



THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION

FIS 15 177



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Beant...

WILLIAM CASS, P.E.
ASSISTANT COMMISSIONER

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

Bureau of Rail and Transit
August 3, 2015

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Approved by Fiscal Committee 8/26/15
Date

Her Excellency, Governor Margaret Wood Hassan
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

1. Pursuant to RSA 14:30-a, VI, authorize the Department of Transportation to Budget and Expend prior year carry-forward funds in the amount of \$750,000 from the Special Railroad Fund for the maintenance and repair of State-owned railroad lines effective upon Fiscal Committee and Governor and Council approval through December 31, 2015.

Funds are to be budgeted as follows: 100% Other Funds (Special Railroad Funds).

| 04-096-096-960010-2991 Special Railroad Fund | FY 2016 Budget | Requested Change | FY 2016 Revised Budget |
|-------------------------------------------------|-------------------|---------------------|------------------------------|
| Expenses: | | | |
| 020 500241 Current Expense | \$0 | \$10,000 | \$10,000 |
| 022 500242 Rents-Leases Other than State | 0 | \$30,000 | \$30,000 |
| 046 500463 Engineering Consultants | 0 | \$65,000 | \$65,000 |
| 073 500579 Grants Non Federal | 0 | \$65,000 | \$65,000 |
| 400 500871 Construction | 296,919 | \$580,000 | \$876,919 |
| Total | \$296,919 | \$750,000 | \$1,019,919 |
| Source of Funds | | | |
| Revenue: | | | |
| 009 407323 Agency Income | \$296,919 | \$750,000 | \$1,019,919 |
| Total | \$296,919 | \$750,000 | \$1,019,919 |

2. Pursuant to RSA 228:69, I (b), authorize the Department of Transportation, Bureau of Rail & Transit, to expend an amount not to exceed \$750,000 from the Special Railroad Fund for maintenance and repair of State-owned railroad lines and bridges effective upon Fiscal Committee and Governor and Council approval through December 31, 2015.

EXPLANATION

RSA 228:68 establishes the Special Railroad Fund for the deposit of revenues produced on the state-owned railroad corridors through user fees paid by railroads, leases and fees paid by other landowners, and other revenues. This dedicated fund is required to comply with Federal regulations that require lease or other income on property acquired with Federal funds to be used to maintain those properties.

RSA 228:69, I (a) requires that 20 percent of the 2015 calendar year railroad user fees deposited in the Special Railroad Fund be paid to the cities and towns through which the state-owned railroad lines pass. These amounts will be paid out to the respective towns at the end of fiscal year 2016.

RSA 228:69, I (b) authorizes the Department of Transportation to expend funds from the Special Railroad Fund on maintenance and repair of state-owned railroad lines. The Department will use these funds to continue repairs and maintenance activities including track, minor bridge and drainage projects on state-owned lines in 2016. The cost of engineering and construction administration will also be paid from these funds. The Special Railroad Fund receives revenues derived from railroad user fees, leases and crossing agreements, and a portion of the state railroad tax. The Department of Transportation, Bureau of Rail and Transit, will reimburse the railroads operating on the State-owned rail lines and other responsible parties for their infrastructure construction and maintenance expenses on the State-owned rail lines and bridges. The operating railroads on the State owned rail corridors and the estimated construction funds (400 500871) to be encumbered and expended on their operating lines are:

| | | |
|--------------------------------|-----------------|------------|
| Department of Transportation | (Vendor 177927) | \$ 30,000 |
| Plymouth & Lincoln Railroad | (Vendor 157711) | \$ 205,000 |
| New Hampshire Central Railroad | (Vendor 157337) | \$ 30,000 |
| Conway Scenic Railroad | (Vendor 154819) | \$ 205,000 |
| New England Southern Railroad | (Vendor 161682) | \$ 40,000 |
| Milford-Bennington Railroad | (Vendor 156441) | \$ 40,000 |
| Claremont-Concord Railroad | (Vendor 156559) | \$ 30,000 |
| <hr/> | | |
| TOTAL CLASS 400 | | \$ 580,000 |

To resolve unanticipated events and circumstances on the State-owned rail lines, the estimated amounts listed above are subject to adjustment by the Administrator of the Bureau of Rail & Transit.

Approximately \$30,000 of the funds budgeted in Class 046 Consultants is to address an ongoing environmental hazard pertaining to the Frankenstein Trestle that the Department has been addressing with the NH Department of Environmental Services (NHDES). The Frankenstein Trestle continues to excrete creosote from the bridge timbers as it has done since installation of the timbers in 2008. Due to the existing environmental hazard, NHDES is now requiring the Department to complete a site-specific risk assessment, conduct additional soil testing, and complete a remedial action plan within state fiscal year 2016. An existing environmental consultant will complete these tasks, but as their completion will take at least ten months, immediate access to funds will be required to meet the NHDES deadline. The Bureau of Environment has been actively involved in the project, has been the liaison with NHDES, and has a statewide consultant that is able to complete these tasks upon funding availability.

Consultant costs will be from statewide contracts; therefore, new consultants will not be contracted.

Listed below are answers to standard questions required of all Fiscal Committee item requests, related to RSA 14:30-a, VI "Expenditure of funds over \$100,000 from any Non State Source", or RSA124:15,"Positions Authorized" or both:

1. Is the action required of this request a result of the Continuing Resolution for FY 2016?

No, this request is the result of RSA 228:68, 228:69,I (a), and 228:69, I(b) as described above.

2. If this request is **retroactive** what is the significance and importance of the action being effective from an earlier date?

No, this is not a retroactive request.

3. Is this a previously funded and ongoing program established through Fiscal Committee and Governor and Executive Council action? (If so, include as an attachment the original documents as approved and cite the specific dates of authorization and end dates for each action as part of your answer to this question.)

No, this is a non-budgeted, non-lapsing special fund established by RSA 228:68. Authorization is requested annually of Governor and Council and the joint legislative Fiscal Committee to expend funds as described in the request.

4. Was funding for this program included in the FY 2014-2015 enacted Budget or requested and denied?

No, this is a non-budgeted, non-lapsing special fund established by RSA 228:68.

5. Is this program in total or in part, included in the vetoed FY 2016-2017 Operating Budget proposal currently pending for your department, or was it requested and denied?

No, this is a non-budgeted, non-lapsing special fund established by RSA 228:68.

6. Does this program include, either positions or consultants, and if so are the positions filled, vacant, or have offers pending? (Please provide details for each position and note whether consultant contracts have been awarded.)

No, this program does not include positions. Consultant costs will be from statewide contracts; therefore, new consultants will not be contracted.

7. What would be the effect should this program be discontinued or not initiated as a result of this request being denied?

RSA 228:69 as established, distributes funds from this special account to cities and towns annually and upon approval of the Governor and Council and the joint legislative Fiscal Committee, funds the operation and maintenance of state owned railroad properties.

Your approval is respectfully requested.

Sincerely,

Patrick M. Kane, FOR

William Cass, P.E.
Assistant Commissioner

Attachment

Department of Transportation
Fiscal Situation Fiscal Year 2016
04-096-096-960010-2991

Special Railroad Fund

| | |
|--------------------------------------------------|-------------------|
| Estimated revenue budgeted YTD: | \$ 11,892 |
| Prior year carryforward revenue: | \$ 779,965 |
| Additional non-budgeted revenue: | <u>\$ -</u> |
| | |
| Amount available to budget: | \$ 791,857 |
| Less current FY16 Budget Authorization | <u>\$ -</u> |
| | |
| Total available for budgeting: | \$ 791,857 |
| | |
| Amount to be budgeted this request: | <u>\$ 750,000</u> |
| | |
| Amount available to budget with future requests: | <u>\$ 41,857</u> |

| Source of Non-Budgeted Revenue | Amount | Expenses through 6/30/15 | Balance |
|---------------------------------|--------------------------|-----------------------------|--------------------------|
| Prior year carry forward | \$ 779,965 | \$ - | \$ 779,965 |
| Revenue received up to 8/8/2015 | \$ 11,892 | \$ - | \$ 11,892 |
| Totals | <u><u>\$ 791,857</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 791,857</u></u> |

Amounts from Statement of Appropriations for A/U 2991 Dated 8-08-2015