

NOTES

**Oregon Local Program Committee Meeting
September 25, 2009 - 8 a.m. – 10 a.m.
1201 Court Street NE, Room 306
Salem, OR 97301**

In Attendance:

Jon Oshel, Association of Oregon Counties
Craig Honeyman, League of Oregon Cities
Jenifer Willer, City of Eugene
Mark Schoening, City of Eugene
Brian Vincent, Multnomah County
Gary Stockhoff, Washington County
Kyle Chisek, City of Portland
Bill Worcester, Marion County
Jay McCoy, City of Gresham
John Dorst, City of Gresham
Cory Crebbin, City of Medford
Mike Bezner, Clackamas County
Bob Knorr, City of Woodburn
Chuck Knoll, Linn County
Steve Leep, ODOT
Marty Andersen, ODOT
Michael Starnes, ODOT
Matt Novak, ODOT
Ronda Hollis, ODOT
Dave Galati, ODOT
Pat Fisher, ODOT
Jill Pearson, ODOT
Julie Redden, ODOT

Jon Oshel welcomed everyone and asked for comments on the notes from the last meeting and for agenda revisions. No changes were made to the notes from the last meeting. The last agenda item on HB2001 Section 18 – Environmental was dropped from the meeting and will be presented at another time.

OBLIGATION OF FEDERAL FUNDS AND CONTINGENCIES PLANS REVIEW

The Local Government Section (LGS) received contingency plans from almost all local agencies by September 15. Some agencies did not send contingency plans for unobligated funds or projects which will not be ready by December 31, 2009. LGS identified projects by red, yellow and green. Red projects are those without contingency plans or projects that will not meet the December 31, 2009 date. Yellow means the local agencies have a possibility of ending up with extra money and no

means to reallocate the funds. Green means the projects have already gone to bid or no problem is anticipated in obligating the funds on time. Eighty seven projects have not gone to bid. Forty of those are scheduled to go to bid after January 1, 2010.

The week of September 28 Marty said that LGS will send letters to local agencies that have projects in the red category indicating they have no contingency plan or appear to be in danger. Caution letters will be sent to those agencies that submitted contingency plans, but require further detail. These letters will be considered a legal notice to cure the deficiency. LGS will re-evaluate October 15 to see if corrective action was taken. October 30 more letters will be sent in a final attempt to get information from local agencies that could determine if some local projects will move forward or not. OLPC will review projects still in danger in November and make recommendations for reallocating funds if necessary. The plan OLPC agreed to was to get the funds reallocated to the same agency if possible, from city to city, and county to county. At the end of February any unobligated funds will be placed on two big ODOT freeway projects.

Marty has received requests from some agencies to allow PS&E to move past December 31. If the project is part of a contingency plan and easily scaled, then ODOT may accept that project a little after some of the others. Other than that, if someone says they can't make December 31, ODOT must consider pulling the ARRA funds from the project.

Pat Fisher indicated she and Dave Galati had spoken with Brenda Zuniga of Highway Program Office about PE dollars that are being deobligated. If the project is not 100% ARRA, the deobligated funds will be put toward construction costs the local agency would otherwise have to pay. More PE dollars will come back into the pool due to deobligation between now and the end of February.

Phil Ditzler, FHWA Division Administrator, sent a letter to Doug Tindall approving ODOT's proposed use of Contract Change Orders. If local agency's plan on using Contract Change Orders, they will need to identify the process up front – not after bid. They will need to let FHWA and Bob Pappé know they anticipate using the Contract Change Order process if the bids come in lower than anticipated.

Fund Exchange - Some local agencies are in discussions with other local agencies to arrange private fund exchanges in an effort to utilize unobligated ARRA funds. No more State fund exchanges will be used.

Jon Oshel proposed that: 1) ODOT should notify agencies that they are running the risk of losing obligation as Marty outlined 2) agency to agency fund exchange should be considered to use unobligated funds and 3) if ODOT has to shift obligations, OLPC will help ODOT with the process.

Motion: Bill Worcester moved and Corey Crebbin seconded that OLPC affirms the process ODOT has put in place to notify local agencies that they are in danger of losing ARRA funds matches, the process OLPC agreed to previously. The OLPC unanimously approved the motion.

Steve Leep said FHWA will only recognize ODOT as being responsible for expending ARRA funds. The Q and A from FHWA on ARRA funds addresses exchanging nonfederal dollars for ARRA dollars. Steve said as long as local agencies can show they will use the ARRA dollars in the time frame on things they weren't going to accomplish without ARRA funds its okay. Steve is trying to get clarification on projects already programmed to determine the difference between what will be programmed vs. what has been programmed. Steve indicated that as of Wednesday, ODOT obligated \$47 million dollars in ARRA funds. \$53 million are yet to be obligated.

Motion: Bill Worcester moved and Corey Crebbin seconded that ODOT implement a separate process to identify which local agencies can accept additional ARRA funds if they become available. The OLPC unanimously approved the motion.

Marty asked OLPC to set up a subcommittee to review the ARRA program to determine what went well and what could be done better in the future.

REDUCTION OF CAPACITY ON FREIGHT ROUTES

Marty Andersen brought OLPC members up-to-date on ORS 366.215 which states that the Oregon Transportation Commission may not permanently reduce the vehicle-carrying capacity of a freight route when altering, relocating, changing or realigning a state highway unless safety or access considerations require the reduction. A local government may apply to the OTC for an exemption from the prohibition. If the project reduces capacity, a capacity study must be approved by one of ODOT Region offices and final approval must be obtained from OTC. Marty thought it would be a good idea for OLPC to put together a process and forms and get agreement with all Regions so standard processes and forms are in place statewide. OLPC will form a work group at a later time to address this issue.

PROGRAM MANAGEMENT

Marty indicated that he will soon have two new limited duration program managers to work with CMAQ and *ConnectOregon* programs. Marty advised OLPC members that ODOT needs to establish program management tools for each of the local federal aid programs to ensure that a much higher percentage of federal program funds are obligated each year. Last year \$40 million remained unobligated and this year \$60 million remains unobligated. Matt Garrett has indicated he wants all programs to have program management tools in place. Marty said that the Transportation Enhancement program is an example of how program management tools can help improve a program's performance. Before the TE program implemented program management tools, less than 40 percent of the TE funds programmed for a particular year were obligated in that year. Now 65 percent of TE funds programmed for a particular are obligated in the same year.

Jon – suggest that program management be included in a new OLPC strategic plan for next year and that other issues include right of way, consultant selection, archeological issues and storm water issues.

Motion: Bill Worcester moved and Corey Crebbin seconded that ODOT staff who are responsible for federal aid programs such as Highway Bridge, High Risk Rural Roads, High Priority, STP, etc. develop program management guidelines and performance measurement tools for their programs, which will be reviewed by OLPC at a future meeting. The OLPC passed the motion unanimously.