

CAPITAL BUDGET OVERVIEW COMMITTEE

Legislative Office Building, Room 203

Concord, NH

Thursday, March 19, 2015

MEMBERS PRESENT:

Rep. Gene Chandler, Chair
Rep. John Cloutier
Rep. Mark McConkey
Rep. David Danielson
Rep. Frank Byron
Rep. Daniel Eaton
Sen. Gary Daniels, Vice-Chair
Sen. David Boutin
Sen. Lou D'Allesandro
Sen. Nancy Stiles

(The meeting convened at 2:09 p.m.)

(1) Organization of Committee

CHAIRMAN CHANDLER: Okay. We will call the first meeting of the Capital Budget Overview Committee to order and the first order of business is the organization of the Committee. So we need a nomination for Chairman whoever would like to do that.

****** SEN. STILES: I nominate Gene Chandler.

REP. MCCONKEY: Second.

CHAIRMAN CHANDLER: Any other nominations?

SEN. BOUTIN: I move -- oh, for chairman, no.

CHAIRMAN CHANDLER: Okay. All those in favor say aye?
Opposed no? No.

***** {MOTION ADOPTED}**

** SEN. BOUTIN: Mr. Chairman, I nominate Senator Gary Daniels as Vice-Chair.

REP. CLOUTIER: I second that motion.

CHAIRMAN CHANDLER: Senator Gary Daniels as Vice-Chair and seconded by Representative Cloutier. Are there any further nominations? If not, all those in favor of Senator Daniels say aye?

*** {**MOTION ADOPTED**}

CHAIRMAN CHANDLER: And clerk.

** SEN. BOUTIN: Mr. Chairman, I move that Representative John Cloutier be the clerk.

REP. EATON: Second.

CHAIRMAN CHANDLER: And seconded by Representative Eaton. Moved by Representative Boutin.

SEN. BOUTIN: Senator Boutin.

CHAIRMAN CHANDLER: Any other nominations? I've done that every time. I remember the good old days.

REP. EATON: It's consistent.

CHAIRMAN CHANDLER: All those in favor say aye? Okay. Thank you.

*** {**MOTION ADOPTED**}

(2) Committee Orientation:

(3) Acceptance of Minutes of the November 18, 2014, Meeting.

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CHAIRMAN CHANDLER: Acceptance of minutes of the November 18th minutes of which weren't many people --

** REP. DANIELSON: So moved.

CHAIRMAN CHANDLER: So moved.

SEN. STILES: Second.

CHAIRMAN CHANDLER: Seconded. All those in favor?

*** {MOTION ADOPTED}

(4) Old Business:

CHAIRMAN CHANDLER: Okay. Old Business.

(5) New Business:

CHAIRMAN CHANDLER: New Business. Item number 15-003, Liquor Commission requests authorization to transfer \$664,000 in funds appropriated, et cetera, et cetera. Any questions on that? Motion?

** SEN. D'ALLESANDRO: Move the item.

SEN. BOUTIN: Second.

CHAIRMAN CHANDLER: Senator D'Allesandro moved, seconded by Senator Boutin to approve the item. Any questions or discussion? If not, all those in favor say aye? All opposed? The motion carries.

*** {MOTION ADOPTED}

CHAIRMAN CHANDLER: Harbor Dredging and Pier Maintenance, request authorization to expend not more than 80,000 from the Harbor Dredging and Pier Maintenance Fund, et cetera, et cetera.

** SEN. STILES: I move 15-005.

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SEN. BOUTIN: Second.

CHAIRMAN CHANDLER: Okay. Who -- Senator Boutin moves and second? Senator Stiles moved or not?

SEN. D'ALLESANDRO: Senator Stiles.

CHAIRMAN CHANDLER: Senator Stiles moved, seconded by Senator Boutin to approve Item 15-005. Any questions or discussion? If not, all those in favor say aye? Any opposed? The motion carries.

***** {MOTION ADOPTED}**

CHAIRMAN CHANDLER: Item number 15-002, Department of Administrative Services requests in conjunction with Department of Safety for approval of preliminary plans for the construction of a new New Hampshire Marine Patrol Headquarters in Glendale --

****** REP. DANIELSON: So moved.

CHAIRMAN CHANDLER: -- as specified in the request. So it's moved by?

SEN. BOUTIN: Second.

CHAIRMAN CHANDLER: Senator Daniels, seconded by Senator Boutin.

SEN. DANIELS: Danielson.

CHAIRMAN CHANDLER: Danielson. Representative Danielson, seconded by Senator Boutin. Are there any questions or discussions? If not, all those in favor? Any opposed?

***** {MOTION ADOPTED}**

CHAIRMAN CHANDLER: Okay. On this CAP 15-010, University of New Hampshire, requests approval of each project intended to be

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financed. That's the one you can read. They're in your packet here somewhere.

REP. DANIELSON: It's only about three down.

CHAIRMAN CHANDLER: Really?

REP. DANIELSON: Looks like this.

CHAIRMAN CHANDLER: Yeah, I guess so. Okay. So you have the items before you. Are there any questions? Do we have any questions? Do we want to listen to the System or Senator Boutin?

SEN. BOUTIN: Are you going to have them present?

CHAIRMAN CHANDLER: If they'd like to, yes. They're certainly welcome to that.

CATHERINE PROVENCHER, Vice-Chancellor and Treasurer, University System of New Hampshire: Okay.

SEN. BOUTIN: I'll wait until they're done.

MS. PROVENCHER: Good afternoon, Members of the Committee. For the record, my name is Catherine Provencher. I serve as the Vice-Chancellor of our State's University System. This afternoon we seek approval of the Capital Budget Overview Committee to approve four projects that we intend to issue bonds for. Pursuant to the State Law for the New Hampshire Health Education Facilities authority, through which the University System issues its bonds, all projects are required to be approved by the Capital Budget Overview Committee.

So you'll likely recall that the University System can only issue bonds for self-supporting facilities. We do not issue bonds for academic facilities, et cetera. So the four projects that -- that we intend to issue bonds for are on the UNH Campus, the Plymouth Campus, and the Keene Campus. The total of the four projects is \$81 million. You'll see on your agenda the item

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lists up to \$85 million. That's because the bond resolution was approved that way by the Board back a year ago for capacity purposes. But we intend to seek \$81 million for these four projects.

The Hamel Recreation Center on the UNH Campus seeks to expand the current recreation center that was constructed back in 1996 by 66,000 square feet. The total cost of that project is \$35½ million. We'd be bonding \$29½ million of that. All of these projects also have been approved by our Board of Trustees.

The second project is the \$10½ million project. It is to expand the Holloway Commons Dining facility by 11,000 square feet, increasing seating capacity by about 325 seats.

On the Plymouth State Campus the AllWell North Project is ongoing now. Those that are familiar with the North Country may have seen it up on the Plymouth Campus. It's a construction of 112,000 square feet. That facility is a multi-purpose facility, both for classrooms, laboratories, recreation and wellness purposes. And it's a multitude of different funding sources to support that \$32 million project, \$8 million of which would be part of this HEFA bond.

And then the fourth project included in this bond is at the Keene State Campus. It's a residence hall, a \$33½ million project. 81,500 square feet would provide us with another approximately 350 beds. The issue on the Keene Campus is that most of our freshmen are in forced triples and it's significantly affecting retention. And, obviously, retention is, you know, an area we need to focus on to make sure our enrollment, you know, stays where we'd like it to stay. I can provide you with a lot more detail. Paul Chamberlain and Jose Louis San Miguel are here that could give you a lot more information on the programming of each project, if you're interested. And I'm happy to answer any of your questions.

CHAIRMAN CHANDLER: Senator Boutin.

SEN. BOUTIN: Thank you, Mr. Chairman. What's your title?

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MS. PROVENCHER: Vice-Chancellor and Treasurer.

SEN. BOUTIN: Madam Vice-Chancellor and Treasurer.

MS. PROVENCHER: Vice-Chancellor is fine, Senator.

SEN. BOUTIN: I have a couple questions, Mr. Chairman.

CHAIRMAN CHANDLER: Yep.

SEN. BOUTIN: First question I have, Madam Chancellor -- Vice-Chancellor, is on the Plymouth State project, the \$2 million State Capital appropriation, is the balance -- is the entire project of AllWell North, is it contingent on that \$2 million State Capital appropriation or can you live without that?

MS. PROVENCHER: That State Capital appropriation was for the current biennium. Of the \$8 million --

SEN. BOUTIN: So you already have that appropriation?

MS. PROVENCHER: Yes.

SEN. BOUTIN: So is that part of the 85 million?

MS. PROVENCHER: No, no. I'm sorry. No. On this sheet under financing --

SEN. BOUTIN: Yeah.

MS. PROVENCHER: -- if you look across at HEFA bonds.

SEN. BOUTIN: Yeah.

MS. PROVENCHER: The HEFA bonds total 81 million.

SEN. BOUTIN: Okay.

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MS. PROVENCHER: That's the component of each of the projects that will be bonded. So \$8 million of the total \$32 million AllWell Project will be bonded.

SEN. BOUTIN: All right.

MS. PROVENCHER: But there's another 2 million from State Capital appropriations in the current biennium.

SEN. BOUTIN: All right. I got that. Thank you. Mr. Chairman, one more question.

CHAIRMAN CHANDLER: Further question, sure.

SEN. BOUTIN: The question I have is this. The Legislature has endeavored over the last couple years to do what it can do to put a lid on rising tuition. We have kids graduating from college now with debt service of forty, fifty, \$60,000. It's intolerable. The question I have is this, Madam Vice-Chancellor. Can you provide me evidence that there will be no corresponding increase in room and board fees which really at the end of the day are nothing more than tuition fees, will there be corresponding increases in those fees to support this bond issue?

MS. PROVENCHER: Yes, there will be increases in fees.

SEN. BOUTIN: Mr. Chairman.

CHAIRMAN CHANDLER: Yes.

SEN. BOUTIN: That -- that information is not in here, is it?

MS. PROVENCHER: No.

****** SEN. BOUTIN: Mr. Chairman, I'm loathed to vote on this item until I have that information. So I would like to move to table it.

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CHAIRMAN CHANDLER: Okay. Senator Boutin has moved to table item number 15-010. Is there a second?

REP. BYRON: Second.

CHAIRMAN CHANDLER: Being non-debatable, all those in favor say aye? Any opposed? Motion is tabled. Item is tabled.

***** {MOTION TO TABLE ADOPTED}**

SEN. BOUTIN: Make it very clear, Mr. Chairman, I'm not expressing a view one way or the other. I just want the information.

CHAIRMAN CHANDLER: No problem.

SEN. BOUTIN: Thank you.

CHAIRMAN CHANDLER: Thank you. I guess you can provide that to us.

SEN. D'ALLESANDRO: Could I ask a question?

CHAIRMAN CHANDLER: Yes.

SEN. D'ALLESANDRO: Would it be possible to request from the Vice-Chancellor that she get that information to Senator Boutin?

MS. PROVENCHER: I have the information.

SEN. D'ALLESANDRO: Could you do a sidebar with Senator Boutin?

CHAIRMAN CHANDLER: I think a lot of people would like to see it.

SEN. D'ALLESANDRO: I'd like him to pose his queries.

SEN. BOUTIN: I will talk to her.

SEN. D'ALLESANDRO: Okay.

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CHAIRMAN CHANDLER: Thank you. Okay. I guess the other -- Mr. Kane, you handed me something. How did I not -- how did I lose it so quickly?

MR. KANE: I was just showing you a statute. I wasn't giving you anything.

CHAIRMAN CHANDLER: Okay. Thank you. Do you have anything to add?

MR. KANE: No, just the information.

CHAIRMAN CHANDLER: There's other informational items before you.

MR. KANE: Quarterly reports from Administrative Services on the status of some of their projects. Quarterly reports from DOT.

CHAIRMAN CHANDLER: Motion to adjourn.

REP. CLOUTIER: Mr. Chair, when is our next meeting?

CHAIRMAN CHANDLER: We'll see when we get the information scheduled in the next couple weeks.

REP. EATON: Any chance that we could ask Mr. Connor for an update on the women's prison and what the status is because seems to be competing information.

CHAIRMAN CHANDLER: Well, I'll give you an update.

REP. EATON: Fair enough.

CHAIRMAN CHANDLER: How's that? Then he can correct me. We have so far, at least, in the Capital Budget as it's going to leave the House, we have included an additional, I say additional, we have included \$12.6 million, which is what Mr. Connor has indicated. Although he has said it will be tight,

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he's indicated that to us on -- repeated that three or four times that he will get that in. I will say the other thing what we are also asking is a redesign or a new design of the proposal having taken the suggestion from Finance Committee that the design that's presently out there is not conducive to taking the most advantage of staffing situations. So they're well aware of that. I don't want to put words in your mouth to say you agree, but they understand what the situation is that we need to do a job that allows us to take better advantage of staffing. I mean, as you know, building it goes away pretty quick. Staffing stays forever.

REP. EATON: Right.

CHAIRMAN CHANDLER: So that's the present status that we're in the Capital Budget right now.

REP. EATON: Further follow-up.

CHAIRMAN CHANDLER: Yes.

REP. EATON: Do we have a new timeline for completion of it?

CHAIRMAN CHANDLER: Yes, we do, but I don't want to say the wrong thing.

SEN. BOUTIN: Mr. Chair, may I make an inquiry of Mr. Connor?

CHAIRMAN CHANDLER: Yes.

SEN. BOUTIN: Thank you. Thank you, Mr. Connor, for coming up. I think I just heard the Chair say that you said that you indicated you can complete the project with \$12.6 million additional money?

MICHAEL CONNOR, Deputy Commissioner, Department of Administrative Services: Yes, that's our intent.

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SEN. BOUTIN: I just read in the paper the other day it was going to cost 58 million. Was that an inaccurate number in the *Monitor*?

MR. CONNOR: You know what happens when things come in the process of making sausage. The estimates that we have from our -- from our consultant were 50.6 million and that's why we asked for the 12.6. The prices that we -- that came in on March 2nd came in for a total of fifty-four million five so we rejected that. So we are going back to the table to redesign that to bring it down. That 54.5, you might say that's only 5.5 million over, but there's two million in that request for equipment to fit up the prison so it's not here. So we are going to have to cut about \$7½ million to get it to within our appropriation.

As I probably said three or four times, it's going to be difficult to get there but that's our mission. We are going to have -- the current design was a campus environment. So we are going to have to try to bring some of that back which will cut down in infrastructure and drainage and things like that so we are hopeful that will reduce some of the costs while still maintaining the programming and the spatial needs that we need to do to comply with all the different things. But that is our goal.

SEN. BOUTIN: Thank you very much for the information. Thank you, Mr. Chairman.

CHAIRMAN CHANDLER: Thank you very much. Motion to adjourn.

** REP. DANIELSON: Move.

REP. CLOUTIER: Second.

CHAIRMAN CHANDLER: All those in favor?

*** {MOTION ADOPTED}

(The meeting adjourned at 2:17 p.m.)

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CERTIFICATION

I, Cecelia A. Trask, a Licensed Court Reporter-Shorthand, do hereby certify that the foregoing transcript is a true and accurate transcript from my shorthand notes taken on said date to the best of my ability, skill, knowledge and judgment.

Cecelia A. Trask

Cecelia A. Trask, LSR, RMR, CRK
State of New Hampshire
License No. 47

