



**MISSOURI HIGHWAYS AND TRANSPORTATION  
COMMISSION**

**Official Minutes**

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**June 8, 2011**

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**MINUTES OF THE REGULARLY SCHEDULED HIGHWAYS AND  
TRANSPORTATION COMMISSION MEETING IN JEFFERSON CITY,  
MISSOURI, WEDNESDAY, JUNE 8, 2011**

A regularly scheduled meeting of the Missouri Highways and Transportation Commission was held on Wednesday, June 8, 2011, at the Transportation Building, 105 West Capitol, Jefferson City, Missouri. Grace M. Nichols, Chair, called the meeting to order at 9:15 a.m. The following Commissioners were present: Grace M. Nichols, Rudolph E. Farber, David A. Gach, 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 Wednesday, June 8, 2011.

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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(11), (12) – Specifications for competitive bidding, sealed bids, or negotiated contracts.
2. Section 610.021(1) – Legal actions and attorney-client privileged communications.
3. Section 610.021(3), (13) – Personnel administration regarding particular employees.
4. Section 610.010(6) and 610.021(14) RSMo– Matters protected from disclosure by law

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

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

The Commission met in closed session from 8:00 a.m. until 9:00 a.m.

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**-- OPEN MEETING --**

**APPROVAL OF MINUTES**

Upon motion by Commissioner Farber, seconded by Commissioner Gach, the Commission unanimously approved the minutes of the Electronic Ballot Meeting held April 27, 2011. The Chair 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 on 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 8, 2011, Consent Agenda**

No items were removed from the consent agenda. Upon motion by Commissioner Farber, seconded by Commissioner Gach, 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 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 reports were made during the June 8, 2011, meeting.

**Audit Committee** – Commissioner Nichols stated there was no report.

**Legislative Committee** – Commissioner Carmichael reported the 2011 legislative session of the Missouri General Assembly adjourned on May 13. The primary focus of the legislature this session was to pass a balanced state budget for fiscal year 2012. This was accomplished by reducing the state's budget by \$300 million from the previous budget year amount. The legislature also spent time discussing other public policy issues including those related to transportation. Two items of interest passed this session including a revision to the statute that allows MoDOT to enter into design-build contracts for highway projects extending the sunset clause from July 1, 2012 to July 1, 2018. Design-build has proven to be a great tool in the toolbox for MoDOT to use on larger projects such as I-64, kcICON, and the Safe and Sound Bridge Improvement Program. The second piece of legislation that passed this session was a bill about intoxicated traffic offenses. Prior and persistent offenders were allowed to participate in, and successfully complete, a program established by a DWI court or other court-ordered treatment program in lieu of imprisonment or community service. However, in order to comply with federal law, legislation was needed this session which requires a prior or persistent offender to perform a specified amount of community service along with completing a DWI court-ordered or other court-ordered treatment program. With this change, it is anticipated MoDOT will be in compliance with the federal government and able to retain the necessary flexibility to spend federal

highway revenues where it deems appropriate without penalty from the federal government. The Governor has until July 14, 2011 to either sign into law or veto legislation that passed this session. Any bill that is signed into law will go into effect August 28, 2011, unless there is an emergency clause that allows it to take effect earlier. Commissioners Carmichael and Miller thanked the Commissioners who spent time in the Capitol this session to meet and visit with elected officials to discuss various transportation issues, and Jay Wunderlich, Director of Governmental Relations who made a tremendous effort with the education process at the Capitol.

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

**MoDOT and Patrol Employees' Retirement System** – Commissioner Farber stated there was no report.

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## **DIRECTOR'S REPORT**

During the June 8, 2011, Commission meeting the Director, Kevin Keith, provided the following report:

**Safe and Sound Bridge Improvement Program.** Director Keith reported this program reached an important milestone; it has repaired or replaced 401 of the 802 bridges slated for construction. The work is taking place faster than anticipated and is positively reflected in the Tracker measure that shows an improvement in the condition of bridges on major and minor roads. What helps speed up the construction process on the bridges is the ability to close the bridge during construction. The average closure time for the bridges is under forty days. This program is fixing or replacing an average of two bridges a day. It is anticipated this program could be completed by the end of 2012. The accomplishment of this program reflects MoDOT's value of providing fast projects that are of great value.

**Disadvantaged Business Enterprise.** Another good report from Tracker this quarter showed considerable improvement in the participation of Disadvantaged Business Enterprises (DBEs). The goal in 2010 was 13.50 percent, but the department was able to accomplish 14.97 percent participation. This is notable for two reasons; one reason is this is the first time the department achieved, let alone exceeded, the DBE goal. Secondly, as recently as 2007, DBE participation was only 4.93 percent, the department was able to accomplish a 10 percent gain in DBE participation in the last five years. This is

a significant milestone, MoDOT staff and construction industry stakeholders are to be commended for their efforts.

**Tornado in Joplin.** Director Keith discussed with the Commission the tornado that devastated Joplin on May 22, 2011. The emergency response effort is in full force and coordinated by the Missouri State Emergency Management Agency (SEMA). He assured the Commission that MoDOT is there doing all it can to help. The department is working through SEMA, but his direction to staff is do all you can to help. MoDOT mobilized resources from around the state and will be there until the work is done. The tornado had a personal impact on MoDOT staff. One MoDOT employee sustained injuries that required surgery and his recovery outlook is good. Several MoDOT team members lost homes. Many others are faced with a wide range of damage to their property. Team MoDOT responded with assistance by sending supplies and money to help with the recovery effort.

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## **MISSOURI DEPARTMENT OF TRANSPORTATION PROPOSED FISCAL YEAR 2012 BUDGET**

On behalf of the Director, Roberta Broeker, Chief Financial Officer, presented the Fiscal Year 2012 budget. Ms. Broeker explained the budget process this year is historically a little different from years past. Typically, staff presents the draft budget to the Commission in May for review, and seeks Commission approval in June. However, due to the discussion about a Bolder Five-Year Direction, staff decided to wait to present the budget in June and will seek Commission approval later this month by a special electronic ballot meeting. The budget is not a good news story because there are significantly less resources available for transportation in Missouri. In order to be able to put more resources in roads and bridges, MoDOT is required to reduce internal operating costs.

Ms. Broeker estimates receipts for Fiscal Year 2012 at \$2.23 billion. Revenues remain flat at the state level. The uncertainty of federal funds remains a concern for various reasons. The federal act that authorizes spending federal funds for transportation is currently titled SAFETEA-LU. The act expired two years ago and federal funding for transportation has continued by short term Congressional

resolutions. The current resolution is set to expire on September 30, 2011. It is unknown whether Congress will pass a new bill, or will need to pass another continuing resolution by September 30, 2011. Additionally, it is unknown at what level Congress will choose to fund a new act or resolution. Current discussions at the national level indicate that federal funding for transportation would be at a level that is only supported by the revenues received in the federal highway trust fund. If that were to occur, Missouri could lose \$242 million a year in federal funds. By not completely programming the Statewide Transportation Improvement Program (STIP), should a funding source decline significantly, staff would be able to delay projects to later years but would not have to cancel any projects. This precautionary planning would help the department manage through a potential reduction in future federal funds. For Fiscal Year 2012 there are not any bond proceeds from Amendment 3, and the last of the American Recovery and Reinvestment Act (ARRA) money will be spent in Fiscal Year 2012. Overall, revenues are flat which requires MoDOT to take resources from internal operating costs and use it for taking care of Missouri's roads and bridges.

The disbursement request for Fiscal Year 2012 is \$2.35 billion, with the largest portion of this disbursement attributed to the program delivery category at \$1.6 billion for building roads and bridges. The next largest category is \$486 million for system management which pays for the maintenance and repair of roads and bridges. The multimodal category will receive \$108 million for aviation, ports, transit and rail. The fleet, facilities, and information systems category will receive \$85 million. The smallest category, administration, is allocated \$52 million.

Taking into consideration the Five-Year Direction that was adopted by the Commission in March 2010, there are areas the department can control spending, and as a result has significantly reduced budgeted disbursements. For example, some funds that would have been directed to the fleet facilities and information systems budget have been redirected to the program delivery budget. Since the

Commission is currently considering the Bolder Five-Year Direction and it is not known how many employees will be reduced nor where the reductions will occur; staff will return to the Commission for approval of updated disbursements for personnel as part of the quarterly budget amendment that will reflect the necessary adjustments for personnel reductions.

Ms. Broeker summarized the significant changes in the proposed budget for Fiscal Year 2012 compared to Fiscal Year 2011. The budget in program delivery has been reduced by \$518 million. The budget for system management was reduced by \$66 million; this includes the transfer of \$64 million from district operating budgets to the STIP for work on minor roads. Future savings from the operating budget will be directed to the STIP. This strategy will help the department with future matching of federal funds. Fleet, facilities, and information systems budget was reduced by \$20 million. Multimodal Programs are increasing \$3 million due to rail infrastructure improvements funded by ARRA. Administration is decreasing \$347,000 due to implementation of the Five-Year Direction that was adopted by the Commission in March 2010.

Ms. Broeker concluded her presentation stating that she will return later in June to request approval of the final budget for Fiscal Year 2012. The Commission thanked Ms. Broeker for her presentation. The Commission will review the information presented by Ms. Broeker and take action thereon at a special electronic ballot meeting.

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## **RIGHTSIZING MoDOT: A BOLDER FIVE-YEAR DIRECTION**

Kevin Keith, Director, recalled that at the May 4, 2011, Commission meeting he had proposed a plan to restructure the MoDOT organization in a manner that would both reflect MoDOT's reduced construction program and sufficiently accommodate a larger construction program should more revenue become available in the future. Following the May 4, 2011, meeting, Mr. Keith reported that members

of the Commission, he, and his staff participated in meetings throughout the state to explain the Bolder Five-Year Direction and the financial realities that demand this major intervention. *“The plan” or “the proposed plan” herein refers to the Bolder Five-Year Direction.*

### **Transportation Funding**

Director Keith stated that Missouri’s \$1.2 billion annual highway construction program experienced over the past five years had been made possible by the State Road Fund Bonding Program (Amendment 3) approved by voters in 2004, and federal funding made available through the American Recovery and Reinvestment Act (ARRA). These temporary increases in funding for transportation improvements have been fully utilized; therefore, MoDOT’s funding has returned to its normal funding sources: primarily federal funds, state motor fuel taxes, license fees, and sales tax on automobiles. Since there have been no increases in these funding sources since the early 1990’s, without intervention, Missouri’s highway construction program would be reduced to less than half, or \$500 million.

With the intervention measures in the Bolder Five-Year Direction, \$512 million of existing fixed costs for personnel, equipment, and facilities will be redirected to road and bridge improvements during the five-year period, and \$117 million each year thereafter.

### **Bolder Five-Year Direction Projections**

Director Keith reminded the members that the Bolder Five-Year Direction proposed reductions in MoDOT personnel, facilities, and equipment. He said these reductions, coupled with revised organizational and work strategies, would provide an environment for MoDOT workers to remain challenged and productive, and, at the same time, allow the \$500 million annual highway construction program to increase to \$600 million per year for the next five years. However, Mr. Keith emphasized that the \$600 million annual program is dependent upon the following two assumptions:

- (1) Federal funds remaining at the same level received for the past two years.
- (2) Savings yet to be realized from the Bolder Five-Year Direction being available to match those federal funds.

Director Keith clarified that federal funds cannot be received without state matching funds. Should federal funds be limited to only those funds that are deposited in the Highway Trust Fund from primarily federal motor fuel tax, as discussed by Roberta Broeker, Chief Financial Officer, during the 2012 budget presentation earlier in the meeting, the loss for Missouri is currently projected to be over \$240 million. This lack of funding, should it occur, would result in infrastructure deficiencies not only in Missouri but also across the nation.

Commissioner Farber observed that should the Bolder Five-Year Direction be implemented and federal funds reduced by over \$240 million, as noted above, Missouri's highway improvement program would be less than that needed to simply take care of the existing system, which currently has an annual funding allocation of \$460 million. Commissioner Farber felt staff's assumption that federal funds would continue at current levels was extremely optimistic.

### **Directive for a Bolder Five-Year Direction**

Director Keith recalled that in anticipation of a significant reduction in the highway construction program, staff proposed, and the Commission approved, a Five-Year Direction on March 10, 2010. The Five-Year Direction was a modest plan focusing on saving money in MoDOT's internal operating budget and redirecting those savings to the Statewide Transportation Improvement Program (STIP). While the Five-Year Direction implemented strategies reflective of a smaller construction program, it became evident to the Commission that a bolder plan would be needed. Director Keith recalled that in response to the Commission's directive, he and his staff proposed a plan that would result in MoDOT being an effective, efficient organization both during times of austerity and prosperity; the plan would

redirect as many resources as possible to improvement of Missouri's roads and bridges. That proposed plan was the Bolder Five-Year Direction that was presented to the Commission at its May 4, 2011, meeting and is summarized below.

### **Bolder Five-Year Direction**

#### **Personnel Reductions**

Director Keith proposed that MoDOT reduce its staff by 1,200, or nineteen percent, based on February 28, 2010, staffing levels. He explained that the reduction in staff began with the Five-Year Direction approved by the Commission on March 10, 2010. Since that time MoDOT managers have become very discerning about whether to fill vacancies. As a result, MoDOT has 403 fewer employees than it had on February 28, 2010.

Director Keith explained when staff reductions are completed, the resulting internal organization will be reflective of the work that must be accomplished now and will be sufficient to accomplish increased workloads in the future. Therefore, staff reductions among the functional areas were strategic to meet current and future needs, rather than across-the-board. The Program Delivery staff, which includes all areas involved in highway improvements and construction performed by contract, will be reduced by twenty-seven percent, which reflects the significant reduction in the STIP. Administration will be reduced by thirty-one percent. Work in the Operations area, however, will not diminish and may likely increase. Operations forces patch potholes, plow snow, respond to disasters, and perform many other maintenance tasks on the roadways. Therefore, the twelve percent reduction in the Operations area is achieved by combining facilities which reduces the need for as many supervisors, managers, and technicians.

Director Keith pointed out that the Jefferson City area will experience the greatest impact in job losses with a total of over 300 positions eliminated.

## **Facility Reductions**

As a result of reducing personnel, Director Keith stated MoDOT would be able to operate both efficiently and effectively with 131 fewer facilities: three fewer district offices, 107 fewer maintenance facilities, 17 fewer Resident Engineer offices, and 4 fewer leased facilities. He emphasized that closing the facilities was a strategy that allowed MoDOT to reduce its management and supervisory positions. Reductions in this area, he said, would have the least impact on MoDOT's ability to deliver quality service to its customers. Approximately forty percent (over 440) of the staff reductions involve management and/or supervisory positions.

## **Equipment Reductions**

Director Keith stated that a reduced number of facilities and personnel results in a reduced need for equipment. He explained that in order for a maintenance facility to function effectively, a minimal amount of equipment is necessary, some of which may be used infrequently. Combining facilities will allow MoDOT to reduce its fleet by approximately 740 units over the next five-year period and to do so in a manner that will have the least impact on MoDOT's ability to provide quality service. This equipment includes items such as heavy-duty trucks, tractors, cars, loaders, and stripers.

## **Savings Redirected to Road and Bridge Program**

Director Keith restated that the savings realized through the reductions mentioned above, plus other internal savings, such as reduction in information technology expenditures and eliminating the contingency fund, will allow MoDOT to redirect \$512 million over the next five years, and \$117 million per year thereafter, to road and bridge improvements.

## **Comments about the Proposed Bolder Five-Year Direction**

Director Keith reported that following the May 4, 2011, Commission meeting, some members of the Commission, he, and MoDOT management staff had conducted public briefings, both on-site and

on-line, about the proposed Bolder Five-Year Direction. In addition, he noted that newspaper articles and comments sent to staff and the Secretary to the Commission about the proposed plan had been compiled and sent to each Commissioner, as instructed at the May 4, 2011, meeting. Director Keith said he had personally visited the communities of Joplin, Macon, and Willow Springs to hear and understand concerns about closing district offices in those locations.

### **District Office Closures**

Mr. Keith reported that half of the people who attended community briefings were from Joplin, Macon, and Willow Springs and seventy-five percent of the written comments were received from those communities. Individuals in all three areas asked that the district office facilities in their respective locations not be closed.

### **District Boundaries**

Director Keith said some comments asked that district boundaries be adjusted to keep counties together that had similar planning interests, concerns, and challenges.

### **Economic Concerns**

Director Keith stated that some of the comments expressed concern with the negative impact that lost MoDOT jobs would have on the local economy. They felt that those losing jobs in the urban areas would have more opportunities for employment than those in the rural areas. In addition, the comments pointed out that MoDOT jobs in rural areas are frequently the best jobs and many times are filled by those who become community leaders.

### **Maintenance Building Closures - Service**

Director Keith said the next biggest area of concern was from citizens who were opposed to closing the maintenance facilities in their respective areas. Some of the comments expressed the fear of reduced service as a result of being located farther from a maintenance facility.

### **Perceived Greater Impact on Rural Areas**

Director Keith said some of the comments reflected a perception that the plan has a greater negative impact on job loss and economic impact in rural Missouri than urban Missouri. Some of those commenting were basing their statistical information on internal MoDOT documents that became out-of-date or no longer relevant as the staff evaluated and revised different organizational configurations. Some comments expressed concern that the larger rural districts would result in diminished priority being given to rural transportation needs.

### **Outsourcing**

Director Keith said one of the strategies used to provide good service with less staff is outsourcing work to the private sector. While MoDOT is quite familiar with contracting roadway improvements, it will be looking for opportunities in other areas, such as repair of the light duty fleet and servicing vehicles at local garage facilities. Some of the comments favored additional use of outsourcing; others were opposed.

### **Staff Reductions**

Director Keith said some of the comments suggested furloughs and salary reductions in lieu of staff reductions.

### **Implementation Completion Date**

Some employee comments asked the Commission to extend the time for completion of the implementation plan to allow more opportunity to reduce employee numbers through attrition.

### **Implementation Start Date**

Director Keith noted some of the comments asked the Commission to delay action on the plan from 30 to 90 days. Some of those commenting expressed disappointment with a perceived lack of transparency since MoDOT staff did not seek input from its stakeholders prior to presenting the plan to

the Commission. They requested, therefore, that Commission action on the proposed plan be delayed to allow the development of a better plan that would receive greater acceptance by those negatively impacted.

### **Efficiency**

Director Keith said some of the comments commended MoDOT's efforts to use tax dollars wisely and to become a smaller, more efficient government agency.

### **Suggestions for MoDOT**

Director Keith expressed appreciation for the innovative suggestions received from the public to further improve MoDOT. Those suggestions have been captured and will be reviewed further by the appropriate management teams.

### **Staff Responses to Comments**

After Director Keith presented the revised Bolder Five-Year Direction to the Commission, public presentations were made regarding the plan. *The public presentations are summarized following the minute for this agenda item.* Following the public presentations, the Commission requested Director Keith present the department's response to the comments received during the public presentations. The Commission also made several inquiries of Director Keith requesting specific data and information about the proposed plan. The Commission took a brief recess for lunch and allowed staff time to gather the requested information. The recess occurred in the Commission hearing room and upon its conclusion, the Commission immediately resumed the open meeting. The department's response to public comments and Commission inquiries are outlined below.

### **Bolder Five-Year Direction Development Process**

Chair Nichols noted that some of the comments heard during the meeting referred to receiving volumes of materials through requests to the department for records. The speakers had noted that some

of the material indicated staff support of an eight district configuration and others listed staff objections to elements of the Bolder Five-Year Direction. In response to Chair Nichol's inquiry regarding the source of the documents, Dave Nichols, Chief Engineer, outlined the process for developing the Bolder Five-Year Direction.

Chief Engineer Nichols, explained that three teams, lead by the Chief Engineer (Project Delivery), the Chief Financial Officer (Administration), and the Assistant Chief Engineer (Operations), worked independently on the charge to develop a plan that would result in an organization that would be the right-size for today and for moving into the future. The outcome was not to simply become smaller, but to save dollars that could be redirected to the highway and bridge improvement program. All District Engineers and Division Heads participated in the process.

Mr. Nichols said the teams discussed a number of scenarios with multiple variations. One of the preliminary scenarios that the staff presented to the Director was an eight district concept. However, this eight district concept actually proposed four large district hubs located in Kansas City, St. Louis, Springfield, and Jefferson City, and four regional sub-districts or sub-hubs. The sub-districts, referred to by the teams as "regions," would maintain a significant presence, similar to the regional office concept being proposed under the seven district configuration. This plan was rejected by the Director, however, because MoDOT would risk losing its ability to manage its highway program, operations, and administration and its ability to provide good customer service.

Mr. Nichols explained that after the seven district draft plan was finalized, the Director challenged the Senior Management Team to break it. The team looked at the plan from the perspective of the Commission, community partners, industry partners, legislators, and others. Mr. Nichols explained that all staff's working documents, which included brainstorming comments, were collected, recorded, became a part of MoDOT records, and, as such, became available to anyone who requested

them. Other documents, including payrolls, expenses, and other information pertaining to the districts being proposed for closure were requested and included in the documents provided.

Mr. Nichols reported at the conclusion of the staff exercise to break the plan, staff determined the seven district configuration was very sound with additional emphasis being placed on the Area Engineer concept to ensure the highest degree of customer service.

### **District Office Closures**

Director Keith explained that MoDOT no longer has a workload or the financial means to provide technical services from ten different locations. He said expanding the district territories allows work to be accomplished efficiently and decreases the need for managers who oversee services that are duplicated in each district.

Due to the concern of the areas affected by the closure of the three district office facilities, Director Keith said staff revisited the possibility of a six district structure, an eight district structure, and the previously recommended seven district structure. All three scenarios were found to be workable; all three have advantages and disadvantages. Director Keith said he continued to favor the seven district configuration because in his judgment, seven districts would result in geographic areas that are not too large for effective administration and would retain enough people in the right places to accomplish future workloads.

### **District Boundaries**

Director Keith said that as a result of input received during the past month, staff proposed a revision in the seven district boundaries. He pointed out that the adjustments will better align MoDOT's districts with its regional planning commission partners, which will be very beneficial to the planning process.

### **Economic Mitigation**

In response to comments from Commissioner Gach regarding his desire for MoDOT to be sensitive to the needs of the community and in response to an inquiry for clarification from Commissioner Miller, Director Keith said staff will be looking for opportunities to mitigate job losses in those areas where district offices will be closed. For example, he said MoDOT performs some statewide services, such as billboard inspections, property damage collections, and bridge inspections, that could possibly be housed outside the Jefferson City Central Office location. Director Keith was not prepared to offer a specific proposal regarding mitigation, but he said staff would be looking at this issue further.

Commissioner Farber pointed out district office facilities have good potential for housing industry of some fashion, which could generate employment opportunities.

### **District Offices – Service**

Director Keith said he was convinced that the seven district structure would continue to provide good service to the citizens of Missouri because it would be coupled with two essential strategies: the Area Engineer concept and regional offices.

Director Keith explained that the Area Engineer concept will place MoDOT managers in locations away from the district office that will be available to help local citizens navigate through MoDOT. The Area Engineer will be a person who can provide information about any MoDOT issue and intercede on the citizens' behalf to resolve their concerns. He pointed out that the Area Engineer concept is not new to MoDOT. Having a local MoDOT presence away from the district office began 15 years ago; however, the outcome differed by location with some Area Engineers focusing on management of maintenance forces while others focused on customer service in *all* areas. He said the broader focus has proven to be very successful and is the one that will be replicated with the seven district configuration.

Director Keith explained that regional offices in Joplin, Macon, and Willow Springs would be created using existing MoDOT facilities (other than the current district office buildings). Regional offices will be staffed with sufficient employees to assist citizens with various types of permits and address engineering and other customer service issues, thereby negating the need for extended travel to a district office. The District Engineer will be responsible for management of the regional offices.

### **Location of Southeastern District Office**

In response to Commissioner Miller's inquiry about citizen concerns with locating the district office at Sikeston in view of the projected impact of an earthquake along the New Madrid fault line, Director Keith explained the district office at Sikeston is the newest district facility and moving the district to a more centralized location would not be cost effective. He further explained that the state's emergency plan relies on the current operational complex in Willow Springs, rather than the district office at either Willow Springs or Sikeston. The current operational complex will house the proposed regional office; therefore, Mr. Keith said while some adjustments to the emergency plan will be needed, the primary emergency response location in Willow Springs will be unchanged.

### **Location of Northeastern District Office**

In response to a request from Commissioner Carmichael for further explanation regarding the selection of the Northeast District Office location, Director Keith acknowledged that Macon would have provided a more centralized location for the district office in the northeast region under the original configuration. In considering the facilities, however, the thirty-year-old Hannibal District Office and regional maintenance complex are both located on a 100-plus acre tract. The Macon District Office is an older building that is located on four acres inside the city limits of Macon and the regional maintenance operation complex is located four miles north of Macon. The Macon configuration provided an opportunity to close the district office and retain a significance presence by using the north

operational complex. Mr. Keith stated that the revised district boundaries currently being recommended actually place Hannibal geographically closer to the center of the district than Macon.

### **Joplin District Office Building**

Commissioner Carmichael referred to the enormous physical destruction of homes, businesses, and schools as a result of the recent tornado in Joplin. In response to his request for information about a proposal for the district office building at Joplin to be used as a temporary school facility, Director Keith said that he had been approached about such a possibility just a few days prior to the meeting. He said he understood that the superintendent of Joplin's school district toured the district office facility and expressed some interest in using it for the next school session. He reported that district personnel were working on this proposal for temporary use of the building and will do everything possible to accommodate Joplin during this time of enormous loss of lives and property in their community.

### **Decentralization**

In response to a query from Commissioner Miller, Director Keith said that MoDOT's current culture of decentralization has proven to be very effective and one that he felt should be valued and protected in any reorganization effort. He acknowledged that more functions could be centralized; however, he felt that to do so would put good customer relations and the ability for employees to interact with customers at risk.

### **Maintenance Building Closures - Service**

Mr. Keith acknowledged that proximity to a maintenance building would most likely result in roads near the buildings being cleared of snow before those on the perimeter; however, he felt any negative impact would be of short duration. However, he emphasized that MoDOT had already begun to intentionally reduce some maintenance services simply because it can no longer afford to continue them. For example, he said MoDOT would replace only those signs where the reflectivity is actually

diminished rather than replacing all signs within a given area or on a preset schedule; it will not replace signs that provide minimal value to motorists; the roads will not be striped as often to achieve the greatest cost benefit; and mowing will be reduced. Therefore, while the service performed by the operations forces may not be the same; the reduction in service will not be as a result of combining maintenance facilities and will not compromise safety.

### **Closing Maintenance Buildings/Resident Engineer Offices**

Director Keith said during the past 30 days, district staff reviewed the proposed maintenance building closures with an even more critical eye and also listened to customers in an effort to make the wisest choices from both the capital improvement and customer service perspectives. As a result, four buildings previously proposed for closure will remain open (New Cambria, Macon County; Nashua, Platte County; Puxico, Stoddard County; and Ellsinore, Carter County). A few others are still under consideration and will likely result in delaying the sale of these facilities until next year to allow staff to have snow removal experience from the new locations.

Director Keith said in deference to the desires of the local communities and/or recommendations of the districts, the Resident Engineer/Area Engineer office in St. Clair will move to Festus and the office proposed for Camdenton will move to Osage Beach.

### **Perception of Greater Impact on Rural Areas**

Mr. Keith said the 1,200 staff reduction, as well as the lack of resources for the highway construction program, are spread across the entire state with no one experiencing a positive outcome.

In response to a request from Commissioner Miller for further clarification of the impact of the Bolder Five-Year Direction on the rural area compared to the urban area, Director Keith explained that prior to implementation of the Bolder Five-Year Direction, MoDOT had 281 maintenance buildings: 90

(32 percent) urban; 191 (68 percent) rural. After implementation of the Bolder Five-Year Direction, 56 (33 percent) of the maintenance buildings will be in urban areas; 118 (67 percent) in the rural areas.

As of April 15, 2011, (the date of information on an internal document referenced by one of the delegations at the meeting) 3,435 (58 percent) of the employees were located in the eight rural districts. After implementation of the Bolder Five-Year Direction, 2,972 (58 percent) will be located in the five rural districts. As of April 15, 2011, 1,500 (25 percent) were located in the two urban districts; after implementation of the Bolder Five-Year Direction 1,362 (27 percent) will be located in the two urban districts. As of April 15, 2011, 1,003 (17 percent) of the employees were located in the Central Office; after implementation of the plan 772 (15 percent) will be located in the Central Office. Of the approximate 1,200 total reductions anticipated by the Bolder Five-Year Direction; 307 (28.5 percent) will come from the Central Office, and 889 (17 percent) will come from the districts, which is an overall reduction of 19 percent.

In response to a question from Commissioner Suelthaus regarding allocation of funds between the rural and urban areas, Director Keith explained there would be no change in the percentage of work in the STIP between rural and urban areas because funding is not distributed by district boundaries. Funding for taking care of the existing system is based on lane miles of road, square footage of bridges, and vehicle miles traveled (VMT). In the current STIP, 52.6 percent of funds will be spent for projects in the urban areas; 47.4 percent will be spent for projects in the rural areas.

### **Outsourcing**

Director Keith said MoDOT routinely outsources construction of road and bridge improvement and is, therefore, very familiar with the process and benefits thereof. He said staff would be looking for other opportunities, such as repair of light-duty fleet and servicing vehicles at local garage facilities. He emphasized, however, that core competencies would remain within MoDOT.

## **Staff Reductions**

The suggestion that furloughs or salary reduction be used in lieu of staff reductions assumes funding and workload issues being faced today are temporary, and further anticipates that personnel needs of the future would be the same as those in the past. Mr. Keith emphasized that the Bolder Five-Year Direction is an effort to move MoDOT to a new permanent configuration that will allow more of MoDOT's current and future resources to be directed to improvement of Missouri's roads and bridges.

## **Implementation Completion Date**

In deference to the concerns of employees, Director Keith asked the deadline for completion of implementation of staff reductions be extended from December 31, 2012, to March 31, 2013, to allow as many reductions as possible to take place through attrition. He recommended the implementation completion date for all other elements of the Bolder Five-Year Direction remain at December 31, 2012, as originally proposed.

## **Implementation Start Date**

Director Keith said given the necessity to redirect funds to highway and bridge improvements, he did not believe delay in implementation would change the outcome. In addition, he reported MoDOT employees have been anxious about the plan and the impact it will have on them personally and many of those answers will not be known until the implementation process begins. The employees favor an early implementation start date.

Director Keith said from an operational perspective, delaying a decision on the plan or implementation thereof, would not allow sufficient time for snow removal operations to take place under the new configuration during the upcoming winter season.

## **Flexibility**

Director Keith said while he felt the proposed Bolder Five-Year Direction is a good plan, he was confident modifications would be needed as the newly configured management teams begin to interact with MoDOT customers and communities. He asked, therefore, for authority to revise the plan as needed to have the best outcome (for example, increasing or decreasing the number and location of facilities). He further proposed staff provide the Commission with quarterly reports on implementation of the Bolder Five-Year Direction, which would include any significant modifications to the plan.

### **Next Steps**

Director Keith emphasized the Bolder Five-Year Direction was *not* a solution to decades of under investing in infrastructure by both the state and nation. He said MoDOT's next challenge would be determining a way to convince Missourians and the nation that investment in infrastructure is necessary for jobs, safety, and long-term prosperity for the state and nation.

### **Commissioner Assessments**

Chair Nichols said the process for developing the Bolder Five-Year Direction had been both worthwhile and painful. She expressed appreciation for the opportunity to visit directly with individuals and communities most negatively affected by the loss of jobs in their areas. She said the Commission and MoDOT staff are concerned about the economic impact on local communities and individuals within MoDOT and will continue to do all they can to provide assistance.

Chair Nichols also reported on the very positive experience she has had with the Area Engineer concept in St. Charles. She said having one person who is familiar with all MoDOT functions within the region results in a very close relationship between the people, projects, and the Area Engineer and his/her support staff.

Commissioner Farber said he, too, has had a very positive experience in working with an Area Engineer, who routinely travels to the customer to provide information and address concerns.

Regarding the fear expressed by some of the delegations that areas outside the district office would not receive equitable road improvements, Commissioner Farber cited the significant amount of improvements in the Branson area, which has never housed a district office.

Commissioner Farber noted that changes envisioned by the plan were innovative and, as such, would most likely require modifications. He felt confident that the plan allows management sufficient flexibility to quickly respond to the need for change.

Commissioner Farber noted that his home area, Joplin, was one of the three that would be most negatively impacted by the plan as a result of loss of jobs at the current district office; however, as a Commissioner, his responsibility was to act in the best interest of the entire state, therefore, he expressed support for the Bolder Five-Year Direction.

Commissioner Carmichael acknowledged the difficulty of making changes that are painful in terms of loss of jobs and economic opportunity in all areas of the state where facilities will be closed and MoDOT employment reduced. He said, however, that the current economy and public expectations demand significant changes within MoDOT. He noted the Missouri Highways and Transportation Commission and MoDOT staff are stewards of one of Missouri's greatest assets: highways and bridges. As a responsible steward, he said he did not believe there would be any benefit gained from delaying action on the Bolder Five-Year Direction and, therefore, felt the Commission should move forward immediately with implementation.

Commissioner Suelthaus said he listened carefully to all the discussions about the plan and read hundreds of communications of both concern and support. He said he could certainly understand the local economic impact of the proposal. He also recognized the primary function of the Missouri Highways and Transportation Commission is to serve the best interest of transportation throughout the

State of Missouri. He said to do so effectively, given MoDOT's funding deficiency and the risk of decreased federal funds, demands the Commission move forward with the Bolder Five-Year Direction.

Commissioner Suelthaus felt some may have assumed closing district offices and other facilities would diminish MoDOT's abilities to care for the roadways when, in fact, it will allow \$512 million additional dollars to be used for road and bridge improvements in the next five years and approximately \$117 million each year thereafter.

Commissioner Suelthaus said while no plan is perfect, he felt there was sufficient flexibility to modify the plan going forward. He felt implementation of the Bolder Five-Year Direction should begin immediately.

Commissioner Gach said during his six years on the Commission, he had witnessed many occasions where MoDOT staff demonstrated an overwhelming desire to work with the citizens of Missouri. He commended their interest in safety as they installed guard cables, rumble strips, and other innovative life-saving measures. He felt confident MoDOT staff members would extend similar compassion for jobs lost in the various areas by doing all they could to work with local communities on developing mitigation plans and encouraging business and industry who offer employment opportunities to locate in vacated MoDOT facilities.

Commissioner Miller emphasized the importance, impact, and urgency of the decision required of the Commission regarding the Bolder Five-Year Direction. He said it would unfortunately not be possible to avoid disappointment because lives would be adversely affected. However, he said the Commission had an obligation to act in the interest of the entire state.

Commissioner Miller observed that all the delegations had acknowledged the funding shortfall and the need for action within MoDOT; he expressed appreciation for their understanding and knowledge of the issue. He expressed regret that some communities would feel the sacrifice of job loss

more than others, but felt the outcome would be no different if the choice of locations for facility closures were changed. He said he was persuaded the rural area was not being unfairly burdened and pledged to continue to monitor the progress of the implementation plan to ensure the burden is shared equally throughout the state.

Commissioner Miller referred to the process used to develop the Bolder Five-Year Direction and the criticism thereof by those who felt it was developed too quickly and without stakeholder input. He recalled that during the past two years, the Commission and MoDOT staff had discussed the upcoming shortfall of funds in all areas of the state. While they did not talk about specific consequences of that shortage, he felt it had been made clear there would be reductions in the road program for employees in both the public and private sectors. For that reason, he said the Commissioners had alerted all the applicants for the Director position that hard decisions would have to be made.

Commissioner Miller commended MoDOT staff for looking objectively at the issues and developing a plan that is in the best interest of the state, at the cost of possible job transfers or job loss for fellow employees. He acknowledged the difficulty of this task, but stated his belief that MoDOT management staff was uniquely qualified to develop the best plan because they are not only knowledgeable about the internal processes, but are also the ones impacted.

Commissioner Miller said the delegation presentations and subsequent discussions revealed that staff had investigated a number of competing plans, which he felt reflected all options were on the table for consideration and that debate among staff in considering the options had been open, honest, and productive.

Regarding the request of some of the delegations to delay action on the Bolder Five-Year Direction, Commissioner Miller said the communities of Joplin, Macon, and Willow Springs had been passionate about the issues and articulate in their arguments. He said he was persuaded that delaying the

decision would not result in a different outcome but would prolong the anxiety of those who may be negatively impacted.

Commissioner Miller said he was also persuaded that the Bolder Five-Year Direction has sufficient flexibility to allow the Commission and/or MoDOT staff to address unforeseen issues. He said as a Commissioner, he was committed to monitoring the process. He said where adjustments that were consistent with the Commission's goal of good government were needed, they would be made.

The Commission requested staff prepare two resolutions for consideration, one resolution would delay a decision regarding the proposed Bolder Five-Year Direction until September 1, 2011, and the other resolution would make a decision regarding the proposed plan. Given the sentiment expressed by each Commissioner to approve the Bolder Five-Year Direction, Chair Nichols read the following resolution and requested a motion thereon. Commissioner Carmichael moved approval of the Resolution; Commissioner Gach seconded the motion. The motion unanimously approved the resolution below.

**RESOLUTION  
of the  
MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION  
to  
DOWNSIZE THE MISSOURI DEPARTMENT OF TRANSPORTATION**

**WHEREAS**, all temporary sources of additional funds for transportation made available by state and federal programs have now been used for their intended purpose; and

**WHEREAS**, significantly increased fuel prices have resulted in increased cost and reduced revenues for transportation; and

**WHEREAS**, funding at the federal level is uncertain in the absence of the passage of a federal highway bill, and may result in lower federal funding; and

**WHEREAS**, little interest has been shown on either the state or federal level to make additional revenue available for transportation; and

**WHEREAS**, the reduced funding levels for Missouri's transportation program will significantly diminish MoDOT's highway construction program and may jeopardize its ability to match federal funds over the next five year period; and

**WHEREAS**, as a result of the reduced funding, the construction program will decrease from an annual average of \$1.2 billion for the past six years to approximately \$600 million over the next five years, which will be inadequate to meet all the transportation needs in Missouri; and

**WHEREAS**, the significantly reduced funding requires restructure and reassignment of resources within MoDOT to ensure it is the right size to continue to provide quality highway maintenance services to Missourians while directing as many resources to the highway construction program as possible; and

**WHEREAS**, since May 4, 2011, the Commission and MoDOT staff have received and reviewed significant input from the public and MoDOT employees on a proposal to down-size the MoDOT organization and made revisions to the original proposal as a result thereof;

**NOW, THEREFORE, LET IT BE RESOLVED** that the Director implement the following efficiencies:

- Reduce the number of district offices from ten to seven, adjust the district boundaries to align with the state's regional planning commissions, and close the district offices located in Macon, Joplin, and Willow Springs by December 31, 2012, and utilize the closed district office buildings for the benefit of the local communities and offer the facility in Joplin for use by the local school system;
- Reduce the number of maintenance facilities from 281 to approximately 174, and resident engineer offices from 46 to approximately 29, by December 31, 2012;
- Reduce the equipment fleet by approximately 740 units by December 31, 2012; and
- Reduce MoDOT's workforce from 6,302 employed on February 28, 2010, to approximately 5,100, or a reduction of approximately 1,200 employees through attrition, transfers, and layoffs as a last step, by March 31, 2013.

**BE IT FURTHER RESOLVED** that the Director restructure MoDOT's organization, in consultation with the Commission, in a manner that is deemed best to result in maximum internal efficiency; and

**BE IT FURTHER RESOLVED** that the Director and staff be sensitive to the impact implementation of the plan will have on communities and to seek out and welcome ideas from planning partners, elected officials, and stakeholders throughout the state; and

**BE IT FURTHER RESOLVED** that the Director will provide quarterly reports to the Commission regarding implementation of the program, and that following implementation of the above efficiencies, the Director, in consultation with the Commission, will continue to monitor the effectiveness of the

program and make adjustments as needed to ensure maximum production within the organization and maximum allocation of funds to the highway construction program.

The new district structure that was adopted by this resolution is outlined below.

**Northwest District.** The district office is located at St. Joseph. The counties included in this district are: Andrew, Atchison, Buchanan, Caldwell, Carroll, Chariton, Clinton, Davies, DeKalb, Gentry, Grundy, Harrison, Holt, Linn, Livingston, Mercer, Nodaway, Putnam, Sullivan, and Worth.

**Northeast District.** The district office is located at Hannibal. The counties included in this district are: Adair, Audrain, Clark, Knox, Lewis, Lincoln, Macon, Marion, Monroe, Montgomery, Pike, Ralls, Randolph, Schuyler, Scotland, Shelby, and Warren.

**Kansas City District.** The district office is located at Lee's Summit. The counties included in this district are: Cass, Clay, Jackson, Johnson, Lafayette, Pettis, Platte, Ray, and Saline.

**Central District.** The district office is located at Jefferson City. The counties included in this district are: Boone, Callaway, Camden, Cole, Cooper, Crawford, Dent, Gasconade, Howard, Laclede, Maries, Moniteau, Morgan, Miller, Osage, Phelps, Pulaski, and Washington.

**St. Louis Area District.** The district office is located at Chesterfield. The counties included in this district are: Franklin, Jefferson, St. Charles, St. Louis, and St. Louis City.

**Southwest District.** The district office is located at Springfield. The counties included in this district are: Barry, Barton, Bates, Benton, Cedar, Christian, Dade, Dallas, Greene, Henry, Hickory, Jasper, Lawrence, McDonald, Newton, Polk, St. Clair, Stone, Taney, Vernon, and Webster.

**Southeast District.** The district office is located at Sikeston. The counties included in this district are: Bollinger, Butler, Cape Girardeau, Carter, Douglas, Dunklin, Howell, Iron, Madison, Mississippi, New Madrid, Oregon, Ozark, Pemiscot, Perry, Reynolds, Ripley, Scott, Shannon, Ste. Genevieve, St. Francois, Stoddard, Texas, Wayne, and Wright.

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## **DELEGATION REPRESENTING THE MACON AREA**

Phil Tate, Director of Job Creation for the Kirksville Regional Economic Development, Inc., presented concerns and suggestions on behalf of a consortium of communities, counties, elected

officials, and concerned citizens from MoDOT's District 2. The delegation believes that the Bolder Five-Year Direction is flawed and will lead to unnecessary and unacceptable reductions in the quality of service provided by MoDOT. Mr. Tate expressed concern about the impact the plan will have on the relationship MoDOT has with a region that shared in the cost of improving Highways 36 and 63. This plan will strike an enormous blow to the region with a potential loss of \$12 to \$68 million in economic impact for the northeast region. The plan could reduce property values, local tax revenues, reduce retail sales, and negatively impact local schools and hospitals. Mr. Tate explained their view that rural Missouri suffers a disproportionate impact from the plan and could risk alienating rural Missourian's confidence in MoDOT. The consortium believes the district office should be located closer to the geographical center of the district and that the Macon District Office is centrally located to be accessible to the citizens of Northeast Missouri. The fast track nature of the plan was of concern and the consortium requested the Commission consider postponing a decision for ninety days. The consortium understands the severe decline in funding and the need for budget cuts, restructuring the organization, and reducing the workforce. They do not question the need to develop a plan to deal with the budget shortfall and the strategy to apply cost savings directly to road and bridge construction and maintenance. Mr. Tate stated what they are seeking is more time for more input to help develop a better plan that will produce greater acceptance by those who are affected. Commissioner Carmichael thanked the delegation for their presentation.

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## **DELEGATION REPRESENTING THE CONSTRUCTION INDUSTRY**

Len Toenjes, Associated General Contractors of St. Louis, presented on behalf of the association expressing support of the Bolder Five-Year Direction. Mr. Toenjes stated the Bolder Five-Year Direction is the right thing to do. There was a lot of conversation about the plans' impact on people, the

construction industry is currently facing significant unemployment and under utilization. This plan will help put those people back to work and improve the roads for the citizens of Missouri. Mr. Toenjes concluded his comments by urging the Commission to adopt and implement the plan immediately.

Ed DeSoignie, Kansas City Heavy Constructors Association, stated on behalf of the association that the current economic condition of the state and the nation coupled with the uncertainty of future federal and state funds for transportation requires changes at MoDOT, even though the proposed plan will have an impact on a number of people throughout the state. Mr. DeSoignie stated the association supports the Commission and the Department and asked for their favorable consideration of the plan.

Tom Kellerman, Missouri Transportation Coalition, commended MoDOT for its use of the Amendment 3 money and its efforts to rebuild their credibility with the state. He explained that with less money for transportation in the future it will be hard to maintain the credibility the department worked so hard to rebuild, and that the Bolder Five-Year Direction is a way to maintain credibility until a new transportation funding initiative takes place. While Mr. Kellerman sympathizes with staff that will lose their jobs, he explained the construction industry has already been reducing staff and salaries by twenty percent. Mr. Kellerman recommended the Bolder Five-Year Direction be approved at this meeting in order to maintain the department's credibility.

Larry Burk, Burk Bridge Co., described how contractors are constantly changing staff, equipment, and technology just to try and survive. All contractors are cutting personnel, trying to be leaner just to survive. The changes the department proposed with downsizing to be more efficient and productive, is an absolute necessity. While Mr. Burk understood the concerns expressed by the cities and counties, he explained everyone has been cutting back and reorganizing. Mr. Burk explained that as a member of the Associated General Contractors of Missouri this is the time to make a decision to move

forward and pass the bolder initiative presented today. Chair Nichols thanked the delegation for their presentation.

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## **DELEGATION REPRESENTING THE CITY OF WILLOW SPRINGS**

Wendell Bailey stated MoDOT failed to communicate with little input from the community on the Bolder Five-Year Direction. He said since learning about the department's efforts to get smaller, the District 9 area spoke with a unanimous voice to keep the South Central District Office. Mr. Bailey also introduced each speaker from the Willow Springs delegation.

Representative Ward Franz commented the Commission heard a lot of statistics about poverty of the region, square miles, and population. Representative Franz expressed concern that the closure of the district office will have on those statistics and its subsequent economic impact to the region. He also expressed support of MoDOT's workforce in District 9. He explained that making changes are acceptable, but encouraged the Commission to make changes with the least impact. He requested the Commission wait to take action on the plan to allow him time to introduce legislation to improve funding for transportation in Missouri.

Representative Don Wells said he is worried about the great economic impact it will have on the District 9 area. He explained that MoDOT jobs are the top paying jobs, and that this depressed area cannot tolerate losing its top paying jobs. The Representative asked the Commission to take more time and delay a decision until the next legislative session.

Travis Morrison, a former state representative, stated that the proposed districts are too big to provide proper service to the region. The south central part of the state should have a district office to represent the unique economic and road needs of the Ozark Region. In Mr. Morrison's opinion, having

a District Engineer for the region is essential for representation in the planning process and ensuring there is a transportation advocate for the Ozark Region. Mr. Morrison acknowledged the difficult job the Commission is facing; but asked the commission to consider keeping the district office open, perhaps even a downsized version. Mr. Morrison requested development of a plan that is fairly distributed throughout the state.

Mayor Jay Waggoner shared his concern about the financial situation facing MoDOT and the need to downsize. Mayor Waggoner discussed the benefits of having an eight district structure for MoDOT including a more proportional geographical and population distribution. He also explained that in 2013 and 2014, the STIP indicates MoDOT's current District 9 will have the largest construction program of any rural district. Mayor Waggoner elaborated that District 9 currently has twenty roadway designers, one of the smallest design divisions in the department that are a very efficient and productive team. The taxpayers of Missouri want efficient government, a government that produces more for less. District 9's design team can provide more for less. Outsourcing the work will most likely cost more. Mayor Waggoner concluded his comments by stating the geographical area, population base, and size of the construction program warrant a district office located at Willow Springs. Chair Nichols thanked the delegation for attending the meeting and for their presentation.

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## **DELEGATION REPRESENTING THE TRUCKING INDUSTRY**

Troy Robertson, Con-Way Truckload, presented on behalf of the Truckload Carriers Association and the Missouri Trucking Association seeking the Commission's support of the Bolder Five-Year Direction. He explained that the trucking industry is tremendously competitive and the ability to operate as efficiently as possible is critical to survival, let alone success. The trucking industry has endured an extremely difficult economic climate during the past couple of years. However, despite the economic

climate, MoDOT has continued to improve the quality and safety of Missouri's highways and bridges. MoDOT has operated more efficiently to make the most of every dollar; as a result, the industry trusts MoDOT and is confident the Bolder Five-Year Direction is right for Missouri. Mr. Robertson commented that 2011 has been a challenging year for weather, particularly in Joplin. He was tremendously impressed by MoDOT personnel's response; with dedication, commitment, and compassion MoDOT worked to clear the roads and bridges in the community to get everyone moving again. Despite the fact that many of them were personally affected by these storms, MoDOT's employees answered the call and as a result of their tireless efforts, traffic is moving smoothly again. This tremendous effort has proven again that MoDOT will be able to continue to provide the services Missouri needs under the Bolder Five-Year Direction. The coming years will be challenging given the current and projected funding situation; however, the trucking industry believes the measures outlined in the plan are critical to the economic development and prosperity of the state as well as the safety of Missouri's highways. For those reasons, the trucking industry supports the plan and asked the Commission to implement it as scheduled. Commissioner Farber inquired if Mr. Robertson's company lost any employees due to the tornado in Joplin, Mr. Robertson replied they were very fortunate and did not lose any employees, however many employees lost their homes. Following the inquiry, Chair Nichols thanked Mr. Robertson for his presentation.

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#### **DELEGATION REPRESENTING THE CIVIL ENGINEERING PERSPECTIVE**

Bruce Wylie, American Council of Engineering Companies of Missouri (ACEC), explained that Missouri engineering companies felt the burden of reduced transportation funding for over two years. Most transportation firms have reduced staff anywhere from ten to thirty percent. ACEC continues to support ongoing efforts to find new, reliable, and robust revenue sources for transportation needs in

Missouri. ACEC applauds MoDOT for relying on private industry to help deliver critical transportation projects and programs in the future. Mr. Wylie stated his association wants to go on record in support of MoDOT for right sizing its work force, facilities, and equipment. ACEC supports MoDOT's bold plan to streamline operations and to fit within the resources available, especially at a time when the department's ability to match federal funds in the near future is in question. Chair Nichols thanked Mr. Wylie for his presentation on behalf of ACEC Missouri.

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#### **DELEGATION REPRESENTING THE JEFFERSON COUNTY AREA**

Ken Waller, Jefferson County Executive, commented that the Commission has a very hard decision to make, but he was confident the Commission would make the right decision. Chair Nichols inquired about the role of the Area Engineer for Jefferson County. Mr. Waller responded that Jefferson County is a wonderful example of the Area Engineer concept and how that position works closely with the community and the people. He encouraged other communities to embrace the Area Engineer concept because they will provide good customer service and take care of the people in the area. Mr. Waller concluded his remarks with an expression of support for the plan. Chair Nichols thanked Mr. Waller for his presentation.

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#### **DELEGATION REPRESENTING THE BUSINESS PERSPECTIVE**

Dave Griggs, small business owner from Columbia, submitted a written statement to the Commission. His comments recognized the difficult decisions the department and Commission will have to make; staff and facility reductions are very hard and touch many lives. He applauded the efforts to restructure the department and provide additional dollars for maintaining and improving roads and bridges across the state. Businesses and the overall economy are dependent on well maintained

highways. Hopefully, the legislature and citizens of Missouri will come together soon to provide sufficient funding for necessary maintenance and road construction. Pam Holt, a trauma nurse with St. John's Hospital in Springfield, presented a perspective from the medical industry. She explained that reduced funding for safety improvements and maintenance will cost lives and affect the economy of the state. If cuts are made to engineering for infrastructure, Missourians will have to pay more for medical expenses due to traffic crashes that could have been prevented with engineering remedies. The medical expenses put a burden on the healthcare system, employers, insurance companies, and local economies. Ms. Holt reviewed the creation and implementation of the Missouri Coalition for Roadway Safety's Blueprint for Safer Roadways. She reviewed the impact that effort has had on reducing fatalities in Missouri to a record low. A key strategy in the blueprint was safety improvements developed through sound engineering. She urged the Commission to continue to fund the Missouri Coalition for Roadway Safety and safety engineering to continue to reduce the number of lives lost and seriously injured on Missouri's roads. She explained that implementation of the Bolder Five-Year Direction will allow funds saved through the reductions in personnel, facilities, and equipment to be directed to safety improvements on roads and bridges in Missouri. Chair Nichols thanked Ms. Holt for reading Mr. Griggs' testimony and for her presentation from the medical industry perspective.

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#### **DELEGATION REPRESENTING THE EMPLOYEE ADVISORY COUNCIL (EAC)**

Matt Sonner, Chair of the Employee Advisory Council (EAC), offered suggestions to the Commission to enhance the Bolder Five-Year Direction and minimize or eliminate layoffs. Mr. Sonner cited separation statistics from Tracker measure 18b that indicates a loss of 313 employees from February 28, 2010 to March 2011. Average employee loss through attrition yields approximately 450 employees per year. The EAC suggests the workforce reduction deadline in the plan be extended from

December 31, 2012 to June 30, 2013 to allow the department to reach its goal reduction of 1,200 employees through attrition rather than using layoffs. If layoffs could be eliminated or minimized that would send a positive message to employees. With an extension of the workforce reduction deadline, the EAC estimates approximately 200 employees may need to be laid off.

The primary concern expressed by MoDOT forces is to implement the plan as soon as possible and share with employees information regarding implementation as soon as possible. Releasing this information will alleviate much of the fear, reduce some of the sleepless nights, and reduce rumors that are currently running rampant through the organization. A quick implementation will allow employees to begin to look for new opportunities and start planning for the future. The EAC realizes that a reduction of staff, facilities, and fleet is necessary, but is concerned that delaying the implementation of the plan will only add to employees' unrest and anxiety.

The EAC respectfully requested involvement of MoDOT employees and/or the EAC in the development of the implementation plan in order to promote transparency and improve communication of the plan. Mr. Sonner concluded his presentation by thanking the Commission for the opportunity to be heard and expressed confidence the Commission will make the best possible decision for MoDOT, its employees, and taxpayers. Commissioner Miller inquired if the EAC had calculated whether or not layoffs would be necessary if the deadline for workforce reductions was extended to March 31, 2013. Mr. Sonner responded they had not, but extending the deadline even three months would help show employees that the reduction in workforce is trying to be done without any layoffs at all. Following inquiry from the Commission, Chair Nichols thanked Mr. Sonner for his presentation and expressed appreciation for MoDOT workers who are innovative and committed to helping people and have impressed her wholeheartedly during the brief three years she has served on the Commission.

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## **DELEGATION REPRESENTING THE CITY OF HANNIBAL**

Tom Boland, Former Missouri Highways and Transportation Commissioner, introduced members from the community of Hannibal who attended the meeting. Mr. Boland introduced Jeff LaGarce, Hannibal City Manager, who spoke on behalf of the delegation. Mr. LaGarce congratulated the Commission for the many accomplishments in recent years including: major roads in good condition, highway fatalities at a record low, billions of dollars of highway improvements built on time and within budget, and customer satisfaction at an all time high. Mr. LaGarce stated he realized that MoDOT's funding has reached a critical point. Taxpayers have made it clear that government at all levels must optimize service while minimizing costs. Missourians will support additional highway funding only when MoDOT and the Commission have made the same difficult financial decisions that many of them have been forced to make. This is a very real and personal transportation funding crisis for all Missourians and it impacts their lives daily. Mr. LaGarce expressed appreciation and support for the Commission's bold leadership and decisive action.

Mr. LaGarce stated Hannibal supports the Commission in developing the Bolder Five-Year Direction to address MoDOT's funding challenges. In terms of right-sizing, the community of Hannibal hopes MoDOT will reach the target employee level through attrition, realizing this is the most difficult part of the reductions. In terms of facilities, Hannibal recognizes this is difficult also, especially for those losing a facility within their locale. The 135 facilities selected for closure are logical and well thought out. The choices made will still allow quality service for customers while reducing massive amounts of overhead. In terms of equipment, rightsizing the workforce and facilities necessitates the

sale of over 740 pieces of equipment. Surplus equipment also represents expensive overhead that will be eliminated through this reduction.

Mr. LaGarce also expressed support of the physical location of the district offices in the new plan. The department's current location for all ten district offices illustrates the similar characteristics including: the largest population community for the region, largest economic development base, and highest traffic counts. None of the current ten district offices are truly centrally located, yet the structure is very effective for Missourians. Mr. LaGarce thanked the Commission for the decision to locate the Northeast district office in Hannibal and explained the community will continue to support the department to provide essential transportation services for the region.

Mr. LaGarce concluded his presentation commending the Commission for realigning MoDOT for effective operations in the twenty-first century. This plan will deliver quality services to the people of Missouri and at a greatly reduced cost. Mr. Boland applauded the idea of regional centers for the three district offices that were closing, and commended the department for listening and thinking through the implementation of this plan. There being no inquiry of the delegation, Chair Nichols thanked the delegation for attending the meeting and their presentation.

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## **PUBLIC COMMENTS ON THE BOLDER FIVE-YEAR DIRECTION**

**Representative Randy Asbury** stated he understands the need to live within your means, however; he expressed concern about the economic impact of the proposed plan on rural Missouri and the process used to develop the plan. He feared that rural Missouri would carry the burden of the savings MoDOT would accumulate through the closure of the rural district offices and maintenance buildings. He also expressed uneasiness because he felt the savings would be applied to urban roads rather than rural roads. He found the responses that were provided to legislative requests unsettling and

felt they did not provide information to justify the proposed plan. He thought the timing of introducing the plan in May 2011 was planned in order to prevent the legislature from filing legislation to prevent MoDOT from implementing the plan. He stressed the importance of having a process that is transparent, inclusive, and collaborative in order to gain support from taxpayers and ensure success of the plan. He encouraged the Commission be diligent in their efforts to minimize and mitigate impacts of the final plan and appreciated Director Keith's efforts to work with the Macon area.

**Allan Muncy, Macon City Administrator**, shared similar concerns that were expressed by senior management in internal MoDOT documents. Mr. Muncy received these documents through an open records request. Some of the concerns he shared were larger districts, customer service, employee morale, and mistrust. Mr. Muncy believes the department is headed down a slippery slope; if it works it will be great, but if it doesn't, the department will never be able to come back to its present level. Mr. Muncy pleaded with the Commission for more time to review MoDOT's internal documents and for the Commission not to rush a decision.

**Representative Tom Shively** requested the Commission allow more time to consider the effect the proposed plan will have on rural Missouri and the Macon area especially. He stated that closing the district office in Macon will lead to loss of jobs and income as well as the possibility of fewer road and bridge projects.

**Dale Bagley, Mayor of the City of Macon**, asked the Commission to keep Macon as the district headquarters either in the current ten district configuration or in the new Northeast District. One of his reasons for this suggestion is his calculation that Macon is closer to many areas of the state. He was glad to learn about the Area Engineer concept and the possibility of satellite offices to provide proper service to all parts of the northeast region. He also favored keeping the Macon office due to recent renovations, and in his opinion it will be harder to sell the Macon district office.

**Harriet Beard, Highway 63 Transportation Corporation Chairperson,** shared with the Commission why they believe they need MoDOT engineers close by. She explained the citizens in District 2 worked hard to raise \$50 million to four lane Highway 63 from Macon to Kirksville. Ms. Beard felt this major accomplishment was possible because the district office was in close proximity to the project and the citizens. She thanked MoDOT for their partnership and stated she hopes the Commission will keep a strong office in Macon.

**Denise Bennett, Economic Development Director for Macon County,** explained her concern for the economic impact on the Macon area. The burden of losing so many good paying jobs with the closure of the district office in Macon will affect schools, banks, housing markets, local businesses, tax base, and the hospital. While she agreed MoDOT must make changes she did not support the proposal to close district offices. Ms. Bennett believes there are alternatives that will accomplish the same goals. She asked the Commission take more time to reach a decision. She has participated in conversations with Director Keith to determine the mitigation of job loss and preservation of positions to continue to provide services to the Macon area. Ms. Bennett asked the Commission make sure the job mitigation does occur to keep as many MoDOT employees in Macon as possible.

**John Neer, a concerned citizen from Macon,** reviewed with the Commission some of the materials obtained by Mr. Muncy in his open records request. Mr. Neer read with concern a document that included a list of potential outsourced jobs; he did not understand why the department would eliminate jobs only to outsource the work. He expressed concern about the fast track nature of the proposal and what he feels was a lack of transparency in the development of the plan. He felt the districts were going to be too large, and that Macon should remain the district office for the new district. He felt there was some underlying political motivation for closing the Macon district office and for the timing of announcing the proposal.

**Nate Walker, a community advocate,** stated while he knows the Commission has a difficult decision to make; he would encourage them to postpone the decision for a little while. He expressed hope for the future, and the ability of the community and the department to continue to work together to improve Missouri's transportation system. Mr. Walker shared his concern that this is a situation where the city people and the country people are struggling to find balance. Mr. Walker also complimented Director Keith for doing the right thing and coming to the community several times for meetings to hear the concerns of the citizens.

**Mark Collins, Howell County Presiding Commissioner,** stated the plan for seven districts is wrong for Missouri. He explained eight districts is a much better plan and when implemented will provide the same effect of reductions and create budget savings. He urged the Commission to consider the eight district plan. He also expressed concern about the fight between rural and urban areas with implementation of this plan.

**Bob Watson, reporter,** commented on the agenda that indicated a closed session would follow this open meeting. He felt the discussion about whether or not the Commission will approve the recommendation or delay a decision should be held in open session, rather than in closed session outside of the public's presence.

**John Bailey, Willow Springs Area Chamber of Commerce President,** asked the Commission to reconsider closing district offices. He stated the current ten district structure aligns MoDOT's districts better with the Missouri State Highway Patrol and the Department of Conservation districts. He expressed appreciation for the members of the Commission and staff who have traveled to Willow Springs and West Plains to meet with the citizens about the proposed plan. Mr. Bailey concluded his comments by asking the Commission to do the right thing.

**Scott Williamson, Willow Springs General Baptist Church Pastor**, stated his disagreement with the proposed plan to have seven districts. He believed the distribution of the workforce across the state would be unbalanced in the seven district structure. During his comments, Pastor Williamson cited several documents that were provided in response to Mr. Muncy's open records request. One of the documents encouraged communication during downsizing the organization; however he felt that adequate communication could not happen during the brief thirty day period that was allowed under the Bolder Five-Year Direction. He encouraged the Commission to consider the eight district structure that was an option reviewed by Senior Management Team's during deliberations of the Bolder Five-Year Direction. He expressed concern when employees are not involved in the process and their voices are not heard; as a result, while the organization may reach the staffing goal, it will suffer the loss of the best minds and expertise, and staff will not be appropriately distributed among the divisions and districts.

\* \* \* \* \*

## **CONSIDERATION OF BIDS FOR ROADWAY IMPROVEMENTS**

On behalf of the Director, Kathy Harvey, State Design Engineer, presented the following recommendations pertaining to bids received on federal-aid and state highway and bridge projects during the past month.

Ms. Harvey recommended (1) Award of contracts to the lowest responsive bidders for bids received on the May 27, 2011 letting, as recommended and noted in Table I below. Non-contractual costs for these projects are shown on the below tabulation. (2) Reject the bids received on Call 701, as noted in Table II below, due to excessive bids, per Section 102.15 of Missouri Standard Specifications. (3) On Call 808 staff recommended awarding this project to the low bidder and requested a contingent award be made to the second low bidder based on the following information. The low bidder was Ground Breaking Excavation & Utilities, LLC, who contacted staff immediately after the bid opening

indicating that they had made an error in submitting their bids for Calls 808 and 810. When submitting their bids for these two calls they mixed up the two jobs, resulting in their bid for call 810 being submitted for Call 808. The two projects were similar and had identical lump sum bid items but significantly different quantities. The low bidder indicated that he had intended to submit a bid of \$323,500 for Call 808 and a bid of \$58,000 for Call 810. The low bidder requested the Commission release him from his bid bond obligation for Call 808. Per Section 102.9 the bid guarantee is no less than five percent of the bid amount and would be \$2,900 if the low bidder decides to not execute the contract as awarded. The second low bid is from Bennett, Inc. (4) Note Call 201 has funding by Koch Performance Roads, Inc. and requires concurrence, the corporation has concurred. (5) Note Call 401 has funding by the City of Harrisonville and requires concurrence, the City has concurred. (6) Note Call 504 has funding by the City of Jefferson City and Cole County and requires concurrence, the City and County have concurred. (7) Note Call 611 has funding by the Illinois Department of Transportation (IDOT) and requires concurrence, IDOT has concurred.

**Table I  
Award of Contracts  
May 27, 2011, Bid Opening**

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
102	A, W	Nodaway	J1B0801K	\$492,577.50	\$0	Chester Bross Const. Co./C. B. Equipment, Inc.	Two Bridge Deck Replacements
103	29	Atchison	J1I2155	5,121,032.20	144.00	Loch Sand and Construction Co.	Grading, Drainage, Pavement, and Welcome Center Structure
104	36	DeKalb	J1B0801S	1,165,881.46	1,312.00	Phillips Grading & Construction Inc.	Redeck Two Bridges
201*	63	Adair, Macon	J2M0047	103,962.73	0	Musselman and Hall Contractors, LLC	Warranty Work for Asphalt Crack Seal and Popout Repair
202	127	Saline	J2B0801F	1,049,918.80	0	Phillips Grading & Construction, Inc.	Bridge Replacement

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
301	107, FF	Monroe	J3S2190B	2,707,876.86	1,254.00	PCI Roads, LLC	Three Bridge Rehabilitation & Painting
401**	7	Cass	J4S2344	194,240.00	658.00	Leath & Sons, Inc.	Traffic Signal and ADA Improvements
403	71 OR	Cass	J4S2030	382,521.87	0	APAC-Kansas, Inc., Kansas City Division	Thin-Lift Overlay, Pavement Repair
404	Various	Various	J4P2241	354,512.94	0	Missouri Pavement Maintenance, Inc.	Crack Filling with Two Add Alternates
406	45	Platte	J4P2203	3,844,555.30	656.00	APAC-Kansas Inc, Kansas City Division	Grading, Drainage, Paving, & Bridge Replacement
407	71	Jackson, Cass	J4Q1769D	1,194,785.50	138,000.00	K & W Underground, Inc.	Installation of ITS
408	150	Jackson	J4O2347	986,994.35	656.00	Amino Bros. Co., Inc.	Construct a Shared Use Path
501	54	Cole	J5P2185	3,739,416.38	800.00	Lehman Construction, LLC	Grading, Paving, & Drainage for J-Turns
503	63	Boone	J5P0738	9,793,257.30	711.36	Chester Bross Const. Co./C. B. Equipment Inc.	Grading, Drainage, Alternate Pavement, & Bridge
504***	179	Cole	J5S0906	6,394,836.85	0	Emery Sapp & Sons, Inc.	Grading, Drainage, Paving, & Bridge
	Mission Drive	Cole	J5O2221		656.00		Grading, Drainage, & Paving
601	64	St. Louis City	J6I2020	12,886,140.30	82,500.00	Penhall Company	Bridge Deck Rehabilitation
602	44	St. Louis City	J6I2089	3,828,294.58	144.00	Fred Weber, Inc.	Two Bridge Deck Replacements
603	70, 270	St. Louis, St. Louis City	J6I2366	4,878,507.05	1,312.00	Micro-Surfacing, Inc.	Thin-Lift Overlay
604	115, H	St. Louis City	J6P2237	2,142,000.00	418.00	Pace Construction Company, LLC	Thin-Lift Overlay & ADA Improvements
605	100	Franklin	J6P2206	1,310,000.00	656.00	N. B. West Contracting Company	Thin-Lift Overlay
606	270	St. Louis	J6I2099	1,210,000.00	656.00	Pace Construction Company, LLC	Bridge Rehabilitation
607	55	St. Louis	J6I2218	352,072.00	1,000.00	Gerstner Electric, Inc.	Signal Replacement and ADA Improvements
608	367	St. Louis	J6S2334	480,300.00	400.00	Gerstner Electric, Inc.	Alternate Signals (Mast Arm or Steel Span-Wire)

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
609	370	St. Louis, St. Charles	J6P2367B	664,644.55	288.00	J. M. Marschuetz Construction Co.	Grading & Optional Pavement
610	364	St. Charles	J6P2367D	432,562.90	0	N. B. West Contracting Company	Intersection Improvements
611 ****	255	St. Louis	J6I2359B	5,223,400.00	72.00	Abhe & Svoboda, Inc.	Lateral Bracing and Hanger Cable Replacement
612	JJ	St. Louis	J6S1859	1,549,831.70	274.00	L. F. Krupp Construction, Inc. DBA Krupp Construction	Coldmilling and Resurfacing
616	70 SOR	St. Charles	J6M0170	314,400.00	418.00	Pace Construction Company, LLC	Coldmilling and Resurfacing
617	70 NOR	St. Charles	J6M0176	518,000.00	144.00	Pace Construction Company, LLC	Coldmilling and Resurfacing
702	71 OR	Bates	J7P0797P	1,391,022.42	168.92	APAC-Missouri, Inc.	Grading, Drainage, & Paving
703	249	Jasper	J7P0802C	749,573.50	0	Burk Bridge Co.	End Bent Stabilization
801	266	Greene, Lawrence	J8S2275B	1,722,186.66	72.00	APAC-Missouri, Inc.	Thin-Lift Overlay
	266	Greene	J8S2275		72.00		
802	BL 44	Greene	J8P2371	1,097,781.98	656.00	APAC-Missouri, Inc.	Optional Full Depth Pavement, Coldmilling, & Resurfacing
803	38	Dallas	J8S2344	858,342.80	144.00	APAC-Missouri, Inc.	Thin-Lift Overlay (SL)
	M	Dallas	J8S2345		144.00		
804	44	Greene	J8I2358	1,144,606.08	656.00	Leo Journagan Construction Co., Inc.	Coldmilling, Resurfacing, Shoulder Repair
805	95	Wright	J8P2306	1,095,000.00	144.00	Pace Construction Company, LLC	Thin-Lift Overlay & A3 Shoulders
807	13	Polk, Greene	J8P2214	211,503.29	656.00	APAC-Missouri, Inc.	Optional Paving for Turn Lanes
808 *****	248	Stone	J8O2372	58,000.00	0	Ground Breaking Excavation & Utilities, LLC	Stream Bank Stabilization
809	Various	Greene	J8Q0830B	1,265,603.60	50,656.00	Ewing Signal Construction, LLC	ITS Installation
810 ***** *	H	Polk	J8M0100	39,548.50	0	David E. Brown Construction, LLC	Stream Bank Stabilization
901	63	Phelps	J9P2231	279,130.78	0	N. B. West Contracting Company	ADA Improvements

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
902	BL 44	Phelps	J9P2200	1,614,439.16	418.00	H. R. Quadri Contractors, LLC	Grading, Drainage, & Optional Paving
X01	67	Wayne	J0P0931F	457,605.00	0	Robertson Contractors, Inc.	Bridge Demolition
X02	57	Mississippi	J0M0052	147,814.05	144.00	Chester Bross Const. Co./C. B. Equipment Inc.	Sawcutting and Epoxy Crack Sealing
X10	55	Cape Girardeau, Perry, Scott	J0I2176	15,741,185.35	0	Apex Paving Co.	Resurfacing & Alternate Underseal
X11	OO	Madison, St. Francois	J0M0060	320,127.95	144.00	Blevins Asphalt Construction Company, Inc.	Grade A Chip Seal
X12	153	Stoddard, New Madrid	J0M0061	461,512.28	144.00	Blevins Asphalt Construction Company, Inc.	Grade B Chip Seal
X13	91	Stoddard, Scott	J0S2260	787,471.78	0	Apex Paving Co.	Thin Lift Overlay
			<b>SUB-TOTAL:</b>	<b>\$102,758,978.30</b>	<b>\$287,348.28</b>		
<b>Job Order Contracting</b>							
101	Various	Various	J1P2200	235,500.00		Superior Rail System, LLC	Job Order Contracting Guardrail & Guard Cable Repair
402	Various	Various	J4P1910	253,572.00		Superior Rail System, LLC	Job Order Contracting Guardrail & Guard Cable Repair
405	Various	Jackson	J4P1914	1,629,816.00		Collins & Hermann, Inc.	Job Order Contracting Guardrail & Guard Cable Repair
502	Various	Various	J5M0098	200,000.00		Mar-Jim Contracting, LLC	Job Order Contracting Guardrail Repair
613	Various	St. Louis, St. Louis City	J6M0173	830,550.00		Collins & Hermann, Inc.	Job Order Contract for Guardrail Repair
614	Various	St. Charles	J6M0174	266,805.00		D & S Fencing Company	Job Order Contract for Guardrail Repair
615	Various	Jefferson, Franklin	J6M0175	383,600.00		D & S Fencing Company	Job Order Contract for Guardrail Repair
806	Various	Various	J8S2376	370,800.00		Branco Enterprises, Inc.	Job Order Contracting – Bridge Maintenance
X14	Various	Various	J0M0058	195,500.00		D & S Fencing Company	Job Order Contracting Guardrail Repair

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
	55, 57	Various	JOM0055				Job Order Contracting Guardrail Repair
	67	Various	JOM0053				Job Order Contracting Guard Cable Repair
	55	Various	JOM0054				Job Order Contracting Guard Cable Repair
	55, 155	Various	JOM0056				Job Order Contracting Guardrail Repair
	Various	Various	JOM0057				Job Order Contracting Guardrail Repair
	Various	Various	JOM0059				Job Order Contracting Guardrail Repair
			<b>SUB-TOTAL:</b>	<b>\$4,075,000.00</b> *****	<b>\$0</b>		
			<b>GRAND TOTAL:</b>	<b>\$106,833,978.30</b>	<b>\$287,348.28</b>		

\* Call 201 – Funding by Koch Performance Roads, Inc. 100%.

\*\* Call 401 – Funding by City of Harrisonville \$101,120.

\*\*\* Call 504 – Funding by Jefferson City & Cole County, \$1,621,115.36.

\*\*\*\* Call 611 – Funding by IDOT \$2,611,700.

\*\*\*\*\* Call 808 – Funding by Natural Resources Conservation Service \$43,500.

\*\*\*\*\*Call 810 – Funding by Natural Resources Conservation Service \$22,506.

\*\*\*\*\* Subtotal Award Amounts Changed to Reflect Program Cap.

**Table II  
Rejection of Bids  
May 27, 2011, Bid Opening**

Call No.	Route	County	Job No.	Description
701	Bus 71, FF	Newton, Jasper	J7P2193C	ADA Improvements with Add Alternates

### Commission Consideration and Action

After consideration, Commissioner Miller moved to award to the second low bidder on call 808 in light of the low bidder's error. Commissioner Carmichael seconded the motion. Commissioners Miller and Carmichael voted in favor of the motion. Commissioners Nichols, Farber, Gach, and Suelthaus voted in opposition to the motion. The motion failed.

After consideration, and upon motion by Commissioner Farber, seconded by Commissioner Gach, the Commission took the following action with the abstentions noted below:

1. Awarded contracts to the lowest responsive bidders for bids received on the May 27, 2011 bid opening, as recommended and noted in Table I above. Non-contractual costs for these projects are shown on the above tabulation.
2. Rejected the bids received on Call 701, as noted in Table II above, because they were considered excessive.
3. Awarded the project on Call 808 to the low bidder with a contingent award to the second low bidder.
4. Noted receipt of concurrence from Koch Performance Roads, Inc. on Call 201.
5. Noted receipt of concurrence from the City of Harrisonville on Call 401.
6. Noted receipt of concurrence from the City of Jefferson City and Cole County on Call 504.
7. Noted receipt of concurrence from the Illinois Department of Transportation on Call 611.

In keeping with the Commission's Delegation of Authority to Execute Documents Policy, the Director, Chief Engineer, or the Chief Financial Officer may execute the contracts awarded above. Commissioner Carmichael abstained from calls 802 and 805. Commissioner Farber abstained from calls 103, 701, 806, and 807. Commissioner Miller abstained from calls 103, 201, 504, 804, and 806.

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#### **RATIFICATION AND APPROVAL OF RIGHT OF WAY PLANS FOR CONDEMNATION**

On behalf of the Director, Kathy Harvey, State Design Engineer, recommended the Commission ratify and approve the following detailed project plans, approved by the Chief Engineer, which have been filed for condemnation.

<u>County</u>	<u>Route</u>	<u>Job Number</u>
Lincoln	61	J3P0749

In accordance with Section 227.050 RSMo, the Commission via approval of the Consent Agenda, approved the detailed project plans for the above noted projects and directed they be filed as necessary for the condemnation of right of way.

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**FISCAL YEAR 2011 BUDGET AMENDMENT**

On behalf of the Director, Brenda Morris, Resource Management Director, recommended approval of an increase to disbursements of \$1.6 million. The budget increases will be funded from existing cash balances in the State Road Fund with full reimbursement for the federal OJT Program costs.

In addition, Ms. Morris recommended adjustments for transfers between appropriations to address changing priorities and provide greater flexibility to districts and divisions in funding program priorities. The amended budget for fiscal year 2011 is \$2,957,774,000.

Via approval of the consent agenda, the Commission unanimously approved the amendments and adjustments to the fiscal year 2011 budget as noted above.

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**DISPOSAL OF EXCESS PROPERTY**

In keeping with the Commission’s Delegation of Authority for Approval and Execution of Documents Policy regarding disposition of Commission-owned property or property rights, the sale of all properties owned by the Commission with appraised values of \$200,000 or more must be approved by specific Commission action.

**Consideration of Excess Property Disposal, Route 76,  
Taney County, Excess Parcel E8-0613**

On behalf of the Director, Kelly Lucas, Right of Way Director, recommended conveyance of 4.04 acres of land located on Route 76, approximately one mile east of Business Route 65 to the Taney County Commission for consideration of \$211,000.

Via approval of the consent agenda, the Commission unanimously approved the property conveyance described above.

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**DISPOSAL OF EXCESS PROPERTY**

In keeping with the Commission's Delegation of Authority for Approval and Execution of Documents Policy regarding disposition of Commission-owned property or property rights, all unique, sensitive, and/or controversial transactions will be submitted to the Commission. The Commission was presented with this proposed conveyance at the November 3, 2010 Commission meeting and was removed from the consent agenda for further discussion and consideration at a later date. The sale of all properties owned by the Commission with appraised or sales values of \$200,000 or more must be approved by specific Commission action in accordance with the Commission's Delegation of Authority for Approval and Execution of Documents policy. In November 2010, the staff appraisal for the property was \$253,000 and the proposed sale value to the City of Clever was \$165,000. Since November 2010, an independent fee appraiser has valued the property at \$175,000, and the City of Clever has proposed to purchase the property for a negotiated price of \$197,500. This proposed conveyance no longer meets the \$200,000 sale value, but the following sale is unique and was brought back to the Commission for consideration and action.

**Consideration of Excess Property Disposal, Route K,  
Christian County, Excess Parcel E8-0641**

On behalf of the director, Kelly Lucas, Right of Way Director, recommended conveyance of 2.96 acres of land located on the west side of Route K at 213 Public Street in Clever, Missouri to the City of Clever for the consideration of \$197,500.

Via approval of the consent agenda, the Commission unanimously approved the property conveyance described above.

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**THE CLARKSON KEHRS MILL TRANSPORTATION DEVELOPMENT DISTRICT (TDD),  
CONSIDERATION OF THE PROJECT AND APPOINTMENT OF AN ADVISOR**

On behalf of the Director, Ed Hassinger, District 6 Engineer, advised the Commission that in response to a petition filed by Lawrence F. Behymer, Sr., Martial Trust and Schnuck Markets, Inc., on July 15, 2009, the Circuit Court of St. Louis County established the Clarkson Kehrs Mill Transportation Development District (TDD) as a political subdivision on August 11, 2009. The proposed project includes improvements to turn lanes and pedestrian facilities along Clarkson Road (Route 340) and Kehrs Mill Road. The Construction will increase capacity and improve safety.

In keeping with Sections 238.220(3) and 238.225(1), RSMo, the Commission, via approval of the consent agenda, (1) found the upgrades to the area noted above, to be a necessary and desirable extension of the state highways and transportation system, subject to the TDD making any revisions in the plans and specifications required by the Commission and subject to the TDD entering into a mutually satisfactory agreement with the Commission regarding development and future maintenance of the project, and (2) appointed the District 6 Engineer, or his designee, as the Commission advisor to the Commons of Hazel Hills TDD board of directors. In keeping with the Commission's Delegation of

Authority for Approval and Execution of Documents Policy, the Director, Chief Engineer, Chief Financial Officer, or respective business unit director may execute the related agreements

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**HIGHWAY 63 TRANSPORTATION CORPORATION,  
REAPPOINTMENT OF BOARD MEMBERS**

On behalf of the Director, Dan Niec, District 2 Engineer, conveyed the following recommendation of the Highway 63 Transportation Corporation Board of Directors as it pertains to membership on that board:

- Reappoint Harriet Beard, Don Crosby, Dwight Hart, Everett Ruby, and Laura Guy for a three-year term beginning July 1, 2011 and ending June 30, 2014.

Via approval of the consent agenda, the Commission unanimously approved the reappointment to the Highway 63 Transportation Corporation Board of Directors as recommended and noted above.

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**-- REPORTS --**

The Commission received the following written reports.

**FINANCIAL – BUDGET - REPORTS  
YEAR-TO-DATE FINANCIAL REPORT, APRIL 30, 2011**

Deborah S. Rickard, Controller, provided to the Commission the Fiscal Year 2011 monthly financial report for the period ended April 30, 2011, with budget and prior year comparisons.

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**AUTOMATED TRAFFIC ENFORCEMENT UPDATE**

Don Hillis, Director of System Management, provided a summary of the progress of implementing the Commission’s Automated Traffic Enforcement policy. The department has been in communication with the twenty-five communities who had automated red-light enforcement cameras installed at the time the Commission policy was adopted. Nine cities signed new agreements; two cities’ cameras are not operational; one city removed their enforcement cameras; three cities requested the installation of additional locations for automated red-light enforcement cameras. One city who did not have automated red-light enforcement cameras prior to adoption of the policy has been approved for installation of two automated enforcement cameras.

The permit for Sugar Creek to have automated speed enforcement has expired and signs have been removed from right of way. Sugar Creek continues to operate automated enforcement equipment on state right of way with a law enforcement officer present. There is a request pending from an accident reduction corridor group, for installation of automated speed enforcement on I-70 in the designated Travel Safe Zone.

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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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