

**DRAFT STAC
October 15, 2010 Meeting Minutes**

Location: CDOT Headquarters Auditorium
Date/Time: October 15, 2010 9:00 a.m. – 12:00
Chairman: Vince Rogalski
Attendance: A sign-in sheet was distributed to note attendance at the meeting.

Agenda Items/Presenters/Affiliations	Presentation Highlights	Actions
Introductions	Everyone in the room gave self-introductions.	No action taken
September Meeting Minutes	<i>September minutes approved.</i>	<i>Minutes approved</i>
Transportation Commission Report- Vince Rogalski	Items discussed at September’s Transportation Commission meeting included: <ul style="list-style-type: none"> • Presentations and discussions on rockfall mitigation, surface treatment, bridges and Maintenance Level of Service (MLOS) • FASTER State Transit Funds- Commission accepted STAC’s recommended changes and approved. • FY12 Budget- added a fourth scenario that included some of STAC’s suggestions • Bridge Enterprise- working on long-term funding via bonding. Making preparations but not moving forward until after November elections. Goal of repairing or replacing all of the poor bridges (on the list at the time of BE’s inception) by 2017, with the exception of the I-70 Viaduct. • I-70 PEIS- discussion of the conclusion of the PEIS and funding. 	No action taken
Federal and State Legislative Update- Herman Stockinger & Mickey Ferrell	There is little to report on at the state level, but expect more next month. We will probably be coming to STAC with some information next month on the Devolution Study. Rep. Vaad has had a bill for the past couple of years that would require CDOT to devolve some state highways to local government. He hasn’t been able to get this passed, but was able to get a bill passed to conduct a study to identify MPO area highways that are commuter highways. The	No action taken

	<p>Commission is then to make a recommendation as to whether any of those should be devolved to local governments. The study is due in February. For next year, Senate Republicans have come out with key agenda items which include rolling back FASTER.</p> <p>Congress has adjourned for the elections and will be back the week after the elections. Before adjourning they were able to pass a continuing resolution that provides funding through December 3. This gives them time in November to come back and pass appropriation bills. The authorization bill through the HIRE Act gave us through the end of the calendar year. Now we have an appropriations bill that provides the first payments of FY 2011.</p> <p>There has been a little bit of movement on the TIGER II grants on the planning grant side. We should see over the next few days if we are going to find out anything on projects awarded funds.</p> <p>Question- Vince Rogalski- Has there been any further discussion on the \$50 billion plan Obama has presented?</p> <p>Mickey Ferrell: The President has expressed that he would like to see an authorization bill with \$50 billion in front-loaded funds. However, the administration has not put forward any details. This is the first time in 30 years that an administration has not put forward an authorization bill for Congress to consider as a starting point. Congress is waiting to see details. There has to be something done in the lame duck session to give us authorization extension. The question is what form this will take. The concept of a 3 year extension has been floated around and seems to be gaining traction.</p> <p>Question- Commissioner Dewayne Findley: The President recently commented that there are no "shovel-ready" projects? Is that an accurate statement?</p> <p>Mickey Ferrell: It depends on what your definition of shovel ready is. If the definition is that you are able to go to construction the moment you get funds, there is probably very little that is shovel ready. If your definition is that you</p>	
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	<p>can move funds quickly to construction, there are shovel ready projects. We can probably move funds through the bid and contracting phases to construction in 60 days.</p> <p>Question- Bill Moore: I thought that when the Oberstar bill was released a year and a half ago, it received some sort of tacit endorsement from Secretary LaHood. Is this correct?</p> <p>Mickey Ferrell: I think there is some agreement on Oberstar's policy direction in the bill, but until you have the revenue piece no one has a real strong yes or no reaction at this point.</p>	
<p>Budget Update- Ben Stein</p>	<p><i>FY 12 Budget</i></p> <p>I did listen to your recommendation last month and adjusted the state revenues prior to presenting to the Transportation Commission. The bad news is that the revenues now look a lot worse.</p> <p>At this point there is just under \$50 million that the Commission needs to reduce out of the budget. The Commission has already tentatively made a number of cuts to get us down to the \$50 million. This includes cutting Strategic Projects Construction, TC Contingency Earmark Set-aside and reducing Congestion Relief to just enough to fund the Courtesy Patrol in Regions 1 and 6. The Commission also added some funds for rockfall mitigation. The Commission has identified three areas that they are going to focus reductions on in their decision this month. The first is RPP, which currently has \$25 million in it. The second is surface treatment, which is currently funded at \$177.4 million, and the third is maintenance. At the workshop next week, there will be a presentation on MLOS that is going to show them how many dollars are required to reach a given level of service by each maintenance area. I do not anticipate that they will cut significantly from maintenance. I anticipate that the Commission will ask for a recommendation from the Chief Engineer and Executive Director. Based on the Commission's guidance next week, we will develop a final recommended budget for their consideration in November when they will pass a resolution for a final draft budget.</p>	<p>Motions Approved-</p> <p>1. Recommend the retention of \$2 million for gaming maintenance and the allocation of \$47 million to the Regions and recommend allowing Regions, their TPRs and MPOs to determine the best use of those funds.</p> <p>2. Recommend the FY12 budget shortfall be</p>

	<p><i>Bridge Enterprise</i></p> <p>The goal of the Bridge Enterprise is to fix all the poor bridges that were on the list at the time of the bill's signing, except for the I-70 viaduct. I am working on the bonding program, but we will not commit to doing it until after the election. It is a very attractive interest rate environment. Additionally, ARRA included a Build America bonds program in which the federal government subsidizes the bonds, but this expires at the end of the year. I anticipate getting a resolution at the November Board meeting, and going to the bond market after thanksgiving.</p> <p>Steve Rudy: I believe the Bridge Enterprise Board really needs to come and discuss this program with its partners at DRCOG. Our Board would like to hear the BE's perspective on the I-70 viaduct. I would suggest doing this before going to the bond market.</p> <p>Reza Akhavan: Replacement of the viaduct in kind will cost \$500 - \$800 million. There is an on-going NEPA study that has not identified the preferred alternative yet. The other alternative is a realignment with a cost of roughly \$1.5 to \$2.2 billion. Our hope is to have the group coalesce around an idea by April of next year. Once you have identified a preferred alternative, it takes another year to develop an FEIS and get to a ROD.</p> <p>Ben Stein: The rest of the program- all the other bridges on the list- total about \$750 million. The bond would be a 30 year revenue bond with the sole state source of repayment the Bridge Safety surcharge, although we will probably also pledge some federal Bridge funds. The bonding will probably be for more than \$150 million.</p> <p><i>FY11 Budget</i></p> <p>At this point the TC contingency is at approximately \$99 million. For the FY 11 budget, a 5% contingency would be \$50 million. You could theoretically distribute up to \$49 million of contingency funds in FY 11. There are several options. Gaming maintenance is currently at zero. We may want to retain some of the contingency for that purpose. I also recommend retaining something like \$10 million above the minimum just to play it safe. All of the</p>	<p><i>distributed across the categories capable of accepting it.</i></p>
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	<p>scenarios involve using the incremental formula to distribute funds. Possible scenarios include:</p> <ul style="list-style-type: none">• Fund RPP• Fund Strategic Projects• Fund the State Infrastructure Bank for Highways (incremental formula not applicable)• Add funds to Surface Treatment• Retain some portion for Road Equipment (\$7 million)• Some combination of the above• Retain to cover the shortfall in FY 12 <p>Commissioner Wayne Williams: If we sit on cash and don't use it, someone will take it directly or indirectly.</p> <p>Vince Rogalski: When we talk about road equipment, remember that the equipment is running at an average of 170% of its useful life. There is a need for upgrades to our road equipment. Surface treatment is also in need- about \$400 million per year is required just to hold even.</p> <p>Steve Rudy: One way of looking at this is that if you put more money into surface treatment in FY11, that may be where you can cut in FY12 to reduce the budget by the \$50 million that is necessary.</p> <p>Commissioner Trent Bushner: If you polled the Regions, I think most of them would suggest that surface treatment is probably our biggest need.</p> <p>Commissioner Diane Mitsch Bush: I think flexibility with the funds makes sense because it isn't one size fits all.</p> <p>Vince Rogalski: What I've suggested is to fund the \$7 million in road equipment and put the rest towards surface treatment.</p> <p>Pete Fraser: The rainy day is here and that's what the contingency is for so I think we should use it.</p>	
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	<p>Commissioner Wayne Williams: Given where the economy is, the faster we get the money out helping to grow the economy the better. I don't know what is needed in each Region so I suggest we let the Regions work with their local MPOs and TPRs to determine what the needs are and what is the best use of funds. I move to recommend the allocation of \$47 million to the Regions, retaining \$2 million for gaming maintenance, to be allocated as determined by the Regions, their TPRs and MPOs.</p> <p><i>Motion Approved- Recommend the retention of \$2 million for gaming maintenance and the allocation of \$47 million to the Regions and recommend allowing Regions, their TPRs and MPOs to determine the best use of those funds.</i></p> <p>Commissioner Wayne Williams: I would like to reiterate the need to talk to those running for the legislature or Governor about transportation. Take the time to talk to them and ask question when they are at forums, etc.</p> <p>Vince Rogalski: Is there a recommendation we want to make on the need to reduce the FY 12 budget by \$50 million?</p> <p>Commissioner Wayne Williams: If we are in a preserve what we have mode, one of the areas we might be able to safely reduce is roadside appearance.</p> <p>Commissioner Trent Bushner: I am inclined that the cuts be spread instead of taking it from one specific area.</p> <p>Vince Rogalski: The motion is to recommend that the shortfall be distributed across all the categories capable of accepting it.</p> <p><i>Motion approved- Recommend the FY12 budget shortfall be distributed across the categories capable of accepting it.</i></p> <p><i>Handout- FY12 Draft Budget</i></p>	
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<p>Strategic Projects Discussion- Sandi Kohrs</p>	<p>Of the 28 original strategic projects, 7 are incomplete- 2 are defined projects (South US 287 and Powers Blvd.) and 5 are MIS projects. As of September 30, \$3.14 billion in 2000 dollars have been budgeted towards the original TC commitment of \$4.7 billion, representing 67% of the commitment. The total remaining cost to finish the commitment is \$3.1 billion in 2010 dollars, with \$1.98 billion coming from I-70 alone.</p> <p>The 7th Pot dollars in Resource Allocation do not complete the 7th Pot by 2035. If you were to add to the 7th Pot funds all of RPP and Earmark Contingency, you would get closer and complete the program by 2039. Only by combining 7th Pot dollars, RPP, Earmark Contingency and all of the FASTER Safety dollars do you complete the program by meeting the \$3.1 billion remaining in advance of 2035. This demonstrates to you the magnitude of what is required to complete.</p> <p>At \$25 million per year you could complete the 2 defined projects in 6 to 7 years. However, this is in constant 2010 dollars and if the cost of construction increases faster than the increase on the revenue side, completion will take longer. At \$25 million per year you would finish the entire program in about 140 years, and again, this is not taking into account inflation in construction costs. In comparison, \$150 million per year would complete the program much sooner, in about 20 years.</p> <p>To put this into context it is important to remember that we currently have inadequate funds to maintain our major investment categories- Bridge, Surface Treatment, and Maintenance Level of Service (MLOS). We will be scheduling presentations on each of these at next month's meeting. In your discussion at last month's meeting you talked about the need to continue to fund the 7th Pot, but it was a conversation about the 7th Pot in isolation. We would like you to discuss how 7th Pot fits within the context of other system needs.</p> <p>Commissioner Wayne Williams: We need to make some progress toward what we told the voters we would do. We need to do something each year, and continue having the discussion with the legislature and at some point you get something on the ballot.</p>	<p>No action taken</p>
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	<p>Cliff Davidson: I think we need to look at how these projects can be broken up into smaller pieces and keep funding things piece by piece. We could still make progress by getting year by year plans from the RTDs without just giving up.</p> <p>Steve Rudy: There are challenges with all of our programs. I don't think we should throw out the 7th Pot just so we can put some extra dollars to another program that will still be significantly underfunded.</p> <p>Commissioner Peter Runyon: Our job is to educate the voters and one of the ways to educate them is to ask them on the ballot every couple of years.</p> <p>Commissioner Dewayne Findley: In order to have the credibility to go back and ask for another bond issue, we have to fulfill our obligation to this first.</p> <p>Sandi Kohrs: The voters really approved the issuance of the bonds, and it was made clear that the bonds would not fund the whole program, although the complete list of the projects was put out there so there is the perception of a commitment to the full list.</p> <p>Herman Stockinger: The ballot measure says "Shall the state of Colorado debt be increased by \$1.7 billion with a repayment of up to \$2.3 billion for the funding of transportation projects?" The perception is that all of these projects would be built, but technically we have fulfilled our promise to the voters.</p> <p>Sandi Kohrs: We are funding the strategic projects program to the tune of \$167 million per year, and will do so until 2017.</p> <p>Commissioner Wayne Williams: Under "How will funding for the 24 projects change if Referendum A passes," the blue book states: <i>If Referendum A passes, a large amount of money will be available at first to build the 24 projects, but as time passes, a smaller amount of money will be available for the projects since more money will be needed to repay the borrowed money. In addition, the amount allocated to the projects each year by the Transportation Commission will be reduced from \$100 million to \$75 million.</i>" It is that \$75 million promise that has not been fulfilled, because that was in addition to the TransBond. People were told that the Transportation</p>	
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	<p>Commission would be spending \$75 million in additional funds on these projects. There was a commitment that all 24 projects were going to be finished. There was not a commitment that they would be completed by the bond issue.</p> <p>Commissioner Trent Bushner: I agree with Wayne 100%. We need to continue funding these projects. We never talk about cost containment. If we are going to go to the people for funding, we need to also have discussions about how we get the best bang for our dollars. At the county level we can do projects a whole lot cheaper than CDOT because we don't have all the extra regulations to deal with.</p> <p>Vince Rogalski- What I hear about the 7th Pot is that we need to keep working on it, it is still a priority for us, and we need to educate the voters.</p> <p>Commissioner Diane Mitsch Bush: We need to also educate our legislators and executive officials at the state and federal level.</p> <p>Bill Moore: I have some contrary opinions on the 7th Pot. All of the cards need to be in play today, not based on old conclusions and priorities. I am getting a little tired of hearing "we have this obligation." It is the General Assembly that set the priorities for these projects and TRANSBond and the General Assembly changed those priorities when it eliminated Senate Bill 1. That to me says the 7th Pot is over and done with as far as the General Assembly is concerned. Something has to be done to rethink all of these priorities and cast them in current terms, not the situation of 15 years ago.</p> <p><i>Handout- 7th Pot Discussion presentation slides</i></p>	
<p>Non-Metropolitan Local Officials Consultation Process- Sandi Kohrs</p>	<p>There is a requirement in SAFETEA-LU that once every five years we summarize our non-metropolitan local official consultation process. There is also a requirement for a 60 day public comment period. This document will not include anything that you don't know about- it is a summary of the consultation process including committees, TPRs, the 4P process and several publications including the Elected Officials Guide, the Office of Policy and Government</p>	<p>No action taken</p>

	Relation's Interchange newsletter, etc. We will be circulating this document in early November and submitting it to FHWA in February.	
TPR Update- Vince Rogalski	Vince Rogalski delivered a presentation on the Gunnison Valley TPR, which consists of Delta, Montrose, San Miguel, Ouray, Hinsdale and Gunnison counties. <i>Electronic Handout- Gunnison Valley TPR Snapshot</i>	No action taken
Other Business	Jim Austin will present a TPR Update on Central Front Range at the December STAC meeting.	No action taken