



**MISSOURI HIGHWAYS AND TRANSPORTATION
COMMISSION**

Official Minutes

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June 25, 2014

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**MINUTES OF THE REGULARLY SCHEDULED HIGHWAYS AND
TRANSPORTATION COMMISSION MEETING HELD IN JEFFERSON CITY,
MISSOURI, WEDNESDAY, JUNE 25, 2014**

A regularly scheduled meeting of the Missouri Highways and Transportation Commission was held on Wednesday, June 25, 2014, at the Missouri Department of Transportation Building, 105 West Capitol Avenue, Jefferson City, Missouri. Stephen R. Miller, Chairman, called the meeting to order at 12:00 p.m. The following Commissioners were present: Lloyd J. Carmichael, Kenneth H. Suelthaus, and Gregg C. Smith.

On February 6, 2014, Governor Nixon withdrew the appointment of Commissioner Kelley M. Martin; at the time of the June 25, 2014 meeting, a replacement had not been appointed. On May 6, 2014, Governor Nixon withdrew the appointment of Commissioner Bryan T. Scott; at the time of the June 25, 2014 meeting, a replacement had not been appointed.

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

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Dave Nichols, 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 Wednesday, June 25, 2014.

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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.*

-- 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.
2. Section 610.021(3), (13) – Personnel administration regarding particular employees.
3. Section 610.021(11), (12) – Competitive bidding specifications, sealed bids, or negotiated contracts.

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 Miller, Aye
Commissioner Carmichael, Aye
Commissioner Suelthaus, Aye
Commissioner Smith, Aye

The Commission met in closed session on Wednesday, June 25, 2014 from 9:00 a.m. until 11:00 a.m.

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-- OPEN MEETING --

COMMISSION REORGANIZATION

Missouri Transportation Finance Corporation – In keeping with the Commission’s policy regarding the Missouri Transportation Finance Corporation (MTFC), at-large members of the MTFC Board of Directors are elected by the Commission and the President of the Board of Directors is appointed by the Commission Chairman. The term for at-large member Larry Webber expires on June 30, 2014. Commissioner Miller stated Kelley Martin, a successful businessman from Kansas City with knowledge in the field of finance and also a former Commissioner, has expressed his willingness to serve on the Board.

Upon motion by Commissioner Suelthaus, seconded by Commissioner Smith, Kelley Martin was unanimously elected to serve on the MTFC Board of Directors as an at-large member for a two-year term beginning July 1, 2014 and expiring on June 30, 2016.

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APPROVAL OF MINUTES

Upon motion by Commissioner Smith, seconded by Commissioner Suelthaus, the Commission unanimously approved the minutes of the regular meeting held April 1, 2014; the informational meeting held May 14, 2014; the special meetings held March 31, 2014, May 16, 2014, and May 21, 2014; and the electronic ballot meetings held April 16, 2014 and May 16, 2014. The Chairman and Secretary to the Commission were authorized and directed to sign and certify said minutes and to file same in the office of the Secretary.

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CONSENT AGENDA

Consent Agenda Process

In order to make the most efficient use of Commission meeting time and to ensure Commission members are well informed on issues requiring their action, staff prepares and submits to the Commission members, in advance of their meeting, internal memoranda consisting of advice, opinions, and recommendations related to the items of the Commission meeting agenda. Those items considered by staff to be of a routine or non-controversial nature are placed on a consent agenda. During the meeting, items can be removed from the consent agenda at the request of any one Commission member. The items that are not removed from the consent agenda are approved with a single motion and unanimous vote by a quorum of the members.

Minutes reflecting approval of items on the consent agenda are singly reported herein and intermingled with minutes reflecting action on related subjects that were openly discussed. Reference to “consent agenda” is made in each minute approved via the process described in the paragraph above. Minutes reflecting action on items removed from the consent agenda and openly discussed reflect the open discussion and vote thereon.

Consideration of June 25, 2014, Consent Agenda

One item was removed from the consent agenda, the Jefferson County Port Authority Boundary Expansion. Upon motion by Commissioner Smith, seconded by Commissioner Suelthaus, the remaining consent agenda items were unanimously approved by a quorum of Commission members present.

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COMMISSION COMMITTEES AND COMMISSION RELATED BOARDS

The Commission has two standing committees: Audit and Legislative. In addition, it elects Commission representatives to two boards: Missouri Transportation Finance Corporation Board of

Directors and MoDOT and Patrol Employees' Retirement System Board of Trustees. The following committee and board reports were made during the June 25, 2014, meeting.

Audit Committee – Commissioner Suelthaus stated the Audit Committee met by teleconference on June 10, 2014. The committee reviewed and accepted two internal audit reports concerning expenditures and the automated fuel system with no adverse findings. The Audit Committee also reviewed and approved the internal audit plan for fiscal year 2015 and the external auditor's plan regarding the fiscal year 2014 financial statement audit.

Legislative Committee – Commissioner Carmichael stated congressional leaders continue to discuss how to financially shore up the federal highway trust fund as it appears to be reaching dangerously low balances. According to the Federal Highway Administration, the trust fund could run short by about \$18 billion as early as August. Congress will be forced to address a short-term transfer of money, possibly from general revenue through the remaining months of the current federal fiscal year. Commissioner Carmichael stated the department has recently contacted congressional offices to inform them if the trust fund becomes insolvent, MoDOT would likely begin to cancel bid lettings.

Commissioner Carmichael reported Governor Nixon continues to consider signing various legislative proposals into law that were passed during the 2014 session. One transportation-related measure recently vetoed by the Governor was Senate Bill 693, which would have exempted automobiles ten years and older costing \$15,000 or less from paying state sales taxes. This legislation would have cost the state road fund about \$27 million a year and local political subdivisions \$26 million a year. Governor Nixon has until July 14 to act upon the various legislative measures. All bills signed into law will go into effect on August 28, 2014. Any measure vetoed by the Governor may be considered by the legislature during the annual veto session held mid-September.

Missouri Transportation Finance Corporation – Commissioner Miller stated the MTFC Board of Directors last met on May 14, 2014 and a report was provided at the May 14 informational meeting.

MoDOT and Patrol Employees' Retirement System – Commissioner Carmichael stated there was no report as the MPERS Board is scheduled to meet on June 26, 2014.

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DIRECTOR'S REPORT

During the June 25, 2014, Commission meeting, Director Dave Nichols provided the following report:

Increased Fatalities – Director Nichols reported fatalities on Missouri roadways have increased this year. Through June 20, in 2014 there have been 316 fatalities, compared to 308 in 2013. Director Nichols noted this is directly related to the inability to fund transportation safety improvements on the highway system.

Federal Funding – Director Nichols noted the pending insolvency of the Highway Trust Fund could have severe implications on the department's abilities to be reimbursed for federal-aid projects and will also impact cities and counties on projects utilizing federal funds.

Taking Care of the System – Director Nichols stated it takes \$485 million to keep our system and services in the current condition. It is anticipated the 2017 construction budget will fall to \$325 million. If Constitutional Amendment 7 passes, that revenue would assist MoDOT in its efforts to take care of the system. Director Nichols noted if additional transportation revenues are not obtained, the department will continue to do a good job, as much as possible, with the current funding, but there will be inevitable deterioration in the condition of the overall system.

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MISSOURI DEPARTMENT OF TRANSPORTATION PROPOSED FISCAL YEAR 2015 BUDGET

On behalf of the Director, Roberta Broeker, Chief Financial Officer, presented the \$2.2 billion operating budget for fiscal year 2015, for the Commission's consideration and approval. She noted this budget request is \$83.9 million greater than last year and that the increase is due to the \$104.8 million increase in Contractor Payments. This increase is due to large construction projects started in prior fiscal years, such as the Daniel Boone Bridge, Page Avenue/Route 364 Phase 3, and the I-70 Bridges over Manchester Traffic Way, which will have large pay outs in fiscal year 2015. As the STIP declines, more new projects are less complex system maintenance projects; these are typically shorter in duration and are paid more quickly. A transition year such as fiscal year 2015 is therefore expected to have

somewhat higher contractor payments as it contains both project payments for multi-year projects awarded in prior years and short-term projects awarded in the current year.

Ms. Broeker noted Governor Nixon announced on June 24, 2014, his approval of the fiscal year 2015 state budget, but restricted \$850 million and vetoed \$275 million. The Governor restricted the one percent cost of living increase that was to begin on January 1, 2015 along with the \$25 per month match for employees participating in the deferred compensation program which was to begin July 1, 2014. Both items remain in the operating budget. At some point during the year, Governor Nixon could decide, based on improved state revenue collections, to remove the restrictions and allow one or both of these items.

The key investments for the Fiscal Year 2014 budget are:

- Program Delivery - \$1.486 billion
- System Management - \$478 million
- Multimodal - \$108 million
- Fleet, Facilities, and Information Systems - \$76 million
- Administration - \$54 million
- Other State Agencies - \$274 million

Following discussion, and upon motion by Commissioner Carmichael, seconded by Commissioner Suelthaus, the Commission unanimously approved the Fiscal Year 2015 Budget as noted in the table below. Any necessary revisions to the fiscal year 2015 budget will be presented to the Commission by request for a budget amendment. The Commission also authorized the expenditures in accordance with the Commission Policies.

**Fiscal Year 2012-2014 Summary and Fiscal Year 2015 Budget Request
(Dollars in Thousands)**

	Fiscal Year 2012 Actual	Fiscal Year 2013 Actual	Fiscal Year 2014 Budget as Amended	Fiscal Year 2015 Budget Request
Receipts				
State Receipts	\$1,271,152	\$1,288,387	\$1,240,875	\$1,262,899
Less Motor Carrier Refunds	(22,249)	(20,494)	(30,025)	(30,025)
Less Miscellaneous Refunds	(11,601)	(9,395)	(13,255)	(13,255)
Net State Receipts	1,237,302	1,258,498	1,197,595	1,219,619
Federal Reimbursement	931,711	979,577	998,831	905,541
Federal Reimbursement-ARRA	91,894	37,411	36,417	14,000
Bond Proceeds	0	0	0	0
Total Receipts	\$2,260,907	\$2,275,486	\$2,232,843	\$2,139,160
Disbursements				
Administration	46,857	46,772	50,153	54,168
System Management				
Maintenance Operations ¹	424,249	414,416	445,308	449,688
Motor Carrier Services	5,813	5,341	6,719	6,754
Highway Safety	24,861	42,204	17,980	21,996
Total System Management	454,923	461,961	470,007	478,438
Program Delivery				
Construction Operations ¹	135,571	125,827	132,017	123,777
Contractor Payments ²	1,071,485	862,473	736,974	841,739
Design and Bridge Consultant Payments ²	14,662	17,853	31,568	28,500
Accelerated Program (Reimbursements)	5,462	12,532	17,592	20,062
Right of Way ²	36,601	39,428	20,000	20,000
Federal Pass-Through ²	173,603	128,438	157,900	166,581
Debt Service on Bonds	273,576	289,334	293,020	285,082
Total Program Delivery	1,710,960	1,475,885	1,389,071	1,485,741
Fleet, Facilities & Information Systems				
Operations ¹	28,941	24,823	27,852	27,372
Capital Improvements Investments	6,919	6,615	9,333	7,200
Information Systems Investments	14,384	17,419	20,000	20,000
Fleet Investments	19,866	20,768	23,378	21,716
Total Fleet, Facilities and Information Systems	70,110	69,625	80,563	76,288
Multimodal ²	64,093	85,420	129,021	108,063
Total MoDOT Disbursements	2,346,943	2,139,663	2,118,815	2,202,698
Disbursements by Other State Agencies	240,576	227,053	261,280	274,260
Total Disbursements for MoDOT and Other Agencies	2,587,519	2,366,716	2,380,095	2,476,958
Receipts Over (Under) Disbursements³	(\$326,612)	(\$91,230)	(\$147,252)	(\$337,798)

¹ Operations include personal services, fringe benefits and expense and equipment.

² Fiscal year 2015 includes American Recovery and Reinvestment Act of 2009 (ARRA) for only the Rail Program.

³ Fiscal year 2015 budget request is based on the Truly Agreed and Finally Passed appropriations.

⁴ Existing cash balances will fund the excess of disbursements over receipts.

CONSTITUTIONAL AMENDMENT 7 REQUIRED PROJECT LIST

On behalf of the Director, Ed Hassinger, Chief Engineer, updated the Commission on Constitutional Amendment 7, a measure to provide additional funding for transportation through a temporary $\frac{3}{4}$ cent sales tax for ten years. The measure also places restrictions for the 10 year period including no state fuel tax increase, and no toll roads. It is estimated the measure will provide revenue of \$5.4 billion over ten years for any transportation purpose, and ten percent is to be shared with cities and counties. The intent of the measure is to provide *additional* funding for transportation. In an effort to ensure this measure delivers currently unfunded projects, programs, and facilities and does not replace existing funding streams at the local level for currently planned projects, programs, and facilities, the department requested the Commission implement a maintenance of effort policy for the local entities that will receive funds from MoDOT as a result of Constitutional Amendment 7. This maintenance of effort would be similar to what the federal government required of recipients of funding from the American Recovery and Reinvestment Act.

Mr. Hassinger noted the development of the project list is a culmination of significant outreach and feedback from Missourians all across the state. From the annual Statewide Transportation Improvement Program, to the Blue Ribbon Citizen's Committee on Missouri's Transportation Needs in 2012, to the On the Move long range planning effort in 2013 and 2014, MoDOT has been listening to Missourians' wants and needs for several years. Since January, the department has worked with planning partners and other transportation stakeholders to develop a prioritization process for determining a list of projects to be delivered with the additional revenues. Each region of the state developed a list of recommended projects based on input from planning partners, community leaders, business leaders, modal partners, and the public. Each region's list of recommended Amendment 7 projects was made available for public review and comment through a series open houses held in the month of June.

Mr. Hassinger discussed an important statewide project that is on the list – Interstate 70. The department will be able to make progress on safety, capacity, and condition needs by expanding I-70 to six lanes across the state from Independence to Wentzville, which will enable the efficient operation of the corridor to meet the conditions of today and tomorrow. MoDOT will accomplish this by utilizing \$500 million of the new revenue to get started, and bonding the remaining \$1 billion with bonding authority provided by the voters in 2004. The department will not be able to afford everything possible on I-70, so the priority of the improvements will be 1) six lanes across the state, from I-470 in Independence to I-64 in Wentzville, and new pavement; 2) bridge replacements; 3) safety; and 4) access/interchange improvements.

Each district presented information regarding their respective regions' project list and how that list reflects the four goals from the long range planning process: take care of the transportation system, keep all travelers safe no matter the mode, invest in projects that create jobs and spur economic growth, and provide transportation choices.

Don Wichern, Northwest District Engineer, reported staff worked with four planning partners, three regional planning commissions, and one metropolitan planning organization to develop the project list. Mr. Wichern stated it was a challenge to get a consensus from the partners, but eventually a unanimous consensus was reached. The group recognized the need for focus on the minor roads and to replace or repair poor condition bridges. The department will also widen certain roads with a two foot safety shoulder with rumble strips, and create jobs with four interchange projects. The interchange at I-35 and Route 36 will address congestion, make it safer, and create jobs for Cameron. The interchange in St. Joseph will improve Route AC and Route 36, which is the main entrance to the college, hospital, and industrial region. Mr. Wichern noted OATs requested the department add one day a week for a total of three days a week of service, and the routes on the St. Joseph Transit will also be improved.

Paula Gough, Northeast District Engineer, reported staff has visited with all seventeen counties, most of the cities, and all of the regional planning commissions. The open houses had good attendance and good feedback during the meetings. Ms. Gough stated the northeast region's list reflects the priorities of the long range transportation plan, the regional planning commissions, with a heavy emphasis on taking care of the system. The project list includes a few significant projects such as the Champ Clark Bridge, a major bridge replacement, in Louisiana. Ms. Gough noted the Champ Clark Bridge has served well but it does not meet the needs of today's travel. Another project is to rebuild the interchange at Troy on Highway 67, which will address the structural work needed and capacity improvement. Other modes of transportation are addressed with improvements at the Lewis County Port, the Pike/Lincoln County Port, and additional OATS service.

Dan Niec, Kansas City District Engineer, stated the region's current list has thirty-nine projects that range in size and scope. He noted three signature projects include the Broadway Bridge replacement in downtown Kansas City, improvements to I-70 between I-470 and I-435, improvements to I-435 from the Kansas state line to I49. He also noted the project list in the urban areas has a focus on taking care of the bridges. Mr. Niec mentioned during the public outreach, while support is positive, the public generally wants more projects on the list. He noted his staff is also working very hard to leverage funds with local funds through ten potential partnerships.

Dave Silvester, Central District Engineer, reported staff has worked with five planning organizations to develop the list; the district held two meetings with these five entities and other modes attendees. Mr. Silvester noted the group was very interactive and covered all aspects of the needs in central Missouri. The Central District has a couple of large projects such as I-70, Route 50 to Kansas City, and safety improvements on Route 63 from Jefferson City south to Rolla. Mr. Silvester stated the list also addresses other transit issues such as adding one day of OATs service, a cost share with

Columbia to build a new terminal at the airport. He also noted a significant safety improvement will be made at the US 63 and I-70 interchange to improve access.

Karen Yeomans, St. Louis District Design Engineer, reported staff has worked with the East-West Gateway Council of Governments to identify projects in each county and the City of St. Louis. A signature project is to rebuild I-270 as it is fifty years old and carries over 115,000 vehicles per day. The interchanges and slip ramps are also outdated, and the project will also include pedestrian/bike and transit improvements. An environmental study on the corridor is being completed. Ms. Yeomans noted projects on I-70 and I-170 around Lambert airport that will improve freight access to the airport. The St. Louis District has twenty minor road improvements to add shoulders, curve corrections, and install guardrails. Within the City of St. Louis, there are fifteen complete street projects to build sidewalks and non-motorized routes. The project list also includes port and rail improvements along with providing a bus rapid transit corridor from downtown to north St. Louis County.

Becky Baltz, Southwest District Engineer, reported staff has worked with three metropolitan planning organizations and three regional planning commissions to identify projects. The project list contains hundreds of miles of resurfacing along with replacing or rehabilitating twenty-nine bridges. The list also contains safety improvements for railroads such as Route MM in Republic, which will build a grade separation between the railroad and roadway. In relation to economic growth, the list contains a couple of locations for interstate upgrades. In the Springfield area, the loop around Springfield will be re-designated to one interstate designation. In Joplin, an interstate designation for the loop is proposed. The southwest project list also contains five miles of the Bella Vista Bypass, extension of the Kansas Expressway in Springfield, fourteen expansion projects and intersection improvements to enhance economic development, airport improvements at five locations, and all twenty-one counties will provide additional OATs service. There are also twenty-three sidewalk

projects, the highlight of which will be the Spirit of 76 project in the Branson area will provide sidewalk improvements.

Mark Shelton, Southeast District Engineer, reported staff has worked with one metropolitan planning organization and four regional planning commissions to identify projects. Mr. Shelton noted the priorities in the list mirrored the long range transportation plan. For taking care of the system, the list contains 48 bridge replacements, 275 miles of overlays, and 188 miles of shouldering and overlays. There are four port projects, which expand the rail lines so goods and services can be delivered further by rail or water. Additionally, there are two airport projects, three major interchange projects to promote economic development, and two expressway projects. On the expressway projects, one will complete the gap of four lanes on Highway 412 from Kennett to the Missouri-Arkansas state line and the other will complete the gap of four lanes on Highway 67 from south of Poplar Bluff to the Missouri-Arkansas state line.

Mr. Hassinger noted that locally driven regional project lists was the right way to address the diverse needs of the state. He then summarized the draft project list provides the following:

- 200 miles of I-70 reconstruction and widening to 6 lanes across the state
- Nearly 400 bridge replacements/repairs
 - More than 70 bridges on I-70
 - Includes 5 major river bridges
- 3,200 miles of roads resurfaced
- 750 miles of new shoulders
- 29 interchange improvements
- 7 port improvements
- 14 rail improvements
- 23 airport improvements
- Public transportation improvements in 114 counties
- 61 sidewalk and non-motorized transportation improvements

The chief engineer explained this draft project list is a great start, the public meetings and comment period will continue over the next week and then a final project list will be brought to the Commission at the July 9, 2014 meeting.

Commissioner Smith thanked Mr. Hassinger and the districts for their presentations and for working with the local partners to make the tough decision about the project list. Commissioner Suelthaus stated it was remarkable to see the draft project list and commended staff's hard work and accomplishment.

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EXTENSION OF THE PRE-QUALIFIED POOL OF INVESTMENT BANKING FIRMS

On behalf of the Director, Roberta Broeker, Chief Financial Officer, stated on January 12, 2011, the Commission authorized the creation of a pre-qualified pool of investment banking firms that expires on June 30, 2014 if not extended. The request for proposal (RFP) that authorized the creation of the pre-qualified pool of investment banking firms for roughly three years also authorized the pool's existence to be extended by exercising two, one-year renewals. Maintaining a pre-qualified pool of investment banking firms allows the Commission to make a timely selection of investment banking firms if the need arises to issue new state road bonds or refund outstanding state road bonds, and the Commission desires to do a negotiated rather than a competitive sale.

Via approval of the consent agenda, the Commission unanimously took the following action:

- Approved a one-year extension for a period ending June 30, 2015 for the following investment banking firms to participate in a pre-qualified pool to be used by the Commission in potential, negotiated state road bond sales: Bank of America Merrill Lynch; Barclays Capital Inc.; Edward Jones; George K. Baum & Company; J.P. Morgan Securities LLC; Jefferies & Company, Inc.; Morgan Stanley & Co. Incorporated; Siebert Brandford Shank & Co., L.L.C.; Stern Brothers & Co.; Stifel, Nicolaus & Company, Incorporated; Valdes & Moreno, Inc.; and Wells Fargo Securities.
- Authorized the Director, Chief Engineer or Chief Financial Officer to exercise the discretion to determine the need for and execute the final one-year renewal of the pre-qualified pool of investment banking firms through June 30, 2016. The Director, Chief Engineer and Chief Financial Officer shall also be authorized to remove a firm from the pre-qualified pool if appropriate.
- Authorized the Director, Chief Engineer or Chief Financial Officer to select the investment banking team from the approved eligible pool to participate in any Commission state road bond issuances for the duration of the pool's effective date.

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FINANCIAL FORECAST UPDATE REVISION

On behalf of the Director, Roberta Broeker, Chief Financial Officer, recommended revising the commission action taken on January 8, 2014. The Commission suspended funding additional projects from the Cost Share/Economic Development Program and suspended adding new projects to the Statewide Transportation Improvement Program (STIP), with certain exceptions. A revision to the exceptions is proposed for STIP additions involving new or expansion of existing facilities which are funded by other entities. The entity must also fund the maintenance and operating costs of the addition. The revision would also clarify an exception for Taking Care of the System projects funded by other entities or with federal suballocated funds.

Via approval of the consent agenda, the Commission unanimously approved the financial forecast update revision indicated below in bold text.

- Suspend funding additional projects from the Cost Share/Economic Development Program. This restriction would not apply to projects approved by the Cost Share Committee at, or prior to, its November 15, 2013 meeting. **Those projects will proceed and be added to the STIP when the applicable project agreements with the local sponsors are completed.**
- Suspend adding new projects to the STIP. This restriction would not apply to:
 - (1) Programming specific projects in the Safety and Taking Care of the System categories where funds are already committed in the STIP, but the specific project has not been identified.
 - (2) **Taking Care of the System projects funded by other entities** or with federal suballocated funds and matched with local agency funds may also be added to the STIP.
 - (3) **Projects for new or expansion of existing facilities which are funded by other entities, including funding of maintenance and operating costs, may also be added to the STIP.**

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FISCAL YEAR 2014 BUDGET AMENDMENT

On behalf of the Director, Brenda Morris, Financial Services Director, recommended increasing disbursements \$39.1 million for the Fiscal Year 2014 budget. Ms. Morris also recommended transfers

between operating budget categories to address changing priorities and provide greater flexibility to districts and divisions in funding program priorities.

Via approval of the consent agenda, the Commission unanimously approved the Fiscal Year 2014 budget amendment described above.

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JEFFERSON COUNTY PORT AUTHORITY BOUNDARY EXPANSION

On behalf of the Director, Michelle Teel, Multimodal Operations Director, requested the Commission approve the Jefferson County Port Authority Port District boundaries to be concurrent with those of the County of Jefferson. Missouri has 14 public ports and one tri-state port commission. Eleven of the port district boundaries are concurrent with one or more counties. The City of St. Louis Port District and the Kansas City Port District boundaries are consistent with their respective city boundaries. Approval of this expansion would place the Jefferson County Port Authority in a similar situation as the other Missouri port authorities. The Council is granted authority in Section 68.015.1 RSMo to enlarge the boundaries of the Port Authority subject to approval by the Missouri Highways and Transportation Commission. The Council has passed a resolution recommending such an expansion of the Port Authority to the Missouri Highways and Transportation Commission.

After consideration, and upon motion by Commissioner Carmichael, seconded by Commissioner Smith, the Commission approved the request to expand the district boundaries to be concurrent with the boundaries of the County of Jefferson as authorized by state law. Commissioner Suelthaus commented the Commission has been informed of the multiplier effect for every dollar invested in ports and the positive economic impact of that sound transportation investment.

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KCT INTERMODAL TRANSPORTATION CORPORATION, APPOINTMENT OF BOARD MEMBERS

On behalf of the Director, Dan Niec, Kansas City District Engineer, conveyed the following recommendation of KCT Intermodal Transportation Corporation Board of Directors as it pertains to the membership on that board:

- Appoint David Giandinoto to fill the unexpired portion of the six-year term held by Karol Burchfield, expiring June 27, 2016.
- Reappoint B.B. Bump and G.G. Lawler to six-year terms beginning June 28, 2014 and expiring June 27, 2020.

Via approval of the consent agenda, the Commission unanimously approved the appointment to the KCT Intermodal Transportation Corporation Board of Directors as recommended and noted above.

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WESTSIDE INTERMODAL TRANSPORTATION CORPORATION, APPOINTMENT OF BOARD MEMBERS

On behalf of the Director, Dan Niec, Kansas City District Engineer, conveyed the following recommendation of Westside Intermodal Transportation Corporation Board of Directors as it pertains to the membership on that board:

- Appoint David Giandinoto to fill the unexpired portion of the six-year term held by Karol Burchfield, expiring June 27, 2016.

Via approval of the consent agenda, the Commission unanimously approved the appointment to the Westside Intermodal Transportation Corporation Board of Directors as recommended and noted above.

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REQUEST TO DISQUALIFY CONTRACTOR FROM BIDDING AND SUBCONTRACTING ON ROAD AND BRIDGE PROJECTS

On behalf of the Director, Ed Hassinger, Chief Engineer, reported the conviction of William Patrick Clark, the owner of Clark Trucking and Excavation, LLC, resulted in ten convictions for

violations of 18 USC Section 1001(a)(3): knowingly and willfully makes or uses any false writing or document knowing the same to contain any materially false, fictitious, or fraudulent statement or entry. These criminal violations, according to the indictment, included engaging in a scheme of routinely falsifying employee pay records, allowing Clark to cheat his employees by receiving money to pay his employees the full wage, but paying them less than legally required and keeping the difference. As a result of the findings by the United States District Court, Southern District of Illinois, on January 24, 2014, Case Number 3:11-cr-30236-DRH-1, and in accordance with Commission policy, the department proposed disqualification of Clark Trucking and Excavation, LLC (William Patrick Clark). The contractor will be disqualified from bidding, subcontracting and supplier opportunities on MoDOT road and bridge projects pursuant to 7 CSR 10-18.

Via approval of the consent agenda, the Commission unanimously disqualified Clark Trucking and Excavation, LLC (William Patrick Clark) from bidding, subcontracting and supplier opportunities on MoDOT road and bridge projects for three years as recommended and noted above.

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CONSIDERATION OF BIDS FOR ROADWAY IMPROVEMENTS

On behalf of the Director, Nicole Hood, Assistant State Design Engineer, presented the following recommendations pertaining to bids received on federal-aid and state highway and bridge projects at the May 23, 2014 bid letting.

Ms. Hood recommended (1) award of call C10 to the lowest responsive bidder, and (2) to award call C14 to the second lowest responsive bidder as the Commission allowed the lowest bidder to withdraw its bid, as recommended and noted in Table I below.

**Table I
Award of Contracts
May 23, 2014, Bid Opening**

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
C10	58	Cass	J4P3096D	\$1,503,468.18	\$0.00	Mega Industries Corporation	ADA Improvements
C14*	291 OR	Jackson	J4S1940	\$1,205,410.16	\$0.00	Pyramid Contractors, Inc.	Grading, Pavement and Bridge
			TOTAL:	\$2,708,878.34	\$0.00		

* Call C14 – Funding by City of Sugar Creek – \$300,000.00

Commission Consideration and Action

After consideration, and upon motion by Commissioner Suelthaus, seconded by Commissioner Smith, the Commission took the following action with the abstentions noted below for bids received on the May 23, 2014 bid opening:

1. Awarded call C10 to the lowest responsive bidder, as recommended and noted in Table I above. Non-contractual costs for the project is shown on the above tabulation; and
2. Awarded call C14 to the second lowest responsive bidder as the Commission allowed the lowest responsive bidder to withdraw its bid, as recommended and noted in Table I above. Non-contractual costs for this project is shown on the above tabulation; and
3. Authorized the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer to execute the contracts awarded above.

Commissioner Miller abstained from voting on Call C14. Commissioner Carmichael abstained from voting on Call C10.

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2014 – 2018 STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM, AMENDMENT

On behalf of the Director, Ed Hassinger, Chief Engineer, requested approval to revise the 2014-2018 Statewide Transportation Improvement Program (STIP) that was approved in July 2013, for the implementation of one project, as noted in the tabulation below.

**2014 – 2018 STIP
Multimodal Operations
June Amendment
Project Changes**

District County Job No.	Description of Improvement/Location	Tentative Award State Fiscal Year and Change by Type	Change in Project Funds (Dollars in Thousands)
NE Lewis	Port site improvements. *	2014	\$304
		TOTAL:	\$304

* Project funded completely by fiscal year 2014 Missouri legislature earmarked General Revenue funds and local matching funds.

Via approval of the consent agenda, the Commission unanimously approved the amendment to the 2014 – 2018 STIP as noted in the tabulations above.

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-- REPORTS --

The Commission received the following written reports.

FIRST LIEN REFUNDING STATE ROAD BONDS, SERIES A 2014 AND SECOND LIEN REFUNDING STATE ROAD BONDS, SERIES B 2014 PRICING SUMMARY

On behalf of the Director, Roberta Broeker, Chief Financial Officer, reported the money saved through bond refunding. The negotiated sale of the First Lien Refunding State Road Bonds, Series A 2014 and Second Lien Refunding State Road Bonds, Series B 2014 took place on May 19 and 20, 2014. The bond proceeds refunded a portion of the Series A & B 2006 Bonds and the Series 2007 Bonds. All costs associated with the refunding will be paid from bond proceeds. Principal and interest on the Refunding Bonds will be paid from State Road Fund Revenues and State Road Bond Fund Revenues as defined in the Master Bond Indenture dated July 1, 2005. The pricing summary is below.

**Series 2014 Refunding State Road Bonds
Pricing Summary**

Item	Series A 2014 First Lien Bonds	Series B 2014 Second Lien Bonds	Combined
Retail Sales	\$77,965,000	\$39,420,000	\$117,385,000
Institutional Sales	\$511,050,000	\$272,555,000	\$783,605,000
Total Par Amount	<u>\$589,015,000</u>	<u>\$311,975,000</u>	<u>\$900,990,000</u>
 Bonds Refunded (Par Amount)	\$652,480,000	\$325,290,000	\$977,770,000
Net Change in Bonds Outstanding	-\$63,465,000	-\$13,315,000	-\$76,780,000
 Interest Rate on New Bonds (True Interest Cost)	2.33%	1.71%	
 Average Life on New Bonds	9.0 years	6.0 years	
 Maturities on New Bonds	2017 - 2026	2018 - 2025	2017 - 2026
 Total Debt Service Savings			
Gross	\$96,673,476	\$26,053,449	\$122,726,925
Net Present Value (NPV)	\$81,872,200	\$23,715,641	\$105,587,841
 Percentage Savings (NPV)	12.55%	7.29%	10.80%

Underwriting Team:

- Bank of America Merrill Lynch (Senior Manager)
- Jefferies & Company, Inc. (Co-Senior Manager)
- Wells Fargo Securities (Co-Senior Manager)
- Barclays Capital Inc. (Co-Manager)
- Edward Jones (Co-Manager)
- George K. Baum & Company (Co-Manager)
- J.P. Morgan Securities LLC (Co-Manager)
- Morgan Stanley & Co. Incorporated (Co-Manager)
- Siebert Brandford Shank & Co., L.L.C. (Co-Manager)
- Stern Brothers & Co. (Co-Manager)
- Stifel, Nicolaus & Company, Incorporated (Co-Manager)
- Valdes & Moreno, Inc. (Co-Manager)

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**FINANCIAL – BUDGET – REPORTS
YEAR-TO-DATE FINANCIAL REPORT, PERIOD ENDING APRIL 30, 2014**

Brenda Morris, Financial Services Director, submitted a written financial report for fiscal year-to-date ended April 30, 2014, with budget and prior year comparisons.

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CONSULTANT SERVICES CONTRACT REPORT

Nicole Hood, Assistant State Design Engineer, submitted a written report of consultant contracts executed in the month of April 2014, for both engineering and non-engineering related projects. The department utilizes consultants to efficiently manage workload and provide specialized expertise to supplement and support department staff. Expenditures for consultant services are funded from the Commission approved Statewide Transportation Improvement Program and MoDOT Operating Budget. Nine engineering consultant services contracts were executed in April 2014, for a total cost of \$623,046. There were six non-engineering consultant contracts executed in April 2014, for a total cost of \$2,986,152.

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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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