



**THE STATE OF NEW HAMPSHIRE**  
DEPARTMENT OF TRANSPORTATION



*Victoria F. Sheehan*  
Commissioner

*William Cass, P.E.*  
Assistant Commissioner

The Honorable Mary Jane Wallner, Chairman  
Fiscal Committee of the General Court  
State House  
Concord, New Hampshire 03301

Division of Operations  
December 14, 2018

His Excellency, Christopher T. Sununu  
and the Honorable Council  
State House  
Concord, New Hampshire 03301

**REQUESTED ACTION**

Pursuant to RSA 228:12, authorize the Department of Transportation to transfer \$6,480,000.00 from the Highway Surplus Account to fund winter maintenance activities effective upon Fiscal Committee and Governor and Council approval through June 30, 2019. 100% Highway Funds.

Funds are to be budgeted as follows:

**From:** 04-096-096-960015-363615-0000 Highway Surplus Account \$6,480,000

04-096-096-960515-2928	Current Budget FY2019	Requested Change	Revised Budget FY2019
<b>Winter Maintenance</b>			
<b>Expenses:</b>			
017 500147 FT Employees Special Payment	\$544,320	\$0	\$544,320
018 500106 Overtime	3,891,556	580,000	4,471,556
019 500105 Holiday Pay	33,109	0	33,109
020 500200 Current Expense	9,511,846	4,000,000	13,511,846
022 500257 Rents-Leases Other than State	7,237,367	1,900,000	9,137,367
023 500291 Heat, Electricity, Water	867,060	0	867,060
024 500225 Maint. Other than Bldg-Grounds	40,803	0	40,803
030 500311 Equipment New Replacement	454,361	0	454,361
037 500174 Technology-Hardware	42,581	0	42,581
039 500180 Telecommunications	117,119	0	117,119
047 500240 Own Forces Maint Bldgs & Grnds	12,230	0	12,230
048 500226 Contractual Maint Bldgs & Grnds	22,336	0	22,336
050 500109 Personal Service Temp	180,000	0	180,000
060 500601 Benefits	923,478	0	923,478
070 500704 In-State Travel Reimbursement	140,291	0	140,291
103 500741 Contracts for Op Services	56,111	0	56,111
<b>Total</b>	<b>\$24,074,568</b>	<b>\$6,480,000</b>	<b>\$30,554,568</b>
<b>Source of Funds</b>			
<b>Revenue:</b>			
000-000015 Highway Funds	\$24,074,568	\$6,480,000	\$30,554,568
<b>Total</b>	<b>\$24,074,568</b>	<b>\$6,480,000</b>	<b>\$30,554,568</b>

**EXPLANATION**

The Department requests authorization to transfer from the Highway Surplus Account, the amount of \$6,480,000 for winter maintenance activities. Specific explanations relating to the Department's spending requests are as follows:

**Winter Maintenance (2928) 100% Highway Funds**

Class 018      Increase Overtime by \$580,000  
Class 020      Increase Current Expense by \$4,000,000  
Class 022      Increase Rents-Leases Other than State by \$1,900,000

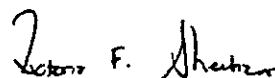
For budgeting purposes, the Department estimates winter maintenance activities over a five-year average. However, for the fiscal year 2019 budget, winter maintenance activities were funded \$6.7M below the five-year average (2019 budget: \$41.1M vs. Five-year average: \$47.8M). Due to projected costs of winter maintenance, the expenditures in the above class lines for snow removal activities and related equipment usage (increased use of overtime, salt/sand and hired equipment) will exceed the budgeted amount. At this time, the Department is estimating that it will need \$6.48M from the Undesignated Highway Fund balance for winter maintenance. Any funds not expended will be lapsed back into the Highway Fund during fiscal year end close.

Transfer requests and amounts lapsed for winter maintenance activities for the past five years were as follows:

Fiscal Year	2014	2015	2016	2017	2018
<b>Transfer Requested</b>	\$9,018,000	\$8,835,000	\$0	\$9,105,750	\$10,197,000
<b>Lapsed Funds related to Winter Maintenance Transfer Request</b>	1,184,756	993,439	0	562,396	1,304,343
<b>Transfer Funds Expended For Winter Maintenance Activities</b>	\$7,833,244	\$7,841,561	\$0	\$8,543,354	\$ 8,892,657

Your approval of this resolution is respectfully requested.

Sincerely,



Victoria F. Sheehan  
Commissioner

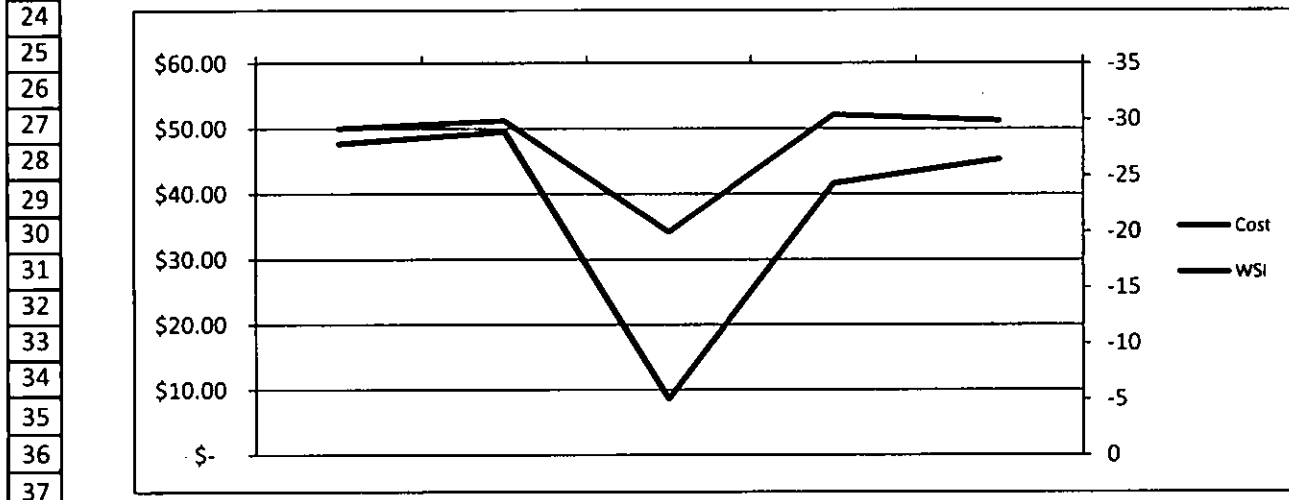
Attachments

**State of New Hampshire Department of Transportation  
Historical Highway Funded Winter Maintenance  
Fiscal Years 2014 - 2018 Actual 5 Year Average vs 2019 Budget**

	A	B	C	D	E	F	G	J	K	L
1	(In Millions)	Actual Expenditures					Budget	5 Year Average	Variance to 5yr Avg	
2		2014	2015	2016	2017	2018	2019			
3	Incremental Personnel Costs	\$ 6.5	\$ 7.5	\$ 5.1	\$ 9.0	\$ 8.5	\$ 5.7			
4	Commodities	13.7	14.0	8.4	13.6	14.2	8.8			
5	Rented Equipment	8.3	8.8	5.2	9.3	9.2	7.5			
6	Utilities	0.8	0.8	1.0	0.9	1.1	1.1			
7	<b>2928 Winter Maint. Total</b>	<b>29.3</b>	<b>31.1</b>	<b>19.7</b>	<b>32.8</b>	<b>33.0</b>	<b>23.1</b>	<b>29.2</b>	<b>(6.1)</b>	
13	Personnel Costs	15.3	14.8	10.8	14.6	14.4	14.0			
14	<b>3007 Highway Maint. Total</b>	<b>15.3</b>	<b>14.8</b>	<b>10.8</b>	<b>14.6</b>	<b>14.4</b>	<b>14.0</b>	<b>14.0</b>	<b>0.0</b>	
15	State Equipment Usage	5.4	5.3	3.6	4.7	3.8	4.0			
16	Fuel									
17	Maintenance									
18	<b>3005 Mechanical Svcs. Total</b>	<b>5.4</b>	<b>5.3</b>	<b>3.6</b>	<b>4.7</b>	<b>3.8</b>	<b>4.0</b>	<b>4.6</b>	<b>(0.6)</b>	
19	<b>TOTAL</b>	<b>\$ 50.0</b>	<b>\$ 51.2</b>	<b>\$ 34.1</b>	<b>\$ 52.1</b>	<b>\$ 51.2</b>	<b>\$ 41.1</b>	<b>\$ 47.8</b>	<b>\$ (6.7)</b>	

20										
21										
22	<b>Winter Severity Index (WSI)</b>	<b>-27.82</b>	<b>-28.88</b>	<b>-5.00</b>	<b>-24.27</b>	<b>-26.42</b>	<b>n/a</b>	<b>-22.48</b>		

23 \* WSI (winter severity index) is a formula that utilizes temperature and snow fall data.



**State of New Hampshire-Dept of Administrative Services**  
**Preliminary Unaudited Surplus Statement - Highway Fund**  
**Fiscal Years 2017/2018 Actual with 2018/2019 Budget**  
(expressed in millions)

9/30/2018

	Actual	Actual	Budget	
	Per CAFR	Prelim	CoIC*	CoIC
	FY 2017	FY 2018	FY 2018	FY 2019
<b>Undesignated Fund Balance, July 1 (Budgetary)</b>	\$ 80.3	\$ 74.1	\$ 74.1	\$ 60.1
<b>Additions:</b>				
Unrestricted Revenue				
Gasoline Tax	127.5	127.9	126.3	126.3
Motor Vehicle Fees	119.5	121.4	114.6	115.7
Other	0.3	0.2	0.2	0.2
Less: Cost of Collections-DOS	(26.4)	(25.8)	(29.2)	(30.0)
Transfer In from General Fund	13.9	-	-	-
Other Credits	0.6	-	1.4	1.4
<b>Total Additions</b>	<b>235.4</b>	<b>223.7</b>	<b>213.3</b>	<b>213.6</b>
<b>Deductions:</b>				
Appropriations Net of Estimated Revenues-DOT (HB144 for 18/19)	(190.0)	(203.3)	(202.8)	(204.9)
Appropriations Net of Estimated Revenues-DOS/Other (HB 144 for 18/19)	(33.7)	(34.6)	(33.3)	(33.8)
<b>Additional Appropriations:</b>				
Transfer from Highway Surplus - Winter Maintenance	(9.1)	(10.2)		
DOT Appropriation from FY16 Excess	(8.6)			
DOS Appropriation for SP Cruisers	(0.5)			
Employee Pay Raise	(2.2)			
Other Appropriation Adjustments, net of salary/benefit adj fund	(0.3)	(0.3)		
Legal settlement (FY18)		(0.8)		
<b>Less Lapse:</b>				
Lapse-Transportation	21.2	23.3	9.4	9.4
Lapse-Safety/Other	3.8	2.3	1.6	1.6
<b>Total Net Appropriations</b>	<b>(219.4)</b>	<b>(223.6)</b>	<b>(225.1)</b>	<b>(227.7)</b>
Other Debits	(2.2)	(2.8)	(2.2)	(2.2)
<b>Current Year Balance</b>	<b>13.8</b>	<b>(2.7)</b>	<b>(14.0)</b>	<b>(16.3)</b>
<b>Undesignated Fund Balance, June 30 (Budgetary)</b>	<b>74.1</b>	<b>71.4</b>	<b>60.1</b>	<b>43.8</b>
<b>GAAP and Other Adjustments</b>				
Other	(25.7)	(27.2)	(24.7)	(24.6)
<b>Undesignated Fund Balance, June 30 (GAAP)</b>	<b>48.4</b>	<b>44.2</b>	<b>35.4</b>	<b>19.2</b>

\* FY18 reflects the Committee of Conference surplus statement

Note: Budgetary balances and GAAP adjustments do not include bonds authorized/unissued.