

Special Cost Review Sub-Committee Meeting
MIRA, 211 Murphy Road, Hartford, CT 06106
Thursday January 18th, 2018

**DRAFT until
Endorsed by
the
Committee**

Name

Larry Baril
Chris Edge
Patrice Carson
Jon Colman
Tim Webb
John Cabibbo
Russ Arnold
Jim Ford
Kevin Kelly
Jeff LaMalva
Derek Dilaj
Peter Hughes
Rob Trottier
John Bossi
Tom Roy
Keith Hayden
Jeff Doolittle
Heidi Samokar
Duane Martin
Bob Jarvis
Jen Rodriguez

Organization

Avon
Berlin
Bolton
Bloomfield
Ellington
Enfield
Farmington
Hartford
Hebron
Manchester
Mansfield
Marlborough
New Britain
Plainville
Simsbury
Southington
South Windsor
Tolland
West Hartford
Windsor
Windsor Locks

Guests

Peter Falk
Ken Radzilon

Enfield
Fuss & O'Neill

Staff

Rob Aloise
Jennifer Carrier
Sotoria Montanari
Karen Stewartson

CRCOG
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CRCOG

1. **Roll Call** – Mr. Jon Colman called the meeting to order at 10:10 am
2. **Public Forum**- No one chose to speak.
3. **Adoption of December 11, 2017 Subcommittee Meeting Minutes** - A motion was made by Tim Webb from the Town of Ellington, seconded by Russ Arnold from the Town of Farmington, with two abstentions made by Patrice Carson from the Town of Bolton and John Cabibbo from the Town of Enfield to accept the meeting minutes from the December 11, 2017 meeting. This motion was passed unanimously.
4. **Governor’s Press Release** - Ms. Jennifer Carrier directed the committee’s attention the provided January 10th Press Release titled *Gov. Malloy, CTDOT Indefinitely Postpone Hundreds of Transportation Projects Across Connecticut*. Provided along with the press release was a full list of hundreds of projects totaling \$4.3 billion that are postponed indefinitely until new revenue is appropriated for the Special Transportation Fund (STF). The STF finances the state’s transportation system, including the operating costs of the CTDOT and all of the services it provides. Last month, Governor Malloy reiterated and increased his warnings on the solvency of the fund following the release of a report showing that without prompt action, the STF will be in deficit by fiscal year 2019, which begins July 1, 2018. According to CTDOT and OPM, project postponements could only be averted if additional revenue sources are found for the STP. The most viable revenue sources appear to involve increases to the gas and the establishment of tolling. To avert postponements, there is an immediate STF revenue need starting July 1, 2019 (such as a gas tax increase or diversion of the motor vehicle sales tax to the STF) likely followed by future revenue options (such as tolling).
5. **LOTICIP and STP-Urban Strategies**
 - **CRCOG Letter to DOT:** Mr. Rob Aloise indicated that a December 29, 2017 letter had been sent from Lyle Wray of CRCOG to Hugh Hayward of CTDOT regarding LOTICIP funding, and the possibility of it being cut or eliminated. Among the letter’s requests included:
 - Specific recommendations for the advancement of two (2) LOTICIP projects that were in the process of transitioning through the bidding process and into construction
 - CTDOT reserving the balance of all bonded LOTICIP funding to date for projects with Commitment to Fund Letters
 - CTDOT requesting the bonding of additional LOTICIP budgeted fundingAdditionally, CRCOG indicated that if LOTICIP were to be reduced or eliminated, it would expect to utilize the federal STP-Urban program to continue to fund municipally initiated projects. As indicated in the letter it would also be expected that the region would not entertain TIP amendments from CTDOT proposing additional STP-Urban expenditures. Subsequent to sending the letter, on January 17th, CRCOG and DOT met to discuss these and other topics related to the LOTICIP funding situation.

- **CRCOG-DOT Meeting:** Mr. Rob Aloise informed the group of the outcome of a January 17th meeting between CRCOG and CTDOT staff related to the future of the LOTCIP program. At the meeting CTDOT indicated that:
 - They will continue issuing approvals and advance LOTCIP projects into construction as long as they already have a Commitment to Fund Letter, fall within the limit of approve of the region's allocation of bonded LOTCIP funding, and progress to construction by September 2018. Other LOTCIP projects with Commitment to fund letters will be progressed, but may necessitate a transition to STP-Urban funding depending on the future of LOTCIP funding
 - They will not be requesting the bonding of additional LOTCIP budgeted funding unless STF/revenue issues are resolved
 - They have met with FHWA to begin discussions of the mechanics of possible transitions from LOTCIP to STP-Urban funding, in the event that this becomes necessary
 - They will not submit TIP amendments to CRCOG proposing additional STP-Urban expenditures until such time as the LOTCIP issues are rectified
- **Financial Overview:** Ms. Sotoria Montanari updated the group on the financial overview of the LOTCIP program. The financial information was extracted from data and tables included with the CTDOT letter. Ms. Montanari briefly reviewed the revenue and expenditures. The current revenue amounts to approximately \$45M in bonded funds (FY2014-FY2016) and the committed expenditures equal \$47M. The expenditures include projects constructed, advertised and those projects with *Commitment to Fund* letters. Although slightly over programmed, Ms. Montanari noted that bids overall were coming in at approximately 12 percent below engineer's estimate. Ms. Montanari reviewed future revenue based on budgeted amounts, but not bonded, amounting to \$56M. Future expenditures equal approximately \$67M, which included LOTCIP Projects awaiting a Commitment to Fund, CRCOG approved LOTCIP Projects and future studies and solicitations. Additionally, the group was provided with STP-Urban Summary tables that reflected targets funding totals, projects listed and estimated under programming totals (by year) that may potentially be used for future LOTCIP projects.
- **Fact Sheet for OPM, Legislators, Others:** The Fact Sheet will be discussed at a future meeting date.

6. Transportation Revenue Options (including tolling) – Ms. Jennifer Carrier generally reviewed the prepared memorandums related to tolling and transportation revenue options. Ms. Carrier also summarized a few of the areas where CRCOG may be able to assist going forward including support for legislation that supports a design-build-operate and maintain framework for tolling, and a formal tolling authority. A discussion ensued regarding tolling, the gas tax, the motor vehicle sales tax, and the creation of a new dedicated tax for special projects.

Mr. Jon Colman inquired regarding a consensus of general support for various tolling and taxing scenarios. There was general support for the following revenue

sources, and the hope for passing of measures that would protect all transportation revenues (a “lock box”):

- Additional gas tax revenue as long as it is in-line with adjacent states
- Additional study of the tolling of all interstate facilities within the state understanding that it may not be in CT’s best interest to toll all highways
- Project specific incremental taxes on a referendum basis, administered by an authority

The Subcommittee also discussed a few other topics including:

- Other taxes we may not be familiar with or implementing in CT such as a license fee or a tax on repair services
- Tolling on commercial vehicles (although this was not widely supported by the subcommittee)
- Approaching private developments (maybe Dunkin Donuts) as it relates to sponsoring / privatizing rest stops
- The time it could take to implement tolling in CT

7. Other Business - No other business was discussed.

8. Adjourn - The meeting was adjourned at 11:30 am