

PACTS

Portland Area Comprehensive Transportation System

PACTS TIP Process Committee Meeting Notice

February 13, 2009
8:00 a.m.

GPCOG, 68 Marginal Way, Portland

Agenda

1. Call to order
2. Public Comment
3. Minutes of January 9th meeting
4. PACTS Collector Road Assessment Study (8:05)
5. Set Asides Policy (8:40)
6. Contribution Cap Policy (9:10)
7. Match Ratio Policy (9:30)
8. Next steps (9:50)
9. Adjourn.

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Minutes of January 9th Meeting

In Attendance: John Bubier, Chair, Biddeford; Mike Bobinsky, Portland; Jim Gailey, South Portland; Steve Gunty, OOB; Bob Hough, MaineDOT; Dan Jellis, Yarmouth; Mike Laberge, MaineDOT; Tom Meyers, Public Transportation; Tom Milligan, Biddeford; Brooks More, Windham; Duane Scott, MaineDOT; Greg Tansley, Biddeford.

Staff: John Duncan, Carl Eppich, Sue McIntyre, Paul Niehoff

1. **Call to Order:** John Bubier, Chair, called the meeting to order at 8:07 a.m.
2. **Public Comment:** There were no public comments expressed. John Duncan will be doing more public outreach.

Portland City Councilor Kevin Donoghue has taken a new daytime position. Subsequently, he will not be able to attend daytime meetings. As a result, this leaves the Committee without a council member. The Committee would welcome any elected officials/members of city councils who would like to attend the meetings.

3. **Minutes of December 11th, 2008 meeting:**
Dan Jellis made a motion for approval of the December 11th, 2008 minutes, seconded by Jim Gailey. Vote taken. All were in favor. Minutes were unanimously accepted.
4. **Update on federal economic stimulus process**

John Duncan provided an update on the federal economic stimulus package. It is very early in the process and there is much talk around the country. John feels fairly certain that monies will come to the DOTs around the country on the basis of some sort of congressional formula as opposed to Congress spending “X” amount of monies on a particular ferry, bridge, etc. PACTS has notified MaineDOT that it would be pleased to help set priorities, etc. and MaineDOT is considering that offer.

On behalf of the MaineDOT Duane Scott said that information on the economic stimulus package is extremely fluid and changes from day to day as to what methods will be utilized. The DOT is preparing different scenarios to be ready. They have individual types of projects, categorization of those projects that have aggregated, and, have run some formulas. The various compilations of those projects run the gambit in terms of amounts. They have well over a billion dollars of work which should be more than ample to be ready for what comes.

Anything that is on the master list is based on meeting the criteria and that includes MPOs. There are sub-listings that are in the MPOs area and that are MPO sponsored. There is a lot of work that occurs that is MaineDOT sponsored but are in the confines of the MPO area. All have been aggregated together. It has been suggested that in terms of “triage” that PACTS takes time to sift through the MPO projects and decide which ones are “shovel ready”. Many projects have already been submitted by other groups for the stimulus package. Some of these projects did not have PACTS involvement but may be located in the PACTS area. As far as what projects are submitted and where these projects are in the MaineDOT prioritization is not clear to PACTS staff. It was noted that MaineDOT shares their frustration in that and that all of these items are finding their way to the DOT. The biggest challenge is trying to go through them and sift through the list omitting duplications and triplicates.

Another MaineDOT big challenge is that they have a large back-filling of projects that exists in their work plan that they are currently preparing for in the next two years. If certain projects are getting funding with the stimulus package then these same projects might have to be moved out of the work plan. It was pointed out that there are several state agencies participating in the economic stimulus process. The EDA has been out there for instance, asking for a list. Then there are CSO issues as well as environmental issues that the EPA is looking at to submit as projects. This topic generated a discussion about whether it might be beneficial for all of the groups to sit down together to talk about “rules of engagement”. How will those projects be triaged? It was pointed out that communication and conversations are currently taking place between many of these agencies. A question was asked as to whether an MPO coordination meeting should be held.

Further discussion on this topic followed with more opinions expressed such as:

- We should just wait until we get more information about the Stimulus Package and its guidelines.
- Having general, not detailed, early discussions and conversations might be beneficial.
- On the macro level what input will PACTS have on the regional issues? Some roads, for instance, are regional in nature. Another example mentioned included a Bayside Trail project.
- There are many early lists that have been put out there, some on websites, with various estimated costs. These lists are not necessarily accurate because of their early postings.
- We should not forget that non-highway projects like school buildings, park improvements, etc., for instance have been identified on a capital list. There are many advocates out there. Lists are being created from all kinds of infrastructure. Processes to sift through these other groups are being developed as well.
- A strict interpretation of terms such as “shovel-ready” is needed.
- A concern was expressed for projects that are already on MaineDOT’s list because they have already been funded. It is hoped that those projects do not get lost in the shuffle. (Projects that have a PIN will be done and there is a possibility that some of the bridge projects will be design-built.)

In summary there was a consensus to explore the benefits of scheduling a two-hour meeting with appropriate representatives of the DEP, the MaineDOT, the DECD, along with the four MPOs to discuss “rules of engagement”, prioritization of projects, and workload.

5. Discussion of member questions about the 2008/2009 and 2010/2011 Policy Documents

As requested by members of this group, a November 2007 internal first draft of our 2010/2011 Policies and Procedures, and an August 2006 version of our 2008/2009 Policies and Procedures were emailed to members on December 24th. John asked the group how they wanted to proceed. Do we want to be working with a 40-page document when we meet?

It was noted that we seem to fall behind on keeping this document updated. It may be too cumbersome to fit into the two-year cycle. Maybe we simply need to have a policy that we can update periodically. There was support among the group for a ten-page document that could be tweaked on a regular basis. It was agreed that the document’s verbiage could be decreased and made more user-friendly. The document does allow for a

“starter-place” and could be tweaked as we go along. Another opinion favored the addition of a separate attachment such as an appendix that could include policies that can be changed without changing the rules of operations. Subsequently, the group agreed to move in the direction of a ten-page document.

6. Presentation and discussion of draft committee work plan

John referenced the Draft Work Plan on page five of the meeting packet. This work plan implies that the work items could be completed in June. It references items introduced at our first meeting along with some detail. The list is not set in concrete and new topics may be added. Many of these topics relate to each other, but this is a good place to start. John then provided of an overview of the list.

Mike L. said he would like to see all the money topics discussed first, especially items 6 and 7, and then move forward with the project development questions. Mike B. agreed. He referenced the economic stimulus package and felt it might be beneficial if we tried to achieve a list of recommendations by mid-February to forward on to the PACTS Policy Committee.

Discussion followed regarding the set aside policy in context with Destination Tomorrow and as it relates to state standards as approved by the FHWA. Bob H. said he would rather see more monies toward safety improvement of intersections and to keep the smaller types of paving projects with local communities. Funding for local groups could come from URIP funds. There has been conversation about some kind of policy to put more monies in those types of projects. But, it is unsure as to what the actual outcome will be. This generated a short discussion on the cost effectiveness of towns doing some of the smaller types of projects and the consequences of not doing those in accordance with MaineDOT and federal highway standards. Several ideas were expressed on how to address this issue in what seems like an unbalanced system.

Greg Tansley made a motion to move item 6 and item 7 above item 4 in the TIP Process Committee Draft Work Plan as described on page five of the meeting packet, seconded by Mike Bobinsky. Discussion followed. Vote taken. All were in favor. Motion carried. More discussion followed.

Greg Tansley made a motion to adopt that the following order of items in the TIP Process Committee Draft Work Plan as described on page five of the meeting packet be items 1, 2, 3, 6, 7, 11, 4, 5, 8, 9, 10, 12, 13, 14, seconded by Jim Gailey. Discussion. Vote taken. All were in favor. Motion carried.

7. Presentation and discussion of staff recommendations to revise our Set Aside Policy

John directed the group to agenda item 7 in the meeting packet referencing the history and current situation of the PACTS set aside policy as well as dialogues with Kevin Donoghue, Ron Owens, Rick Michaud and Nat Tupper. John then provided an overview of the table on page eight and referred to the six categories in the table along with the percentage columns. Questions and comments followed.

Dan felt that the chart was very helpful and that the set aside policy works well as guidelines. It depends on the total monies available and which projects are raised to the top. He spoke of his satisfaction with the way the guidelines have worked. Mike L. agreed that it basically works well but he would also like to see this committee get more specific on some of the definitions. Brooks M. asked if when going through the process of allocating funds if it was

felt that the TIP and Policy goals had any impact on which projects were chosen or not? Dan replied that they had definitely been used. John reminded the group that there are many steps involved.

There was agreement that the Set Aside Policy had been a good tool and that it should not be radically tweaked. It might be worthwhile to look at other funds such as the economic stimulus package because of the other needs that are out there, and to revisit numbers three and seven. Jim G. agreed and said he would like the group to focus on widening and rebuilding roads. This generated discussion on Destination Tomorrow. Greg noted it looked like the 20/40% under the current policy was guided by Destination Tomorrow. John D. pointed out that Destination Tomorrow is a high level goals document and a comprehensive plan. It says “maintain your existing infrastructure”. John B. spoke of quantification vs. qualification and of being true to the master plan with quantification. Carl believed that Destination Tomorrow didn’t lock you into percentages. At that time the Committee felt that we should preserve what we had. Much has changed in the past six or seven years. Today it may not be as cost effective in reference to collector pavement.

Mike L. referenced federal law in conjunction with long range plans and transportation programs and spoke of collectors and arterials noting that MaineDOT could not do all the arterials. He also mentioned the National Highway System in conjunction with the allocation of resources. This topic generated a long discussion. Among items discussed were collectors and arterials, Destination Tomorrow, paving projects, and accountability. It was felt that there is a need for more clarification on definitions. John D. referred to the table on page ten of the meeting packet entitled “Proposal to Amend PACTS Set Aside Policy” and pointed out that there was agreement that the “Set Aside Policy” is working and that it does reflect Destination Tomorrow. But, how much can we get done with this limited amount of money? We will not be able to solve everything with the MPO allocation. Should we do fewer and larger projects that are more significant? He provided an overview of staff’s proposal.

Steve G. referenced the proposed changes listed on page ten of the meeting packet above the table. He felt staff had done a great job in narrowing down something complicated into these three objectives. Greg agreed. A discussion followed on collector roads and the definition of “simple collector” as well as what presents a safety issue when it comes to widening a road. Sometimes it is a matter of being “proactive” vs. “reactive”. Perhaps we could devise a system for local paving projects. It was pointed out that this will most likely be a continued topic of discussion.

8. Next steps and next meeting date

The next PACTS TIP Process Committee meeting is scheduled for February 13th, 2009 at 8:00 a.m. There will be no meeting held on January 23rd as previously scheduled.

9. Adjourn

Meeting adjourned at 10:10 a.m.

Agenda Item 4: PACTS Collector Road Assessment Study

For six years, our goal has been to program 40% of our MPO Allocation funds to our Collector Set Aside. The TIP Process Committee needs to be well informed about this largest of our set-asides, so the purpose of this agenda item is to help us prepare for continued work on our Set Asides Policy in Agenda Item 5.

Last month we completed our first regional collector road assessment study. We used it last fall for selecting \$5,000,000 in collector road projects to fund in the 2010/2011 program. Paul Niehoff worked closely with Gorrill-Palmer Consulting Engineers, MaineDOT and Technical Committee on this nine-month effort.

Tom Gorrill will give us an overview of the study. Here are some highlights:

- It costs four to five times as much to repair a road in very poor condition as it does to repair a road in fair condition.
- There are 200 miles of collector roads in the PACTS Funding Area portions of our fifteen municipalities.
- We would need \$230,000,000 to repair and bring up to MaineDOT standards all 200 miles this year. Most of that amount is needed for the 115 miles in bad shape and below standards.
- In contrast, PACTS programs only \$2,500,000 per year (per our existing Collector Set Aside policy).

Topics to consider are:

- Last fall the Technical Committee recommended \$5,000,000 to preserve roads *in relatively good shape* for our 2010/2011 program. We programmed nothing for collectors in bad shape.
- A year earlier the Policy Committee consensus (actually a vote) was that we use the \$5,000,000 to preserve and improve collectors both in good shape and in bad shape. Last fall the Policy Committee deferred to the Technical Committee's recommendation to fund only the "good" roads.
- Are there collector roads that we should drop from our regional needs analysis if either our municipalities want to keep them below MaineDOT standards? Similarly, given our extremely limited financial resources, PACTS staff suggests that we consider dropping the less regionally significant collector roads from our PACTS needs analysis and funding strategy (based on traffic volumes or some other measure).

Agenda Item 5: Set Asides Policy

Last month* we reviewed our existing Set Asides Policy for our MPO Allocation and its use during the past six years. Staff proposed that we continue with the Set Asides Policy, and that we revise it as follows:

- Focus more on regionally significant projects by funding more large projects and fewer small projects.
- Use PACTS federal funds to take care of the complicated collector projects, and rely on municipalities to finance “simple” collector paving projects with 100% local funds.
- Spend more on transit and bike/ped projects for increased modal options in the context of global warming and system sustainability.

The next page is a revised staff proposal that responds to the suggestions from the TIP Process Committee and the Technical Committee.

We are also proposing to change the Rebuild Roads category to Rebuild Arterials. The logic here is that the Collectors Set Aside would be used to reclaim and reconstruct our collector roads. Further, it is very unlikely based on our Roadway Formula scoring factors that a collector road reconstruction proposal could be competitive against a proposal to rebuild an arterial.

We suggest the following:

1. Members discuss **today** the revised recommendations.
2. Staff presents at our **April** meeting some “case studies” of cost savings from simple overlays done with 100% local funding. (March 13th would be too soon.)
3. Staff presents at our **April** meeting some revised descriptions for each Set Aside category.
4. Members adopt in **April** a revised Set Asides Policy for consideration by the Policy Committee.

** Staff also invites you to “jump outside the box” today before we focus on tweaking our Set Asides policies. Does our Set Asides policy discourage us from using our PACTS funds for larger projects of great regional importance (ones that cost \$5,000,000 to \$10,000,000)? Would a PACTS committee authorized to initiate project proposals be effective (rather than having our municipal members submit them)? Are there other fundamentally different ways that PACTS could set regional transportation project priorities in new and better ways?*

Revised Staff Proposal To Amend PACTS Set Aside Policy

	Existing <u>Policy</u>	Jan. <u>Proposal</u>	Feb. * <u>Proposal</u>	Feb. ** <u>Proposal</u>	<u>Notes</u>
Collectors	40%	25%	30%	\$4,500,000	January Technical Committee consensus was opposition to the proposal to reduce the Collector 40% to 25%. PACTS would fund only Tier 2 and 3 projects. See Paul for explanation. He is organizing a case study of cost savings from simple overlays with only local funds. He will share results at our April meeting.
Intersections	20%	35%	30%	\$4,500,000	Primarily to relieve bottlenecks. Note that this is an urban oriented Set Aside. Note that we have committed up to approx. \$2,000,000 in 2012/2013 biennium funds to the Dunstan Corner intersection project.
Rebuild Arterials	10%	25%	25%	\$3,750,000	For reconstruction and enhancement only. This 25% proposal is a policy statement to maintain and enhance our most regionally significant roads. Arterial paving is done by MaineDOT's Arterial Paving program.
Transit	7%	10%	10%	\$1,500,000	A statement for long-term sustainable transportation policy.
Bike/Ped	3%	5%	5%	\$750,000	A statement for long-term sustainable transportation policy.
Widen Roads	<u>20%</u>	<u>0%</u>	<u>0%</u>	<u>\$0</u>	A statement for long-term sustainable transportation policy.
Total	80%	100%	100%	\$15,000,000	

Agenda Item 6: Funding Cap Policy

Before 2004 there were few PACTS projects that required more money than had been programmed. Since then there have been many! In response we have done the following in order to improve the cost estimates used for programming purposes and to limit PACTS exposure.

1. We established our Funding Cap Policy based on the 25% contingency for all our Set Aside projects, except transit. This policy is that we guarantee PACTS funding for 125% of the cost estimate of a project at the time of programming by the Policy Committee, and that PACTS will provide no additional funding if subsequent cost estimates exceed the 125% amount.

This Funding Cap Policy has worked well due to our Enhanced Project Scoping process and due to our improved collector paving project scopes and cost estimates prepared with MaineDOT. These processes worked well in 2006 and even better in 2008. Our 2008 *Regional Collector Road Assessment Study* was a big help. We will work with MaineDOT and the Technical Committee to tweak these processes later this year in preparation for applying these scoping procedures again in 2010.

Despite the fact that unit costs have risen and fallen dramatically in the past several years, **PACTS staff feels that we should stick with this.** We feel good about this because our project cost estimating procedures are much improved and because our member municipalities have been able to cover the cost increases for the projects that needed funds beyond the 125% amount.

2. We created our “2-biennia” projects policy whereby we program funds for preliminary engineering to be done in one biennium and then we program construction funds (plus the 25% contingency) later after we have good enough scope and cost estimate information from MaineDOT’s Preliminary Design Reports. (It’s actually not quite that simple.) Despite the fact that the cost estimate might come in considerably higher than we had estimated in our EPS report, **PACTS staff feels that we should also stick with this policy.**

Note

A year ago we learned that it can take MaineDOT more than a year to develop the Preliminary Design Report to enable us to make good construction programming decisions for our “2-biennia” projects. Last September MaineDOT produced the Preliminary Design Reports for our Biddeford Route One, Portland Forest Avenue and Old Orchard Beach roundabout projects barely in time for action by the Policy Committee. PACTS staff and MaineDOT are developing a way to avoid this situation in 2010.

Agenda Item 7: Match Ratio Policy

Background

In the 1980's and 1990's the normal match ratios for PACTS arterial and collector projects were 80% federal, 5% state and 15% local. During the 1990's we required a 25% local match for collector road projects as a way to give regional priority to arterial projects.

During the turbulent funding years since 2004 PACTS has established a variety of match policies as a way to leverage more total dollars for transportation. While MaineDOT has struggled with the administration of our varying local match policies (particularly when we have funded projects over multiple biennia with different match ratios), MaineDOT values our high local match ratio policy as a means to leverage more total dollars for transportation.

Our current federal-state-local match policies are:

STP projects: 65%-10%-25%

NHS projects: 80%-10%-10%

Transit projects funded via STP: 80%-0%-20%

Construction funding for 2-biennia projects: at the same ratios
for which their PE work was funded

Please note that in 2008 MaineDOT increased the state match for our MPO Allocation, began to provide state match to PACTS in a lump sum, and gave us the authority to apply those state funds in *almost* any way that we wish. (The 2007 TIP Process Committee suggested that we use the State funds for "maintenance paving" but MaineDOT would not allow it.) Last fall we programmed the state funds using the ratios listed above.

As the current serious recession continues should we consider reducing our 25% local share policy?

In past PACTS deliberations on match ratio policy we have discussed establishing a policy to give municipalities extra credit for offering to pay a higher local match. We have avoided this in order to prevent wealthier municipalities from "buying" our federal funds at the expense of other projects that we deem more regionally important in less wealthy municipalities. That said, there have been occasions when the Policy Committee has looked favorably on special requests (outside our biennial programming work) from municipalities which are offering to provide a higher than normal match.

See staff recommendations on next page.

Staff Recommendations

We offer the following recommendations.

1. Stick with our current match ratio policies

We recommend keeping our existing federal-state-local match ratios policy as described on the prior page. This continues our high local match requirement at 25% for most projects. (As many of you know, there are many projects with local contributions that exceed 25%.)

However, we also suggest the exception described below.

2. Reward higher non-federal match proposals

Our 2008 report, *Leveraging Increased Funding through Transportation Investment Partnership*, encourages the financing of transportation projects with more partners in order to expand the total spending for transportation projects.

PACTS staff recommends that we actively encourage this leveraging process, as well as the option of a municipality simply offering to increase its municipal contribution. Here is one way for PACTS to encourage this leveraging.

If a municipality proposes to provide an additional 10% match beyond our minimum local match requirement then the proposal gets an automatic jump ahead of the proposal just ahead of it per the results of our scoring formulas. For instance, an intersection proposal (proposing a 35% local match rather than a 25% local match) would jump from, say, 3rd place to 2nd place in our ranking list. *This policy would not guarantee funding from PACTS.*

Similarly, if a municipality proposes to provide 20% or more additional match then the proposal jumps ahead two places.

Here are some conditions that could/should apply:

- The proposed match may be strictly municipal funds, or it could come from other sources too, such as a private developer.
- The municipality must include this in the original proposal submission to PACTS.
- Other.

We welcome your suggestions on this.

Agenda Item 8: Next Steps

TIP Process Committee Work Plan

<u>Topic</u>	<u>12/11</u>	<u>1/9</u>	<u>2/13</u>	<u>3/13</u>	<u>4/10</u>	<u>5/8</u>	<u>6/12</u>
1 Committee's purpose and goals	X	X					
2 Brief the Policy Committee	Dec			March		May	
3 Set Asides Policy		X	X	X	X		
4 PACTS contribution cap policy			X	X			
5 PACTS match ratio policy			X	X			
6 Factors and weights in our scoring formulas				X	X		
7 MaineDOT and FHWA design standards					X	X	
8 PACTS role in Local Project Administration					X		
9 Policy on pace of project development					X	X	
10 Substitution and Withdrawal Policies					X	X	
11 MaineDOT's new 3-Party Agreement							
12 MaineDOT's Six Year Plan					X	X	
13 Overview of FTA 5307 funds priority setting						X	
14 Enhanced project scoping improvements						X	
15 Staff revisions to project applications processes						X	
16 Produce Policies and Procedures Document						X	X