



THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



William Cass, P.E.
Commissioner

David Rodrigue, P.E.
Assistant Commissioner
Andre Briere, Colonel, USAF (RET)
Deputy Commissioner

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court and

Division of Operations
October 8, 2024

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

REQUESTED ACTION

- 1) Pursuant to RSA 228:21-a, II and RSA 228:21-a, VI, authorize the Department of Transportation to expend funds in support of the Turnpike Winter Maintenance Employee Retention Program (WMERP), and transfer funds from the Turnpike General Reserve Account in the amount of \$523,127, effective upon Fiscal Committee approval through June 30, 2025. 100% Turnpike Funds.
2) Contingent upon approval of Requested Action #1, pursuant to RSA 237:15-a, authorize the Department of Transportation to transfer funds from the Turnpike General Reserve Account in the amount of \$523,127 to support the Turnpike WMERP, effective upon Governor and Council approval through June 30, 2025. 100% Turnpike Funds.

Funds are to be budgeted as follows:

From: 04-096-096-961017-363615-0000 Turnpike Fund Balance \$523,127

Table with 4 columns: 04-096-096-961017-7022, Current Budget FY2025, Requested Change, Revised Budget FY2025. Rows include Administration - Support, Expenses, and various line items like Personal Services, FT Employees Special Payment, Overtime, Holiday Pay, Current Expense, Rents-Leases, Heat, Electricity, Water, Maint. Other than Bldg-Grounds, Organizational Dues, Intra-Agency Transfers, Equipment New Replacement, and Technology-Hardware.

04-096-096-961017-7022	Current Budget FY2025	Requested Change	Revised Budget FY2025
038 500175 Technology-Software	2,921	0	2,921
039 500188 Telecommunications	76,273	0	76,273
040 501587 Indirect Costs	2,822,580	0	2,822,580
046 500464 Consultants	1,978,373	0	1,978,373
047 500240 Own Forces Maint Bldgs & Grnds	4,294	0	4,294
048 500226 Contractual Maint Bldgs & Grnds	8,000	0	8,000
049 584923 Transfer to Other State Agency	133,766	15,000	148,766
050 500109 Personal Service Temp	88,350	0	88,350
057 500534 Books Periodicals Subscription	1,000	0	1,000
060 500601 Benefits	1,759,315	4,884	1,764,199
066 500543 Employee Training	19,500	0	19,500
068 500562 Remuneration	5,000	0	5,000
069 500567 Promotional Marketing Expense	7,000	0	7,000
070 500704 In-State Travel Reimbursement	800	0	800
080 500710 Out of State Travel Reimbursement	5,000	0	5,000
103 500741 Contracts for Op Services	18,000	0	18,000
211 501530 Catastrophic Casualty Insurance	59,950	0	59,950
255 500949 Cost of Issuing Bonds	60,000	0	60,000
403 500878 Audit	120,000	0	120,000
Total	\$13,981,517	\$42,384	\$14,023,901
Source of Funds			
Revenue:			
000-000017 Turnpike Fund	\$13,981,517	\$42,384	\$14,023,901
Total	\$13,981,517	\$42,384	\$14,023,901

04-096-096-961017-7027	Current Budget FY2025	Requested Change	Revised Budget FY2025
Central Maintenance			
Expenses:			
010 500100 Personal Services – Perm	\$1,371,042	\$0	\$1,371,042
017 500147 FT Employees Special Payment	86,000	175,000	261,000
018 500106 Overtime	420,000	0	420,000
019 500105 Holiday Pay	4,480	0	4,480
020 500200 Current Expense	1,026,662	0	1,026,662
022 500257 Rents-Leases Other than State	800,000	0	800,000
023 500291 Heat, Electricity, Water	289,500	0	289,500
024 500225 Maint. Other than Bldg-Grounds	37,827	0	37,827
030 500311 Equipment New Replacement	1,948,985	0	1,948,985
037 500174 Technology-Hardware	8,000	0	8,000
038 500175 Technology-Software	1,000	0	1,000
039 500180 Telecommunications	15,000	0	15,000
047 500240 Own Forces Maint Bldgs & Grnds	16,150	0	16,150

04-096-096-961017-7027	Current Budget FY2025	Requested Change	Revised Budget FY2025
048 500226 Contractual Maint Bldgs & Grnds	179,927	0	179,927
050 500109 Personal Service Temp	25,000	0	25,000
060 500601 Benefits	1,050,488	37,987	1,088,475
068 500562 Remuneration	1,000	0	1,000
070 500704 In-State Travel Reimbursement	8,000	0	8,000
103 500741 Contracts for Op Services	112,449	0	112,449
400 500870 Construction Repair Materials	154,484	0	154,484
406 500882 Environmental Expenses	100,000	0	100,000
Total	\$7,655,994	\$212,987	\$7,868,981
Source of Funds			
Revenue:			
009 403669 Sponsorship Fee	\$94,200	\$0	\$94,200
000-000017 Turnpike Fund	7,561,794	212,987	7,774,781
Total	\$7,655,994	\$212,987	\$7,868,981

04-096-096-961017-7032	Current Budget FY2025	Requested Change	Revised Budget FY2025
East NH TPK Blue Star Maintenance			
Expenses:			
010 500100 Personal Services – Perm	\$604,438	\$0	\$604,438
017 500147 FT Employees Special Payment	30,960	95,000	125,960
018 500106 Overtime	173,600	0	173,600
019 500105 Holiday Pay	2,800	0	2,800
020 500200 Current Expense	345,077	0	345,077
022 500255 Rents-Leases Other than State	300,000	0	300,000
023 500291 Heat, Electricity, Water	277,500	0	277,500
024 500225 Maint. Other than Bldg-Grounds	196,850	0	196,850
030 500311 Equipment New Replacement	954,018	0	954,018
037 500171 Technology-Hardware	1,362	0	1,362
038 500175 Technology-Software	1,000	0	1,000
039 500188 Telecommunications	12,000	0	12,000
047 500240 Own Forces Maint Bldgs & Grnds	13,814	0	13,814
048 500226 Contractual Maint Bldgs & Grnds	143,515	0	143,515
050 500109 Personal Service Temp	11,810	0	11,810
060 500601 Benefits	440,033	20,622	460,655
068 500562 Remuneration	1,000	0	1,000
070 500704 In-State Travel Reimbursement	3,200	0	3,200
103 500741 Contracts for Op Services	31,444	0	31,444
400 500870 Construction Repair Materials	22,000	0	22,000
406 500882 Environmental Expenses	500	0	500
Total	\$3,566,921	\$115,622	\$3,682,543

04-096-096-961017-7032	Current Budget FY2025	Requested Change	Revised Budget FY2025
Source of Funds			
Revenue:			
009 403669 Sponsorship Fee	\$47,119	\$0	\$47,119
000-000017 Turnpike Fund	3,519,802	115,622	3,635,424
Total	\$3,566,921	\$115,622	\$3,682,543

04-096-096-961017-7037	Current Budget FY2025	Requested Change	Revised Budget FY2025
East NH TPK Spaulding Maintenance			
Expenses:			
010 500100 Personal Services -- Perm	\$911,380	\$0	\$911,380
017 500147 FT Employees Special Payment	56,760	125,000	181,760
018 500106 Overtime	224,000	0	224,000
019 500105 Holiday Pay	2,800	0	2,800
020 500200 Current Expense	613,550	0	613,550
022 500255 Rents-Leases Other than State	350,000	0	350,000
023 500291 Heat, Electricity, Water	179,750	0	179,750
024 500225 Maint. Other than Bldg-Grounds	25,489	0	25,489
030 500311 Equipment New Replacement	769,785	0	769,785
037 500171 Technology-Hardware	6,657	0	6,657
038 500175 Technology-Software	1,000	0	1,000
039 500188 Telecommunications	89,000	0	89,000
047 500240 Own Forces Maint Bldgs & Grnds	6,308	0	6,308
048 500226 Contractual Maint Bldgs & Grnds	160,503	0	160,503
050 500109 Personal Service Temp	28,805	0	28,805
060 500601 Benefits	797,166	27,134	824,300
068 500562 Remuneration	1,000	0	1,000
070 500704 In-State Travel Reimbursement	4,000	0	4,000
103 500741 Contracts for Op Services	57,604	0	57,604
400 500870 Construction Repair Materials	110,000	0	110,000
406 500882 Environmental Expenses	500	0	500
Total	\$4,396,057	\$152,134	\$4,548,191
Source of Funds			
Revenue:			
009 403669 Sponsorship Fee	\$94,006	\$0	\$94,006
000-000017 Turnpike Fund	4,302,051	152,134	4,454,185
Total	\$4,396,057	\$152,134	\$4,548,191

EXPLANATION

Ch. 337:4, VI, Laws of 2024 authorizes the Department of Transportation to continue to proactively address vacancy rates through its recruitment and retention incentive programs including financial incentives for those employees providing critical winter maintenance services. Ch. 337:4, VI, Laws of 2024 further requires any expenditures for recruitment or retention incentives or bonuses to be approved by the Fiscal Committee. The purpose of this request is to obtain the required approval to transfer funds from the Turnpike General Reserve for the incentives outlined in the Department's Winter Maintenance Employee Retention Program.

The Winter Maintenance Employee Retention Program is aimed at mitigating the turnover of state employees who provide critical winter maintenance activities and to incentivize employees from other State agencies with Commercial Drivers Licenses (CDLs) to assist with winter maintenance. Over the last several years, the turnover rate, as well as the number of vacant positions across DOT winter maintenance, has continued to climb. High vacancy rates impede the Department's ability to maintain expected service levels. This is particularly crucial during the winter season. See grid below for the Department's vacancy statistics during the past five years:

Year	DOT Total Vacancies	Agency Vacancy Rate	Maintenance Staffing Vacancies	Maintenance Staffing Vacancy Rate
2020	203	12.4%	95	13.9%
2021	267	16.3%	114	16.6%
2022	328	19.8%	163	23.8%
2023	392	23.6%	188	27.4%
2024	407	24.5%	200	29.2%

Data as of July 1st each year

The Winter Maintenance Employee Retention Program has been successful in mitigating employee loss during the winter season for the past two years and consistently increased the number of volunteers performing snow and ice removal allowing the Department to maintain current expected service and road safety levels. Increases in volunteers are shown below:

	2021-2022	2022-2023	2023-2024
Winter Maintenance Volunteers	34	108	138

It is anticipated that renewing this program will again become a critical tool for the Department during the upcoming 2024-2025 winter.

In order to fund the Winter Maintenance Employee Retention Program, the Department requests authorization to transfer \$523,127 from the Turnpike General Reserve. Details relating to the Department's spending requests are as follows:

Various Turnpike Accounts (7022, 7027, 7032, 7037) 99% Turnpike Funds, 1% Agency Income

- Class 017 Increase FT Employees Special Payment by \$417,500
- Class 049 Increase Transfers to Outside Agencies by \$15,000
- Class 060 Increase Benefits by \$90,627

The Department estimates the number of Winter Maintenance personnel will be 85 at \$5,000 per person and three at \$2,500 per person for a total of \$432,500 plus benefits. This includes full-time and part-time (Class 17) and other State

employees (Class 49). The break down between DOT personnel and those from other agencies is estimated and could change depending on interest in the program.

See attached Turnpike cash flow schedule for available balance.

Your approval of this resolution is respectfully requested.

Sincerely,

A handwritten signature in black ink, appearing to read "William Cass".

William J. Cass, P.E.
Commissioner

Attachment

NHDOT
Turnpike System Cash Flow

	Audited Annual	CASH-BASED		
	FY 22	FY 23	FY 24	FY 25
Existing Toll Revenue	121.8	124.0	124.5	120.6
Transponder Revenue	0.8	0.8	0.8	0.8
Other Revenue (including Violation Fee Receivables)	16.8	10.0	10.0	10.2
Projected Video Tolling Fee Revenue Attributable to AET (Dover, Rochester & Bedford)	-	1.5	4.1	4.1
Hooksett Service Area Revenue	1.9	1.9	1.8	2.0
Interest Income projections	0.4	1.0	1.4	1.3
Estimate Covid Revenue for staffing Call Center				
IS ITS 161898 Estimate Revenue from Maine DOT and Turnpike		5.2		
Total Revenue	141.7	144.9	148.7	145.9
Operating Expenditures				
Existing Operating Expenditures	17.0	36.5	33.9	34.2
Operational Savings Exit 10 removal		(0.6)		
Operation Savings Expected from Bedford AET Class 10 & 60			(1.3)	(1.3)
Operation Savings Class 10 & 60 from FAX - hold on positions for Commissioner's Office			(4.8)	(3.0)
Projected Lapse			(1.0)	
Project Lapse Toll Operations Shift change & AET				
Transponder Expense	0.8	0.8	0.8	0.8
Toll System Lane, CRT and AET O&M Expenditures (Class 24)	1.9	3.1	-	-
Toll System Upgrade Hampton and Hooksett			6.0	
Toll System AET Design/Test/Implementation Expenditures (Class 37, 38, 46) (Accrual FY Inc Capitalized)	0.5	-	-	-
Toll System Lane Design/Test/Implementation Expenditures (Class 37,38, 46) (Accrual FY Inc Capitalized)	0.3	-	-	-
EZPass Back Office O&M Expenditures (Class 102)	12.0	7.9	6.6	6.8
EZPass Back Office Expenditures Design/Test/Implementation (Class 46)			7.4	7.5
EZPass Back Office O&M Expenditures for Invoice (Class 102)		5.6		
EZPass Back Office O&M Expenditures for AET (Class 29)				
Future EZPass BOS RFP			0.06	0.05
IAG Hub Development (Class 046)		0.05	0.1	0.1
IAG Hub O&M (Class 102)				
Enforcement Expenditures (Safety)	7.8	9.3	8.5	9.0
Turnpike Funding of Welcome Centers (DBEA)	1.0	1.1	1.1	1.1
Turnpike Funding of DOT (Budget Class 029)	2.2	2.0	3.0	3.0
Total Operating Expenditures	43.4	59.4	65.5	61.6
Net Revenue	98.3	85.5	77.7	84.1
BABs Interest Subsidy (198)	(1.9)	(1.8)	(1.6)	(1.5)
Debt Service on 2004 (189)				
Debt Service on FY 2010 Revenue Bonds (2000 w/o BABS - 108)	14.1	17.1	12.0	14.3
Debt Service on FY 2010 Refunding Revenue Bonds (2009 Series R - 199)	-	-	-	-
Debt Service on FY11 Refunding Revenue Bonds				
Debt Service on 2012 Revenue Bonds (Series C - 215)	5.0	2.8	-	-
Debt Service on Remaining Revenue Bonds (2012 Series A - 210)	-	-	-	-
Debt Service on Remaining Revenue Bonds (2012 Series B - 213)	4.5	-	-	-
Debt Service on 2016 Revenue Bonds Series A	6.0	5.1	-	-
Debt Service on 2019 Revenue Bonds Series A	2.0	2.0	2.0	2.0
Debt Service on 2022 Revenue Bonds Series A	0.8	3.1	11.9	11.3
Total Revenue Bond Debt Service	34.4	36.1	25.5	27.6
Net Total Revenue Bond Debt Service	32.5	29.3	24.3	26.1
R&R Assessment	16.9	16.3	16.3	16.8
R&R TYP 2023-2032			14.8	15.0
Existing Debt Service General Obligation Bonds				
Existing Turnpike Renewal and Replacement Program	14.9	26.0	24.1	19.2
Portsmouth-Kittery High-Level Bridge (R&R)			0.1	6.1
Additional R&R Program (Capitalized)	6.6			
Carry-Over R&R	-			
I-05 Advanced Payment				
Payments from General Reserves for I-95 Acquisition				
Total Other Obligations	22.6	26.0	24.2	25.3
Total Operating Annual Surplus/(Deficit)	49.2	31.2	29.3	32.7
Capital Additions				
Turnpike Operating Transfer	43.2	31.2	29.3	32.7
Bond Proceeds	-	-	-	-
Bond Issuance Costs	-	-	-	-
Total Capital Additions	43.2	31.2	29.3	32.7
Capital Expenditures				
Turnpike Improvement Capital Expenditures				
Hampton CRT, Seabrook NH107 Bridge, & Portsmouth Sound wall				
Hooksett CRT 19503				
Bedford/Merrimack CRT Conversion 16100 Org 7511		1.0	6.3	6.4
Newington-Dover (Dover End & GSB) 11256 Q, S, U, V ORG 7514	0.9	17.0	26.3	6.9
Spaulding Turnpike AET 29440 ORG 7511	5.2	12.7	7.5	
Merrimack-Bedford FEET Widening to 3 Lanes 13761 Org 7507	3.4	14.6	29.3	26.3
Manchester 18099-FEET Rebuild Exit 6 (16099A) and Exit 7 (18099B) ORG 7507		2.0	7.5	6.0
Bow-Concord I-93 Widening & Improvements 13742 ORG 7507	0.9			0.2
Nashua - Concord ITS 29408 org 7507	0.2	0.1		
Dover-Rochester-Somersworth Exit 10 Feasibility Study 40599 ORG 7512			0.9	
Removal of Merrimack Exit 12 29306				
Removal of Merrimack 41727 Exit 11 org 7507				
Statewide 25198 org code 7514	0.5			
Merrimack 43759 Exit 10 removal org 7507		1.1		
Portsmouth 43760 IS5 Sound wall Org 7500		0.5	0.7	
Total Capital Expenditures	10.1	48.3	62.3	47.8
Total Annual Capital Surplus/(Deficit)	39.2	(17.6)	(63.3)	(15.1)
BEGINNING Operating Cash	120.3	149.7	133.2	87.1
Annual Surplus / (Deficit)	33.2	(17.8)	(53.3)	(15.1)
Set aside Reserve on Proposed bonds		1.3	7.2	3.7
Prior Period Adjustment				
Cash - Accrual Adjustments	(3.6)			
Increase in Prepaid Tolls (reserved) & Accruals				
Deferred Revenue Account - Prepaid Tolls	15.5	14.8	14.8	14.8
Ending Operating Cash and Short Term Investments	133.9	119.6	72.5	61.1
Restricted Cash (Bond Proceeds for Construction)	-	-	-	-
Unrestricted Cash	149.7	133.2	87.1	75.7
Change in Reserve Accounts	(18.9)	(1.3)	(2.3)	(3.7)
Ending Balance of Reserve Accounts	46.3	47.1	59.9	36.2
PROJECTED BOND COVENANT COVERAGE RATIOS	FY 22	FY 23	FY 24	FY 25
Revenue Bond Debt Service Coverage 1.2 (1.3)	3.02	3.02	3.31	3.22
All Obligation Coverage 1.0 (1.1)	2.04	1.97	2.03	2.04
Turnpike Capital Program 2022-2032 (In millions)				
\$504.02				