

## Transportation Committee

1/3/2007

7:00 a.m.

Denny's

**Attendance:** Tony Johansen, vice-Chair; Don Lowell; Bob Tilly; Stan Halvarson; Cliff Everts; Bill Brophy; Dean Owen; Ed Peebles; Karl Gohlke; Jim Little; Tom George; Ken Collette; Roger Burggraf; Jerry Rafson; Jerry Timmons; Clark Milne; Donna Gardino; Luke Hopkins, Dick Tomany; and Michelle Gibson

1. Committee Member Comments
  - a. Roger Burggraf handed out an article dated 12/23/07 about Agrium's coal gasification project. It has moved from the first phase into the second phase, and could have a positive impact on Alaska in coal mining, and in the railroad spur proposed to Pt. McKenzie. The article on the other side of the page is by Cal Thomas on global warming. Also, he mentioned that there are a lot of paid petitioners out to get signatures for the clean water initiative, which spells bad news for Alaska and mining if the initiatives get approved.
2. Approval of 12/20/2007 Minutes—Minutes were approved.
3. Presentation: Jerry Rafson from ADOT & PF on the proposed FY 2009 Capital Budget and the proposed general obligation bonds.
  - a. Folders with the following Handouts were provided to meeting attendees (all the information is also available on the web):
    - i. The sheet on "Governor Palin's State Budget Priorities," found at [www.gov.state.ak.us/govbudget.php](http://www.gov.state.ak.us/govbudget.php), lists the links for most of the information contained in the packet. On the right hand side is the FY09 proposed budget, where the budget details are listed for the capital budget.
    - ii. Overview of the Capital budget by department. Though ADOT & PF is the biggest recipient in the Capital budget at \$759,029,150, it is significant to note most of which is federal funds from the Federal Highway Administration, Federal Aviation Administration, and Federal Transit Administration. Not focusing today on federal funds, and one reason for that Federal funds are included in the budget is the ability to expend and receive funds. It is misleading if you are not familiar with how the budget is put together. Focusing on General Funds and other funds which are available
    - iii. Fiscal Summary for 2009—deals with the budget in its entirety. Notes on page 2 include information on funding sources included in the budget—in particular item C Corporate dividends and bonds, describes where the money comes from.
      1. The Governor is proposing to put \$500,000 per year for two years into an endowment fund to use for transportation
      2. Revenue sharing is an important part of the Governors program, and it relates into the budget in an important way. In general, for the amount of revenue sharing received, it doesn't go far to fund projects.
    - iv. Map which details DOT projects around the state for the FY2009 Non-Federal Appropriation Request. The Northern Region would get 10% or \$15.1 million. Thirty-seven percent, or \$56.2 million,

would go to statewide. The total request is \$151.3 million. Northern Region projects include \$5 million for the Dalton Highway; the Jim River Maintenance Station Replacement at \$6 million on the Dalton; the Nome State Office Building at \$1.9 million for design study and land purchase; the Galena Maintenance Building Efficiency Modifications at \$156,000; and \$2 million for Parks Highway Weight Restrictions.

- v. The other map details the FY 2009 GO Bond Request, of which the Northern Region has 32%, or \$39 million, and includes \$14 million for Dalton Highway Improvements; \$15 million for Steese/Johansen Area Traffic Improvements; and \$10 million for the Snake River Bridge Replacement.
- vi. Questions and Discussion: Dean Owen, Jerry Rafson, Cliff Everts, Don Lowell, Tom George, Luke Hopkins, Tony Johansen
  - 1. Do you have a description of the \$23.5 million for Connect Anchorage?
    - a. This is an Initiative the state entered into with the Anchorage municipality a couple of years ago to jointly fund the rebuilding of the Seward Highway through Anchorage.
  - 2. Is there anything for the Juneau Road?
    - a. Nothing in GO bond or GF request for Juneau road at the present time.
  - 3. Also weight restriction elimination program—Right now pavement on the Parks is weak in many areas that, without restrictions, it would break up—have program underway to strengthen those areas. There aren't a large number of projects but there are important projects to us outside of Fairbanks (Snake River Bridge, and Jim River Replacement—essential for keeping Dalton Highway going) and military buildings are available for a maintenance station at Galena.
  - 4. New resolution on Monday from City requesting Railroad to use Revenue Bonds to skirt the city all the way to Moose Creek.
    - a. Problem at Johansen is all the traffic has to go through Old Steese or College Road section.
  - 5. These maps are great for visualizing. Out of all this money, looks like there's \$1 million for airport deferred maintenance – is that the only funding for aviation?
    - a. That I know of.
  - 6. Is there a map of combined state and federal funding statewide for aviation?
    - a. Did one for the Town Hall meeting – should have something and will check for you.
    - b. This month going to be reviewing our federal aviation program and next month will have a revision of the federal highway program as well.
  - 7. How do GO bonds work?

- a. Paid back by state revenues for GO bonds—return on investments at 7 or 8 percent when can borrow at 4 or 5 percent.
8. Any funding for DOT to do planning for highway and bridge improvements to handle gasline construction?
  - a. Not specific funding set aside for that. John Reeves is hired to be gasline coordinator for DOT and he is putting together a package. Don't know what his proposal is right now. Think will be successful in getting funding for that.
9. What was submitted to HQ that provides comparison between what the Central Region and Northern Region would receive?
  - a. Don't know what the Central Region proposed.
10. Frank Richards, who was the Statewide Maintenance Engineer—Deputy Commissioner of DOT effective January 1<sup>st</sup>—could ask him to speak here. He has worked in every DOT Region in the state, so he knows the Northern Region.
11. The Borough doesn't have road powers—has to be approved by a majority of voters. Could have had a larger percentage if the Borough had road powers. Road powers have to be approved by a majority of the voters.
12. Don't think going to be able to sustain level of federal funding, so need to position ourselves for the future.
13. What about the Interior Alaska Transportation Plan—is it still open for comments?
  - a. Comments for the Statewide Transportation Plan are closing on January 10<sup>th</sup>. Have a consultant working on the IATP, and are about through with the inventory phase, and will review the draft internally. When satisfied, will release to the public.
  - b. Meetings about a year ago in Fairbanks, and around the Interior. Hoping to put it out late last year, but the report received didn't meet standards so sent it back to be re-done.
14. On the statewide long-range transportation plan—see funding for smaller roads and local roads have the lowest priority.
  - a. Yes, from state funding standpoint hear complaints from rural communities. Going to see GF go into higher classification roads, but the legislature has a lot to say about that.

End of Meeting.

Respectfully submitted, Michelle B. Gibson