

CAPITAL BUDGET OVERVIEW COMMITTEE

Legislative Office Building, Room 201

Concord, NH

Tuesday, September 18, 2012

MEMBERS PRESENT:

Rep. Gene Chandler (Chairman)

Rep. Ben Baroody

Rep. Ken Weyler

Rep. Will Smith

Rep. Walter Kolodziej

Sen. James Rausch

Sen. Sylvia Larsen

Sen. David Boutin

Sen. Bob Odell

(11:06 a.m.)

1. Acceptance of Minutes of the June 14, 2012 and June 27, 2012 meetings

CHAIRMAN CHANDLER: Okay. We'll call the meeting of the Capital Budget Overview Committee to order and the first item is acceptance of the minutes of June 14th and 27th, which we'll do together.

** SEN. BOUTIN: So moved, Mr. Chairman.

CHAIRMAN CHANDLER: Senator Boutin moves acceptance. Is there a second?

REP. WEYLER: Second.

CHAIRMAN CHANDLER: Second by Representative Weyler. Any discussion? Seeing none; all those in favor say aye? Opposed?

*** {MOTION ADOPTED}

2. Organization of Committee: Nominate Clerk

CHAIRMAN CHANDLER: That's right, we need to nominate a clerk. All right. Representative Belvin kind of got done on the Committee early 'cause he isn't running anyway. So we need a clerk.

** SEN. BOUTIN: I would nominate Representative Smith.

CHAIRMAN CHANDLER: Smith?

SEN. BOUTIN: Yes.

SEN. RAUSCH: Second.

REP. SMITH: I'm not sure whether I can make it every meeting. I would just raise that as a concern.

CHAIRMAN CHANDLER: I think the role of the clerk is somewhat overstated. Representative Smith has been nominated for clerk. Are there any other nominations? If not, all those in favor say aye? Opposed?

REP. SMITH: No.

CHAIRMAN CHANDLER: Congratulations.

SEN. BOUTIN: There will be a reception downstairs.

CHAIRMAN CHANDLER: Just for the Committee's information --

REP. WEYLER: I thought it should have been a Senator just to spread the work out.

CHAIRMAN CHANDLER: -- Representative Baroody has been named as a member of the Committee. Actually, that's why

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Representative Belvin isn't here because of Representative Graham's legislation that required one member of minority party to be on this Committee. So -- and here is Representative Baroody now.

SEN. BOUTIN: Can you inform the Representative we start at 11?

CHAIRMAN CHANDLER: We will inform he was elected clerk since he wasn't here. Have a seat. Do you have the packet?

REP. BAROODY: Sorry. Sorry, Mr. Chairman. I'm on another Committee at the same time.

3. Old Business:

4. New Business:

CHAIRMAN CHANDLER: Under New Business. New Business, Item 12-027, Department of Transportation requests authorization to amend the Department's Equipment Acquisition Plan for Fiscal Year 2013, et cetera, et cetera. Whoever is speaking, please identify yourself.

BILL JANELLE, Director of Operations, Department of Transportation: Good morning, Representative Chandler, Members of the Capital Budget Overview Committee. My name is Bill Janelle. I'm Director of Operations for Department of Transportation. I have with me Bill Dusavitch as well. He's our Administrator of Mechanical Services Bureau who oversees our fleet.

The reason we are here this morning is to amend our Equipment Acquisition Plan, to identify the purchases that we plan for Fiscal Year 2013. Typically, this money has been approved or appropriated in our budget at the second step of that process, a footnote in our budget that says we

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come before this Committee to get approval for the specific details in our plan. We did that a year ago with a two-year block for '12 and '13, which is the way we've done it in the past. At that point, this Committee asked that we come back for '13 to identify those purchases that we planned in Fiscal Year 2013. So that's what we're doing.

There's a sheet on the back of this letter that identifies the pieces of equipment that we plan to purchase. Essentially, it's focusing on mostly plow trucks. We identified twelve 3-5 cab and chassis which are a 6-wheel plow truck, five tandem cab and chassis which are our 10-wheel plow trucks, seven three-quarter ton extended cab trucks, and one ton and a half cab and chassis 4X4 truck, for a total of \$2.602 million. I will try to answer any questions.

CHAIRMAN CHANDLER: Representative Weyler.

REP. WEYLER: Thank you, Mr. Chairman. Mr. Janelle, I know that you got a lot less plowing last winter. Has it had any effect on the replacement rate of the vehicles or are they just being replaced on a time rather than a mileage rate?

MR. JANELLE: We look at both. The biggest problem we have with our vehicles are corrosion. And given the age of our fleet, I would say that the utilization as a result of last winter, it didn't have that much effect. We still have -- this money, it doesn't catch us up by any means. I mean, in reality, we ought to be spending about, if you look at the replacement cycle, the age and hours and mileage of our vehicles, we should be spending about 7.8 million just to keep up.

REP. WEYLER: Thank you.

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CHAIRMAN CHANDLER: Representative Smith.

REP. SMITH: Thank you, Mr. Chairman. I had a similar argument about what was being retired by these. Is this a one-for-one retirement or you adding fleet?

MR. JANELLE: It's a one-for-one. There's no additions to the fleet.

REP. SMITH: Follow-up?

CHAIRMAN CHANDLER: Further question.

REP. SMITH: And approximately how old are the items that you're retiring in this category as a rough number? Are they ten years old, five years old, fifteen?

MR. JANELLE: I can give you -- do you have your sheet, Bill? These are the specifics. Okay. Why don't you go down here. Just give a sampling against those.

WILLIAM DUSAVITCH, Administrator, Mechanical Services Bureau, Department of Transportation: On the 10-wheelers, they're ranging from 12 to 8 years old. On the 6-wheelers, it's 1999 through 2012. So 13 years to 10 years. The three-quarter ton pickups, we're looking to trade 2002's and 2003's, highest mileage being 207,000 miles, the lowest currently at 160,000.

REP. SMITH: Thank you.

CHAIRMAN CHANDLER: I just -- Senator Boutin?

SEN. BOUTIN: No.

CHAIRMAN CHANDLER: Hum -- are you -- I mean, I'm understanding 7 -- let's see -- 7.5 what your idea would

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be. Are you proposing any more now than what you have asked for here?

MR. JANELLE: No, because this is what was appropriated in our budget.

CHAIRMAN CHANDLER: I just didn't know.

MR. JANELLE: As part of our budget cycle, we're looking closely at fleet. And if we were to propose additions that's where it would be, but there's certainly a need there.

CHAIRMAN CHANDLER: Right. Thank you.

SEN. RAUSCH: Do we need a motion to approve this or --

CHAIRMAN CHANDLER: Yeah.

** SEN. RAUSCH: I'll move to accept.

SEN. BOUTIN: Second.

CHAIRMAN CHANDLER: Representative Rausch moves, seconded by Senator Boutin -- Senator Rausch, seconded by Senator Boutin.

SEN. LARSEN: I have a question --

CHAIRMAN CHANDLER: Question.

SEN. LARSEN: -- and discussion. I'm curious. You list the total cost and cost of each item, but you don't -- you don't note how much you are getting in trade-in value or what you anticipate. I assume do you put it into the State auction plan if it's not a trade-in?

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MR. JANELLE: Yes.

SEN. LARSEN: Surplus.

MR. JANELLE: The units that will be retired will go to the White Farm and they'll be auctioned. And I believe the revenue from that goes back to the Highway Fund. So it doesn't come back into this budget directly. It would go back into the Highway Fund.

SEN. LARSEN: But you haven't identified here what you anticipate to be any revenue that comes in either through trade-in or through the surplus auction.

MR. JANELLE: That's right, 'cause it wouldn't come back into this budget.

SEN. LARSEN: Hm-hum.

CHAIRMAN CHANDLER: There's no trade-in. It all goes to the surplus.

MR. JANELLE: Goes to the Highway Fund, right.

SEN. LARSEN: Right. I just point out that it's not an absolute loss. It's not an absolute expenditure because there's some offset from revenue.

MR. JANELLE: That's right. Yes.

CHAIRMAN CHANDLER: Any other questions? If not, all those in favor of the motion say aye? Opposed no? The motion carries.

***** {MOTION ADOPTED}**

CHAIRMAN CHANDLER: Thank you.

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MR. JANELLE: Thank you.

CHAIRMAN CHANDLER: The rest of our items are informational. And if you assumedly looked these over, if you have any questions, the Community College is here, the Department of Transportation is here, Administrative Services is here. Does anyone have any questions on the informational items? Representative Weyler.

SEN. BOUTIN: Mr. Chairman, before DOT leaves --

CHAIRMAN CHANDLER: DOT. Excuse me, Commissioner. Everybody, can you wait just a second; may be some questions on some of the informational items.

SEN. BOUTIN: Mr. Chairman, may I have the liberty to ask DOT for an update on the Open Road Tolling Project?

CHAIRMAN CHANDLER: Yeah. Yeah. Commissioner Brillhart, Assistant Commissioner.

JEFF BRILLHART, Assistant Commissioner, Department of Transportation: Good morning. I'm Jeff Brillhart, Assistant Commissioner from the Department of Transportation. The Open Road Tolling Project is going along fast and furious. It's still slated to be opened for business come next June. And this Fall they are working rapidly towards getting that center aisle for the traffic that will drive through as open road tolling done before winter. It won't be open, but you'll be able to see clearly what's going on through the toll plaza before the new year. That's the expectation.

SEN. BOUTIN: Thank you.

CHAIRMAN CHANDLER: Further question?

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SEN. BOUTIN: Commissioner, I was curious of the status of the rest area facilities, how that's going on?

MR. BRILLHART: I don't have my schedule with me. I wish I did. I could tell you more clearly what exactly is happening. We do have -- we are -- we should be receiving fairly shortly the RFPs from the various consultants that we have already met with in a group to talk about what we're doing out at the site, to talk about those projects. So there is a group of them that are interested. We are hoping to get their RFP's, I think, by the end of this month. I'm not positive. And we are hoping to have somebody on board by -- I believe it's December -- and out to bid, say, March of next year. Have a contractor in hand by March of next year. I believe that's the goal --

SEN. BOUTIN: Thank you.

MR. BRILLHART: -- with the schedule.

SEN. BOUTIN: Thank you, Mr. Chair.

CHAIRMAN CHANDLER: Thank you. Representative Weyler.

REP. WEYLER: Thank you, Mr. Chairman. On the equipment acquisition reports that are in the information comparing 12-020 with 12-023, and on the pages that show the bid results, on 12-020 it showed total adjustment zero, and I thought, ooh, that would be a coincidence if all those things added up to no difference. I added them all up and then later on I found when I looked at the 12-023 they had been added up, and there's a difference of 38,000, which is the same figure I came up with and wondered why there would be such a difference, when the bids were known in May, why you didn't show the totals and why somebody would write total adjustment zero when they knew it was 38,000?

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MR. BRILLHART: Bill.

CHAIRMAN CHANDLER: Do you need copies?

MR. DUSAVITCH: Yeah, I'm not sure.

MR. JANELLE: I think that would be helpful.

CHAIRMAN CHANDLER: You want to look at it?

MR. JANELLE: Yes.

REP. WEYLER: This earlier report shows total adjustment zero. I added them up which hadn't been done. And then this one added them up in July and shows the difference which is the same I come up with. I'm wondering why this one showed zero when we knew that actual cost they're actually the same.

MR. DUSAVITCH: I can tell you that this was currently or formerly done by my assistant administrator, and upon further review I constructed this plan, and I wondered why there was zero myself.

REP. WEYLER: It does get your attention. That would be a heck of a coincidence.

MR. DUSAVITCH: So I did correct it.

REP. WEYLER: Okay.

MR. DUSAVITCH: I think it's correct.

REP. WEYLER: I agree.

MR. DUSAVITCH: I saw this column as zero and I felt it was unacceptable so I completed the form.

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REP. WEYLER: Okay. So this is the update. Thank you.

MR. DUSAVITCH: That is the final Fiscal Year.

REP. WEYLER: I want you to know we read your stuff.

MR. DUSAVITCH: Yes, sir.

CHAIRMAN CHANDLER: Any other questions on any of the informational items? If not, any other items to come before this Committee? Seeing none; we will recess till the call of the Chair. I don't think we will probably have another meeting. Unless something comes up, we will schedule one. Thank you all. And those of you seeking to return, I hope you're all successful.

(The meeting concluded at 11:21 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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