



**MISSOURI HIGHWAYS AND TRANSPORTATION
COMMISSION**

Official Minutes

TABLE OF CONTENTS

January 14, 2015

VOTE TO CLOSE MEETING..... 4

COMMISSION/DIRECTOR ITEMS

Michael B. Pace Qualified as a Member of the Missouri Highways and
Transportation Commission..... 5

Bryan T. Scott Qualified as a Member of the Missouri Highways and
Transportation Commission..... 5

Approval of Minutes 6

Consent Agenda 6

Commission Committees and Commission Related Boards 7

Director’s Report 8

MoDOT PRESENTATIONS

Enterprise Risk Management (ERM)..... 8

Financial Forecast Update..... 10

Tough Choices Ahead..... 12

RESOLUTION

Resolution Expressing Appreciation to Paula Lambrecht for Outstanding Service to the State of
Missouri 17

ADMINISTRATIVE RULES/POLICIES

Commission Policy – Award of Construction Contracts..... 18

BUSINESS ISSUES

Fiscal Year 2015 Budget Amendment..... 19

STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM

2015 – 2019 Statewide Transportation Improvement Program, Amendment 20

REPORTS

Financial – Budget – Reports

Year-to-Date Financial Report, Period Ending November 30, 2014..... 22

Consultant Services Contract Report..... 22

**MINUTES OF THE REGULARLY SCHEDULED HIGHWAYS AND
TRANSPORTATION COMMISSION MEETING HELD IN JEFFERSON CITY,
MISSOURI, WEDNESDAY, JANUARY 14, 2015**

A regularly scheduled meeting of the Missouri Highways and Transportation Commission was held on Wednesday, January 14, 2015, at Missouri Department of Transportation Building, 105 West Capitol Avenue, Jefferson City, Missouri. Stephen R. Miller, Chairman, called the meeting to order at 9:00 a.m. The following Commissioners were present: Lloyd J. Carmichael, Kenneth H. Suelthaus, Gregg C. Smith, Bryan T. Scott, and Michael B. Pace.

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, January 14, 2015.

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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.

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
Commissioner Scott, Aye
Commissioner Pace, Aye

The Commission met in closed session on Tuesday, January 13, 2015 from 3:00 p.m. until 6:00 p.m.

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-- OPEN MEETING --

MICHAEL B. PACE QUALIFIED AS A MEMBER OF THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION

On January 6, 2015, Governor Jeremiah (Jay) Nixon appointed Michael B. Pace of West Plains to the Missouri Highways and Transportation Commission for a term ending March 1, 2019, or until his successor is duly appointed and qualified. Mr. Pace will take the position held by Commissioner Kelley M. Martin whose appointment was withdrawn. Mr. Pace was duly sworn on January 13, 2015, at the Missouri Department of Transportation Building in Jefferson City by Supreme Court Chief Justice Mary Russell.

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BRYAN T. SCOTT QUALIFIED AS A MEMBER OF THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION

On October 1, 2013, Governor Jeremiah (Jay) Nixon appointed Bryan T. Scott of St. Louis to the Missouri Highways and Transportation Commission for a term ending March 1, 2017, or until his successor is duly appointed and qualified. Mr. Scott will fill the position held by Commissioner Joseph J. Hunt whose term expired on March 1, 2017, whose appointment was withdrawn on February 2, 2012, prior to the expiration of his term. Mr. Scott was duly sworn on October 30, 2013, by Judge Robert M. Clayton III at the Ritz Carlton in Clayton. Later, on December 2, 2013, the Governor withdrew the appointment immediately prior to calling a special session of the General Assembly to help bring next-generation commercial aerospace production to Missouri. On December 6, 2013, the Governor appointed Mr. Scott to the Commission for a term ending March 1, 2017, or until his successor is duly appointed and qualified. On February 6, 2014, the Governor withdrew Mr. Scott's appointment prior to the expiration of the thirty days allotted for the Senate to confirm his appointment. Later on February 19, 2014, the Governor appointed Mr. Scott to the Commission for a term ending March 1, 2017, or until his successor is duly appointed and qualified. On May 6, 2014, prior to the end

of the legislative session, the Governor withdrew Mr. Scott's appointment after the Senate Gubernatorial Appointments Committee failed to approve Commissioner Scott's appointment to the Commission. On September 3, 2014, the Governor appointed Mr. Scott to the Commission for a term ending March 1, 2017, or until his successor is duly appointed and qualified. Mr. Scott was duly sworn on January 13, 2015, at the Missouri Department of Transportation Building in Jefferson City by Supreme Court Chief Justice Mary Russell.

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APPROVAL OF MINUTES

Upon motion by Commissioner Carmichael, seconded by Commissioner Smith, the Commission unanimously approved the minutes of the regular meetings held October 15, 2014 and November 6, 2014, and the special meeting held December 1, 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 January 14, 2015, Consent Agenda

No items were removed from the consent agenda. Upon motion by Commissioner Pace seconded by Commissioner Carmichael, the 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 January 14, 2015, meeting.

Audit Committee – Commissioner Suelthaus stated there was no report.

Legislative Committee – Commissioner Carmichael reported with the Missouri General Assembly back in session, there are two highway safety related bills the Commission will support: a primary seat belt law, and a ban on texting while driving. He noted the State of the Union address is scheduled to take place on January 20 and then the State of the State address is scheduled for January 21, 2015. He noted the Commission will wait to hear what our leaders say about transportation during their address.

Missouri Transportation Finance Corporation – Commissioner Miller stated there was no report.

MoDOT and Patrol Employees’ Retirement System – Commissioner Carmichael stated the next meeting is scheduled for February 19, 2015.

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DIRECTOR'S REPORT

During the January 14, 2015, Commission meeting, Director Dave Nichols provided the following report:

Fatalities – Director Nichols reported the preliminary end of year fatalities on Missouri roads. Sadly, the preliminary report is 758 fatalities in 2014, compared to 757 in 2013. Director Nichols stated investment in transportation allows systematic safety improvements which has a positive effect through a reduction in fatalities and disabling injuries. Unfortunately, with reduced funding the systematic safety improvements will not be able to continue.

Charitable Campaign – Director Nichols announced MoDOT led all state agencies in contributions for the eighth year in a row in the Missouri State Employees Charitable Campaign (MSECC) as employees contributed \$162,313.78 this year. Director Nichols noted how generous employees are and commended the MSECC Committee, consisting of Dawn Haslag, Kelly Mertens, Richard Schomaker, and Jennifer Jorgensen, for organizing the department's efforts.

Winter Operations – Director Nichols reminded everyone that it is winter season and you need to be careful and observant of the weather conditions when traveling, even though this has been mild winter in comparison to previous years.

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ENTERPRISE RISK MANAGEMENT (ERM)

On behalf of the director, Roberta Broeker, Chief Financial Officer, reported the enterprise risk management (ERM) process began in 2011 at Commissioner Suelthaus' urging as a good governance activity. This process has helped the department strategically review the risks that could impact its ability to deliver the department's mission and assess strategies to mitigate those risks. ERM involves the Commission, department leadership and employees in assessing the risks. Commission policy requires the department to have an ERM process and provide an annual report to the Commission regarding that process. The initial ERM assessment took place in 2012, this is the second time the department has been through the process. Ms. Broeker provided the Commission with a detailed report, and reviewed in her presentation with the Commission only what has changed since the last ERM review.

There are ten risk areas that have been identified and are listed in the order of highest risk to lowest risk: financial, workforce, transportation system failures, public opinion/support, political risk, natural disasters, legal regulatory changes, information technology, safety and security, fraud and theft. Ms. Broeker then highlighted the top five risks and how the Senior Management Team assessed each of those risks. Financial was again assessed as the number one risk. Scores on the three dimensions of impact, likelihood and readiness are virtually unchanged since 2012.

Work Force was ranked as the number two risk, up from number four in 2012. Initially, the impact rating declined, indicating SMT members are less concerned about the severity of work force issues than two years ago. However, between the time SMT members completed the risk ranking and rating, and the discussion of the results, the Employee Satisfaction Survey was completed and the report was shared with the SMT. Many commented that this additional data, last measured in 2010, changed their view of the significance of the Work Force risk area. Management did not formally rescore the risks, but decided to rank Work Force as the number two risk, with Transportation System Failures, Public Opinion/Support and Political each dropping one slot.

Transportation System Failures was ranked the number three risk in the 2014 assessment, up from position number six two years ago. The likelihood score increased, indicating the Senior Management Team (SMT) believes transportation system failures are more likely to occur than two years ago. When discussed with SMT members, the general consensus was the failure of Amendment 7 on the August 2014 ballot heightened concern in this area.

Public Opinion/Support was ranked as number four, a decline of two positions since the 2012 ranking. SMT members assess the impact of the potential loss of public opinion/support to be more serious, and the department less prepared to deal with it, than in 2012. SMT members again indicated their opinions were influenced by the failure of Amendment 7; with the declining investment in the

transportation system and a stagnant operating budget, the department will lose ground in customer satisfaction.

Political risk was ranked number five, down one position from 2012. In discussion, SMT members think the impact of political problems will be less, but are more likely to occur than two years ago.

Ms. Broeker concluded her presentation and noted the existence of an enterprise risk management process within an organization is recognized as an example of good governance and important to strategic management of organizational risk. Commissioner Suelthaus thanked Ms. Broeker for her work on ERM and her presentation.

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FINANCIAL FORECAST UPDATE

On behalf of the director, Roberta Broeker, Chief Financial Officer, explained the department prepares an annual financial forecast to estimate future revenues and disbursements. The forecast is the basis for MoDOT's operating budget and the funding targets provided to planning partners and MoDOT staff to select projects for the Statewide Transportation Improvement Program (STIP). The financial forecast includes the various components of state revenue, including the state motor fuel tax, motor vehicle sales and use taxes, motor vehicle and driver's license fees, and federal funds from the federal motor fuel tax.

Ms. Broeker discussed the long-term financial forecast, including anticipated revenues and disbursements and the anticipated annual growth rate of each revenue source and expenditure. The annual growth rate for motor fuel taxes is declining by -0.5 percent. She noted the high-water mark for state gas tax was in 2008 when \$535 million was collected, now that number is down to about \$487 million, significantly less than what it was prior the recession and it is not moving up. Modest growth is anticipated for both the motor vehicle and driver licensing fees which is predicted to have a 1 percent

increase, and motor vehicle sales and use taxes is 3 percent growth. Interest projections are based on monthly cash balances with a 0.75 percent earnings rate, interest rates remain low right now and as the department's cash balances continue to decline the interest projections will decline as well.

Ms. Broeker provided explanations regarding changes in expenditures. Personal services allows for a two percent cost of living adjustment in every third year beginning in 2016. For fringe benefits, projected retirement contributions decreased from sixty percent to fifty-eight percent or \$23 million for the period of 2016 through 2020 compared to the prior forecast, and a five percent average medical increase for 2016 through 2020 is projected, based on data from the medical plan actuary. The annual expense and equipment budget is flat through the forecast period and does not allow for increased costs of equipment, supplies, and materials. The construction awards remain the same as the 2015-2019 STIP which declines from \$720 million in 2015 to \$325 million in 2017.

Ms. Broeker stated based on current financial projections, MoDOT will be unable to match anticipated federal funds in the near future. Given action taken by Congress in July 2014, whereby federal general revenue was again designated to backfill the deficit in the federal Highway Trust Fund, the department is projecting federal funding to remain the same as the levels established in Moving Ahead for Progress in the 21st Century (MAP-21). This is a change from the previous year's forecast where federal funds were estimated to decline. She explained that typically an increase in federal funds would be good news; however, Missouri no longer has enough state revenues to match federal funds. The state loses \$4 of federal funds for every \$1 of state match which is unavailable. Beginning in 2017, Missouri will be unable to match \$167 million in federal funds, then in 2018 and each year thereafter that number increases to \$400 million.

She also raised awareness regarding the future cash balance. Currently, the department has money in the bank to assist with cash flow, however as disbursements continue to exceed revenues, the cash balance will be consumed. The financial forecast predicts in 2022 the department will have

consumed the cash balance.

Ms. Broeker reminded the Commission of their past action to suspend the cost share program, but allowed the projects that had been previously approved and were in various stages of the process to be built to continue. As a result of that action, only a portion of the cost share funds that are set aside for the program have been used. Based upon the current financial forecast, Ms. Broeker recommended the Commission distribute uncommitted cost share/economic development program funds of approximately \$24.5 million in state fiscal year 2016 to the districts via the Commission's STIP Funding Allocation. Following discussion and consideration and upon motion by Commissioner Suelthaus, seconded by Commissioner Scott, the Commission unanimously approved the redistribution of uncommitted cost share/economic development program funds of approximately \$24.5 million in state fiscal year 2016 to the districts through the Commission's STIP Funding Allocation.

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TOUGH CHOICES AHEAD

Director Nichols reminded the Commission, following the failure of Constitutional Amendment 7 in August 2014, the Commission requested the department put together a plan that was formula based to address Missouri's transportation needs with the limited transportation funding that will be available. As Ms. Broeker noted in her presentation, the financial forecast projects in 2017, the department's construction budget will drop to \$325 million annually, which is less than the \$485 million needed each year just to take care of state roads and bridges in the condition they are in today.

Missouri was fortunate to have had a robust transportation program from 2005 through 2011 with funds from Amendment 3 and the federal American Recovery and Reinvestment Act. While those funds allowed the department to make great improvements upon Missouri's transportation system, they were temporary solutions that have not fixed the long term problem – sufficient funding for transportation. Director Nichols stated that after passing in 2004, Amendment 3 required the Missouri

Highways and Transportation Commission to sell bonds in an effort to vastly improve the condition of roads and bridges. Bonding allowed the department to accelerate construction projects, get a lot of work done quickly, and brought the roads and bridges up to the 85 percent good condition they are in now. It also allowed the department to make improvements that increased safety and saved lives, and complete work on many of the state's four-lane highway corridors, improving connectivity for commerce. By doing all that work so fast, the department stayed ahead of inflation and saved Missouri taxpayers money in the long run, but now it is time to pay back bond debt.

There are many reasons why Missouri has insufficient transportation funding. Missouri has the seventh largest highway system in the nation including 34,000 miles of roads and 10,400 bridges. Yet it ranks forty-sixth in revenue spent per mile. Fuel tax revenues have become a diminishing revenue stream as cars become more fuel efficient. The fuel tax rate has not increased in almost 20 years, while the cost of doing business continues to rise. Inflation has decreased the department's purchasing power by more than 50 percent. What was 17 cents state fuel tax per gallon of purchasing power in 1992 is now about eight cents and decreasing each year. The cost of asphalt, concrete and steel cost as much as 200 percent more than they did in 1992.

Director Nichols noted the department has taken significant action to direct as much funding as possible to Missouri's roads and bridges such as reducing staff, facilities, and equipment; cutting costs through the use of innovation and technology; and delivering projects on time and under budget. In addition, the department has used funding to make critical safety improvements that have helped to reduce traffic fatalities, and worked with partners across the state to prioritize transportation projects should Missouri receive additional revenue.

The department has also conducted significant outreach and received 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. To be prepared, should Constitutional Amendment 7 pass, 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, however, in August 2014, Missouri voters resoundingly said they did not want to use sales tax as a funding mechanism for transportation.

Based upon all of the input received through the past couple of years, Director Nichols said although resources are limited, the focus of the department will continue to be on three areas of business (1) keep Missourians and customers safe who use Missouri's transportation system, (2) maintenance and preservation projects to take care of the system, and (3) provide outstanding customer service. The department has begun to operate in a preservation and maintenance mode whose core value is to take care of the current system before investing in anything new.

Decreased funding and increase in inflation, materials, and labor costs ultimately result in less funds available to maintain roads and bridges. Tough choices will need to be made about which routes to maintain with scarce resources. At the same time, the reduced construction budget will practically eliminate the opportunity for new construction projects that improve safety, ease congestion, create jobs, and enhance economic development. It will also be insufficient to fund projects that expand and enhance other means of travel, including transit, freight, aviation, rail and waterways.

At a \$325 million level of investment, the department is proposing to first focus the very limited funding on taking care of Missouri's primary routes, Missouri's 325 System. Primary roads include approximately 8,000 miles of the state's 34,000-mile system and are the roads that connect cities across the state. Supplementary roads include the remaining 26,000 miles used for local travel. Some major routes that function as business routes, loops, or more like local roadways are included in the supplementary road system. MoDOT must focus the limited resources on the primary system because it offers equity across the state between urban and rural areas. Every county in the state has at least one

highway on the primary system. The primary system differs from MoDOT's current focus on major and minor roads because the major roads, which make up 20 percent of the system and carry 80 percent of the traffic, are confined to limited areas of the state. It will take all of the \$325 million in construction funding to keep primary roads and bridges in their current condition. The department will only be able to do limited routine maintenance on supplementary roads and bridges, which means their condition will deteriorate.

Director Nichols stated while the department will be able to keep primary roads and bridges in good condition, taking care of the supplementary roads is another story. At \$325 million, the department will only be able to conduct limited routine maintenance on the supplementary roads. Given the limited dollars available, it is estimated 27 percent of the supplementary roads will be in good condition in ten years. The 26 percent of supplementary roads that are in poor condition today will resemble gravel rather than paved roads in ten years. Limited maintenance will focus on pothole repairs and patching, it does not include resurfacing. Roadways will increasingly look like a patchwork quilt, and motorists' rides will get rougher. Safety on these supplementary routes will be compromised as well. Already, nearly half of the fatalities on state highways occur on supplementary roads. Moving forward, the department won't have the resources to maintain these roads, much less add safety features, such as shoulders and rumble strips.

There are currently 483 bridges in poor or serious condition on the state's supplementary roads, these bridges are not on the list to be repaired or replaced. The number of bridges in poor or serious condition will grow to approximately 1,400 in ten years. Director Nichols reported it is anticipated that approximately 90 of these bridges will be closed over the next ten years.

Also, the supplementary highways include some significant urban routes that will not be able to be maintained in good condition at \$325 million. These urban roads do not connect the state's system of roads and bridges, but rather fill a more local transportation need. Still, these roads carry high traffic

volumes, anywhere from 30,000 to 50,000 vehicles per day. Examples of these routes are Lindbergh Boulevard and Olive Boulevard in St. Louis, Blue Parkway and Broadway Extension in Kansas City, Glenstone Avenue and Sunshine Street in Springfield, Stadium Boulevard and Providence Road in Columbia, Route 179 and Missouri Boulevard in Jefferson City, Rangeline Road and Route 66 in Joplin, St. Joseph Avenue and Belt Highway in St. Joseph, and William Street in Cape Girardeau. Without the funding to maintain these roads and fix the bridges on them, they will deteriorate quickly because of their high traffic counts. They will also require more emergency pothole and bridge repairs, which in turn means increased lane closures, reduced weight limits on bridges, and higher levels of congestion.

Director Nichols stated as maintenance resources are shifted to patch potholes and maintain roads like the ones listed above, lower volume routes in the same areas will deteriorate at an accelerated rate. The department will maintain these roads on a “worst-first” scenario to keep them as safe as possible. There may come a time when the poor conditions call for reduced speeds and bridge weight limits. Eventually some roads and bridges may become so unsafe they will have to be closed.

Director Nichols reported the department reached out to Missourians in the latter part of 2013 as part of a long-range planning process to find out what they wanted to see in their transportation system. The resulting plan, called "A Vision for Missouri's Transportation Future," was developed after an intense seven-month public engagement period. Based on the input received, Missourians said the following mattered most to them: take care of the transportation system and services we enjoy today; keep all travelers safe, no matter the mode of transportation; invest in projects that spur economic growth and create jobs; and give Missourians better transportation choices (more viable urban and rural transit, friendlier bike and pedestrian accommodations, improvements in rail, ports and airport operations). Director Nichols said given Missouri’s funding challenge, it is obvious the department cannot keep 34,000 miles of roads and 10,400 bridges in the condition they are in today, much less provide the projects that meet Missourians’ primary goals for transportation. The department will plan

for the future by focusing the extremely limited resources on the 8,000 miles of primary roads and bridges that connect communities, and reducing the level of service on the remaining 26,000 miles of roads that make up the state's supplementary system.

Director Nichols encouraged the public to learn more about the key issues by going to www.modot.org/toughchoicesahead, asking tough questions, discuss the issues with family and friends, use social media to share the message, and contact elected officials. Director Nichols requested the department be given time to share Missouri's 325 system with the public and seek comments during the next month, then return at the February 4, 2015 Commission meeting, with a formal recommendation for the Commission to act upon. MoDOT's ambassadors are ready to visit with local partners and stakeholders across the state to share what the 325 system means and outline the tough choices the department and the Commission will have to make.

Following discussion and consideration of the proposal, Commissioner Miller thanked Director Nichols for his presentation and noted the final plan will be reviewed at the February Commission meeting for approval.

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**RESOLUTION EXPRESSING APPRECIATION TO PAULA LAMBRECHT FOR
OUTSTANDING SERVICE TO THE STATE OF MISSOURI**

Via approval of the consent agenda, the Commission unanimously approved the following resolution.

WHEREAS, Paula Lambrecht began her distinguished career with the Missouri Department of Transportation in September 1980, and retired on November 1, 2014, after twenty-seven years of service to the State of Missouri; and

WHEREAS, during her exemplary career as an attorney public servant to the State of Missouri, Paula Lambrecht was a zealous advocate for the Missouri Highways and Transportation Commission and the Missouri Department of Transportation as an assistant counsel, senior administrative counsel and finally serving for more than fourteen years as Assistant Chief Counsel-Human Resources; and

WHEREAS, Paula Lambrecht began her service to the State of Missouri, embarking on a noble and distinguished legal career as one of the first female attorneys in the Chief Counsel’s Office representing the Missouri Highways and Transportation Commission, the Missouri Department of Transportation and the Missouri Department of Transportation and Highway Patrol Employees’ Retirement System; and

WHEREAS, Paula Lambrecht’s exceptional legal representation of the Commission and Department included leading the Commission’s and Department’s employment litigation defense team and prevailing in numerous cases and mentoring and training many attorneys and other professionals in employment law; and

WHEREAS, Paula Lambrecht diligently defended and protected Missouri’s transportation revenues ensuring Missouri’s resources were deposited in accordance with the constitution and available for delivery of transportation solutions that are of great value to the Missouri citizenry; and

WHEREAS, her work ethic, integrity, expertise, and caring for others have earned her the respect, admiration, and friendship of department employees and the public she served; and

WHEREAS, Paula Lambrecht has been blessed with a tight-knit and loving family and many close friends particularly with the love and support of her talented and beautiful daughter, Morgan, and her handsome and fun boyfriend of fifteen years, Sam; and

NOW, THEREFORE, BE IT RESOLVED that the Missouri Highways and Transportation Commission, does hereby publicly express its appreciation and gratitude to Paula Lambrecht for her outstanding public service to the citizens of Missouri during the past twenty-seven years.

BE IT FURTHER RESOLVED that a copy of this resolution be forwarded to Paula Lambrecht, so she will know of the high esteem and affection in which she is held by the members of the Missouri Highways and Transportation Commission and the Missouri Department of Transportation staff.

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COMMISSION POLICY – AWARD OF CONSTRUCTION CONTRACTS

On November 7, 2013 the Commission implemented a policy on the Award of Construction Contracts. The information pertaining to contract awards for emergency works needed clarification. On behalf of the Director, Eric Schroeter, State Design Engineer, recommended that the Award of Construction Contracts policy be revised as indicated with the green text for new language as follows:

Category: HIGHWAYS
Subcategory: Construction
Sub-Subcategory: Contract Awards

AWARD OF CONSTRUCTION CONTRACTS

Related Statute: Section 227.100, RSMo 2000, as amended – Construction Bids

The Commission shall approve bids and award all roadway and bridge contracts, except as otherwise specifically designated by the Commission in subparagraphs a and b below. Commission awarded contracts may be executed by the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer.

- a. **Emergency Work:** The Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, and the respective District Engineer (any one) are authorized to award and execute contracts for emergency roadway, bridge, and/or other transportation facility repairs, structure demolition, and/or services necessary for the benefit of public safety. The Commission shall ratify department approval of emergency work at the next Commission meeting.
- b. **Maintenance by Contract:** The Director, Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, and the State Maintenance Engineer (any one) are authorized to determine the responsiveness of bids requested and award and execute roadway maintenance contracts in the amount of \$200,000 or less.

Effective Date: April 3, 2012 – EOD, Paragraph B1
Supersedes Policy Dated: January 12, 2011 – EOD
Last Reaffirmed: November 7, 2013
Date of Origin: July 10, 2001; Emergency Work – January 13, 1989; Maintenance by Contract – October 6, 1995
Related Commission Minutes: January 11, 2011-EOD; April 3, 2012-EOD; November 7, 2013 – Comprehensive Policy Review.
(Authority to sign Commission-awarded contracts – EOD - July 10, 2001-first effective);
(Emergency Work – January 13, 1989 – EOD Comprehensive Update-first effective)
(Maintenance by Contract -March 10, 1995 trial period; October 6, 1995-first effective)

Via approval of the consent agenda, the Commission unanimously approved the revision to the Commission Policy regarding the Award of Construction Contracts as described above.

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FISCAL YEAR 2015 BUDGET AMENDMENT

On behalf of the Director, Brenda Morris, Financial Services Director, recommended increasing disbursements \$3.1 million for the fiscal year 2015 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 2015 budget amendment described above.

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2015 – 2019 STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM, AMENDMENT

On behalf of the Director, Ed Hassinger, Chief Engineer, requested approval to revise the 2015-2019 Statewide Transportation Improvement Program (STIP) that was approved in August 2014, for the implementation of nine projects, as noted in the tabulation below.

**2015 – 2019 STIP
Highway and Bridge Construction Schedule
January Amendment
Project Changes**

District County Job No.	Route	Description of Improvement/Location	Tentative Award State Fiscal Year and Change by Type	Change in Construction and Right of Way Funds (Dollars in Thousands)	Change in Engineering Funds (Dollars in Thousands)
NE Audrain J2P3079	15	Replace expansion joints on Route 15 over Route 54 in Audrain County and Route 6 over Rte. 24 in Marion County.	2015 CN	\$170	\$12
NE Lincoln J2S3001	U	Pavement and shoulder improvements from Route J to 0.7 mile west of Route 61 near Moscow Mills. Includes pavement improvements on Route 61 west outer road.	2015 CN	-\$328	-\$22
SL St. Louis J6S1872B	340	Add raised medians, lighting, and landscaping between New Ballas Road and Craig Road.	2015 CN	\$382	\$28
SL St. Louis J6S3103	50	Concrete bridge deck overlay replacement over BNSF Railroad 0.2 mile west of I-55.	2015 CN	\$638	\$44
SL St. Louis J6S3104	61	Epoxy polymer bridge deck overlay over I-255.	2015 CN	\$206	\$14
			TOTAL:	\$1,068	\$76

**2015 – 2019 STIP
Multimodal Operations
January 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)
NW Buchanan	Improving flood control levee at Rosecrans Memorial Airport.	2015	\$2,000
SL St. Louis City	North dock improvements at Municipal River Terminal port.	2015	\$486
SW Greene	Railroad track improvements on northwest side of Springfield.	2015	\$326
Various Various	Missouri River Runner passenger train service between St. Louis and Kansas City.	2015	\$8,900
		TOTAL:	\$11,712

Via approval of the consent agenda, the Commission unanimously approved the amendment to the 2015 – 2019 STIP as noted in the tabulations above.

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-- REPORTS --

The Commission received the following written reports.

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

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

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CONSULTANT SERVICES CONTRACT REPORT

Eric Schroeter, State Design Engineer, submitted a written report of consultant contracts executed in the month of November 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. Five engineering consultant services contracts were executed in November 2014, for a total cost of \$440,720. There were two non-engineering consultant contracts executed in November 2014, for a total cost of \$8,930.

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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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