



**MISSOURI HIGHWAYS AND TRANSPORTATION
COMMISSION**

Official Minutes

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August 2, 2023

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**MINUTES OF THE REGULARLY SCHEDULED
HIGHWAYS AND TRANSPORTATION COMMISSION MEETING
HELD IN CHILLICOTHE, MISSOURI,
WEDNESDAY, AUGUST 2, 2023**

A regularly scheduled meeting of the Missouri Highways and Transportation Commission was held on Wednesday, August 2, 2023, at the Litton Agri-Science Learning Center, Jenkins Expo Center, 10780 Liv 235, Chillicothe, Missouri and was available via live stream. Terry L. Ecker, Chair, called the meeting to order at 9:00 a.m. The following Commissioners were present: W. Dustin Boatwright, P.E., Gregg C. Smith, Robert G. Brinkmann, P.E., and Warren K. Erdman. There remains one vacant seat.

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

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Patrick McKenna, 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, August 2, 2023.

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

-- OPEN MEETING --

COMMISSION/DIRECTOR ITEMS

MOMENT OF SILENCE

Chairman Ecker shared the sad news about the loss of one of our MoDOT family members last week. Southwest District Senior Equipment Technician, Charles Toler, died in a tragic vehicular accident while performing mechanical work on July 24. He had worked for MoDOT for more than 15 years.

Director McKenna noted the MoDOT family said goodbye to another teammate. He was a colleague. He was a friend. He was a father and husband. These are the worst days. We want every one of our team to go home to their family and friends every day. We will continue to learn and focus on safety with every effort and resource this department has. Our thoughts and prayers are with his family and friends, and his MoDOT family.

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APPROVAL OF MINUTES

Upon motion by Commissioner Smith, seconded by Commissioner Brinkmann, the Commission unanimously approved the minutes of the regular meeting held on June 7, 2023, and the special meetings on June 6, 2023, and July 11, 2023. The Chairman and Secretary to the Commission were authorized and directed to sign and certify said minutes and to file same in the office of the Secretary.

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CONSENT AGENDA

Consent Agenda Process

In order to make the most efficient use of Commission meeting time and to ensure Commission members are well informed on issues requiring their action, staff prepares and submits to the Commission

members, in advance of their meeting, internal memoranda consisting of advice, opinions, and recommendations related to the items of the Commission meeting agenda. Those items considered by staff to be of a routine or non-controversial nature are placed on a consent agenda. During the meeting, items can be removed from the consent agenda at the request of any one Commission member. The items that are not removed from the consent agenda are approved with a single motion and unanimous vote by a quorum of the members.

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

Consideration of August 2, 2023, Consent Agenda

No items were removed from the consent agenda. Upon motion by Commissioner Smith, seconded by Commissioner Boatwright, the consent agenda items were unanimously approved by a quorum of Commission members present.

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COMMISSION COMMITTEES AND COMMISSION RELATED BOARDS

The Commission has two standing committees: Audit and Legislative. In addition, it elects Commission representatives to two boards: Missouri Transportation Finance Corporation Board of Directors and MoDOT and Patrol Employees’ Retirement System Board of Trustees. A Commissioner also serves on the Missouri Coalition for Roadway Safety Executive Committee. The following committee and board reports were made during the August 2, 2023, meeting.

Audit Committee – Commissioner Brinkman stated there is no report this month and the next Audit Committee meeting is scheduled for November 2023.

Legislative Committee – Commissioner Boatwright reported Governor Parson completed his review process of all legislative proposals that were passed during the 2023 legislative session. All bills signed will go into effect on August 28, unless otherwise noted in the legislation. The one bill that was vetoed by the Governor, and any line-items vetoed in the budget, can be considered for a “veto override” during the annual veto session of the General Assembly on September 13.

Missouri Transportation Finance Corporation (MTFC) – Commissioner Smith stated that there was no report and the MTFC Board meeting is scheduled for October 2023.

MoDOT and Patrol Employees’ Retirement System (MPERS) – Commissioner Boatwright reported the board had not met recently; the next Board meeting is scheduled for September 21, 2023.

Missouri Coalition for Roadway Safety Executive Committee – Commissioner Brinkmann reported as of Monday, July 31, there have been 491 traffic fatalities in Missouri this year. This is 71 fewer fatalities than the same period last year, a thirteen percent reduction. Following the month of June, which experienced a thirty-five percent reduction compared to 2022, the month of July also saw a noticeable reduction in traffic fatalities. Preliminary results indicate the month of July had a reduction of fifteen to twenty percent compared to 2022. Together, this marks a significant improvement for the state during the summer months. With several more weeks of summer travel and back to school traffic beginning later this month, it’s imperative to continue promoting and practicing safe driving behaviors to extend these gains throughout the remainder of the year.

Later this month, Missouri will join other states in the national Drive Sober or Get Pulled Over campaign aimed at promoting sober rides and removing any impaired drivers from the roadway. Impaired driving continues to contribute to about 1 in 4 Missouri traffic fatalities.

Finally, the committee will meet again on September 6 prior to next month’s Commission meeting.

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DIRECTOR’S REPORT

During the August 2, 2023, Commission meeting, Director Patrick McKenna provided the following report:

STIP Projects in Northwest – Later today, the Commission will be presented with details on the many road and bridge improvements being made here in the Northwest part of Missouri as well as the overall update on minor and low volume roads across the state. MoDOT’s local team is doing an excellent job with newly increased resources to make strides in the road and bridge conditions as part of our overall asset management approach. At the July commission meeting, the new Fiscal Year 2024-2028 Statewide Transportation Improvement Program (STIP) was approved. With nearly \$14 billion, this program is the largest ever with more than 1,500 projects. The program also includes hundreds of millions of dollars dedicated to annual asset management that is essential to maintaining the state’s roads and bridges. It is a stark contrast to where Missouri was less than a decade ago. Now, one year of contract work is worth nearly \$2 billion, whereas previously that amount of funds was all the resources the department had to cover five years of work.

For low volume rural roads and bridges, MoDOT is working its way back from several decades of not having enough money to keep conditions good on those routes. The Director noted the department’s

appreciation for Governor Parson’s focus on infrastructure and his financial support with \$100 million for rural roads both in last year’s budget and this year’s budget. MoDOT is also nearing completion on the Governor’s Focus on Bridges program that repairs or replaces 250 of the worst bridges, most of which are focused on the minor roads of the state. The department is seeing the overall condition of the road network up four to five percent over the last few years. With 33,800 miles of Missouri roads, it takes a lot of focused work to move that needle.

Workforce – The Director discussed concerns with the past few years of gaining and retaining employees. He shared that 18 months ago the department was losing 90 or more employees per month. He was pleased to report that as of August 1, the department welcomed 91 new employees to MoDOT. He expressed his appreciation for the work that it took to help employees with raises and cost of living adjustments that yielded benefits for the department. The department identified a barrier to working at MoDOT and that is the amount of time it takes from talking with someone at MoDOT to receiving a paycheck, which can take about two and a half months. He reported last week the department implemented a unique job fair with drug tests, physicals, and background checks included at the events. He explained the department is taking a chance on people and hiring them immediately and have them do safety training and get paid while the department waits for the results of their tests. The effort last week was successful with job offers extended to 42 employees last week, and their first day of work was Tuesday. There are two more rounds of these hiring events scheduled later in August.

Stand Up for Safety Day – On July 20, MoDOT held its annual Stand Up for Safety Day. This safety day emphasis was started by former MHTC member, Mike Pace, nearly a decade ago. All employees spend the day dedicated to learning important safety topics. The department wants to do everything we can to have counter measures in place to driver behaviors that result in crashes, like speeding, inattention and driving impaired.

State Flag Protocol – The Director expressed his appreciation to the Governor for allowing the department to lower the state flag at MoDOT’s facilities in honor of the recent fallen worker, Charles Toler. This is the first time in MoDOT’s history that this was allowed, in recognition of the public service provided by a MoDOT worker.

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PUBLIC PRESENTATIONS

WELCOME FROM LIVINGSTON COUNTY PRESIDING COMMISSIONER

Ed Douglas, Former MHTC member and Livingston County Presiding Commissioner, welcomed the Commission to Chillicothe for their August 2, 2023, meeting. He commended MoDOT staff for their professionalism and their service to the public. He recognized the limited transportation funds and the great work that is accomplished with the limited resources. Transportation is vital to economic development in communities. The department also has the opportunity to save lives by making

transportation facilities safer for the traveling public. What a difference MoDOT makes working for the betterment of society! Commissioner Ecker thanked Mr. Douglas for his kind remarks.

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GREEN HILLS REGIONAL PLANNING COMMISSION TRANSPORTATION ADVISORY COUNCIL UPDATE

Members of the Green Hills Regional Planning Commission Transportation Advisory Council including Phillip Ray, Grundy County Presiding Commissioner; Robert Munden Putman County Presiding Commissioner; and Carl Crader, Transportation Advisory Committee (TAC) member, shared with the Commission their concerns regarding transportation in Northwest Missouri.

Mr. Ray noted that overall road conditions while poor they have seen improvement, and offered assistance in advocating for further improvements. Transportation infrastructure, public safety, and education are the basic triangle of government. Transportation infrastructure is the lifeline of the communities in Northwest Missouri. Bridge rehabilitation and reconstruction work that has taken place is noteworthy, unfortunately local bridge projects are taking multiple years to accomplish and those delays lead to additional expenses related to the projects creating burdens on local governments. They are concerned about the environmental assessment process and the additional costs associated with it. There are also concerns about signage, and the need to review the signs with new routes as well as maintaining signs on all routes. Signs are necessary to help travelers get to their destinations safely.

Mr. Crader shared concerns regarding the reduced equipment availability across the region. He inquired about the plan to address a major storm event with the reduced equipment. He also shared it is hard to maintain shoulders without the right equipment. He expressed his concerns about the morale of department employees. He said that 8 inch unbonded overlays on the interstates are not working and are costing taxpayers.

Mr. Munden shared about economic development in the region. He expressed appreciation for the Governor's infrastructure efforts to expand broadband. This has created a need for transportation improvements and services as more people live and work in rural areas. The Roy Blunt Reservoir is under construction and the Little Otter Reservoir are going to lead to significant growth in tourism and recreation in the region. There are 11 major highways in the region that are showing their age. The interstate system is dated and updating it will be costly. Have you factored into your budget the loss of revenues as there is an increase in the use of electronic vehicles? Mr. Munden noted the state has an obligation to look 20 to 30 years down the road and plan for the future. He expressed appreciation for the Commission's work and asked that everyone work together to set the new level of acceptable.

Commissioner Boatwright thanked them for their joint presentation and addressed some of their concerns. He reviewed the state's transportation funding history and how the state has decided to make the investment and the department is heading in the right direction to address transportation needs.

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PUBLIC COMMENT

COMMENTS REGARDING HIGHWAY 13 DETOUR IN CALDWELL COUNTY

Jonathan Abbott, Caldwell County Eastern District Commissioner, shared his concerns about a project on Highway 13 and the designated detour. He said the signage can be confusing, the detour for Highway 13 south sign has the arrow pointing north. Now semi-trucks are trying to turn around creating issues on other roadways. He expressed his appreciation for the work on Highway 13 including the repaving and the bridge replacement. He also noted the need for shoulder repairs in the region when agricultural equipment damages them. He explained how the Little Otter Reservoir project and the tremendous increase in visitors at Hamilton has led to the need to accommodate the tour buses and campers that are passing through the area. He also wanted to ensure that the department is doing as much as it can to maintain the system. He asked the department keep in mind that things will change, different people

and different types of vehicles will be driving the roads. Commissioner Ecker thanked Mr. Abbott for sharing.

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MODOT PRESENTATIONS

NORTHWEST DISTRICT UPDATE

On behalf of the Director, Marty Liles, Northwest District Engineer, presented a brief overview of the current state of roads, bridges, projects, operations, and achievements in the Northwest District. The Northwest District is focusing its Statewide Transportation Improvement Program (STIP) funds and all available operation funds on maintaining existing roads and bridges, completing ADA plan, and limited safety improvements. The Northwest District’s operating budget addresses activities including winter operations, emergency and flood response, mowing, signing, and striping, in addition to maintaining roads and bridges.

The Northwest District proudly supports the MoDOT values of safety, service, and stability while serving more than 270,000 Missourians in 20 counties. The Northwest District maintains 11,331 lane miles of interstates and major, minor, and low volume routes. Interstates and major routes in the region include I-29, I-35, I-35, US Routes 36, 65, 71, and 24.

The Northwest District’s major roads are maintained at 85 percent good (statewide goal 90 percent), 77 percent of its minor roads are in good condition (statewide goal 80 percent) and 59 percent of its low volume roads are in good condition (statewide goal 70 percent). Poor aggregate, soil conditions and the regions freeze/thaw cycles drastically reduce pavement longevity requiring the district to focus all of the STIP on managing its assets.

The Northwest District has 1,359 bridges. Poor aggregate/rock used to build these bridges reduce the longevity of the bridges, which is why the district continues to focus on making improvements to bridges. The Northwest District completed 48 bridges identified on the Governor’s Focus on Bridge

Program. The Fixing Access to Rural Missouri (FARM) Bridge Design-Build program improves a total of 31 bridges in the Northwest and Northeast districts. The Northwest District has 14 bridges that are included in the FARM Bridge program. Nine of these bridges are completed and the remaining six are under construction. The Northwest Bridge Bundle is a Design-Build Project that is planned for award in December 2023. The project includes improvements to 34 poor condition bridges in seven counties on the eastern side of the district. Currently the district has 168 bridges on the poor condition list. In 2019 the district had 220 poor condition bridges. This reduction of 52 bridges from the list required programming 193 bridge in the past 5 years of the STIP.

The Northwest District has over 6,000 lane miles of low-volume roads. The condition of these roads are at 59 percent good. This is up from 52 percent last year. With the current STIP, the district will continue to make significant improvements to these low volume and minor roads. The Governor's Rural Road Program provided \$100 million of General Revenue monies to be used on rural roads. The Northwest District received \$53 million of this money to improve the condition of low-volume roads. The district completed the program improving 498 centerline miles of low-volume roads. The Legislatively Designated Rural Road Program provides \$100 million to be used on minor and low-volume roads. The Northwest District received \$29.8 million toward this program. This will improve 250 centerline miles of low-volume and minor roads in the district. The projects are expected to be out for bid this summer with completion by end of calendar year 2024. To sum it up, from fiscal year 2022 to fiscal year 2025 the district will have spent \$119 million on low volume roads and with that the district will improve 1,153 center lane miles, addressing about 1/3 of the district's low volume roads. This is a significant improvement considering prior to fiscal year 2022 the district was unable to spend funds on the low volume roads through the STIP.

Mr. Liles also shared several projects that are under way to improve routes around the district. Highways 159 and 136 are being replaced and grid tie block mats are being installed as part of the district

flood resiliency projects. He highlighted overlay work underway on Route 13 from Hamilton to Kingston that will be completed in December. He also noted the progress that is being made on moving the I-229 project in St. Joseph forward and the preferred alternative has been identified in the environmental assessment phase.

The district partners with communities for cost share projects and Mr. Liles highlighted several of those. In the city of Brookfield there is a cost share project on Route 11 to add turn lanes. In St. Joseph turns lanes are being added to Route AC as a cost share project. In the city of Cameron, a cost share project is improving an intersection on US 36. The City of Maryville received a RAISE planning grant to study improvements along the Route 46 corridor. The district works closely with community partners on transportation improvements.

The Northwest District employees continue to produce amazing results. In the last year, the district delivered the largest STIP and low-volume road program in the history of the district. More than \$243 million in projects were awarded, and 83 percent were completed on time. District Maintenance had a record year by placing over 100,000 tons of asphalt and replacing over 30,000 linear feet of culverts in advance of the Governor's Focus on Rural Road Program. At the same time, District Maintenance placed over 600 miles of seal coats to extend the life of the pavements and replaced more than 2,900 signs. District striping teams continuously focus on efficiency by identifying ways to reduce striping downtime. The NW Striping team was identified as the most efficient in the state by achieving the highest percent of time striping.

NW District's Operation staff supported the Kansas City District when it sent over 40 employees each winter storm event to Kansas City to plow snow during winter operations. The district also sent 14 employees to Kansas City in Spring 2023 for litter and brush removal in preparation for the NFL Draft.

District staff continue to promote Buckle Up Phone Down and Smart Rider Programs at elementary schools and community events. The district recently recognized 6 counties including Atchison,

Carroll, Caldwell, Grundy, Mercer, and Sullivan, with the Show Me Zero Awards recognizing them for zero fatalities in 2022. The district appreciates what the communities are doing to promote safe driving behaviors.

Commissioner Boatwright thanked Mr. Liles for his presentation and expressed his appreciation for the progress the district is making on the rural routes. Commissioner Erdman expressed his appreciation for the Northwest District helping the Kansas City district with snow removal and litter and brush clean up.

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RURAL ROADS FUNDING AND PROJECTS

On behalf of the Director, Eric Schroeter, Assistant Chief Engineer, reported on rural roads in Missouri. In Missouri there are 57,000 lane miles that comprise the minor and low volume roads. While this is 74 percent of the lane miles in Missouri, only 24 percent of the travel occurs on these lane miles. The context and size of this great asset is important. The recently approved Statewide Transportation Improvement Program (STIP) includes \$1.74 billion worth of pavement and bridge work on rural roads. There are 878 projects being accomplished through the work programmed in this STIP. The rural routes are selected through a data driven process along with working with local planning partners and maintenance crews on where to target these funds. The work that is taking place is a 1-inch hot mix asphalt to resurface the roadways.

This STIP includes 9,263 lane miles for pavement work with state road funds totaling \$947 million, and 912 lane miles of pavement work with legislatively designated funds totaling \$70 million. There are 444 bridges on minor routes totaling \$432 million worth of project work. On low volume minor routes there are 598 lane miles of pavement work totaling \$36 million of state road funds, and 535 lane miles of pavement work totaling \$37 million of legislatively designated funds. There are 229 bridges on low volume routes totaling \$113 million worth of project work.

Missourians consistently tell MoDOT through its customer service survey to take care of the system we have and make it safe. To do that, MoDOT is using asset management and is funding asset management on rural routes with the Asset Management Deficit and Rural Route Programs along with funds from the department's operating budget. There are approximately 14,000 lane miles that are not eligible for federal funding, and only state resources can be used for work on those roads, the remaining 43,000 lane miles are eligible for a split of 80 percent federal funds and 20 percent state funds.

How much progress is the state making? On minor roads the condition of the roads improved from 80.2 percent good condition in 2021 to 80.7 percent good condition in 2022. On low volume minor roads, the condition improved from 71 percent good condition in 2021 to 74.3 percent good condition in 2022. The goals for the department are to have 80 percent good condition on minor roads and 70 percent good condition on low volume minor roads. These goals are not ideal but are what the department can afford. The department is trying to get the condition of roads so that they are in similar condition all across the state and the traveling public will have a similar experience no matter where they travel in Missouri. The department is slowly getting there.

Mr. Schroeter described how the department applied for a grant which helped fund the Farm Bridge Program that is addressing 31 bridges on rural roads in Northern Missouri. The projects are being approached so the bridge is replaced, the work is accomplished quickly, and a new asset is in place that will serve the area for a long time. This is a design build project being accomplished in 29 months.

Commissioner Smith thanked Mr. Schroeter for his presentation and the Governor for his support in providing state funds that help the department accomplish all of this good work in rural Missouri.

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MEDICAL PLAN FUNDING RECOMMENDATIONS FOR CALENDAR YEAR 2024

On behalf of the Director, Brandon Denkler, Assistant to the Chief Administrative Officer, shared the contribution recommendations for the medical and life insurance plan. Contributions are based on

projected funding necessary to provide medical and life insurance benefits to employees, retirees, vested annuitants, and the dependents of these groups of MoDOT, the Missouri State Highway Patrol (MSHP), and the MoDOT and Patrol Employees' Retirement System (MPERS). The Medical and Life Insurance Plan Board of Trustees (Board) provides recommendations based upon an actuarial review. AON Hewitt Consulting conducted an actuarial review and analysis of medical plan funding on a semi-annual basis. Based upon the June 28, 2023, review, the Board made recommendations for plan funding for calendar year 2024. The recommendations are projected to maintain adequate funding for medical plan costs.

Mr. Hassinger noted the plan has provided employer sponsored health benefits for over 45 years. The plan is governed by a Board of Trustees composed of four active MoDOT employees, two active Patrol employees, and one retiree from each agency. These Board members are recommended by either the MoDOT Director or the MSHP Superintendent, respectively, and require approval by the Commission. MoDOT's Assistant to the Chief Administrative Officer-Employee Health and Wellness serves as the Chairman of the Plan Board of Trustees.

The plan offers two options. One option is the Preferred Provider Organization (PPO) with a \$600 annual deductible; as of July 1, 2023, there are 7,502 subscribers in the PPO option. Mr. Denkler noted with the implementation of the Medicare Advantage Plan last year, those subscribers have been moved to their own plan, so the number of subscribers in the PPO plan has reduced from 12,318 subscribers in 2022 to 7,502 subscribers in 2023. There is also a High Deductible Health Plan (HDHP) offered in conjunction with a health savings account (HSA). As of July 1, 2023, there are 485 subscribers in the HDHP option. About sixty-two percent of the plan serves active employees, about twelve percent serves pre-65 retirees, and about twenty-six percent are the Medicare population.

Mr. Denkler reported in 2009 in order to maintain a sufficient, affordable, and sustainable health care benefit for both the active employees and retirees, the commission adopted the strategy to move to a split of premium costs where the employees' pay twenty percent, and the employers pay eighty percent.

This strategy also resulted in retirees receiving a two percent contribution toward medical premiums per year of service that is capped at fifty percent. The premium cost distribution changed in 2018 when the employers absorbed all necessary increases in plan funding for active employees while sharing the increase with retirees. This resulted in employees paying 18 percent of the premium cost while the employers are paying 82 percent of the premium cost. For calendar years 2019, 2020, 2021, 2022, and 2023 there were no premium increases. For calendar year 2024, the employers will be asked to absorb all necessary increases in plan funding resulting in employers paying 84 percent of the premium cost while the employees are paying 16 percent of the premium cost.

The report explained the prescription drug plan costs continue to rise. Last year the plan exceeded \$40.6 million in prescription costs, largely due to the cost of specialty medications. Specialty drugs are prescriptions that generally have unique uses, may require special dosing or administration, and are used to treat diagnoses such as cancer, rheumatoid arthritis, multiple sclerosis, and hepatitis C. Specialty drugs are 1.10 percent of total claims, but account for over 57 percent of total drug plan spending. This trend is a serious issue for health insurance plans nationwide with no apparent strategy to combat the trend in the foreseeable future.

The report also noted the number of medical claims increased 12 percent; the costs are up by 5.5 percent. The number of medical claims increased to 529,431 claims in 2022 compared to 467,706 claims in 2021.

Mr. Denkler expressed concern that the plan funding has been decreasing the past two years and the costs have been increasing. As a result, the reserve funds are at a level that it is necessary to seek additional funding for premiums. The commission continues to be able to adequately fund the medical plan and maintain financial stability. Mr. Denkler reported the total net position as of May 31, 2023, was \$38.2 million and is down compared to \$48.5 million at the same time last year. He also shared the plan

actuary projects retained earnings and the Board has established a goal for retained earnings as a percentage of total expense to be near fifteen percent.

Mr. Denkler stated the outlook for the medical plan is good with a stable financial status. The plan is currently behind where the actuary anticipated it would be, and as a result the recommendations are projected to provide adequate funding while maintaining an appropriate plan premium stabilization reserve. The premium stabilization reserve goal is established based on guidance from the plan actuary and is set aside to prevent dramatic fluctuations in necessary plan premiums.

Mr. Denkler recommended the Commission continue offering two plan options, the Preferred Provider Option (PPO) and the High Deductible Health Plan (HDHP) with a Health Savings Account (HSA), with no changes in Plan design. He also recommended an increase of twelve percent in total medical plan premiums for active employees and pre-Medicare retirees in the PPO and HDHP for all rate categories in calendar year 2024. He also recommended the employers absorb the entire premium increase for active employees and subscribers in the work-related disability categories.

After further discussion and consideration, and upon motion by Commissioner Smith, seconded by Commissioner Boatwright, the Commission unanimously approved the medical and life insurance plan recommendations to: (1) increase medical plan premiums by twelve percent for all active employees and pre-Medicare retirees in all rate categories in calendar year 2024; (2) continue offering two plan options PPO and HDHP with a HSA with no changes in Plan design; and (3) absorb the entire premium increase for active employees and subscribers in the work related disability categories.

Commissioner Erdman thanked Mr. Denkler for his presentation and noted employees should know of this generous effort to maintain the benefit with no personal increase to them.

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MISSOURI DEPARTMENT OF TRANSPORTATION PROPOSED FISCAL YEAR 2025 APPROPRIATIONS REQUEST

On behalf of the Director, Todd Grosvenor, Financial Services Director, presented the fiscal year 2025 appropriations request for \$8.3 billion, and the fiscal year 2024 supplemental appropriations request for \$11.0 million. Mr. Grosvenor explained the department is required by law to submit both the appropriations request and supplemental appropriations requests to the Office of Administration (OA) by October 1 of each year. This appropriations request is the basis of the Governor's recommendation, which is submitted to the Missouri General Assembly within thirty days of when the legislature convenes the regular session.

Mr. Grosvenor briefly explained the budget timeline beginning in March, when the districts and divisions submit their budget requests. Then, the Financial Services Division reviews and compiles the appropriations request. In August, the Commission potentially approves the appropriations, and supplemental appropriations requests. From October to May, the budget is submitted to OA and the department's Financial Services staff supports the request through the legislative process. In May, the Commission will review the budget request. In June, the budget request is submitted to the Commission for final approval. On July 1, the new fiscal year begins.

He then reviewed some of the significant items that are included in these requests. The department is requesting additional funds for its employees, \$51.5 million more than the fiscal year 2024 TAFP budget. The increase includes \$12.3 million for personal services and the related fringe benefits to continue implementing the market plan and provide tenure-based pay increases. In July 2022, the department implemented a portion of a market plan within the appropriation authority approved by the legislature. The market adjustments for employee salaries included modifying the salary structure to optimize it and being more competitive with market; establishing market competitive midpoints for all salary grades; and advancing employees toward that midpoint more quickly based on tenure and

performance. The remaining increase is for 350 additional full-time equivalent employees, temporary part time employees, and interns. This increase also includes additional funding for increased costs related to the medical and life insurance plan.

Safety and Operations is responsible for striping, pavement repair, mowing right-of-way, and plowing snow and ice. These system management functions are essential for keeping roads and bridges operational and safe. Mr. Grosvenor reviewed the decrease of \$31.9 million, of 5.8 percent compared to fiscal year 2024 TAFP budget. There is a \$64.0 million decrease for the low-volume routes due to all funds being expended in fiscal year 2023. In the fiscal year 2024, monies for this purpose were appropriated in House Bill 19. The decrease is offset by a few increases which includes \$11 million for various roadside contracts to mow, sweep, remove litter and relocate homeless camps to supplement the work done by employees, and over \$3 million for various safety behavioral programs.

Program Delivery is the largest appropriation category, and it is used to pay consultants to design projects, purchase right-of-way, pass federal monies through to local entities, and pay contractors who build the construction projects. MoDOT requested an increase of \$216.0 million, compared to the fiscal year 2024 TAFP budget. MoDOT is requesting a \$277 million increase to the program delivery program due to an increase in contractor payments, consultant design work, and right of way purchases as the department's construction program increases with additional funding. Additional increases are requested for the Local Technical Assistance Program (LTAP) and pooled funds, a consultant to update the federally required long range transportation plan, roadway data collection items such as functionality enhancements to the Automatic Road Analyzer Van (ARAN), survey equipment, new pavement and shoulder data collection tools and traffic volume collection data. The department requested a decrease of \$82.3 million for the Focus on Bridges and Governor's Transportation Cost-Share programs based on expenditures already made in previous fiscal years.

Fleet, Facilities, and Information Systems (FFIS) increased \$3.2 million compared to the fiscal year 2024 TAFP budget. This increase has been offset by the decrease associated with one-time funding of \$6.1 million provided in fiscal year 2024. The increase includes \$2.5 million for weigh station improvements, which includes the addition of acceleration and deceleration lanes at westbound St. Clair on I-44, and carryover funding to complete fiscal year 2024 projects. This item also includes \$6.3 million for rest area improvements to address Americans with Disabilities Act (ADA) needs and to add truck parking.

The Administration category had a slight increase. The Refunds and Transfers category increased \$26.6 million compared to the fiscal year 2024 TAFP budget. The Refunds and Transfers increase includes \$15.0 million for motor carrier refunds due to the increase in the motor fuel tax rate from the passage of Senate Bill 262, and \$11.6 million to allow for the transfer of general revenue to the Waterways and Ports Trust Fund.

MoDOT requested a multimodal appropriation increase of \$159.8 million, compared to the fiscal year 2024 TAFP. The increase has been offset by the decrease associated with one-time funding received and expenditures made in previous fiscal years of \$137.5 million. The increase includes \$76.0 million of federal revenue and \$38.0 million of general revenue for a potential grant to extend Amtrak Passenger Rail Service in the state including three trips from Kansas City to St. Louis per day, establish new service from Kansas City to Southwest Missouri (Springfield/Joplin), establish new service from Kansas City to St. Joseph and extend the existing Chicago-Quincy service to Hannibal. It also includes reappropriation of \$50.0 million of general revenue and \$10.0 million of federal revenue for safety improvements to railroad grade crossings not on the state highway system. It includes an increase for the aviation program of \$27.3 million. There is a reappropriation of budget stabilization funds totaling \$25.0 million to assist the Jefferson County Port Authority to construct capital improvements and purchase container handling equipment at the new Container-on-Vessel (COV) facility in Herculaneum. The funding provided in fiscal

years 2023 and 2024 was provided as one-time funding and the project will take longer than two years to complete. It also reappropriates \$21.2 million of federal funds for member designated projects from Transportation, Housing and Urban Development/Community Project Funding/Congressionally Directed Spending that includes projects at the Waynesville-St. Robert Regional Airport Terminal, the Jefferson City Memorial Airport air traffic control tower, and the Rosecrans Memorial Airport in St. Joseph. It also includes \$20.0 million for port expenditures from the Waterways and Ports Trust Fund. The General Assembly established this fund during the 2023 legislative session and this increase will provide the spending authority for the ports. This also includes \$9.0 million of federal funds for transit expenditures due to supply chain issues for vehicles ordered in prior years that will be delivered in fiscal year 2025, and \$6.0 million of general revenue to provide matching funds to specialized transit subrecipients due to the rising costs of vehicles. It also includes \$1.5 million of general revenue to fund the inflation cost of providing twice daily passenger rail service.

Mr. Grosvenor described the fiscal year 2024 Supplemental Appropriations request of \$11.0 million. He explained it includes increases of \$10.0 million for motor carrier refunds due to the increase in the motor fuel tax rate from the passage of Senate Bill 262. It also includes \$1.0 million for research contracts for the Local Technical Assistance Program

Mr. Grosvenor recommended approval of the proposed fiscal year 2025 appropriations request totaling \$8.3 billion, and the proposed fiscal year 2024 supplemental appropriations request totaling \$11.0 million. He also recommended approval of the proposed fiscal year 2025 appropriations request totaling \$100.9 million, for all MoDOT appropriations associated with House Bill 19. He also recommended approval of the proposed fiscal year 2025 appropriations request totaling \$38.0 million, for all MoDOT appropriations associated with House Bill 20.

Following discussion, and upon motion by Commissioner Brinkmann, seconded by Commissioner Boatwright, the Commission unanimously approved the Missouri Department of Transportation Fiscal

Year 2025 Appropriations Request, as noted in the table below, and authorized staff to release the request to OA – Division of Budget and Planning; and approved the proposed Fiscal Year 2024 Supplemental Appropriations Request totaling \$11.0 million. The Commission also approved the fiscal year 2025 appropriations request totaling \$100.9 million, for all MoDOT appropriations associated with House Bill 19. The Commission also approved the fiscal year 2025 appropriations request totaling \$38.0 million, for all MoDOT appropriations associated with House Bill 20.



**Fiscal Year 2025 Appropriations Request
By Appropriation Detail**
(Dollars in Thousands)

<u>Appropriations</u>	<u>Fiscal Year 2023 Actual Expenditures</u>	<u>Fiscal Year 2024 TAFP¹ Budget</u>	<u>Fiscal Year 2025 Appropriations Request</u>
Administration	\$ 22,455	\$ 29,894	\$ 31,341
Safety and Operations ²	\$ 524,764	\$ 548,775	\$ 516,921
Program Delivery ^{2,3}	\$ 1,845,660	\$ 5,581,929	\$ 5,798,018
Fleet, Facilities, and Information Systems (FFIS)	\$ 90,906	\$ 120,043	\$ 123,221
Multimodal ²	\$ 111,396	\$ 364,134	\$ 523,888
Fringe Benefits	\$ 210,672	\$ 263,041	\$ 285,352
Refunds and Transfers ⁴	\$ 698,073	\$ 1,021,745	\$ 1,048,366
Total MoDOT Appropriations Request	\$ 3,503,926	\$ 7,929,561	\$ 8,327,107

¹ Fiscal year 2024 Truly Agreed to and Finally Passed (TAFP) budget.
² Includes federal funds MoDOT pays to contractors and providers for goods and services.
³ Includes appropriations for Contractor Payments, Design and Bridge Consultant Payments, Accelerated Program, Right of Way and Federal Pass-Through.
⁴ Appropriation request amount is \$1 in the event the appropriation is needed.

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RESOLUTIONS

RESOLUTION EXPRESSING APPRECIATION TO ERIC CURTIT FOR OUTSTANDING SERVICE TO THE STATE OF MISSOURI

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

WHEREAS, Eric Curtit began his distinguished career with the Missouri Department of Transportation on April 7, 1995, and will be retiring on September 1, 2023, after 28 years of service to the State of Missouri; and

WHEREAS, Eric Curtit served in a variety of capacities in the Construction and Materials, Inspector General, Transportation Planning, and Multimodal Divisions, starting as a “rock shaker” moving through increasingly responsible assignments, while earning his college degree and certified planner credentials, ultimately culminating in his promotion as Transportation Planning Director; and

WHEREAS, Eric Curtit was instrumental in the evolution of the statewide transportation planning framework. The planning framework encourages the development of partnerships between the Department and the regional planning commissions for transportation decision making and communicating statewide transportation issues; and

WHEREAS, throughout his career, Eric Curtit served admirably, diligently, tirelessly, and collaboratively on behalf of the Department of Transportation and the State of Missouri, as evidenced by his ability to establish and maintain excellent relations with organizations in Missouri for the betterment of Missouri’s transportation system. Mr. Curtit recognized the importance of creating an environment that invites participation and encourages mutual respect in order to address transportation needs and resulted in a transportation safety effort that was the first of its kind and is now the industry standard. While Railroad Administrator he sought funding to study safety improvements for an entire rail corridor to improve safety and the flow of rail commerce in Missouri. He developed relationships through his candid communication with all parties and hard work to find solutions to move projects forward for the betterment of Missouri’s transportation system and resolve complex rail issues; and

WHEREAS, Eric Curtit’s interest in and concern for others endeared him to his co-workers and friends, his keen sense of humor and fashionable attire would brighten any occasion, and his knowledge of the department made him a valuable resource that many relied upon; and

WHEREAS, his inspiring leadership and planning knowledge brought him many successes, one of the most noteworthy being the preparation and approval of the department’s largest ever Statewide Transportation Improvement Program totaling almost \$14 billion for fiscal years 2024-2028, and will make significant improvements to Missouri’s roads and bridges across the entire state; and

WHEREAS, his work ethic, integrity, and expertise have earned him the respect, admiration, and friendship of department employees, transportation industry partners, and the public he served; and

WHEREAS, Eric Curtit’s loyalty and dedication to the Missouri Department of Transportation was surpassed only by his love for his family.

NOW, THEREFORE, BE IT RESOLVED that the Missouri Highways and Transportation Commission does hereby publicly express its appreciation and gratitude to Eric Curtit for his service to the citizens of Missouri.

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

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BUSINESS ISSUES

CITY OF BOWLING GREEN, COST SHARE ECONOMIC DEVELOPMENT

The department works in cooperation with the Department of Economic Development and project sponsors to determine when targeted investments can be made to create jobs and may provide up to one hundred percent of participation costs. Twenty percent of the cost share program funds are set-aside for projects that demonstrate economic development through job creation. In June 2021, the Cost Share Committee revised its program guidelines. The Cost Share Committee consists of the Deputy Director/Chief Engineer, Chief Financial Officer, Assistant Chief Engineer, and two members selected by the Director which are currently the Chief Administrative Officer and Governmental Relations Director. This committee revised its guidelines to require Commission approval for projects that use the cost share economic development funds. This action is required to occur prior to the project being included in the Statewide Transportation Improvement Program (STIP).

On August 4, 2021, the Commission approved \$929,900 of cost share economic development funds to the City of Bowling Green to construct turn lanes on Route 54 at the Industrial Park. The Commission awarded the construction contract at the April 5, 2023, meeting. The City of Bowling Green submitted an additional request for \$202,980 of cost share economic development funds due to inflation.

The total project costs of \$1,294,702 will be funded by the following sources: \$1,132,880 Cost Share Economic Development funds available in state fiscal years 2021, 2023 and 2024, and \$161,822 of

Northeast District funds for preliminary engineering, construction engineering and right of way review. The city will be responsible for any additional project costs. The project construction is underway. The project is estimated to create twenty new jobs at the industrial park.

The Cost Share Committee approved the County’s request at their June 15, 2023, meeting. On behalf of the Director, Ed Hassinger, Deputy Director/Chief Engineer, recommended approval of the award of \$202,980 in additional Cost Share Economic Development funds to the City of Bowling Green for increased project costs due to inflation when constructing turn lanes on Route 54 at the industrial park. Via approval of the consent agenda, the Commission unanimously approved the recommendation described above.

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FISCAL YEAR 2024 BUDGET AMENDMENT

On behalf of the Director, Todd Grosvenor, Financial Services Director, recommended decreasing disbursements \$70.5 million for the fiscal year 2024 budget. Mr. Grosvenor also recommended transfers between operating budget categories to address changing priorities and provide greater flexibility to districts and divisions in funding program priorities.

Via approval of the consent agenda, the Commission unanimously approved the fiscal year 2024 budget amendment described above.

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REPORT AND RECOMMENDATION REGARDING BOND COUNSEL LEGAL SERVICES

On behalf of the Director, Scott Sergent, Assistant Chief Counsel-Administration, reported that on May 11, 2018, the department issued a request for proposal for bond counsel services that the original three-year agreement began on December 12, 2018, and ended on December 12, 2021. It included the option to extend the contract with two one-year extensions. The first one-year option extension expired in 2022. The option for a second one-year extension has not been exercised.

Mr. Sergent recommended the Commission approve a one-year contract extension with Gilmore & Bell, P.C. and Bushyhead, LLC to serve as the Commission’s co-bond counsel. He also recommended the chief counsel be authorized to execute a bond counsel services agreement with the co-bond counsel that shall be effective for one year from the agreement’s date of execution. The agreement shall be approved as to form by the Chief Counsel’s Office.

After consideration, the Commission via approval of the consent agenda, unanimously approved the bond counsel legal services recommendations described above.

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STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

IMPROVE I-70 PROGRAM CONTRACT AUTHORIZATIONS

On behalf of the Director, Eric Kopinski, I-70 Program Coordinator, explained Interstate70 remains a vital east-west corridor that supports economic activity in Missouri and across the country. Approximately 56,000 vehicles travel on I-70 daily, twenty-five percent of which are commercial vehicles. Improving I-70 fulfills a critical need for the state. Historic investment in I-70 began in 2023 with Governor Parson’s call on the General Assembly to make a generational investment to widen and rebuild the I-70 corridor demonstrating his ongoing commitment to transportation. The General Assembly demonstrated their support for improving I-70 through passage of MoDOT’s fiscal year 2024 appropriations bills. These bills, approved by Governor Parson, provide unprecedented levels of general revenue for the costs to plan, design, construct, reconstruct, rehabilitate, and repair three lanes in each direction on approximately two hundred miles of I-70.

One of the conditions for the transfer of general revenue into the State Road Fund I-70 Project Fund for the Improve I-70 program is evidence of an awarded contract by the Missouri Highways and Transportation Commission.

Mr. Kopinski presented the Improve I-70 contracts listed below for the Commission's consideration and award, contingent upon the transfer of funds from the Office of Administration I-70 Project Fund to the State Road Fund I-70 Project Fund.

- The amount of \$645,464 added to the existing professional services contract 2023-03-76635 with Bartlett and West. A supplement to the contract adds JST0018 Boone/Callaway I-70 to the contract. Services for this contract include survey work for preliminary design to prepare for projects on I-70 in these areas.
- The amount of \$8,000,000 for a professional services contract with CDM Smith with contract number 2023-07-81043. This contract area includes Job Number JST0016, Lafayette/Saline I-70, JST0017 Cooper I-70 and JST0018 Boone/Callaway/Montgomery I-70. Services for this contract include environmental reevaluation, to prepare for a project on I-70 in these areas.

Mr. Kopinski also recommended the Commission authorize (1) the Director, Deputy Director/Chief Engineer, or Chief Financial Officer or their designee to request the transfer of funds from the Office of Administration I-70 Project Fund to the State Road Fund I-70 Project Fund, and (2) the Director, Deputy Director/Chief Engineer, or Chief Financial Officer or their designee to execute the contracts and documents that are part of the Improve I-70 Program, subject to approval as to form by the Chief Counsel's Office.

Via approval of the consent agenda, the Commission took the following action.

1. Awarded the contracts listed above contingent upon the transfer of funds from the Office of Administration I-70 Project Fund to the State Road Fund I-70 Project Fund.
2. Authorized the Director, Deputy Director/Chief Engineer, or Chief Financial Officer or their designee to request the transfer of funds from the Office of Administration I-70 Project Fund to the State Road Fund I-70 Project Fund.
3. Authorized the Director, Deputy Director/Chief Engineer, or Chief Financial Officer or their designee to execute the contracts and documents that are part of the Improve I-70 Program, subject to approval as to form by the Chief Counsel's Office.

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APPROVAL OF PLANS FOR CONDEMNATION

On behalf of the Director, Travis Koestner, State Design Engineer, recommended the Commission approve the following detailed project plans, approved by the Chief Engineer, for filing as necessary for the condemnation of right of way.

<u>County</u>	<u>Route</u>	<u>Job Number</u>
St. Louis	115	J6S3416
St. Louis	N	J6S3599

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 them to be filed as necessary for the condemnation of right of way.

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-- **REPORTS** --

REPORTS

The Commission received the following written reports.

MODOT BRIEFING REPORT

Patrick McKenna, Director, provided to the Commission the written monthly Issue Briefs that are sent from the department to the Governor since the previous MoDOT Briefing Report. There were no briefing reports for the past month.

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MISSOURI DEPARTMENT OF TRANSPORTATION FINANCIAL REPORT – FISCAL YEAR 2023

Todd Grosvenor, Financial Services Director, submitted a written financial report for the fiscal year to date June 30, 2023, with budget and prior year comparisons.

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CONSULTANT SERVICES CONTRACT REPORT

Travis Koestner, State Design Engineer, submitted a written report of consultant contracts executed in the month of June 2023, for both engineering and non-engineering related projects. The department utilizes consultants to efficiently manage workload and provide specialized expertise to supplement and support department staff. Expenditures for consultant services are funded from the Commission approved Statewide Transportation Improvement Program and MoDOT Operating Budget. There were 572 active contracts held by individual engineering consultant firms prior to June 1, 2023. Twelve engineering consultant services contracts were executed in June 2023, for a total of \$6,411,637. There were zero non-engineering consultant contracts executed in June 2023.

Mr. Koestner noted that prior to this report, the budget for design and bridge consultants was \$70 million and acknowledged the department had exceeded the planned budget. Prior to June 1, 2023, the

department increased the budget from \$70 million to \$110 million. As of this report the total expenditures are \$100.7 million.

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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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