

CAPITAL BUDGET OVERVIEW COMMITTEE

Legislative Office Building, Room 201

Concord, NH

Tuesday, May 13, 2014

MEMBERS PRESENT:

Rep. David Campbell, Chair

Rep. John Cloutier, Clerk

Rep. John Graham

Rep. Ken Weyler

Rep. Bernard Benn

Sen. Sylvia Larsen

Sen. James Rausch

Sen. Nancy Stiles

(Convened at 1:34 p.m.)

1. Acceptance of Minutes of the April 15, 2014 meeting

CHAIRMAN CAMPBELL: Good afternoon. Going to call to order the Capital Budget Overview Committee for the State, and the first order of business is acceptance of the minutes.

****** REP. GRAHAM: So moved.

REP. WEYLER: Second.

CHAIRMAN CAMPBELL: Moved by Representative Graham and seconded by Representative Weyler. All those in favor say aye? Opposed? The minutes are accepted.

***** {MOTION ADOPTED}**

(2) Old Business:

CHAIRMAN CAMPBELL: First order -- no Old Business.

(3) New Business:

CHAIRMAN CAMPBELL: Our first order of New Business is CAP 14-030, Cannon Mountain Advisory Committee under DRED. See the Commissioner's here. Commissioner Rose, welcome.

JEFFREY ROSE, Commissioner, Department of Resources and Economic Development: Thank you.

CHAIRMAN CAMPBELL: Come on up to present the item. Good morning. Good afternoon, I should say.

MR. ROSE: Good afternoon. It's a pleasure to be before you this afternoon seeking approval to move forward with a bonding request of \$750,000 for the Cannon Mountain Capital Improvement Fund. This will -- this is within the -- the statutory authority of Chapter Law authority that we have in terms of being able to bond up to \$6 million in capital to maintain what we believe to be a first-rate ski mountain on behalf of the people of New Hampshire and our guests. I am -- the request of those funds, about half a million dollars of that is for snowmaking improvements and efficiencies. The remaining \$250,000 is primarily for water and infrastructure and electrical upgrades.

As I -- as I mentioned when I was before you last year, we are committed to working diligently to bringing down the deficit that we have within our Capital Budget. I'm pleased to report that we did make the payment that we referenced last year in the tune of payment down of about \$63,000. We are tracking to make an additional payment down on that amount of our deficit again this year. We believe that that will be approximately \$150,000, and we continue to be committed to eliminating that deficit in a very short window of time here. So with your approval we'd appreciate the ability to be able to continue to make the upgrades that we need to run a first-rate resort.

CHAIRMAN CAMPBELL: Thank you. Are there any questions? Representative Benn.

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REP. BENN: No problems with what you want to spend this on. I just want an explanation. Could you -- I don't quite understand your -- this chart on the accounting of this.

MR. ROSE: Yeah.

REP. BENN: I can't make anything add up. Could you just walk through that quickly?

CHAIRMAN CAMPBELL: Somebody walk us through that, Commissioner?

MR. ROSE: Sure, absolutely. I may ask Tom Martin to join me as well. He's our Business Manager within the Department of Resources and Economic Development. And, yeah I'll ask --

CHAIRMAN CAMPBELL: I'm sorry, for the record the other gentleman so we have it on the record.

MR. ROSE: Tom Martin who is the --

CHAIRMAN CAMPBELL: No, got Tom.

MR. ROSE: Oh, I'm sorry, John DeVivo who is the General Manager of Cannon Mountain and Franconia Notch State Park.

CHAIRMAN CAMPBELL: Thank you.

TOM MARTIN, Business Manager, Department of Resources and Economic Development: So I'll just start and in Column D. So the beginning balance on Row 9 of the Cannon Mountain Capital Improvement Fund is 235,000 negative. The Sunapee lease payment that year is 502,000. Debt Service 642. So the revenue over -- the expenses over the revenue for that year is 140,000. We transferred in 62. So, cumulatively, we finished with a deficit balance of 312. That rose to the next year then.

REP. BENN: The 312 comes from not from those numbers above. How do you get the 312 from that list of numbers?

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MR. MARTIN: So it's 235 negative, minus the 140, plus the 62. Does that add right? I certainly hope --

REP. BENN: Does that come out? Okay.

SEN. RAUSCH: You have to take the two negatives, add them, and then subtract the 62. You stated it incorrectly. Two thirty-five, plus 140, minus 62 should be it.

REP. BENN: Right. Okay.

JOHN DEVIVO, General Manager, Cannon Mountain Ski Area and Fraconia Notch State Park, Division of Parks and Recreation, Department of Resources and Economic Development: Three seventy-five minus 63.

MR. MARTIN: That same pattern rose into the next year and the --

REP. BENN: I've got it.

MR. MARTIN: -- the Sunapee payment, the 618 in 2014, we received the variable payment already. And so we're just waiting for the base payment for the comedown. So --

REP. BENN: Okay. Thank you. Now I understand it.

MR. ROSE: Great. Yeah, it's not the simplest, but --

CHAIRMAN CAMPBELL: Go ahead. Go ahead.

REP. GRAHAM: Thank you, Mr. Chairman. Let's talk about why we have a negative number every year and you still want to borrow more money? Can you explain why?

CHAIRMAN CAMPBELL: Is that a question?

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REP. GRAHAM: That's a question. Explain to me the rationale of that if we're never going to get out of the negative number field?

MR. ROSE: Well, we are. As I referenced, we are paying that down. We were at a balance, a negative balance just a couple years back of half a million dollars. We are paying that down. We paid it down nearly \$63,000 last year at the reference where we feel very confident that we'll be able to pay down an additional \$150,000 for this year which will bring down our overall deficit.

This is within the statutory authority for the -- for the Cannon Mountain to be able to bond. This was part of the process that we had set up when we moved forward with the leasing of Sunapee. To this point the -- the lease payments haven't been able to match all of the bonding requests we have, which is why we have that negative balance; but as you can see, we have been paying that back and we have a plan forward to continue to do that as we have been managing it as more effectively and efficiently to make sure that our outlays match up with our revenues. So we feel very good that, you know, right now we're projected to payoff that negative balance for Fiscal Year 2016, assuming that the Legislature continues to ask us to pay that back as part of the -- part of our process.

CHAIRMAN CAMPBELL: Further questions? Representative Weyler.

REP. WEYLER: Thank you, Mr. Chairman. Somewhat unrelated, but I notice here under 2013 transfers from Cannon, 50,000 going to Fish and Game Search and Rescue. I look at their budget frequently and they never admit where the money comes from. Is this a one-time payment? Is this something you do every year or was this something extraordinary for 2013?

MR. ROSE: Yeah, that was a one-time payment that was part of the Fiscal Year 12 budget.

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REP. WEYLER: Was this because of Search and Rescue on your mountain or --

MR. ROSE: I don't know the answer to that, quite honestly.

MR. DEVIVO: Nobody knows the answer to that.

MR. ROSE: It was one of those that was put into the budget that year. It was a one-time amount, and we don't anticipate that unless the Legislature seems fit to do that once again. But that was a one-time deal.

MR. DEVIVO: I could follow on that. In Fiscal 11, Cannon finished at roughly net 1.3 million positive. At that point when the 12-13 budget was finalized, the first 650 in surplus from each year '12 and '13 was to go to Division of Parks and Rec, and the next 50 in surplus was supposed to go to Fish and Game for '12 and '13. Didn't happen in '12. It did happen in '13.

REP. WEYLER: Just the way we wrote the budget that year?

MR. DEVIVO: Yep.

REP. WEYLER: Okay. Thank you. Thank you, Mr. Chairman.

CHAIRMAN CAMPBELL: Thank you. Any questions? What's the will of the Committee?

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

CHAIRMAN CAMPBELL: Senator Rausch moves.

REP. CLOUTIER: I'll second it.

CHAIRMAN CAMPBELL: And Representative Cloutier seconds that we approve the item before us. Is there any further discussion? Seeing none. All those in favor say aye? Opposed?

REP. GRAHAM: No.

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REP. WEYLER: No.

CHAIRMAN CAMPBELL: Two opposed. Motion passes.

*** {MOTION ADOPTED}

CHAIRMAN CAMPBELL: Thank you, gentlemen. Thanks for coming in.

(4) Miscellaneous:

(5) Informational:

CHAIRMAN CAMPBELL: That was our only action item today. We do, however, have several informational items which I will go down through because I see some people here that want to speak. Department of Transportation. That's just Equipment Acquisition Plan. Department of Administrative Services, the Projects Monthly Report. Capital Budget Projects on the next one. Move down to the State House home -- State House Dome Renovation. Representative Graham.

REP. GRAHAM: Thank you, Mr. Chairman.

CHAIRMAN CAMPBELL: Somebody here from Administrative Services to talk to us about the State House Dome?

REP. GRAHAM: Commissioner Connor.

MICHAEL CONNOR, Deputy Commissioner, Department of Administrative Services: Good morning.

REP. GRAHAM: Every time I look up at the dome it looks worse. In the biennium that -- last biennium we put money in to renovate it with the understanding that it would start with the next biennium if we gave you additional money which you said 2013 would begin construction. Last summer. Last summer.

MR. CONNOR: 2013. Mike Connor from Administrative Services.

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CHAIRMAN CAMPBELL: Thank you.

MR. CONNOR: The original plan was to start work this summer. And I believe I have an informational item that you have in front of you that would actually describe the situation, and I'll be glad to summarize that for you.

Before we actually did any work, we did an extensive study of the dome just to try to understand why the -- why the -- you should have an informational item for that. Hopefully, it's 14-025. Everybody find that? Basically, we want to find out why the gilding prematurely failed. So we did an extensive study and we found out that because of the way they staged it and the amount of people that they had, they basically stripped the dome, primed it and sized it in one year, went through the winter, and then applied the gilding. What ended up happening there is that the sizing basically through the winter lost some of its grip or teeth as they say, and so it didn't adhere as well as what we would like it to do. And, secondly, they used boatswain's chairs which what happened is because of the ropes and because of the way they swung, they actually did wore away some of the gold.

So to preclude that from -- or to prevent that from happening again, we are asking that the contractor to actually put full scaffolding up the full height of the dome so they can put more people on it and accomplish all of the stripping and regilding in one, basically, summer/fall.

What we found out earlier this year is that the roof structure on the east and west, the gable roof structure will not support the point loads for full scaffolding. So we don't want to do any damage to the roof. So we are going to need to reinforce that roof structure in order to support the scaffolding to do the job properly. And in the second way is that we want to reinforce that roof so that every other time we don't go up we are not going to re-incur a lot of delays and/or costs. We only do it once permanently, do it in such a manner

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that it's historically acceptable, that maintains the structure of the historical building, but then protects it, also.

So what we are doing right now is working with the contractor and the scaffolding folks to give us the actual point loads that we are going to need, and then within the next couple weeks we hope to get that back. We are going to hire an engineering firm or have an engineering firm to actually design what we are going to need to support -- what structure we are going to need to support that currently. And then get that -- hopefully, get that done by the end of this year so that next year we can actually go up there and do all -- all the gilding work and painting and restoration work in one summer/fall.

CHAIRMAN CAMPBELL: Follow-up.

REP. GRAHAM: Thank you, Mr. Chairman. When you say next year, you're talking the summer of '15, which is in the next biennium and you hope that the money will be continued in the next Capital Budget.

MR. CONNOR: Well, that's the hope. We all would like to get the dome fixed. Right now if we were to proceed, I'm very concerned that we would not get a complete job and we would risk damage to the roof.

CHAIRMAN CAMPBELL: Thank you. Representative Benn.

REP. BENN: Thank you, Mr. Chairman. Mike, the -- two questions. The amount of money that has been allocated for it, is it going to cover this additional work or you may be already coming back for more?

MR. CONNOR: No. Actually, what's disclosed in the letter is basically we think right now it is very premature at this point, somewhere between two sixty and \$300,000 to do that extra work, reinforcement of the roof, design and reinforcement of the roof. We are planning on using some of the emergency funds that

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have been approved by you in prior Capital Budgets in order to do that so we can keep the project moving ahead and not incurring any extra costs and then be able to do that. So that's our plan.

REP. BENN: And follow-up. In terms of the failure of the gilding, is there any explanation as to why the west side seems to fail and the east side didn't? Or maybe I'm wrong. Maybe the east side has failed, also. Doesn't appear to.

CHAIRMAN CAMPBELL: North side is worse, I think.

REP. BENN: So the side that faces us wherever we are.

MR. CONNOR: It has something to do with how they were able to work it and at what point in the project. That was the latter piece of the project that they did. So as they moved around, it was later in the project. So you had -- the later you had in the project, the more problems you had with adherence.

REP. BENN: Hm-hum.

CHAIRMAN CAMPBELL: Any other questions? Representative Weyler.

REP. WEYLER: Thank you, Mr. Chairman. Mr. Connor, by putting up the staging and applying the gilding and to finish all in one construction season, what's the projection before we'll need to gild it again?

MR. CONNOR: Well, I mean, I guess there's a lot of variables, but we had hoped to have 30 years. That was our -- our expectation the last time we did it and we were somewhat short of that. Something around 18 years or so. So we are hoping to get 30 years out of this. Now, we will have to repaint it. Obviously, even the best paint in the world we are going to be up there again in 10 or 12 years probably a couple times before we regild it again. That's why it's really important that we do the proper preparation so that we can put

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scaffolding up, do the job we need to do, and maintain the State Capital as we should.

CHAIRMAN CAMPBELL: What about the ceramic paint they have out now? Ceramic paint?

MR. CONNOR: I'm sure we are going to be using the best paint that we can use.

CHAIRMAN CAMPBELL: But the ceramic paint is supposedly forever, like 50 years. Have you ever heard of that, ceramic paint?

MR. CONNOR: I can -- Ted Kupper or Tim?

CHAIRMAN CAMPBELL: I mean, we're involving scaffolding and everything else. It's an extraordinary cost. I just had somebody I know personally did it up at Lake Sunapee and it's ceramic -- enamel-based. Sorry. No, ceramic -- ceramic-based paint. You do it once and it's guaranteed for as long as you own it. And the State of New Hampshire is always going to own the dome.

MR. CONNOR: We'll be glad to ask the question. I'm not familiar with it.

CHAIRMAN CAMPBELL: I mean, yeah, just because the extraordinary cost and time to be able to do that. That's where you could justify an extraordinary cost, I think. But if you look into it, anyway, I'd appreciate it.

MR. CONNOR: Be glad to ask, sure.

CHAIRMAN CAMPBELL: With that, any more dome questions? Thank you.

I apologize to the University. I skipped over it because I forgot my glasses today. We should have gotten the final report of KEEP and I see there's some officials from the University here. You want to speak briefly on that?

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CATHERINE PROVENCHER, Vice-Chancellor of Financial Affairs and Treasurer, University System of New Hampshire: Yes, please.

CHAIRMAN CAMPBELL: Yes, please.

MS. PROVENCHER: Briefly.

CHAIRMAN CAMPBELL: Briefly, yes.

REP. WEYLER: First time before us in the new position.

MS. PROVENCHER: Good afternoon.

CHAIRMAN CAMPBELL: Good afternoon.

MS. PROVENCHER: My name is Catherine Provencher, and I serve as the Vice-Chancellor for Financial Affairs and Treasurer for the University System of New Hampshire. Longer than State Treasurer.

CHAIRMAN CAMPBELL: Longer heading but welcome back.

MS. PROVENCHER: Thank you, thank you. And I will be brief this afternoon. The report -- do you all have a copy of the report?

CHAIRMAN CAMPBELL: We do.

MS. PROVENCHER: Okay. The report that has been provided is kind of the final wrap-up of the KEEP Program. And the KEEP Program, as you well know, started back in 2001 and ran through 2013. And over those years a total of \$235 million in capital appropriations was awarded to and expended by the University System of New Hampshire. And I/we will argue that that program was a tremendous success in that it solidified a partnership between the University System and the State and allowed the University System to do long-term capital planning that sometimes is a challenge, you know, for the State when we do our

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two-year capital planning. It was -- it was beneficial to the University System.

The report provides for you a summary of the activities and the capital construction that was undertaken with those KEEP dollars. I -- I want to make sure that I communicate to you that the University System also has a bigger capital program other than the State appropriations. There is a pie chart on Page 3 that you'll see that over the KEEP years, 2001 through 2013, the State portion of the capital expenses were about 21% of the total. And the two other big pieces of that capital work that's done by the University System is funded with what we call HEFA bonds. That's external debt issued in the marketplace through the Health Education Facilities Authority, and those are for residential dorms and dining facilities; and what backs the bond payments are the revenues generated from dining facilities and from room and board.

CHAIRMAN CAMPBELL: Room and Board.

MS. PROVENCHER: The other large component that is funded for University System construction is what we refer to as internal borrowing. And I know that has been, I think, in the very recent past almost a mystery to folks here in Concord. What in the world is internal borrowing?

The University System has reserves that it has set aside for a variety of purposes, appropriately so. And internal borrowing the University System invests in itself. So takes portion of those reserves and the campuses can borrow from that and pay that back with interest. So it's literally internal borrowing. And you'll see that's a significant portion. That was 38% of the total over that period of time.

I, again, really want to be brief, but that if you haven't had an opportunity to, I urge you to read through the eight-page report that's provided with the benefits that were derived from the KEEP Program. There have been just an enormous increase in the number of graduates in the area of science, technology,

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engineering and math. And the KEEP dollars were specifically targeted to academic buildings and those primarily were science and engineering and chemistry buildings over that period of time.

And the last thing I'll say is that if you totaled up all the facilities space that's owned by the State and owned by the University System, about half is University System and half is State. That's an enormous component of the total facility space that, you know, we have here in our state. And the cap -- under the KEEP Program, 28% of the total Capital Budget was targeted to the University System over that extended 12-year period. And, again, as indicated in the pie chart, with the balance kind of funded by internal borrowings and external borrowings by the University System.

I'm happy to answer any questions. I, also, if you have any questions -- I should have brought some cards -- if you have any questions as on a go-forward, please, do not hesitate to hunt me down and I know some of the House Public Works members came for a visit at UNH last week. The System and all of the campuses are happy to have members come to the campuses and see the work that was done with the KEEP Program. And it's my understanding that the System is going to make the same offer to the Senate Capital Budget Committee that it made to the House Public Works.

CHAIRMAN CAMPBELL: Thank you. Brief questions? Go ahead.
Representative Benn.

REP. BENN: Yes, thank you, Mr. Chairman. Cathy, if I can be familiar.

MS. PROVENCHER: Yes, absolutely.

REP. BENN: I just want to say that I think a number of us, Jim, John, John, and I were there in 2001 when this began and I think it's probably one of the most successful that I've seen, and I'm really proud to have been part of it, and I hope it will work as a model for the future so we don't go from one Capital

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Budget to the next. We're able to look a little bit beyond two years. I think it demonstrates that that works. Thank you.

MS. PROVENCHER: Well, thank you, Representative Benn. And I will be coming to visit you then in the next session.

CHAIRMAN CAMPBELL: Thank you. Any other questions? Thank you. Thanks for coming in today. Thanks for going over that. Sorry I skipped over you.

MS. PROVENCHER: No, no, not at all.

CHAIRMAN CAMPBELL: Any other informational items the Committee has any comments on? If not, I'm going to ask for the Corrections to come up and give us an update as promised from the last meeting. Welcome, gentlemen.

MR. CONNOR: Good afternoon.

WILLIAM MCGONAGLE, Assistant Commissioner, Department of Corrections: Good afternoon.

MR. CONNOR: Again, for the record, Mike Connor from Administrative Services where I serve as Deputy Commissioner. And with me today, Assistant Commissioner of Corrections, Bill McGonagle.

At the last meeting we were here and basically the Laws of 2013, Chapter 195, require the Department of Corrections to submit a design plan and approval by April 1st, 2014, to the Capital Budget Overview Committee. At the last meeting, we saw and obtained an extension for another month in order to provide you an update and request permission to approve the design. Since then, we have been working with SMRT and Gilbane to do the following:

To consolidate the footprint and reduce the square footage.

To review the hayfield across the street to see if it would be feasible to locate the facility there.

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And to look to reduce costs on the site, if wherever possible.

We also reviewed building construction types and worked to reduce the estimated cost to build the facility.

We have been successful. Bill's done a great job with his team putting together a design that consolidates the facility into 112,833 square feet. You can see that in Exhibit 3 of your -- of your package today. I don't know if you all have copies of that, but it basically shows the schematic drawing of the proposed facility, a consolidated design. There's also a couple alternates in there that Assistant Commissioner McGonagle can talk about a little later.

We also reviewed the hayfield, Exhibit 2, and we found that it was not large enough for the proposed facility, including a softball field or the ability to expand to 350 clients as required by law. We have a drawing of that in the package that's actually shown on Exhibit 2. It shows the facility as it was laid out on the hayfield across the street. You can see that it doesn't fit within the boundaries, nor does it allow for any open space or for any type of softball field which we need for parity.

We've also been able to reduce the site. The site's been a big concern. The last estimate we had at the last meeting was 6.3 million. We have been able to do a little more work working with our team to reduce that to 4.9 million.

CHAIRMAN CAMPBELL: A number to what, 3.5?

MR. CONNOR: What we had internally, yes.

CHAIRMAN CAMPBELL: Right, yes.

MR. CONNOR: Our first estimate from Gilbane was 7 million.

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CHAIRMAN CAMPBELL: Right.

MR. CONNOR: Last meeting we were at 6.3. We've reduced it some more working together collaboratively to 4.9. In that 4.9 is 650,000 that's still allocated as an allowance to do site drainage. And we feel that we can do a lot better by working with surface run-off and proper design and controls to mitigate or reduce that number significantly.

We have also scheduled borings this week so that we can get a better idea of what we're dealing with here to reduce the risk and hence the estimates. Please keep in mind that everything we are talking about today are just estimates. We have no means of controlling them by contract. It's what they have in their gut. There's nothing until we actually bid this, and I'll talk a little bit about that later and that's an open bidding process. It's different than what we traditionally do.

Traditionally we do design/bid/build. In this particular case, because it's construction management, you set out estimates and then you actually bid it and it's open bidding and we get to see that. If we don't like it, then we can ask them to bid again. So there's a lot of different options.

And then our team has also been working with Gilbane to reduce their estimate. Their last estimate they have reduced it now to 403 per square foot. I'm going to handout, with your permission.

CHAIRMAN CAMPBELL: Sure.

MR. CONNOR: That's the last piece that came in right before we had to submit this. It's at 403 per square foot or 45.5 million. It's still a ways from our goal. Our goal is to try to get to close to 360 per square foot, and the reason that I say 360 per square foot, if you can take a look at Exhibit 4 as part of your package, we actually did some comparisons to other prisons of similar type, including way back when the facility that we built in Berlin that we're using now, we took

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those numbers and brought them up, but using inflation factors from an engineering report to bring them -- normalize them into today's numbers.

So if you look at the bar graph in Exhibit 4, you can see the comparison of different costs across the region and typical other facilities that have been built. You can see that the norm there is somewhere between around 350. The most recent estimate that we received from SMRT who's our team -- architectural team, they actually hired a third-party estimator and they came in at \$355 per square foot.

So you can see where Gilbane's estimates are. Their first estimate was at 420 -- let's see 424. Estimate number two was at 429. Their most recent is 403. So they're getting down there. But, again, at this early stage in the game, they're very reluctant to reduce it much further. You can see in their most recent estimate they still have close to \$4 million in contingencies and is just not willing to give those contingencies up at this point until we can reduce the risks out there.

We haven't -- at this point, there's no plans for them to really look at. It's a narrative. It's a program that we have. And we really need to continue through the process in order to refine it, reduce those risks and get the dollars down. We still would like to get it at 360 a square foot which would get us within 10 to 15% of budget and that's what we disclosed in our report. That's our intent. And you'll see in the next Capital Budget a request there for approximately \$6 million from the Department of Corrections, 2 million for fixtures, for equipment --

MR. MCGONAGLE: Furniture, fixtures, and equipment.

MR. CONNOR: Thank you. And the balance of \$4 million what we think we'll need to finish the project at 360 a square foot which is comparable to other sites and locations and facilities of that nature in the region. What we would like to do, unless

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you have questions at this point, we'd like to talk about the next step, if that's acceptable.

CHAIRMAN CAMPBELL: Senator Rausch.

SEN. RAUSCH: I do. Thank you, Mr. Chairman. Refresh my memory is that we haven't actually put this out for bid yet; is that correct?

MR. CONNOR: Yeah, it's different. In construction management, it's different than a traditional bid where you -- you design it ahead of time and put it out to bid. That's not how this works. Construction management is a teamed approach where they -- there's work on -- they give you preliminary estimates all the way through and then what we do is we request that they do -- we actually complete design development documents, and at that point they provide a guaranteed maximum price. And that's when we have to agree that's the guaranteed maximum price that we are going to live within. Now, we shoot to get under that but they can't exceed that. That hasn't happened yet. We are not even at design development yet.

SEN. RAUSCH: I guess my question is, are we locked into Gilbane?

MR. CONNOR: No. I mean, we have a contract with them. So, you know, we could get out for, if we wanted to, for no -- I don't know what the right terminology is but not for cause, if we wanted to. But at this point they're just estimates. And they haven't even received design development yet. So we are asking them to price something finitely when we really haven't given them all, you know, schematic drawings and that they can even price it with. They're just estimates at this point.

SEN. RAUSCH: What is the motivation for them at this point to come down below their 420? I mean, I don't see right now where there's -- I guess it -- because it is different than the bidding process, why would they negotiate down from 429?

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MR. CONNOR: Well, at this point, there isn't much reason for them to do that because it's just an estimate. Their fee is based on the \$32 million stipulated amount that we had in their proposal and in their contract. If, in reality, that price is more because of the market, then we would have to adjust the CM fee, but their CM fee is basically it's fixed as long as we -- if we can bring it in at 32, which is a very aggressive number based on what we have seen across the region.

SEN. RAUSCH: Follow-up.

CHAIRMAN CAMPBELL: Yes.

SEN. RAUSCH: I'm still trying to figure out how you think you're going to drive them down to 360 when at this point I see no motivation for them to do so because they -- I mean, I guess that's the part where maybe I'm missing something here, but --

MR. CONNOR: The bidding process is unlike other situations, is an open bidding process where we participate in. And so what happens is if we can come to agreement on a guaranteed maximum price, which I haven't said that we can, but if we could, and we'd have to be within our budget to do that, then the bidding process is open and we get to see those bids as they come in; and we're truly partners at the table. So we can say we don't like those bids. Go back out to bid again, find another firm so that we can drive the cost down, because their fee is set at this point.

CHAIRMAN CAMPBELL: You understand the consternation of the members here?

MR. CONNOR: I do. I understand where you're sitting.

CHAIRMAN CAMPBELL: Senate Members, House Members, we are legislative oversight committee and we had a budget number of, what, 38 million?

MR. CONNOR: Yes, all in.

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CHAIRMAN CAMPBELL: And now you're coming in and, you know, sharpening the pencils, and I understand that you haven't gone to bid yet. These are still estimates and that they have a vested interest and give them the benefit of the doubt and not giving up those estimates because they don't -- they don't want to be wrong.

MR. CONNOR: Correct. Because they don't want --

CHAIRMAN CAMPBELL: Give them the benefit of the doubt.

MR. CONNOR: They don't want to have a guaranteed maximum price that's too low, because then they're on the hook for that. So they want to have it, obviously, enough of a comfort level.

CHAIRMAN CAMPBELL: So we're going to ask more questions; but when we finish these questions, you're going to be asking us for something today.

MR. CONNOR: We will. Asking you what the law is which is to approve the design.

CHAIRMAN CAMPBELL: Okay. Ask a couple more questions then we'll go on.

REP. BENN: Sure. Thank you, Mr. Chairman. If I understand, I just want to go back to what Senator Rausch was saying. I mean, for Gilbane versus some other contractor, who is doing the general GM'ing of the job, they're on a fixed -- you have a fee for them?

MR. CONNOR: Based on a stipulated amount or an allowance of 32 million.

REP. BENN: Right.

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MR. CONNOR: That's how -- that's how that was bid. The fee and the overhead and profit was bid based on a stipulated amount of \$32 million. Our number, not theirs.

REP. BENN: That's how you selected Gilbane?

MR. CONNOR: Correct.

REP. BENN: So then, presumably, no matter who it would be, whether it be Gilbane or contractor X, they would put it out to all the other subs out to bid.

MR. CONNOR: Correct.

REP. BENN: They're all going to get a reasonable -- about the same kind of bidding depending on the market.

MR. CONNOR: That's what we hope, but we get to participate in that process.

REP. BENN: Right. And so there isn't incentive for them just to continue as managers for the project. And they're not going to really gain because other -- they're going to try to get the best price they can from all these other contractors to get it down. I think that's the presumption.

CHAIRMAN CAMPBELL: They have a professional reputation.

MR. MCGONAGLE: If I may? Also, the -- Bill McGonagle, by the way, from Department of Corrections. The -- the -- Gilbane has gone out to a selection of subcontractors in New Hampshire and close by and gotten estimates on, you know, the different systems and the different trades that are involved. But we have to expect that while Gilbane is building in contingencies to kind of protect their back, so are those subs. So as the design development firms when we get schematics for the electrical systems and the plumbing systems and the drainage systems and all of the mechanical systems, then they're going to be working with more fixed expectations, and they can develop more fixed estimates of what it's going to cost, and then develop an actual

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bid to provide those services. So it's -- we're still quite a ways away.

CHAIRMAN CAMPBELL: Follow-up.

REP. BENN: Follow-up. Within the contracts that you're dealing with, are there any expectations that they use New Hampshire labor when available?

MR. CONNOR: There's no requirement for that.

REP. BENN: There's nothing in the contracts?

MR. CONNOR: No.

CHAIRMAN CAMPBELL: Representative Graham.

REP. GRAHAM: Thank you, Mr. Chairman. Mike, if we could back up to something that you just sort of slipped in. How much more do you think you're going to need in the next Capital Budget?

MR. CONNOR: I'd like to correct. I didn't slip it in. It's actually in --

REP. GRAHAM: You just kind of went over it.

MR. CONNOR: It was in your report. So I believe in full transparency here. And as we stated in the report that based on the numbers that we've seen from other places, the estimates that we're getting from our -- SMRT, our architect and engineers, that we are anticipating coming within 10 to 15% of budget, budget meaning 38 million. So we're -- we've -- we have -- actually, Corrections has submitted a request for \$6 million in the new Capital Budget; 2 million for fixtures, furnishings, and equipment, and the balance is what we think we are going to need to complete some of the other items. And we are proposing, in order to do that, we are proposing to have some "add alternates" into this which will be the ball field,

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which we ultimately need to do for parity, and some of the other things that aren't in the critical timeline of construction, but need to be finished. And then our goal would be that we would have actual prices for you in the next Capital Budget a year from now or actually probably ten months from now so we can say, okay, these are the real numbers. Again, not estimates. It's all fuzzy estimates right now so we can say what that is. But that's our goal so -- but I'm not slipping it in. I'm being perfectly honest and upfront with you.

CHAIRMAN CAMPBELL: You want to finish what you were -- your presentation for us?

MR. CONNOR: Yes, if that's --

CHAIRMAN CAMPBELL: Yes, please.

MR. CONNOR: Based on where we're at and in talking with the team and the progress that we've made, we are recommending the following:

Obviously, by law, it's a requirement for the Capital Budget Overview to approve the design of the facility, which we feel that we have consolidated as much as we can to meet the program needs that we have, to meet the ACA requirements, American Corrections Association requirements, and also the laws and decrees that we have. We're there. We can't cut the program anymore. We can't shrink it anymore. We've gone from many different types of construction and mechanical systems to get it down as much as we can. So we really request the following. And we also looked at the hayfield to see if that would work.

We did take a look -- I know at the last meeting you talked about Laconia and Berlin, and we did look at that; at least, preliminarily. We took a look at the soils there. And in Laconia, assuming that we would build on non-developed land, there are two potential locations. One to the north which is a hill-sloped area that's a nice spot, actually, with trees, and then there's another location to the east which is mostly farmland. The soils there on the north end which is on

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the -- are basically rocky and sloping, which is what we are dealing with glacial fill, which is what we are dealing with at the location at the Prison. And then the other farmlands are silt and a lot of silt and sand, which is what we ran into at the hayfield, which requires some additional cost to put the extra supports and footings that we would need.

So we are basically looking at little or no premium to put it in the current location from a Capital Budget perspective; but from an operating perspective some significant savings and extras costs that these folks would need to operate and there are a whole bunch of issues that Bill can go through as far as hospitals and support services and things like that. But we did take a look at those areas.

We're concerned about any future delays. We would like to proceed with the original concept, which was to complete the site design and actually have the site work complete before winter. And what that will do is that will keep us on track. It will have given us some progress. It will also prevent some extra costs, both in delay costs and also winter conditions. 'Cause if we don't do it this fall, next year because of the run-off we won't be able to actually do any site work till, you know, May or June, and then we'll be into winter conditions the following year which will add anywhere from three to \$400,000 to the project.

So what we'd like to do, and we do have your concerns regarding the budget, whether we'd like to be there or not. So what we talked to the Department of Justice about doing was to break it up into pieces. Not a lot of pieces but one particular which is design. I mean, typically, you would go for guaranteed maximum price for the whole project, and we agree that we are still not where we want to be. But what we'd really like to do is break the site up first so that we can have the, with your permission, we'd like to go forward with the continued design of the site and have them complete that so we can get a guaranteed maximum price to the site, less than the 4.9 that we are at now, and to be able to move forward with that site work, start in September and finish by December.

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In addition at the same time, we'd like to continue with the design development so that we can get all those plans developed, give them to Gilbane. We're anticipating that late June and then July and August we can be sitting down hammering out what the guaranteed maximum price is. At that point, if we can't come to agreement, we could do other things. At least, we could get the site work done which we need to do anyway and that will make good progress going forward. So that is basically what we're asking to do today and for your consideration and approval and be glad to answer any questions.

CHAIRMAN CAMPBELL: Nancy.

SEN. STILES: Thank you, Mr. Chairman. What is the current residency and the proposed capacity?

MR. MCGONAGLE: Well, I track the -- our population with looking at the women who would go into that facility if we moved in today. And on May 1st we would have been moving in with 370 -- I mean, 176 women. And the capacity that we're designing it for is 208. And the last several months have kind of created a little concern on my part because the population has been going up. But we had a similar experience a year ago, those same months it was up, and then we saw a downward trend over the warmer months. So we're really hoping to see that again. So it's 176 to 208 is the difference between the population.

SEN. STILES: Thank you.

CHAIRMAN CAMPBELL: Mike Kane, could I ask you a question --

MR. KANE: Sure.

CHAIRMAN CAMPBELL: -- procedurally? We are supposed to have Corrections in here on a quarterly basis for updates.

MR. KANE: Quarterly basis.

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REP. CAMPBELL: Then there's a statute that also says that we need to give approval to design before any construction can take place.

MR. KANE: Yes. Basically, it reads the design for the project shall be submitted no later than April 1st, 2014, to Capital Budget Overview Committee for approval, and shall include sufficient acreage for possible expansion to 350 beds for future needs. There was an item on the April agenda dated March 31st.

CHAIRMAN CAMPBELL: That we deferred to now.

MR. KANE: And then they asked for another month. Just have a question on specifically says design for the project shall be submitted no later than April 1st for approval to the Capital Budget and shall include sufficient acreage for possible expansion to 350 beds for future needs. There's two options being referenced in the letter today. One, I believe, does not have sufficient -- doesn't have sufficient acreage for possible expansion to 350 beds. So that's the current site behind the Prison. I'm not sure if the hayfield if they could comment on whether or not that can be expanded.

MR. MCGONAGLE: Excuse me. The area behind the Prison has more than enough acreage to --

MR. KANE: Okay.

CHAIRMAN CAMPBELL: That will -- that's why we are asking the question. Trying to get the statutes we have to abide by so just trying to -- yeah, finish.

MR. CONNOR: You can see we have extra land. Shows the growth potential, also shows the softball field.

MR. KANE: Okay.

MR. CONNOR: But thank you.

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CHAIRMAN CAMPBELL: What you're saying the design plan you're asking us to approve today, which is being -- which is being extended according to Mike -- Mike Kane from last week -- from last month, does meet the statutory, at least, broad outline of how that being expandable in the future.

MR. CONNOR: Correct.

CHAIRMAN CAMPBELL: On the site behind the Prison.

MR. CONNOR: Correct. As depicted and illustrated in Exhibit 1.

CHAIRMAN CAMPBELL: That's the only action required at this point; is that correct?

MR. CONNOR: That's correct.

CHAIRMAN CAMPBELL: I'm sorry, Representative Benn first.

REP. BENN: Thank you. Just in reference to the site plan, are the -- there's a fairly substantial cut that's basically a 45-degree angle, a one-on-one cut. Is this a reinforced bank or is this --

MR. CONNOR: Sure. With permission, I'd like to bring Ted Kupper up. He's our Administrator for Bureau of Public Works for design and construction. He can speak to it in better detail than I can.

THEODORE KUPPER, Administrator, Bureau of Public Works, Department of Administrative Services: For the record, my name is Theodore Kupper. I'm a professional engineer employed by the Department of Administrative Services, Bureau of Public Works.

To answer your question, there is a significant slope behind the Prison. And in order to build the Prison, the new Women's Prison there, a pad has to be created. And it's not uncommon on slopes like this to excavate from the upper portion

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of the site and deposit that fill below to create that pad. There will be -- the soil that will be used there will be compacted and any slopes between this site and the Men's Prison below will have revetment or some sort of surface that will reinforce that.

The slope behind we expect to get some drainage off of and there will be storm drainage between the natural slope and the back side of the Women's Prison to capture that drainage and move it around to the sides where it can be mitigated.

CHAIRMAN CAMPBELL: Thank you.

REP. BENN: Just a follow-up.

CHAIRMAN CAMPBELL: Yeah, sure.

REP. BENN: Is that one-on-one, you can't mow it or anything else? I mean, it's basically too steep to walk on.

MR. KUPPER: Correct. It will be a hardscaped treatment when it's finished.

CHAIRMAN CAMPBELL: Senator Rausch.

REP. BENN: Thank you.

SEN. RAUSCH: Thank you, Mr. Chairman. I would like to work off of this for a minute that you just handed out. You're -- just the first column total combined, you've got for the construction 38.8 million, and then you've got your fees and your contingencies. So you come out with a total of 45.4 million.

MR. CONNOR: Correct.

SEN. RAUSCH: Are we together yet?

MR. CONNOR: Yeah.

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SEN. RAUSCH: Now, what I'm comparing on this one, you come out with a per square footage total of 403.

MR. CONNOR: Hm-hum.

SEN. RAUSCH: Before you were talking 469 which at 469 from 360, we would be saving about -- quickly about seven and a half million if you brought it down to 360 per square foot from 479.

MR. CONNOR: Correct.

SEN. RAUSCH: But you're already down to 403 now. Is that the number?

MR. CONNOR: We are at 403. Our goal is to get to 360.

MR. MCGONAGLE: Should be noted that the higher figure was not 469. It was 429.

MR. CONNOR: Right. All we are saying that's where we started.

SEN. RAUSCH: Yes. Okay. 429, I'm sorry.

MR. CONNOR: To your point though, to where we are at now, we are at 403 and the delta is about \$7 million. That's your point. At 360 we are about 4.5 million, something like that.

SEN. RAUSCH: So if you -- follow-up?

CHAIRMAN CAMPBELL: Yes.

SEN. RAUSCH: If you get -- let's round it off. Let's take 5 million. We are now down to 40 million, but we are supposed to be at 38 million.

MR. CONNOR: Oh, agreed.

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SEN. RAUSCH: So we're still 2 million off, but yet we've got in contingencies --

MR. CONNOR: Right, close to 4 million.

SEN. RAUSCH: -- almost 4 million.

MR. CONNOR: Correct. As we go forward and as we get the design development done and the bids that will shrink. That contingency will shrink, but they're not willing to shrink that now because they haven't seen design -- they haven't seen documents and specifications yet.

SEN. RAUSCH: You've got three-quarters of a million dollars just in inflation contingencies?

MR. CONNOR: When you say you, this is Gilbane Construction's estimate. This is not our -- that's why we feel we have room to move.

SEN. RAUSCH: And follow-up?

CHAIRMAN CAMPBELL: Go ahead, ask the question.

SEN. RAUSCH: What you're asking us to approve -- what component of this spreadsheet are you asking us to approve?

MR. CONNOR: Actually, none of it.

SEN. RAUSCH: Not even the site work component?

MR. CONNOR: Because they're only estimates. They only serve as a point in time as to where we are. The only thing I'm required to request is by law the design, which is really Exhibit 1, which says this is design the building, this is where it's sited, and it meets the requirements of the law.

CHAIRMAN CAMPBELL: Mike Kane, while we are continuing our questioning, would you write-up a statement of what needs to be approved so it meets the statutory language --

MR. KANE: Sure.

CHAIRMAN CAMPBELL: -- in the interim? Representative Graham, did you have a question?

REP. GRAHAM: Yeah, I did, Mr. Chairman. Mike, if -- when we hear this -- when we approve this, we are almost irrevocably moving and saying it's going to be behind, what the law says, behind the Men's Prison.

MR. CONNOR: Correct.

REP. GRAHAM: And all of the discussion is off the table.

MR. CONNOR: Correct. That's what you asked us to do to look at.

CHAIRMAN CAMPBELL: For location.

MR. CONNOR: Yes, yes.

CHAIRMAN CAMPBELL: For some reason, just to ease our -- some of our minds here, I think, if there was some reason budget was catastrophically off, what would be the corrected measure there how to proceed?

MR. CONNOR: Well, the next step is after design development is they provide us with a guaranteed maximum price. If we don't come to agreement, we can part company.

CHAIRMAN CAMPBELL: Okay.

MR. CONNOR: I hate to take you down that road. I want to be optimistic.

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CHAIRMAN CAMPBELL: No, I'd like that on the record. I think that's good to know.

MR. CONNOR: Yeah.

CHAIRMAN CAMPBELL: Senator Larsen.

SEN. LARSEN: One of the reasons, of course, we're building this is because our current programming and current ability to program at the Women's Prison is so limited and overcrowding at what is rented space. I am not clear when I look at Exhibit 1 are we building all of the kind of campus style, because we're approving a design today, at least we are approving the site design, right? Or are we approving actually the actual placement and number of buildings?

MR. CONNOR: It's really the design. And, more specifically --

SEN. LARSEN: The site design?

MR. CONNOR: -- your Committee had concerns over where it was going to be located 'cause you didn't want it some other place.

SEN. LARSEN: Right.

MR. CONNOR: That's the purpose.

SEN. LARSEN: So because of -- I am concerned because of some of the cost constraints that we know we're running into. We approved a \$38 million prison. I agree, I think behind the Men's Prison here in Concord is probably your best site and you have that capacity to grow there. Obviously, there's a lot of granite work to do and site work. But I'm just -- what I'm concerned about is I would hate to see us cut down on what we need to do for programming space because we are limited physically and that we would cut down on program rooms and end up with just another housing unit that has no ability and space for the programming

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we know needs to happen for skilled training and all the other things we're hoping will happen in this new site and will result in parity.

So I attended the evening explanation of what the building was going to look like. I think it may change somewhat now because of costs. But at what point do we, as a Committee, get to see what's happening to the new design of the actual building? And can we be sure that your -- I have a feeling there are other people in the room who are keeping an eye on your programming space, but we need to make sure that that happens.

MR. MCGONAGLE: First of all, Exhibit 3 is -- shows the schematic design of the facility in its current state of development and --

SEN. LARSEN: Is that different from what you presented at the public meeting?

MR. MCGONAGLE: Significantly. It doesn't reduce the program space. It may squeeze rooms a little bit. It -- one of the major concessions is we've moved away from the village style concept. We've moved the C-3 housing and C-3 wellness housing contiguous to the building -- to the main building, which helps us with mechanical and plumbing runs and all of that. So the only separate building is the C-2 housing that's -- that's on the other side of the courtyard. And here we made a significant shift in that that's going to be a stick-built facility similar to the C-2 housing for men that is right along North State Street.

SEN. LARSEN: Is that the freestanding building in the back?

MR. MCGONAGLE: Yeah. The only freestanding space is that. We have had to make some real changes on the flow of the facility. We explored stacking the buildings, but that created more circulation space and stairwells and elevators and it turned out to be not efficient to do that. So a single floor

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site like this with the housing units having an upper deck and a lower deck is by far the most efficient.

CHAIRMAN CAMPBELL: All set?

SEN. LARSEN: Just quickly. So you would summarize that you believe that there will be adequate programming space. The spaces may be a bit smaller, but you haven't eliminated the -- the recommended intended for programming.

MR. MCGONAGLE: The only thing that is part of the add alternates -- we've got two add alternates that you can see on the drawing which is a covered sally port going into the service yard and the training space. We moved those into add alternates. And -- but the two things that are in add alternates that are priorities are, one, the ball field, and an additional four-bed ward in the medical area. And so we want to plan for those. But we -- we took them out so that we could squeeze this down into the first year project.

CHAIRMAN CAMPBELL: Senator Rausch.

SEN. RAUSCH: Thank you, Mr. Chairman. Again, if I go back to your spreadsheet and I look at the total 45 million, am I correct in assuming that is based upon Exhibit 3?

MR. MCGONAGLE: Yes.

SEN. RAUSCH: The reason I -- follow-up -- the reason I ask that is that I heard suggestions that we're potentially 20 million over and -- but if -- if this is based on the latest rendition, Exhibit 3, we are now from proposed 38 to 45, but we've got anywhere from 4 million in contingencies and also even there's another 2.7 that -- well, not all of it, but some of it is based on construction costs that still are yet to be determined. So we could potentially come very close to what Capital Budget approved.

MR. CONNOR: We -- again, our goal is to come within 10 to 15% of that initial number, yes.

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SEN. LARSEN: One last question.

CHAIRMAN CAMPBELL: Yes.

SEN. LARSEN: When I look at the Exhibit 3, it appears that theoretically you wanted the more campus feeling and if you were to -- if there were to be additional, it looks like you could phase this and return to the outbuildings creating a courtyard.

MR. MCGONAGLE: I don't understand what we could phase.

SEN. LARSEN: If you were to at some point find you needed additional space for programming or residential units, you would be able to build out where you had originally planned opposite, what is that C-1, or next door to C-1?

MR. MCGONAGLE: C-2 housing.

SEN. LARSEN: C-2. Sorry.

MR. MCGONAGLE: That I think in this -- in Exhibit 1 you see a dotted line where the ball field would be on the right-hand corner. I think we would probably move some of the housing out there if we had to build, and then we would have to replace the ball field.

CHAIRMAN CAMPBELL: The point being there is room for expansion whether it's programming or residential?

MR. MCGONAGLE: Yes.

SEN. LARSEN: Thanks.

CHAIRMAN CAMPBELL: Thank you. Real quick.

REP. BENN: I just want to make sure I understand that what you're asking is for us to approve this site plan. Are you also asking us to approve your scheduling and move ahead?

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MR. CONNOR: By law, just the design so we can move forward.

CHAIRMAN CAMPBELL: Mike Kane's been working up something we will be asked to approve according to the statute. Is there any representative from the Attorney General's Office here that wants to speak? No? I see Attorney Berry is here. Do you want to say something?

ELLIOT BERRY ESQ., Managing Attorney, New Hampshire Legal Assistance: If that's okay.

CHAIRMAN CAMPBELL: Yeah, briefly, please. So just so we all know what's going on. Thank you. Welcome.

MR. BERRY: Thank you. For the record, my name is Elliot Berry. I'm the Managing Attorney of the New Hampshire Legal Assistance, its Manchester office. I was trial counsel, one of two, in the original *Fiandaca* case which probably dates me a great deal. And I also represented the plaintiffs in the suit that was filed a couple of years ago to try to make the *Fiandaca* order a reality.

I want to say it's been an interesting and rather strange position to be in, but I've had a good look at the development of the proposal for obvious reasons. And what I have been really impressed with is a process by which the DOC has sat down and said what do we need in order to meet the correctional security or rehabilitative needs of this population, you know, for the foreseeable future? And what came out was something that I actually found quite inspirational and then they got preliminary indications of what that cost would be and from then on it has been an agonizing process, an absolutely agonizing process. And so, well, you start with something that you can really feel good about and the next thing you know you are in danger of losing adequacy in terms of -- especially in terms of programs and parity. And nobody, absolutely nobody wants that. They have struggled so hard to keep the programmatic integrity over everything except basic security, and I've been really impressed with their efforts.

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Truly and honestly, I don't see what more can be cut out. And, specifically, in the areas of industry, vocational rehabilitation, and recreational needs of the inmates, the first -- all of which I think are important for their future lives when they get out, but I don't -- and whether they can get down to 360 is way beyond my pay grade.

CHAIRMAN CAMPBELL: On behalf of this Committee, just 'cause you still represent the plaintiffs in the lawsuit --

MR. BERRY: That's correct. And so --

CHAIRMAN CAMPBELL: -- what we are being asked to vote on today satisfies you as far as being responsible?

MR. BERRY: It worries me but yes. It does worry me, but I think --

CHAIRMAN CAMPBELL: We always, always worry. Everybody in this room is always worried.

MR. BERRY: If what you're being asked to approve today will get the ball start moving down the field towards an ultimately successful score, if you will.

CHAIRMAN CAMPBELL: Thank you for that. That's very helpful to us. Thank you.

MR. BERRY: Thank you.

CHAIRMAN CAMPBELL: Any other questions? Thank you for coming in.

Mike Kane, if you don't mind reading for us -- by the way, in the future I think when we have them come in if we need action items, we probably should have it as an action item.

MR. KANE: Absolutely. That's historically correct.

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CHAIRMAN CAMPBELL: And does not come under informational; but in this case we will do it. And it's our fault, obviously, for extending it a month. But would you read a motion that would satisfy what needs to be done today?

MR. KANE: Sure. So what the Department is requesting is pursuant to Chapter 195, Section 1, subparagraph Roman numeral IV, Laws of 2013, the Department of Corrections requests approval of the design plan contained in the Department's Women's Prison Quarterly Report dated May 2nd, 2014, CAP Item 14-027, identified specifically in said report as Exhibit Number 1 and Exhibit Number 3.

CHAIRMAN CAMPBELL: Okay. The effect of that being?

MR. KANE: The design plan itself would be approved so there's no further approval.

CHAIRMAN CAMPBELL: Anybody wish to move that?

** REP. BENN: So moved.

SEN. LARSEN: Second.

CHAIRMAN CAMPBELL: Moved by Representative Benn, seconded by Senator Larsen. Is everybody clear on that motion? Do you want it read again? Do you understand what -- yes.

SEN. RAUSCH: Just discussion.

CHAIRMAN CAMPBELL: Yes.

SEN. RAUSCH: A little bit -- as I interpret that a little bit different than what was first said, was first said is that we are basically approving Exhibit 1, the design. But when we include Exhibit 3, we are also approving the design of the building.

REP. BENN: That's true.

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SEN. RAUSCH: But Exhibit 3 does go along with their spreadsheet of a total 45 million with a lot of contingencies.

CHAIRMAN CAMPBELL: Right.

SEN. RAUSCH: So I'm not -- I guess the real criteria is going to be is when they get down to the bidding process if, in fact, the contingencies are going to be reduced, the construction, so that they are going to come in closer to the 38, but 45 is a lot closer to 38 than 55 or 60.

CHAIRMAN CAMPBELL: Absolutely, by anybody's math.

SEN. RAUSCH: So I think it's just important that we recognize it is Exhibit 1 and Exhibit 3, which is not only the land but also --

CHAIRMAN CAMPBELL: Right.

SEN. RAUSCH: -- a proposal on the prison itself.

CHAIRMAN CAMPBELL: Okay. That's a very good point. Can I ask a question? What other hurdles are there that they have to meet as far as Capital Overview goes? Do they have to come back at future times? I've forgotten what we put in the statute in the past. Sorry to put you on the spot.

MR. KANE: If there was going to be a separate site, they would need prior approval. A separate site that wasn't adjacent to the Prison, they would need prior approval from Capital Budget Overview Committee before moving forward. Let me see if there's anything else. And just the quarterly report, that was it.

CHAIRMAN CAMPBELL: And quarterly report. Okay. So shouldn't be any other action item besides this one. Okay. All right.

SEN. LARSEN: May I make a quick comment?

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CHAIRMAN CAMPBELL: Yeah, sure.

SEN. LARSEN: Having worked for many years to improve the lives of the women at the Prison and their facilities that we try to offer some rehabilitation, I'm happy that this is proceeding and was happy to second.

The concern is that we should not see this as the final step. The concern is that if we find that this program demand cannot be met through this kind of a facility, I think we need to consider that there's space to do more things in the future. That was the purpose of my question was was there expansion room, was there a place to go. I clearly do not want to see us get up to our maximum capacity and/or seek a goal of reaching the 350. That is a possibility. But I applaud the Department of Corrections and Administrative Services for the work they have done thus far and I know it's been done with the best intention. So I just -- I just want to make sure that we don't see this as the absolute final step and we perfected our efforts to improving treatment for these inmates.

CHAIRMAN CAMPBELL: No. Thank you, Senator Larsen. Any other discussion? Seeing none, are you ready for the question?

REP. CLOUTIER: Mr. Chairman, one question.

CHAIRMAN CAMPBELL: Okay.

REP. CLOUTIER: Just to be sure. When we approve this, Mr. Chairman, if we vote to approve this today, we are just approving the site design, right? Is that my understanding?

REP. BENN: Site design and the footprint basic.

SEN. RAUSCH: Not if it includes Exhibit 3.

CHAIRMAN CAMPBELL: Exhibit 1 or Exhibit 3? Want to clarify that for us? Exhibit 1 being?

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MR. KANE: Exhibit 1 being the main design plan, Exhibit 3 being the actual structure itself, I believe.

SEN. RAUSCH: Were they asking for the structure? If not, you could eliminate Exhibit 3.

REP. BENN: Be safer.

MR. MCGONAGLE: Well, the schematic design, which is really just the proposal that incorporates all of the spaces that need to be there in order to meet parity, since this has been done, there's already been some minor tweaking. It's still within the same footprint but, you know, there have been shifts already. So it's not going to look exactly like --

CHAIRMAN CAMPBELL: Can we approve Exhibit 1 without Exhibit 3 and still be within the statute, Michael Kane, would you say? I think we can be.

MR. KANE: Yes, it's just the design plan. Exhibit 1 is the design plan, where they're going to site it, what the facility -- the conceptual design is.

SEN. RAUSCH: I would recommend we change the motion.

CHAIRMAN CAMPBELL: Representative Benn and the second want to change their motion?

REP. BENN: I will.

SEN. LARSEN: Yes, limit it to the legislative language.

MR. KANE: Exhibit 1 only.

CHAIRMAN CAMPBELL: Sorry, you want to read that motion one more time just sort of quick so we have it.

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MR. KANE: Sure. Pursuant to Chapter 195, Section 1, Roman numeral subparagraph IV, Laws of 2013, the Department of Corrections requests approval of the design plan contained in Department's Women's Prison Quarterly Report dated May 2nd, 2014, CAP Item 14-027, identified specifically in said report as Exhibit Number 1.

CHAIRMAN CAMPBELL: And that motion is moved by Representative Benn and seconded by Senator Larsen. We clear on the motion? Any further discussion?

REP. CLOUTIER: Mr. Chairman, I'm sorry, one final question. Does this -- if we vote to approve this now the way we have done it with the Amendment, this does not tie us as far as any specific figures, figure -- total figure of 45. Still have to go out to bid. Could be lower, could be higher.

CHAIRMAN CAMPBELL: Still got to be ground down by the good people in Administrative Services.

REP. CLOUTIER: Okay. I don't want to be committed to a figure. That's what I'm concerned about.

CHAIRMAN CAMPBELL: Okay. All right. The -- no more discussion. Ready for the question? If you're favor -- all those in favor say aye? Opposed? Thank you.

***** {MOTION ADOPTED}**

(6) Date of Next Meeting and Adjournment:

CHAIRMAN CAMPBELL: Thank you, everybody, for navigating us through the waters there.

MR. MCGONAGLE: Thank you very much.

CHAIRMAN CAMPBELL: Thank you. Okay. With that, all we need is our next date. We should meet in June, I think. Probably a little later in June before the summer break. We're not going

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to be meeting in July for sure and, hopefully, not in August unless there's something big.

MR. KANE: We do have one item for next meeting relative to toll credits.

CHAIRMAN CAMPBELL: To toll credits. So later in June. Well, if we don't go too late, but I would think the later we do it, the easier it will be to take the summer off. So what do you want to do for --

REP. BENN: 24th.

REP. CLOUTIER: What day is that?

REP. BENN: Tuesday.

Rep. CLOUTIER: Tuesday, June 24th, sounds good to me.

REP. GRAHAM: It's the last week and then we are not back till September or whenever.

CHAIRMAN CAMPBELL: Any objection to the 24th? I'm open.

SEN. RAUSCH: Tuesday, June 24th.

REP. CLOUTIER: What time?

CHAIRMAN CAMPBELL: Well, probably can do it -- probably do it in the morning, right?

SEN. RAUSCH: Yeah, if we are going to meet in the morning.

CHAIRMAN CAMPBELL: Why don't we meet in the morning or early afternoon or morning. No sense doing late in the day.

SEN. LARSEN: Let's try morning.

CHAIRMAN CAMPBELL: What's your preference?

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REP. CLOUTIER: Morning probably fine with me.

SEN. RAUSCH: Ten o'clock.

CHAIRMAN CAMPBELL: Ten o'clock for Capital. And we'll plan to probably do Long Range after that, June 24th; so 10 o'clock Capital Budget Overview, June 24th. Hopefully, our last meeting before the fall. So, okay. Thank you. Thanks for your help everybody. That was a good --

** REP. WEYLER: Move to adjourn.


SEN. RAUSCH: Second.

CHAIRMAN CAMPBELL: Move to adjourn. All those in favor? Opposed? We are adjourned. Thank you.

(Adjourned at 2:46 p.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, CRR
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