

CAPITAL BUDGET OVERVIEW COMMITTEE

Legislative Office Building, Room 201

Concord, NH

Wednesday, September 5, 2018

MEMBERS PRESENT:

Rep. Mark McConkey, Chair

Rep. John Graham (Alt.)

Rep. John Cloutier

Rep. Frank Byron

Rep. David Danielson

Rep. Dan Eaton

Sen. Gary Daniels

Sen. Lou D'Allesandro

Sen. Regina Birdsell

(The meeting convened at 11 o'clock a.m.)

(1) Acceptance of Minutes of the June 6, 2018 meeting.

MARK MCCONKEY, State Representative, Carroll County, District #03, and Chairman: Okay, time being 11 o'clock, we will open up Capital Budget Overview. And in Speaker Chandler's stead, Representative Graham is sitting on his behalf. Everything else is probably where we should be.

First item will be review of the minutes from our last meeting.

****** DANIEL EATON, State Representative, Cheshire County, District #03: Move approval.

CHAIRMAN MCCONKEY: Thank you.

FRANK BYRON, State Representative, Hillsborough County, District #20: Second.

CHAIRMAN MCCONKEY: Thank you. That motion been made and seconded. Any discussion? All those in favor say aye? Those opposed?

JOHN CLOUTIER, State Representative, Sullivan County, District #10: Excuse me again. Who made the second to that motion? Okay. Thank you, Representative Byron.

*** {**MOTION ADOPTED**}

(2) **Old Business**:

(3) **New Business**:

CHAIRMAN MCCONKEY: Under New Business, Port Authority. First item, Item 18-018. Geno, if you would just introduce yourself and present to the --

GENO MARCONI, Director, Division of Ports and Harbors, Pease Development Authority: Thank you, Mr. Chairman. I'm Geno Marconi, and I'm the Director of the Pease Development Authority, Division of Ports and Harbors, also known as the Port Authority.

This first item you have before you, as you know for the past few years we've been applying to US-DOT under several different programs to try to seek some funding assistance to rehabilitate the existing main ship dock in Portsmouth. There's been several different iterations of the same, you know, TIGER Grants, INFRA Grants, the latest one is this BUILD Grant; and although -- although it's the same project, the criteria was a little bit different. And we needed to get the assistance of our on-call engineering firm, Appledore Engineering, to assist us with this in a subcontract that they have with HDR, their -- that has an economist in their Department who helped us amend the cost to benefit analysis.

I will tell you, as I was telling the Chairman before the meeting, I'm pretty excited about this one because a week or so ago I received an e-mail from the head of the Economic Analysis Department at US-DOT requesting a little more information, which indicates to me that our application has made one of the final

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cuts. And how this works is if it's -- if it's a rail project it goes to rail authority. If it's a maritime project, it goes to the maritime administration. And then when those agencies review them, and they put the final cut on the Secretary's desk and she makes the final decision.

Shortly after I received that e-mail I did get a phone call from the Northeast Director of MARAD out of New York who has requested to come up to talk with us at the Port next week. So I'm cautiously optimistic that we've advanced our program under the criteria set in this BUILD Grant. But I do want to apologize to the Committee because this was announced and it was needed to be done and submitted within 30 days of the announcement in the Federal Register. I took the liberty of going to Appledore and engaging them to do this. And now I'm here to ask this Committee for permission to expend the funds from the Expansion Fund instead of out of my Operating Budget.

CHAIRMAN MCCONKEY: Thank you. Questions? Representative Byron.

REP. BYRON: Thank you, Mr. Chairman. Director Marconi, what you just said is actually good news because I was worried that what we were -- what we had happening is multiple times where we haven't been able to secure the grants. And what I'm extremely worried about is this is a huge valuable resource for the State and making sure that we don't lose the facility itself. I know there's a lot of work that's got to be done on it and everything. So it sounds like, if I'm not mistaken from what you said, we will hear from DOT the results of the past grant, maybe in the next couple weeks, and you're now applying for a new grant; is that correct?

MR. MARCONI: If I may, Mr. Chairman. I've submitted the grant application. It's in there. We always go back to US-DOT and ask for a debrief and get the same story. This is great. It's a great project. It's in the sweet spot of funding and then I say, well, why didn't we get it? Well, somebody scored higher than you. What -- if I may just a little bit more?

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CHAIRMAN MCCONKEY: Go right ahead.

MR. MARCONI: What's even more different from this is the request for funding is far less than what we had requested in the past. And the reason that is, is that when the new Sarah Long -- Mildred Long Bridge was built, we lost the use of a 300-foot barge dock that was on the north end of the property. As part of that project, we negotiated with Federal Highway to give us a functional replacement. So there's only so much you can squeeze into a 12-acre lot. So what we did is, is they agreed to fund us and it's a potential \$18 million project to add 140 feet on the north end of the main pier, 60 feet on the south end of the main pier, dredge the high spot where the footprint of the old bridge is, and re-slope the footprint of the bridge shore wide and pave it so that we'll actually pick up about two more acres of cargo area.

(A cellphone rings.)

MR. MARCONI: So what's that done is, is it's changed us --

DAVID DANIELSON, State Representative, Hillsborough County, District #07: I'm sorry, Chair.

MR. MARCONI: -- from the original applications that we had done before that was rehabilitation and expansion of the Port Project to a rehabilitation and modification of it. And it reduced our request from \$11 million down to \$7½ million. So we think that, you know, because it's a little different project, it's less of what we were looking for before, we're confident that we're going to score higher.

CHAIRMAN MCCONKEY: Follow-up.

REP. BYRON: I guess that to me is good news; but when are we as a state hitting the end point I guess I'll call it --

MR. MARCONI: Yep.

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REP. BYRON: -- where instead of going to the grant you come and say I need the money to do this?

MR. MARCONI: I'm at the end point right now. And what it is is that they've indicated in the DOT website that they're going to make -- award these grants sometime around the first week of December. If we are not fortunate enough to get the grant, then we are looking at this with the money that's left in the Expansion Fund we will go in and do the rehabilitation portion of that project with that money. And we'll do the best we can with what we have. I don't see me coming back here and asking the Legislature for more capital money for this.

REP. BYRON: Thank you, Director.

CHAIRMAN MCCONKEY: Thank you. Yes, Representative Danielson.

REP. DANIELSON: Thank you, Chair. Are we getting any support from our delegation --

MR. MARCONI: Yes.

REP. DANIELSON: -- Congressional delegation --

MR. MARCONI: Yes.

REP. DANIELSON: -- in support of that?

MR. MARCONI: Yes. The Congressional delegation wrote letters of support that were submitted in the application package. The Chairman wrote a letter of support for us, the Governor, and we've gotten a lot of support.

REP. DANIELSON: Thank you. Follow-up. Thank you. And last time while you weren't here, the question still, like Representative Byron just asked, is my comment last time was we see this every time, and it felt like we are skinning the cat a

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little bit more, a little bit more. We keep giving you little bits of money but we don't see the end. And had the opportunity to be out there when the Manchester was and that pier is in really bad shape.

MR. MARCONI: Yes, sir.

REP. DANIELSON: It's incredibly bad.

MR. MARCONI: Yes.

REP. DANIELSON: Do we have enough money to get it done or are we just --

MR. MARCONI: According to our -- the estimates by our -- by Appledore Marine Engineering with the \$5 million left in the Expansion Fund we do have the money to rehabilitate the existing structure. What we're hoping to get with the additional \$7.5 million is the deck over that open water area you saw between the dock and the shore.

REP. DANIELSON: Right, yes.

MR. MARCONI: And to do some enhancements there. That's why we used the terminology modification.

REP. DANIELSON: Thank you. Thank you, Chair.

CHAIRMAN MCCONKEY: Thank you. Anything further?

** REP. BYRON: Mr. Chairman, I'll make a motion to approve capital request 18-018.

CHAIRMAN MCCONKEY: Thank you.

JOHN GRAHAM, State Representative, Hillsborough County, District #07: Second.

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CHAIRMAN MCCONKEY: Thank you. Motion been made and seconded. Further conversation? If you're in favor of the motion to approve 18-018, would you signify by saying aye? Any opposed? Motion carries unanimously.

*** {MOTION ADOPTED}

CHAIRMAN MCCONKEY: Director Marconi, would you continue on with your second request --

MR. MARCONI: Yes, sir, Mr. Chairman.

CHAIRMAN MCCONKEY: -- 18-019.

MR. MARCONI: The second request is -- has to do with the Portsmouth Commercial Fish Pier. As you know, over the last 15 years we have gone in and done projects to rehabilitate some of the other facilities at Rye Harbor and Hampton Harbor. So the Portsmouth Fish Pier we did a condition survey on it. I believe we -- there was attached some of the Executive Summary that explained that, you know, it's an old pier, it's a pile and timber pier.

So what we want to do now is now that we have identified some of the deficiencies, we want to go in and do some conceptual design to what we need to do to bring it back up to a state of good repair, and that's what this request is to do.

CHAIRMAN MCCONKEY: Thank you. Representative Graham, question.

REP. GRAHAM: Thank you, Mr. Chairman. Assuming that we approve this and you go to Appledore, when would this study be done and the real question, underlying question I guess is will it be done in time for next year's Capital Budget if you're going to need additional monies?

MR. MARCONI: Hum -- I would suspect that the design would probably be done before that period of time, yes.

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CHAIRMAN MCCONKEY: Further questions for the Director?
Seeing none. Is there a motion?

** LOU D'ALLESANDRO, State Senator, Senate District #20: Move.

CHAIRMAN MCCONKEY: I'm sorry, moved by Senator
D'Allesandro. Seconded by?

REGINA BIRDSELL, State Senator, Senate District #19:
Second.

CHAIRMAN MCCONKEY: Seconded by Senator. So any discussion?
If you're in favor of the motion to approve 18-019, signify by
saying aye? If you're opposed nay? Seeing none, motion carries
unanimously.

*** {MOTION ADOPTED}

(4) Miscellaneous:

CHAIRMAN MCCONKEY: Next item is under Miscellaneous. Any
need for that? Seeing none.

SEN. D'ALLESANDRO: Mr. Chairman.

CHAIRMAN MCCONKEY: Yes, please.

SEN. D'ALLESANDRO: Just a question, if I might?

CHAIRMAN MCCONKEY: Please.

SEN. D'ALLESANDRO: There are two projects that I would
like to know about. One is the -- how we are moving on the steam
project and what's happening with regard to the movement of
those boilers of the relocation of the spot where they're going
to be buried, and how we're doing in projections. And we
financed those in a very different manner. How we're moving
towards protecting those lines so that we're getting -- we are

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going to get 100% or damn close to it from the changes that we've made, because that the tail end of those bonds is based upon the savings.

And the second project is the Women's Prison. Where are we? Has the punch list been completed, and are we ready to close with regard to the Women's Prison?

Now, I understood that there were some -- there were some problems that were being dealt with, and I just wondered what the situation was with those two projects. Thank you, Mr. Chairman.

CHAIRMAN MCCONKEY: Thank you. Thank you, Senator, and perhaps we could get a report from those two projects and brought before us for our next meeting.

MICHAEL HOFFMAN, Senior Budget Officer, Office of Legislative Budget Assistant: Sure.

CHAIRMAN MCCONKEY: Thank you. Any further discussion under Miscellaneous?

(5) Informational:

REP. CLOUTIER: Excuse me, Mr. Chairman. Under Item 18-016, this is from Department of Administrative Services dated July 10th of this year. The last page about the monthly summary of projects, I'm interested -- I don't know if anybody here can answer my question under Claremont, the Monadnock Mills, it's a State Office Building. There was a bid to replace the boiler and the original estimate was 145,000. And the bid amount, I assume this is the lowest bid, is 284,000 plus, and I don't know what the procedure. Does that mean the project won't be done or is it the bidding? Do we have money to cover that or I don't know if anybody here from administrative -- somebody can answer that, LBA?

MR. HOFFMAN: I can get the information for you, too.

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REP. CLOUTIER: Okay. With your permission, Chairman, share it with the rest of the Committee.

CHAIRMAN MCCONKEY: Yes, Representative Graham.

REP. GRAHAM: If when they get the answers to both Senator D'Allesandro's and Representative Cloutier's questions, I think we all would like to know the answer before the 29th of November.

CHAIRMAN MCCONKEY: I agree.

REP. CLOUTIER: Totally agree.

REP. GRAHAM: And that should just be a simple e-mail to Members of the Committee and they can share it with whomever they want.

SEN. D'ALLESANDRO: Sure, good point.

CHAIRMAN MCCONKEY: Any other discussion? We've moved on to Informational. Seeing none. Any New Business? Yes.

SEN. D'ALLESANDRO: Just, Mr. Chairman, just a point of information. You and I were both at the building at New Hampshire Hospital, the old administrative building, which is awful. I mean, it's awful. We have employees working in that building under the worst of conditions.

Now, they're doing a very good job. They showed me the stats on the kind of things that they were recovering from the projects and so forth and so on. But we got to do something about that building. That's -- I just think it's an embarrassment to take people into that building and show them around. We have corrections there in the top floor. We've got that wing of HHS that does collections on the second floor. And I went into that -- I went into that building almost 50 years ago and it hasn't changed a bit. I just bring that up as a point. We expect our employees to do a job. We should give them

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the conditions to work in that are suitable so they can get those jobs done.

CHAIRMAN MCCONKEY: I don't disagree. And when I came here 2002 a lot of work had been done previous to bring, you know, the departments back to the campus and save us some funding if we were going to put money in somewhere. But I would -- I would -- Senator was walking out when I was walking in. And my stroll up to the top floor to corrections the building is absolutely horrible. And, you know, we should really be looking at that.

I know we have spent a lot of money with HHS and others in there, and new parking garages; but when you have to walk into conditions like that it's -- it warrants a strong look by our Committee, also. So I would concur.

SEN. D'ALLESANDRO: Thank you, Mr. Chairman. I think it's something really that it just can't go on. As I said, I was there 50 years ago and it hasn't changed. And --

REP. GRAHAM: One is if UNH doesn't come in for \$100 million we probably can.

CHAIRMAN MCCONKEY: If perhaps we could get some sort of information sent to us on where they are on that building and are there outstanding projects, modernization and so forth, other than some paint and wallpaper sort of thing, I'd appreciate it. And then we'll follow-up during the Capital Budget.

MR. HOFFMAN: Okay.

SEN. D'ALLESANDRO: Great, thank you. Appreciate it.

CHAIRMAN MCCONKEY: I appreciate your comments. So my understanding is, John, I apologize, Representative, for being delayed on the first meeting. So you have set the -- what's the date of --

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REP. GRAHAM: 29th of November for Long Range Planning and whatever you said for Capital Budget.

CHAIRMAN MCCONKEY: Okay. So I would suggest that we are here also on the 29th following that other meeting so that should give plenty of opportunity. John, I will mention that's my birthday so have some cost you might want to take care of it.

REP. CLOUTIER: We ought to have cake.

REP. GRAHAM: And that was important because it would be February or March before we meet again.

REP. CLOUTIER: Yes, with the new term.

CHAIRMAN MCCONKEY: Representative.

REP. BYRON: Unfortunately, I will be out of the country on the 29th. Don't come back till the 10th.

CHAIRMAN MCCONKEY: Sure, it'll be fine.

REP. GRAHAM: Well, I'll be here so.

CHAIRMAN MCCONKEY: Seeing no other business before us, we'll call today's meeting of the Capital Budget Overview Committee closed. Thank you.

(The meeting adjourned at 11:19 a.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.

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