

CAPITAL BUDGET OVERVIEW COMMITTEE

Legislative Office Building, Room 201
Concord, NH
Thursday, January 16, 2014

MEMBERS PRESENT:

Rep. David Campbell, Chair
Rep. Bernard Benn
Rep. John Cloutier, Clerk
Rep. Daniel Eaton
Rep. Kenneth Weyler
Rep. John Graham
Sen. David Boutin, Vice-Chair
Sen. James Rausch
Sen. Nancy Stiles

(Convened at 1:00 p.m.)

(1) Acceptance of Minutes of the November 20, 2013 Meeting.

CHAIRMAN CAMPBELL: I call the Capital Budget Overview Committee to order. The first order of business today is the acceptance of the minutes from November 20th, 2013. Any additions, omissions? What's your pleasure?

****** REP. EATON: Move them.

CHAIRMAN CAMPBELL: Dan Eaton moves -- Representative Eaton moves. Is it seconded?

REP. BENN: Second.

CHAIRMAN CAMPBELL: Seconded by Representative Benn.

[Type here]

Any discussion? All in favor, say aye? And the minutes are adopted.

*** {MOTION ADOPTED}

(2) Old Business:

CHAIRMAN CAMPBELL: No Old Business.

(3) New Business:

CHAIRMAN CAMPBELL: New Business. We have two items before us. We've got CAP 14-001, the Liquor Commission. Yes, sir. Welcome.

CRAIG BULKLEY, Chief Operating Officer, Liquor Commission: Thank you, Mr. Chairman, Members of the Committee. For the record, my name is Craig Bulkley. I'm Chief Operating Officer for the Liquor Commission. We have a project that is effectively going to allow us to change the point of sale software and hardware and the back office software for all of the Commission.

This project is -- we had allocated about 10 million dollars. We will not use all of that based on the initial proposals that have been submitted, and what we have found and realized at this point is that we don't have the human resources to properly manage what is a very significant transition for us when it occurs.

We haven't done this since 1998 when we put the current POS software and hardware in place in the --
-- um -- all the 77 stores, and we feel that it's critical for us to have professional help from a

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company that is used to managing processes like this. It's just too important not to have that expertise. And, therefore, we are requesting that we can pull 90,000 from the capital allocation and apply it to hiring a company that would help us do this.

CHAIRMAN CAMPBELL: Questions? Senator Rausch.

** SEN. RAUSCH: I'm actually going to make a motion to support this, and I would like to speak to the motion and why.

CHAIRMAN CAMPBELL: Senator Rausch moves adoption of the item. Is it seconded?

REP. CLOUTIER: I'll second that motion.

CHAIRMAN CAMPBELL: Made and seconded. Representative Cloutier. Any discussion? Well, he wants to speak to it first.

SEN. RAUSCH: The reason I will support this is that capital budget, Senator Boutin and myself, we supported this. We actually put it in at the last because even back then, recognizing that this system doesn't have the security for our citizens we need, but now in grants to December and Target, and you recognize that these are entities that are very, very vulnerable. And I don't see how we can expect a department to have the expertise to put a system in to protect our citizens when huge companies like Target, they haven't been able to do this.

You need experts, and I wish the whole system were changed because we shouldn't be using magnetic

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strips. We should be using the chips, and I don't know if that's -- that's the credit card companies, but this is critical to protect our -- our business, selling alcoholic beverages, that we can't jeopardize this. We need an expert, so even though normally salaries aren't a part of capital budget, we've got to weave that into this because you have to have that expertise.

CHAIRMAN CAMPBELL: Representative Weyler.

REP. WEYLER: Thank you, Mr. Chairman. Mr. Bulkley, long-term, what is this going to save by bringing in this new system? Will it eliminate jobs in inventory and paper handling and so on?

MR. BULKLEY: I'll give you a little brief history. The current POS system was installed in 1998. It was purchased in 1997. At that time we could not find an adequate system that dealt with alcohol POS. We had to buy a grocery package, and we had to heavily modify it to accommodate our needs, which, as you probably can imagine, a grocery package sells at retail. It does not handle wholesale. We do both. So we had to modify that.

That system has been in place since 1998. It does not come close to the off-the-shelf retail products that are available today that allow a retailer to do everything from loyalty cards to just all kinds of promotional efforts, but, also, right at the top of the list is PCI.

The payment card industry has specific -- very specific requirements. Right now we're operating under a special exception because our current

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software is not PCI compliant. The bank understands that we are in the process of putting in a new system and are very impatient for us to get that done. So obviously we want to go move with all due speed to get that accomplished. And in order to do that to make sure we cover all the bases and we do it properly, we would like to get expertise that we do not have in-house to help us manage that.

REP. WEYLER: My question was what's going to happen to the people who are working in alcohol in the Liquor Commission? Will you need fewer when this is fully installed? Is it going to save any jobs or is this just catching up?

MR. BULKLEY: No, no. This is simply updating the software, providing the PCI compliance level. It will not -- it will not change the way we actually conduct our business. You'll still go in and, you know, swipe your card the same way and purchase your product the same way.

What it will allow us to do is update that software that's in the stores, make it PCI compliant, make it more secure, provide us with additional opportunities for marketing and merchandising, and also update the back office system that we have at our headquarters to provide the Commissioners and the staff with additional and more timely information on our business.

REP. WEYLER: It may in fact save you money in advertising. You're doing more direct E-mail, if you will.

MR. BULKLEY: Well, we're doing that now.

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Yeah, I'm sure that with these new packages it will permit us to do more of that. Whether it will save money, I -- I can't answer that. I don't know that it's going to be -- we'll be able to reduce our advertising budget by X dollars.

REP. WEYLER: Thank you. Thank you.

CHAIRMAN CAMPBELL: Excuse me. I seem to recall when the 10 million was approved by the capital budget process that you said, also, that currently right now in order to meet audit requirements of the credit card companies you need to pull everything out and send it to them physically.

MR. BULKLEY: Every quarter we have to go and pull out four hard drives from four different stores that they designate, and those have to be shipped, I think, to California where they are analyzed to make sure there is no credit card data on them. Then they are returned to us. So what we have to do is we have to basically pull one hard drive, put in a spare, if you will, so that the store can continue to function while that hard drive is being tested. That is one of the interim measures that we agreed to because the PC -- because the current software is not compliant.

CHAIRMAN CAMPBELL: That isn't efficient or --

MR. BULKLEY: It's not efficient at all.

CHAIRMAN CAMPBELL: -- or cost-effective either, right?

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MR. BULKLEY: You run the risk when you pull that from the store server that you can't get everything back up and operational, and, therefore, the store may be down for a period of time.

CHAIRMAN CAMPBELL: Representative Benn.

REP. BENN: Thank you, Mr. Chairman. I certainly appreciate that this is the kind of work that can't and probably shouldn't be done in-house, and it needs to be done. My question is you arrived at \$90,000 because you have already selected a --

MR. BULKLEY: I can't do that. I have to do an RFP.

REP. BENN: Okay.

MR. BULKLEY: But what I did do is I got an estimate --

REP. BENN: Um-hum.

MR. BULKLEY: -- from a company that actually helped us build the RFP to begin with, and they basically said look, this is what you're going to need to -- to basically have somebody come in and manage this project. So I'm using that number as an estimate based on their assessment of what we need.

REP. BENN: Follow-up?

CHAIRMAN CAMPBELL: Yep.

REP. BENN: And the RFP has not gone out yet?

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MR. BULKLEY: Oh, yes. It's gone out, and we've gotten -- we've got a total of five or six proposals, two of which were -- um -- well, I guess I really -- I'm not supposed to talk about that, but, anyway, it's on the street. We got proposals back.

REP. BENN: You got some back. Okay.

CHAIRMAN CAMPBELL: Representative Graham.

MR. BULKLEY: That was a trick question, right?

REP. GRAHAM: You may not be able to answer it just on what he said. Earlier you said it was not going to take the entire 10 million. Can you give us a ballpark? You know, is it five or eight or -- or you cannot say?

MR. BULKLEY: I cannot do that.

REP. GRAHAM: Oh, okay.

MR. BULKLEY: At this stage in the game, at least by law, I'm not supposed to.

CHAIRMAN CAMPBELL: Any other questions? Seeing none, are you ready for the vote? We have a motion on the floor by Senator Rausch, seconded by Representative Cloutier to adopt the item. All in favor, say aye? Opposed? It's adopted.

***** {MOTION ADOPTED}**

CHAIRMAN CAMPBELL: Thank you. Thanks for

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coming in.

MR. BULKLEY: Thank you. I appreciate it.

CHAIRMAN CAMPBELL: Okay. We're onto the next item, which is use of toll credits, CAP 13-052, Department of Transportation. We're pleased to have the Commissioner of Transportation with us here, Mr. Clement. Welcome.

CHRISTOPHER CLEMENT, Commissioner, Department of Transportation: Good afternoon, Chairman Campbell, Members of the Committee. My name is Chris Clement, D.O.T. guy. And we're here today to ask for permission to use about \$55,000 of turnpike toll credits for internal operational funds for basically our research program for a number of projects in our research bureau.

Under MAP 21, which is our federal program, and, again, that acronym stands for Moving Ahead for Progress in the 21st Century. Congress regulates the different states, and they -- actually in this -- in the law they request that states spend about .5 percent of their yearly allotment, apportionment, on research. And for us it's about \$800,000 a year, so we're -- as part of the spirit with Congress, we're using those funds for such.

CHAIRMAN CAMPBELL: So this money is earmarked federal money for research, for innovation.

COMMISSIONER CLEMENT: It's part of our -- it's part of our 150 million dollars that we get per year, Representative Campbell, so that 150 million dollars that we get per year, we're supposed to use

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.5 percent of that for research and development. So we're always looking at innovative ways. We're doing -- you know, we're looking at -- let's see. I brought a piece of pavement with me. Can you hand me that pavement? It's on my chair.

So we can do things with concrete or if we could do things with flexible pavements where we're putting polymer in it in order to get longer life. So we've had a couple -- a couple roads, the Kang -- Route -- Route 112 -- um -- last year we -- we repaved that stretch where we did a chip seal on it. So way back in 2002, we paved that. It was about 8.1 miles. It cost us 3.8 million dollars to pave it. And then in 2012, for \$875,000.

So, again, it was four million to pave it before, and then we came in to chip seal it for \$875,000. The 8.1 miles, put this small chip seal on, which is going to get us another seven years of life out of it. So that's the kind of stuff we're doing when we're looking at research.

As an example, and I'll pass this around so you can --

CHAIRMAN CAMPBELL: Can you give us a couple more examples of things that will save the department --

COMMISSIONER CLEMENT: Sure.

CHAIRMAN CAMPBELL: -- and taxpayers money --

COMMISSIONER CLEMENT: Absolutely.

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CHAIRMAN CAMPBELL: -- along the -- along the transportation dollars?

COMMISSIONER CLEMENT: Sure. So, as you know, back in July of 2008, we embarked on the bill that's before Congress, a performance metrics tool, and as a result of that, here are -- here are some of the savings that we've come up with. So recycled asphalt pavement, which is called RAP, we have over five million dollars in savings since 2012. And we're trying to increase the amount of RAP that we use every year, and that's really recycling the pavement and reusing it.

This year, 2013, New Hampshire D.O.T. won the Jim Sorenson Pavement Preservation Award. That's only been given out twice across the country. There was only one other D.O.T. We won that this year with doing these types of things, which is a big deal. We have a sign recycling program that we're working on.

We're resetting guardrail blocks versus rail. That saved us 5.2 million dollars since 2009. We've switched to LED traffic lighting. That saves us \$170,000. You know, from a -- from just a -- an operational perspective, on our tolls, we've restaffed our tolls. To date, we've saved 2.2 million dollars. The staffing hours in Hampton Mainline have gone down 50 percent, five zero, 50 percent, since open-road tolling. And we're starting to trend the same way with Hooksett and then all the other ROT facilities that come on-line as well will be similar.

Here's another one. Flexible plow blades.

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Instead of using carbide inserts, we're using these Joma blades. They're a real hard rubber. We've saved 1.1 million dollars this year. Prewetting systems on the salt. So in the past we've just -- we've just dispensed the salt on the road. Now we have these water jackets on the -- on the -- um -- on the side of the spreader bodies that spray that prewets the salt before we dispense it.

So it's an oatmeal type of consistency so when it lands on the pavement it kind of sticks like oatmeal if you threw it on the ground, and that's keeping the salt from just going off into the ditch. So that's saving money. And, as you know, we spend about 12 to 13 million dollars a year in salt, so that's very important. I mean I can keep going on and on if you want.

CHAIRMAN CAMPBELL: Further questions?
Representative Graham.

REP. GRAHAM: Thank you, Mr. Chairman. Commissioner, and this is going to be, I think, a recurring question that you will hear over the next several months. You said that the five percent --

COMMISSIONER CLEMENT: Point five percent.

REP. GRAHAM: Okay. Point 5 percent.

COMMISSIONER CLEMENT: Yes, sir.

REP. GRAHAM: Is that an absolute requirement or a suggestion from Federal Highway?

COMMISSIONER CLEMENT: I would think it's a

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suggestion.

ALAN RAWSON, Civil Engineer, Department of Transportation: It's an absolute requirement.

COMMISSIONER CLEMENT: It is an absolute requirement.

REP. GRAHAM: If I may follow up?

CHAIRMAN CAMPBELL: Sure.

REP. GRAHAM: Because part of what we're going to have to begin to look at, both at this Committee and the other committees that most of us sit on, how much of that 150 can we actually spend on roads and bridges after you subtract out all of these types of things?

COMMISSIONER CLEMENT: Yep.

CHAIRMAN CAMPBELL: Representative Weyler.

REP. WEYLER: If I may, a couple of somewhat unrelated questions if we have time.

CHAIRMAN CAMPBELL: Sure. Go ahead.

REP. WEYLER: I'm curious as to how winter maintenance budget is going for this year. What's your projection?

COMMISSIONER CLEMENT: Good question. So -- we're -- by the calendar, we're 40 percent through winter, and we've expended about 51 percent of our budget as of this Monday, but we had a really good

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week in terms of weather which is good. Um -- each storm is between 900,000 and 1.2 million dollars.

REP. WEYLER: Right.

COMMISSIONER CLEMENT: The storm that we had two weeks ago with all the snow, and it was really cold, it was below 10 degrees Fahrenheit, the good thing is is that we didn't use any road salt because it was too cold. It was below 10 degrees Fahrenheit, so salt doesn't perform. So we didn't spread any salt, and that saved us probably about \$400,000. So that was good.

The negative part with that is we had to come in on Saturday when temperatures went up to about 24 degrees Fahrenheit so we could go out and scrape it off. So there was some overtime -- some overtime there, but I'm hopeful -- I mean we -- we have this 10-year rolling average, and that's how we budget. I mean our maintenance is between 32 and 39 million dollars a year, and I'm hoping that this weather is going to continue and that we could get caught up.

REP. WEYLER: And one more unrelated?

CHAIRMAN CAMPBELL: Please.

REP. WEYLER: Road open. Closed building. What do the flashing blue lights mean when I go through?

COMMISSIONER CLEMENT: It's just -- that's what's taking a picture of your transponder or --

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REP. WEYLER: It's not always there.

REP. BENN: It only happens to you.

COMMISSIONER CLEMENT: I think you see it -- like yesterday I went through Hooksett, and I -- I noticed it was very pronounced when I went through. After I thought -- I actually thought there was a State Trooper up ahead because I saw a blue flash, but I think it was because the lighting of the day at certain times of the day.

REP. GRAHAM: They were flashing.

CHAIRMAN CAMPBELL: Thank you. Representative Benn.

REP. BENN: Thank you, Mr. Chairman. You said that you didn't spread salt because it was too cold. Do you happen to know, were there more accidents that weekend?

COMMISSIONER CLEMENT: I -- gosh, I don't know the stats off -- offhand. I could find them. Um -- what I can tell you anecdotally is we found this year that there have been -- there's been a lot of accidents. And that's a -- that's a broad term, there's been a lot of accidents. I've talked with Colonel Quinn, and we -- we still think there -- there are two things. People are driving too fast, and they're distracted. I think people have their hand-held devices or they're reading the newspaper or they're eating or whatever, and it's -- it's an issue.

For us ideally, the first storm of the year, if

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we could get a one or two-foot snowstorm every year and retrain everybody, that would be a great thing. When you have these small, little ice events or one or two inches, people still drive fast, and I think everybody is in a hurry.

CHAIRMAN CAMPBELL: Is there any further questions? What's the Committee's pleasure?

** SEN. BOUTIN: So moved.

CHAIRMAN CAMPBELL: Moved by Senator Boutin.

REP. WEYLER: Second.

CHAIRMAN CAMPBELL: Seconded by Representative Weyler that we adopt.

COMMISSIONER CLEMENT: Thank you.

CHAIRMAN CAMPBELL: Any discussion? Further discussion? If not, all in favor, say aye? Opposed? Okay. It's adopted.

*** {MOTION ADOPTED}

REP. WEYLER: Mr. Clement, Senator Rausch has got a tractor. He's available on weekends.

COMMISSIONER CLEMENT: We'll put you to use.

REP. WEYLER: I hope we can heat your office better so you're not so cold.

(Laughter.)

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COMMISSIONER CLEMENT: Just trying to bring a little culture here to the males.

(4) Miscellaneous:

(5) Informational:

CHAIRMAN CAMPBELL: We have some -- several informational items. Mike Connor, do you want to comment on any of them or these are just for us? Anything we need to go over?

MICHAEL CONNOR, Deputy Commissioner, Department of Administrative Services: Actually not on your list, though, is for the women's prison.

CHAIRMAN CAMPBELL: Yes.

MR. CONNOR: The report's coming. I don't think it's here, but we do have some people here, and if you're interested, give you like a brief overview of where we're at.

CHAIRMAN CAMPBELL: Yes, please.

MR. CONNOR: We awarded a contract yesterday, so if that's something you're willing to --

CHAIRMAN CAMPBELL: Yes, please.

MR. CONNOR: I'd like to introduce Tim Smith. He's our project manager. And you know Commissioner McGonagle from Corrections.

CHAIRMAN CAMPBELL: Yeah. Come right up,

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gentlemen.

MR. CONNOR: This is Bill McGonagle from Corrections. This is Tim Smith, our project manager. Thank you. I am proud to announce that Governor and Council approved the contract with Gilbane Building Company for construction of the women's prison. There were -- we went through -- with your direction and the law, we went through a construction management approach where we actually went out to basically all over the country. We brought it -- they -- we received eight proposals or letters of interest and qualifications. We went through a review process.

We picked the best qualified five, and we asked them to submit a proposal and do an interview with us. We reduced that to the three most qualified firms which were Gilbane -- I forget the other two. Heery International and McMillin. Those are the three that are most qualified.

And then we had actual bids. We had a stipulated amount of 32 million for the construction, and then we had them actually bid preconstruction services, the CM fee itself, and the general conditions. And the low bid was awarded to Gilbane, so we're moving forward with those folks.

With that, I'd like to turn it over to Bill McGonagle and Tim, who have been working really hard in this. They'll give you a little -- kind of an overview of where we're at. The last time we were here you had some questions about the rock pile out back there, so I think Tim will talk a little bit about that, and then Commissioner McGonagle can talk

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to you about some of the hard work that they've been doing over the last few months.

WILLIAM MCGONAGLE, Commissioner, Department of Corrections: Well, I guess I'll start. Right out of the gate we ended up with some challenges, both on -- we knew the challenges with the site, but we also had challenges with the -- with the facility. The -- um -- the submission that we put into the capital budget was founded on the master plan that was done in 2008 by Crabtree and Rohrbaugh.

We discovered, with the help of our consultants on this project, that Crabtree and Rohrbaugh used grossing factors that were woefully under -- understated. I guess, just to put it in clear terms, if we had just taken the 112,000 plus square foot program that we submitted, corrected for the correct grossing factors, we would have used up the whole 38 million just on the building with no -- um -- additional money for site FF&E or anything else. So that put us in a real serious situation.

Beyond that, the Crabtree and Rohrbaugh program, as we've described during the -- early in these sessions, included -- didn't include certain spaces that -- um -- for medical and for programming that are crucial to our -- our regulatory requirements, specifically the Court Orders and Consent Decrees. So we built a lot of those in when we got working with SMRT and Pulitzer Bogard.

They basically said there are other spaces that you need for this program to work. So the thing ballooned. So for the last six meetings that we've

had we have been going with a sharp pencil and a critical review of every single line in the program to trim, cut, whatever we can. At this point we're somewhere between one -- 1.5 and three million dollars over budget still.

Now, those are -- are kind of squishy numbers because there's still a lot that we don't know about the site yet, and there is -- now that Gilbane is on board, we may be able to make up some of that -- that with the -- with the construction management involvement, but it's -- we're -- at -- at this point, if we're -- if we're going to make budget, we're going to have to cut some things that won't make New Hampshire Legal Assistance feel very happy. I just wanted to let you know that that's the case.

In the course of these cut and trim exercises, we have cut the design capacity of the facility from 2,024 to 2,000 -- I mean 224 to 208. That's -- that move is supported by our population trends. The last eight to 10 months show the population that would be likely going into the women's prison leveling out and starting to trend a little down. So there's -- there's a good deal of -- of wiggle room there, but we would have to come back and ask for amendment of the legislation to whatever the final square footage is and whatever the final number of beds would be to have it amended so that we can conform or meet the requirements of law.

CHAIRMAN CAMPBELL: A few quick questions. As far as the site goes, which has always been the biggest question mark, we still don't know the subsurface of the site.

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COMMISSIONER MCGONAGLE: We've -- well, Tim, do you want to answer that?

TIMOTHY SMITH, Project Manager, Bureau of Public Works: Sure. For the record, Tim Smith. I'm with the Bureau of Public Works. I'm the project manager. Our initial site exploration has indicated that we have bedrock from three foot to 11 foot from the surface.

(Representative Benn leaves the committee room.)

MR. SMITH: There are many large, surface boulders, some as large as small houses, some more car-size is the norm. We knew it was going to be a difficult site. It's fairly steep, covered with boulders, but the bedrock gets closer and closer to the surface as you get toward the top of the -- of the site. We are fairly sure that we will be blasting some significant amount of the site, and this is all based on test pits which were done in a random fashion.

CHAIRMAN CAMPBELL: And those numbers, the dollar numbers, haven't been described yet?

MR. SMITH: The current estimate for blasting or the hard-rock excavation is about 800,000 just for the hard-rock excavation.

CHAIRMAN CAMPBELL: Um-hum. Within budget?

MR. SMITH: No.

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CHAIRMAN CAMPBELL: No.

COMMISSIONER MCGONAGLE: So our -- our approach to this is -- um -- really work on the location on the site and the configuration of the facility to minimize the amount of cut that we have to do. But it's a -- it's an interesting mix of -- of factors that will determine how much we have to cut and how much we have to fill to get the -- the -- the program.

CHAIRMAN CAMPBELL: The second question has to do with the 208, going to 208.

COMMISSIONER MCGONAGLE: Yes.

CHAIRMAN CAMPBELL: When we went through the process you assured us all that this was expandable, so if you go back to 208, the prison is still expandable in the future should you need more.

COMMISSIONER MCGONAGLE: Yeah. And that was -- just by putting that in the legislation there are certain spaces like the special housing kitchen facilities -- um -- and medical facilities that had to be designed for the 350, not for the 224 or 208 just because it's not -- um -- economical to just add on a couple of cells or -- or an additional exam room in order to make that expansion. So we have to build some parts of the facility to -- to account for that size.

(Mr. Smith holds up an enlarged site plan.)

COMMISSIONER MCGONAGLE: You're familiar with this -- with this one where we showed you that this

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(pointing) is the proposed box. And this (pointing) is -- this is the -- roughly the north/south access. Sort of looking like this (pointing) now, and our -- our tactics are to move the facility as far to the east as possible. I don't know. We've got 50 feet of movement that we can do to bring it up behind the boiler house. There's even been suggestions that we can move it even further and incorporate the boiler house into the structure.

There's also one idea that we haven't fully vetted yet of having all of the program space be on a lower level and some of the other space be on a second floor but level with the courtyard in the back, and that would shrink this (pointing) along the north/south access so that the -- this (pointing) is where the -- the heavy rock would be so that we can maybe eliminate some of that and move it all over here (pointing).

CHAIRMAN CAMPBELL: Okay. Well, that's it for me. You can continue to coordinate with LBA as far as coming in on your prescribed time to let us know what's going on, and we appreciate that very much.

COMMISSIONER MCGONAGLE: Sure. Okay.

CHAIRMAN CAMPBELL: Senator Rausch.

SEN. RAUSCH: Yes. Thank you, Mr. Chairman. I believe, Mike, that all the estimates that you put out have a 15 percent contingency in them; is that correct?

MR. CONNOR: Yes, including -- yes, there's a contingency. We have a contingency here in this

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package, too.

SEN. RAUSCH: So when you say you're over budget, are you absorbing any of the contingency to bring you back into budget?

MR. CONNOR: That's included in the contingency. And the major reason for that so far is, as Commissioner McGonagle talked about, is the grossing factor. Because the assumption was based on 112,000 square feet, but that was based on a really small grossing factor that we've now discovered.

So we've been given a different number with our current SMRT, our architect engineering firm, saying this is really what you need to look at. We're still a little early. We need to ferret that out. You know, we're just starting. These are our concerns. We're going to be able to get it down somewhat, but I don't know what that delta is going to be when we finally finish. But yes, it's included -- that contingency is included in that.

SEN. RAUSCH: Okay. But what I'm saying is you have a contingency. Are they using that contingency to cover their deficit?

MR. CONNOR: Are they using the contingency? We're -- we're including all the contingency, and the -- the deficit that the Commissioner was talking about was above and beyond the contingency. The potential for that, I should say, is above and beyond that.

CHAIRMAN CAMPBELL: Any further questions? If

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not, thanks for coming in very much. Thanks for the update. We look forward to seeing you soon. Good luck.

REP. GRAHAM: Good luck.

(6) Date of Next Meeting and Adjournment:

CHAIRMAN CAMPBELL: That is it for us. I guess the next -- the only thing for us is to pick the date for the next meeting. Now that we're into heavy scheduling, and it used to be Thursdays in the afternoon. Is that -- is that okay with people generally? Do you find a date that works? Thursdays at like three?

REP. WEYLER: The division, Chair.

CHAIRMAN CAMPBELL: That's what I'm looking at.

REP. EATON: Thursday afternoons I can work around whatever you need.

CHAIRMAN CAMPBELL: Well, for Senator Boutin it doesn't work.

SEN. RAUSCH: What are we talking about?

CHAIRMAN CAMPBELL: Well, I was suggesting we go at three o'clock in the afternoon for some things, but Senator Boutin --

SEN. RAUSCH: For what days?

CHAIRMAN CAMPBELL: Well, Thursdays we did last -- last -- last year, but I'm saying it

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doesn't work for Senator Boutin, so we can pick another time. Is Thursdays good? Is Fridays good? What should we do?

SEN. STILES: Thursday is the session date.

CHAIRMAN CAMPBELL: Oh, that's right. Fridays? Or Mondays?

REP. EATON: Mondays or Fridays you're going to be stuck with.

CHAIRMAN CAMPBELL: Tuesdays late in the afternoon.

SEN. STILES: After four.

SEN. RAUSCH: Well, you know what? We're going to -- the way things are going right now, we're going to wrap up transportation. When are you thinking about another meeting?

CHAIRMAN CAMPBELL: Well, I think in late February we'd meet again.

REP. EATON: Remember we --

REP. CLOUTIER: The House has vacation.

CHAIRMAN CAMPBELL: Which week?

REP. CLOUTIER: It's the last week in February. The 24th through the 28th.

CHAIRMAN CAMPBELL: So maybe if we skip to the next -- either the first week in March or the very

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end or the week before.

SEN. RAUSCH: Then we could -- the three of us are on transportation, and I plan to be done by before the end of February in transportation, so three of us would be available for Tuesday afternoon.

CHAIRMAN CAMPBELL: All right. 2:30, 3:00? Something like that? Does that work for you, Dan? Tuesday when we come back? Is that late enough in the day that you can schedule around it?

REP. EATON: I think so.

CHAIRMAN CAMPBELL: Give me a time. Three?

REP. EATON: Three.

SEN. BOUTIN: I won't be here then.

CHAIRMAN CAMPBELL: You won't?

SEN. BOUTIN: No.

CHAIRMAN CAMPBELL: That Tuesday?

SEN. BOUTIN: No.

REP. EATON: How about Friday?

CHAIRMAN CAMPBELL: How about the following Tuesday?

REP. CLOUTIER: The following Tuesday is --

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CHAIRMAN CAMPBELL: What time?

CHAIRMAN BOUTIN: Two.

CHAIRMAN CAMPBELL: Oh, fine. Tuesday --
Tuesday, the --

REP. WEYLER: Fourth.

CHAIRMAN CAMPBELL: Tuesday, March 4th at 2:00.

REP. CLOUTIER: Okay. Fine with me.

CHAIRMAN CAMPBELL: And we'll try to do Long
Range right afterwards.

SEN. RAUSCH: Okay.

SEN. BOUTIN: 3:30 at the latest.

REP. CLOUTIER: Tuesday, March 4th.

SEN. RAUSCH: March 4th.

CHAIRMAN CAMPBELL: That's what we'll plan to
schedule. Thank you. With that, thank you for
being here for Capital. We'll adjourn the meeting.
Motion to adjourn?

** REP. EATON: So moved.

REP. WEYLER: Second.

CHAIRMAN CAMPBELL: All in favor? And we
adjourn.

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*** {MOTION ADOPTED}

(Adjourn at 1:35 p.m.)

C E R T I F I C A T E

I, Debra L. Mekula, a Licensed Court
Reporter and Justice of the Peace of the State
of
New Hampshire, do hereby certify that the
foregoing, to the best of my knowledge, skill
and
ability, is a true and accurate transcript of
my
stenographic notes of the Capital Budget
Overview
Committee Hearing, taken at the place and under
the circumstances present on the date
hereinbefore
set forth.

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Debra L. Mekula, LCR, RMR
Licensed Court Reporter
Registered Merit Reporter
N.H. LCR No. 26 (RSA 310-A)

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