



STATE OF DELAWARE
DEPARTMENT OF TRANSPORTATION
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SHANTÉ A. HASTINGS
SECRETARY

**Delaware Task Force on
Sustainable Transportation
Funding Meeting #5 Minutes**

Friday, March 20, 2026, at 11:00 a.m.
800 Bay Rd, Dover, DE –Delaware Conference Room and Zoom

MEMBERS	PRESENT	OTHER ATTENDEES
Shanté Hastings, Chair	Yes	Anne Brown, DelDOT
Chris Baker	Yes	Mark Buckalew, DelDOT
Kendall Barbour	Yes*	Lanie Clymer, DelDOT
Paul Bauer	Yes	Amanda Giuttari, DelDOT*
Ken Branner	Yes	Brad Guilmino, PFM
Robin Christiansen	No	Maureen Kelley, DelDOT
Rep. Rich Collins	Yes	George Lees, DOJ/DelDOT
Chris Duke	Yes	Mark Luszcz, DelDOT
John Gooden	Yes	Matt Magarity, PFM
Sean Matthews	Yes*	Valerie McCartan
Brian Maxwell	Yes*	C.R. McLeod, DelDOT*
Alex Meitzler	Yes	Todd Reavis, DelDOT*
Rep. Ed Osienski	No	John Sisson, DTC*
Sen. Brian Pettyjohn	Yes*	Pam Steinebach, DelDOT
Nicole Pilchard	No	Geoff Stewart, PFM
Michael Smith	Yes*	
Sen. David Sokola	Yes	Alan Marteney, Century Engineering*
Chris Ware	Yes*	
Ted Williams	No	

* Attended Virtually

Action items are italicized

I. Introduction

Sec. Hastings opened the meeting with a welcome, confirmed quorum, and started off the presentation for Meeting #5.

- Mission Statement (slide 2) – Began meeting with DelDOT’s mission: to provide excellence in transportation for every trip, every mode, every dollar, and everyone.
- Safety/Safe System Approach (slides 3-4) – To date, there have been 16 fatalities on our roadways, and are unfortunately tracking 23% ahead compared to the same time last year. Our teams use this information to drive our strategies in an effort towards zero deaths. As part of all our presentations, we highlight the Safe System Approach which is a national transportation safety initiative introduced by the Federal Highway Administration. This is the safety lens we use to make all our decisions at DelDOT.

II. Overview of Agenda (slide 5) – Agenda items included approval of the last meeting minutes, a presentation from PFM Financial Advisors, LLC, discussion of action items, and public comment. The next meeting will be on 4/20/26, at 1:00 pm, Dover Administration Building. This will be the last educational meeting for the task force, and the next few meetings will focus on discussing recommendations (from 2011 and new ideas).

III. Approval of Meeting #4 Minutes - Sec. Hastings asked if everyone reviewed the minutes and solicited any corrections or questions; none were voiced. Sec. Hastings then asked for a motion to approve, provided by Sen. Sokola, and seconded by Paul Bauer. All members in attendance were in favor. Minutes were approved.

IV. PFM Presentation

Geoff Stewart, Matt Magarity, and Brad Guilmino from PFM Financial Advisors LLC reviewed the current condition of the Transportation Trust Fund (TTF), provided an overview of the TTF debt strategies, and provided comparative analysis of debt strategies utilized by other DOTs.

- Overview (slide 10-11) – PFM was founded in 1975, is the largest financial advisory firm in the nation, with a client-centric philosophy. PFM has served as the financial advisor for the State of Delaware as well as the Department of Transportation since 2001. PFM has sector groups, like transportation, who are solely dedicated to working with state DOTs, tolling entities, or transit providers.
- Executive Summary (slide 13) – Geoff Stewart highlighted that DelDOT is in a strong position financially, with a diverse bundle of revenues, including pledged and non-pledged revenue sources. DelDOT has strategically reduced its overall debt portfolio over the last ten years, which is a testament to strong leadership over the years. The current credit ratings for DelDOT are AAA and AA+ (AAA is the highest).
- Current Composition of TTF Revenues (slide 15) – DelDOT has a diverse mix of revenues to support the TTF such as tolls, DMV fees (document and registration), motor fuel taxes, and investment earnings.
- Projected Composition of TTF Revenues (slide 16) – Highlighted the next five years

of revenues in the base financial plan. Motor fuel tax shows a projected decline, from \$129.7M (FY26) to \$117.3M (FY31).

- **Industry Trends (slide 17)** – Brad Guilmino shared information on the programs that were prominently either funded or featured in the last federal transportation authorization bill (new tolling, transit-oriented developments, road user charges, alternative delivery methods, TIFIA and RRIF loan programs, etc). There will be a new authorization bill coming out, and some of the goals and evaluation criteria have changed. In the last bill, there was roughly a 20-30% increase in transportation funding, with many new discretionary grant programs. There has not been a draft of the new bill out for review yet. Broadly, there is a new focus on tolling and user fees. Motor fuel taxes are declining, so additional revenue sources need to replace that. There is also increased flexibility in the TIFIA loan program, DelDOT took advantage of the TIFIA loan program for the US301 project. The program has expanded to airports, and transit-oriented development (both transportation infrastructure and retail/housing).
- **Local & Federal Options for Increased Funding (slide 18)** – The federal government used to fund close to or more than 50% of state DOT's transportation funding, but that is shrinking. The federal general fund has been helping support transportation funding with a flat diesel and motor fuel tax since the early 1990's. On the local side, some states are looking at retail delivery fees, as well as tolling major bridges and corridors on interstates.
- **Federal & State Funding Environment (slide 19)** – While motor fuel taxes are stagnant due to stable gasoline and diesel prices, funding for VMT (vehicle miles traveled) programs are slowly increasing. Transit is still not where it was before the pandemic.
- **Motor Fuel Tax Funding (slide 20)** – Delaware is on the lower end of gas tax per gallon (42nd lowest in the nation), so there is opportunity for growth if that is available.

Comment – Sen. Sokola: Connecticut announced they are considering a gas tax holiday.

Comment – Sec. Hastings: Topic came up a few years ago, but since motor fuel tax is a pledged revenue, we do not have the opportunity to enact a holiday. Tolling (slide 21) – Other states are looking more broadly into the use of tolling revenue like express lanes (Atlanta and Nashville areas), using targeting toll rates or dynamic tolling. There are also strategic bridge programs that are getting bundled together like Louisiana/Lake Charles/I-10. Another example is Alabama, looking at a \$4B project to do the Mobile River bridges. It is not a tax, but a direct user fee, and there are opportunities to have discount programs for locals or low-income residents. States have been moving towards a boarder mix of revenue sources, to spread the financial impact to various users.

Qu – Sean Matthews: Are other states going toward a more balanced approach, more tolling, or more comprehensive financing?

Ans - Brad Guilmino: Most states are moving toward a balanced approach. Adding or changing vehicle registration fees were easy options. Indiana has a formal application into USDOT to toll I-70. They have approximately \$10B in infrastructure improvements on their interstates. There are currently about 4-5 states that are looking at strategically tolling free limited-access facilities.

- Overview of TTF (slide 24) – The TTF was created in 1987 to consolidate dedicated transportation revenues. It is administered by the Delaware Transportation Authority (DTA), and bond actions are authorized by resolution of the Secretary of Transportation, Director of Finance, and the TTF Administrator. All the outstanding debt for the TTF is bonds, and DTA stands on its own as these bonds have no pledge to the state, which is not the case everywhere.
- DelDOT Outstanding Debt (slide 25) – The TTF supports six different series of outstanding debt, which is all tax-exempt, and issued over 20 years at very attractive interest rates. DelDOT has the sole right to redeem these bonds on the redemption date for lower interest rates to create cash flow savings. US301 was financed in 2015 with publicly issued bonds, along with a TIFIA loan (taxable). Currently, US301's toll revenue is not only paying back the loan but also can paying the loan down on an accelerated basis as well as money being put back into the TTF. GARVEE loans (Grant Anticipation Bonds) are federal revenues that secure those bonds. DelDOT does have the ability to issue those bonds, if the need and desire was there. The important takeaway is the gradual lowering of outstanding debt service for DelDOT, which provides flexibility of allowing more debt as needed. DelDOT has cleared almost 70-75% of their debt, unlike New Jersey, which over the next 20 years shows no gradual decrease.
- Credit Analysis TTF Bonds (slide 26) – DelDOT is rated very high, with AAA (Moody's) and AA+ (Standard & Poor's) ratings.
- Overview of Highway Revenue Bond (HRB) Credits (slide 27-31) – Most of these bonds are secured by motor fuel taxes. The borrowing programs are diverse, and ranges in individual and bundled revenue pledges. There are five factors driving the credit rating. There is also an Additional Bonds Test (ABT) that is used and the borrowing entity must pass before any new debt is issued. The ABT is to demonstrate that a certain level of debt services coverage is being achieved. DelDOT, with exception of US301, has between 5-6 times the coverage. There is a big disincentive for the ABT to fall under 2 times the coverage. HRB's are the bread and butter of transportation funding.
- P3 Overview (slide 32) – Alternative financing options like P3 (private-public partnership) are popular in transportation news. The current federal administration has been a big proponent of bringing in the private sector into public funding. An example of this is Georgia 400, which is a publicly managed road, but the operator of the roadway (owner) has the right to adjust revenues how they see fit, which can vary up to \$2.50 per mile, equating to a 15-20 mile trip into downtown Atlanta costing close to \$40 (dynamic tolling using express lanes). Maryland and Virginia also have dynamic tolling.

- TIFIA/RRIF/Transit Oriented Development (slide 33-34) – TIFIA is a federal program that gives out loans at attractive interest rates. Historically there was a limited amount to fund a project with TIFIA loans, which was 33%. Last year that increased to 49%. Transit Oriented Development (TOD) can be used by developers or municipalities.
Qu – Sec. Hastings: Have any states been successful in obtaining a TOD?
Ans – Matt Magarity: The only one has been Mt. Vernon in Washington D.C.
Qu – Sean Matthews: Question on OPEB liability.
An. – Sec. Maxwell: Three tools in addressing our OPEB liability: 1. Contributing 1% of prior year operating budget (approx. \$65M), 2. Rate of payroll that continues to increase over time to meet that liability. 3. Funding that is declared extraordinary revenue.
- Delaware’s Current Outlook (slides 36-37) – Delaware is in a good position overall relative to other DOTs. Currently issuing \$75M every three years, or \$25M per year. There could be more debt issued, but it will eat up the Pay-Go revenues. The PFM team also highlighted what the additional interest would be if there was increased borrowing of \$50 or 75M per year.
- Benefits of DelDOT’s Rating Status (slide 38) – If the TTF receives a lower rating, an approximately 15 basis point decrease increases the interest rate costs to approximately \$900k.

V. Questions/Comments

Comment – Chris Baker: While DelDOT is in a good position to borrow/sell for capital projects, operating costs may take away funding.

Comment – Matt Magarity: One of the reasons why DelDOT has such a great rating is because there is a gross pledge on the revenues, which means that revenues go towards paying off the debt service first.

Comment – Sec. Hastings: The Biden Welcome Center is a P3.

Qu – Sean Matthews: Other states like the NE extension or PA turnpike display on their message boards showing project names, costs, toll dollars at work, etc. Is that something that DelDOT could do?

Ans – Sec. Hastings: Have been talking with our team on how we can explain to the public what we do in a meaningful, positive way. We used to have signs back in the 90’s at our project sites highlighting infrastructure investments.

VI. Action Items

Sec. Hastings: *Will create a survey of the notable items from the 2011 report and send out to members for their responses which will be discussed at the next meeting. Also, updating and tracking a list of items discussed at the last five meetings.*

Sec. Hastings: *Need to determine a plan for engaging stakeholders, like an online forum, in-person meetings, etc. to garner feedback. Also keeping a list of information requests, like the VMT report and will get that out to members.*

Ken Branner: A recent presentation on the opioid crisis and all municipalities were able to stream the council meetings to get the word out and get feedback on.

Kendall Barbour: For online surveys, if there is a way to put their physical address in to

correlate the interests throughout the state that would provide a good metric.

VII. Public Comment

Alan Marteney: The base financial plan shows revenue projections on the DTC fare box going from \$19.2M to \$21.7M; what is the basis for that?

Sec. Hastings: *Questions aren't answered during public comment, but we will get the requested information to you.*

VIII. Adjournment

Sec. Hastings adjourned the meeting at 12:35 p.m. with a motion from Sen. Sokola and a second from Paul Bauer.

The next meeting will be held at the DelDOT Dover Administration Building located at 800 Bay Road, Dover, DE 19901 on April 20th from 1:00 – 2:30 p.m.