

**Highway Simplification Study
Policy Working Group**

**Friday, March 26, 2010
Maine Municipal Association**

Attendees:

Policy Working Group Members

Elwood Beal, Lisbon Public Works Director
Michelle Beal, Ellsworth City Manager
Dave Bernhardt, MaineDOT
Bob Belz, Auburn Public Works Director
David Cole, Gorham Town Manager
Clint Deschene, Hermon Town Manager, (Co-Chair)
Greg Dore, Skowhegan Road Commissioner
Richard Freethey, Brooklin Selectman
Gerry James, Presque Isle Public Works Director
Jim Hanley, Pike Industries
John Johnson, Jay Public Works Director
Rob Kenerson, BACTS
Galen Larrabee, Knox Selectman
John Sylvester, Alfred Selectman
Bruce Van Note, MaineDOT, (Co-Chair)

Policy Working Group Staff

Peter Coughlan, MaineDOT
Kate Dufour, MMA
Dale Doughty, MaineDOT

Other Guests

Larissa Crockett, Acton
John Duncan, PACTS
Glen Ridley, Litchfield
Tony Smith, Mount Desert
Clint Spaulding, Freedom

Co-chairs Clint Deschene and Bruce Van Note convened the meeting at 10:05 a.m. During its five hour meeting, the Policy Working Group (PWG) discussed and took actions on the following issues:

Item 1: Revisions to Agenda

John Sylvester asked for time at the end of the meeting to share feedback and a request for information from Senator Susan Collins regarding the temporary weight limit increase on Maine's Interstate system.

Item 2: Administrative Matters

a. Welcome New Member. The PWG welcomed its newest member, Gerry James, Presque Isle Public Works Director. Gerry takes the place vacated by Ryan Pelletier who resigned from serving on the PWG at the February 26th meeting.

b. Subcommittee Member Status. MaineDOT's Peter Coughlan reported on the process to appoint Greg Blackwell, Rockland Public Works Director to the Urban Issues Subcommittee. At its February 26th meeting, the PWG authorized expanding the Subcommittee's membership to accommodate another member's medical leave.

c. Comment Form. Pete Coughlan informed members that since its last meeting on February 26th only one person had submitted a comment. A woman from Dixmont said she had read in the town report that the state was turning back roads to municipalities and expressed concerns that the town could not afford those costs. Pete explained that the town report was not accurate, and that the PWG was working on a proposal to fix roads at state expense and divide year-round maintenance activities over the minor and major collector road system between the state and municipalities, but that a final proposal had not yet been created. Pete also provided her with town specific information, indicating that there was one major collector road in the community and that under the proposal currently being developed by the PWG, the town would actually save on snowplowing costs. The Dixmont resident greatly appreciated receiving all of the information.

d. Information Request Protocol. MMA's Kate Dufour shared that she had received two requests for PWG draft documents. As a result, the members of the PWG were polled for their opinion on how best to address those requests. Members responding to the poll recommended making all draft documents available on an as requested basis, provided that the documents were clearly marked as being for "PWG purposes only". The PWG officially adopted that protocol at Friday's meeting.

e. Education Outreach Activities. Pete Coughlan relayed his efforts to keep interested parties informed of the Working Group's process and encourage interested parties to use the Highway Simplification Study site on the Department's website as a way to keep informed. Other members and staff said that they had also provided information to groups and organizations. Specifically, Bruce Van Note had included a brief heads up at the annual meeting of the Maine Asphalt Paving Association (MAPA), John Sylvester had spoken to his "Twelve Towns" group, Pete had presented to a Mid coast group of town government leaders and other PWG members had spoken to Metropolitan Planning Organization boards, their select boards, etc. The PWG determined this type of outreach is positive and what needs to be done, but that these efforts will inevitably result in the generation of rumors and concerns. As a result it was determined that all PWG members need to rely on the same basic information and message. See item 2(g), 2nd paragraph below.

f. Comments on Maps/Spreadsheets. With respect to content, details and quality, Bruce Van Note asked if any of the PWG members had any comments on the maps and spreadsheets provided. It was determined that eventually more detailed maps for the urban areas, a tutorial on how to read the spreadsheet data, and more town specific data would be necessary.

g. Name of Proposal. The PWG also discussed whether to label the current proposal being discussed as "Fix and Swap" to more accurately reflect its basic components. As awareness of this effort grows in an environment of strained state-municipal relations and the memory of the so-called road "turn back" process of the early 1980's, MaineDOT felt it was important for the PWG to name the proposal before others did so on their behalf. By consensus, the PWG supported the "fix and swap" label.

The ensuing conversation focused on the need for uniform information and messaging. As PWG members are asked to make presentations to their members and associations, it was

deemed important that the same information is provided to all interested parties. As a result, the PWG decided that it should develop two documents. The first document would include background information detailing the reasons for the study, the diversity of the members on the PWG and focus on the fact that this effort is a joint partnership between the state and municipalities. In addition to the background information, this document would include the details, to the extent available at any given time, for implementing the “fix and swap” proposal. Until finalized, a disclaimer/message would be included on the documents stating that the work of the PWG was in flux and that no final decisions had been made. It was later decided that Kate Dufour should write the initial draft of this first document. The second document is to be one-page of “talking points” that will simply list the major components of the proposal and provide a rough agenda for those giving presentations. Once approved, both documents will be posted on the state’s Highway Simplification Study website.

Item 3: Cost Survey Results

Kate Dufour provided the final results of the municipal winter and summer maintenance cost survey conducted in February of this year. According to the data provided by the 114 participating municipalities, on average, municipalities spend \$3,447 per lane mile on winter maintenance activities and \$3,437 per lane mile on summer maintenance activities. The data also compared the average municipal expenditures with state level expenditures. According to the information provided by the Department of Transportation, the state spends \$3,448 per lane mile on winter maintenance and \$2,555 on summer maintenance activities. Kate also informed the PWG that although concerns about the accuracy of the municipal data had been raised by members of the Urban Issues and Standard/Costs Subcommittees, most agreed that the data was the best available and could serve as a good tool to guide the efforts of the PWG.

In response to the presentation, the members of the PWG generally agreed that the 2010 municipal survey data is the most comprehensive of its kind and that the data generated provides the information necessary to help guide the development of the funding elements of the proposal. In order to keep the efforts of the PWG up-to-date, some members believe that future municipal cost surveys will be necessary and might be designed to look at the cost variations associated with maintaining different classifications of municipal roads (i.e., urban vs. rural).

The PWG also discussed the need to generate a report explaining how the cost survey was prepared, its basic findings, how it may be used, and the short-term and long-term impacts associated with implementing the “fix and swap” proposal. The Standards/Cost Subcommittee was tasked with drafting this report.

A request was made to recalculate the state summer per lane mile costs to exclude the Interstate costs and mileages.

Item 4: Subcommittee Reports

a. Standards/Cost Subcommittee. Subcommittee co-chairs David Bernhardt (MaineDOT) and Tony Smith (Mount Desert) provided an overview of the progress made by the subcommittee at its March 10th meeting. A majority of co-chairs’ presentation focused on the Subcommittee’s effort to define the appropriate standard to which the state’s minor collector roads should be improved, and related estimated per mile costs. The Subcommittee established

the basic parameters of the standard aimed at assuring at least a 10 year life of a 22 foot wide paved surface, including an average need of 1,200 tons of pavement per centerline mile, associated drainage, ditching and shoulder work, guardrail work, signage, spot tree removal, and corrections of cross-slope problems. This standard does not generally include full reconstruction, moving utilities, adding paved shoulders, etc. The PWG tasked the Standards/Cost Subcommittee with drafting a succinct description of this Minor Collector Standard so that it's clear what is and what is not included. Relying on state costs incurred as a result of undertaking several road reclassification projects in Northern Maine in 2007, the Subcommittee projected that the 2010 average cost for bringing the state's minor collector road system to this 10-year standard (i.e., that the road would not need any paving or other capital investment for at least 10-years period) would be \$130,000 per centerline mile, or \$65,000 per lane mile. On behalf of the Subcommittee, Dave and Tony asked for the PWG's feedback.

The PWG's ensuing discussion focused how the per mile cost developed by the Subcommittee would be used. There were two approaches on this issue.

Standards Approach. One approach was to have the standard dictate how much state revenue would need to be invested into all minor collector roads. As crafted by the Subcommittee, the amount of investment would be based on the condition of the road. In some cases, the costs would be less than the \$130,000 per lane mile average, and in other cases higher than the calculated average.

Per Lane Mile Approach. The second approach was to use a per lane mile figure to define the amount of the state's investment. Under this scenario, a municipality would be provided or the state would invest a set per lane mile dollar amount for each minor collector lane mile to be improved. Bruce Van Note expressed the need to define the likely costs of implementing any proposal to state executive and legislative branches.

After much discussion, the PWG agreed to preliminarily endorse the Standards Approach. In order to help assure the success of the "fix and swap" proposal, the PWG agreed that funding for the minor collector road system, local level flexibility, and state/municipal collaboration on the approach for repairing and transferring responsibility was necessary. Above all, before supporting any proposals, municipalities must be made aware and understand all of the immediate and future impacts; that is, once the improvement is made to the minor collector road, summer maintenance becomes a municipal responsibility. (The municipality already provides winter maintenance on these roads, and those costs would likely decrease if the roads were improved.)

Although many of the PWG members believe that the Standards Approach being developed by the Subcommittee is the most equitable, some members were concerned about the impacts on communities that have already invested in minor collector roads through the Rural Road Initiative (RRI) program. The RRI program was developed with MMA in 1999 and is provided in existing law. Under the RRI program, some municipalities have invested 1/3 of capital the cost of improving minor collector roads and under this proposal would not be able to recoup those costs.

As a result of the discussion, the PWG directed the Standards and Costs Subcommittee to continue to work on the Standards Approach. In addition to further clarifying the standard (see above), the Subcommittee was to develop a menu of possible implementation options for how the minor collector improvement process would work. Such options would include : 1) municipality is paid the estimated per mile cost for bringing the road to a 10-year standard and authorized to make improvements as deemed necessary; 2) state brings the minor collector road to the 10-year standard; or 3) in collaboration with the state, the municipality assesses the cost associated with bringing the road to a higher standard, and determines the best way to achieve the goal. With respect to option 3, the Subcommittee was asked to examine the possibility of creating a sliding scale for leveraging additional state aid above the \$130,000 per centerline mile to bring a minor collector road to a locally-desired higher standard. In all cases, the PWG emphasized the need to have a road-specific walk through with municipal road staff and MaineDOT, and clear communication and agreement on the scope of work. That is, though the municipality and state may ultimately implement the improvement plan on their own, the plan must be the product of collaboration and agreement.

Finally, the PWG agreed to work on a policy to ensure that communities that have invested into the minor collector road system recently (within the past 5 years?) are somehow reimbursed for that investment.

b. Urban Issues Subcommittee. MaineDOT's Dale Doughty provided an overview of the progress made by the Subcommittee at its March 10th meeting. A majority of Dale's presentation focused on the Subcommittee's effort to redefine urban compact areas within a municipality. Under existing law, the "built-up" communities (i.e., urban compacts) are designated on a population and development density basis.

To date, the Subcommittee has reviewed two approaches.

Economic, Traffic and Population Based Factors. One approach developed by John Melrose redefines the designation using a combination of economic, traffic and population based factors. Working with data generated by the Maine Revenue Services, Maine Department of Transportation and the U.S. Census Bureau, John identified five possible criteria to be used in the designation process. As proposed, a community's eligibility would be determined by its relationship with five factors, including whether or not the community: 1) is designated as a Census Designated Place (CDP); 2) generates at least 0.5% of total consumer sales; 3) is a job center providing employment for at least 0.5% of the state's workforce; 4) has a year-round resident population that is at least 0.5% of the state's total population; and 5) generates at least 0.5% of the state's average total vehicle miles traveled. In a quick application of these standards to 129 communities that are either currently designated as urban compact, winter compact or service center communities, or are part of an MPO, John concluded that 28 communities met all five criteria; 7 more communities met four of the criteria and 5 more communities met three of the criteria.

Density Approach. Another approach developed by MaineDOT's Dale Doughty and Peter Coughlan redefines the designation using a density approach. Through the use of mapping programs, Dale and Pete identified the residentially and commercially built-up areas on state

roads in dozens of communities. Using that data, they were able to determine how many miles of state road within each of the reviewed communities were impacted by “dense” development. Based on those reviews, the miles of state roads impacted by “dense” development ranged from less than one-half mile in smaller rural communities to over 6 miles in larger more service related communities, as well as in the state’s bedroom communities.

After reviewing and discussing both of the presentations in detail, the Subcommittee decided to see what effect combining both of the approaches would have on identifying “built-up” communities. The goal of the Subcommittee is to develop an approach that is: 1) simple and easy to understand; 2) fair and reasonable; and 3) more efficient and customer service oriented. Pete will also be contacting his counterparts in New Hampshire and Vermont to determine what criteria they use to identify “built-up” communities. In addition to working on the definition of an urban compact area, the Subcommittee will also be reviewing the existing traffic movement permit process and local match requirements on state road projects.

The PWG asked the Subcommittee to provide examples of how the new definition would impact municipalities; that is, who is in and who is out and urged the development of a definition that does not penalize those communities that have invested in public works departments. Some members thought that the density approach could be used to determine who is in or out, and the economic factors could be used to determine which municipalities could opt out of the program (i.e., a community with a paper mill that has closed, etc.). They also asked the Subcommittee to explore how the redefinition would impact URIP funding. Although much work remains, good progress is being made.

Item 5: Evaluation Criteria

Bruce Van Note and Clint Deschene led a discussion on how best to evaluate the fiscal benefits of any proposal developed by the PWG. Some ideas for evaluating the proposal include the cost savings for the municipalities associated with the state’s year-round responsibility over State Aid major collector roads; the cost to municipalities for year-round responsibility over improved minor collector roads; the general benefits to both the state and municipalities for increased Highway Fund revenues; and the intangible benefits associated with improved customer service, roads, and investment decisions, and increased collaboration between the state and municipalities.

In order to make the best decisions possible, the PWG agreed that data was necessary. In order to generate the data, the PWG agreed that the standards approach needs to be further developed. (See item 4(a) above.) Other important evaluation factors include improved local control over the minor collector road system as well as the common goal of fixing the state and municipal transportation infrastructure. The PWG members acknowledged that increased state funding would be necessary to implementing any developed proposal, given that the cost survey shows municipal and state costs are comparable.

The PWG also agreed that before running all of the impact data and creating the town-by-town impact spreadsheets, the ideas generated by the working group needed to be vetted by the larger stakeholder community. The PWG agreed it was time to reconvene the Sounding Board to get their perspective on the progress made to date. A meeting with the Sounding Board and

members of MMA's Legislative Policy Committee has been scheduled for Tuesday, April 13th from 1:00 p.m. to 3:00 p.m. at MMA.

Item 6: Efficiency Efforts at MaineDOT

Bruce Van Note and Galen Larrabee led the PWG in a discussion of what should be included in the final report; specifically should the report address efficiencies that have been achieved both locally and at the state level. Bruce and Galen have both stressed the need to show that dollars are not being wasted before there is any talk of increasing revenues. Galen said the cost survey results had gone a long way toward alleviating his concern that the state spent highway money in a wasteful fashion. Although the PWG agreed that the report needed to include a section describing efficiencies achieved, it believes the focus should be on choices. Essentially, policymakers and general public have two choices: 1) to appropriately invest in Maine's transportation system to improve it to current customer expectations, which will require new funding sources, or 2) prioritize investments to roads that provide the most traveler benefits, and accept lower standards and deteriorating system elsewhere. The PWG agreed that efficiency, clarified roles, and innovation are important and may solve a small percentage of the problem, but it will not come anywhere near getting the job done. The PWG is fine with whatever choice is made (pay or prioritize more), provided the policymakers and the citizens of the state fully comprehend the consequence of either choice.

Item 7: Other Matters

Bruce Van Note updated the PWG on the FY 2010-11 Highway Fund budget and bonding proposals currently under discussion by the Legislature. On the budget front, there is good news as the declines in Highway Fund revenues are not as deep as originally projected. According to the state's Revenue Forecasting Committee, in FY 10, Highway Fund revenues are anticipated to generate \$309 million. Previous revenue projections had FY 10 revenue collections pegged at \$305 million. In FY 11, Highway Fund revenues are up from the previous projections of \$302 million to \$307 million. As a result of the upward revenue reprojection, the state will be able to bump its maintenance surface treatment (MST) program to 615 miles. In FY 09, the state had funds available to maintain only 250 miles under its MST program. Depending upon revenues, winter maintenance costs next year, and bid process, it is possible that funding may be available to pilot the minor collector standards in the PWG's "fix and swap" proposal in a few communities.

Bruce also detailed the highway related elements of Governor Baldacci's proposed \$79 million bond. Of the total, \$62 million would be used to fund transportation projects, including investments in railroads, state highway reconstruction projects and municipal challenge grants. The \$3 million investment in municipal challenge grants would make funds available, on a competitive basis, to communities that are ready to invest in a capital improvement project that can be accomplished this year. The legislative outlook for bond passage remains unclear.

John Sylvester informed the PWG that during the MMA's annual March advocacy trip to Washington D.C., Senator Susan Collins asked for assistance in generating examples of how the weight limit increase on the Interstate highway has benefited municipalities and the state. All examples would be appreciated and will help in the Congressional Delegation's effort to make the temporary increase a permanent one.

Item 8: Future Meetings

The PWG has scheduled meetings for the following dates:

- Tuesday, April 13, 1:00 p.m. to 3:00 p.m. at MMA. Outreach meeting with Highway Study Sounding Board and MMA's Legislative Policy Committee.
- Thursday, April 22, 10:00 a.m. to 3:00 p.m. at MMA (lunch will be provided).

Item 9: Adjournment

The meeting was adjourned at 3:05 p.m.