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THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



Victoria F. Sheehan
Commissioner

William Cass, P.E.
Assistant Commissioner

The Honorable Karen Umberger, Chairman
Fiscal Committee of the General Court and

August 18, 2022
Bureau of Rail & Transit

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 budget and expend balance forward revenue in the amount of \$1,500,000 effective upon the date of Fiscal Committee and Governor and Council approval through June 30, 2023. 100% Revolving Funds

04-096-096-964010-2934 Railroad Rehab Loan Revolving Fund	Current Budget FY2023	Requested Change FY2023	Revised Budget FY2023
Expenses:			
044 500400 Debt Service Other Agencies	\$175,984	\$0	\$175,984
046 500463 Consultants	0	300,000	300,000
400 500870 Construction-Repairs & Materials	0	1,200,000	1,200,000
Total	\$175,984	\$1,500,000	\$1,675,984
Source of Funds			
Revenue:			
003 402509 Revolving Funds	\$175,984	\$1,500,000	\$1,675,984
Total	\$175,984	\$1,500,000	\$1,675,984

- Contingent upon approval of Requested Action #1 and pursuant to RSA 9:16-a, authorize the Department of Transportation to transfer \$1,500,000 between various accounts and classes effective upon Fiscal Committee and the date of Governor and Council approval through June 30, 2023 as follows:

In SFY23, funds shall be transferred from 04-096-096-964010-2934 – Railroad Rehab Loan Revolving Fund as follows:

04-096-096-964010-2934 Railroad Rehab Loan Revolving Fund	Current Budget FY2023	Requested Change FY2023	Revised Budget FY2023
Expenses:			
044 500400 Debt Service Other Agencies	\$175,984	\$0	\$175,984
046 500463 Consultants	300,000	(300,000)	0
400 500870 Construction-Repairs & Materials	1,200,000	(1,200,000)	0
Total	\$1,675,984	(\$1,500,000)	\$175,984

Source of Funds			
Revenue:			
003 402509 Revolving Funds	\$1,675,984	(\$1,500,000)	\$175,984
Total	\$1,675,984	(\$1,500,000)	\$175,984

In SFY23, funds shall be transferred to 04-096-096-964010-2991 – Special Railroad Fund as follows:

04-096-096-964010-2991 Special Railroad Fund	Current Budget FY2023	Requested Change FY2023	Revised Budget FY2023
Expenses:			
018 500106 Overtime	\$5,500	\$0	\$5,500
020 500200 Current Expense	18,300	0	18,300
022 500255 Rents-Leases Other than Sta	27,500	0	27,500
046 500463 Consultants	40,000	300,000	340,000
048 500226 Contractual Maint Build-Grn	40,000	0	40,000
060 500601 Benefits	1,220	0	1,220
073 500580 Grants Non Federal	80,000	0	80,000
400 500870 Construction-Repairs & Materials	1,764,796	1,200,000	2,964,796
Total	\$1,977,316	\$1,500,000	\$3,477,316
Source of Funds			
Revenue:			
009 407323 Agency Income	\$1,977,316	\$1,500,000	\$3,477,316
Total	\$1,977,316	\$1,500,000	\$3,477,316

EXPLANATION

The Department's Special Railroad Fund is established by RSA 228:68 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. Typical maintenance and repair activities of state-owned railroad lines include track, minor bridge and drainage projects as well as the cost of engineering and construction administration. These typical maintenance and repair activities are considered routine, and these routine activities are planned for and prioritized based on the limited funding available. However, as unforeseen maintenance issues arise additional funding is needed to ensure that unplanned, but necessary, repairs are made to maintain state-owned operating railroad lines so they can safely accommodate existing freight and tourist excursion services. The Department is currently faced with a significant, unplanned project on the state-owned Concord – Lincoln Railroad Corridor in the Town of Canterbury. There is substantial slope erosion, in proximity to Exit 17, on the west side of the tracks adjacent to the Merrimack River; the elevation difference between the railroad and the river is approximately 90 feet and the bluff is almost wholly comprised of sand. The slope continues to slide, with large crevasses, and the nearest point of slope erosion now within 23 feet of the railroad tracks. To stabilize the area and continue to allow the safe movement of railroad traffic, a costly repair and maintenance project is necessary and additional funds are needed. In addition to noted repairs in Canterbury, there are additional railroad repair and maintenance needs beyond the current level of funding available. These additional funds would allow the Department to move forward with other critical maintenance and repair projects that have been deferred due to funding constraints and would help keep the state-owned railroad lines safe and open for freight and tourist excursion railroad service.

1. The Department requests authorization to budget and expend balance forward revenue to pay for services incurred in meeting the State's transportation demands. Specific explanations relating to the Department's spending requests are as follows:

Railroad Rehab Loan Revolving Fund (2934) 100% Revolving Funds

Class 046 Increase Consultants by \$300,000 for design and other consultant services that may be needed for repair, maintenance and unplanned project on the state-owned Concord – Lincoln Railroad Corridor in the Town of Canterbury.

Class 400 Increase Construction-Repairs & Materials by \$1,200,000 for repairs, maintenance and unplanned project costs on the state-owned Concord – Lincoln Railroad Corridor in the Town of Canterbury.

2. The Department requests authorization to transfer appropriations among the various accounts to pay for services incurred in meeting the State's transportation demands. Per RSA 228:66-a, this accounting unit provides low interest loans for Rehabilitating Class III Railroads and Cog Railroads. Over time, excess revenue has built in the account due to savings recognized by Treasury through refinancing of the State's general obligation bonds. The Department requests the transfer of these funds to the Special Railroad Fund for maintenance as outlined above. There are no provisions in the law to prohibit this transfer. Specific explanations relating to the Department's spending requests are as follows:

Railroad Rehab Loan Revolving Fund (2934) 100% Revolving Funds

Class 046 Decrease Consultants by \$300,000 to transfer the design and other consultant services that may be needed for repair, maintenance and unplanned project on the state-owned Concord – Lincoln Railroad Corridor in the Town of Canterbury to the Special Railroad accounting unit.

Class 400 Decrease Construction-Repairs & Materials by \$1,200,000 to transfer appropriation for repairs, maintenance and unplanned project costs on the state-owned Concord – Lincoln Railroad Corridor in the Town of Canterbury.

Special Railroad Fund (2991) 100% Agency Income

Class 046 Increase Consultants by \$300,000 for design and other consultant services that may be needed for repair, maintenance and unplanned project on the state-owned Concord – Lincoln Railroad Corridor in the Town of Canterbury.

Class 400 Increase Construction-Repairs & Materials by \$1,200,000 for repairs, maintenance and unplanned project costs on the state-owned Concord – Lincoln Railroad Corridor in the Town of Canterbury.

The following is provided in accordance with the Budget Officer's instructional memorandum dated April 17, 1985 to support the above requested actions:

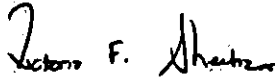
1. Does transfer involve continuing programs or one-time projects?
Transfers are for continuing programs (not one-time).
2. Is this transfer required to maintain existing program level or will it increase program level?
Transfers are to maintain existing program levels and provide funds for an unforeseen maintenance issue (no increase in program level).
3. Cite any requirements, which make this program necessary.

RSA 21-L:2, in part, establishes that the Department will be responsible for planning, developing, and maintaining a state transportation network. This transfer will facilitate the accomplishment of this responsibility.

4. Identify the source of funds on all accounts listed on this transfer.
Source of funds are Revolving Funds and Agency Income.
5. Will there be any effect on revenue if this transfer is approved or disapproved?
This transfer will have no effect on revenue.
6. Are funds expected to lapse if this transfer is not approved?
No.
7. Are personal services involved?
The transfer does not result in any new positions.

Your approval of this resolution is respectfully requested.

Sincerely,



Victoria F. Sheehan
Commissioner

Attachment

Department of Transportation
FISCAL SITUATION FISCAL YEAR 2023
04-096-096-964010-2934

Railroad Revolving Loan Fund

Estimated revenue budgeted:	\$	175,984
Prior year carryforward revenue:	\$	1,970,070
Additional non-budgeted revenue:	\$	<u>-</u>
Amount available to budget:	\$	2,146,054
Less current FY23 budget authorization:	\$	<u>175,984</u>
Total available for budgeting:	\$	1,970,070
Amount to be budgeted this request:	\$	<u>1,500,000</u>
Amount available to budget with future requests:	\$	<u>470,070</u>

Source of Non-Budgeted Revenue	Amount	Expenses through 8/17/2022	Balance
Revolving fund	\$ 1,500,000	\$ -	\$ 1,500,000
		\$ -	\$ -
		\$ -	\$ -
Totals	<u>\$ 1,500,000</u>	<u>\$ -</u>	<u>\$ 1,500,000</u>