

LONG RANGE CAPITAL PLANNING AND UTILIZATION COMMITTEE

Legislative Office Building, Room 201

Concord, NH

Tuesday, October 22, 2013

MEMBERS PRESENT:

Rep. David Campbell, Chair

Rep. Gene Chandler

Rep. John Cloutier

Rep. Alfred Lerandean

Rep. Katherine Rogers (Alt.)

Sen. David Boutin

Sen. Sylvia Larsen

Sen. James Rausch

Sen. Nancy Stiles

ALSO PRESENT: Gerard Murphy, Budget Director
(Governor's Office)

Michael Connor, Deputy Commissioner
(Department of Administrative Services)

(Convened at 11:00 o'clock a.m.)

(1) Acceptance of Minutes of the September 24, 2013 Meeting.

CHAIRMAN CAMPBELL: Being the hour of 11 o'clock, we will call to order the Long Range Capital Planning and Utilization Committee meeting for this date. The first order of business is acceptance of the minutes of the --

**** SEN. BOUTIN:** So moved.

REP. LERANDEAU: Second.

CHAIRMAN CAMPBELL: -- September 24th. They're moved and seconded. All those in favor? Opposed?

*** {MOTION ADOPTED}

(2) Old Business:

CHAIRMAN CAMPBELL: We have no Old Business.

(3) New Business:

CHAIRMAN CAMPBELL: New Business. Our first order of business is DOT, item number 13-045, requesting the sale of 2,814 square feet of state land on Allard Drive to the Allard Family. Gentlemen.

CHUCK SCHMIDT Administrator, Bureau of Right-of-Way, Department of Transportation: Good morning. I'm Chuck Schmidt from New Hampshire Department of Transportation. I'm the Administrator of Right-of-Way and I have Mr. Phil Miles, Chief Property Manager, with me today.

As the Chair said, we request authorization to sell 2,814 square feet of parcel of State-owned land located on the easterly side of Allard Drive in the City of Manchester directly to Allard Family, LLC, for \$8,100, which includes an \$1,100 administrative fee, subject to the conditions as specified in the request dated October 1st, 2013.

CHAIRMAN CAMPBELL: Thank you.

** SEN. BOUTIN: Mr. Chairman, I move adoption of 13-045.

REP. LERANDEAU: Second.

CHAIRMAN CAMPBELL: Moved and seconded. All those in favor say aye? Opposed?

MR. SCHMIDT: Thank you.

CHAIRMAN CAMPBELL: Motion's adopted.

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***** {MOTION ADOPTED}**

CHAIRMAN CAMPBELL: Fish and Game, item number 13-044.
Mr. Cook, welcome.

RICHARD COOK, Land Agent, Department of Fish and Game:
Good morning, Mr. Chairman, Members of the Committee. My name is Richard Cook. I'm the Land Agent from the Fish and Game Department, and I'm here to request approval to enter into two short-term leases to lease (1) an approximately 3-acre lot containing an existing privately-owned camp on Greenough Pond in Wentworth's Location to North Country Outing Club of Milan, New Hampshire, at an annual cost of \$3,981.57, which includes an \$1,100 administrative fee through June 30th, 2014; and (2) lease an approximately 1-acre lot containing an existing privately-owned camp on Greenough Pond in Wentworth's Location to Donald Couture of Berlin, New Hampshire, at an annual cost of \$3,981.57, which includes an \$1,100 administrative fee through June 30th, 2014, as specified in the request dated September 26, 2013.

(Representative Chandler enters the committee room.)

MR. COOK: I'd just like to add here that this request as written is a little different than the request that was in the letter and I -- we want to continue to lease this and not just have the lease end in 2014. Beginning in 2014, what we would like to do is put it on the same schedule of all our other camp leases in the North Country, which would be for a four-year term.

CHAIRMAN CAMPBELL: So you're asking for adoption of this and that in the future both of these be put on a -- on a four term -- four-year lease term?

MR. COOK: Yes. I didn't know if we need to come back

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every four years for those or if we have permission to -- to do those. We don't have a lot of camp leases, but we have several others.

CHAIRMAN CAMPBELL: Michael Kane, LBA.

MICHAEL KANE, Deputy Legislative Budget Assistant, Office of Legislative Budget Assistant: I would suggest for this one if the Committee approves it to June 30th, 2014, at the expiration of this lease to come back to Committee to request an extension of that for four years.

CHAIRMAN CAMPBELL: There's the answer.

MR. COOK: Okay.

REP. CHANDLER: I have a question.

CHAIRMAN CAMPBELL: Yes, Senator Boutin first.

SEN. BOUTIN: Is there any reason why this couldn't be June 30th, 2018?

MR. COOK: There is no reason why it couldn't be 2018 from my perspective.

SEN. BOUTIN: And that would be acceptable to the Department?

MR. COOK: Yes.

CHAIRMAN CAMPBELL: Representative Chandler.

REP. CHANDLER: I guess Mr. Kane doesn't necessarily agree with that but I agree. I think these people should have at least a little idea that they're not just -- they just don't have a one year one. Give them the next four-year one now and then they come back after that

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period. They'll be on par with the rest of the leases up there; is that correct?

MR. COOK: Well --

REP. CHANDLER: Is there any reason you can't do that?

MR. KANE: No, no, no. I was just saying if the Committee approved this one, they would have to come back at the end of this term.

CHAIRMAN CAMPBELL: Well, Senator Boutin moves and Representative Chandler seconds that we change the dates on both these for the expiration from June 30th, 2014, to June 30th, 2018.

SEN. RAUSCH: Does that sync them with the rest of them?

MR. COOK: Yes. So we would come back next year with the rest of them to stay on the schedule we are on.

CHAIRMAN CAMPBELL: Everybody clear on what we're amending?

SEN. LARSEN: Just a question. The lease price, how do you set the lease price?

MR. COOK: With the eighty-one fifty-seven cents on there?

CHAIRMAN CAMPBELL: Yeah.

MR. COOK: That is the same price that was paid last year by Mr. Couture. Last year they leased from Plum Creek. We acquired this land from Plum Creek in May of this year. And so what we did was we reduced the size, the acreage that is being leased to North Country with mutual agreement

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and charged them both the same amount. North Country last year paid a little more than this. And when we were trying to set the lease, we figured they had been paying it so it represented fair market value. So we will continue to ask them for the same amount.

SEN. LARSEN: And further question?

CHAIRMAN CAMPBELL: Yes.

SEN. LARSEN: If you -- if you extend this lease to 2018, such as under discussion, there's -- that -- that allows for no cost of inflation. And I wonder if that becomes then not a fair market price by not having it have any increase for those years?

MR. COOK: That's true. What we do is we tie an annual increase to the Consumer Price Index.

SEN. LARSEN: So you would naturally be assessing that?

MR. COOK: We would naturally do that for all.

SEN. LARSEN: I'm assuming in 2018 we're not fixing a fee.

MR. COOK: Well, what we do in our four-year leases, you know, we set the base price and then it's automatically increased based on the Consumer Price Index and that's included in the lease. So we would include that. This would just be a -- basically a four and a half year lease rather than a four-year lease. But we would include that same language that sets the year's cost at the base price plus the Consumer Price Index.

CHAIRMAN CAMPBELL: So clarification on this motion isn't affecting the terms, only the expiration date. So you would use the same basic terms of your lease that has the

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CPI. That's why you come out to cents.

MR. COOK: That's right.

CHAIRMAN CAMPBELL: Senator Rausch.

SEN. RAUSCH: Thank you, Mr. Chairman. I mean, I concur with the changing the date. It's not what this says though. I concur with the CPI. But this says at an annual cost and it's just a set fee so that's my only question is if we vote on this I -- I like what you're saying that it's an annual fee that is then CPI going forward but this doesn't say that.

CHAIRMAN CAMPBELL: Can I suggest that we alter the amendment to say that the date be 2018 under the terms and conditions of a four year lease? Does that take care of it? Senator Boutin, you willing to have the terms match the four-year lease in terms that we have a CPI in it?

SEN. BOUTIN: Yes.

CHAIRMAN CAMPBELL: So the motion then -- and you concur with that?

REP. CHANDLER: Yeah.

CHAIRMAN CAMPBELL: So what we'll do then, the amendment now is going to be to change the date on the two leases from June 30th, 2014, with proviso that the terms and conditions will be the same as the standard four-year lease used by the Fish and Game. Works?

SEN. RAUSCH: Works.

CHAIRMAN CAMPBELL: We're voting on that amendment now. All those in favor say aye? Opposed? That amendment is adopted.

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*** {MOTION ADOPTED}

CHAIRMAN CAMPBELL: Do you have a motion to --

** SEN. BOUTIN: So moved.

CHAIRMAN CAMPBELL: Senator Boutin moves to adopt as amended. Any discussion?

REP. CHANDLER: Second.

CHAIRMAN CAMPBELL: Seconded by Chandler, Representative Chandler. Any further discussion? All those in favor say aye? Opposed? Thank you.

MR. COOK: Thank you.

*** {MOTION ADOPTED}

CHAIRMAN CAMPBELL: Thanks for that. Thanks, Rich. DOT is back for the Rest Areas, Procedure for Soliciting Requests for Proposals.

REP. LERANDEAU: 047.

CHAIRMAN CAMPBELL: I'm sorry, I skipped one. Sorry to get you out of your seat. 13-047, Department of Administrative Services request to grant a perpetual utility easement. Mr. Connor.

MICHAEL CONNOR, Deputy Commissioner, Department of Administrative Services: Good morning. Mr. Chairman, Members of the Committee, for the record, Mike Connor from Administrative Services where I serve as a Deputy Commissioner.

I'm here today to seek your approval to grant a

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perpetual easement to FairPoint Communications to install and maintain telecommunication lines in a State-owned conduit for the Tobey Building. The Tobey Building is located on 45 South Fruit Street and is currently being renovated by the Department of Employment Security to consolidate their operations. The easement is required so that FairPoint can install and maintain the required telecommunication services for the facility. The easement is free of charge in return for providing telecommunication facilities for the building. The easement's required to complete the renovations on time and time is of the essence. Due to the short time constraints, we're also submitting the item concurrently to CORD. I thank you for your consideration. I'll be glad to answer any of your questions.

CHAIRMAN CAMPBELL: Senator Larsen.

SEN. LARSEN: Does the proposed easement deed include language relating to any successors?

MR. CONNOR: That's a good question.

SEN. LARSEN: Because, as we know, businesses change names.

MR. CONNOR: That's a good point. I'm not sure. I'd have to do some research on that.

SEN. LARSEN: Oops! Sorry. When I look at this I see "and its successors." Right there. I'm sorry.

MR. CONNOR: Typically, it does.

SEN. LARSEN: Yep, it's in there. Thank you.

CHAIRMAN CAMPBELL: Senator Rausch.

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SEN. RAUSCH: Thank you, Mr. Chairman. Do we already have an easement for electric or can't they use the same easement or --

MR. CONNOR: It's a different conduit that they're using for the telecommunication services. It's actually a conduit we own versus the electrical service.

SEN. RAUSCH: So we also gave them an easement for electrical, I'm assuming?

MR. CONNOR: I haven't heard of any request for one from Unitil at this point. This is the only one that we've heard a request from FairPoint.

SEN. RAUSCH: Okay.

CHAIRMAN CAMPBELL: Further questions?

****** SEN. BOUTIN: Mr. Chairman, I move adoption of 13-047.

SEN. LARSEN: Second.

CHAIRMAN CAMPBELL: Senator Boutin moves adoption of 13-047 and seconded by Senator Larsen. Any further discussion? All those in favor say aye? Opposed? Seeing none. It's adopted.

***** {MOTION ADOPTED}**

CHAIRMAN CAMPBELL: Sorry, Bill. Now this is to deal with the request for approval for procedures soliciting requests. We had this last month. Members were asked to look at it, if they had any questions or concerns to the Chair to express them and we'd give to LBA. The only concern that was raised by Senator Boutin was an error on the map which been corrected to his satisfaction, and I heard nothing else. So are there any questions of Mr.

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Janelle? You want to just give us a quick brief what this is again?

WILLIAM JANELLE, Director of Operations, Department of Transportation: Sure. This -- good morning. For the record, my name is Bill Janelle. I'm the Director of Operations for the Department of Transportation. Essentially, what we're looking for is authorization to solicit proposals for the Welcome Information Center Sponsorship based on the RFP that was given to you. House Bill 635 directed the Department to work with DRED and develop this RFP.

We did contact the vendor that's currently doing this type of service for Virginia. We provided them with our rest area locations and some traffic information, and they felt that this type of a -- this type of service would be feasible at our locations. So we went forward further. The purpose -- we put the RFP out with the purposes to solicit competitive proposals from contractors to develop and administer a sponsorship program that generates revenue for the DOT while complying with all the requirements in the RFP. The contractors will be responsible for securing sponsors for the welcome centers, planning and implementing and delivering a high-quality sponsorship program. Once we get the proposals back there'd be a Selection Committee made up of DOT folks and DRED folks that would select the most favorable RFP. And we're looking at a schedule of -- let's see -- putting this out the beginning of next year with a proposal in place by July -- with an RFP in place by July.

CHAIRMAN CAMPBELL: Is there any provision to have any legislators on the Selection Committee?

MR. JANELLE: Right now we've just said folks from DOT and DRED, but that's -- we could certainly change that if that was the desire before we put it out, and we could have

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somebody from the Legislature.

CHAIRMAN CAMPBELL: What do you think? You think it's a good idea to have a little --

SEN. BOUTIN: I would recommend that Representative Chandler be because it's his wonderful idea.

REP. CHANDLER: I have a question.

CHAIRMAN CAMPBELL: Yes.

REP. CHANDLER: That's just something the Department is organizing. It isn't legislatively set. If you just decide someone should be on, you could have one or two people, whatever.

MR. JANELLE: Sure. We could revise the RFP to include that. But it's typically how we would select this type of an RFP is we would have a Committee with criteria, specific criteria that we would weigh. So we could certainly do that.

SEN. BOUTIN: You want me make that motion?

CHAIRMAN CAMPBELL: Yeah. Well, not Chandler. But I think we should have a designee from Public Works and Highways and one from -- or even from Capital Budget Overview we have a designee. Somebody should be there, I think.

****** SEN. BOUTIN: I would move that our designee from Capital Budget Overview be the good gentleman from Bartlett who had the foresight to come forward with this legislation, Mr. Chairman. Is there a second?

SEN. RAUSCH: Second.

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SEN. BOUTIN: All right.

CHAIRMAN CAMPBELL: All right. We'll have a designee from Capital Budget and without objection it will be Representative Chandler and -- well, we'll vote on that. All those in favor? Opposed?

REP. CHANDLER: No.

SEN. RAUSCH: Can I make a motion that they meet weekly?

CHAIRMAN CAMPBELL: And in Salem.

SEN. RAUSCH: I do have a question.

CHAIRMAN CAMPBELL: Yes, sure.

SEN. RAUSCH: When I look at the map of all the rest areas and I look at that you can't advertise alcohol, is that why we don't have the north and southbound in Hooksett, our rest areas that will be being under development? I don't see them on this map.

MR. JANELLE: Well, the reason we didn't include them is because they're under development and they're under contract with another vendor. So, I mean, that's why they were really not included.

SEN. RAUSCH: No, that's okay. I'm okay with that.

REP. CHANDLER: Moved very astutely to point that out within two minutes of getting the map. That's why the map doesn't have them on there.

SEN. RAUSCH: That's the first time I've seen this.

CHAIRMAN CAMPBELL: Yeah, that was correct.

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SEN. BOUTIN: Just go for it.

SEN. RAUSCH: Thank you. Never had a map.

CHAIRMAN CAMPBELL: Okay. So is there any further discussion on this -- on the questions of Mr. Janelle? Seeing none. Is there a motion?

SEN. BOUTIN: Yeah.

CHAIRMAN CAMPBELL: Motion on the floor. All those in favor say aye? Opposed? Thank you.

MR. JANELLE: Thank you.

CHAIRMAN CAMPBELL: Thanks for that. Thanks for your hard work on that.

***** {MOTION ADOPTED}**

(4) Miscellaneous:

(5) Informational:

CHAIRMAN CAMPBELL: I see there's some people here from the Adjutant General's Office regarding our informational item. General, come on up.

BRIGADIER GENERAL CAROLYN J. PROTZMANN, Deputy Adjutant General, Adjutant General Department: Good morning.

CHAIRMAN CAMPBELL: Good morning.

BRIGADIER GENERAL PROTZMANN: For the record, I'm Brigadier General Carolyn Protzmann. I'm the Deputy Adjutant General. With me is our Director of the State

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Veterans Cemetery, Mike Horne. And our informational item today is to let you know that the Adjutant General's intent is to accept a 3-acre parcel of land from the State Veterans Cemetery Association. That land is located across the street from the cemetery in Boscawen with a potential for future development as either a parking lot expansion or outbuilding development. We accepted it at no cost to the State.

CHAIRMAN CAMPBELL: Okay. Any questions on that? It doesn't require action upon us, but it's nice for them to come and let us know what's going on.

SEN. BOUTIN: Thank you.

CHAIRMAN CAMPBELL: We appreciate that. Any further questions?

SEN. RAUSCH: Just appreciation for the heads-up.

CHAIRMAN CAMPBELL: Thank you very much.

BRIGADIER GENERAL PROTZMAN: Well, our pleasure. Thank you very much.

CHAIRMAN CAMPBELL: Nice to see you again.

BRIGADIER GENERAL PROTZMANN: Nice to see you, too.

CHAIRMAN CAMPBELL: Keep those donations coming.

BRIGADIER GENERAL PROTZMANN: You bet.

(6) Date of Next Meeting and Adjournment:

CHAIRMAN CAMPBELL: All right. With that, we should set a date. I hope this works for the members that weren't on Capital Budget, but we have set a meeting date for

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Capital Budget of --

SEN. LARSEN: 20th.

CHAIRMAN CAMPBELL: 20th at 1 o'clock.

SEN. RAUSCH: Of November.

CHAIRMAN CAMPBELL: Of November. Does it work to do a 1:30 meeting on Long Range on that same date?

REP. LERANDEAU: Will we be done in half hour?

CHAIRMAN CAMPBELL: What's that?

REP. LERANDEAU: Will we be out?

CHAIRMAN CAMPBELL: Forty-five minutes. You never know. We haven't had lot of Capital Budget items come in lately. Today we had one waited around for awhile. Let's do half an hour.

REP. ROGERS: 1:30?

CHAIRMAN CAMPBELL: 1:30, is that okay?

REP. CLOUTIER: That's fine with me.

CHAIRMAN CAMPBELL: That work for you? Okay. All right. That's what we'll do. We'll plan to meet again at 11:30 on the 20th of November before Thanksgiving.

REP. CHANDLER: 1:30.

CHAIRMAN CAMPBELL: 1:30. 1:30 for Long Range, 1 o'clock for Capital Budget. Okay. With that --

****** SEN. BOUTIN: Move to adjourn.

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CHAIRMAN CAMPBELL: -- Senator Boutin moves to adjourn, seconded by Lerandean. All those in favor say aye? We are adjourned. Thank you.

***** {MOTION ADOPTED}**

(Adjourned at 11:40 a.m.)

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CERTIFICATION

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

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

