

**MINUTES  
of the  
SECOND MEETING  
of the  
TRANSPORTATION INFRASTRUCTURE REVENUE SUBCOMMITTEE**

**August 22, 2019  
State Capitol, Room 322  
Santa Fe**

The second meeting of the Transportation Infrastructure Revenue Subcommittee was called to order by Senator John Arthur Smith, chair, on August 22, 2019 at 9:05 a.m. in Room 322 of the State Capitol in Santa Fe.

**Present**

Sen. John Arthur Smith, Chair  
Rep. Patricio Ruiloba, Vice Chair  
Rep. Anthony Allison  
Rep. Randal S. Crowder  
Rep. David M. Gallegos  
Rep. Harry Garcia  
Rep. Roberto "Bobby" J. Gonzales  
Sen. Ron Griggs  
Rep. Jane E. Powdrell-Culbert  
Sen. Clemente "Memé" Sanchez  
Sen. Pat Woods

**Absent**

Rep. Joy Garratt  
Rep. Patricia A. Lundstrom

**Advisory Members**

Rep. Abbas Akhil  
Sen. Carlos R. Cisneros  
Sen. Stuart Ingle  
Rep. Rodolpho "Rudy" S. Martinez

Rep. Alonzo Baldonado  
Rep. Rachel A. Black  
Rep. Kelly K. Fajardo  
Rep. Susan K. Herrera  
Rep. Dayan Hochman-Vigil  
Rep. Willie D. Madrid  
Rep. Antonio Maestas  
Sen. William H. Payne  
Rep. Angelica Rubio

**Staff**

Peter Kovnat, Bill Drafter, Legislative Council Service (LCS)  
Shannon Rodriguez, Intern, LCS  
Tabitha Enriquez, Intern, LCS

**Guests**

The guest list is in the meeting file.

## **Handouts**

Handouts and other written testimony are in the meeting file and are posted on the legislature's website.

## **Thursday, August 22**

### **Welcome and Introductions**

Senator Smith asked subcommittee members to introduce themselves.

### **Minutes Approval**

On a motion made and seconded, the minutes of the first meeting of the subcommittee were approved without objection.

### **Local Government Needs for Transportation Infrastructure**

Linda Calhoun, mayor, Town of Red River, discussed the importance of well-maintained roads, given that Red River's only economic driver is tourism. Mayor Calhoun said that the town needs funding to complete and improve various road projects, including New Mexico State Road 38, which is the only access into Red River from Eagle Nest, and tourists, workers and delivery vehicles use the road daily.

Richard A. Cordova, mayor, Village of Eagle Nest, told the subcommittee that when Eagle Nest receives funding for any given project, 20% to 30% of that funding is lost due to increases in cost of materials and up to 30% of that funding is lost due to increases in engineering costs. Mayor Cordova also noted that with the emergence of alternative fuel vehicles, gasoline is not being consumed at the same rate, which calls into question the viability of the current source of funding to repair and maintain roads.

Alan Webber, mayor, City of Santa Fe, said that the city is currently playing catch-up in meeting its infrastructure needs and that, going forward, it will be necessary to think about infrastructure beyond roads. Broadband and other telecommunications, multi-modal transit and ore are all areas of infrastructure needs, Mayor Webber said, and he discussed the importance of using infrastructure investment as a means to leverage investment in other areas.

Anna Larson, planning coordinator, Cibola County, described various transportation challenges that Cibola County faces. The biggest challenge is failing infrastructure, she said, adding that Cibola County has limited road funding sources and that its main funding source is the Local Governments Road Fund. Ms. Larson emphasized that Cibola County needs to conduct traffic studies to qualify for more federal funds.

Robert Armijo, county engineer, Doña Ana County, compared statistics between Doña Ana County and the City of Las Cruces. Mr. Armijo said that the City of Las Cruces maintains more miles of paved roads than Doña Ana County. He told subcommittee members that the biggest challenge that Doña Ana County faces is securing necessary funding.

William F. Fulginiti, executive director, New Mexico Municipal League, said that the recent changes to the motor vehicle excise tax will add stability to the State Road Fund because as time passes and the use of alternative fuel vehicles increases, fewer drivers will be paying gasoline taxes.

A subcommittee member noted that some municipalities do not receive much revenue from gross receipts taxes and that the little revenue that is collected is spent on roads, causing municipalities to lose capacity to meet other needs. Therefore, the member said, it is important to generate alternative funding to maintain the roads.

A subcommittee member noted that it is necessary to look at what other states are doing to preserve road maintenance funds since New Mexico must be careful to not discourage the transition from carbon-based energy to renewable energy. In response, Mr. Fulginiti said that in Oregon, users pay for miles used instead of a road tax; however, this has created some concerns about the government tracking cars and miles, he said, and an alternative would be to impose surcharges on alternative fuel vehicles.

In response to a question, Mayor Cordova said that existing contractors have the capacity to complete road projects from smaller towns to bigger cities, but when a project is in a smaller or rural area, contractors will increase the cost by 30% to 40%.

### **State of New Mexico's Transportation System — Overview**

Michael Sandoval, secretary, Department of Transportation (DOT), gave updates on the DOT's vacancy rate and on progress in the southeastern part of the state. Secretary Sandoval said that one-half of the revenue from the motor vehicle excise tax increase should be used to create a transportation infrastructure fund to ensure a continuous source of revenue.

A subcommittee member asked about the difference between the Local Governments Road Fund and the newly created Local Government Transportation Project Fund. Mr. Sandoval said that the Local Governments Road Fund has very specific uses, making it more restrictive, and that the match is 75% state and 25% local. On the other hand, the Local Government Transportation Project Fund is completely flexible, can be used on anything transportation-related and has a match of 95% state and 5% local, he said. If the local government is unable to contribute the 5%, he added, it can apply for a waiver so that the project becomes 100% state funded if the waiver is granted.

A subcommittee member asked about the difference between the regular design process and the design-build process. Secretary Sandoval said that the regular design process is more linear. For example, with the regular process, a study is done, and once the design is 90% complete, the project moves into the construction phase. With the design-build process, Secretary Sandoval said, part of the design can be completed and construction can begin on just that part of the design. With the design-build process, if there are unforeseen changes needed, the entire design does not need to be revised.

## **Communication Plan**

Marisa Maez, director of communications, DOT, talked about the importance of changing the priority from roads to people. She emphasized the importance of online public engagement by using social media to inform the public and create dialogue, and she told the subcommittee about collaborating with the designers of the DOT's nmroads.com website to create an application that will inform drivers in real time when they are about to enter a construction zone and, when possible, provide alternative routes.

## **State Road Fund: Revenue and Budget**

Laura Bianchini, chief economist, DOT, presented the department's revenue forecast. She said that total State Road Fund recurring revenues are expected to stay flat in fiscal year (FY) 2021 and to grow in FY 2022. Ms. Bianchini highlighted a graph in the presentation handout with projections on the four main State Road Fund revenue sources, and she highlighted a table showing the distribution of state road user revenues.

A subcommittee member asked if the predicted drop in gasoline tax revenue is based on a predicted increase in the use of electric vehicles. Ms. Bianchini said that electric vehicles are a factor but that they are not really driving that decline. The drop can best be explained in terms of vehicles being more fuel efficient than in the past, she said.

Mallery Manzanares, acting director, Administrative Services Division, DOT, said that the department has a budget of \$920.3 million for FY 2020, with just over one-half of that amount coming from the state. Sean Sandoval, deputy division director, Project Oversight Division, DOT, discussed the Local Government Transportation Project Fund, explained how the fund is divided and reviewed the application process to access the fund. In response to a question, Ms. Manzanares said that the DOT has a debt service of \$50 million.

In response to a question, Secretary Sandoval said that the DOT has \$320 million left of New Mexico Rail Runner Express debt and that if any bonding were to happen, his recommendation would be to not extend bonds beyond 2030.

## **Highway Conditions, Asset Management, Construction and Maintenance**

Tamara P. Haas, P.E., director, Capital Programs and Investments Division, DOT, provided an overview of the current condition of pavement and bridges by district. Ms. Haas emphasized that a reactive approach, waiting until the pavement is in the worst condition, is more expensive to repair than repairing pavement periodically when it reaches an earlier state of decline.

David E. Trujillo, P.E., special projects engineer, DOT, talked about a four-year program managed by the DOT. Mr. Trujillo pointed to a map in the handout showing active and completed projects in the state as of July 2019, along with a breakdown of contract cost per district. He also emphasized that in FY 2019, 97% of projects were completed on time.

Rick M. Padilla, P.E., state maintenance manager, DOT, talked about winter operations. Mr. Padilla said that in the last three years, municipalities have created their own inmate labor contracts, which generated competition for this workforce. Mr. Padilla gave a breakdown of maintenance costs between various routes. In response to a question, Mr. Padilla said that about three years ago, the DOT offered the only contract for inmate labor, but now municipalities are contracting for inmate labor and offering higher pay than the DOT can offer.

### **Modal Program: Ports of Entry, Transit, Rail, Aviation and Traffic Safety**

Franklin Garcia, director, Modal Division, DOT, talked about improvements to various ports of entry. Mr. Garcia said that by 2023, over \$115 million in revenue will be generated from weight distance, oversize-overweight and trip taxes.

David Harris, director, Transit and Rail Division, DOT, discussed the division's role in assisting local governments to establish regional transit districts (RTDs) and assisting RTDs in planning, coordinating and implementing services. He discussed rural public transit and funding requirements for the enhanced mobility of seniors and individuals with disabilities.

Pedro Rael, director, Aviation Division, DOT, told the subcommittee that the division helps keep aviation safe and effective in New Mexico.

Dan Moran, manager, Finance and Administration, Aviation Division, DOT, discussed the uses of the State Aviation Fund. Mr. Moran said that 62% of airport runways in the state are rated as being in good condition and that the goal is to keep 60% or more of the runways in this condition. In response to a question, Mr. Moran said that for landings of military airplanes, the military contracts directly with the particular city's airport to pay for the use of the runways.

### **Human Resources Update**

Gilbert Archuleta, human resources director, DOT, said that all six DOT districts are now fully staffed. Mr. Archuleta pointed to a graph in the handout showing the DOT's FY 2019 biweekly vacancy data. In response to a question, Mr. Archuleta said that for highway maintenance workers, the DOT hires personnel who have, at a minimum, an eighth-grade education. The DOT gives personnel access to New Mexico's high school equivalency testing program. Additionally, applicants must complete courses in how to operate certain equipment before being hired.

### **Transportation District 6 Update**

Larry Maynard, P.E., District 6 Engineer, DOT, discussed the FY 2020 budget and said that there is an 11.25% vacancy rate in District 6. Mr. Maynard spoke about ongoing construction projects, district equipment needs, projects in the engineering and development stage and the top five unfunded or not fully funded projects. In response to a question, Mr. Maynard said that the project to construct climbing lanes along Interstate 40 is being divided into four phases. The first two phases are to be completed in September, with the following two phases to be completed by next spring, he said.

### **Transportation District 5 Update**

Paul Brasher, P.E., District 5 Engineer, DOT, talked about the FY 2020 budget and ongoing construction projects, projects in the engineering and development stage and the top five unfunded or not fully funded projects in District 5. He also discussed the district's equipment needs.

Manuel Maestas, project development engineer, DOT, talked about Rio Grande Gorge Bridge suicide prevention measures. Mr. Maestas said that an initial feasibility study was done in response to public concerns to find out if the existing structure would be able to withstand additional weight.

In response to a question about rest areas along highways, Mr. Brasher said that for some rest areas, it would be more cost-efficient to bulldoze existing structures than to remodel them.

### **Transportation District 4 Update**

James M. Gallegos, P.E., District 4 Engineer, DOT, discussed the FY 2020 budget, stating that there is a 21.36% vacancy rate, a situation created by employees moving into supervisory positions. He also discussed the district's challenges and critical needs and upcoming Statewide Transportation Improvement Program projects. In response to a question, Secretary Sandoval said that the DOT is already looking into making New Mexico State Road 128 a safety corridor and that the DOT could give the road this designation.

### **Adjournment**

There being no further business before the subcommittee, the meeting adjourned at 4:57 p.m.