



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



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*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  
 May 5, 2020

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

**REQUESTED ACTION**

Pursuant to RSA 14:30-a, VI, authorize the New Hampshire Department of Transportation to accept and expend revenue in the amount of \$1,400,000.00 from the Environmental Mitigation Trust Agreement for State Beneficiaries ("Mitigation Trust") from the Volkswagen Settlement Funds upon the date of Fiscal Committee and Governor and Council approval through June 30, 2021. 100% Agency Income (VW Settlement Funds).

In SFY 2020, funds shall be accepted and expended within 04-096-096-960515-3005 – Mechanical Services, as follows:

04-096-096-960515-30050000 Mechanical Services	FY2020 Budget	Requested Change	FY2020 Revised Budget
<b>Expenses:</b>			
010 500100 Personal Services Perm Class	\$3,839,910	\$0	\$3,839,910
017 500147 FT Employees Special Payment	25,920	0	25,920
018 500106 Overtime	137,250	0	137,250
019 500105 Holiday Pay	1,534	0	1,534
020 500200 Current Expense	4,181,737	0	4,181,737
022 500257 Rents-Leases Other than State	30,189	0	30,189
023 500264 Heat Electricity Water	44,585	0	44,585
024 500225 Maint Other Than Build & Grounds	383,818	0	383,818
026 500251 Organizational Dues	600	0	600
028 582814 Transfers to General Services	378,370	0	378,370
030 500311 Equipment New Replacement	13,185,554	1,400,000	14,585,554
037 500174 Technology-Hardware	3,200	0	3,200
038 500175 Technology-Software	15,000	0	15,000
039 500180 Telecommunications	26,230	0	26,230
046 500416 Consultants	199	0	199
047 500240 Own Forces Maint Build & Grounds	37,200	0	37,200
048 500226 Contractual Maint Build & Grounds	75,485	0	75,485
050 500109 Personal Service Temp Appoint	20,000	0	20,000
057 500531 Books Periodicals Subscriptions	850	0	850
060 500601 Benefits	2,258,147	0	2,258,147

04-096-096-960515-30050000 Mechanical Services	FY2020 Budget	Requested Change	FY2020 Revised Budget
066 500543 Employee Training	14,750	0	14,750
070 500704 In State Travel Reimbursement	1,000	0	1,000
080 500710 Out of State Travel Reimbursement	10,875	0	10,875
103 500741 Contracts for OP Services	31,000	0	31,000
<b>Total</b>	<b>\$24,703,403</b>	<b>\$1,400,000</b>	<b>\$26,103,403</b>
<b>Source of Funds</b>			
<b>Revenue:</b>			
004 403631 Intra-Agency Transfers	\$553,704	\$0	\$553,704
007 407073 Agency Income	3,243,629	1,400,000	4,643,629
009 405698 Agency Income	569,674	0	569,674
Highway Fund	20,336,396	0	20,336,396
<b>Total</b>	<b>\$24,703,403</b>	<b>\$1,400,000</b>	<b>\$26,103,403</b>

#### EXPLANATION

The Department requests authorization to accept and expend the proceeds from the Environmental Mitigation Trust Agreement for State Beneficiaries ("Mitigation Trust") in the amount of \$1,400,000.00 to be used towards the replacement of 3 Extra Heavy Duty Trucks (1 Striper and 2 Knuckle-boom Crane Trucks) and 5 Heavy Duty Trucks (6 Wheelers) used on highway and winter maintenance throughout the State of New Hampshire. State bonded Highway funds in Fund 30 for equipment (Accounting Units 1686/1344) will provide the \$385,000.00 match for this equipment.

Total Project Cost:	\$1,785,000
Volkswagen Funds Requested:	\$1,400,000
NHDOT Budgeted Match:	\$ 385,000

A Memorandum of Agreement (MOA) between the Governor's Office of Strategic Initiatives and the New Hampshire Department of Transportation (NHDOT) to utilize funding from the Volkswagen Environmental Mitigation Trust was approved by Governor and Council (Item# 27A, 1/09/2019). The MOA authorized reimbursement of 80% of eligible expenditures to a maximum of \$6,182,968.00. The NHDOT received approval to accept and expend \$3,270,000.00 of Volkswagen Funds from Governor and Council (Item# 13, 1/09/2019), leaving a balance of available funds prior to this request of \$2,912,968.00.

The NHDOT proposes to replace the following vehicles to improve fuel efficiency and emissions control:

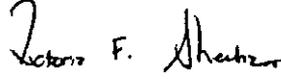
- 1 - 1999 Tier 1 Extra Heavy Duty Trucks (Striper Truck) used for pavement markings. Based on current funding and Department priorities, the replacement of this truck is not foreseen in the next 3 years.
- 2 - 2002 Tier 1 Extra Heavy Duty Trucks (Knuckle-boom) used for bridge construction and repair projects.
- 5 - 2002 to 2007 Tier 1 & 2 Heavy Duty Trucks (6 Wheelers) used for snow plowing.
- The average annual usage for these Trucks exceeds 500 hours per year. Based on current funding availability and Department priorities, the replacement of these trucks is not foreseen in the next 3 years.

Equipment replaced as a result of the Mitigation Trust Funds will be sent to Administrative Services-State Surplus or a private contractor for decommissioning efforts and disposal. Prior to spending any of the Mitigation Trust Funds for the purchase of the vehicles noted above, the NHDOT will obtain a formal waiver from Administrative Services rule 611.03 Property Delivered to State Surplus Management to prevent the engines from operating again. Once the said waiver is received, the NHDOT will be able to use the Mitigation Trust Funds to assist in the purchase of the noted vehicles. After the new vehicles are received, fitted up, and put into service, mechanics from the Bureau of Mechanical Services or a private

contractor will destroy the engines of all vehicles replaced using Mitigation Trust Funds by fracturing or penetrating the engine block to create a minimum 3-inch hole and cutting the frame into at least two pieces rendering it unusable and irreparable. The remaining, inoperable unit would then be sold as scrap metal via the normal state surplus process. The terms of the State's Plan requires the engines to be rendered unusable to meet the air quality requirements of the Mitigation Trust Fund.

Your approval is respectfully requested.

Sincerely,

A handwritten signature in black ink, appearing to read "Victoria F. Sheehan". The signature is written in a cursive style with a large initial "V".

Victoria F. Sheehan  
Commissioner

Attachment

**Department of Transportation**  
**FISCAL SITUATION FISCAL YEAR 2020**  
**04-096-096-9605-30050000**  
**Non-participating Equipment**

Estimated revenue budgeted:	\$	-
Prior year carryforward revenue:	\$	3,243,629
Additional non-budgeted revenue:	\$	<u>1,400,000</u>
Amount available to budget:	\$	4,643,629
Less current FY20 budget authorization:	\$	<u>3,243,629</u>
Total available for budgeting:	\$	1,400,000
Amount to be budgeted this request:	\$	<u>1,400,000</u>
Amount available to budget with future requests:	\$	<u>0</u>

Source of Non-Budgeted Revenue	Amount	Expenses through 5/8/2020	Balance
Agency Income-VW Settlement Funds	\$ 1,400,000	\$ -	\$ 1,400,000
		\$ -	\$ -
		\$ -	\$ -
Totals	\$ 1,400,000	\$ -	\$ 1,400,000