



VERMONT
AGENCY OF TRANSPORTATION

FY2022 Budget Adjustment Act

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January 13, 2022 – Senate Transportation Committee



Today's Presentation/Agenda

- Net-Neutral Budget Adjustments due to reorganization of the Division of District Maintenance and Fleet
- Transportation Infrastructure Bond Repayment



Net-Neutral AOT Position Reorganization

Section	Name	Major Object	Adjustment	Summary
B.900	Finance & Administration	Personal Services	(96,859.00)	One Position moved from Finance and Admin to District Maintenance establish an Administrative Assistant in District 6
B.903	Program Development	Personal Services	(518,621.28)	Reorganizes Six positions from the Highways division into District Maintenance and Fleet. This includes the Drill Team (four positions) and moves two other positions into their appropriate organizational budget
		Operating Expenses	(143,668.00)	Accounts for the cost of the Drill Team equipment from the Highways Division into District Maintenance and Fleet
		Total	(759,148.28)	
B.905	Maintenance	Personal Services	615,480.28	
		Operating Expenses	143,668.00	
		Total	759,148.28	
	Funding Source:	100% Transportation Funds		



Transportation Infrastructure Bond (TIB) Repayment Plan

- The Transportation Infrastructure Bond fund has three bond issues that currently require debt service payments (\$2.5M/annually).
- The estimated value of repaying the principal of these bonds in FY2022 is \$17.4M (per Treasurer's Office):

	Principal	Interest	Total	
2010 Series A	6,765,000.00	-	6,765,000.00	Callable 6/15/2020
2012 Series A	6,010,000.00	-	6,010,000.00	Callable 6/15/2021
2013 Series A	7,150,000.00	-	7,150,000.00	Callable 6/15/2022
Total	19,925,000.00	-	19,925,000.00	
Debt Service Reserve Fund			(2,506,275.00)	Liquidated - to be used for redemption
Total needed for payoff			17,418,725.00	



Transportation Infrastructure Bond(TIB) Repayment Plan

- In December 2020, AOT was awarded \$50.4M in FHWA COVID Relief funds. \$12,554,768 of those funds remain unobligated and are eligible to be used toward Transportation Debt Repayment. Using an additional \$4,863,957 of Transportation Funds, Vermont could pay-off all existing TIB debt.
- Transportation Funds are available for TIB Debt Repayment in FY2022 through a combination of:
 - FY2021 Revenue collections higher than the Consensus Revenue Forecast
 - FY2022 Revenue Estimates upgraded in the Consensus Revenue Forecast adopted by the Emergency Board in July 2021



Transportation Infrastructure Bond(TIB) Repayment Plan

- TIB repayment would result in an annual savings of \$2.5M that can be used toward Agency projects. The savings could be used to match increased Federal match requirements as passed through the Infrastructure Improvement and Jobs Act (IIJA)
- Additionally, the State will save an estimated \$3.9M in interest repayments on the bond issues.

Total Needed for Debt Payoff	\$ 17,418,725
Total CRRSAA Available for Debt Payoff	\$ 12,554,768
Transportation Funds Available for Debt Payoff	\$ 4,863,957
Remaining TIB Principal and Interest	-
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% of TIB Debt Remaining	0.00%
Annual Debt Service Savings	\$ 2,500,000
Estimated Interest Saved	\$ 3,916,600



TIB Repayment Language

Sec. XX 2021 Act 172 Sec. D.101 is amended to read:

Sec. D.101 FUND TRANSFERS, REVERSIONS AND RESERVES

(a) Notwithstanding any other provision of law, the following amounts are transferred from the funds indicated:

(10) From the Transportation FHWA Fund (20135) to the Transportation Infrastructure Bonds Debt Service Fund (35200) established by 32 V.S.A. § 951a for funding ~~the redemption of~~ transportation infrastructure bonds ~~principal repayment prior to maturity~~: \$12,554,768.

(11) From the Transportation Fund--Non-Dedicated (20105) to the Transportation Infrastructure Bonds Debt Service Fund (35200) established by 32 V.S.A. § 951a for funding ~~the redemption of~~ transportation infrastructure bonds ~~principal repayment prior to maturity~~: ~~\$7,009,388~~ \$4,863,957.

EXPLANATION: The 2021 Coronavirus Response and Relief Supplemental Apportionment and Allocation provided \$50.4M dollars to Vermont from the Federal Highway Administration (FHWA). A provision of this apportionment provides for its use toward transportation debt service. The remaining balance of this apportionment, along with \$4.8M of Transportation Funds, is transferred to the Transportation Infrastructure Bonds Debt Service Fund to repay Transportation Infrastructure Bond debt, which will eliminate both the amount of interest owed and the \$2.5M annual debt service payment. These State Funds saved will be available for use toward federal match requirements described in the Infrastructure Improvement and Jobs Act of 2021, and ongoing future federal match requirements.

Questions?