



STATE OF DELAWARE
DEPARTMENT OF TRANSPORTATION
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JENNIFER COHAN
SECRETARY

COUNCIL ON TRANSPORTATION

Meeting Minutes

Monday, June 22, 2020, at 3:00pm
WebEx Video Conference

COUNCIL MEMBERS PRESENT:

Ted Williams (Chairman), Lee Beetschen, Pam Scott, Martin Lessner, and Robert Fifer

COUNCIL MEMBERS ABSENT:

John Gilbert and Thomas Holmes

DELDOT STAFF PRESENT ON RECORD:

Jennifer Cohan, Secretary; Nicole Majeski, Deputy Secretary; Ken Feaster, DOJ/DelDOT; Annie Cordo DOJ/DelDOT; Lanie Thornton, Director of Finance; Art Jenkins, Assistant Director of Finance; Amanda Giuttari, Finance; Marc Coté, Director of Planning, Anson Gock, Planning; Mike DuRoss, Planning; Todd Reavis, Director of Technology and Innovation; John Sisson, CEO DTC; Shanté Hastings, Chief Engineer; Josh Thomas, Planning; Mark Luszcz, Deputy Director of DOTS; Lesley Devine, Office of the Secretary; Lori Sherwood, Planning

ADDITIONAL ATTENDEES ON RECORD:

Ken Grant, AAA; Doug Atkin, FHWA; Kathleen Baker; Michael Beal; Bill Weller; Richard Borrasso; Brendon McCarthy; Jim Johnson; and Eul Lee

Chairman Williams called the meeting to order and opened with the review and approval of the February 24, 2020 Council on Transportation meeting minutes. Councilwoman Scott made motion to approve, Councilman Lessner seconded the motion and the minutes were unanimously approved.

Chairman Williams communicated to Council, that he asked Secretary Cohan to have this meeting to give an update on where the Department stands considering COVID 19. He then turned the meeting over to Secretary Cohan

The Secretary proceeded with her update and presentation:

US DOT INFRA Grant - The Department was awarded a US DOT Infra Grant for the I-95 and SR 896 Interchange project. It is the largest one time grant the Department has ever received. The grant was for \$56.8M and will help advance the projects by two years.

Transportation Infrastructure Investment Fund Council (TIFF) - Council met last week for the first time to review grants. We have \$10M in the fund and they made recommendations to award \$8.8M from the fund to support 8 projects. This will keep and create over 1,300 jobs within the state.

COVID Impacts – Daily Traffic on I-95 just north of SR1, SR1 - South of Dover, US 113 at US9. Indicating in late May/early April, experiencing 40 to 50 percent reduction in traffic and grew to 60 to 70 and even 80 percent reduction at one point in April. Since the start of summer and businesses reopening, traffic counts have gone back up. We took advantage at the reduced traffic and moved forward with accelerating a lot of projects.

DMV Operations and Services – Delaware’s DMV is the only DMV that was fully open throughout this entire time. We are doing a fantastic job making sure CDL orders continue. It is extremely important right now that they are in their trucks and moving freight and goods to the citizens of the country. There has been a big push for customers to go online and we have had a significant increase in folks processing transactions online and this where we would rather have them. Anything, except for inspections, can be done online.

Transit Ridership – Fixed Route and Paratransit Ridership – ridership is down significantly, but as we reopen and the economy picks up, especially in the beach area, we will see this go up. We are meeting and planning and we continue to study what future Transit Ridership is going to be.

Construction Projects – DelDOT has been able to work on construction projects during COVID and stay at home orders. The Governor declared from the beginning that construction work would be essential. We were very cautious that all our contractors were practicing all the CDC and Public Health guidelines and recommendations. We are focused on continuing projects to completion; SR 141/I95 to Jay Drive, Main Street in Newark, US 113/Wood Branch Left-Turn Lane Extension, SR 1/SR 5 Intersection Improvements.

COVID 19 Impacts on DelDOT Finances

- \$10M is set aside in our emergency fund and due to having an uneventful winter we were able to cover all our COVID related expenses. We have used about \$1.2M from that fund.
- For FY20, revenue loss is expected to \$63.1M. This is due to several things; we stopped taking cash tolls on Route 1 and I95, 30 to 50 percent reduction in toll revenues, and fuel tax reduction. This is going to continue into FY21, and another revenue loss expected of \$24.7M is expected.
- C.A.R.E.S Act provides (\$61.2M transit) - \$50.4M one-time budget credit; to fund 18 months of DTC operations without subsidizes from the Transportation Trust Fund.
- Additional Bonds will be sold in FY21 to maintain current construction projects.

Questions:

Chairman Williams ask if the Federal Highway Administration (FHWA) could give an update on federal fuel tax? Doug Atkin, FHWA replied, they have a call today with CFO working with the possibilities of the Federal Transportation Trust Fund going broke. We won't let it go broke, but essentially going broke early next year, and that was anticipated. If we get to that point, we would institute fund management practices, which means we may not pay our bills as fast as we could. We are looking at that potentially happening on preferred work from 2021. Also, we don't know what Congress is going to do and are keeping a close eye on it.

Councilman Lessner asked about specific grants for employers in Delaware and what is the process in which they are gained. The Secretary replied, the Governor signed into Law Senate Bill 61, this created the Transportation Infrastructure Investment Fund (TIIF), which was funded with \$10M (\$5M from the Transportation Trust Fund and \$5M from General Funds through the Secretary of State office). A TIIF Council was appointed of public and private entities, and individuals. It was open for any one to apply and we had a total of \$8.8M in application request.

Councilman Lessner asked, if the list has been finalized and who makes the final decision for the projects. Secretary replied, yes, the list is finalized and Secretary Bullock and I make the final decision.

Councilman Lessner asked, is the structures on the public road outside of these facilities? Secretary replied, yes, they would have to either pay for it on their own or wait for us to do it.

Councilman Lessner asked, are revenue projections for US301 enough to make the payment on the bonds? Secretary replied, absolutely, US301 is still exceeding expectations. Under the proposed financing scenario for US301, we would have already had to raise tolls, but the road is already performing well above where it was projected to do.

Councilman Lessner asked, if we could still make the payments based on 90 percent of projections, the revenues have not fallen by 10 percent? Secretary replied, revenues are still up on US301.

Councilman Lessner asked, is the money we got from C.A.R.E.S Act specifically allocated to Transportation, but there is money available that the state and county got under the C.A.R.E.S Act related to the COVID 19 crisis, which needs to be incurred or not by the end of the year. I know that the political entities at both the state and county levels are looking at projects COVID related, including infrastructure projects that are required because of the crisis. Would those projects include bike paths, because people are using bikes more? Adding, you want to have social distancing and people are using bike share because they are not using public transportation. Is there something on the radar for the Department as far as the types of COVID related infrastructure projects? Is there a pot of Federal money that could go to that? Secretary replied, no, the Federal dollars that came in for the C.A.R.E.S Act that wasn't designated just for transit is being looked at. The only thing that we have been advised of, we are looking at potentially re-coding some of the expenses that we had directly related to COVID. Whether that be PPE, plexiglass for DMV frontlines, or plexiglass for drivers of the buses. Those types of things we can re-code, but nothing on the full infrastructure side. We are concerned what will happen regarding funding in 2022 much less expanding bike paths with those dollars. I can't speak for New Castle County, they have their own funds, but it is very specific on what it can be funded for. I know DHSS and PPE items are number one on the list. We were hoping it could be used for windmill backstops, but that isn't the case.

Councilman Lessner asked, you mentioned the bonds are being reissued, what were the projects for those bonds? The Secretary replied that is not how we do things. It is going to be new borrowing and it's not directly related to specific projects; it's related to the Capital Transportation Plan. It is to replace revenue that we've lost from the COVID pandemic and to make sure we keep our construction projects moving forward.

Councilman Lessner asked, I assume given the current environment, it is a good time to borrow? Secretary replied, it is. The interest rates are amazing low right now and I can't say enough about our finance team. Our bond rating is still the best that you can get from a revenue generating agency like ours. We are in really good shape and have a solid reputation. I don't see any issues at all in borrowing.

Secretary Cohan proceeded with her update and presentation:

FY2021 – Sources of Funds - \$1,051.3M – This pie chart shows the \$50.4M C.A.R.E.S Act money, but it's keeping a subsidy that we normally would have sent to DTC.

FY21 Operating Uses - \$331.2M – The DTC subsidy is greatly reduced compared to the \$80M - \$90M it normally is. This is where we are over the next year.

FY21 – State Capitol - \$375.1M – The Bond Bill committee did some reductions. We broadened our Grants Allocation and Municipal Street Aid. It was recommended at one time to be \$10M, and that was reduced to \$6M.

DelDOT Regathering Plan - We have been working this whole time during the COVID. Plans have been going through bid and opening virtually. DMV's locations have been up and running. Our buses have been delivering and picking up essential workers throughout the state. We do have a plan on what it looks like for us to go from phase to phase. Half of our employees are working remotely. The other half are maintaining our roads, traffic, DMV, and DTC. We are going to start to have them slowly come back once we go into Phase III, which is probably the first or second week of July. We will continue to do all the safety precautions. Meetings will remain virtual. A lot of employees have actually become more productive working from home. It has been a learning experience. DMV is phasing back in. We have a significant back log of road testing and teenagers who really want to get their drivers license. DTC is going to start ramping back up the SEPTA service. Train transit was hit the hardest in the country. We have to wait and see what that looks like with SEPTA when we are there.

Chairman Williams asked that the presentation be sent out to council.

Chairman Williams inquired on the status of the reappointment of several of the Council members. Secretary replied, we will check with the Governor's office on this and vacancies that need to be filled.

Chairman Williams then opened the floor for questions or comments. No questions or comments were made.

With no comments or questions, Councilman Williams requested a motion to adjourn. Councilwoman Scott made a motion to adjourn, Councilman Lessner seconded the motion.

Respectfully submitted,
Lori Sherwood, Recording Secretary