



**MISSOURI HIGHWAYS AND TRANSPORTATION
COMMISSION**

Official Minutes

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**MINUTES OF THE SPECIAL HIGHWAYS AND
TRANSPORTATION COMMISSION MEETING HELD
IN ST. LOUIS, MISSOURI, TUESDAY, OCTOBER 23, 2012**

A special meeting of the Missouri Highways and Transportation Commission was held on Tuesday, October 23, 2012, at Polsinelli Shughart, Deloitte Building, 100 South Fourth Street, Suite 1000, St. Louis, Missouri. Rudolph E. Farber, Chairman, called the meeting to order at 10:00 a.m. The following Commissioners were present: Grace M. Nichols, Lloyd J. Carmichael, Stephen R. Miller, and Kenneth H. Suelthaus.

The meeting was called pursuant to Section 226.120 of the 2000 Revised Statutes of Missouri, as amended. The Secretary verified that notice of the meeting was posted in keeping with Section 610.020 of the 2000 Revised Statutes of Missouri, as amended.

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Kevin Keith, Director of the Missouri Department of Transportation; Rich Tiemeyer, Chief Counsel for the Commission; and Pamela J. Harlan, Secretary to the Commission, were present on Tuesday, October 23, 2012.

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*“Department” or “MoDOT” herein refers to Missouri Department of Transportation.
“Commission” or “MHTC” herein refers to Missouri Highways and Transportation Commission.*

-- OPEN MEETING --

RESOLUTION EXPRESSING APPRECIATION TO THE FAMILY OF CLIFTON J. SCOTT FOR HIS OUTSTANDING SERVICE TO THE STATE OF MISSOURI

Upon motion by Commissioner Nichols, seconded by Commissioner Suelthaus, the Commission unanimously approved the following resolution.

WHEREAS, Mr. Clifton J. Scott began his distinguished career with the Missouri Department of Transportation as a Maintenance Crew Worker in June 1997, moving through increasingly responsible assignments of Intermediate Crew Worker and Senior Crew Worker, culminating in his promotion as a Motorist Assistance Operator in August 2002; and

WHEREAS, Clifton J. Scott helped raise public awareness of safety on the road by appearing in a television interview asking drivers to be alert, move over, and slow down; and

WHEREAS, early Friday morning on September 21, 2012, less than one month after the state of Missouri’s Move Over Law was expanded to include MoDOT vehicles, Clifton J. Scott was struck by a vehicle and killed in the line of duty while ensuring the safety of others by assisting law enforcement with traffic control at an accident scene on westbound Interstate 70 near the Interstate 470 interchange; and

WHEREAS, Clifton J. Scott was no stranger to the risks of highway work because of his positions at MoDOT; in November 2001, Mr. Scott demonstrated his courage and bravery when he received MoDOT’s Meritorious Safety Award for rescuing an unconscious co-worker from his burning vehicle which had been struck in a work zone; and

WHEREAS, during his tenure, Clifton J. Scott, was a true public servant, recognized for performing his duties with pride and dedication while exhibiting a genuine compassion for the best interests of others which merited acceptance and respect throughout the department and with all emergency responders in the Kansas City region; and

WHEREAS, his work ethic, integrity, expertise, and caring for others have earned him the respect, admiration, and friendship of department employees and the public he served all of whom deeply mourn the loss of their friend, co-worker, and public servant; and

WHEREAS, the loss of Clifton J. Scott has brought great sorrow to the Missouri Highways and Transportation Commission and Missouri Department of Transportation, he will long be remembered for his service to the state of Missouri; and

NOW, THEREFORE, BE IT RESOLVED that the Missouri Highways and Transportation Commission does hereby publicly express its condolences, appreciation, and gratitude to the family of Clifton J. Scott for the public service he performed for the citizens of Missouri.

BE IT FURTHER RESOLVED that a copy of this Resolution be forwarded to the family of Clifton J. Scott so they will have a permanent record of the high esteem and affection in which he is held by the members of the Missouri Highways and Transportation Commission and Missouri Department of Transportation.

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COMMISSION WORKSHOP – CUSTOMER RELATIONS

The Commission held a special workshop for the purpose of discussing transportation funding issues and investigating innovative transportation investment strategies for the State of Missouri.

After averaging \$1.2 billion per year from 2006-2011, MoDOT's construction budget for road and bridge improvements has fallen below \$700 million. The proceeds from Amendment 3 and federal stimulus funds from the American Recovery and Reinvestment Act, which provided short-term funding for a larger construction program, have been invested and made significant improvements in Missouri's transportation system.

MoDOT's construction program has declined to \$700 million, which is just enough to maintain Missouri's transportation infrastructure assets. Missourians are not likely to see major new construction projects (the projects that create jobs, increase safety, ease congestion and foster economic development) until a long-term transportation funding solution is in place. While the Commission and MoDOT are committed to maintaining the current transportation system for as long as possible with current funding, the Commission expressed the critical need to identify a long-term solution to funding infrastructure at the state and federal level.

The state's central location makes Missouri a crossroads, ideally situated as a transportation hub that can enhance the competitiveness of not only the state, but also the nation as a whole. However, like many states, Missouri lacks a sufficient funding source for maintenance and upgrades and, as a result, our economic health is threatened. If Missouri cannot continue to be a transportation hub, citizens

across the state will eventually feel the impact every day on their driving and in their wallets. This is the challenge MoDOT faces as it updates “A Conversation for Moving Missouri Forward” (Conversation).

In September 2012, MoDOT hired Fleishman-Hillard (FH), with partners Burns & McDonnell, The Vandiver Group (TVG) and High Street Consulting, to supplement and support department staff in their efforts to update the Conversation. This integrated effort will educate Missourians about the issues facing the state’s transportation system; engage Missourians in a conversation to explore solutions; and activate Missourians to support the department’s engagement process, and ultimately the updated Conversation document.

David Lavalley, Senior Vice President, and Tony Zagora, Account Supervisor, presented to the Commission the process, approach, and timeline for updating the Conversation effort. Transportation is what keeps the pulse of Missouri moving. A strong strategic platform will serve as the foundation for all Conversation project elements, and will help the Commission and MoDOT develop and deliver the transportation vision to key audiences. The Commission thanked Mr. Lavalley and Mr. Zagora for participating in the workshop.

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-- CLOSED MEETING --

VOTE TO CLOSE MEETING

The agenda of the closed meeting was posted in keeping with Sections 610.020 and 610.022, RSMo, including the following statutory citations allowing the meeting to be closed:

1. Section 610.021(1) – Legal actions and attorney-client privileged communications.

Upon motion duly made and seconded to convene in closed session, the Chairman called for a voice vote of the members. The vote was as follows:

Commissioner Farber, Aye
Commissioner Nichols, Aye
Commissioner Carmichael, Aye
Commissioner Miller, Aye
Commissioner Suelthaus, Aye

The Commission met in closed session from 1:00 p.m. until 2:00 p.m.

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-- OPEN MEETING --

Rudolph E. Farber, Chairman, reconvened the open meeting at 2:00 p.m.

REPORT REGARDING MEDICAL PLAN LEGAL ISSUES

Jeff Padgett, Risk and Benefits Management Director, explained to the Commission on September 12, 2012, during Missouri's General Assembly veto session, the legislature voted to override the Governor's veto of Truly Agreed To and Finally Passed Senate Bill (SB) 749. This bill requires all health plans to allow plan subscribers to "opt-out" of coverage for contraception, sterilization, and abortions, and not be penalized or discriminated against for refusing such coverage. The legislation contains an emergency clause that resulted in the effective date of the provision impacting the Medical Plan being the day the veto was overridden. Quick action is necessary to comply with the law. Quick action is also necessary due to the potential impact on tax-free premium deductions via the cafeteria plan offered to active state employees. The decision to opt-out must be made and the changes coordinated through the payroll system by mid-November. This is because medical plan premium deductions occur prior to the effective date of coverage. For example, January premiums are withheld from December paychecks.

Preliminary estimates indicate this change will not increase cost for the employer or subscriber, and may provide a savings. Aon/Hewitt conducted an actuarial review of the potential impact of this law, and provided projections for premium differentials that should be assigned to the additional plan benefit design. Based upon the employer share of the premium at this time, the employers would realize a decrease in required contributions over those previously projected. Although no projections have been made regarding the number of subscribers expected to enroll in the additional plan benefit design, the savings realized by the employers will range from \$2 to \$6 per subscriber per month for each subscriber that opts into the additional plan benefit design. While the actuarial impact on active employees is

minimal, there is even less impact on retirees. Aon/Hewitt recommended no premium differential based on their actuarial review. However, to fully comply with the law, retirees will be offered the option to opt-out of the current plan benefit design, although there will be no premium differential.

The Missouri Consolidated Health Care Plan (MCHCP) and the University of Missouri System (UM) are taking similar action regarding this law. The MCHCP will have a similar premium differential. UM is still in the process of determining whether there will be a premium differential, but they will offer an alternative benefit design even if there is no premium differential.

The Medical and Life Insurance Plan Board of Trustees discussed SB 749 and the additional plan design at their October 12, 2012 meeting, and recommended the following:

- Compliance with the law including adoption of the rate differential recommended by Aon/Hewitt for active employees.
- No change in retiree rates due to limited impact of benefit changes.
- The savings created by the additional plan benefit design will be shared by the employers and subscribers at the current contribution percentages.
- MoDOT Employee Benefits will coordinate communication and the schedule of events required for January 1, 2013 enrollment effective dates.

Following discussion, and upon motion by Commissioner Suelthaus, seconded by Commissioner Miller, the Commission unanimously approved offering an additional plan benefit design that does not provide coverage for contraception, sterilization, or abortions. The Commission approved the active employee premium amounts for the SB 749 plan benefit design as outlined below:

Rate Category	Current Plan Offering			SB749 Plan Offering			Difference		
	Premium	Employer Share	Subscriber's Cost	Premium	Employer Share	Subscriber's Cost	Premium	Employer Share	Subscriber's Cost
ACTIVE EMPLOYEE									
Subscriber Only	\$399	\$351	\$48	\$397	\$349	\$48	\$2	\$2	\$0
Subscriber/Family	\$1,214	\$971	\$243	\$1,207	\$966	\$241	\$7	\$6	\$2
Subscriber/Spouse	\$878	\$702	\$176	\$873	\$698	\$175	\$5	\$4	\$1
Subscriber/Child	\$559	\$447	\$112	\$556	\$445	\$111	\$3	\$2	\$1
Subscriber/2 Children	\$718	\$574	\$144	\$714	\$571	\$143	\$4	\$3	\$1

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By unanimous consensus of all members present, the meeting of the Commission adjourned.

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The Mission of the Missouri Highways and Transportation Commission is to:

- Represent the citizens of Missouri pursuant to the Constitution by providing independent and nonpartisan governance of the Missouri Department of Transportation; and
- Establish policies, exercise oversight, and ensure accountability in developing and maintaining a world class transportation system in Missouri which fosters safety and economic development.

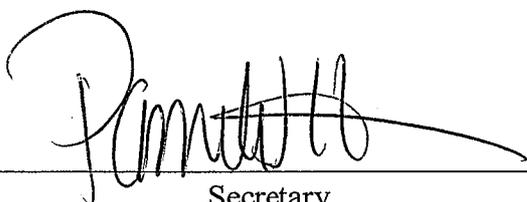
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CERTIFICATION

We, Rudolph Farber, Chair, and Pamela J. Harlan, Secretary to the Missouri Highways and Transportation Commission, hereby certify that the foregoing are full, true, and complete minutes of the special meeting of October 23, 2012, held by said Commission in St. Louis, Missouri, as approved by said Commission at its meeting held December 5, 2012.

IN TESTIMONY WHEREOF, we have hereto set our hands and affixed the seal of said Commission on December 5, 2012.


Chair


Secretary

