

**Highway Simplification Study
Policy Working Group**

**Wednesday, May 19, 2010
Maine Municipal Association**

Attendees:

Policy Working Group Members

Michelle Beal, Ellsworth
David Bernhardt, MaineDOT
Bob Belz, Auburn
David Cole, Gorham
Clint Deschene, Hermon (Co-chair)
Greg Dore, Skowhegan
Jim Hanley, Pike Industries
Gerry James, Presque Isle
John Johnson, Jay
Rob Kenerson, BACTS
Galen Larrabee, Knox
Glen Ridley, Litchfield
John Sylvester, Alfred
Bruce Van Note, MaineDOT (Co-chair)

Policy Working Group Staff

Peter Coughlan, MaineDOT
Kate Dufour, MMA

Guests

Denny Keschl
Tony Smith

Absent

Elwood Beal, Lisbon

Item 1: Summary of Municipal Members Pre-Policy Working Group Meeting

Co-chairs Clint Deschene and Bruce Van Note convened the meeting at 12:15 p.m. The convention of the Policy Working Group (PWG) was postponed to noon to allow the municipal officials on the working group time to meet to discuss issues and concerns.

The municipal request was based on a need to discuss concerns and issues that have been raised by their peers and to brainstorm possible solutions to be shared with the entire membership of the PWG. However, the municipal representatives remain committed to continue working collaboratively with the Department of Transportation and all other members of the Policy Working Group to devise the best transportation funding and improvement plan possible.

In a nutshell, the primary concern raised by the municipal representatives was focused on the timing of the July 15, 2010 report back date to the Legislature's Transportation Committee. The municipal officials involved in the pre-meeting believe that many issues still need to be resolved before they can support and move forward with the implementation of the plan, and the July 15th deadline does not provide the time necessary to fully vet concerns. A "white paper" identifying the unresolved issues and recommendations of the municipal officials is attached as Appendix A.

After much PWG-level discussion of the issues raised, it was generally agreed that major policy initiatives take time to develop, vet and implement. Rob Kenerson moved and John Sylvester seconded supporting a deadline extension of six months, making the final report due on January 15, 2011. The motion was supported by all the 14 PWG members in attendance. One member was absent for the vote.

Item 2: Next Steps

In order to ensure that the PWG makes the best use of its time and addresses all of the issues that have been raised by its members, the following work assignments were made:

1. **Cancellation of the May 26th Sounding Board Meeting.** Since the purpose of the next Sounding Board meeting was to get feedback on the nearly finalized report, the PWG felt it was best to postpone that meeting until more progress had been made. Kate Dufour was asked to inform the Sounding Board of that postponement decision.
2. **Drafting a Status Report to the Transportation Committee.** Although the PWG agreed to extend its report back deadline to January 15, 2011, the Department still has to meet its July 15th report back obligation. The PWG agreed to draft a status report for the Legislature's Transportation Committee outlining the work done to date, the work that is still left to be completed and the request of the deadline extension. Bruce Van Note was asked to draft the report and to share it with the PWG for comments and input.
3. **Recalculation of the Municipal Road Cost Data.** In order to "guarantee" that the most accurate municipal cost data is available, the PWG asked that a Municipal Road Cost Sub-group be convened. The charge to the Sub-group is to develop a process for ensuring that the municipalities providing cost data are utilizing a uniform reporting process. In addition, the Sub-group was asked to review the cost component variables used by MaineDOT to ensure that "apples-to-apples" comparisons can be made with the state's average cost data. David Bernhardt was asked to provide the detailed data to Kate Dufour as well as to look at different ways to slice up the state's data, such as on a regional basis. Kate Dufour was asked to convene the Municipal Road Cost Sub-group.
 - a. The members of this Sub-group will include Gerry James, John Johnson, Glen Ridley, Tony Smith and Kate Dufour and has scheduled its first meeting for Wednesday, May 26th at 10:00 a.m. at MMA.
4. **Federal Functional Classification System.** In order to ensure that existing roads are appropriately classified, the PWG asked MaineDOT to identify roads that it thinks may need to be reclassified in the near future. This exercise was deemed important to ensure that the data used to calculate the fiscal impacts of the "fix and swap" proposal is as accurately as possible. MaineDOT noted that it believes its classifications have a solid basis, that no big changes are expected, and that its on-going process is usually initiated by municipalities. An alternative discussed was a multi-year moratorium on classification changes. Pete Coughlan was asked to generate a list of roads that he thinks needs to be reclassified and as well as to provide more detailed definitions for each of the road classifications.

5. **Update and Review of “Built-Up” Density Approach to Defining Compacts.** Over the last several months, the Urban Issues Subcommittee has been working on restructuring the process used to identify substantial compact or “built-up” areas along state major collector and arterial roads. Under the existing “urban compact” law, municipalities with populations over 7,500 are classified as “urban” and are responsible for maintaining state major collector and arterial roads in the “built-up” areas of the community. The Urban Issues Subcommittee has developed a density-based approach for identifying these communities. As a result of these efforts, 69 compact or “built up” communities have been identified. Of the 69 on the list: 43 communities fall under the existing urban compact definition; 12 communities are existing state winter compacts; and 14 communities would be newly defined compacts. The need to reach out and communicate with these municipalities was discussed. The Subcommittee is also working on amending and finalizing the list of maintenance activities that must be provided by “built-up” communities. Dale Doughty was asked to provide an update on this effort at the PWG’s June 8th meeting.
6. **Review Board Process.** The Standards and Cost Subcommittee has been working on a process for creating a state-level “Review Board” for resolving conflicts that could arise in the process for determining the level of improvements that should be made to a minor collector road to bring it up to the 10 year, Minor Collector Highway Improvement standard that has been agreed to by the Subcommittee. Dave Bernhardt was asked to provide an update on this effort at the PWG’s June 8th meeting.
7. **Appeals Committee.** As set forth in the original Charter of this effort, the PWG decided to investigate creating an “Appeals Committee” for providing a process for municipalities to appeal state road functional classifications and “urban compact” designation decisions that are first made by MaineDOT. Bruce Van Note and Kate Dufour were asked to develop this process.
8. **Fiscal Analysis Sub-group.** The PWG asked that MaineDOT to explore alternative ways to implement the “fix and swap” proposal to mitigate the adverse financial effects on municipalities. Bruce Van Note and Clint Deschene were asked to convene the Fiscal Analysis Sub-group.
 - a. The members of this Sub-group will include Michelle Beal, Clint Deschene, John Sylvester, Bruce Van Note and Kate Dufour and has scheduled its first meeting for Wednesday, June 2 at 2:00 p.m. at the Hermon town office.
9. **Clarifying Motor Vehicle Excise Tax Law.** The PWG is exploring the possibility of adopting a law that would require municipalities to certify that motor vehicle excise tax revenue collected by a municipality is used for transportation-related purposes (i.e., maintenance or capital costs of highways, minor spans, transit support, traffic enforcement, etc.) in that community, or the amount of state local road assistance would be reduced, if that were not the case. It was noted that the general public widely believes that excise tax revenues are used for transportation-related purposes. While under existing practice municipalities as a whole use all excise tax and state road aid (URIP) revenues on road and bridge projects, there is interest in exploring the possibility of

Kate Dufour has been asked to work with Bruce Van Note to formulate the question and get an opinion from the Maine Municipal Association's Legal Department.

10. **Implementation of the Fix & Swap Proposal.** The PWG also raised concerns with how the proposal would be implemented. Specific issues that need more discussion include: 1) timing of the transfer of minor collector roads to municipalities (*at its May 6th meeting it was tentatively agreed that all minor collector roads in the community needed to be improved before being turned over to the community*); 2) funding of the local road assistance program (i.e., tied to a percent of the Department's budget, a Highway Fund version of the municipal revenue sharing program that distributes "off the top" revenues to municipalities, etc.); 3) funding for the state's year-round maintenance responsibilities over the major collector road system; and 4) ensuring that the state continues to maintain the minor collector road system according to existing practices throughout the implementation phase. The PWG has been tasked with resolving these issues.

Item 3: Next Meeting

The PWG has scheduled meetings for the following dates:

- Tuesday, June 8, 10:00 a.m. to 3:00 p.m. at MMA (lunch provided).
- Friday, June 18, 10:00 a.m. to 3:00 p.m. at MMA (lunch provided).

Item 4: Adjournment

The meeting was adjourned at 2:50 p.m.

Highway Simplification Study
Issues Raised by the Municipal Representative on the Policy Working Group
May 19, 2010

The municipal officials on the Policy Working Group are committed to continue working collaboratively with the Maine Department of Transportation to ensure that Maine's transportation system is appropriately funded and maintained. As a result of this morning's discussions, the following Highway Simplification Study implementation plan:

1. Immediately adopt the federal road classification system in Maine, without shifting any responsibilities over the collector road system between municipalities and the state.
2. Explore opportunities for municipalities and regional transportation departments to work collaboratively to provide services in the most efficient and customer service oriented manner.
3. Require the state to review all existing road classifications for accuracy and to make recommendations for changes before any decisions are made regarding shifting maintenance responsibilities over the collector road system. In addition, the reclassification recommendations should be reviewed by the Policy Working Group and that an "Appeals Board" represented by municipal and state officials be created to resolve issues associated with a reclassification.
4. While the PWG and its Subcommittees have accomplished many tasks, much work needs to be done. Some of the areas that need more work include, but are not limited to:
 - a. Ensuring that the methodologies used to collect data generate the most accurate state and municipal winter and summer cost averages;
 - b. More discussion of the process to redefine urban compact areas, including how that redefinition will impact winter compact communities and other non-urban communities;
 - c. Developing proposals identifying new and sustainable highway funding revenue source;
 - d. Exploring changes and enhancements to URIP; and
 - e. Working on developing the documentation necessary to show that municipalities and the state have adopted mechanisms for providing services more efficiently.
5. Creation of a municipally- focused subcommittee to explore other alternatives, including:
 - a. Local-level analysis of the fix and swap proposal;
 - b. Options for implementing the fix and swap proposal on a town-by-town basis; and
 - c. Finding the revenues necessary to enable the state to fix the minor collector road system without transferring responsibilities, and to allow communities to "opt" to take over the minor collector roads.
6. The municipal officials on the PWG are ready to help the Department in its efforts to educate the Legislature about the importance of the process and the need for more time to appropriately implement recommendations for "simplifying" the existing system. In addition to documenting the work of the Policy Working Group, the July 15, 2010 report to the Transportation Committee should include a request for a 12 to 18 month deadline extension to enable the group to complete its work.