

**Transportation Trust Fund Task Force, Meeting #2**  
**Meeting Minutes**  
**November 30, 2010**

*Present:*           **Transportation Trust Fund Task Force Members:** Dave Athey, John Casey, Rich Davis, Rick Deadwyler, Ray Harbeson, Helene Keeley, Dennis Klima, Chad Moore, Paul Morrill, Karen Peterson, Terry Reilly, Barry Schoch, Gary Simpson, Bob Venables, Secretary Wicks, Ted Williams (presiding) and Jim Wolfe.

*Absent:*           Carleton Carey, Bill Carson, Carol Everhart, Christina Favilla, Jim Ford, Alan Levin and Danny Short.

*Present:*           **Guests and Support Staff:** Erika Benner (Controller General's Office), Cleon Cauley, Jim Craig (Dept. of Finance), Jennifer Pinkerton, Ken Grant, Brian Maxwell (Office of Management and Budget), Mike McCann, Mike Morton (Controller General's Office), Brian Motyl, Ralph Reeb, Sandy Roumillat, Brett Taylor, Arthur Wicks, Mike Williams and Joe Wright.

*Next meeting:*   December 14, 2010, 3:00 p.m., Felton-Farmington Conference Room, DelDOT Administration Building 1<sup>st</sup> Floor, Dover

**I.           Administrative Matters**

Chairman Ted Williams began the meeting by asking all of those present to introduce themselves. He then reviewed the packet that each committee member received. Mr. Williams also discussed the proposal that he had received from several committee members to move the meeting time to 3:00pm – 5:00pm. The committee members did not voice any opposition to changing the time of future meetings.

**II.          Review of Minutes**

Mr. Williams introduced the minutes from the previous meeting and asked the committee members to take a moment to review them. Dave Athey asked for a description of the process the minutes go through and where they are posted. The committee was informed that the minutes are recorded by DelDOT staff, reviewed by himself, and then posted on the DelDOT website under the "Hot Topics" link "TTF Task Force". Mr. Williams also explained that the minutes would be presented at each following meeting for comments and approval. Mr. Williams then opened the floor for comments on the minutes for the first meeting. Dennis Klima noted that the date for the next meeting was incorrect, but this error had since been fixed. The committee provided no further comments and Mr. Williams asked for a formal motion to approve the minutes. Helen Keeley moved to approve and Jim Wolfe seconded the motion. The committee approved the minutes unanimously.

**III.         Presentation**

Ralph Reeb, Director of Planning, Kathy English, Finance Director, and Joe Wright Director of Maintenance & Operations, provided detailed presentations on various factors affecting the Transportation Trust Fund and DelDOT. Mr. Reeb's presentation discussed the factors that affect transportation, Ms. English's presentation covered the sources of income and expenditures of the transportation trust fund, and Mr. Wright's presentation provided an overview of the Community Transportation Fund

(CTF). A copy of the complete presentation can be found online at [www.deldot.gov](http://www.deldot.gov) under Transportation Trust Fund Task Force.

#### IV. Questions and Discussion

##### A. Secretary Wicks's DeIDOT Update

Secretary Wicks discussed several current events concerning DeIDOT. Principle among these events was the completion of Budget Hearings for DeIDOT. During the hearing, DeIDOT representatives noted significant growth in the demand of services from the Department of Motor Vehicles (DMV), EZ Pass, and the Delaware Transit Corporation (DTC).

##### B. Ralph Reeb's Presentation: "Factors that Affect Transportation"

Karen Peterson asked about which sets of data were used to perform traffic impact studies. Specifically, Ms. Peterson was concerned about the use of the 2008/2009 traffic data which saw a significant decrease due to the economic recession. Mr. Reeb explained that traffic counts are performed for individual traffic impact studies. The data from these traffic counts is used in conjunction with numbers from forecast models to create a traffic impact study. Mr. Reeb also explained that there are two types of traffic ~~forecasting information~~ that DeIDOT ~~performs~~ provides. The Federally mandated ~~forecasting traffic volumes (VMT) reported through the Highway Performance Monitoring System (HPMS) is~~ are used ~~to decide~~ in the allocation of Federal funds to the state, ~~and the The State Travel Demand forecasting performed by the State~~ is used to ~~determine the status~~ estimate demand on the ~~of DeIDOT's State~~ transportation system ~~in the future~~.

Ray Harbeson noted that increase of Delaware's population is greater than the increase in the number of jobs in the state and asked if this was due to retirees moving to the state. Mr. Reeb stated that this was most likely the case.

Mr. Williams asked about a current DNREC task force on sea level rise and the recommendations that they may give to DeIDOT and if DeIDOT was providing input to this task force. Secretary Wicks noted that DNREC would make recommendations first for DeIDOT to review. Mr. Reeb informed the committee that this is something that DeIDOT is looking into and that several scenario tests have been done using Geographical Information System (GIS) software. These tests concern both areas prone to flooding and also the conditions of the ground beneath roadways.

##### C. Kathy English's Presentation: "Transportation Trust Fund Overview"

Mr. Klima asked if the current construction on the Newark I-95 Toll Plaza will convert it into a one way toll to improve traffic flow. Ms. English responded that this was not included in the plans and that the current construction was adding highway speed EZ Pass lanes to improve traffic flow. Secretary Wicks noted that converting to a one way toll would increase traffic in Newark and there would be considerable pushback from the local community.

Jim Wolfe asked if the Federal gas tax is in addition to the State gas tax. Ms. English responded that the Federal gas tax is separate from the State gas tax.

Mr. Williams asked if it is relatively easy to protect against fuel tax evasion from the distributors, considering there are only a few in the state. Ms.

English responded that auditors from the DMV do an excellent job of assuring that tax evasion does not occur, but that issues can still occur. Barry Schoch asked if the Federal Corporate Average Fuel Economy (CAFE) standards are included in the predictions of revenue from the gas tax. Ms. English responded that this is not included in their predictions. Mr. Schoch also noted that the Federal gas tax has not been raised since 1992. Ms. Peterson asked if the TTF receives any income from registration/title fees if a vehicle is bought in Delaware but registered in Pennsylvania. Ms. English responded that the TTF does not receive any income from such a situation.

Paul Morrill asked if all types of vehicles (including new types like hybrids and electric) are included in DeIDOT's regulations concerning registration/title fees. Ms. English said that these vehicles are included in the current regulations.

Mr. Williams requested a list of other states that include (or do not) the cost of the inspection service in the registration fee. Ms. English will provide this at the next meeting.

Bob Venables noted that he received many complaints from constituents about the insurance penalty being far too high.

Ms. Peterson asked where the money comes from that DeIDOT invests. Ms. English explained that the trust fund bank account balances are invested as part of the department's investment portfolio.

Mr. Athey asked for an explanation of Title 21 violations. Ms. English clarified that a Title 21 violation is any violation that concerns a motor vehicle.

Secretary Wicks requested an explanation of Escheat funds for the committee members. Ms. English explained that these are funds that state receives from abandoned property like gift cards. Over the past few years, DeIDOT has received a portion of these funds from the state.

Mr. Harbeson asked if refinancing TTF debt extends the life of the loans. Ms. English responded that in most cases this does not extend the life of the loan.

Mr. Klima asked if DeIDOT had recently checked to see what changes it could make to its current borrowing restrictions while still maintaining its bond ratings. He also asked if DeIDOT had assessed what extra costs would be incurred by a decrease in DeIDOT's bond rating. Ms. English responded that this had been explored but not extensively. It was recommended that this committee explore and discuss potential changes to the current borrowing restrictions. She also noted several restrictions that the committee could consider for review, including the Annual Pay-Go restriction vs. a Pay-Go restriction over a 6 year period. Mr. Klima commented that the current conservative restrictions are good, but that it may be advantageous to explore changes to increase DeIDOT's leverage in borrowing.

Rick Deadwyler asked if DeIDOT must pursue Federal funds or are they allotted to the state and if DeIDOT can anticipate a certain amount each year. Ms. English explained that Federal funds are apportioned based on the current transportation bill. She also noted that the current Federal transportation bill is due to expire, so it is hard to predict what future apportionments will be.

Mr. Wolfe asked if the state is required to match all Federal funds. Ms. English explained that American Recovery and Reinvestment Act (ARRA) funds are 100% Federally funded. All other apportionments are either 80% federal and 20% state or 90% federal and 10% state pro-rata shares.

Mr. Schoch noted that there is the possibility of a decrease in Federal funds in future Federal Transportation Bills.

John Casey noted a correction to the slides and that department operations were transferred to the TTF in either 1991 or 1992. He also asked that Percent of Total figures provided be reworked to exclude Federal funds. Mr. Harbeson noted that they should be reworked as percentages of state income. Ms. English agreed that this could be a valuable way to represent the data. Ms. English will follow up with a revised analysis at the next meeting.

Mr. Wolfe asked if DeIDOT has performed an analysis between the Delaware TTF and the New Jersey TTF, considering that some Delaware fees are higher than New Jersey and others are lower. Ms. English responded that there was not an analysis comparing the TTF's of different states.

Gary Simpson asked what percentage of DTC revenue/expenditure is due to commuter rail. Ms. English referred Mr. Simpson to information provided in the presentation materials from the first meeting.

Mr. Schoch noted that the percentage of DTC income from farebox revenue compared to actual operating costs is extremely low (\$16M in farebox vs. \$90M in operating expenses).

Mr. Williams asked if the forecast for DTC's operating expenditures includes the requests from bus drivers for increased wages due to the additional work included in paratransit trips. Secretary Wicks responded that this is not included in the current forecast. Mr. Casey asked if the bus drivers are unionized. Secretary Wicks noted that the bus drivers are unionized.

Mr. Harbeson inquired about several 20-year bonds that were included in the creation of the TTF and asked why they are still included in the debt service. Mike Morton provide some brief history of the original General Obligation bonds.

**D. Joe Wright's Presentation: "Community Transportation Fund Overview"**

Ms. Keeley asked how many Transportation Enhancement (TE) projects include funds from the CTF. Mr. Wright explained that only 3-4 percent of TE funding comes from the CTF. Ms. English added that the TE program is highly federalized.

**E. Miscellaneous**

Ms. Keeley asked if the committee plans to discuss Municipal Street Aid in future meetings. Secretary Wicks explained that Municipal Street Aid is being discussed in a separate commission and that findings from those meetings will be brought to future meetings of the TTF Task Force.

Mr. Wolfe asked for a better explanation of the "12 Year Review" handout. Secretary Wicks explained that this handout shows DeIDOT's constrained program and does not factor in the many projects that DeIDOT needs to address but cannot currently afford. This will be discussed in future meetings.

Mr. Morrill asked if DeIDOT's program considers the transportation system in a more global context, including economic competitiveness and other issues. Secretary Wicks said that the program is written with this context in mind.

Mr. Harbeson asked for an explanation of encumbered funds identified in the financial plan. Ms. English explained that this was reflection of the cash which was encumbered in FY10 and carried into FY11.

Mr. Venables asked who pays the electric bill for the lights along highways. Secretary Wicks explained that DeIDOT pays for this out of the operating budget, but that lights within municipal limits are paid for by those municipalities. Mr. Venables noted that a considerable sum of money could be saved by turning off these lights. Mr. Morrill said that this has been considered and that several lights have been turned off. Secretary Wicks added that all new highway lights go through an analysis to decide feasibility.

Mr. Venables also asked for information concerning lease/lend issues. Secretary Wicks offered to provide information to Mr. Venables after the meeting.

**F. Administrative Matters (con't.)**

Ted Williams discussed the following items:

1. The Task Force is open to the public and no individual member can speak on behalf of the Task Force. DeIDOT will act as the official spokesperson for the Transportation Trust Fund Task Force.
2. Meeting minutes would be reviewed by the chairperson, then posted to the DeIDOT web. At the following member meeting, minutes would be presented for comment.
3. Next meeting will be held on December 14, 2010, 3:00pm – 5:00pm. DeIDOT Administration Building, Felton/Farmington Room.

**ACTION ITEMS:**

Future meetings of the Transportation Trust Fund Task Force will be scheduled for 3:00pm – 5:00pm.

Kathy English will provide a list of the surrounding states and if they include/do not include the cost of the inspection service in their registration fee.

**Meeting adjourned at 6:02pm**

***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.***