

CAPITAL BUDGET OVERVIEW COMMITTEE

Legislative Budget Office, Room 201

Concord, NH

Tuesday, September 16, 2014

MEMBERS PRESENT:

Rep. David Campbell, Chair

Rep. Bernard Benn

Rep. John Cloutier

Rep. Dan Eaton

Rep. John Graham

Rep. Ken Weyler

Sen. David Boutin

Sen. Sylvia Larsen

Sen. Nancy Stiles

(Convened at 10:00 a.m.)

(1) Acceptance of Minutes of the minutes of the June 24, 2014 meeting

CHAIRMAN CAMPBELL: Going to call the Capital Budget Overview Committee to order for this date. We have an agenda. First order of business is acceptance of --

****** REP. GRAHAM: Move acceptance of the minutes.

SEN. BOUTIN: So moved.

CHAIRMAN CAMPBELL: Before I can get it out, it is moved by Graham and seconded by Boutin which is a pattern if you look in the minutes. All those in favor aye? Opposed?

***** {MOTION ADOPTED}**

(2) Old Business:

CHAIRMAN CAMPBELL: Old Business. There is none.

(3) New Business:

CHAIRMAN CAMPBELL: We have Pease Development Authority here to talk about the Harbor Dredging and Pier Maintenance Fund. Geno, come on up. Thank you. Good morning.

GENO MARCONI, Director, Division of Ports and Harbors, Pease Development Authority: Good morning, Mr. Chairman. Geno Marconi, the Director of the Division of Ports and Harbors of the Pease Development Authority.

We have two requests before the Committee today. One is authorization to expend not more than \$50,000 from the Harbor and Dredging Pier Maintenance Fund. These monies are collected from the slip fees that the commercial fishermen pay and goes into this restricted fund, and the money's to be used partially for repairs at the fish piers.

As you can see in the package I gave you, we had one repair already that was 9,000 -- over \$9,000. We have got a couple of other repairs that we're getting some estimates on. We would go to the Pease Development Authority for approval of each one of those.

And then the second request is part of the Hampton Harbor Dredging Project. By the time the Corps gave us their estimates, went out to bid, did the construction, and after the fact the cost of the project was higher than we had anticipated. So they are looking for \$12,915 and we're asking the Committee to approve that to come out of the Harbor Dredging Fund.

CHAIRMAN CAMPBELL: Thank you. Questions. Representative Benn.

REP. BENN: Thank you, Mr. Chairman. Geno, how many years has this dredging, will it last?

MR. MARCONI: This dredging in Hampton is because the Corps, we partnered with the Corps and they overdredged by an additional three feet. It's looking at up to a nine-year cycle. But I have to be very clear that our partnership with the Corps

on this terminates our responsibilities for doing 95% of the -- excuse me -- 95% of the dredging in Hampton Harbor going forward. There is still a small three-acre anchorage that is State-owned. The only maintenance dredging that goes on in there is because the slope of the anchorage basin, when those walls start to slide in a little bit, but we would not do any dredging in there until the Corps of Engineers went back in to do their maintenance dredge and what we would do is once they have awarded their contract, then we would go out to bid.

At the most in the past it's only been a couple of thousand cubic yards of material. But this project, once we finish it, we're done with Hampton Harbor. It's the Corps of Engineers' responsibility.

REP. BENN: They may come back in ten years from now or something like that.

MR. MARCONI: Yeah, anywhere from seven, to nine, to 10 years from now and they would go in and do a maintenance. We'd cooperate with them and assist them in getting the New Hampshire DES wetlands permits. You know, help them get easements from local property owners if that was necessary when they put the dredge material out on the beach. As far as us putting any money into it in the future, it would be nothing or very little.

CHAIRMAN CAMPBELL: Representative Weyler.

REP. WEYLER: Thank you, Mr. Chairman. Geno, in the correspondence it says they want a check for \$251,000 and we're giving them 12,000.

MR. MARCONI: They want 12,000 by the end of the month, Representative. We still owe them another 238,000.

REP. WEYLER: So we can expect to hear more later.

MR. MARCONI: You'll be hearing from me again, yes. But I want to just kind of push that out a little bit further.

REP. WEYLER: We just hope they didn't foreclose and steal something from us.

MR. MARCONI: No.

REP. GRAHAM: They're going to put the sand back. Thank you, Mr. Chairman.

Geno, on your first request, if we approve this, the only approval after that would just be the Pease Development Authority Board of Directors. Nobody in the Legislature, Executive Branch, would ever see it again?

MR. MARCONI: We'd report back to the Committee on what those expenditures were.

REP. GRAHAM: How often?

MR. MARCONI: I can report back to the Committee every time any expenditure is made.

REP. GRAHAM: If I could have that guarantee.

CHAIRMAN CAMPBELL: Well --

MR. MARCONI: I'll write a letter to the Committee and I'll enclose the invoices to show what we have expended.

CHAIRMAN CAMPBELL: I think that be good, keep everybody abreast. We appreciate that. Not that you haven't. Thank you very much. Any other questions?

** SEN. STILES: I would move --

SEN. BOUTIN: Second.

SEN. STILES: -- 14-049.

CHAIRMAN CAMPBELL: Senator Stiles moves and Senator Boutin seconds the item. Is there any further discussion? Seeing none. Ready for the vote? All those in favor say aye? Opposed?

*** {MOTION ADOPTED}

CHAIRMAN CAMPBELL: Thank you.

MR. MARCONI: Thank you, Mr. Chairman. And I will report back on each expenditure.

CHAIRMAN CAMPBELL: Appreciate that. Thank you. The next item is the National Guard Facilities, CAP 14-048.

MAJOR GENERAL WILLIAM REDDEL, Adjutant General, Department of Adjutant General: Good morning, sir.

CHAIRMAN CAMPBELL: Good morning.

MAJOR GENERAL REDDEL: Good morning, Ladies and Gentlemen.

CHAIRMAN CAMPBELL: Good morning again.

MAJOR GENERAL REDDEL: For the record, I'm Major General Bill Reddel, the Adjutant General of the State of New Hampshire.

We have two 100% Federal requests. One is for the Sensitive Compartmented Information Facility. Also, known as the SCIF in Concord. And the other is to fix some safety issues at the Hillsborough facility.

REP. CAMPBELL: Anybody get a chance to look at that? Yes, Representative Benn.

REP. BENN: I did. General, the SCIF, I don't -- can you explain what that is, first of all, because it's -- it's \$750 a square foot, which is pretty expensive construction.

MAJOR GENERAL REDDEL: So, as you know, we deal with secret and top secret information. So in order to do that, we want to

make sure we have the proper facilities. That means that there is no way for people to hear inside. There's no way to penetrate. And we have to have all the fiber needed to get into the facility. It's a very secure information facility. That's why the price is so high.

CHAIRMAN CAMPBELL: Follow-up.

REP. BENN: Can you describe anything about the construction as to how they create this -- this enviable envelope, so to speak?

COLONEL DAVE MIKOLAITIES, Department of Adjutant General: Sir, Colonel Dave Mikolaities, the engineer for the Army National Guard. It's a modular construction. So it's a couple inches thick steel. And then all the conduit has to be concrete encased so there's no security breaches of that information. So the cost per square footage of just that modular SCIF building is about four to 500 bucks a square foot.

REP. BENN: It's brought in -- just fabricated and brought in.

COLONEL MIKOLAITIES: It's like a lego set where they bring it in, they put in the walls, they put in the floor, and just sort of assemble it on-site. It's pre-fabricated somewhere else off-site.

REP. BENN: Expensive.

COLONEL MIKOLAITIES: Yeah.

CHAIRMAN CAMPBELL: Representative Weyler.

REP. WEYLER: Is this solid steel? Is it lead line and all that business? Just you said two inches of steel.

COLONEL MIKOLAITIES: Sir, it will be steel and then the interior will just have acoustical ceiling tiles to prevent any sort of exterior communication from like leaving that sort of

secure compartment information and the floor plan is probably about a thousand square feet, 20 by 50 where there's just a classroom, sort of an office area and there's secure workstation area for receiving and sending secure information.

REP. WEYLER: Thank you.

CHAIRMAN CAMPBELL: Further questions.

** REP. GRAHAM: Move approval.

REP. EATON: Second.

CHAIRMAN CAMPBELL: Moved by Representative Graham, seconded by Representative Eaton that we adopt the item. Approve the item. Any further discussion? All those in favor say aye? Opposed? Thank you.

*** {**MOTION ADOPTED**}

CHAIRMAN CAMPBELL: Next three items are for toll credits. We have the Deputy Commissioner of Transportation with us, Mr. McKenna. Good morning.

PATRICK MCKENNA, Deputy Commissioner, Department of Transportation: Good morning, Mr. Chairman, Members of the Committee. We have three requests under RSA 228:12-a for the Use of Turnpike Toll Credits. And the first of the requests is with our Transportation Management Center. It's a request to use toll credits to meet the funding match requirements for Federal participation in a statewide project. We're installing additional Statewide Weather Information Systems. They're sensors that will be placed out on the roadways that help us manage the maintenance operations based on the very localized weather conditions. These have been big improvements for our operations and this is just a continuation in those. This has been -- this statewide project is -- was approved as part of the ten-year plan. It's actually for reference on Page 78 of the ten-year plan. So that's the Fiscal Year 15 component of this. It's 170,000 in Federal funds.

CHAIRMAN CAMPBELL: Representative Weyler.

REP. WEYLER: Thank you, Mr. Chairman. Two questions. One, in the last set of minutes you were going to update us on total number of toll credits; and, secondly, how many different locations are the systems going to be in?

MR. MCKENNA: It's kind of an ongoing effort. We are really trying to distribute these throughout the state. So for in each of our Districts, the six maintenance Districts, we are trying to have them disbursed in strategic locations to ensure that we get very localized weather conditions. It helps us for calibrating our spreaders for salt.

With regard to the total in Turnpike Toll Credits, as we are approved at this moment with Federal Highway we have just over \$202 million of Turnpike Toll Credits available. We have pending requests for Fiscal Year 13 and Fiscal Year 14 which are over -- combined over \$100 million in requests. So with that, minus the usage, which we average about \$30 million a year in usage, primarily for the hard match on the -- the match on the Federal Construction Program, we -- we have a balance of -- it will be approximately \$300 million.

CHAIRMAN CAMPBELL: For the November meeting, which is our last meeting, the last of the biennium and wrap-up, could you submit something in writing to that extent so it be available for the next legislature?

MR. MCKENNA: Certainly.

CHAIRMAN CAMPBELL: And next Capital Budget Overview Committee.

MR. MCKENNA: Certainly.

CHAIRMAN CAMPBELL: Thank you.

** SEN. BOUTIN: I'll move approval of 14-041.

REP. GRAHAM: Second.

CHAIRMAN CAMPBELL: Moved by Senator Boutin, seconded by Representative Graham that we adopt the item. Any further discussion? Seeing none. All those in favor say aye? Opposed? Thank you.

***** {MOTION ADOPTED}**

MR. MCKENNA: Thank you. The next item the request 14-042, another request for Turnpike Toll Credits. And this is for essentially the statewide programmatic activities of the Transportation Management Center. We draw Federal funds of approximately \$250,000 a year. That's programmed in the ten-year plan as well as on Page 77 of the approved ten-year plan. And, primarily, what we're dealing with here are improvements in the -- in the ITS or the Intelligent Transportation System's Maintenance System and Traveler Information Systems. Those are key components of the Transportation Management Center.

We are using those in combination with the devices that are being distributed throughout the state as well. So it's, again, it's mainly the computer systems that are the backbone of utilizing the data that we're receiving out in the field.

CHAIRMAN CAMPBELL: Questions on this item?

****** SEN. BOUTIN: I'll move approval, Mr. Chairman.

SEN. STILES: Second.

CHAIRMAN CAMPBELL: Moved by Senator Boutin, seconded by Senator Stiles that we adopt the item. All those in favor say aye? Opposed?

***** {MOTION ADOPTED}**

CHAIRMAN CAMPBELL: Passed unanimous.

MR. MCKENNA: Thank you. The third item, CAP 14-047, another use of Turnpike Toll Credits. This is use for our consultant activity that is helping us formulate a federally mandated Asset Management Plan. So we have MAP-21 and Federal Surface Transportation Authorization mandates that each State DOT come up with an Asset Management Plan. That's for the federally funded components of our road system and our bridge system. We are extending that in the Department throughout the entire Department to manage all assets. This is a very comprehensive mandated plan on the part of -- on the part of the Federal Government national program. Really, we believe it extends where we started in performance measures and management with our Balance Score Card, and what this enables is us to take that to the next level, including developing a plan to go out into the field and very -- from a very detailed perspective do a condition assessment of every aspect of the infrastructure that's out there, to map it all with -- with the GIS systems so that we have very specific location information, condition assessment information; and then from that the idea is to develop work plans based on varying degrees of budget authority to manage and maintain the entire transportation network.

This is on the Federal Highway timetable. This is -- this is a mandate that extends for the next three to five years. It's the development period. And this particular activity is one where we have gone through a consultant selection process and received, we believe, to be a very -- very robust plan on the part of this vendor. And the Turnpike Toll Credit is to match the Federal funds that we're going to use, approximately \$78,000 in Turnpike Toll Credits.

CHAIRMAN CAMPBELL: So every state is doing this?

MR. MCKENNA: Yes.

REP. CAMPBELL: It's required by the Federal Government.

MR. MCKENNA: That's correct.

CHAIRMAN CAMPBELL: Hasn't really been done before?

MR. MCKENNA: That's correct.

CHAIRMAN CAMPBELL: I mean, some states have done it.

MR. MCKENNA: Some states have come close. Ohio and Utah are two of the examples that have incorporated some of this activity into their programmatic activity.

CHAIRMAN CAMPBELL: So within five years there's going to be a database of all the infrastructure basically.

MR. MCKENNA: Everything.

CHAIRMAN CAMPBELL: All the bridges, all the roads, all the guardrails.

MR. MCKENNA: That's right. Everything. Roadsides, the drainage, the culverts, the signage, and with the specific location mapped in the GIS system as well. That's going to -- that's -- as well as -- just as important as that is an updated condition assessment so that we have very detailed information with which to prioritize.

CHAIRMAN CAMPBELL: That's where I was headed. The inventory itself is a pretty big job just to go through and list all the inventory. That's the inventory. The condition part, isn't that somewhat subjective? I mean, how -- how do we know that New Hampshire, you know, we are giving the right number and meanwhile New Mexico, you know, what number are they giving? How does that work as far as smoothing it out so it's accurate?

MR. MCKENNA: Well, we'll be following national standards for that rating. It's similar to the way we rate bridge conditions now and road conditions now where we have -- on the roadside. We have -- we have a fairly sophisticated van that we use to track, you know, the condition of the road itself, as well as we're upgrading some software to be able to essentially take videos of the roadside condition as well so we can, from a maintenance and operation standpoint, we can also use that

information to be able to determine where we need to pick up the pace on vegetation removal and that sort of thing.

CHAIRMAN CAMPBELL: So the standards are strictly defined.

MR. MCKENNA: Yes.

CHAIRMAN CAMPBELL: And then the consultant's job is really to make sure that they're applied.

MR. MCKENNA: That's correct. And this -- this consultant's job in this component is to develop the plan so it's not to --

CHAIRMAN CAMPBELL: I see.

MR. MCKENNA: -- it's not to execute the plan. It's to develop the plan and then it will be our job to execute that from that point.

CHAIRMAN CAMPBELL: Further questions? Representative Benn.

REP. BENN: Thank you, Mr. Chairman. In terms of executing the plan, do you foresee that that's going to take additional manpower?

MR. MCKENNA: What we've done so far is we have actually -- we have actually reclassified five positions within our existing -- within our existing structure. We've created a dedicated staff within our Planning Bureau, within Project Development. It's a good location for that in terms of the management. That's the group that develops the ten-year plan. And the idea there is to -- we haven't seen any examples where states have done this without a dedicated set of resources, but we've done that within our existing budgetary constraints. We have not added new positions. We have reclassified existing vacancies. So we have -- we don't have all the positions filled at the moment, but we do have -- it's really an engineering resource that we're utilizing.

One of our very talented planners has actually stepped in to head up this group and to work with the consultant to develop the plan. It's -- we're quite pleased with the progress so far. Once we bring with this approval and, obviously, with Governor and Council approval of the -- of the contract itself, we can really get underway and we have activities starting -- starting this fall to kick off that. We have done significant amount of planning and we developed an implementation plan initially, and then this is the Asset Management Plan itself. So outlining all of the steps and helping us create a -- it's really a means of integrating a lot of disparate information that we have already. We are already doing asset management in many aspects, but this is a way to bring commonality to the process throughout the entire Department.

CHAIRMAN CAMPBELL: Representative Graham.

REP. GRAHAM: Thank you, Mr. Chairman. Patrick, is this the final cost or can future legislatures, future people sitting here anticipate you coming back and saying it's going to cost 3 million more or 2 million more and we have to match with that?

MR. MCKENNA: I would -- thank you for the question. This is the plan itself. So this is the consulting action for the plan. I would anticipate that there will be additional costs going forward. Once that -- we'll most likely have Federal participation. But if we have -- we are not envisioning a single system or a new system build. We're envisioning more of an integration of existing systems and methodology. But we do, until we've really mapped out the entire plan, I don't think we have that idea. I would anticipate that there would be additional cost to -- to actually implement all of this.

CHAIRMAN CAMPBELL: Follow-up.

REP. GRAHAM: So if I understand that right, when you talk Federal participation, every dollar that goes into something like this is a dollar that is not being put towards repair of bridges, roads, construction.

MR. MCKENNA: Well, that's -- that is correct.

REP. GRAHAM: With a finite number in the Federal Highway Fund.

MR. MCKENNA: Right. But the idea is to make sure that we are making the best possible decisions with the available resources that we have so that we're addressing the most critical needs in priority order. It will help us build priority to the ten-year plan going forward as well.

CHAIRMAN CAMPBELL: Senator Stiles.

SEN. STILES: Thank you, Mr. Chairman. Thank you. How often are you going to be required to update this plan?

MR. MCKENNA: It's a combination. It's generally an annual update that we report to Federal Highway. We are just about to run out of the authorization, if you will, for MAP-21 September 30th. It's been extended by the Congress to May of next year. We do anticipate that most of the policy mandates in MAP-21 are going to be carried forward into reauthorization. That's the word we're getting now. We also have to, as part of this, we actually we have to create a financial plan, a very detailed financial plan for the use of the Federal funds as well. We do that now on major projects, projects that are greater than \$100 million using Federal funds. So for Memorial Bridge, coming forward with Sarah Mildred Long, and with I-93, we have had to do very detailed financial plans and submit those on an annual basis to the Federal Highway Administration.

SEN. STILES: Thank you.

CHAIRMAN CAMPBELL: Further questions? Okay. Ready to vote?

SEN. LARSEN: Move approval. Is there a motion already?

CHAIRMAN CAMPBELL: No, there's not.

SEN. LARSEN: All right.

** REP. EATON: Move approval.

CHAIRMAN CAMPBELL: Moved by Eaton, seconded by Senator Larsen. All those in favor say aye? Opposed?

*** **{MOTION ADOPTED}**

CHAIRMAN CAMPBELL: Thank you.

MR. MCKENNA: Thank you.

CHAIRMAN CAMPBELL: Thanks you for that.

(4) **Miscellaneous**:

(5) **Informational**:

CHAIRMAN CAMPBELL: Okay. That ends our action items. Now we have several informational items to go through, some of which we have people here to address those and others not. So if there are any questions, the first one that we have is CAP 14-039, which is the monthly reports from Administrative Services. Any questions on that?

Next one is 14-040, Business One-Stop. Good morning.

THERESA PARE-CURTIS, Department of Information Technology: Good morning.

CHAIRMAN CAMPBELL: We understand Commissioner Hastings has moved on.

MS. PARE-CURTIS: Yes. Theresa Pare-Curtis for DoIT. Commissioner Hastings has left the state. Acting Commissioner Steven Kelleher is unable to make it this morning.

CHAIRMAN CAMPBELL: And you have been --

MS. PARE-CURTIS: I've been tasked with representing him at this meeting.

CHAIRMAN CAMPBELL: But you've been in Business One-Stop or coordinating it for some time, right, since its inception.

MS. PARE-CURTIS: Yes.

CHAIRMAN CAMPBELL: Thank you.

MS. PARE-CURTIS: Do you have any questions on the report?

CHAIRMAN CAMPBELL: Why don't you give us a little synopsis update.

MS. PARE-CURTIS: Actually, there's been quite a lot of work going on with this because in addition to, as I reported the last time, working on the form submittal process, the Governor's Office from that was accepted by Governor and Council, in June the Governor's Office, and then dovetailed that with an Executive Order to all administrators -- all Executive Branch Agencies to complete a inventory of all forms that they do on working with businesses, identify whether or not those are still needed, the statutory authority behind those forms, and whether or not they were candidates to be part of this forms summation process with an end goal of the Governor wanting to see all business related forms that could possibly be in the system be in the system no later than September 30, 2015.

The first milestone on that particular Executive Order was August 31st, which was the date in which agencies were to report to the Governor and to DoIT what their inventories looked like, as well as working with DoIT on the plan to actually move them in. So as of right now we have received information from about half the agencies. We are following up with the other half. But 25 agencies did report out with their inventories what they have, how they can be consolidated, how they can be automated and then put on-line. And we have approximately 470 -- it's 460 some odd, I don't have the exact number off the top of my head, forms that will be being moved from today's paper process of

filling it out, finding a stamp, mailing it in, and being implemented into this application. In fact, right now this afternoon the first of the training is starting with a number of agencies, hands-on training on how that application is actually going to work. So I think the agencies are making very good progress, and DoIT is really excited to be involved in this.

CHAIRMAN CAMPBELL: Representative Weyler.

REP. WEYLER: Thank you, Mr. Chairman. This project I've been hearing about for ten years. I'm amazed that it's taken so long, and I'm very disappointed that DRA is not in your list of cooperating. On the second page you show Administrative Services, Environmental Services, Health and Human Services, Labor, and Safety. DRA is not listed. Do we need to put pressure on them legislatively?

MS. PARE-CURTIS: Actually to speak to DRA, specifically, DRA is not part of the pilot. DRA is very much engaged. Rather than having to go through the state -- the Enterprise solution that we have acquired under Business One-Stop, they have actually been working for the past several years on their own forms automated system using a different set of tools. As part of the Governor's Executive Order, they have reported out and they have approximately 100 of the forms that are not currently automated in their system that are candidates to be automated in this system. So while they're not part of the pilot -- if I can take a step back.

As DoIT actually looked at deploying this, we were looking at deploying it in terms of getting our feet wet, bringing in the vendor, getting software up and running, making sure we had all of the components in place that needed to be done relative to digital signatures, relative to payments on those forms, relative to whatever types of attachments need to be submitted with those forms. And we had a core group of agencies in which the Commissioners have stepped up and said, yes, they would participate.

What ended up happening though is the Governor's Office then piggy-backed on top of that pilot project and also put in the Executive Order. So that rather than just working with those five agencies, we have now been restructuring to work with all of the agencies, and it does include DRA. But DRA does have a separate initiative that they have been working on as well.

REP. WEYLER: I recently had a constituent that opened a business and not only did she have a complaint about all the different places she had to go, but the lousy signage that we have over in the Office Park on the old State Hospital grounds. Nobody knows where to go. I mean, they all have the same address. You turn off Pleasant Street and --

CHAIRMAN CAMPBELL: It's true.

REP. WEYLER: -- one building after another and they have to make phone calls to tell you where to go because there's no good map which there should be at the entrance. So that when somebody still has to do this until we have One-Stop, got a bunch of buildings to go to and nobody knows which. You go to the wrong building and they sometimes don't have a clue to tell you where to go, because they don't have a map either. So as far as being business friendly, we are way behind.

REP. EATON: They actually do tell you where to go.

CHAIRMAN CAMPBELL: Big picture for Business One-Stop because it will come back in the next Capital Budget, I assume. There's one more component financially to deal with.

MS. PARE-CURTIS: No, we do not have -- we have not submitted a Capital Budget item for --

CHAIRMAN CAMPBELL: There is none?

MS. PARE-CURTIS: -- 16-17, correct.

CHAIRMAN CAMPBELL: That is because you're still working off what you have.

MS. PARE-CURTIS: That is because we are trying to get the pieces that we have gotten started completed and completed to everyone's satisfaction.

CHAIRMAN CAMPBELL: That delay you had for a long time.

MS. PARE-CURTIS: Yes, that is the other reason.

CHAIRMAN CAMPBELL: I did not know that. That is good to know that they're going to work through what they're doing. But still means the whole process, as Representative Weyler brought up, is still out in time.

MS. PARE-CURTIS: Correct. I've been involved in this process for about four years. I know lots of discussions that have taken place over the years. But I believe the past four years is really where we have really started working on making this happen.

CHAIRMAN CAMPBELL: Well, at this point -- I mean, difficult to turnaround on this because we are so far into it financially, I would think. But is there some kind of schedule you can provide next Public Works Committee, Capital Committees and the Senate --

MS. PARE-CURTIS: Absolutely.

CHAIRMAN CAMPBELL: Let them know what the schedule is for completion. I think we have got to know.

MS. PARE-CURTIS: Yes.

CHAIRMAN CAMPBELL: That be great. I don't think it has to be something that comes to this Committee but should go to those standing committees, I believe.

MS. PARE-CURTIS: Absolutely.

CHAIRMAN CAMPBELL: We'll make a request of the Committees actually that you do that.

REP. BENN: You did say that August 2015 --

MS. PARE-CURTIS: September 2015 all possible forms. And the reason the word possible is used is due to certain legislative or regulatory constraints on certain forms, they may not be able to be automated. Some forms, for example, as we've discovered, have actually a regulatory component in the rulemaking process of that form that requires a wet signature. So the agency actually has to go through the rulemaking process to change that requirement from a wet signature. So we actually have it as here are the number of forms that the agencies reported. Here are the number of forms they already automated through other system. Here are the ones that are candidates and if the ones that are candidates, do any of them have any constraint, such as a mandatory requirement for a wet signature versus being an electronic signature. Once you pull those down, then we get to the world of what's possible and those ones we are committed to having on-line by September 2015.

CHAIRMAN CAMPBELL: Representative Graham.

REP. GRAHAM: Thank you. Just a suggestion that when you get those that need signatures that have to go through rules, that if you know next summer that it come in for legislative action in '16 'cause legislative action is a lot quicker than trying to get rules changed in this state.

MS. PARE-CURTIS: Understood, and I know the different Commissioners the agencies all have different tactics. That's actually an area outside of DoIT's control.

REP. GRAHAM: If I may, Mr. Chairman?

CHAIRMAN CAMPBELL: Yeah, sure.

REP. GRAHAM: I would suggest that OIT -- strongly suggest that they take that route. Otherwise, we are going to be in

rulemaking for three or four years before you can figure out which forms are actually going to put on something.

MS. PARE-CURTIS: Absolutely. Understood.

REP. BENN: And if I could suggest, put it in all one piece of legislation.

MS. PARE-CURTIS: We can take a look at that as well.

REP. WEYLER: Here are sponsors sitting before you.

MS. PARE-CURTIS: Perfect. And I'm taking names.

CHAIRMAN CAMPBELL: Some good ones. So any further questions? Thanks for coming in today. Appreciate the update.

MS. PARE-CURTIS: Thank you very much.

CHAIRMAN CAMPBELL: Thank you very much. Last thing today is Corrections. If we could have the Corrections -- Administrative Services and Corrections and Public Works come up and give us a verbal update. I've read the written information you provided.

WILLIAM MCGONAGLE: There's not much happening, really.

MICHAEL CONNOR, Deputy Commissioner, Department of Administrative Services: I have a couple of handouts for the Committee, too. Good morning. Michael Connor from the Department of Administrative Services where I serve as Deputy Commissioner. I also have with me today former Assistant Commissioner Bill McGonagle, and Theodore Kupper, the Administrator of Bureau of Public Works of Design and Construction.

CHAIRMAN CAMPBELL: Congratulations on your retirement. What are you doing here?

MR. MCGONAGLE: Yeah.

CHAIRMAN CAMPBELL: Like us, he's volunteering.

MR. MCGONAGLE: Hm-hum.

MR. CONNOR: You should have copies and I have extra copies if you need them of the Capital Budget Overview report that we provided you today. Bill is going to talk to you a little bit about the building layout that you have in front of you, go over that a little bit, minimum requirements that we have to meet parity and legal requirements, and then talk about the progress we have had since the last meeting. And I'll go into the budget. We have had some new estimates that have come in and then talk about the schedule and, obviously, answer any questions you may have.

MR. MCGONAGLE: Well, good morning, everyone. My name is Bill McGonagle again. You have in front of you this side of the sheet which kind of looks at the site work so that you can see at the outer edge of all of this there is a steep bank and a cut in the existing topography with the Perimeter Road going around the top of the facility. We've really been able to squeeze it in from the -- on the north/south access which goes left to right. We have squeezed it tighter so we're cutting into the hill much less than we anticipated. And on the east/west access we have squeezed it this way as well.

During our design discussions we tried all manner of -- of approaches to the buildings, including stacking them one on top of the other, connecting them to the main building, all of that. And, basically, every time we -- we did that it actually increased the cost as opposed to decreased the cost. So -- so what we have are what are, if you go to the other side of this, shows the basic structure of the building. I'll work from left to right where there's a semi-circular structure.

That's the main entrance for visitors into the facility. There's a little bump out at the bottom. That's where staff come in, and the central control is there. Our visiting areas, family connections center activities, and the gym all cluster around that more public end of the building.

As you go down, once you pass the Control Center, it gets into the secure part of the facility. We have got the -- the library, the chapel, all of the classrooms and stuff along the eastern edge of the main corridor. On the western side of that main corridor there is an infirmary, both outpatient and an inpatient infirmary, which is totally new for us.

The next bump out is the Secure Housing Unit which will include maximum --

CHAIRMAN CAMPBELL: Not following you here. Where are you on the map?

MR. MCGONAGLE: Okay. This is the infirmary here.

CHAIRMAN CAMPBELL: Okay.

MR. MCGONAGLE: The inpatient is over here. The outpatient is over here. As you go down further, this bump out is the -- the Secure Housing Unit which is maximum security in-take and closed custody. And then the last section includes the kitchen, the laundry, intake, the -- the industries area and the dining hall areas on that whole end of the building. So the public entrance is over here. The -- this entry here is the service entry for the Sheriff's Department, our Transportation Department, all of our -- the vehicles from our warehouse to provide all of the food and consumables will come in this way.

Over here is the gym and recreational space.

CHAIRMAN CAMPBELL: The out building, the first out building?

MR. MCGONAGLE: Yeah, this out building here. It's all connected, but it's still a separate structure.

CHAIRMAN CAMPBELL: Yeah.

MR. MCGONAGLE: And then these are three outbuildings. The first one here is the 64-bed C-3 Housing Unit. That's medium

security. The next building is a 48-bed facility for basically C-3's again, but that's our Wellness Unit that is structured and programmed to be more dealing with psychiatric, psychological, and substance use issues. And over here is a stick-built C-2 facility that's not built the same as these structures are. It's going to be most likely just metal stud work and all of that. So it's definitely a C-2 minimum security facility.

In going through our priorities in terms of how to determine what was a minimum level security, minimum level facility included both, the first issue was trying to meet our mandated level of service, both programs and security; then to make up for all of our shortcomings that have been well-documented on those same areas with -- with New Hampshire Legal Assistance. And then to make sure that once we have got all of those spaces identified that it works efficiently and effectively as a whole facility. And the final is to make sure that it is designed appropriately for gender specific and a normative approach to a prison design. I think we've accomplished that with this design. The -- so at that point I'll ask if there are any questions on our approach.

CHAIRMAN CAMPBELL: Senator Stiles.

SEN. STILES: Maybe I missed it. Thank you. Maybe I missed it. Where do you bring prisoners in?

MR. MCGONAGLE: At the service yard.

SEN. STILES: One on the far right?

MR. MCGONAGLE: Yeah.

SEN. STILES: All right. Thank you.

CHAIRMAN CAMPBELL: Has this plan been vetted with the legal types, Attorney General's, the suing parties? I mean, beyond just bricks and mortar construction. I mean, is this going to fit the bill after it's all said and done?

MR. MCGONAGLE: We made a decision early on to invite New Hampshire Legal Assistance to sit in on the design conversations. They were also invited to just raise any concerns that they had, but they weren't involved in making the decisions.

CHAIRMAN CAMPBELL: I understand that. Just want to understand what their input was.

MR. MCGONAGLE: I think from their point of view, this would be a minimally acceptable facility as well.

CHAIRMAN CAMPBELL: That's good to hear. Hate to spend all this money and have a lawsuit still.

REP. GRAHAM: If I may, Mr. Chairman? I may hate to ask this question, but Commissioner Connor remembers the Committee had several years of angst about Secured Psychiatric Unit at the Men's Prison. I did not hear those words at all with this one. What are we going to do about that, if anything?

MR. MCGONAGLE: The Secured Psychiatric Units does have a female wing on that unit and that will continue to exist. However, the existence of this middle C-3 unit that focuses on psychiatric and substance use issues will be certainly, we hope, will reduce the number of women who have to go down there. Also, having in our -- in the inpatient part of our infirmary, there are our own secure suicide watch cells so that an individual female who is actively suicidal wouldn't have to go to the Men's Prison in their infirmary or to a hospital. They could be maintained here safely and securely.

CHAIRMAN CAMPBELL: One of the things that we looked at when we always talk about is being able to expand should be necessary. Where would expansion happen if you needed more beds ten years from now, 15 years from now?

MR. MCGONAGLE: Well, there is to the north or to the left of this building there is --

CHAIRMAN CAMPBELL: Show us on the map.

REP. WEYLER: Parking lot.

MR. MCGONAGLE: There could be space here.

MR. CONNOR: Towards the ball field.

MR. MCGONAGLE: Towards the ball field. If we needed to create a new place, it would have to go up on the ball field. So there's two possible sites for expansion.

CHAIRMAN CAMPBELL: Okay. I guess the other --

SEN. LARSEN: No, continue.

CHAIRMAN CAMPBELL: I was going to say the other thing we want to address is the cost, obviously.

MR. CONNOR: If you don't have any -- regarding that I'll be glad to talk about costs and the schedule.

CHAIRMAN CAMPBELL: You have questions on the site plan itself?

SEN. LARSEN: No. Actually, I wanted to just point out that given the change in the geography of the building compared to the kind of intact Women's Prison in Goffstown, that staffing issues will be an issue that the next legislature needs to address. Because we can build it, but we got to staff it. Just remind those who are staying on that has to be well-staffed.

CHAIRMAN CAMPBELL: Does the layout affect staffing? I mean, is it more or less because of this site design?

MR. MCGONAGLE: Well, there are -- because -- because of the way we've designed it, I mean, even if we had stacked it or brought it all together, it was going to increase our security officer core requirement. But it was always known that there was going to be an increase in both nursing, since we don't

currently have a 24/7 infirmary, it was going to definitely increase our programmatic staff, both education, training, and the like. Because all along, we couldn't -- it didn't make sense for us to hire the people that we needed to do because there was no place for them to actually apply their trade. I've always said that it's not enough to build this facility. It requires staffing it appropriately, and that will be -- that will be -- that will be a critical juncture with New Hampshire Legal Assistance.

CHAIRMAN CAMPBELL: Having C-2's and C-3's and three outbuildings that doesn't increase your staffing cost, security costs by having to secure each building separately?

MR. MCGONAGLE: There is only one officer on each shift in each of these three buildings. And there are officers that roving patrol that go into those buildings.

REP. EATON: Pod system. The most optimum.

CHAIRMAN CAMPBELL: Be the same as if it was a pod system in one building you're saying?

MR. MCGONAGLE: Oh, yeah.

CHAIRMAN CAMPBELL: Okay. Representative Benn.

REP. BENN: Thanks. To follow-up on that. We are dealing in this Committee with the bricks and mortar that we are dealing with. But are you in the process of creating a budget submission that will include new -- the labor needs?

MR. MCGONAGLE: We have identified all of the positions that we're requesting additional positions and what -- what the staffing pattern would look like on all three shifts all seven days of the week for this facility. We have submitted those as the 7-D's for additional positions. And we're -- we have also developed a staggered schedule for when they would need to be recruited for, hired, trained, and ready to go so that we are

not funding all of those positions on day one of the biennium. They get staggered out over the course of time.

REP. BENN: That information will be there with the budget when it comes to us.

MR. MCGONAGLE: Yes.

CHAIRMAN CAMPBELL: Any other questions on the site design and layout? Yes, Senator.

SEN. LARSEN: At one point, and you didn't mention the driveway issues of approach to this building, are you needing to move that into the next Capital Budget some of the roadway redesign?

MR. MCGONAGLE: Well, we definitely are going to need to move some things into the next Capital Budget. We'll talk about that when Mike does the financial presentation. We are going to wait until we get the -- the bid estimates for all of that work to identify discrete things that we can put off until the second -- the next biennium.

CHAIRMAN CAMPBELL: Okay.

MR. CONNOR: All right. Then I have the enviable task of talking about budget and schedule. I just wanted to follow-up on one thing that Bill had mentioned, too, that all along the way through this process we have taken into consideration in the design minimizing the staff that will be required. Where the position, the language used, so we don't have to have extra people here. Highly -- as part of this plan there continues to be as we design the facility so we have tried to minimize staff as much as possible.

I just want to go back and start talking a little bit about budget. When we first started out here, we had \$38 million, we still do, to construct this facility. We are basically \$337 per square foot based on a footprint of 112,833 square feet. Since then, we have moved a little bit on square footage some of final

design of what you have seen and what you approved, which is about 116,146 to meet the needs of the ACA. At the 112 we didn't quite meet what that needed to be, and in the meantime we were concerned that from the get-go we'd be in trouble. So that's the final design of what you see.

Since then, since we've met in May, just a little bit the history here. We had schematic design estimates and at that time Gilbane in an estimate, that's our contractor, CM contractor, supervisor, contract manager, 45.4 million or \$403 per square foot. SMRT who is our architectural team had an estimate at the time, schematic design of 41.7 or 370 per square foot, which we thought was more realistic of where we needed to be. We felt that our contractor was high in their estimate. So we established the goal of \$360 per square foot and that was based on our estimates from SMRT, and also on approximately 8 or 10 other jail -- some other facilities have been built around the Northeast, including Berlin, that we normalize with inflation to come to current numbers or about 40.6 million.

As a result of that, we requested -- Corrections requested in Capital Budget for '16 and '17 additional \$6 million; 4 million of that for construction and 2 million for fixtures, furniture, and equipment. What we call FF&E. Based on that, we decided to split the project into two sections. The guaranteed maximum price the way it's set up the contractor is to provide us with a guaranteed maximum price. Based on what we felt were high numbers, we split the project up into two phases, set it up into what we call guaranteed maximum price for preliminary site which is what is already started and guaranteed maximum price which would be the balance of the work.

What we were looking to do was so that we wouldn't lose time was to actually get out there, do the blasting we need to do and prepare a pad for spring construction so we can get out there in the spring, not have any future delays. What we ran into at the last minute is we ran into some utilities that were buried in the area that we are looking to create a sediment and retention pond. So we have a lot of utilities that we didn't know about. So we had to take that portion of the preliminary

site work out until we have some time to do some design and plan for replacement or relocation of those utility lines.

So what they are doing right now is doing the rest of the work and dealing basically all the water, keep it within site short of that. So we had actually received a guaranteed maximum price of 3.9 million to do that work which we thought was a great price.

By working with the contractor and the subcontractor, we came up with some other ideas to reduce costs. As you remember their first price was 5.1 million for the preliminary site work. We have allocated \$343,000 to do the retention and sediment pond, a relocation of utilities when we do the balance of the work in the spring.

So where are we now? As part of our contract we're at basically 50% design or design development; and as such, we are required or we have required the contractor and our architect to provide us with revised estimates, and they are estimates, and you have that sheet with you today, and I'll go through that. You got a schedule on one side and the sheet on the other. SMRT has increased their price -- their estimate, I should say, to 49,486,000 or \$426 per square foot. They utilized an independent company to do this cost analysis. They actually hired Preferred Construction Management to take a look at it. Said here's what we have for design. Here's what's we have for plans. You haven't been involved in it. Look at this and come back to us what you think that will come in at. So that's their number. Gilbane is slightly higher at fifty million five seventy-seven or 435 per square foot.

In addition to that, and you'll note on your footnote on the bottom, SMRT who's our architectural firm is also designing a jail in New York currently. Their construction manager estimates that that jail will cost about \$360 all in to build per square foot. But it's a jail. It doesn't have the security items that we need, doesn't have a security fence, doesn't have the microwave, doesn't have those types of things, and it's in the middle of a field. So if you add in what we consider are our

estimates to be for the microwave system, the shaker system, and the security fence that we need to have of \$2 million, and then what we consider to be the premium for the site, the blasting, we have to do 1 million, we are at about \$44 million for that jail that's currently being built, 44.8 or \$386 per square foot, not including fixtures, furniture, and equipment. If you add in the \$2 million, which is what we have in the budget for FF&E, we are about \$403 per square foot.

In addition to that, last week we also received a notice from our architectural firm from the manufacturers of glass and polycarbonate products that we are to anticipate – not just us, all the contractors – are to anticipate a 40% premium for any glass and/or polycarbonate products and a surcharge in transportation. I think we are starting to see costs going up. This is one we have been notified about.

So what are our options? Where are we? If you go look at the schedule, and I'm looking at the bottom schedule, the site finish, the actual building itself, I am looking at about two-thirds of the way down where it says 1/6/15, that's when bidding will actually start. So we're planning Gilbane will actually be going out to subcontractors to obtain bids, and we will be part of that process, much like we were with the site where we actually got to see the bids that came in. We got to see the ideas that came in. When we did the preliminary site, actually ideas came in on how to do it different. And what we did said, well, we really like that idea so let's level it and say let's do that. Let's keep the rock. There was one recommendation to have two different sizes of rocks and use some for the ball field area, which doesn't require the smaller type sizes which saved us a lot of money. We said, okay, let's go back to all the firms and get that re-priced and that's how we were able to save money. So we will be able to participate in that process.

We are scheduled to have Gilbane on 3/2 provide a guaranteed maximum price for the balance of the work. So that should fit into the Capital Budget cycle. So we'll have the actual results of the bids from all the subcontractors. Up until

now these are just estimates. But we'll have the actual bids so that we can come back to the Legislature and say this is -- this is what we have for actual numbers.

What we intend to do in the meantime when we talked to -- Bill talked a little bit about it earlier is that, you know, we do anticipate we are going to be short. We don't know exactly how much. But what we are going to end up doing is working with our architectural team and contractor to phase-in some things so that we can still get started in the spring and not lose that whole summer season and increase costs and cost of delays we may have.

So what we would do is pull out some of those items that would not hold back or cause any cost or delays in the project, such as the fencing for the field, such as paving of the road, such as the FF&E which is \$2 million that, obviously, be ordered early and doesn't affect that. So that's our plan and could even be the gym. We'll have to probably build a pad and sub out all the utilities, but those are items that will actually have detailed items in the bid so that we know what those costs are. So we could actually get to the 38 million that we have to actually build this, and then come back and say in order to finish this to meet the standards, this is what we need in order to finish the project.

CHAIRMAN CAMPBELL: If I could sum this up for legislative perspective? You're about 12 and a half million dollars over right now as it stands.

MR. CONNOR: Based on estimates, correct.

CHAIRMAN CAMPBELL: Which is about 25% over.

MR. CONNOR: Yes.

CHAIRMAN CAMPBELL: Which is down from 70% over, which Gilbane wasn't initial cut; right?

MR. CONNOR: Right.

CHAIRMAN CAMPBELL: Approximately. Now with that 12 and a half million dollars what you're saying is during the January/February time frame during the Capital Budget process all these subcontract numbers are going to come in. That number will be tighter, at least more accurate. Hopefully, come down; but you're in the rising prices.

MR. CONNOR: It's going to come down. Is it going to come down \$12 million? No; but it's going to come down.

CHAIRMAN CAMPBELL: And you're facing prices going up, too.

MR. CONNOR: We are.

CHAIRMAN CAMPBELL: Everybody is facing that, so. During the Capital Budget process you're going to have some kind of number that you'll be able to do. Right now it's 12 and a half. Your pencil will be sharper, but it will be an additional amount.

MR. CONNOR: Yes.

REP. GRAHAM: If I may follow up on that?

CHAIRMAN CAMPBELL: Yes.

REP. GRAHAM: Mike, if I read this right when you're talking 3/2 for the Amendments and all the rest next year that is going to be the Senate when they get the Capital Budget that is going to have to really do the hard work of figuring out where the money is and the rest.

SEN. BOUTIN: We always do.

REP. GRAHAM: Yeah. I'm not going to be here.

MR. CONNOR: The intent is to actually have it -- the House should still have it in this phase. Our intent is so the number will be available to both.

CHAIRMAN CAMPBELL: Both bodies.

MR. CONNOR: The House should still be in there by 3/2. The Governor will make her presentation the 15th and then you typically schedule it the end of February, start having the House hearings. You tell me.

REP. WEYLER: We get it mid-February, the budget. We have to pass it over the end of March.

MR. CONNOR: Right. So our intent is that we will have a guaranteed maximum price based on bids and not estimates so we can present that in the Capital Budget during the House which will then carry over to the Senate with a real number.

CHAIRMAN CAMPBELL: For us to carry back to our chambers. It's going to be more is coming.

MR. CONNOR: Yes, there's going to be more.

CHAIRMAN CAMPBELL: That is apart and separate from staffing and --

MR. CONNOR: That's an operational budget issue separate from the bricks and mortar that we've been talking about. Absolutely, this is the bricks and mortar part.

CHAIRMAN CAMPBELL: I think it's worthwhile coming back in November for our last meeting of the session. Just so even things won't change much probably between now and then, but be good to have you come in.

SEN. LARSEN: Quick question. With a 40% increase in glass and plexiglas is there any -- is the design firm enough to consider a pre-purchase so you get in before the cost increase?

MR. CONNOR: Ooh!

MR. MCGONAGLE: A lot of the glass is incorporated in the door construction. So, I mean, that has to be kind of part and

parcel with the door designs. There are -- I've had, you know, 36 years of criminal justice experience, but I've learned a whole lot about the different types of doors, different types of locks, and where we want everything located. And all of the doors are basically built to design. They're not -- you don't just -- it's not like going into Home Depot and pulling out a door. They're built to design.

CHAIRMAN CAMPBELL: Okay. We all set? One last question.

REP. BENN: I just had -- any explanation why? Forty percent sounds like a tremendous, you know, increase. We don't have the question out there. Do they give any explanation or just saying it in order to prepare you for other things?

MR. CONNOR: If I could bring Ted Kupper up here. Ted, do you have anything to add regarding the glass or the polycarbonates? They give a reason why?

MR. KUPPER: They didn't really give any reasons why other than that across the nation the demand for these products have increased and that's why they are estimating 40% increase.

CHAIRMAN CAMPBELL: All commodities. It's global demand.

SEN. LARSEN: Can I raise an "Other Business" question?

CHAIRMAN CAMPBELL: Sure.

SEN. LARSEN: We just heard that there needs to be some kind of signage at the Gallen Office Park. And since it's sometimes our signage is done at the prison, with both of you there is there a way we could start a mapping signage that would indicate to people where the buildings are so they could at least stop their car and look at where they should drive to?

MR. CONNOR: Absolutely. I made a note on Representative Weyler so I'll follow-up on that.

CHAIRMAN CAMPBELL: Number them, name them.

REP. WEYLER: Give you the money you need.

CHAIRMAN CAMPBELL: All right.

MR. CONNOR: Excellent.

(6) Date of Next Meeting and Adjournment:

CHAIRMAN CAMPBELL: Thank you. Before we break, I just want to remind everybody that we already set a date of our last meeting for November 18th at 10:00 a.m. Okay. With that -- without any objection take a motion to adjourn.

** REP. EATON: So move.

REP. GRAHAM: So move.

CHAIRMAN CAMPBELL: Moved by Eaton, seconded by Graham. All those in favor say aye? Okay. We are adjourned. Thank you.

*** {MOTION ADOPTED}

(The committee meeting concluded 11:05 a.m.)

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

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