



**MISSOURI HIGHWAYS AND TRANSPORTATION
COMMISSION**

Official Minutes

TABLE OF CONTENTS

July 10, 2024

COMMISSION/DIRECTOR ITEMS

Approval of Minutes 4
 Consent Agenda 4
 Commission Committees and Commission Related Boards 5
 Director’s Report 6

PUBLIC COMMENTS

Welcome Remarks 8

MODOT PRESENTATIONS

State of the Central District 8
 Condition of State Bridges and Bridge Division Update 11
 Debt Management Report 14
 2025-2029 Final Statewide Transportation Improvement Program 19

BUSINESS ISSUES

St. Charles County, Cost Share Economic Development 22
 Medical and Life Insurance Plan: Approval of PHarmacy Benefit Manager 23

STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

Consideration of Bids for Transportation Improvements 24

REPORTS

MoDOT Briefing Report 27
 Financial - Budget - Reports – Year-to-Date, Financial Report Period Ending May 31, 2024 27
 Consultant Services Contract Report 27

**MINUTES OF THE REGULARLY SCHEDULED
HIGHWAYS AND TRANSPORTATION COMMISSION MEETING
HELD IN CAMDENTON, MISSOURI,
WEDNESDAY, JULY 10, 2024**

A regularly scheduled meeting of the Missouri Highways and Transportation Commission was held on Wednesday, July 10, 2024, at Old Kinderhook, Grand Ballroom A, 678 Old Kinderhook Drive, Camdenton, Missouri and was available via live stream. W. Dustin Boatwright, P.E., Chair, called the meeting to order at 9:00 a.m. The following Commissioners were present: Gregg C. Smith, Warren K. Erdman, Francis G. Slay, Daniel J. Hegeman, and Ann Marie Baker.

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.

* * * * *

* * * * *

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, July 10, 2024.

* * * * *

*“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

APPROVAL OF MINUTES

Upon motion by Commissioner Smith, seconded by Commissioner Erdman, a quorum of Commission members present approved the minutes of the regular meeting held on regular meeting on June 5, 2024, and special meeting on June 4, 2024. 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.

* * * * *

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 July 10, 2024, Consent Agenda

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

* * * * *

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 July 10, 2024, meeting.

Audit Committee – Commissioner Slay reported the Audit Committee met yesterday and reviewed and accepted one internal audit report: Review of Right of Way Safety Device Repairs. The next Audit Committee meeting is planned for November 2024.

Legislative Committee – Commissioner Erdman reported Governor Parson signed the fiscal year 2025 appropriations bills, and the fiscal year 2025 began on July 1. The Governor announced on June 28 a few actions taken on the operating budget, either by signing the bills as passed into law or using his line-item veto authority to sign a balanced budget.

Commissioner Erdman was pleased to report that many of MoDOT’s original budget requests were approved by the Governor with very little change. The department’s budget request funded with revenues from state highway users was approved. In addition, some general revenue funded items passed as well. Some of these general revenue projects include:

- \$577.5 million available for systematic improvements along the I-44 corridor.
- \$100 million for low volume and minor routes. This appropriation makes it the third year in a row that the legislature and Governor have approved general revenues for the rural routes.
- \$49 million re-appropriation in general revenues for safety improvements at railroad crossings.

It has been another noteworthy year, in terms of the amount of general revenues entrusted to the Commission and the department for infrastructure investment statewide.

Missouri Transportation Finance Corporation (MTFC) – Commissioner Smith stated there was no report this month and the next MTFC Board meeting is scheduled for October 2024.

MoDOT and Patrol Employees' Retirement System (MPERS) – Commissioner Erdman reported the Board met on June 20, 2024. At this meeting the Board welcomed Commissioner Hegeman to his first meeting. It was reported the annual audit will begin in July and the Board accepted the budget for Fiscal Year 2025. The next Board meeting is September 19, 2024.

Missouri Coalition for Roadway Safety Executive Committee – Commissioner Boatwright reported there have been 433 traffic fatalities in Missouri this year. This is 18 less fatalities than the same time last year, a 4 percent decrease. The Missouri State Highway Patrol reported 9 traffic fatalities over the 4th of July holiday weekend, which is 6 less than last year. Moving into the second half of the year, Missouri has an excellent opportunity to keep moving forward in reducing these preventable tragedies, and he encouraged everyone to keep doing their part to make Missouri's roadways safe for all users.

Registration for the 2024 Missouri Highway Safety and Traffic Conference is now open. The conference will be held in Columbia on September 24-26, and the agenda will once again feature a wide array of topics from engineering improvements to educational and enforcement programs. More than 500 participants are expected at this year's event, so please make sure to reserve your spot today.

* * * * *

DIRECTOR'S REPORT

During the July 10, 2024, Commission meeting, Director Patrick McKenna provided the following report:

Budget – The Governor signed the fiscal year 2025 budget two weeks ago and marked another year of contributing to critical transportation needs using General Revenue. The approved MoDOT budget is the largest in MoDOT history. The Director thanked the Governor and General Assembly for their continued support for I-70 and for directing I-70 refinancing savings to start systematic improvements on I-44 with \$577.5 million. The approved budget also includes another \$100 million for rural roads for the third consecutive year. There is also funding for transportation needs including railroads, airports, and others. He noted this is a tremendous difference from where we were a few short years ago where the department was not going to have enough funding to prevent the closure of bridges and the decline of road condition. Director McKenna reported the department is also finally out of crisis mode with employment at MoDOT as the department is finally making a net gain in new hires and retaining employees. This Governor's support of transportation infrastructure has had a tremendous impact on this positive series of events for the department.

I-70 First Project Groundbreaking – A major highlight of the past month was the groundbreaking event for the start of the first I-70 project in Columbia. Director McKenna thanked the current commissioners who were able to attend as well as seven former commissioners who joined the celebration. After more than two decades of discussion, study and evaluation, and numerous ideas for how to tackle I-70, construction is finally here. It is important to note that this groundbreaking on the first project happened less than one year after the Governor signed the budget providing General Revenue for the work. The next project will be under contract by the end of this year. The Improve I-70 team is working with competing private sector teams for Project #2, which will add a lane from Route 47 in Warrenton to I-64 in Wentzville.

Intern Conference – I-70 is an exciting challenge for MoDOT’s future for the next seven years and MoDOT is going to need to continue to add to the talented team to get this done. Two weeks ago, MoDOT held its annual intern conference in Jefferson City. This summer, there are 110 interns. They work in a wide variety of jobs including in both the engineering and business areas of MoDOT. One of the highlights of the conference is the activity to develop a design and construction plan for a fictional location. The interns work in groups to develop their plan and then present it in a mock public meeting. This is just one example of how the conference brings them all together to interact and learn from each other. Members of the leadership share insights with them throughout the conference. Director McKenna noted how bright the future is after getting the opportunity to work with these talented interns this summer.

Governor’s Awards – The Director reported June was state employee appreciation month and the last week of June, the Governor held a reception honoring the 2023 State Team Members of the Month and Awards of Distinction recipients. Not surprising, the MoDOT team received three awards.

The Safety Response Team (SRT) was given the *Award of Distinction for Safety* for the development of the department’s SRT. Modeled after the success of the department’s pandemic response team, a group of MoDOT employees lead by the Safety and Emergency Management division developed a SRT focused on tackling multiple safety areas. There are six sections within the SRT, and each is led by a member of senior management. The team’s efforts include a focus on training, work zone typical applications, updated discipline policies including accountability and consistency, and streamlining work and looking for ways to improve security. Some of the major accomplishments have included the implementation of new safety policy #1 allowing employees to stop work if a safety concern exists, the implementation of the AVL/GPS system, and the development and implementation of typical applications for every type of work zone so employees are trained in the proper way to do any work on or along our roads. It is critical that typical applications are easy to read and understand.

MoDOT employees also received the *Award of Distinction for Heroism*. Central District’s Senior Maintenance Worker Ed Randolph, Intermediate Maintenance Worker Hunter Wissbaum, and former MoDOT employee Wyatt Thompson were recognized. The men were recognized for their efforts to save a young child and the child’s grandmother who were being attacked by a dog. The men were able to subdue the dog with zip ties to bind its legs and then contacted emergency services for the child and grandmother. The child was life-flighted to a hospital in Kansas City due to his injuries. Due to our employee’s quick actions that child has recovered.

The Governor’s *State Team Member of the Month* recipients are recognized for providing outstanding service as a state team member for the citizens of Missouri. Southeast District Senior Maintenance Worker Les Hall was recognized as the *May 2024 State Team Member of the Month*. Earlier this year, Les and his coworkers heard shouts from a dad and his five-year-old son trying to prevent a dog from attacking them. Les drew the dog’s attention to him so the father and son could get to safety and Les fought off the dog. Law enforcement told the crew that this had been the third call they received about the animal that morning. The dog bit a customer at a nearby business earlier in the day and bit the dad as the attack ensued. They were able to subdue the animal because of the actions of Les.

The MoDOT team continues to step up and make a difference for Missouri. Every month, the MoDOT team members go the extra mile. It is what makes this agency so great!

FY2025-2029 Statewide Transportation Improvement Program (STIP) – The Director stated the fiscal year 2025-2029 STIP has a record level of funding, thanks in part to additional General Revenue from Governor Parson and the General Assembly. The STIP makes available \$14.6 billion of federal and state revenues for all modes of transportation over the next five years. Of the \$14.6 billion, the STIP details \$10.7 billion in road and bridge construction contractor awards, averaging approximately \$2.1 billion per year. The Director noted, when he started at MoDOT, the STIP was only \$325 million per year for contractor awards, and what tremendous progress has been made since then. The Director thanked the regional planning partners who helped develop this plan. Delivering this high level of investment in projects is only possible because of the partnership between the MoDOT team and the private sector in design engineering and construction contractors. Director McKenna stated State Transportation Planning Director Llans Taylor will share more details in his presentation later at this meeting.

* * * * *

PUBLIC COMMENTS

WELCOME REMARKS

The Honorable Lisa Thomas, Missouri House of Representatives, thanked the Commission for meeting in the Lake of the Ozarks region. She expressed her appreciation for the local area engineer who is a part of the local radio show that provides information for the public regarding transportation projects in the region. She noted how the transparency and open dialog makes a difference for the region. She also reminded everyone on two key safety messages, wear your motorcycle helmet, and do not drink and boat.

* * * * *

MODOT PRESENTATIONS

STATE OF THE CENTRAL DISTRICT

On behalf of the Director, Machelles Watkins, Central District Engineer, presented a brief overview of the current state of roads, bridges, projects, and other critical issues in the Central District. The Central District is focusing its Statewide Transportation Improvement Program (STIP) funds and all available operation funds on maintaining existing roads and bridges, as well as making significant safety and capacity improvements. The Central District’s operating budget addresses activities including winter

operations, emergency and flood response, traffic incident management, mowing, signing, and striping, in addition to maintaining roads and bridges.

The Central District proudly supports the MoDOT values of safety, service, and stability while serving more than 668,495 Missourians in 18 counties in the heart of Missouri. The Central District maintains 11,492 lane miles of interstates and major, minor, and low volume routes. Interstates and major routes in the region include Interstates 70 and 44, and US Routes 63, 54, and 50.

The Central District's major roads are maintained at 91 percent good (statewide goal 90 percent); 80.6 percent of its minor roads are in good condition (statewide goal 80 percent) and 79.8 percent of its low volume roads are in good condition (statewide goal 70 percent). The Central District has 1,294 bridges, 92 of which are in poor condition. She noted these conditions have all increased from last year and are slightly above the statewide goals. This success of the improved low volume roads is due to the Governor's Rural Roads program and the Commission's actions with the asset management deficit program. In the last two years conditions on low volume roads have increased by 6 percent.

Success in the region depends on good partnerships. Central District's Planning Partners include Meramec Regional Planning Commission, Lake of the Ozark Council of Local Governments, Mid-Mo Regional Planning Commission, Columbia Area Transportation Study Organization, and Capital Area Metropolitan Planning Organization. These five entities do the heavy lift of identifying transportation needs and prioritizing those needs. Collectively we work together to identify the transportation needs for the district.

The results of the planning work have led to many critical high impact projects that are underway in the Central District. The first project of the Improve I-70 Program, from U.S. 63 interchange in Columbia to the U.S. 54 interchange in Kingdom City, \$405 million fixed-price design build contract that is just getting under construction. The Lance Corporal Leon Deraps Interstate 70 Missouri River Bridge project near Rocheport was awarded for \$218 million and is well underway. There is a pavement rebuild

and roadway improvement project on Interstate 44 between Rolla and St. James totaling \$50 million in contract award for resurfacing 28 miles, bridge rehabilitations, culvert extensions, and reconstruction of 8 miles of eastbound lanes from Rolla to St. James, this project is nearing completion. There is a major project on U.S. Route 54 to widen, resurface, rehabilitate bridges, and make intersection improvements from the Senator Blunt Missouri River bridge in Jefferson City to Kingdom City, totaling \$24 million in contract award. In addition, there is a bridge rehabilitation project in Jefferson City on U.S. Route 54 over U.S. 50 and McCarty Street, a contract award of \$3 million. In Morgan County, a roundabout will be constructed at Routes 52, 5, and W, for a \$5 million contract award to improve traffic flow and safety.

Additional maintenance of Central District's roadways will take place including 367 miles of roadway resurfacing, totaling \$82 million; 160 miles of Governor Rural Roads resurfacing, totaling \$17 million; 270 miles of seal coats, totaling \$9 million. There is also scheduled bridge work for the district including 22 bridge rehabilitations and 2 bridge replacements, totaling \$23 million.

Central District maintenance forces completed significant work including 50 centerline miles of scratch and seal roadway surface treatment with maintenance crews this year and will complete 159 centerline miles of seal coat treatments this year. This improves the riding surface and appearance of the roadways.

Several projects have transitioned off the High Priority Unfunded Needs List and are now included in the STIP and are under development. One of these projects is the U.S. Route 63 realignment from U.S. Route 50 to south of Westphalia, planned for award in 2027. There is an interchange at U.S. Route 63 and Route AC (Grindstone Parkway) interchange in Columbia that is included in the STIP. A project located in Camdenton on Route 54 will widen the route from the Business Route 5 to the west end of town to widen the route to five lanes. The district is working to improve traffic flow on US Route 54 with some signal timing adjustments in Camdenton.

Central District maintains a strong recruitment and outreach program through efforts including internships; community college, trade school, and targeted high school career fair participation; JAG event participation; location-specific hiring events; Bring a Child to Work Day; STEM outreach on large projects; and collaboration with the University of Missouri on Capstone Projects each semester. The Commission's actions to implement the market rate plan has made a difference in these efforts as well. The results are the Central District hired 100 full time employees, 7 temporary part-time employees, and 7 interns over the last year.

Commissioner Smith thanked Ms. Watkins for her presentation. From I-70 to I-44 and everywhere in between, the Central District team has a lot of work going on. He congratulated Ms. Watkins on her recent success in hiring employees this year.

* * * * *

CONDITION OF STATE BRIDGES AND BRIDGE DIVISION UPDATE

On behalf of the Director, Bryan Hartnagel, State Bridge Engineer, provided to the Commission a presentation regarding the continual investment and effort to minimize the deterioration of the state's 10,392 bridges. Using MoDOT's Asset Management Plan, investments are being made in bridge replacements, rehabilitations, and preventive maintenance.

Mr. Hartnagel reviewed the health of Missouri's bridge inventory. Bridges are rated good, fair, or poor. Poor bridges are safe, but they take a lot more maintenance, must be inspected more frequently, and may have weight limits on them. Currently, there are 759 poor bridges on the state system compared to 804 one year ago. The department has 869 weight restricted bridges and those are the bridges that have a sign on them stating the weight that can be hauled across the structure. Mr. Hartnagel explained there are 273 bridges that are considered both in poor condition and weight restricted.

When reviewing the wave of bridges by decade, he noted about fifty-one percent of MoDOT's bridges are older than their intended useful life. Additional funding from the Senate Bill 262 statewide

fuel tax and the Bipartisan Infrastructure Law (BIL) or Infrastructure Investment and Jobs Act (IIJA) as well as Governor Parson's Focus on Bridges Program has had a positive impact on reducing the number of poor bridges. Additionally, the bridge bundle in the Southeast District and the FARM bridge bundle across the northern half of the state, along with a very productive construction season in 2023 has helped reduce the number of poor bridges. He explained the average number of bridges added to the poor condition list over the last five years is 94 bridges, which was 8 less than last year. The average number of bridges removed from the poor condition list over the last five years is 124 bridges. We are adding less than we are removing and that is helping MoDOT reduce the number of poor bridges.

Bridges are categorized as typical or major and subsequently have different impacts on cost, detours, and public convenience. A typical bridge is less than 1,000 feet long; a major bridge is over 1,000 feet long. Missouri has 209 major bridges. Mr. Hartnagel reviewed the major bridge replacement projects funded in the current Statewide Transportation Improvement Program (STIP). The funded projects include: Route 291 over Missouri River in Kansas City year 2026; Route 29 North and South Viaduct approaches to the Kit Bond Bridge in Kansas City over the Missouri River year 2028; and Route 92 Centennial Bridge over Missouri River in Kansas City year 2028. He then reviewed the top unfunded major bridge replacements which includes: Route 229 in St. Joseph, Route 160 over Bull Shoals Lake in the Southwest District, Route 24 over the Mississippi River in the Northeast District, Route 136 over the Missouri River in the Northwest District, and the MLK over the Mississippi River in St. Louis.

The presentation also provided an overview of the responsibilities and accomplishments of the Bridge Division. Mr. Hartnagel explained the Bridge Division is divided into two areas. One area is Bridge Management, which conducts inspections, produces the national bridge inventory report for Missouri, addresses load rating and permitting, and works with local public agencies. In the Bridge Management section, employees work closely with the Motor Carrier Services employees to analyze super loads. The department averages about 215 super load permits per month. The other area is Program

Delivery, which completes preliminary and hydraulic designs, produces plans, provides reviews for project work, develops standards for Missouri, liaisons with consulting engineers, and conducts fabrication inspections. This section provided internal project work valued at \$52 million in FY 2022, \$67 million in FY 2023, and \$40 million in FY 2024.

With limited resources available to spend on bridges, funds are distributed to keep the good and fair condition bridges in those conditions while trying to address the poor bridges. Mr. Hartnagel noted the Commission would act on the STIP later which includes work on 1,309 bridges totaling \$1.9 billion in construction funds programmed. Resources are distributed with 50 percent to replace bridges, 35 percent for rehabilitation projects, 6 percent for bridge deck replacement, and 9 percent for preventive maintenance projects.

He highlighted some bridge construction success stories. The design build project for the bridge on I-70 at Rocheport is making significant progress. The work on Chester Bridge is underway, however, flooding has had a tremendous impact on construction of this bridge recently. The Buck O’Neil bridge has completed demolition of the last arch as construction continues. The department has completed all 250 of Governor Parson’s Focus on Bridges Program projects.

In collaboration with consultant and contractor partners, the department hosted the Missouri Bridge Conference on May 15, 2024, in Columbia. The all-day conference focused on construction and bridge related topics and featured vendor booths for 159 attendees.

Commissioner Hegeman thanked Mr. Hartnagel for the presentation and commented that the state’s bridges are a critical part of our system, and it is great to see progress on the number of poor bridges, but it takes constant work to keep that going. He thanked the bridge team for overseeing the bridge program.

* * * * *

DEBT MANAGEMENT REPORT

On behalf of the Director, Brenda Morris, Chief Financial Officer, reviewed the Commission's bonding program and how it manages its debt. She explained that bond financing allows the department to provide much needed infrastructure improvements to the traveling public sooner than pay-as-you-go funding allows. Building projects sooner results in cost savings by reducing project inflation costs, while at the same time advancing economic development, improving safety, and easing congestion. Bond financing has allowed the Commission to deliver some larger projects that otherwise would be difficult to complete.

The Commission has a three-lien structure in place: Amendment 3 bonds (First Lien, Second Lien, and Third Lien), Federal Reimbursement bonds (Grant Anticipation Revenue Vehicle [GARVEE] Bonds), and State Appropriations Mega Projects Bonds. In addition to bonding, the Commission has debt with a State Infrastructure Bank loan. This \$62.5 million loan was part of the financing for the Rocheport Bridge/Mineola Hill project on I-70, the remaining balance of the loan is \$53.5 million and final payment will be made in August 2029.

The Commission currently has \$1.5 billion in outstanding bonds. Between July 2005 and December 2023, the Commission borrowed \$4.0 billion through new money bonds and \$1.0 billion through refunding bonds. The Commission will pay debt service in the amount of \$445 million in fiscal year 2025, with \$378 million being principal. Of the \$445 million, \$181 million will be paid with General Revenue. The remainder will be paid from revenues from highway user fees and federal reimbursements deposited into the State Road Fund and the State Road Bond Fund. The current outstanding bonds are projected to be paid in full on May 1, 2033.

History

The Commission's first bond issuance to construct public roads occurred in the 1920s, authorized through a Constitutional Amendment by a vote of the people. Several other bond issuances occurred after

that, again authorized through a Constitutional Amendment by the vote of citizens of Missouri. These bonds were issued by the General Assembly.

In 1993 and again in 2000, the General Assembly passed statutory legislation giving the Commission authority to issue its own state road bonds. This did not require a vote of the people because state road bonds are not a liability of the state.

In November 2004, Amendment 3 was voter-approved as a constitutional amendment of Article IV of the Missouri Constitution added express authority for the Commission to issue debt in order to finance state highway system construction and reconstruction projects. Additionally, this amendment redirected a portion of the statewide sales tax on motor vehicle purchases from the state's General Revenue Fund to a newly created State Road Bond Fund. The law mandated the redirected revenue be used to repay bonds until January 1, 2009. After January 1, 2009, the amount not needed for debt service or to maintain a reserve would require a General Assembly appropriation of the unused funds from the State Road Bond Fund to the State Road Fund, which would then be used on pay-as-you-go projects. Using the new revenue for bond repayment allowed the Commission to deliver projects faster. The Commission borrowed a total of \$2.7 billion through nine series of Amendment 3 Bonds. A significant decrease in the annual debt service payment occurs in fiscal year 2027 as a result of the First Lien Bonds being paid in full. The final payment date for the Amendment 3 Bonds is May 1, 2033. A portion of these bonds were refunded in June 2014 resulting in savings of \$123 million. The Commission borrowed \$178.4 million in December 2019 and \$89 million in December 2021 in bonds for the Focus on Bridges Program. The Focus on Bridges Program constructs, reconstructs, rehabilitates, or significantly repairs 250 bridges around the state. These bonds were issued under the third lien of Amendment 3 but is being paid from appropriations of General Revenue.

From 2008 to 2010, three major projects utilized debt financing: the New I-64 in St. Louis, the Safe and Sound Bridge Improvement Program, and the Stan Musial Veterans Memorial Bridge in St.

Louis. The Commission used GARVEE Bonds, which is debt used to finance federal transportation improvements, to pay for all or a portion of the projects. The Commission borrowed a total of \$928 million through five GARVEE Bond series. The final payment date for the GARVEE Bonds is May 1, 2033. A portion of these bonds were refunded in May 2019 resulting in savings of \$9.5 million.

During the 2023 legislative session, the General Assembly passed and the Governor signed legislation that made available \$2.8 billion in General Revenue Fund monies (\$1.4 billion in cash and \$1.4 billion in bonding authority) to fund the costs to plan, design, construct, reconstruct, rehabilitate, and repair three lanes in each direction on approximately 200 miles of I-70, from Blue Springs to Wentzville (the “Improve I-70 Program”). Last fall, the Commission approved the creation of a new lien, the State Appropriations Mega Projects Bonds. The MHTC borrowed \$381.6 million in December 2023 in bonds for the Improve I-70 Program.

The Commission borrowed funds using various types of bonds. In 2009 and 2010, the MHTC utilized Build America Bonds (BABs), which are sold as fixed rate taxable bonds that receive an interest subsidy payment from the U.S. Treasury. The BABs utilized by the Commission resulted in lower net interest rates when compared to the traditional tax-exempt bonds. The Commission currently has \$478.6 million of BABs outstanding. Due to sequestration (spending cuts mandated under the 2011 federal budget resolution), the Commission may not receive the full amount of the interest subsidy payments due from the federal government on the BABs. The interest subsidy payments were reduced by \$600,000 in fiscal year 2024 resulting in higher net debt service.

Policy

The Commission’s Debt Management Policy is considered a conservative one. The Commission first approved its Debt Management Policy in May 2000, with the latest revision approved by the Commission in October 2023. The Commission adopted a Debt Management Policy to ensure each debt

financing is completed in the most efficient and effective manner and in accordance with the best practices of the industry to achieve the Commission's fiscal management goals and objectives.

The Policy indicates criteria that must be met prior to the issuance of debt. It speaks to the duration of debt and the opportunities to issue debt. By limiting debt duration to reflect asset life, this aligns the liability with the asset so when the asset is used up, the liability is gone. Limiting debt duration also helps to define those opportunities to bond to fund significant projects in the future and injects fiscal discipline of paying principal throughout repayment to assure issuers of debt also become payers of principal. The focus is to ensure that MoDOT is able to preserve the existing system through asset management and continue to be able to operate and maintain the system.

The Debt Management Policy limits the amount of debt the Commission can borrow by capping annual debt service to no more than five percent of the annual Total Road and Bridge Revenue, not including Amendment 3 revenues. New or additional funding sources, such as Amendment 3 or General Revenues, may be designated for the exclusive purpose of covering debt service to advance construction projects and these may be considered beyond and apart from the five percent limit.

Debt obligations include debt service on bonds; loan repayments to the State Infrastructure Bank; leases of one year or longer; and repayment to local entities for accelerated program payments. The accelerated program is MoDOT's reimbursement to other entities, usually local governments, for proceeds they provided to accelerate construction projects. When comparing the Commission's estimated debt obligations compared to the estimated debt limitations, the Commission is in compliance with the Debt Management Policy. The Commission's policy is conservative and allows the department to focus on preserving the existing system through asset management and continue to be able to operate and maintain the system.

Potential Future Bond Program and Issuance

Whether or not the Commission issues bonds is dependent on whether conditions exist and it makes sense to do so. Given that, the financial forecast that was presented to the Commission in January, did include potential issuances of Amendment 3 bonds in 2026, 2028, and 2030. The forecast also included issuances of bonds for the Improve I-70 Program in 2026 and 2028. With the General Assembly passage and the Governor's approval of the Forward 44 Program, we would anticipate bond issuances related to that Program as well in the future.

Closing

Ms. Morris and Director McKenna reported on compliance for the bonds issued for the Improve I-70 Program. The debt service for these bonds will be paid by General Revenue. Most notable is the first I-70 bonds will be paid off in fiscal year 2026 before construction is complete for the first project of the Improve I-70 Program. The department estimates that it will issue bonds to generate a little under \$1.01 billion in bond proceeds for the Improve I-70 Program. Additional compliance analysis will also be performed for the bonds issued to generate \$363.75 million of bond proceeds for the Forward 44 Program.

As she summed up the annual debt management report, Ms. Morris stated the Commission's ability to borrow funds for significant road and bridge projects is a great tool to have. Historically, this allowed the Commission to make some significant investments in state roads and bridges and will allow the Commission to do so again in the future.

Following discussion, the Commission commended the department and its excellent stewardship of the Commission's debt. Commissioner Baker thanked Ms. Morris for her presentation and for sharing the details on debt management. Bond financing is an important tool in the toolbox and part of providing these larger needed infrastructure improvements. She expressed appreciation for the department's work to manage that process.

* * * * *

2025-2029 FINAL STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM

On behalf of the Director, Llans Taylor, Transportation Planning Director, presented the 2025-2029 Statewide Transportation Improvement Program (STIP), which is developed in coordination with the budget and financial forecast. The STIP is a proposed list of transportation projects for the next five years. This document is an essential part of communication with customers sharing how their transportation dollars are being invested and represents MoDOT's commitment to Missourians.

The STIP was developed using a transparent, inclusive, and flexible approach to identifying transportation solutions. The planning framework is an open and engaging public involvement process that is used to develop the STIP. MoDOT district staff work closely with nine metropolitan planning organizations and nineteen regional planning commissions. Across the state that process includes about 1,200 individuals who are regional leaders providing input to the final STIP.

Mr. Taylor was pleased to announce that the final STIP for 2025-2029 totals \$14.6 billion for 1,424 projects, the largest STIP in MoDOT history. The Commission's funding distribution policy provides predictable funding levels to all areas of the state and allows for multi-year planning. For fiscal years 2025-2029, the construction program funds available total \$7.1 billion. The funds are then distributed on objective factors and are distributed to safety \$290 million, asset management \$4.5 billion, and then system improvements \$2.3 billion.

Missouri's transportation system is very large including nearly 34,000 miles and almost 10,400 bridges, which takes a combination of highway and bridge construction along with the operations and maintenance plan to take care of the system. Most of the work on 5,500 miles of major highways and roughly 17,500 miles of minor roads is accomplished through the highway and bridge portion of the STIP. There are also nearly 11,000 miles of low volume minor roads, and most of the work on those roads is accomplished through operations and maintenance work. Asset management is the focus of the 2025-

2029 STIP, it is what customers requested and ensures Missouri's roads and bridges are in good condition. He then described how the first three years of this STIP focuses 83 percent of the funding on asset management, 11 percent on capital improvements, and 6 percent on other projects. The first three years of the STIP will improve 11,689 miles of pavement and 955 bridges.

Mr. Taylor described some of the key changes for the 2025-2029 STIP. He noted that existing projects increased about \$291 million, approximately 4.3 percent is due to inflation, and 4.1 percent due to scope enhancements. The Director noted the scope enhancements are primarily to incorporate safety improvements from the SAFER document. There were schedule adjustments made to 216 projects to align the program with availability or to accommodate processes. There were 354 projects added, the majority of which are asset management projects. There were 21 projects deleted due to the project being incorporated into the Improve I-70 Program projects, or work being addressed by MoDOT forces, or programming a future replacement in lieu of a rehabilitation.

This legislative session, the General Assembly designated additional general revenue funding for transportation projects. This includes remaining work for I-70 from the 2023 legislative session. From the 2024 legislative session it includes new work on the I-44 corridor. It also includes a list of specific projects across the state on a variety of routes. The department is grateful for the additional funding for these transportation projects.

The multimodal portion of the STIP has \$1.1 billion in funding for 2025-2029. The multimodal program has grown significantly since 2020. These funds are federal pass-through funds and designated funds for the other modes.

The STIP also includes the maintenance operations plans for the districts. It outlines the anticipated work in each region so the public can know not only the scheduled contract work, but the work that is going to be accomplished by MoDOT's forces as well. This additional information is provided to allow Missourians to more easily see how their transportation funding is invested.

The department held a thirty-day public comment period on the draft STIP. As a result of the public comment period, MoDOT received 107 comments regarding the draft STIP. Sixty-four comments requested additional road and bridge improvements. Twelve comments requested modal improvements including improving safety for vulnerable roadway users. Eight comments offered support for projects or thanked MoDOT. Five comments referenced project implementation. Customer service needs were identified by five comments. There were five comments about locations with traffic concerns. Four comments expressed concerns at locations that were not on the state system. There were three requests for additional information. One comment identified a typographical error. Each comment was responded to and shared with the districts and corresponding planning organization.

Mr. Taylor reported there were some project changes made to the STIP between the draft that was presented to the Commission at the May Commission meeting and the final STIP being presented for consideration at this meeting. There were forty-seven major changes total. Thirty-eight changes included General Assembly designated projects that were added to improve sections of I-44, fix low-volume and minor routes, and more. There are two General Assembly designated projects added for off the state system projects. There are seven General Assembly designated projects added for multimodal improvements. There were several minor changes made to clean up language, note project changes, make technical corrections, modify tables, and make wording updates.

Mr. Taylor then recommended the Commission:

- approve the 2025-2029 STIP;
- certify to the Federal Highway Administration and the Federal Transit Administration that the transportation planning process used in the development of the STIP complies with the requirements listed in 23 CFR 450.220;
- delegate to the Deputy Director/Chief Engineer the authority to approve the addition of scoping projects, hardship right of way purchases, and urgent or emergency projects;
- delegate to the Deputy Director/Chief Engineer authority to approve fiscally constrained revisions to projects; and

- Approve a continuation of the planning efforts for the General Assembly designated and funded projects to secure concurrence in programming this work from impacted planning partners.

Commissioner Slay thanked Mr. Taylor for the presentation and congratulated him on the largest and most historic STIP. It is incredible to see the program is at nearly \$15 billion now. The Commission appreciates the hard work of the staff in Central Office and all the Districts who worked with local planning partners to develop this plan. Commissioner Erdman observed the quick turnaround in a few days after the Governor announced his actions on the appropriations bills which impacted this STIP. After further discussion and consideration, and upon motion by Commissioner Smith, seconded by Commissioner Erdman, the Commission unanimously approved the recommendations as outlined above.

* * * * *

BUSINESS ISSUES

ST. CHARLES COUNTY, 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. 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. Guidelines 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).

St. Charles County submitted a \$4,000,000 request for cost share economic development funds to construct I-70 interchange improvements at Route T and Route W as part of the Improve I-70 Program

Project #2. The project is located in the St. Louis district.

The total project costs of \$ 9,465,000 will be funded by the following sources: \$ 4,000,000 cost share economic development funds available in state fiscal year 2024, and \$5,465,000 of St. Louis District STIP funds for design, right of way, utility relocation, and construction costs. The project construction is estimated to begin in spring of 2025.

The Cost Share Committee approved the County’s request at their May 15, 2024 meeting. On behalf of the Director, Ed Hassinger, Deputy Director/Chief Engineer, recommended approval of the award of \$4,000,000 in Cost Share Economic Development set-aside funds to St. Charles County to construct I-70 interchange improvements at Route T and Route W as part of the Improve I-70 Program Project #2. Via approval of the consent agenda, the Commission unanimously approved the recommendation described above.

* * * * *

MEDICAL AND LIFE INSURANCE PLAN: APPROVAL OF PHARMACY BENEFIT MANAGER

On behalf of the Director, Brandon Denkler, Assistant to the Chief Administrative Officer – Health and Wellness, recommended approval of the Medical and Life Insurance Plan Board of Trustees recommendation to contract with CarelonRx to provide pharmacy benefit manager services. The pharmacy benefit manager adjudicates pharmacy claims, oversees the Medicare Part D contract, provides customer service to members of the Plan, provides medical therapy management, and other services that are essential to effective Medical and Life Insurance Plan operation. The contract would begin January 1, 2025, and expire December 31, 2027. Additionally, two one-year extension periods are available, potentially extending the expiration date through December 31, 2029.

Via approval of the consent agenda, the Commission unanimously approved the recommendation, and authorized a member of the Executive Committee to execute the contract, subject to approval as to form by the Chief Counsel’s Office.

* * * * *

STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

CONSIDERATION OF BIDS FOR TRANSPORTATION IMPROVEMENTS

On behalf of the Director, Kenny Voss, State Design Engineer, presented the following recommendations pertaining to bids received on federal aid and state highway and bridge projects during the past month. He noted Calls B02 and F02 have local funding, as noted in Table I below, and the department received all the necessary concurrences.

Mr. Voss recommended: (1) award of contracts to the lowest responsive bidders for bids received at the June 21, 2024, letting, as recommended, and noted in Table I below; (2) noted no bids were received on Call D01 and therefore could not be awarded as noted in Table II below; and (3) award of the emergency project let on July 8, 2024 in the Northeast District as noted in Table III below.

**Table I
Award of Contracts
June 21, 2024, Bid Opening**

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
A01	65	Carroll, Livingston	J1P3367	\$19,449,704.14	\$0.00	Capital Paving & Construction, LLC	Resurface and Improve Shoulders
A06		Carroll	JNW0024				Coldmill and Resurface
		Livingston	JNW0022				
A02	B	Holt	J1S3276	\$1,456,934.76	\$138.40	North Central Bridge, LLC	Bridge Replacement
A03	I-229	Buchanan	JNW0033	\$3,359,322.88	\$0.00	Herzog Contracting Corp.	Resurface
A04	6, 36, 169, 136	Buchanan, DeKalb, Nodaway	JNW0036	\$1,939,582.08	\$0.00	Vance Brothers, Inc.	Scrub Seal
B01	63	Macon, Randolph	J2P3245	\$7,841,751.58	\$0.00	Magruder Paving, LLC	Resurface
B02*	19	Montgomery	JNE0006	\$5,495,000.62	\$0.00	Magruder Paving, LLC	Coldmill and Resurface
			JNE0016				
B03	24	Randolph	JNE0121	\$6,691,391.83	\$0.00	Capital Paving & Construction, LLC	Coldmill and Resurface
	63		J2P3351				

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
C01	M	Pettis	J3S3204	\$1,299,908.52	\$0.00	E & C Bridge, LLC	Bridge Replacement
C02	Various	Cass, Clay, Jackson, Platte	JKU0314	\$2,840,000.00	\$0.00	Realm Construction Inc.	Job Order Contract for Concrete Pavement Repair
F01	50	Franklin	JSL0047	\$7,117,108.64	\$0.00	N.B. West Contracting Company	Coldmill, Resurface and Pavement Repair
F02**	Park Rd	Franklin	JSLP0005	\$1,096,777.00	\$0.00	Pace Construction Company, LLC	Resurface
H01	P	Scott	JSEM0058	\$180,000.00	\$0.00	Pace Construction Company, LLC	Pavement Repair
H02	67	Butler	JSEM0059	\$191,187.60	\$0.00	Ronald Anthony Kucera, Jr dba Ronald Kucera Jr	Demolition of Buildings and Asbestos Removal
			TOTAL	\$58,958,669.65	\$138.40		

* Call B02 - Funding by City of Montgomery – \$132,973.70

** Call F02 - Funding by Department of Natural Resources – State Parks

+ Award contingent upon receipt of additional funding from local entity

**Table II
No Bids Received
June 21, 2024, Bid Opening**

Call No.	Route	County	Job No.	Description
D01	I-70	Boone, Callaway, Cooper	JCD0008	Job Order Contract for Asphalt Repair

**Table III
Award of Emergency Project
July 8, 2024, Bid Opening**

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
B01	A	Adair	JNE0140	\$1,385,479.67	\$0.00	Capital Paving & Construction, LLC	Bridge Replacement
			TOTAL	\$1,385,479.67	\$0.00		

Commission Consideration and Action

After consideration, and upon motion by Commissioner Smith, seconded by Commissioner Erdman, the Commission took the following action with abstentions noted below.

1. Awarded contracts to the lowest responsive bidders for bids received at the June 21, 2024, bid opening, as recommended, and noted in Table I above. Non-contractual costs for these projects are shown in the above tabulation.
2. Noted no bids were received on Call D01 and therefore could not be awarded as noted in Table II above.
3. Award the emergency project let on July 8, 2024, to replace the bridge in the Northeast District that collapsed during high water as noted in Table III above.
4. Authorized the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer to execute the contracts awarded above.

Commissioner Erdman abstained from Calls A01, A06, and B03. Commissioner Hegeman abstained from Calls A04, A05, and A03.

* * * * *

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 was one briefing report for the past month.

* * * * *

FINANCIAL - BUDGET - REPORTS – YEAR-TO-DATE, FINANCIAL REPORT PERIOD ENDING MAY 31, 2024

Todd Grosvenor, Financial Services Director, submitted a written financial report for fiscal year to date May 31, 2024, with budget and prior year comparisons.

* * * * *

CONSULTANT SERVICES CONTRACT REPORT

Kenny Voss, State Design Engineer, submitted a written report of consultant contracts executed in the month of May 2024, 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 665 active contracts held by individual engineering consultant firms prior to June 1, 2024. Eighteen engineering consultant services contracts were executed in May 2024, for a total of \$12,655,691. The department budget for Design Bridge Consultants totals \$110 million for Fiscal year 2024, expenditures to date are \$103.1 million.

* * * * *

* * * * *

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

* * * * *

* * * * *

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.

* * * * *