

**Transportation Trust Fund Task Force, Meeting #6**  
Meeting Minutes  
February 15, 2011

*Present:*       **Transportation Trust Fund Task Force Members:** Dave Athey, Carleton Carey, Bill Carson, John Casey, Rick Deadwyler, Carol Everhart, Ray Harbeson, Alan Levin, Chad Moore, Danny Short, Bob Venables, Secretary Wicks and Ted Williams

*Absent:*       Rich Davis, Christina Favilla, Jim Ford, Helene Keeley, Dennis Klima, Paul Morrill, Karen Peterson, Terry Reilly, Barry Schoch, Gary Simpson and Jim Wolfe

*Present:*       **Guests and Support Staff:** Cleon Cauley, Jim Craig (Dept. of Finance), Rich Heffron (Del. State Chamber of Commerce), Brian Maxwell (Office of Management and Budget), Mike McCann, David McGuigan (George & Lynch), Patrick McKean (Office of Management and Budget), Mike Morton (Controller General's Office), Brian Motyl, Jennifer Pinkerton, Steve Richter, Beverly Swiger, Earl Timpson, Arthur Wicks, Mike Williams, Joseph Wright and Tigist Zegeye

*Next meeting:* March 1, 2011, 3:00 p.m., Felton/Farmington Room, DeIDOT Administration Building 1<sup>st</sup> Floor, Dover

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**I. Review of Minutes**

Chairman Ted Williams presented the meeting minutes from the previous meeting and asked the committee members to take a moment to review them. Mr. Williams then opened the floor for comments on the minutes. Dave Athey asked for a clarification on item I.A.2.d. (Implement Toll on SR1 at Free Ramp South of C&D Canal), concerning the parties involved in the agreement to keep this ramp free of tolls. Ray Harbeson explained that the comments had come from Delaware's Congressional Delegation and this had led to the agreement. Chairman Williams noted that this delegation should be contacted if this revenue option was considered for implementation. Mr. Athey also noted that on item I.A.2.k. (Shift Local Road Maintenance to Counties) the decision to strike this option from the list should be in bold font and listed as an Action Item. After the committee noted these comments, Danny Short motioned for approval. Rick Deadwyler seconded this motion and the committee unanimously approved the minutes.

**II. Presentations**

Jack Basso, the Director of Program Finance for the American Association of State Highway Transportation Officials (AASHTO), presented information on the status of Delaware's Transportation revenue sources and expenditures as compared to other states. Mr. Basso's presentation also included examples of new revenue options that other states are considering or have recently implemented. Mr. Basso also provided information on the current status of Federal transportation funding and the issues this will face in the coming years.

Brian Motyl presented results from the Pay-Go and Bond Rating Scenarios that the committee requested.

### **III. Comments and Discussion**

#### **A. Jack Basso's Presentation**

Mr. Harbeson asked if the current state of Federal Transportation Funding has started discussions of scaling back the Federal Transportation Trust Fund's responsibility to the interstate system. Mr. Basso explained that it is very possible that this will be discussed. Mr. Basso also noted that Federal Transit Funding is a likely target of discussion for budget cuts.

#### **B. Brian Motyl's Presentation**

John Casey asked what the average size of current bond sales was. Mr. Motyl explained that since 2000, the worst interest rate was 5.7% and the best interest rate was 3.1%. Mr. Motyl also noted that Delaware's TTF bond rating was increased by S&P in 2006 and by Moody's in 2010. Mr. Motyl explained that the standard bond sale amount was \$100 Million.

#### **C. Review of Proposed Fees**

##### **1. Line #1: I-95 Tolls**

Mr. Harbeson noted that a lot of money was being spent to benefit the users of I-95 and that this may be an appropriate time to raise tolls. Secretary Wicks reminded the committee that the toll on I-95 in Delaware is very high when compared to similar tolls in the corridor. Mr. Athey asked if this was measured per mile. Secretary Wicks confirmed that this comparison was made on a cost per mile basis. Alan Levin asked if the current rates per axle are comparable to the surrounding states. Secretary Wicks explained that the fee should still be higher per axle, but that this will need to be confirmed. Secretary Wicks also noted that Maryland is currently considering raising tolls on I-95.

Bob Venables asked if this toll increase could be justified as being raised to pay for the highway speed toll lanes on I-95 and noted that this justification would make this option easier to support in the Legislature. Secretary Wicks explained that funding for this project had predominantly come from the American Recovery and Reinvestment Act (ARRA). Mr. Harbeson noted that although this project was paid through ARRA, there were still two large projects that will have to be paid for: the addition of a 5<sup>th</sup> lane and the new interchange at the Christiana Mall.

Mr. Casey asked if the Toll Plaza improvements on I-95 were the largest ARRA project in Delaware. Secretary Wicks responded that it was the largest ARRA project in Delaware.

Secretary Wicks explained to the committee that I-95 needs to be considered as a corridor with large needs for improvements. Mr. Venables noted that the improvements need to be used as a justification for the toll increases.

Mr. Levin noted that once the tolls are raised, it is unlikely that they will decrease. Mr. Levin also asked if the discount on I-95 could be eliminated. Secretary Wicks explained that this discount is a small amount because there are relatively few users from Delaware. Mr. Short asked for clarification on whether or not the discount applies to E-ZPass users from other states. Secretary Wicks confirmed that the discount does not apply to out of state users.

##### **2. Lines #2, 3 and 4: SR 1 Tolls**

Mr. Levin asked if this toll increase could be considered in different increments (i.e. \$1 to \$1.50 instead of \$1 to \$2). Secretary Wicks noted

that although this would be problematic to non E-ZPass toll facilities, it could still be considered. Mr. Levin also asked for the percentage of E-ZPass users on I-95 and SR1. Mr. Motyl responded that on I-95 55% were E-ZPass users and on SR1 66% were E-ZPass users.

**3. Lines #5 and 6: Motor Fuel Tax**

Mr. Williams noted that if the fuel tax could be indexed, then this would not have to be considered as a fee to raise. Mr. Athey asked if indexing the fuel tax was an option. Mr. Harbeson asked that indexing the fuel tax be added to the list of proposed fees as a separate item.

**ACTION ITEM: Add Motor Fuel Tax Indexing to list of Proposed Fees**

**4. Lines #7-18: Driver License Related Fees**

Mr. Harbeson noted that the figure on Line 18, under Potential Revenue was incorrect.

Mr. Levin asked if a Class D license is the license issued to most drivers in Delaware. Secretary Wicks confirmed that a Class D license was the most commonly issued license.

Mr. Levin asked how Delaware's license renewal fee compares to other states and noted that it may not be worth taking action to only raise the fee \$1. Mr. Harbeson added that Delaware's renewal fee is still low but increasing this fee may be an issue due to the fact that it was just raised in 2007.

**5. Lines #19-31: Registration Related Fees**

Mr. Venables asked for a clarification of line #26: Insurance Penalties and noted that he had heard complaints about the fee being too high. Secretary Wicks explained that this is fee for uninsured motorists. Mike McCann explained that there is an initial fee of \$100 with an additional fee of \$5 per day. Cleon Cauley noted that there is an additional fee from the courts. Mr. Venable asked if the per day fee was calculated from the day the insurance expired or from the day a person is caught. Mr. McCann explained that the fee started the day a person was caught.

**6. Lines #31-38: Title Related Fees**

Chad Moore asked if the Retain Tag Fee is for tags that are not on a car currently. Secretary Wicks confirmed that this is the intention of the fee. Mr. Levin asked what the fee was for transferring a tag. Secretary Wicks responded that the fee is \$35. Mr. Levin noted that this could be a potential revenue source, considering the market for low digit tags in Delaware. Bill Carson noted that there are ways around the fee. Mr. Williams noted that document fees are based upon the value of the vehicle. Carol Everhart noted that perhaps the document fees should be based up on the total sale of the vehicle so that the value of the tag is included.

Mr. Levin noted that it may be worthwhile to see how this issue is handled in other states that put a large value on low digit tags (Rhode Island and Illinois).

**7. Lines #39-42: Miscellaneous DMV Fees**

Mr. Casey asked for a clarification of the benefits of a trade-in discount. Mr. Levin asked how the discount compares to the surrounding states.

Carleton Carey noted that if the vehicle is sold outside of a dealership, this person can fill out a form to receive the fee discount.

Mr. Short noted that eliminating the trade-in discount could have diminishing returns and could affect car sales.

Mr. Williams reminded the committee that although some options may not be as feasible as others, it was still the committee's responsibility to consider and review these options.

**8. Lines #43-47: Transit Services**

Mr. Williams suggested that the scenario for adjusting transit fees would be to increase Fixed Route Fees to \$1 and Paratransit Fees to \$3. Mr.

Harbeson reminded the committee of previous discussions in which the fee would be increased at a larger amount outside of the federally mandated paratransit areas. Mr. Williams noted that a similar fee structure had just been implemented in Washington D.C.

Mr. Williams suggested that this option include two scenarios: one in which fixed route fees increase to \$1.50 and paratransit fees to \$3.00 and another scenario in which these increases occur along with a stipulation that paratransit fees would be \$4 outside of the federally mandated areas.

**9. Lines #46-47: Other Services**

Secretary Wicks noted that it costs considerable staffing time to collect these fees as compared to the amount of revenue collected from Illegal Sign Fees.

Mr. Williams noted that the fees for Outdoor Advertising needed to be significantly higher. Mr. Casey asked that the fees be compared to other states. Mr. Casey also asked for a clarification on the number of medium and large signs in the state.

Mr. Williams suggested that the fee was increased by \$200 for large signs and by \$100 for medium signs. Mr. Short noted that it may be a good idea to value these fees near market value to maximize the revenue from this resource.

**10. Lines #48-90: New Fees Proposed for Additional Research**

Mr. Levin asked if other states were giving frequent user discounts to their E-ZPass customers and noted that the committee should only compare to the other states that offer a discount when considering the implementation of an E-ZPass account maintenance fee. Secretary Wicks noted that Delaware has a fairly complicated discount structure, compared to other states. Mr. Levin noted that the objective should be to bring Delaware's fees in line with other states.

Mr. Carson noted that the sentiment in Legislative Hall was that the lightering tax would not happen and that it was not intended to go to the Transportation Trust Fund. Secretary Wicks asked if this should still be discussed as an option. Mr. Carson responded that he would still like the discussion to take place.

Mr. Carson noted that actions need to be taken to transfer portions of staffing costs from the TTF to the General Fund so that the TTF can fulfill its original obligations. Mr. Carey added that this had been discussed at previous meeting and that it had been proposed that these shifts be made over a 10 year period of time. Mr. Williams noted that this should be adjusted on the Proposed Fees List to reflect that the option is an incremental change. Mr. Casey noted that the shift of transit operating costs should be handled in the same manner. Mr. Venable stated that

neither of these cost shifts will be possible in the current economic environment.

### **11. Miscellaneous Discussion of Proposed Fees**

Mr. Short reminded the committee that these proposed fees need to be considered in total and how they would affect a person and their cost of living. Mr. Williams agreed with this, but noted that this may not be part of the committee's report to the Governor's Office. Mr. Short responded that this needs to be considered during the prioritization process.

Mr. Levin noted that these fees need to be presented as reaching a determined funding level. Secretary Wicks responded that these funding levels would be determined at the next meeting.

### **12. Prioritizing**

Mr. Williams informed the committee that an updated list of Proposed Fees would be provided to committee members by February 17<sup>th</sup> and asked that committee members return the lists to DeIDOT staff by February 22<sup>nd</sup>.

Mr. Venables and Mr. Athey asked for a clarification of the prioritization process. Mr. Athey suggested that the updated list should note that the ranking system is one through five.

**ACTION ITEM: Committee members will review the updated Proposed Fees List and provide a completed ranking of the list by February 22<sup>nd</sup>.**

### **D. Community Transportation Fund Presentation**

Mr. Casey asked what the recommended funding level for the Community Transportation Fund (CTF) was in the Governor's Budget Proposal. Brian Maxwell responded that the Governor's proposal set the funding level at the FY2010 funding level.

Mr. Casey asked for a cost estimate of all the paving needs of subdivisions or CTF eligible roads.

Mr. Venables noted that some CTF funds are used for country roads.

Secretary Wicks responded that the presentation included several examples of CTF usage and was not an exhaustive list.

Mr. Venables noted that he approved of the current system and did not see the need for DeIDOT to take over the responsibility of maintaining these streets. Mr. Venables also noted that he did not believe many of these smaller CTF projects would be able to be completed if the roads were DeIDOT's responsibility.

Mr. Short asked if there was still a discrepancy in standards between the CTF roads in New Castle and Kent County as compared to Sussex County.

Joe Wright explained that the standards are the same if the road is measured by state standards. Mr. Short responded that perhaps the Sussex County Council needs to adopt the state road standards for subdivision roads.

Mr. Carson asked if the stated cost per mile was per center lane mile. Mr. Wright explained that this was a total system average and that this cost represented a cost per average center lane mile.

Secretary Wicks noted that the CTF was being discussed due to the deteriorating conditions of subdivision roads. Mr. Venables asked if DeIDOT was obligated to make subdivision roads meet state standards. Secretary

Wicks responded that because the roads are state owned, they must meet state standards.

Mr. Williams noted that the CTF funding gap should be added to the TTF's Gap Chart for the final report.

**E. Administrative Matters**

**1.** Ted Williams discussed the following items:

(1) Meeting minutes would be reviewed by the chairperson, then posted to the DeIDOT website. At the following member meeting, minutes would be presented for comment.

(2) Next meeting will be held on March 1, 2011, 3:00pm – 5:00pm.  
DeIDOT Administration Building, Felton/Farmington Room

**Meeting adjourned at 5:25 PM**

***Task Force Goals***

- ***Thoroughly explore, examine and evaluate the resource needs for the comprehensive Capital Transportation Program (CTP);***
- ***Study and report on the issues and potential effects of requiring DeIDOT to determine the funding allocations and project prioritization for those projects traditionally funded in the Community Transportation Fund (CTF) category within the Grants and Allocations appropriation classification;***
  - ***Provide analysis of overruns and/or deficits for the CTF program over the past three years on a district by district basis; and***
- ***Provide a comprehensive report and recommendations to the Governor and General Assembly by March 31, 2011.***