

CAPITAL BUDGET OVERVIEW COMMITTEE

Legislative Office Building, Room 104

Concord, NH

Thursday, November 29, 2018

MEMBERS PRESENT:

Rep. Mark McConkey, Chair

Rep. David Danielson

Rep. John Cloutier

Rep. Frank Byron

Rep. John Graham

Rep. Dan Eaton

Sen. Lou D'Allesandro

Rep. Regina Birdsell

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

(1) Acceptance of Minutes of the September 5, 2018 and September 26, 2018 meetings

MARK MCCONKEY, State Representative, Carroll County,
District #03: With that, the time being 11 o'clock, we will open up the November 29th meeting of the Capital Budget Overview Committee. And I would like to take up the business of acceptance of the minutes from September 5th and September 26th as distributed. Are there any corrections?

**** DAVID DANIELSON, State Representative, Hillsborough County,**
District #07: So move, Mr. Chairman.

FRANK BYRON, State Representative, Hillsborough County,
District #20: I'll second.

CHAIRMAN MCCONKEY: Moved and seconded. Any questions?

JOHN CLOUTIER, State Representative, Sullivan County,
District #10: Excuse me. Question, Mr. Chairman. Is this a motion to approve both sets of minutes?

CHAIRMAN MCCONKEY: Yes.

REP. CLOUTIER: Okay. I just wanted to be clear.

CHAIRMAN MCCONKEY: Thank you for that. So motion's been made and approved.

JOHN GRAHAM, State Representative, Hillsborough County, District #07: You didn't take the motion.

REP. CLOUTIER: Who made the motion to second?

CHAIRMAN MCCONKEY: I believe it was Danielson. And seconded by?

REP. BYRON: Byron.

CHAIRMAN MCCONKEY: Byron.

REP. CLOUTIER: Okay, thank you very much.

CHAIRMAN MCCONKEY: Are you caught up at this point?

REP. CLOUTIER: I'm fine. Thank you for asking.

CHAIRMAN MCCONKEY: Yeah, happy to have you doing the clerk. So if you're in favor of the motion, signify by saying aye? Those opposed? Motion carries unanimously.

***** {MOTION ADOPTED}**

(2) Old Business:

(3) New Business:

CHAIRMAN MCCONKEY: Under New Business, item number three, Dredging and Pier Maintenance Fund Established. Take up Item 18-026. Please introduce yourself and take us through this.

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

CAPITAL BUDGET OVERVIEW COMMITTEE

November 29, 2018

of the Committee. I'm Geno Marconi, and I'm the Director of the Division of Ports and Harbors. And the items you have in front of you today, the first one is a request to expend not more than \$50,000 from the fund to do repairs on a need-be basis.

We've been doing this for a couple of years with the Committee and reporting back what the expenditures have been. It allows us to react to the day-to-day needs at all of the facilities that we manage down there. I believe in your agenda there should be the report that we filed -- filed with you with the most recent expenditures. Do you want me to go through all three of them or one at a time?

CHAIRMAN MCCONKEY: Let's take them one at a time because I believe there's questions, so.

MR. MARCONI: Okay.

REP. BYRON: I think -- Thank you, Mr. Chairman. Mr. Marconi, I think you answered this in your introduction and that was I have no problem approving the \$50,000 in order to be able to access those funds quickly and everything else. You do submit to us, I don't recollect seeing it, but I do now. And, in other words, what you've spent it on over the period of time and stuff like that.

MR. MARCONI: Yes, sir.

REP. BYRON: Is this going to a different fund bucket, I'll call it? In other words, when we approve this, is that money somehow transferred out into a different accounting?

MR. MARCONI: No. If I may, Mr. Chairman? So the funds are kept in an account with Pease Development Authority in their Finance Department. They don't come out of Treasury or anything. Those funds are revenues that are generated by the Division. And the expenditure of those funds do require approval by the Pease Development Authority Board of Directors or if they are under \$10,000 and it's an emergency repair, their regulations call for

CAPITAL BUDGET OVERVIEW COMMITTEE

November 29, 2018

a member of the Executive Committee and approval by a member of the Executive Committee and approval by the Executive Director himself.

(Representative Eaton enters the committee room.)

MR. MARCONI: So there is an approval process we go through.

CHAIRMAN MCCONKEY: Follow-up.

REP. BYRON: And we can receive on a periodic basis.

MR. MARCONI: Yes, sir.

CHAIRMAN MCCONKEY: Further questions?

REP. GRAHAM: You said periodic basis. How often do you tell this Committee what the funds have been expended on? This one seems to cover a year. Well, looks like maybe quarterly. September, and October, November. Is it quarterly?

MR. MARCONI: It's pretty close. We try to keep it that way.

REP. GRAHAM: Okay, that's all.

MR. MARCONI: If something happens and we have to come back to you folks earlier, you know, we always make sure we prepare the report for you before we come back here.

CHAIRMAN MCCONKEY: Thank you. Further question?

REP. BYRON: Mr. Chairman --

CHAIRMAN MCCONKEY: Yes, sir.

** REP. BYRON: -- I'll make a motion that the Committee adopt CAP 18-026. Approve I should say.

CAPITAL BUDGET OVERVIEW COMMITTEE

November 29, 2018

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

CHAIRMAN MCCONKEY: Motion made and seconded to approve CAP 18-026. Is there any further discussion? If you're in favor of that motion, you signify by saying aye? Opposed? The motion carries unanimously.

*** {MOTION ADOPTED}

CHAIRMAN MCCONKEY: Mr. Marconi, would you take us through the next which is 18-027.

MR. MARCONI: Yes, sir, Mr. Chairman. This request is to do repairs at the Rye Harbor Marine facility for engineering services as a result of the winter storms last winter. We've been working very closely with FEMA and they've indicated to us that this would be an item that would be reimbursable under the -- yeah, I just went blank.

CHAIRMAN MCCONKEY: Expansion of the port.

MR. MARCONI: Disaster declaration that was made after that storm. I apologize for my --

CHAIRMAN MCCONKEY: Yes, that's fine.

MR. MARCONI: So what we need to do is for FEMA to approve the actual construction repairs. They need to have -- they need to have the project engineered.

CHAIRMAN MCCONKEY: Okay.

MR. MARCONI: And that's what this request is. As I said, this is -- where it's been indicated by FEMA that this would be an expenditure that would be reimbursed under that.

CHAIRMAN MCCONKEY: And along with the repair itself.

CAPITAL BUDGET OVERVIEW COMMITTEE

November 29, 2018

MR. MARCONI: Along with the repairs.

CHAIRMAN MCCONKEY: Very good. Question. Seeing no -- yes, Representative Byron.

REP. BYRON: The question I have is not directly related to this, although it's tangential, and that is over the course of the past two terms, I think I've seen mostly that you're using Appledore Marine Engineering. What I'm questioning is how often do you have an open bidding by various engineering firms to be able to do the work that looks like you're having Appledore Marine Engineering doing --

MR. MARCONI: Yes.

REP. BYRON: -- as a go-to firm for your engineering functions?

MR. MARCONI: Yes, sir. We -- we do a qualification based selection for on-call marine engineering services, and we do advertise a request for qualifications. And we did do one last year, and we had several marine -- very good marine engineering companies come to us. We interviewed them. We had a Committee that reviewed their qualifications and the Committee that was part of the interview committee and the recommendation to the Pease Board was to have Appledore continue with their work with us. Generally, their contracts are no more than five years, I believe, and so we -- we do that on a regular basis.

CHAIRMAN MCCONKEY: Fine with that.

REP. DANIELSON: They're also a neighbor, aren't they? Appledore is just down the street.

MR. MARCONI: Yes, they're located in Portsmouth.

REP. DANIELSON: They're just down the street from their facility.

CHAIRMAN MCCONKEY: That very well may be, but I think the Representative's point's well-taken. I'm glad that you look at it in a five-year span.

MR. MARCONI: If I may, just one more on that note.

CHAIRMAN MCCONKEY: Yes.

MR. MARCONI: Because of what we were doing with Federal Highway as a result of the Sarah Long Bridge Project, for us to do anything down there for functional replacement the federal requirements required us to do an additional advertising and do qualification-based selection of companies. So that was part of it, too.

REP. BYRON: Okay.

** SEN. BIRDSELL: Move to approve.

REP. BYRON: Second.

CHAIRMAN MCCONKEY: Motion been made to approve. It's also been seconded, item CAP 18-027. If you're in favor of the motion, signify by saying aye? Those opposed? The motion carries unanimously.

*** {MOTION ADOPTED}

CHAIRMAN MCCONKEY: Last item for you, Mr. Marconi, 18-028. Please.

MR. MARCONI: Yes, sir, Mr. Chairman. This is a request to expend \$68,504 from the fund. Our Deputy Chief Harbormaster, who's our facility security officer, applied for and got a grant to do some security upgrades at the facility.

(Senator D'Allesandro enters the committee room.)

CAPITAL BUDGET OVERVIEW COMMITTEE

November 29, 2018

MR. MARCONI: And there was a required match to that. Those items that were awarded in the grant was some perimeter fencing along Market Street of the facility, completing changing over the lighting system at the facility to LED lights which will reduce our electric bill, support security training which is required by the Coast Guard for us to continue.

And probably the most important item was number four. As we're doing all of our planning and working with Perry Plummer and his organization on planning for what if, our facilities at the Portsmouth Fish Pier, the Rye facility and the Hampton facility, we provide fueling systems down there for emergency responders, the Coast Guard, the local fire departments, Marine Patrol. They buy their fuel from us. If things went bad, either because of a natural disaster or, as you know, everyone is talking about hacking into the electric grid, if we were to lose power down there, the ability for us to provide this critical service to these emergency responders would be -- would be decimating.

So what this -- out of this grant was is to buy three mobile generators that would be -- transfer switches would be wired into the facility. The generators would be kept under cover and stored in a warehouse. But in the event of an emergency, we would have the ability to power up our fuel systems to keep the water side of our operations with our fellow agencies working. That was the purpose of that part of it.

CHAIRMAN MCCONKEY: Thank you. Any questions? Yes, Representative Byron. Please.

REP. BYRON: Sorry.

CHAIRMAN MCCONKEY: No.

REP. BYRON: The question I had is on the project number two, which is the lighting where you're going to convert apparently some of these sodium metal halide lighting fixtures into LED fixtures. Is there, and maybe I'm confusing grants or

whatever, but is there something that could be done in terms of securing money or grants also from EverSource, for example, the energy saving program or something along that line? I know you talk about in here the energy savings that you'll accrue, but I didn't know if there was an EverSource fund that could be done.

MR. MARCONI: I don't -- I don't believe that with the grant program that there was a rebate by EverSource. We had talked about that, that if we had paid for it ourselves from our agency funds that we could have gotten rebates from EverSource over that. But in the discussions over the federal funding, I haven't heard anything along those lines; but I will certainly, that's a good question, needs to be brought up.

CHAIRMAN MCCONKEY: Further.

REP. BYRON: And another question on project number three, which is the training in Seaport anti-terrorism.

MR. MARCONI: Hm-hum.

REP. BYRON: And my question is I can understand why that you would want to fund this out of the grant, that's fine. My question is, is there anything that gets put into the budget on a regular basis for providing that type of training to personnel?

MR. MARCONI: Yes, yes. There is -- there is regular training that we're required under our facilities security plan that's approved by the Coast Guard. This here also allows us to bring in other agencies to participate in the training so that there's a coercive effort in doing that, and everyone is on the same page, so to speak.

REP. BYRON: Thank you, Mr. Chairman.

CHAIRMAN MCCONKEY: Thank you. Any further questions?

** REP. BYRON: Mr. Chairman, I'll make a motion the Committee approves CAP 18-028.

SEN. BIRDSELL: Second.

CHAIRMAN MCCONKEY: Motion made, seconded, the approval of 18-028. If you're in -- if you're in favor of that motion, signify by saying aye? If you're opposed nay? Motion carries unanimously.

*** {MOTION ADOPTED}

CHAIRMAN MCCONKEY: Mr. Marconi, thank you.

MR. MARCONI: Thank you, Mr. Chairman. Thank you, Members of the Committee, and have a good Christmas.

REP. CLOUTIER: Thank you, same to you.

SEN. D'ALLESANDRO: Merry Christmas to you.

CHAIRMAN MCCONKEY: Next item for consideration is 18-025, the Department of Transportation, request for approval of Turnpike Toll Credits.

PATRICK HERLIHY, Director, Division of Aeronautics, Rail, and Transit, Department of Transportation: Thank you, Mr. Chairman, Members of the Committee. My name is Patrick Herlihy. I'm the Director of Aeronautics, Rail, and Transit at the Department of Transportation. We come before you today for approval of approximately \$3.8 million in Turnpike Toll Credits to match approximately \$9 million in Federal Transit Administration Section 5307, Boston Urbanized Area funding, to continue a five-year renewal of the Boston Express Bus Service.

Just to give you some information and some highlights about that service. The Boston Express Service provides commuter and inner city bus service from central and southern New Hampshire to Boston to provide options for travelers using I-93 and the F.

CAPITAL BUDGET OVERVIEW COMMITTEE

November 29, 2018

E. Everett Turnpike Corridor. On the F. E. Everett Corridor Boston Express provides services between Manchester, Nashua, Tyngsborough, Mass., Boston to South Station, and Logan Airport with 15 daily round trips on weekdays and ten round trips on weekends.

In the I-93 corridor Boston Express provides services between Manchester, Londonderry, Salem, and Boston South Station and Logan Airport with 27 southbound trips and 22 northbound trips on weekdays, and 12 southbound trips and 12 northbound trips on weekends. Also be noted that the Boston Express I-93 service was instituted as an environmental commitment for the I-93 widening project to curb travel demand on the corridor.

Some highlights. For ridership in State Fiscal Year 2018, we had record ridership of almost 600,000 passengers. In August of 2018 of this year, we had a record all time monthly high of 57,000 passengers.

On the revenue side for State Fiscal Year 2018 for operating revenue, we had a record of \$6.5 million in revenue. Also, in State Fiscal Year 2018 the fare box recovery rate was 91%. That means that 91% of the operating expenses were covered by the fares that were charged to the passengers. And in October 2018, we had a combine operating revenue of \$624,000 which is an all-time monthly high for us.

Over the next five years we'll continue to operate this rural bus and successful service, but funding also included for capital expenses such as grounds maintenance and vehicle maintenance, computer hardware, and software upgrades. And we also are planning a coach replacement plan that's different and it's already been approved for toll credits using Congestion Mitigation Air Quality funding. We started that back in March of 2017 to replace the entire 24 fleet of commuter coaches. To date, we have had 14 of those coaches delivered with the remaining ten to be delivered by 2021. And, with that, I'll take any questions.

CHAIRMAN MCCONKEY: Sure. Are there questions?

REP. GRAHAM: One.

CHAIRMAN MCCONKEY: Yes, Representative Graham.

REP. GRAHAM: We are going to use 3.8 million in toll credits. Do you have a rough idea how much will be left in that piggy bank after we do that?

MR. HERLIHY: After we do that there would be -- well, there's 235 million right now.

REP. GRAHAM: That's what I thought. And it was large.

MR. HERLIHY: Yes.

CHAIRMAN MCCONKEY: Further questions? Yes, Senator.

LOU D'ALLESANDRO, State Senator, Senate District #20: Thank you, Mr. Chairman. Has there been any approach to dropping off at the Manchester-Boston Airport on our way south to Logan Airport?

MR. HERLIHY: We have discussed that, Senator and, thank you for that question. Again, this service was designed as a commuter service to Boston. We have looked at that. We have done two -- we have actually provided funding and/or toll credits to two other services going to Manchester Airport. We did the East-West Express, which was a three-year service that went from the Seacoast to Manchester and, quite frankly, it was not successful.

The Manchester Transit Authority also received toll credits to do a project to bring passengers from Concord to Manchester Airport. That was also not very successful. Quite frankly, people that go to Manchester drive to Manchester Airport. It's convenient, the parking is reasonable, and the Airport relies on that revenue to operate and maintain the facility.

CAPITAL BUDGET OVERVIEW COMMITTEE

November 29, 2018

SEN. D'ALLESANDRO: Sure.

CHAIRMAN MCCONKEY: Further question? Yes.

SEN. D'ALLESANDRO: Yes, thank you. But is there an opportunity -- if Manchester had more flights --

MR. HERLIHY: Hm-hum.

SEN. D'ALLESANDRO: -- had better action at the Airport, would there be -- there is the desire on the part of Manchester but would there be a desire on the part of the transporter to open up that route again?

MR. HERLIHY: We certainly would review that. We'd probably -- I would think we need to do a cost benefit analysis and see if that was something that was feasible; but we certainly would be open to it.

SEN. D'ALLESANDRO: Okay, thank you. Thank you, Mr. Chair.

CHAIRMAN MCCONKEY: Thanks, Senator. Any further questions of Mr. Herlihy?

** SEN. BIRDSELL: Move to approve.

CHAIRMAN MCCONKEY: Motion made to approve.

REP. BYRON: Second.

CHAIRMAN MCCONKEY: And a second.

REP. CLOUTIER: I'm sorry, who made the motion and second, please? Senator Birdsell. Who seconded?

REP. BYRON: I did.

REP. CLOUTIER: Okay. Thank you very much.

CAPITAL BUDGET OVERVIEW COMMITTEE

November 29, 2018

CHAIRMAN MCCONKEY: So motion's been made and has been seconded. If you're in favor of the motion, signify by saying aye? Opposed nay? Motion carries unanimously and thank you.

*** {MOTION ADOPTED}

MR. HERLIHY; Thank you, Mr. Chairman, and Members of the Committee and Merry Christmas to you as well.

REP. CLOUTIER: Thank you, and Merry Christmas to you as well.

(4) Miscellaneous:

CHAIRMAN MCCONKEY: We also had sent to you, I believe, as an e-mail attachment review of the draft version Capital Budget Overview Biennial Report. As mentioned earlier by Representative Graham in the earlier meeting, is there anyone has any need to add to that or --

REP. GRAHAM: What happens today will be added onto that; right?

CHAIRMAN MCCONKEY: Correct.

REP. GRAHAM: Okay.

REP. CLOUTIER: Mr. Chairman, I don't remember receiving that report. Probably was okay. We did have a report like Long Range had a report.

CHAIRMAN MCCONKEY: Yes, I also have a copy here.

REP. CLOUTIER: Okay. I'd like to see that. I trust everybody --

CHAIRMAN MCCONKEY: I think I saw it the last couple days it was there. So I don't know that we need a motion at that point. It's forthcoming. Okay.

REP. GRAHAM: Do you want one?

CHAIRMAN MCCONKEY: Sure. We did in the previous, so.

REP. BYRON: I'm not sure how to refer to it.

REP. GRAHAM: Biennial Report.

** REP. BYRON: I'll make a motion to approve the Biennial Report as written.

SEN. BIRDSELL: Second.

REP. CLOUTIER: Okay. Motion by Representative Byron, seconded by Senator Birdsell. Okay.

CHAIRMAN MCCONKEY: If you're in favor of that motion, signify by saying aye?

*** {MOTION ADOPTED}

(5) Informational:

CHAIRMAN MCCONKEY: We have a couple more items under Informational.

REP. GRAHAM: Is there anybody here from Admin Services, Mr. Chairman?

(No response).

REP. GRAHAM: I don't see anybody.

CHAIRMAN MCCONKEY: Yeah.

REP. GRAHAM: If LBA would just tell them that they could expect questions when the new Legislature convenes. It seems like the Adjutant General Department, the estimates are lower than all the bids that they are getting on their projects, and I'd like to know why and what they're doing. If the bid came in over the estimate and what was approved, what are they doing with the projects?

MR. HOFFMAN: Okay.

REP. GRAHAM: But they can talk to the next Legislature, and I will be here, so.

CHAIRMAN MCCONKEY: Any further questions on the Informational items whether it be 23, 24, or 29? Yes, Representative Byron.

REP. BYRON: I don't necessarily have it on the Informational items, but I do have something going back what we previously approved.

CHAIRMAN MCCONKEY: Please.

REP. BYRON: If you go to the minutes of September 5th, go to Page 2 of those meeting minutes, you'll see that the Department of Administrative Services came in and the Committee requested a status update. And I think Senator D'Allesandro also requested status update as well. And I'm just wondering, obviously, they're not able to do anything here, but I would suspect that the next time this Committee meets there should be some type of status update presented by DAS for those two agenda -- two items, I should say.

CHAIRMAN MCCONKEY: All right. We can make note of that.

REP. GRAHAM: Mr. Chair.

CHAIRMAN MCCONKEY: Yes.

CAPITAL BUDGET OVERVIEW COMMITTEE

November 29, 2018

MICHAEL HOFFMAN, Senior Budget Officer, Budget Division, Office of Legislative Budget Assistant: Mr. Chair, we did follow-up with an e-mail to the Committee. I'll double-check and make sure that you got it, Representative Byron.

REP. BYRON: Oh, I probably did.

REP. GRAHAM: Buried in the other 200.

REP. CLOUTIER: Excuse me, Mr. Chairman. I requested more information about Monadnock build in Claremont, and you did follow-up with me on that particular project any way. I remember that.

CHAIRMAN MCCONKEY: Okay. We okay with that then? Any other business before us?

REP. GRAHAM: I personally would like to thank the Chairman, Representative McConkey, for his years of service on this Committee and within the House, and you will be missed, Mark.

CHAIRMAN MCCONKEY: Thank you.

REP. CLOUTIER: I want to join my colleague, Representative Graham, you know, thanking Representative McConkey for service on the Committee, wish him well in the future endeavors, and he'll probably be back in a few years.

REP. DANIELSON: I would join, if I can ask, Mr. Chairman, I will join also and wish you the best of luck and, hopefully, see you back here. And, of course, our good friend, Representative Byron, who's also going to be leaving the House to apparently enjoy his vacation.

SEN. D'ALLESANDRO: And, Mr. Chairman, I've been around here for a few years. I think your chairmanship, your courtesy, your really outstanding methodology handling a committee, it was very meaningful to me. And our little visit to the State Hospital and the conversation we had, you were willing to listen and I

CAPITAL BUDGET OVERVIEW COMMITTEE

November 29, 2018

appreciate that very much. And I think the one thing that seems to be lacking in our bodies is that civility, sensitivity, and willingness to listen, and I hope that your example will be taken by this new Legislature and be fulfilled.

I know my colleagues have been courteous to me, and I think your guidance and your cooperation, your ability to lead are worthwhile. So I applaud that. And I'll miss you because I was planning on working with you in this next session. Some things we could, I think, do to make things better. But thank you so much for your service.

CHAIRMAN MCCONKEY: I thank you one and all, heartfelt, and, Lou, I thought it was nice you wore a tie my last meeting. I thought that was my send off.

(Laughter.)

CHAIRMAN MCCONKEY: So, with that, we will call to a close Capital Budget Overview and wish you all the best. Thank you.

(The meeting concluded at 11:27 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, LSR, RMR, CRK
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