**March 2007** 

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## RAMCA NEWSLETTER

## Richmond Area Municipal Contractors Association

Inside this issue:		RAMCA CELEBRATES 43RD BIRTHDAY
RAMCA Celebrates 43rd Annual Banquet	1	
General Assembly	2	RAMCA members gathered at Hermitage Country Club in February to celebrate the association's 43 <sup>rd</sup> Annual Installation of Officers Banquet. Over 150 members and guests gathered for a festive evening of cocktails, dinner, dancing and entertainment highlighted by a special presentation to Mr. Jack Glazebrook, now retired. Jack received RAMCA's prestigious Career Achievement Award in recognition of his significant life long contributions to the construction industry and to the goals and objectives of RAMCA. Jack's wife Jane, his son Johnny, and other family members were on hand to view the presentation, which featured Slurry Pavers' President Fred Dabney who presented an overview of Jack's career and his many accomplishments.
General Assembly (Cont.)	3	
General Assembly (Cont.)	4	
General Assembly (Cont.)	5	
RAMCA Hosts First Aid CPR Class	6	
Joint Cooperative Meet- ing with Henrico	7	CONGRATULATIONS JACK!
PAC Hosting Pigeon Shoot	7	Outgoing board member Ben Steele (Martin Marietta) was also recognized for his service to RAMCA during his two terms as an Associate
Damage Mediation Moving Forward	8	Director.  And now Associate Director Kon Dowell (James Diver Equipment) was
VDOT Reinstating ESCCC Training	8	And new Associate Director Ken Powell (James River Equipment) was also welcomed to the board. (For a listing of the 2007 RAMCA Board of Directors visit the RAMCA website at www.ramca.info.)
VDOT Continues to Outsource Maintenance	8	It was a great night at a great facility, and it would not have been possible without the event's many sponsors. We thank them for their support of this event. Please review the attached list of banquet sponsors and be sure to thank them for their support when you see them at future RAMCA events.
Welcome New Member	9	
Upcoming Events	9	
Richmond Area Municipal Cor tractors Association	า-	
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Volume XXI, Issue 1

# 2007 VIRGINIA GENERAL ASSEMBLY ADJOURNS HAVING PASSED A TRANSPORTATION FUNDING BILL – MAYBE?!

Page 2

The 2007 session of the Virginia General Assembly adjourned on Saturday, February 24th, concluding 46-days of lawmaking that were dominated by proposals intended to create more dollars for transportation infrastructure. But there were deep and fractious differences between the House and Senate as to how best to generate those new funds. Legislators spent much of their time planning, arguing, and lobbying each other on ways to make it happen. As predicted, transportation funding legislation was one of the last pieces of legislation considered at the session, it was highly contentious in it's final passage, and it was accomplished in a fashion that suggests the matter is far from resolved!

After five different versions of major transportation legislation were considered during the session, the version that passed - the Conference Committee Substitute for HB 3202 - came out of a republican stacked, twelve member Conference Committee and was only shared with all legislators the evening before the final day of the session. The lone democrat appointed as a Senate conferee was cut out of the discussion early on, and was not even told where and when the conferees were meeting! The 105 -page bill made significant changes to previous versions of transportation funding bills, but basically remained consistent with the House approach to transportation funding - debt, fee and general fund dependent - for its new revenue sources, and proposed no additional statewide, long-term sustainable transportation dollars.

In the end a Rube Goldberg compromise was struck which will generate about \$1.5 billion/yr. in new fees and bond revenues for statewide use by patching together an array of funding sources including \$500 in one-time surplus dollars this year from the General Fund, a \$2.5 billion bond issue (over ten years) that will require an annual debt service commitment from the General Fund of about \$185 million/yr., and new ongoing fees of about \$600 million/yr. generated from increased vehicle registration fees, bad driver fines, insurance premium income, increases in truck registration fees and overweight penalties, and 50% of projected state budget surpluses over the next six years. (With regard to the amount of increases for overweight trucks, RAMCA's lobbying efforts were successful in keeping these fee changes to a minimum. Additionally, part of the compromise legislation creates new models for land-use planning at the local level. These new proposals will require localities to assume more responsibility over their growth patterns and the maintenance of their secondary roads. And there is also a component intended to streamline and increase efficiencies at VDOT. It is also worth noting that at the last minute the increase in diesel fuel tax of one and a half cents per gallon, which had been included in every other version of HB 3202, was dropped.

Equally as important, the legislation creates detailed, local option, regional funding plans for northern Virginia and Hampton Roads with the potential to generate \$400 and \$200 million respectively assuming (and there is considerable doubt regarding this assumption) that local governments in those two areas are receptive to the tax and fee mandates contained in the two regional plans for raising these additional funds. Implementation of these regional plans will create new and substantial revenue streams that must be used for transportation projects in these two areas but lobbyists for local government fear that pushing the requirement for these proscriptive tax and fee increases down to the local level will not sit well with local elected officials who will have to take the heat for a local transportation funding plan that they didn't create!

The northern Virginia plan proposes a 2% rental car tax (referred to an "impact fee"), a commercial real estate assessment of 25 cents/\$100, a \$100 initial driver's license fee, an increase in the Grantor's Tax (paid by sellers of real estate) to 40 cents/\$100 (referred to as a "congestion relief fee" in the bill), and a hotel room tax of 2%. If all of these proposals get enacted in northern Virginia the region will still be somewhere in the neighborhood of \$300 million/yr. light if local planners are correct in their assessment of what is needed to just stay even with their transportation needs.

The Hampton Roads plan would establish a regional authority if 7 of the 12 cities and counties vote to join it. The new authority could impose a local 2% gas tax, a 5% tax on car repairs, a 1% initial vehicle registration fee, a 2% rental car tax, \$10 dollar increases in the annual fees for vehicle registration and license fees, a 10 cent/\$100 increase in the tax rate on commercial real estate, and a 40 cents/\$100 Grantor's Tax.

The legislation easily passed the House 64 to 34, where approval was never in doubt and where the vote split along party lines. In the Senate all 16 democrats were joined by retiring Senator Russ Potts (R-Winchester) and the now clearly not-so-powerful Chairman of the Senate Finance Committee, John Chichester, all of whom voted against the compromise legislation. The rest of the Senate republicans balked at Chichester's admonitions to resist and voted for the legislation although some openly expressed their dislike of it, in some pretty graphic terms. Others were hopeful that the Governor would save the day by offering substantial amendments for consideration at the April 4th Veto Session. The vote for passage in the Senate was 21-18 (one democrat senator's vote was not recorded, and he later indicated he intended to vote no.)

Immediately after the session ended, the Governor issued the following statement:

"This session, legislators dedicated significant time and energy to transportation. The legislature approved land use bills that our administration recommended on subdivision streets, incident management, and access management, and accepted our proposal to direct \$500 million in surplus revenue to critical transportation projects.

"However, when the final conference report on a long-term revenue package for transportation was developed, too few people were involved, and as a result, the bill on its way to my desk is not only insufficient to address Virginia's needs, but contains numerous issues to address. I will use the 30 days between now and the reconvened session on April 4 to consult with legislators, local elected officials, and other stakeholders to fix the problems in the bill and reach a comprehensive, long-term, and statewide transportation solution."

So the emphasis will now shift to the Governor, who has been completely absent from the debate all session and who has new firmly stated that the legislation that passed the General Assembly is not good enough. There will be plenty of press on what he is contemplating in advance of the Veto Session. So keep in mind that the game is FAR from over as the legislature could reject the Governor's amendments, and the Governor could then veto the bill passed at the session - once again leaving Virginians with nothing as we approach the fall elections for all 140 members of the General Assembly. The Governor could also send his own bill down at any time and summon lawmakers back to Richmond for a second consecutive year to consider it.

RAMCA MEMBERS ARE URGED TO CONTACT THE GOVERNOR AND YOUR STATE LEGISLATORS TO EXPRESS YOUR OPINION ABOUT WHAT EITHER NEEDS TO DO TO RESOLVE THIS PAINFUL STAND-OFF ON TRANSPORTATION FUNDING. You can contact the Governor specifically to express your opinion on this matter by pointing your browser to:

http://www.governor.virginia.gov/Initiatives/Transportation/FixtheBill/index-wholePage.cfm

To contact your state legislator visit the RAMCA web site and click on Legislative Reports and then click on Who's Your Legislator. (You will need to know your "members only" password to enter this site.)

If you would like more specific information on how dire the current situation is visit the RAMCA web site and click on the READ THE TRIP REPORT located on the Home Page. The numbers are frightening!

There were, of course, a number of other matters of interest to RAMCA members that came before the 2007 session. A brief summary of the important ones is found below.

<u>HJR 18</u> would have taken the first steps towards passing a constitutional amendment preventing lawmakers from siphoning funds earmarked for transportation and using them for unrelated purposes. Despite support from the RAMCA and other organizations, on the final day of the session the Senate could not agree on what should and should not be in this "lockbox" and the legislation was killed.

HB 2314 allows the Commonwealth Transportation Board to place tolls on any of Virginia's interstate highways, subject to federal regulations. RAMCA supported this legislation, which faced stiff opposition from some northern Virginia legislators and particularly those representing the I-81 corridor. The arguments against include causing trucks to divert off the interstates to primary roads and the regressive nature of such a tax. The arguments for - you guessed it - were more revenues although no figures were offered as revenues raised would be dependent on what interstates were tolled. It is unclear whether the Governor will sign this bill into law.

HB 2568 allows localities to increase the single penalty civil violation of a local erosion and sediment control ordinance from \$100 to \$1000 and the penalties for a series of violations from \$3000 to \$10,000. This bill passed the session.

HB 2597 - This bill would have prevented any commercial vehicle from driving in the far left lane in the two-lane portion of I-64 from Richmond to the Hampton Roads Tunnel. We believe these types of truck restrictions are onerous, and sometimes have the opposite of their intended effect in that such restrictions may contribute to accidents rather than prevent them. This bill was killed in committee.

<u>HB 3065</u> - This legislation would have expanded the forms of alternate bid, payment, and performance security that may be used on public construction projects to include a bond provided or executed by an individual provided that the person acting as the individual surety met certain conditions. We felt that having individual contractors essentially serve as their own surety raised lots of questions about the reliability and integrity of any such bond and could have a negative ripple effect on other parties to a construction contract. Other contractor groups agreed and this bill was killed in subcommittee.

SB 926 - This bill would have allowed certain localities in N. VA to ban trucks from parking on residential streets. Unfortunately the definition of trucks was anything over 7500 lbs. GVW. We saw lots of problems for contractors and their workers if this bill passed and then was adopted by other localities around the state. Our objections to the bill's broad implications were sufficient to have the bill killed in committee.

<u>SB 1073</u> - Required that an employer cited for a violation of OSHA provisions be assessed a civil penalty of \$25,000, if the violation is determined to have caused or contributed to the death an employee. This request apparently came from state OSHA officials. We argued that there was no evidence that simply adding this punitive fine would do anything to increase safety in the workplace. The bill was killed in committee.

<u>SB 1410</u> - would have allocated 52% of revenues generated by instant horse racing to go to the Transportation Trust Fund. We supported this bill which passed the Senate but was killed twice by the House whose conservative majority was split on whether it made sense to sanction these gambling proceeds to financially support a core service of government (although we currently use lottery proceeds to fund education). Projected new transportation revenue was around \$150 million/yr.

FOR MORE DETAILED INFORMATION ON ALL LEGISLATION OF INTEREST TO RAMCA MEMBERS VISIT THE HOME PAGE OF THE RAMCA WEBSITE AND CLICK ON "Final Legislative Report". Page down until you come to the Legislative Matrix portion of the report and click on any bill of interest. (You will need to know your "members only" password to enter this site.)

## **RAMCA HOSTS CPR/FIRST AID CLASS**

Nearly 100 employees of RAMCA members received their certifications in First Aid and CPR last month, thanks to the RAMCA sponsored safety-training program offered by member Jamie Accashian (Safety Consultants of Virginia). This low cost, highly professional session continues to be a sell-out each year, and certainly will be on the list again for next year's safety offerings from RAMCA.

## JOINT COOPERATIVE COMMITTEE MEETS WITH HENRICO

Earlier this winter RAMCA's Joint Cooperative Committee met with representatives of Henrico County's Department of Public Utilities to discuss a broad range of issues of mutual interest.

RAMCA committee members were brought up to date on: the county's revised POD Policy, updates to design standards, the status of the county's continued use of "lump sum" bids, the need for "cut sheets" on sewer lines in new subdivisions, and upcoming projects.

Attached with this newsletter is a list of the Henrico Public Utilities projects and the bid schedule for these projects. Also attached are two "Invitation to Bid" requests and three product approval notices from the county. In addition, RAMCA had previously requested that the county provide the contractor with field reports at the time inspections of water and sewer lines take place. Henrico has instituted this RAMCA request and copies of the field report documents that utility contractors should be receiv-



# RAMCA PAC HOSTS 1<sup>ST</sup> ANNUAL PIGEON SHOOT

Get out the shotguns because on April 30<sup>th</sup> the RAMCA Political Action Committee (PAC) will be hosting its first ever Pigeon Shoot. The event will feature five-man (woman) teams competing at 15 stations shooting 100 clays. First and second place team winners will receive trophies, and there will be plenty of sponsorship opportunities. A buffet dinner will be served immediately after the event.

2007 is an election year for all 140 members of the Virginia General Assembly. This event is designed to provide funding to the RAMCA PAC, which then provides financial support to candidates supportive of RAMCA's membership and our industry. The event will be held at the Old Forge Sporting Clays in Providence Forge, Virginia. Look for registration info in your mail shortly, and begin forming you team now. ONLY CHECKS PAYABLE TO THE RAMCA PAC WILL BE ACCEPTED FOR THIS EVENT.

## **UNDERGROUND DAMAGE MEDIATION MOVING FORWARD**

Thanks to months of work by RAMCA members and support from staff at the State Corporation Commission, Virginia is now poised to begin a non-binding mediation process for disputed claims involving damage to underground utility lines. RAMCA representatives and staff had been pushing hard for a binding arbitration procedure, but the resistance offered by virtually all of Virginia's utilities was simply too much to overcome. Rather than walk away with nothing, all parties are now in the process of agreeing to the terms of a non-binding mediation process that will at least provide a neutral place for excavators and utilities to air their disputes in a cost effective manner. Perhaps experience in this modest experiment will lead to more acceptance of a stronger Alternate Dispute Resolution process in the future. A final draft of the pilot process quidelines is included with this newsletter.

## VDOT ENDS RECOGNITION OF ALTERNATE ESCCC TRAINING

VDOT recently announced that it was reinstating its Erosion and Sediment Control Contractor Certification (ESCCC), and will no longer recognize certifications offered by other state agencies. Effective immediately all regulated land-disturbing work done in a VDOT right-of-way will require ESCCC certification. A letter detailing this new requirement and where to go for further information is enclosed with this newsletter.

## **VDOT CONTINUES TREND TO OUTSOURCE MAINTENANCE**

The Commonwealth Transportation Board had decided to privatize an additional 562 miles of the state's highway system. The new contracts of over \$157 million cover road maintenance on sections of Interstates 81, 77, and 581 in southwest Virginia and Interstates 64, 95, 85, 295 in central Virginia. The five-year, performance-based contracts go into effect July 1st, and cover pothole repair, litter pickup, drainage maintenance, mowing, guardrail and sign repair, snow removal, and traffic incident response.

The 2006 Virginia General Assembly requires that VDOT outsource all interstate maintenance by 2009. The current outsource ratio, including these projects, is 58%. State law also mandates that such outsourcing will not include major bridge and pavement reconstruction projects. That work will continue to be competitively let my VDOT on a project-by-project basis.

#### **RAMCA Officers**

President David Cosby Sovereign Paving, Inc.

Vice President James H. Martin, Jr. J.H. Martin & Sons Contractors, Inc.

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#### At Large Directors

Lee White Draper Aden Assoc.

Wilson Whitehurst Whitehurst Paving

#### Staff

Executive Director Mark I. Singer

Office Manager Judy Frederick

#### WELCOME NEW MEMBER

The RAMCA family is happy to announce that Duke Contracting of Virginia has joined the association as a Contractor Member. The registered RAMCA representatives are John, Chris, and Emory Duke. Please welcome these new RAMCA members when you see them at an upcoming association event.

## SPEAKING OF UPCOMING EVENTS, HERE THEY ARE!

Velcome!

March 15<sup>th</sup> – General Membership Meeting, Sheraton South Hotel April 30<sup>th</sup> – RAMCA PAC Pigeon Shoot, Providence Forge, VA May 17<sup>th</sup> – George Bickerstaff Memorial Golf Outing, Royal New Kent