

**DRAFT STAC
January 16, 2009 Meeting Minutes**

Location: CDOT Headquarters Auditorium
Date/Time: January 16, 2009, 9:00 a.m. – 12:00 p.m.
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.	
November Meeting Minutes	November minutes approved with no changes.	Approved
Snow & Ice Presentation-David Wieder	<p>David Wieder, Maintenance and Operations Branch Manager, presented on CDOT's Snow and Ice Policy.</p> <ul style="list-style-type: none"> -Staff proposed Policy Directive 1055.0 to establish a policy for snow removal -Crews will be directed to perform snow removal in compliance with MLOS target set for a given winter, and will be instructed not to over or under achieve targets. -Limits deicing during storms to interstates, freeways, divided highways, air quality non-attainment areas and all other highways over 15,000 AADT -Allows post-storm deicing on all highways as necessary to meet MLOS goal -Allows sand use on all highways -Allows Region Directors to provide written waiver to allow mid-storm deicing of highways -Existing Procedural Directive 1055.2 has provision carried forward to this policy <ul style="list-style-type: none"> -24 hour snow removal coverage on all highways over 1,000 AADT -14 hour coverage (5 AM – 7 PM) on highways less than 1,000 AADT -Additional coverage if road is closed or will close, or for school buses or extracurricular activities -Allows Region Directors to provide written waiver to allow 24 hour coverage 	No Action Taken

	<p>Pam Hutton- It does look like we are going to go over the planned snow & ice budget this year, but not by as much as last year.</p>	
<p>FY 10 Congressional Notebook- Mickey Ferrell</p>	<p>CDOT typically puts together a Congressional Appropriations Notebook of selected projects. Regions are going back and looking at the remaining amount of surface treatment program and identifying what projects are left. There are two areas left in the STIP to take projects from- bridge and surface treatment, and surface treatment has been cut by about 40%. As such, there isn't a need to choose among projects to put in the notebook and instead all of the remaining projects statewide will go in. The notebook should be ready sometime next month.</p> <p>Question- Vince Rogalski: Will the \$8.5 billion transfer to the trust fund carry it through the year?</p> <p>Mickey Ferrell: It will probably not. The Highway Trust Fund balance is worse than we were predicting and will probably run out of money this summer. There is some conversation of large rescissions, but Congress has not yet made any determination.</p>	<p>No Action Taken</p>
<p>Federal and State Legislative Update- Mickey Ferrell</p>	<p>Three CDOT bills have been introduced so far this session. HB 1066- Technical corrections to aeronautics legislation SB 78- Maintenance Incentive Pilot Program SB 94- Transit and Rail Division</p> <p>FASTER Bill- Gibbs and Rice- www.coloradofaster.com has a large amount of information on the proposed bill. The final draft of the bill is not yet complete, and has not been introduced yet. It may be introduced next week.</p> <p>Senator Salazar is likely to be confirmed on January 20, and will resign his Senate seat. There is still an open seat on the Transportation Authorization Committee, which would be a possible assignment for Salazar's replacement, Michael Bennett</p>	<p>No Action Taken</p>

	<p>Colorado has two representatives on the House Rules Committee, which determines how legislation will be considered, what amendments will be considered, etc. Rep. Salazar was appointed to the House Appropriations Committee. Rep. Markey was placed on the House Transportation Committee.</p> <p>Congress is likely to start, after the economic stimulus bill, to finish the second half of the FY 09 appropriations bill. They must have a bill by March 6th. How rescissions will fit in, and whether they will come at the front end or the back end, remains unknown.</p> <p>A Reauthorization group has been meeting monthly since 2007 to produce recommendations for reauthorization. A short bulleted document was produced at the last meeting in December for our Congressional Offices. The full document, "Colorado Principles for Authorization," should be finished shortly and will be available at the next STAC meeting. The next meeting is on January 28 in the HQ Auditorium from 1 PM – 3 PM.</p> <p>Question- Bill Moore: What about the issue of consolidating programs?</p> <p>Mickey Ferrell: That is definitely a recommendation. We recommended a major consolidation of programs, and advocated the one DOT concept.</p> <p>Question- Vince Rogalski: Any indication of when Congress might take up reauthorization?</p> <p>Mickey Ferrell: Secretary nominee LaHood will hopefully be confirmed early in the process, which will hopefully allow the DOT to make recommendations for reauthorization to Congress. Unfortunately, given all of the economic stimulus activity, Congress will likely delay taking this up.</p> <p>Question- : With respect to continuing resolutions, will Congress likely return to the original funding level or stay at a lower level?</p> <p>Mickey Ferrell: Normally what they do is authorize at the previous year's level. Unfortunately, collections will not allow that to happen. What they could do is</p>	
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	<p>authorize at some other previous level, such as TEA-21 or they can authorize at the previous year's level but impose a high obligation limit.</p>	
<p>Budget Update- Heather Copp</p>	<p>We are not going to get a SB-1 transfer for FY 09. We are still uncertain about federal funds and any rescissions. Some additional funds have been identified after going through our budget line by line, project by project. Funds include roll forward funds from FY 07 and FY 08, redistribution of obligation authority from FY 08, and additional funds above FY 08 revenue projections. We did add a figure for additional federal funds based on the current continuing resolution. This amounts to \$52 million, consisting of NHS, IM, and STP Flexible. The caveat is that this resolution only goes until March 6th, after which we have no idea what is going to happen. It will probably be difficult for Congress to maintain this level of funding, although we continue to hear that Congress intends to fully fund FY 09. Other funds include HB 1310 funds and SB-1 carry forward. These additional funds total \$275 million.</p> <p>Additional costs include a loss of \$116 million in SB-1 funds that were intended for debt service. Other costs include an indirect shortfall of \$24.5 million, and an estimated rescission of \$81.4 million. These additional costs total \$222 million. There is a possible reduction in unobligated authority of about \$160 million. This is supposed to come out of unobligated balances, however, we do not have unobligated balances in categories like Interstate Maintenance, NHS, and STP-Flexible. In that case we have to rescind actual dollars, which total about \$81 million. There are large unobligated balances in the STP-Metro pool. This is a program we are not able to rescind. We will be having discussions with the MPOs about possibly being able to rescind this through an exception so that we don't have a real money rescission.</p> <p>Additional funds less additional costs leaves a balance of about \$53 million. However, this includes the \$52 million in additional federal funds which may not materialize.</p>	<p>Action- Recommend removal of SB-1 dollars from budget; replace with additional funding. As funding gets more certain CDOT looks at ways to get more projects ready to go.</p>

	<p>At this point in time, even if we have to deal with the rescissions and do not get any additional federal funds for the rest of FY 09, we will still basically break even and not have to further reduce programs for FY 09. The really good news would be if we got the \$52 million in federal funds and did not have to take the \$81 million rescission, in which case we would be able to use those funds for FY 10. The next time we will look at this will be after March 6th, unless an appropriations bill is addressed sooner. The rescission issue won't probably be resolved until September.</p> <p>We will be asking the Commission to remove the \$116 million in SB-1 funds from the budget, and replace it with the additional funds previously outlined. However, we will ask them to not allocate the \$52 million in federal funds until we have greater certainty.</p> <p>Question- Steve Rudy: What is the annual debt service on our Trans bonds?</p> <p>Heather Copp: I believe \$167.8 million. By 2017 we will have the debt paid off, but there are bonds that mature every year.</p> <p>Question- Steve Rudy: Is there a way we can refinance that debt?</p> <p>Heather Copp: No. There is no way to refinance under current tax-exempt markets. Additionally, under TABOR we cannot "roll the debt." SB-1 in FY 09 was going to cover \$116 million of the debt service. SB-1 carry forward of \$100 million will go towards covering this, with another \$16 million coming from other additional funding sources. The first priority should be debt service. If additional federal funds were to become available through a continuing resolution, then there could be a discussion about using some funds to acquire right-away, develop plans, etc. to prepare other projects.</p> <p>Question- Wayne Williams: When might we see SB-1 funding again?</p> <p>Heather Copp: Maybe as soon as 2011 or 2012 we might see a small amount of SB-1 monies, depending on which forecast you are looking it.</p>	
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	<p>Heather Copp: CDOT is looking at eliminating indirects from our budget and paying for indirects "off the top." It would be revenue neutral, but would have impacts on project costs. We will probably be exploring this at the February STAC meeting.</p> <p>Wayne Williams: Motion to recommend removal of SB-1 dollars from budget.</p> <p>Motion approved.</p>	
<p>Economic Stimulus Discussion- Jennifer Finch</p>	<p>A draft stimulus bill was released on January 14. We are still studying and interpreting the bill, although it should be noted that it will continue to change. We have put together seven lists of ready to go projects, one for each region and one for transit. We would like consensus from the STAC to use these lists as a "foundation" from which to start.</p> <p>We anticipate funding coming in at least three categories: federal aviation, federal transit and federal highways.</p> <p>Herman Stockinger: The bill was introduced yesterday. It is still likely to change, and a lot of discussion remains. The funding level for transportation is about \$40 billion. There are no project earmarks and the bill is 100% funded, no match requirements. Aviation funding will total about \$3 billion nationally, anticipated to go to FAA Regions, where we will have to compete for funding. Highway funding totals about \$30 billion nationally, about \$422 million for Colorado. About 55% of the funds would be flexible to the state, 45% would be allocated to the STP-Metro account. That means that the three TMAs and enhancements would be getting a percentage under this bill. The dollars would need to come from the TIP or STIP, at least for those projects within the first 90 days. Projects would need to be completed within three years. Projects would also need to be located in an economically distressed area. We are not sure exactly what that means for Colorado yet. Transit funding is about \$7 billion annually- for Colorado this would mean about \$100 million in urban formula, and about \$88.8 in rural formula, about \$11 million for capital assistance for inter-city passenger rail service. Also additional transit funds for Amtrak, fixed-guideway, etc. although it is unclear what Colorado would get.</p> <p>There is a requirement that 50% of funds be contracted within 90 to 120 days.</p>	

	<p>With respect to transit and aviation, 50% of funds would need to be contracted within 90 to 120 days. The dollars that are flexible to the state would have to be contracted within 120 days. The dollars going to the MPOs would have to be contracted within 90 days. If the MPOs are unable to make those contracts within 90 days those dollars would revert back to the state and the state would have another 30 days to contract those funds.</p> <p>Suzette Mallette: CDOT will need to get those contracts out the door quickly.</p> <p>Jennifer Finch: The contract they are talking about is between the local entity and the contractor, not a contract with CDOT. CDOT may need to look at a boilerplate IGA in order to get the IGAs in place in a timely manner.</p> <p>Heather Copp: We need to work to get all the IGAs in place so that the day the bill is signed we can start obligating funds. We also need to get all the paperwork to FHWA so that they can obligate the day the bill is signed.</p> <p>Herman Stockinger: The other 50% of the funds wouldn't need to be contracted until August 2010 for the state, and July 2010 for the MPOs.</p> <p>Question- Vince Rogalski: Given that enhancements are a part of this- will the Regional Directors be working with the TPRs to make some sort of an enhancement list?</p> <p>Jennifer Finch: They will need to do that.</p> <p>Herman Stockinger: We don't have clear indication in the bill that enhancements need to be spent in 90 to 120 days- it is for the entire dollar amount.</p> <p>Jennifer Finch: Projects will still need to follow all the typical federal processes. It has to be in the TIP, before it is in the STIP. It has to be in the STIP, before funds can be obligated. Environmental, ROW processes, etc.- all the processes have to follow federal guidelines.</p> <p>Heather Copp: We are considering posting the list of stimulus projects so that we</p>	
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	<p>can start the public process. We would like to get these projects out on the web by Wednesday.</p> <p>Question- Wayne Williams: Could funds be used for design, consultants, etc. to get projects ready?</p> <p>Jennifer Finch: All of the talk has been construction. Although, I don't know that there is anything in the bill that says some amount couldn't be spent on design, etc.</p> <p>Herman Stockinger: There aren't any specific restrictions that we have seen in the bill that says it has to be construction jobs. There is a concern of the public perception; and that construction jobs will provide the best perception.</p> <p>Jennifer Finch: There is an A list, a B list and a C list. The A list is the top prioritized list of ready to go projects. The B list would take the place of A list projects that are not ready to go or do not meet requirements. The C list includes projects that we know can be ready over a longer time period. Not every region has a C list. C list projects might not be ready to go in 90 to 120 days, but might meet the second time line.</p> <p>Vince Rogalski: One of the problems I keep hearing is that there is no money to get projects ready. Some of our most strategic projects aren't ready, and require money in order to get them ready.</p> <p>Jennifer Finch: Design, right of way, etc. should probably only be a small part of the overall dollar amount.</p> <p>Question - Bill Moore: A number of local entities have been preparing a list of local projects. Any idea of what the commission will do regarding local spending?</p> <p>Jennifer Finch: It would have to be eligible for federal dollars, which is not every local road. There is no set aside in this bill for local roads, other than what is set aside for the TMAs. Funding is so short at CDOT that I don't know what the Commission will do.</p>	
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	<p>Question- Suzette Mallette: Is there going to be any reprieve from the hiring freeze so that CDOT can hire some additional persons to handle stimulus work flow?</p> <p>Pam Hutton: I don't see that happening. We are working very hard trying to figure out how we are going to move this forward with existing staff.</p> <p>Jennifer Finch: We are going to use the A list, and to the extent we need to the B list, to spend the money in the 90 to 120 days. We can then revisit C list projects for the second half of the money that doesn't need to be contracted until 2010.</p> <p>Barbara Kirkmeyer: I would make the recommendation that STAC recommend to the Commission to use this list as a foundation for the package that we are putting together and recommend that the RTDs work with their TPRs and MPOs in prioritizing these lists.</p> <p>Wayne Williams: I suggest that as they do it they look at ways to get ready strategic projects that are of statewide importance.</p> <p>Motion approved.</p> <p>Jennifer Finch: The caveat right now is the requirement for spending in economically disadvantaged areas could preclude the state from getting the full amount. We will have to take a look at this.</p>	
Other Business	None.	