

1995-96 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

Joint Committee on
Finance (JC-Fi)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR_RCP_pt01a
- 05hrAC-EdR_RCP_pt01b
- 05hrAC-EdR_RCP_pt02

➤ Appointments ... Appt

➤ **

➤ Clearinghouse Rules ... CRule

➤ **

➤ Committee Hearings ... CH

➤ **

➤ Committee Reports ... CR

➤ **

➤ Executive Sessions ... ES

➤ **

➤ Hearing Records ... HR

➤ **

➤ Miscellaneous ... Misc

➤ 95hrJC-Fi_Misc_pt98

➤ Record of Comm. Proceedings ... RCP

➤ **

WISCONSIN GAMING COMMISSION

Tommy G. Thompson, Governor
John M. Tries, Chairman
Terence M. Dunleavy, Commissioner
Lennie A. Weber, Commissioner



Capitol Office:
150 East Gilman Street, Suite 1000
P.O. Box 8979
Madison, Wisconsin 53708-8979
(608) 264-6607
FAX (608) 267-4879

West Office

West Office:
1802 West Beltline Highway
P.O. Box 8941
Madison, Wisconsin 53708-8941
(608) 266-7777
FAX (608) 264-6644

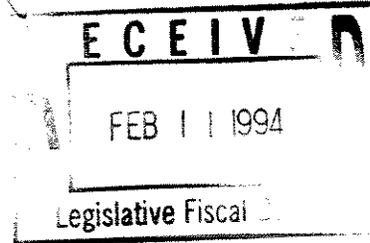
February 7, 1994

COPY

M. J. 3rd
for 2

Honorable Joseph Leean
Co-Chair, Joint Finance Committee
Senator, 14th Senate District
Room 115 South, State Capitol
Madison, Wisconsin 53708

Honorable Barbara Linton
Co-Chair, Joint Finance Committee
Representative, 74th Assembly District
Room 127 South, State Capitol
Madison, Wisconsin 53708



Dear Senator Leean and Representative Linton:

In the 1993-95 State Budget (Senate Bill 44) the Wisconsin Gaming Commission requested \$250,000 funding for the implementation of an inventory control system for the Lottery program.

These funds were approved and placed in unallotted reserve. In addition, the Joint Finance Committee required the Gaming Commission to notify the Committee of planned expenditures and required a 14 day passive review process before the funds are allotted.

With this letter and the attached documentation, we are providing the notification and requesting the 14 day passive review.

Please review the attached material and contact me if you have any questions or would like additional information.

Sincerely,


John M. Tries, Chairman
Wisconsin Gaming Commission

cc Department of Administration
Legislative Fiscal Bureau ✓

Wisconsin Gaming Commission
14 Day Passive Review Request
February 7, 1994

- I. Summary: The Wisconsin Gaming Commission requests a 14 day passive review on the following items approved in Senate Bill 44.

Lottery Inventory Control System Budget Item	\$250,000
Amount Requested by Gaming Commission	\$226,400

Further detail and supporting documentation for this request is provided below.

- II. Lottery Inventory Control System: In the last budget process the Lottery placed bar codes on its scratch tickets as a part of the cross redemption project. This allowed for easier redemption and improved ticket security. The Commission now plans to use the bar codes on the tickets to improve inventory control. Currently each scratch ticket pack must be manually inventoried. By having the vendor place the bar code on the outside of the box of tickets, the Commission could use bar code readers to assist in inventorying and distributing the tickets.

Our plan is to scan each box as it arrives. The data would be transmitted to Commission's computer where it would be matched against the vendor's inventory tape. This would insure that the Commission received the correct number of tickets.

The bar code would also be printed on the invoice that is used to "pick" tickets for shipment to retailers. A quick scan of the tickets and the invoice would insure that the shipping personnel have correctly matched the tickets with the invoice.

The bar code inventory system would also aid warehouse personnel in locating inventory. An inventory system consisting of hardware and software would allow warehouse staff to indicate exact locations of individual games and ticket packs. This would greatly increase our ability to locate and pull inventory.

The projected costs for this system are as follows:

Hardware: This would include purchasing new invoice printers to be able to print bar codes. We currently have six printers that would have to be replaced at a cost of approximately \$4,000 each. In addition we would purchase hardware for the software to run on. This would be a stand alone personal computer based system. Our current plan is for seven personal computers, four report printers, seven modems, six portable scanners, fifteen field scanners and four personal computer attached scanners/wedges. Total projected hardware costs are \$81,400.

Software: The software on the Stratus computer would have to be modified to accept the automated inventory scan records. Programs would have to be modified to match the automated inventory with the vendor's inventory file. In addition, the software which prints the retailer invoice would have to be modified to contain the bar code. This would also involve modifying the data base to retain the reference number on each retailer transaction. Certain screens and reports would also have to be modified to reflect the bar code number. Our projection is that this would take approximately 1,000 hours. At the current state bulletin contractor rate of \$36 per hour we project expenditures of \$36,000.

Inventory Software: The software which would be used to receive the inventory, track the location of the tickets and point of sale materials, and provide a continual inventory of the speed at which inventory is moving is available commercially. Our plan is to prepare an request for proposal and solicit bids for a turnkey system. Current estimates are that this type of software is available for approximately \$100,000 from multiple vendors.

Contractor Assistance: The Commission will have to retain a contractor to install the new inventory software and it's associated hardware. In addition we will need to have contractor personnel enter the current inventory into the system at each of the three locations. Our projection is for 300 hours at \$30 per hour. This totals out at \$9,000.

The total for the Lottery Inventory control Systems efforts is \$226,400.

WISCONSIN GAMING COMMISSION

not government
Recv. 2/11/94

Tommy G. Thompson, Governor
John M. Tries, Chairman
Terence M. Dunleavy, Commissioner
Lennie A. Weber, Commissioner



Capitol Office:
150 East Gilman Street, Suite 1000
P.O. Box 8979
Madison, Wisconsin 53708-8979
(608) 264-6607
FAX (608) 267-4879

West Office

West Office:
1802 West Beltline Highway
P.O. Box 8941
Madison, Wisconsin 53708-8941
(608) 266-7777
FAX (608) 264-6644

February 7, 1994

Honorable Joseph Llean
Co-Chair, Joint Finance Committee
Senator, 14th Senate District
Room 115 South, State Capitol
Madison, Wisconsin 53708

Honorable Barbara Linton
Co-Chair, Joint Finance Committee
Representative, 74th Assembly District
Room 127 South, State Capitol
Madison, Wisconsin 53708

Dear Senator Llean and Representative Linton:

In the 1993-95 State Budget (Senate Bill 44) the Wisconsin Gaming Commission requested funding for the movement of the Lottery's central warehouse to Milwaukee.

These funds were approved and placed in unallotted reserve. In addition, the Joint Finance Committee required the Gaming Commission to notify the Committee of planned expenditures and required a 14 day passive review process before the funds are allotted.

The acquisition of the proposed site was reviewed and approved by the State Building Commission on January 19, 1994. Following the approval, the proposed site was sold by the owner. As a result, the Gaming Commission and Department of Administration are requesting approval of the second highest scoring site on the February agenda of the Building Commission. Attached is the agenda item summary description for that meeting.

With this letter and the attached documentation, we are requesting the release of funding for this facility for both FY94 and FY95. Please note that in FY95 we are requesting an amount considerably less than the \$371,200 provided in the budget.

Please review the attached material and contact me if you have any questions or would like additional information.

Sincerely,


John M. Tries, Chairman
Wisconsin Gaming Commission

cc Department of Administration
Legislative Fiscal Bureau

Wisconsin Gaming Commission
14 Day Passive Review Request
February 3, 1994

I. Summary: The Wisconsin Gaming Commission requests a 14 day passive review on the following item approved in Senate Bill 44.

Move of Central Warehouse	\$412,235	FY94
	\$199,687	FY95

Further detail and supporting documentation for this request is presented below.

II. Move of central warehouse: The Gaming Commission was provided with \$666,000 SEG in FY94 and \$371,200 in FY95. Of the \$666,000 in FY94, \$250,000 was allocated for the remodeling of the current facility. The remaining \$416,000 was for the warehouse.

Milwaukee Warehouse: The bid for the Milwaukee warehouse has been let and a site has been selected. The Department of Administration and Wisconsin Gaming Commission presented the proposed site to the Building Commission and received approval on January 19, 1994. Unfortunately the site approved on January 19 was sold. The Commission is now on the February 1994 Building Commission agenda seeking approval of the second highest scoring site. In summary, we are requesting approximately 38,400 sq ft. The bid price per sq ft. for warehouse/office space in Milwaukee is \$9.10 for the first year with a 3% escalator built into the operating expense portion (\$2.15) annually. The projections are as follows:

Projected Costs In FY94:

38,395 sq ft @ \$9.10 per ft = \$349,395 annual. Projected occupancy is 5/1/94 which is 2 months in fy94 =	\$ 58,232
Moving expenses (Hales Corners and Madison)	\$ 25,000
Warehouse forklift & equipment	\$ 75,000
LAN Hardware	\$ 52,000
LAN Software	\$ 40,000
Telecommunications (Computer Links)	\$ 33,300
Photo Copier	\$ 7,000
2 Fax Machines	\$ 6,000
Computer Cabling	\$ 10,000
Staff Computers	\$ 71,500
Security Hardware and Software	<u>\$ 80,000</u>

TOTAL PROJECTED COSTS

\$458,032

Available Funds in FY94:

Available from current facilities:

Green Bay (7 mo)	\$21,407
Rhinelanders (11 mo)	\$17,996
Hales Corners (1 mo)	<u>\$ 6,394</u>

Available from Facilities	-	<u>\$ 45,797</u>
Need		\$412,235
Available for warehouse from 93-95 budget		\$416,000
14 Day Review release request for Milwaukee Warehouse in FY94		<u>\$412,235</u>

Projected Costs in FY95

38,395 sq ft @ \$9.10 for 10 months	\$291,162
38,395 sq ft @ \$9.17* for 2 months	\$ 58,680
Communications Lines	\$ 22,500
Communications Equipment Maint.	\$ 1,200
Hardware Maint (computer, copy, fax)	<u>\$ 8,000</u>
Total FY95 Project Costs	\$381,542

Available Funds in FY95

Available from closed facilities:

Green Bay	\$36,699
Rhinelanders	\$19,632
Hales Corners	\$76,476
Gilman (10 mo)	<u>\$40,730**</u>

Total Available From Facilities	-	<u>\$173,537</u>
Need		<u>\$208,005</u>
Available for warehouse from 93-95 budget		\$371,200
14 Day Review release request for FY 95		<u>\$208,005</u>

Annualized Costs (fy 96 & ongoing)

38,395 sq ft @ \$9.24**	\$354,770
Communications Lines	\$ 22,500
Communications Equipment Maint.	\$ 1,200
Hardware Maint (computer, copy, fax)	<u>\$ 8,000</u>
Projected Annual Costs	\$386,470

Available from closed facilities:

Green Bay	\$36,699	
Rhinelanders	\$19,632	
Hales Corners	\$76,476	
Gilman	<u>\$53,976**</u>	
Total Available From Facilities	-	<u>\$186,783</u>
Total Ongoing Funds Needed From 93-95 budget		<u>\$199,687</u>

* Handles 3% annual increase in operating costs of \$2.15 sq. ft. per year.

** Less \$25,500 PR removed from FY95 in 93-95 budget

**AGENCY REQUEST FOR
BUILDING COMMISSION ACTION
February, 1994**

AGENCY:

Department of Administration for
The Wisconsin Gaming Commission

LOCATION:

4353 Richards Street
Milwaukee, Wisconsin

REQUEST:

Request approval of a lease for approximately 38,400 usable square feet of warehouse and office space to house the Wisconsin Lottery warehouse and distribution operation. This is a 5-year lease with a first right of refusal to purchase with Bucolt Real Estate. Annual cost of the lease will be \$350,000 payable from Segregated Funds.

PROJECT DESCRIPTION:

The Wisconsin Gaming Commission will consolidate the Lottery offices and warehouses from Hales Corners, Green Bay, Rhinelander and the main Lottery warehouse in Madison into this facility. Approximately 16,000 square feet of warehouse space will be vacated in the Madison facility which will provide space for the Commissioners currently located in leased space at 150 East Gilman. The leases in the other cities are expiring and will result in 19,126 square feet being vacated.

The lease will be for approximately 29,000 square feet of warehouse and 9,400 square feet of office space to be remodeled in an existing building. The rental rate, including all building operating expenses, will be \$9.10 per square foot and will increase annually by 3% of the operating expense portion of the rate (\$2.15). The term of the lease will be 5 years, with a 5-year renewal option. Occupancy is expected to take place May 1, 1994.

The lease will contain a first right of refusal to purchase the property for a price mutually agreeable to both parties. Because the state will occupy only 38,400 sq. ft. of a 227,000 sq. ft. facility, a purchase appears unlikely.

JUSTIFICATION OF THE REQUEST:

A Request For Proposal was issued last April and amended and re-issued in December to locate a facility in Milwaukee. Thirteen proposals were received in response to the December RFP. A lease was approved last month by the Building Commission. Unfortunately, that facility was sold by the owner to another party who will occupy the building.

This facility is the second highest scoring proposal and meets all of the Gaming Commission's requirements. The use of this facility will provide a stimulus to an area of Milwaukee in need of redevelopment and at a price comparable to the previously approved lease.

The facility will provide space for the 15,326 sq. ft of leased space being vacated and another 16,000 sq. ft. of warehouse being relocated from Madison. Space will be provided for consolidation of warehouse operations, an increase in the number of games and to facilitate courier service delivery of tickets. The annual increase in space costs, after making reductions for expired leases, will be approximately \$161,000. The rental increase was approved as part of the 1993-'95 Biennial Budget and requires release by the Joint Committee on Finance.

February 18, 1994

John Tries, Chairman
Wisconsin Gaming Commission
1802 West Beltline Highway
Madison WI 53713

Dear Mr. Tries,

Your request for passive review of release of unallotted reserve funds for the movement of the Lottery's central warehouse to Milwaukee and the review for the implementation of an inventory control system were received in my office on February 11, 1994.

Due to the discrepancy in the date of your letter, February 7, 1994 and the date of reception, February 11, 1994 the 14-day passive review period began on February 11. Unless you are notified of our intent to schedule a formal review of the request on or before March 2, 1994 this request will be approved.

Thank you for your attention to this matter.

Sincerely,

JOE LEEAN
Senate Co-Chair
Joint Committee on Finance

BARBARA J. LINTON
Assembly Co-Chair
Joint Committee on Finance

JL:BJL:ns

cc: Department of Administration
Legislative Fiscal Bureau

February 18, 1994

MEMO TO: Joint Committee on Finance Members
FROM: Senator Joe LEEAN, Co-Chair
Representative Barbara J. Linton Co-Chair
RE: Gaming Commission Review

Attached are requests from the Wisconsin Gaming Commission pertaining to the release of funds from an unallotted reserve pursuant to the 1993-1994 State Budget (Senate Bill 44).

Please review these requests and contact Senator LEEAN's office not later than Monday, February 28, 1994 if you have any concerns about or would like the Committee to meet formally to consider the requests.

Also, please contact us if you need additional information.

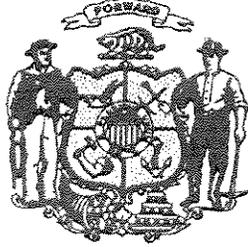
JL:BJL:ns

Attachments

State of Wisconsin

SENATE CHAIR
JOE LEEAN

Room 119 South, State Capitol
P.O. Bo 7882
Madison, WI 53707-7882
Phone: 266-0751



ASSEMBLY CHAIR
BARBARA J. LINTON

Room 127 South, State Capitol
P.O. Bo 8952
Madison, WI 53708-8952
Phone: 266-7690

JOINT COMMITTEE ON FINANCE

May 10, 1994

Mr. John Tries, Chairman
Wisconsin Gaming Commission
150 East Gilman Street
Suite 1000
PO Box 8979
Madison, WI 53708-8979

Dear Mr. Tries:

On April 20, 1994, the Committee received a request from the Gaming Commission to allocate \$87,290 SEG in 1994-95 from unallotted reserve for lottery warehouse security hardware and software. This amount reflects a bid for the security system of \$94,290 minus \$7,000 in costs that will be paid by the building's landlord.

The Department of Administration indicates that a bid for the security system submitted subsequent to the Commission's request totals \$66,000 and that an additional \$11,000 for fence and gate security and a security modem will be required. This amount (\$77,000), minus the landlord's share of costs (\$7,000), indicates a needed allocation from unallotted reserve of \$70,000.

The Committee has no objections to the allocation of \$70,000 SEG from unallotted reserve for the lottery warehouse security system. We will consider this revised amount approved for allocation unless you notify us by May 18, 1994, that you would like the Committee to meet and review your request.

Mr. John Tries, Chairman
May 10, 1994
Page 2

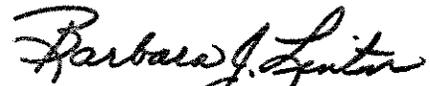
We also understand that, subsequent to receiving bids for the lottery security system, the option of acquiring color monitoring equipment for the system has been discussed. Lottery officials have recently indicated that color monitoring equipment may be substituted for the black and white equipment, provided under the low bid, for some additional cost. However, the revised bids have not been obtained to date and will need to be reviewed by the Commission and DOA before final costs can be determined. The Committee's approval to allocate \$70,000 from unallotted reserve does not address the color monitor issue. After all reviews have been completed, if the Commission believes color monitors are justified, the Committee would consider releasing additional funding for this purpose after a Commission request under 1993 Act 16, Section 9123(1g).



JOE LEEAN
Senate Chair

JL/BJL/ns

Sincerely,



BARBARA J. LINTON
Assembly Chair

State of Wisconsin

SENATE CHAIR
JOE LEEAN

Room 119 South, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: 266-0751



ASSEMBLY CHAIR
BARBARA J. LINTON

Room 127 South, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: 266-7690

JOINT COMMITTEE ON FINANCE

5/5

April 20, 1994

TO: JOINT COMMITTEE ON FINANCE MEMBERS

FROM: Senator Joe Leean
Representative Barbara J. Linton
Co-Chair, Joint Committee on Finance

Attached is a copy of a request from the Wisconsin Gaming Commission dated April 20, 1994 pertaining to a request for funding for the movement of the Lottery's Central Warehouse to Milwaukee.

Please review this item and notify Senator Leean's office not later than Thursday May 5, 1994 if you have any concerns about the request or would like the Committee to meet formally to consider it.

Also, please contact us if you need additional information.

JL:BJL:ns

Attachments

WISCONSIN GAMING COMMISSION

Tommy G. Thompson, Governor

John M. Fries, Chairman

Terence M. Dunleavy, Commissioner

Lennie A. Weber, Commissioner



Capitol Office:
150 East Gilman Street, Suite 1000
P.O. Box 8979
Madison, Wisconsin 53708-8979
(608) 264-6607
FAX (608) 267-4879

West Office

West Office:
1802 West Beltline Highway
P.O. Box 8941
Madison, Wisconsin 53708-8941
(608) 266-7777
FAX (608) 264-6644

April 20, 1994

Honorable Joseph LEEAN
Co-Chair, Joint Finance Committee
Senator, 14th Senate District
Room 115 South, State Capitol
Madison, Wisconsin 53708

Honorable Barbara LINTON
Co-Chair, Joint Finance Committee
Representative, 74th Assembly District
Room 127 South, State Capitol
Madison, Wisconsin 53708

Dear Senator LEEAN and Representative LINTON:

In the 1993-95 State Budget (Senate Bill 44) the Wisconsin Gaming Commission requested funding for the movement of the Lottery's central warehouse to Milwaukee.

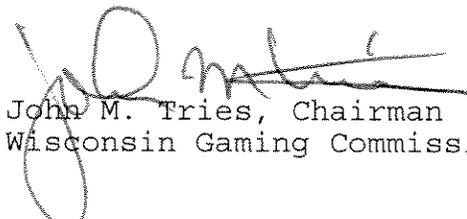
These funds were approved and placed in unallotted reserve. In addition, the Joint Finance Committee required the Gaming Commission to notify the Committee of planned expenditures and required a 14 day passive review process before the funds are allotted. This review was requested by the Commission on February 7, 1994.

In a letter to myself on March 2, 1994 the Committee approved parts of this request and denied others. The Committee also asked that the Commission resubmit a request for warehouse security hardware and software when more detail is known.

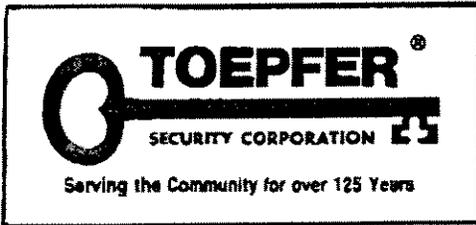
With this letter and the attached documentation, we are requesting the release of \$87,290 (\$94,290 total costs less landlord obligation of \$7,000) for security hardware and software.

Please review the attached material and contact me if you have any questions or would like additional information.

Sincerely,


John M. Fries, Chairman
Wisconsin Gaming Commission

cc Department of Administration
Legislative Fiscal Bureau



2711 South Calhoun Road • (414) 786-3600
 New Berlin, WI 53151 • FAX: (414) 786-4720

March 7, 1994

Mr. Donald Pedersen
 Investigator-Supervisor 3
 Wisconsin Gaming Commission
 1802 West Beltline Highway
 P.O. Box 8941
 Madison, Wisconsin 53708-8941

Re: Wisconsin Gaming Commission Milwaukee Location

Security and Card Systems:

- (1) WSE 5795C SMS
- (1) Baytech Smart Switch
- (1) HP Vectra 386s/25
- (1) Okidata 184 Turbo Printer
- (2) Hayes 2400 Baud Modems
- (2) WSE 818SX Access Control Units
- (2) WSE 3708C-2 U.P.S. (24vdc)
- (16) WSE 2814A-B Proximity Sensors
- (16) WSE 2700 Standoffs
- (15) WSE 774A-1 MSM (Multiple Switch Monitor)
- (15) Folger Adam Electric Strikes
- (1) Securitron Mag-Lock
- (5) Visonic LTD CL-8 56 User Keypads
- (11) Detection Systems DS151 REX
- (14) Sentrol 1076 Door Switches
- (8) Sentrol 2505A Overhead Switches
- (18) C&K 8660S Dual Sensors
- (9) Visonic 2000WPCN Motion Detectors

Total Investment Including Labor, Materials,
 Programming, and Training.....\$ 63,365.00

30,000
 94,200

March 7, 1994

- 2 -

Mr. Donald Pedersen
Investigator-Supervisor 3
Wisconsin Gaming Commission

CCTV:

- (1) Dedicated Micros Duet DPLX CLR/MNO 16 Chanel
Multiport Controller
- (2) Keyboards
- (2) Gyrr TLC 1800 Time Lapse Video Recorder's
- (15) Burle 650 Series with Lens and Mounts
- (4) Burle TC1917 Monitors

Total Investment Including Labor, Materials,
Programming, and Training.....\$ 30,925.00

Current Delivery is 6-8 Weeks upon Acceptance.

Thank you Don.

If you have any questions please feel free to call.

Cordially,



Karl Obenberger
Installation Supervisor

KO/jlb