

LONG RANGE CAPITAL PLANNING AND UTILIZATION COMMITTEE

Legislative Office Building, Room 201

Concord, NH

Wednesday, March 30, 2016

MEMBERS PRESENT:

Rep. Gene Chandler, Chair

Rep. John Cloutier

Rep. David Danielson

Rep. Mark McConkey

Rep. Edmond Gionet

Rep. Katherine Rogers (Alt.)

Sen. David Boutin

Sen. Regina Birdsell

Sen. Dan Feltes

Sen. Nancy Stiles

ALSO PRESENT: Meredith Telus
Governor's Office

Michael Connor
Dept. of Administrative Services

(The meeting convened at 3:00 p.m.)

1. Acceptance of Minutes of the February 16, 2016 meeting.

CHAIRMAN CHANDLER: Open the Long Range Capital Planning and Utilization Committee. Acceptance of the minutes February 16th meeting.

****** REP. GIONET: So move.

CHAIRMAN CHANDLER: Representative Gionet moved. Seconded by?

REP. DANIELSON: Second.

REP. MCCONKEY: Second.

REP. CHANDLER: Representative somebody.

REP. CLOUTIER: Danielson.

REP. CHANDLER: Second by Representative Danielson.
Questions? All those in favor? Opposed? Motion carries.

*** {MOTION ADOPTED}

2. Old Business:

3. New Business:

CHAIRMAN CHANDLER: We just did the minutes. Okay.

SEN. STILES: I wasn't here.

SEN. FELTES: I'll abstain, too. I wasn't here. I'll abstain, too.

CHAIRMAN CHANDLER: You don't have to abstain. You read them. Don't worry about it.

Administrative Services on behalf of the Liquor Commission.

CRAIG BULKLEY, Chief Operating Officer, Financial Management Division, New Hampshire Liquor Commission: Mr. Chairman, Members of the Committee, my name is Craig Bulkley. I'm with the Liquor Commission. Mike Connor was supposed to be here. He must have gotten tied up, but I can explain what this easement is for since it pertains to our headquarters building on Storrs Street.

CHAIRMAN CHANDLER: Excuse me a second. This is Item 16-007. All right. Thank you.

MR. BULKLEY: And I don't know how familiar you are with that shopping center, but we have a number of trucks that deliver to Market Basket and they go around the back of the building, which is basically to the north of our building. And

LONG RANGE CAPITAL PLANNING AND UTILIZATION COMMITTEE

March 30, 2016

there is a telephone pole that, unfortunately, is in the wrong place and those trucks have hit it on a number of occasions and that has the breakers for the power that comes into our building. And, of course, when they hit it, they knock the breakers out and there goes our power. So Unitil suggested that they put a pole on our property, that we replace the two old transformers with a new transformer and basically provide us power that, hopefully, will no longer be interrupted by these trucks. That's what this easement basically is for is to allow them to plant that telephone pole on our property.

CHAIRMAN CHANDLER: Okay. Anyone have any questions?

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

CHAIRMAN CHANDLER: Senator Boutin moves approval of Item 16-007. Do I have a second?

SEN. STILES: Second.

SEN. BIRDSELL: Second.

CHAIRMAN CHANDLER: Second by Senator Stiles.

REP. CLOUTIER: Second by Senator Stiles.

CHAIRMAN CHANDLER: Any questions or further discussion? If not, all those in favor of the motion say aye? Opposed? The motion carries.

*** {MOTION ADOPTED}

4. Miscellaneous:

5. Informational:

CHAIRMAN CHANDLER: We have a number of informational items there. Anybody have any questions on those? Senator Boutin.

MR. BULKLEY: Thank you.

LONG RANGE CAPITAL PLANNING AND UTILIZATION COMMITTEE

March 30, 2016

SEN. BOUTIN: Mr. Chairman, I have some questions about 16-009.

CHAIRMAN CHANDLER: Okay. I don't think there's anyone here to answer them.

SEN. BOUTIN: Well, Mr. Chairman --

CHAIRMAN CHANDLER: Yes.

SEN. BOUTIN: -- if I may? I -- if folks have read this, this is a 2.051 acre piece of land at \$11,000 a year for 99 years, that's over a million dollars. That doesn't include the adjustments every five years. So when we're all said and done, this property is going to cost the Department of Administration close to a million and a half dollars. I can't imagine two acres of land is worth a million and a half dollars in Milford, New Hampshire.

Now, we passed, as you know, in the Capital Budget, we passed the money to --

(Michael Connor from Department of Administrative Services enters the committee room.)

CHAIRMAN CHANDLER: Here we go. Hold on just a second. Why don't you start over, Senator.

SEN. BOUTIN: All right.

CHAIRMAN CHANDLER: Mike, we are on Item 16-009, the lease for the land down in Milford.

MICHAEL CONNOR, Deputy Commissioner, Department of Administrative Services: Okay.

CHAIRMAN CHANDLER: Senator Boutin.

LONG RANGE CAPITAL PLANNING AND UTILIZATION COMMITTEE

March 30, 2016

SEN. BOUTIN: So the Capital Budget Committee in this current Capital Budget that we passed, we put the money in for the design for the court. And make no mistake about it, the court, a new court is very much needed.

What I'm concerned about is I don't have any idea what this piece of land cost when they bought it. They bought it with Highway Funds or a portion of it was Highway Funds. And if you read the informational item, you'll see that we are paying \$11,000 a year for a 99-year lease, with increases every five years. Hum -- for that kind of money, and I have no idea what the property is valued at now, but for that kind of money we ought to just wait until the next Capital Budget and put the money in and buy the land outright, instead of paying for it for 99 years. That's my thought. But it just doesn't make any sense to me.

CHAIRMAN CHANDLER: Mr. Connor, you have --

MR. CONNOR: Yeah, I mean, this is -- this is an informational item because it's a Memorandum of Agreement. It was what we had worked on initially in order to prevent the need to purchase the land. Should, you know, the Legislature want to purchase the land, that's fine. So we had it appraised and that's the appraised value for a land to use the land. And, actually, that's half of it because half of the funds are Highway Funds and half of it was actually part of the land was donated. So that's about what it is.

Every five years, according to the agreement, it needs to be re-appraised again. It may go up. It may go down. It can't go up any more than 10%, that's the cap; but that's the agreement. I mean, if the will of the Legislature is to do something different, we can certainly do that, too. But we were charged with having put this in place before the new Capital Budget was in place so this would not be an issue. We can certainly go another direction if that's the will of the General Court.

CHAIRMAN CHANDLER: Senator Boutin.

LONG RANGE CAPITAL PLANNING AND UTILIZATION COMMITTEE

March 30, 2016

SEN. BOUTIN: Thank you, Mr. Chairman. I appreciate Mr. Connor's information. I still would like to know if you were to appraise that two acres of land in today's market what that value of that two acres is. I don't know what it would be.

Senator Daniels and I went and met with the Commissioner of the Department of Safety and we talked to the Commissioner at that time about, you know, doing something that would be reasonable in terms of that leasing that land for the court. This, to me, is not reasonable, \$11,000 a year for 99 years. So I would like to know what that information is and I don't know if Mr. Connor has it now, if he has an appraisal of that property.

MR. CONNOR: I don't have it with me, but I can certainly get that for you.

SEN. BOUTIN: So I would like to -- I don't know how we do it, Mr. Chairman, but I would like them, the Department, to know that we don't want them to act on this until such time as they've come back to the Committee with that information.

CHAIRMAN CHANDLER: Is there any urgent -- is another month going to be a problem?

MR. CONNOR: It is not and actually that was the intent.

CHAIRMAN CHANDLER: I say month because it will be that long. I am sure we won't meet for a month.

MR. CONNOR: This is the intent of me bringing it here. I was told I didn't have to come here and I know it's very near and dear to everyone's heart. So I wanted you and it's the feedback I'm getting, which is fine. So I can certainly bring that back as an item, say here's what the appraised value is. And if it's the will of the General Court to go another direction and to put in the Capital Budget, that's fine, too. I'm glad to do that.

LONG RANGE CAPITAL PLANNING AND UTILIZATION COMMITTEE

March 30, 2016

CHAIRMAN CHANDLER: Representative Danielson.

REP. DANIELSON: Thank you. Senator, you're looking for the appraised value for the two acres. We were to buy it today, what would the two acres cost?

SEN. BOUTIN: Yes, correct.

REP. DANIELSON: Right. Okay.

MR. CONNOR: Yeah, we have that.

SEN. BOUTIN: And even if we had to wait until next January, the money would be in the Capital Budget. We could put the money in, reasonable amount of money, whether it's 250,000, three hundred, whatever it is, and we would really get that done in enough time to not delay the project.

CHAIRMAN CHANDLER: Oh, yeah. I just think before we make that decision just wait and see. Then we can decide what the direction we are going to go.

SEN. BOUTIN: But I'm just asking respectfully the Chair that we let the Departments know that they don't sign this agreement before they come back.

CHAIRMAN CHANDLER: Right, I think that's the message.

MR. CONNOR: Duly noted. Our next step would be Governor and Council, and I'd want it to come here first before we did that. So I've duly noted and will bring back the information before we take any action.

CHAIRMAN CHANDLER: My only other question is, and I assume I know the answer before I ask it, but we have our rule, any lease over five years needs to be -- has to be approved by us. Actually, does have to be approved, doesn't it,

MR. CONNOR: Yeah, well, that's the problem. It's an agreement between --

LONG RANGE CAPITAL PLANNING AND UTILIZATION COMMITTEE

March 30, 2016

CHAIRMAN CHANDLER: Do we exempt it between --

MR. CONNOR: It's not a lease. That's why I brought it here. It's not a lease because it's an agreement between two agencies. So it's a Memorandum of Agreement and, as such, it's not subject to your review and approval. That's why I have it here, because I don't have a law that I can even quote to bring it to your request for --

CHAIRMAN CHANDLER: Okay. Maybe we need to look at that.

MR. CONNOR: You might want to look at that.

CHAIRMAN CHANDLER: All due respect, we have a Memorandum of Understanding where we are paying money to somebody. My old Bartlett instinct tells me that's a lease.

MR. CONNOR: Having been here a long time that was my gut. That's why I wanted to bring this, as well as some other items that you have in front of you today, as informational items, because I also know it affects some of your constituents and by law they are not subject to your approval, but I wanted you to see them --

CHAIRMAN CHANDLER: All right.

MR. CONNOR: -- to get the input and, obviously, go in the direction that you're looking for us to go.

CHAIRMAN CHANDLER: So when you come back next month also bring us back a copy of the law that says these don't have to come here, too, if you can.

MR. CONNOR: Yes, I will.

CHAIRMAN CHANDLER: Just so we can take -- I don't know if it needs to be looked at.

LONG RANGE CAPITAL PLANNING AND UTILIZATION COMMITTEE

March 30, 2016

MR. CONNOR: It's RSA 4:40, and it says a lease. And the problem is it's because it's two agencies, it's not a lease. It's not an agreement between two parties that are going to sue each other. It's the State and so it's a Memorandum of Agreement and as such so if you want to modify the law, you would have to say Memorandum of Agreement that, you know, tied up State property for a period of time over five years. 'Cause right now it's says lease and it's not technically a lease.

CHAIRMAN CHANDLER: Thank you. Anything else?

REP. CLOUTIER: Mr. Chairman, do we need a vote on this is under -- this item that we voted to table it or whatever? I don't know whether that's appropriate. I mean, I don't know. You said indicate in the minutes especially whether we, you know, looks like -- may look like we just approved it or we didn't.

CHAIRMAN CHANDLER: We don't have anything to table because it's not up for approval.

REP. CLOUTIER: Okay. All right.

CHAIRMAN CHANDLER: Just on hold.

REP. CLOUTIER: These other items are okay.

CHAIRMAN CHANDLER: I think the minutes will reflect the Department is going to come back in a month with some additional information and at that time we'll see.

MR. CONNOR: Regarding the appraised value and we are going to hold off taking any action until we get some more feed-back.

CHAIRMAN CHANDLER: Okay. Thank you.

REP. CLOUTIER: Okay. So long as the minutes reflect that.

CHAIRMAN CHANDLER: Any other items? No. Recess till the call of the Chair.

LONG RANGE CAPITAL PLANNING AND UTILIZATION COMMITTEE

March 30, 2016

(The meeting recessed till the call of the Chair at
3:11 p.m.)

LONG RANGE CAPITAL PLANNING AND UTILIZATION COMMITTEE

March 30, 2016

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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