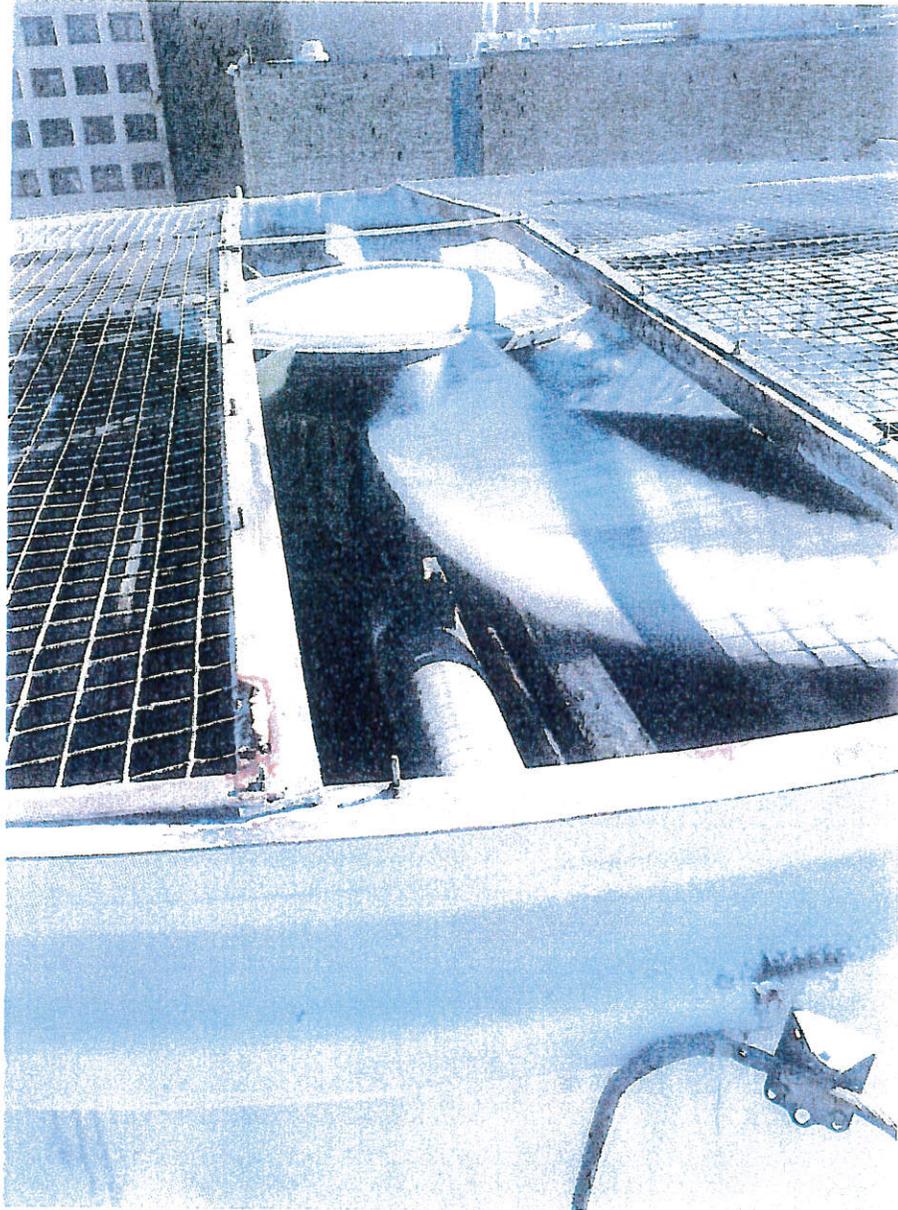


Fig. 6 – Top view of Cooling Tower Fan



Fig. 7 – Damage to Cooling Tower #1

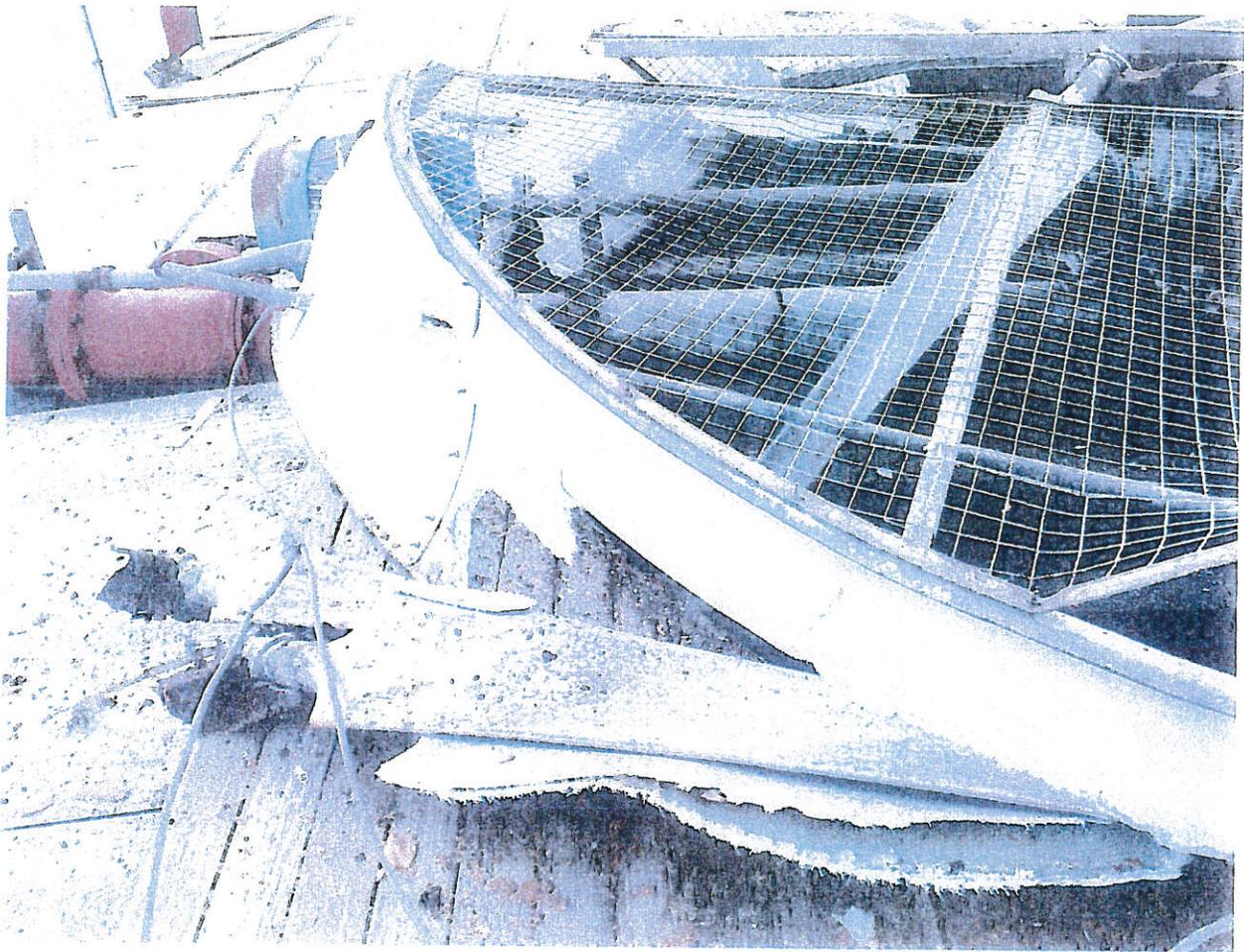


Fig. 8 – Damage to Cooling Tower #1



Fig. 9 – Damage to wall from fan blades



Fig. 10 – Damaged blades

August 10, 2016

Ms. Sue Israel, Board Secretary
Interim Emergency Board
Post Office Box 94095
Baton Rouge, LA 70804

Dear Ms. Israel,

On July 11, 2016, one of the three main cooling towers that serves portions of the medical school and hospital broke apart and has put a severe strain on the campus cooling capacity. If another one fails, we will have to rent portable cooling towers, which will be an extremely high unbudgeted expense. All three cooling towers were built as a group in 1975 and are past their useful life. They have old wood slat technology, which makes them fragile and not advisable to repair.

The estimated cost to replace all three cooling towers is \$2,500,000. We have developed a funding strategy that uses some existing deferred maintenance funds, IEB emergency funds, and capital outlay funds. The total funds and sources are as follows:

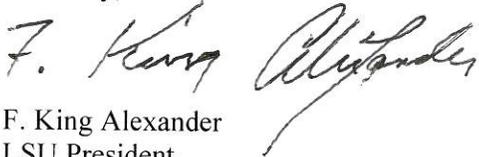
\$225,000	Design Fee: Funds from existing deferred maintenance project balances
\$775,000	Construction of One Cooling Tower: Funds from IEB
\$1,500,000	Construction of Two Cooling Towers: Funds from Capital Outlay appropriations to LSU and Board of Regents. LSU has a \$5,000,000 major repair project and BoR has a \$10,000,000 major repair project
\$2,500,000	Total project cost

We therefore request \$775,000 in emergency funds from the Interim Emergency Board.

We have attached the IEB Application for Funds, supporting project data, and photographs of the failed cooling tower. Also attached is a copy of a letter to Commissioner Joseph C. Rallo requesting approval from the Board of Regents.

We would appreciate your assistance in presenting this request to the Interim Emergency Board for consideration.

Sincerely,


F. King Alexander
LSU President


Ray Lasseigne, Chairman
LSU Board of Supervisors

Attachments

Copy: Chancellor G.E. Ghali w/attachments
Chris Herring w/attachments
Randy Davis w/attachments
Mark Moses w/attachments



August 10, 2016

Commissioner Joseph C. Rallo
Louisiana Board of Regents
P.O. Box 3677
Baton Rouge, LA 70804

Dear Commissioner Rallo:

On July 11, 2016 one of the three main cooling towers that serves portions of the medical school and hospital broke apart and has put a severe strain on the campus cooling capacity. If another one fails, we will have to rent portable cooling towers, which will be an extremely high unbudgeted expense. All three cooling towers were built as a group in 1975 and are past their useful life. They have the old wood slat technology, which makes them fragile and not advisable to repair.

The estimated cost to replace all three cooling towers is \$2,500,000. We have developed a funding strategy that uses some existing deferred maintenance funds, IEB emergency funds, and capital outlay funds. The total funds and sources are as follows:

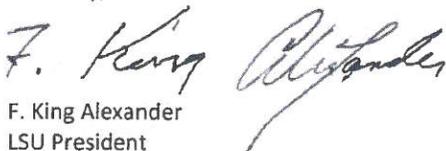
\$225,000	Design Fee: Funds from existing deferred maintenance project balances
\$775,000	Construction of One Cooling Tower: Funds from IEB
\$1,500,000	Construction of Two Cooling Towers: Funds from Capital Outlay appropriations to LSU and Board of Regents. LSU has a \$5,000,000 major repair project and BoR has a \$10,000,000 major repair project
\$2,500,000	Total project cost

We have requested \$775,000 in emergency funds from the Interim Emergency Board. This project was never on the Capital Outlay Request and the poor condition was not evident until recently.

We have attached the IEB Application for Funds, supporting project data, and photographs of the failed cooling tower. Also attached is a copy of a letter to Sue Israel requesting approval from the Interim Emergency Board. We appreciate your consideration to include this project in your major repair project.

We would appreciate your support in presenting this request to the Interim Emergency Board for consideration.

Sincerely,


F. King Alexander
LSU President


Ray Lasseigne, Chairman
Board of Supervisors

Attachments

- Copy: Chancellor G.E. Ghali w/attachments
- Chris Herring w/attachments
- Randy Davis w/attachments
- Mark Moses w/attachments

Health Sciences Center
Office of the Chancellor

1501 Kings Highway
P.O. Box 33932
Shreveport, LA 71130-3932

O 318-675-5240
F 318-675-5244
www.lsuhseshreveport.edu

August 10, 2016

Dr. Joseph C. Rallo
Commissioner of Higher Education
P.O. Box 3677
Baton Rouge, LA 70821-3677

Dear Commissioner Rallo:

On July 11th, one of the three cooling towers on the LSU Health Sciences Center Shreveport campus failed, placing severe strain on the remaining two towers during the hottest time of the year. Together, the cooling system serves the School of Medicine, School of Allied Health, Feist Weiler Cancer Center, as well as multiple wings of University Health Shreveport hospital (H, G and J-wings). Failure of an additional cooling tower would impact patient care, medical education and research on our campus. Further, evacuation of the patient wings would result in the loss of self-generated revenue for both LSUHSC-S and University Health Shreveport.

LSUHSC-S was in the process of preparing a capital outlay request for the upcoming year when one of the cooling towers failed. Due to the unforeseen failure of this one tower and emergent nature of this project, it is necessary for LSUHSC-S to request funding for the immediate replacement of the failed cooling tower through Interim Emergency Board (IEB) funds.

LSU and the Board of Regents have developed a funding strategy using existing deferred maintenance funds, IEB emergency funds and future capital outlay deferred maintenance/ major repair funds for higher education as authorized in HB 2 of 2016. The total cost of the project is anticipated to be \$2.5 million.

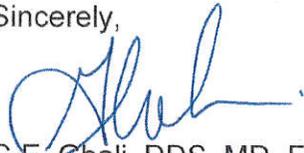
- Design Phase: \$200,000 - \$250,000
 - Funded through existing LSU and Board of Regents major fund repairs.
- Replace Failed Cooling Tower: \$775,000
 - Request for IEB funds to immediately replace failed tower.
- Replace Remaining Two Cooling Towers: \$1,500,000
 - Higher Education major repair funds authorized in HB 2 of 2016.

I would appreciate your support of this funding strategy, and advocating the importance of this project to the Interim Emergency Board.

Please let me know if you have any questions or I may provide additional information.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read 'G. Ghali', with a stylized flourish at the end.

G.E. Ghali, DDS, MD, FACS, FRCS(Ed)
Interim Chancellor & Dean

Richard A. Lipsey
Chair

Edward D. Markle
Vice Chair

Joseph P. Farr
Secretary

Joseph C. Rallo, Ph.D.
Commissioner of
Higher Education



ORIGINAL

Claudia H. Adley
Raymond J. Brandt
Marty J. Chabert
Joel E. Dupré
William H. Fenstermaker
Chris D. Gorman
Thomas G. Henning
Robert W. Levy
Roy O. Martin III
W. Gray Stream
Collis B. Temple III
Joseph C. Wiley
Benson T. Kinney, Student

BOARD OF REGENTS

P. O. Box 3677

Baton Rouge, LA 70821-3677

Phone (225) 342-4253, FAX (225) 342-9318

www.regents.la.gov

August 10, 2016

Ms. Sue Israel, Board Secretary
Interim Emergency Board
P.O. Box 94095
Baton Rouge, LA 70804

Dear Sue:

The Board of Regents (BoR) recently received a request from the Louisiana State University Board of Supervisors (LSU BoS), on behalf of Louisiana State University Health Sciences Center – Shreveport (LSU HSC-S), to approve a petition to the Interim Emergency Board (IEB) for emergency funding to replace one of the three main cooling towers serving the medical school and hospital. One of the three cooling towers failed on July 11, 2016 and the failure is placing severe strain on the remaining two cooling towers. If a second tower were to fail, the entire Medical School as well as critical areas serving the Surgical Intensive Care Unit, Burn Intensive Care Unit, Medical Intensive Care Unit, Pediatric Intensive Care Unit, the Cancer Center Building, the Morgue, and Animal Research Facility will be affected. Any interruption to these areas could result in huge losses in revenue and research as well as pose a great risk to patient safety.

According to the information submitted, the Health Sciences Center is requesting \$775,000 in emergency funding to replace the failed cooling tower. In addition to the emergency funding requested of the IEB, LSU HSC-S and the BoR will provide an additional \$1.725M from Major Repair/Deferred Maintenance funding to simultaneously replace the other two cooling towers as part of one project. It is our understanding that LSU HSC-S investigated repairing the failed cooling tower. However, a repair was not recommended as the structural integrity of all three cooling towers is questionable and unsafe. All three units are approximately 41 years old each and use wood slat technology making them fragile and not advisable for repair. Additional documentation from the LSU BoS and LSU HSC-S, including photographs of the deteriorated condition of the three cooling towers, are attached to our letter of approval.

Per the BoR Facilities & Property policy, specifically Section 1.2.7 related to Emergency and Expedited Approvals, the Commissioner of Higher Education has the authority to approve IEB requests prior to submission for emergency funding. Utilizing the emergency approval procedure as provided for in our policy, the Board of Regents hereby approves this request to petition the IEB for emergency funding to replace one of the three cooling towers located on the Shreveport campus and urges the support of the Interim Emergency Board in addressing this critical situation.

Thank you for your consideration.

Sincerely,



J. Travis McIlwain
Associate Commissioner for Finance & Administration

Attachment

TM:ch

Cc: Barbara Goodson
Mark Moses
Danny Mahaffey
G.E. Ghali, DDS, MD, FACS, FRCS (Ed)

LEGISLATIVE FISCAL OFFICE

INTERIM EMERGENCY BOARD - FISCAL INFORMATION

Applicant:

State Dept: Higher Education Amount: \$775,000..... Agenda No.: 4
State Agency: LSU System
Other Entity: LSU HSC - Shreveport State Agency Local Political Subdivision

Summary of Request:

LSU Health Sciences Center - Shreveport is requesting \$775,000 in emergency funds for the replacement of cooling tower #1 which services the medical school complex and portions of the hospital.

Was this request:

- | | | |
|---|--------------------------------------|-------------------------------------|
| In agency budget request for current fiscal year? | <input type="radio"/> Yes | <input checked="" type="radio"/> No |
| Recommended in Executive Recommendations? | <input type="radio"/> Yes | <input checked="" type="radio"/> No |
| Amended into or out of the appropriation or capital outlay bills? | <input type="radio"/> Yes | <input checked="" type="radio"/> No |
| Was this item vetoed? | <input type="radio"/> Yes | <input checked="" type="radio"/> No |
| Considered by the Interim Emergency Board prior to this request? | <input type="radio"/> Yes | <input checked="" type="radio"/> No |
| An emergency as defined by Act 334 of 1984? | <input checked="" type="radio"/> Yes | <input type="radio"/> No |

History / Pertinent Information / Analysis relative to this request:

On July 11, 2016, cooling tower #1 at LSU HSC-Shreveport failed. There are three cooling towers at the facility that were all built in 1975 during the original construction of the medical school. The cooling towers service the medical school complex, the school of allied health, the Feist-Weiller Cancer Center and portions of the hospital. LSU HSC-S has indicated that if an additional cooling tower fails, then patient care, student education, and resident training will be affected.

LSU HSC-S intends to replace all three cooling towers at a total project cost of \$2.5 M. This cost includes \$200,000 for project design, \$2 M construction and \$300,000 as a contingency. LSU Board of Supervisors has identified funds that are currently available to cover the design cost of the project (\$200,000). Based on the request, the remainder of the project would be funded with IEB funds (\$775,000), general obligation bonds for major repairs and deferred maintenance issued to LSU Board of Supervisors (\$750,000), and general obligation bonds for major repairs issued to the Board of Regents (\$775,000).

Based on the timeline submitted by LSU HSC-S, the design phase would take an estimated 45 days, bid phase would take an estimated 30 days, and the demolition/construction phase would take approximately 120 days for a total of 195 days. The design phase cannot begin until an engineer is approved/selected at the Engineering Selection Board (ESB) meeting. The meeting date is unknown at this time, however the LFO has been informed the meeting is expected to take place in September.

To the extent the ESB meeting takes place on September 1st and the engineer is approved, the design phase would take 45 days, which would place the date for project bids around October 14th. The bid phase would take 30 days to which the bid would be awarded around November 15th. The construction phase is expected to last 120 days which would place project completion around March 15th.

RECOMMENDATION:

The Legislative Fiscal Office does not recommend approval of this request in the amount of \$775,000. While the LFO does recognize the emergency nature of this request, there are alternative funding sources available. At this time there are capital outlay appropriations totaling \$15 M to the Board of Regents (\$10 M) and LSU Board of Supervisors (\$5 M). To the extent the LSU Board of Supervisors and Board of Regents prioritize full funding of this project, LSU HSC-S can use their available fund balance to advance the \$775,000 project cost as needed, which would be repaid from the capital outlay funds appropriated to the Board of Regents and the LSU Board of Supervisors. Based on the project timeline, the disapproval of the IEB request does not affect the project completion date.

**Division of Administration
Office of Facility Planning and Control**

Applicant: LSU HSC – Shreveport

Amount Requested: \$775,000

The LSU Health Sciences Center – Shreveport is requesting \$775,000 in emergency funding for the replacement of one of three cooling towers which serves the medical school complex and hospital.

On July 11, 2016, one of three cooling towers at the LSU HSC-Shreveport failed. The three cooling towers at the facility were installed in 1975. The towers are now 41 years old and are in dire need of replacement. The cooling towers service the medical school complex, the school of allied health, the Feist-Weiller Cancer Center and portions of the hospital. Critical areas served include the surgical intensive care unit, burn intensive care unit, medical intensive care unit, pediatric intensive care unit, morgue and animal research facility. The complex is currently operating by utilizing the two remaining cooling towers. LSU HSC-S has indicated that if an additional cooling tower fails, then patient care, student education, and resident training will be affected. LSU HSC-S notes that budget reductions over the last 7 years has resulted in a strain to the operating budget to the point that the maintenance/replacement of essential equipment has been postponed.

LSU HSC-S intends to replace all three cooling towers with a total projected cost of \$2,500,000. This is an all-in cost including design, construction and contingency.

We understand the LSU Board of Supervisors has identified funds that are currently available to cover the planning costs, as well as funds to cover the costs of the two remaining cooling towers. It should be noted the stated source of funds is from the capital outlay major repairs appropriation. While there may be remaining funds from prior years to cover the planning costs, the construction/replacement costs have been designated to be provided from Act 16 of the Second Extraordinary Session of 2016. Note, the lines of credit have not yet been granted for the major repairs appropriation and are not yet available. If the line of credit is not granted, and the IEB approves the request of \$775,000, then only one cooling tower will be replaced, requiring that LSU HSC-S continue to operate and maintain the remaining two existing 41 year-old cooling towers.

If construction funding is approved by the IEB for the first cooling tower, a designer selection process could immediately begin. Facility Planning and Control would seek an emergency meeting of the State Engineer's Selection Board. With advertisement, application period and selection, a contract could be executed as early as mid-September, 2016. With a 45-day design period, advertisement and bids for construction could be received in early December, 2016.

With a contracting period of 2 – 4 weeks, construction could begin by the beginning of the 2017 calendar year with completion by late March or early April 2017, prior to the summer months.

Since capital outlay funding for the replacement of the remaining towers is not yet available, and may be uncertain at this time, DOA/FPC recommends approval of the request for funding by LSU HSC-S in the amount of \$775,000 in order to replace one of the three towers in order to minimize a complete failure of the system.



STATE OF LOUISIANA

ALFRED W. SPEER
CLERK, HOUSE OF REPRESENTATIVES

POST OFFICE BOX 44281
BATON ROUGE, LOUISIANA 70804-4281
(225) 342-7259
speera@legis.la.gov

September 8, 2016

The Honorable John A. Alario, Jr.
Chairman, Interim Emergency Board
State Capitol
Baton Rouge, LA 70804

Dear Senator Alario:

Enclosed please find a copy of the final tabulation of the votes with regard to the Interim Emergency Board resolution for appropriations considered at its meeting on August 18, 2016.

Item #3 received the sufficient two-thirds vote for approval.

Sincerely,

A handwritten signature in black ink, appearing to read "Alfred W. Speer".

Alfred W. Speer

Enclosures

cc: Glenn Koepp

**SUMMARY OF THE BALLOTS CAST BY VOTE OF THE HOUSE
ON THE APPROPRIATION ITEM APPROVED BY THE
INTERIM EMERGENCY BOARD ON AUGUST 18, 2016**

AGENDA ITEM NO.	PROJECT TO BE ALTERED	YES	NO	ABSTAIN	LATE	INVALID
3	A request from LSU Health Sciences Center – Shreveport for \$775,000 to replace cooling tower #1 of the Shreveport Medical School, which services the entire Medical School complex, School of Allied Health, FWCC, and a portion of the hospital.	77	8	0	11	0



SIGNATURE OF HOUSE CLERK

September 8, 2016

PROMULGATION DATE

HOUSE PROMULGATION ON IEB APPROPRIATIONS

MEETING DATE:
AUGUST 18, 2016

PROMULGATION DATE:
SEPTEMBER 8, 2016

Ballot Item No. REPRESENTATIVES	3				
	Y	N	A	L	I
ABRAHAM	X				
ABRAMSON	X				
AMEDEE		X			
ANDERS	X				
ARMES					
BACALA		X			
BAGLEY	X				
BAGNERIS	X				
BARRAS	X				
BERTHELOT	X				
BILLIOT	X				
BISHOP	X				
BOUIE	X				
BROADWATER	X				
BROWN, C.	X				
BROWN, T.	X				
CARMODY	X				
CARPENTER	X				
CARTER, G.	X				
CARTER, R.	X				
CARTER, S.				X	
CHANEY	X				
CONNICK	X				
COUSSAN	X				
COX	X				
CROMER	X				
DANAHAY	X				
DAVIS	X				
DEVILLIER	X				
DWIGHT		X			
EDMONDS	X				
EMERSON				X	
FALCONER	X				
FOIL	X				
FRANKLIN	X				
GAINES				X	
GAROFALO				X	
GISCLAIR	X				
GLOVER	X				
GUINN	X				
HALL	X				
HARRIS, J.				X	
HARRIS, L.	X				
HAVARD				X	
HAZEL	X				
HENRY		X			
HENSGENS	X				
HILFERTY		X			
Page 1 Subtotal	36	5	0	6	0



Alfred W. Speer
Clerk of the House
September 8, 2016

HOUSE PROMULGATION ON IEB APPROPRIATIONS

MEETING DATE:
AUGUST 18, 2016

PROMULGATION DATE:
SEPTEMBER 8, 2016

Ballot Item No. REPRESENTATIVES	3				
	Y	N	A	L	I
HILL	X				
HODGES	X				
HOFFMANN	X				
HOLLIS				X	
HORTON	X				
HOWARD	X				
HUNTER				X	
HUVAL	X				
IVEY	X				
JACKSON					
JAMES	X				
JEFFERSON					
JENKINS	X				
JOHNSON, M.					
JOHNSON, R.	X				
JONES	X				
JORDAN	X				
LANDRY, N.	X				
LANDRY, T.	X				
LEBAS	X				
LEGER	X				
LEOPOLD	X				
LYONS	X				
MACK					
MAGEE					
MARCELLE				X	
MARINO	X				
MCFARLAND	X				
MIGUEZ		X			
MILLER, D.				X	
MILLER, G.	X				
MONTOUCET					
MORENO				X	
MORRIS, JAY	X				
MORRIS, JIM	X				
NORTON	X				
PEARSON	X				
PIERRE	X				
POPE	X				
PRICE	X				
PUGH	X				
PYLANT	X				
REYNOLDS	X				
RICHARD	X				
SCHEXNAYDER		X			
SCHRODER					
SEABAUGH	X				
SHADOIN	X				
Page 2 Subtotal	34	2	0	5	0



Alfred W. Speer
Clerk of the House
September 8, 2016

HOUSE PROMULGATION ON IEB APPROPRIATIONS

MEETING DATE:
AUGUST 18, 2016

PROMULGATION DATE:
SEPTEMBER 8, 2016

Ballot Item No.	3				
	Y	N	A	L	I
REPRESENTATIVES					
SIMON		X			
SMITH	X				
STOKES	X				
TALBOT	X				
THIBAUT	X				
THOMAS	X				
WHITE					
WILLMOTT	X				
ZERINGUE	X				
Page 3 Subtotal	7	1	0	0	0
Page 2 Subtotal	34	2	0	5	0
Page 1 Subtotal	36	5	0	6	0
Total Votes Cast	77	8	0	11	0



Alfred W. Speer
Clerk of the House
September 8, 2016



GLENN A. KOEPP
SECRETARY

STATE OF LOUISIANA
THE SENATE
OFFICE OF THE SECRETARY

P. O. Box 94183
BATON ROUGE, LOUISIANA 70804
PHONE (225) 342-5997
FAX (225) 342-1140
KOEPPG@LEGIS.LA.GOV

September 8, 2016

Senator John A. Alario, Jr.
Chairman, Interim Emergency Board
State Capitol Bldg.
Baton Rouge, LA 70804

Dear Senator Alario:

Enclosed please find a copy of the final tabulation of the votes with regard to the Interim Emergency Board resolution for an appropriation item considered at its meeting on August 18, 2016. Item No. 3 was approved.

Sincerely,



Yolanda J. Dixon
1st Assistant Secretary

Enclosure
cc: Alfred W. "Butch" Speer
Sue Israel

**SUMMARY OF THE BALLOTS CAST BY VOTE OF THE SENATE
ON THE APPROPRIATION ITEM APPROVED BY THE
INTERIM EMERGENCY BOARD ON AUGUST 18, 2016**

AGENDA ITEM NO.	PROJECT TO BE ALTERED	YES	NO	ABSTAIN	LATE	INVALID
3	A request from LSU Health Sciences Center – Shreveport for \$775,000 to replace cooling tower #1 of the Shreveport Medical School, which services the entire Medical School complex, School of Allied Health, FWCC, and a portion of the hospital.	36	2	0	0	1



SIGNATURE OF SENATE 1ST ASSISTANT SECRETARY

September, 8, 2016

PROMULGATION DATE

SENATE PROMULGATION ON IEB APPROPRIATION

**MEETING DATE:
AUGUST 18, 2016**

**PROMULGATION DATE:
SEPTEMBER 8, 2016**

Ballot Item No. SENATORS	3				
	Y	N	A	L	I
ALARIO	X				
ALLAIN					X
APPEL		X			
BARROW	X				
BISHOP	X				
BOUDREAUX	X				
BROWN	X				
CARTER	X				
CHABERT	X				
CLAITOR	X				
COLOMB	X				
CORTEZ	X				
DONAHUE	X				
ERDEY	X				
FANNIN	X				
GATTI	X				
HEWITT		X			
JOHNS	X				
LAFLEUR	X				
LAMBERT	X				
LONG	X				
LUNEAU	X				
MARTINY	X				
MILKOVICH	X				
MILLS	X				
MIZELL	X				
MORRELL	X				
MORRISH	X				
PEACOCK	X				
PERRY	X				
PETERSON	X				
RISER	X				
J. SMITH	X				
G. SMITH	X				
TARVER	X				
THOMPSON	X				
WALSWORTH	X				
WARD	X				
WHITE	X				
TOTAL	36	2	0	0	1



Yolanda J. Dixon
1st Assistant Secretary
Sept. 8, 2016