



**MISSOURI HIGHWAYS AND TRANSPORTATION
COMMISSION**

Official Minutes

TABLE OF CONTENTS

August 6, 2014

VOTE TO CLOSE MEETING..... 4

COMMISSION/DIRECTOR ITEMS

Approval of Minutes 5

Consent Agenda 5

Commission Committees and Commission Related Boards 6

Director’s Report 6

MoDOT PRESENTATION

Constitutional Amendment 7 Update..... 7

PUBLIC COMMENT

Public Comment – Gary Bonacker 9

STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM

2015 – 2019 Statewide Transportation Improvement Program..... 9

Consideration of Bids for Roadway Improvements..... 12

Consideration of a Supplemental Agreement with the City of Willow Springs 14

Ratification and Approval of Plans for Condemnation..... 15

REPORTS

A Bolder Five-Year Direction Report..... 17

Financial – Budget – Reports

 Year-to-Date Financial Report, Period Ending June 30, 2014 17

Consultant Services Contract Report 17

**MINUTES OF THE REGULARLY SCHEDULED HIGHWAYS AND
TRANSPORTATION COMMISSION MEETING HELD IN JEFFERSON CITY,
MISSOURI, WEDNESDAY, AUGUST 6, 2014**

A regularly scheduled meeting of the Missouri Highways and Transportation Commission was held on Wednesday, August 6, 2014, at the Missouri Department of Transportation Building, 105 West Capitol Avenue, Jefferson City, Missouri. Stephen R. Miller, Chairman, called the meeting to order at 11:00 a.m. The following Commissioners were present: Lloyd J. Carmichael, Kenneth H. Suelthaus, and Gregg C. Smith.

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

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

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Dave Nichols, Director of the Missouri Department of Transportation; Paula Lambrecht, Assistant Chief Counsel for the Commission; and Pamela J. Harlan, Secretary to the Commission, were present on Wednesday, August 6, 2014.

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

-- CLOSED MEETING --

VOTE TO CLOSE MEETING

The agenda of the closed meeting was posted in keeping with Sections 610.020 and 610.022, RSMo, including the following statutory citations allowing the meeting to be closed:

1. Section 610.021(1) – Legal actions and attorney-client privileged communications.
2. Section 610.021(3), (13) – Personnel administration regarding particular employees.
3. Section 610.021(11), (12) – Competitive bidding specifications, sealed bids, or negotiated contracts.

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

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

The Commission met in closed session on Wednesday, August 6, 2014 from 9:00 a.m. until 11:00 a.m., recessed from 11:00 a.m. until 12:30 p.m., and reconvened 12:30 p.m. until 2:00 p.m.

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-- OPEN MEETING --

APPROVAL OF MINUTES

Upon motion by Commissioner Smith, seconded by Commissioner Carmichael, the Commission unanimously approved the minutes of the regular meetings held June 25, 2014 and July 9, 2014, and the amended minutes of June 11, 2014. The Chairman and Secretary to the Commission were authorized and directed to sign and certify said minutes and to file same in the office of the Secretary.

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CONSENT AGENDA

Consent Agenda Process

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

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

Consideration of August 6, 2014, Consent Agenda

No items were removed from the consent agenda. Upon motion by Commissioner Suelthaus, seconded by Commissioner Carmichael, the consent agenda items were unanimously approved by a quorum of Commission members present. Commissioner Carmichael abstained from voting on the agenda item titled "Consideration of a Supplemental Agreement with the City of Willow Springs."

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COMMISSION COMMITTEES AND COMMISSION RELATED BOARDS

The Commission has two standing committees: Audit and Legislative. In addition, it elects Commission representatives to two boards: Missouri Transportation Finance Corporation Board of Directors and MoDOT and Patrol Employees' Retirement System Board of Trustees. The following committee and board reports were made during the August 6, 2014, meeting.

Audit Committee – Commissioner Suelthaus stated the external auditor is working on the fiscal year 2014 audit, which will be presented at the November Commission meeting.

Legislative Committee – Commissioner Carmichael stated there was no report.

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

MoDOT and Patrol Employees' Retirement System – Commissioner Carmichael stated at the last MHTC meeting, he had reported MPERS earned 16.5 percent on investments, and now that has been revised upward to 17.5 percent based on some re-evaluations of some investments. He noted the fund is currently at \$1.9 billion.

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DIRECTOR'S REPORT

During the August 6, 2014, Commission meeting, Director Dave Nichols provided the following report:

Federal transportation funding – Director Nichols discussed the looming insolvency of the Highway Trust Fund and stated as of August 8, 2014, the U.S. Department of Transportation would have to begin to take some action with phased payments to the states. However, Congress took action on a short term fix that allocates \$10.8 billion nationally, which keeps the Highway Trust Fund solvent so the state

departments of transportation and transit are funded until May 31, 2015. Director Nichols noted due to these funding issues and short term fixes, some states will cancel lettings in January and February.

Safety – Director Nichols informed the Commission that a couple of weeks ago, a contract highway worker died while working on a bridge on Highway 24 in the Kansas City district. The electrician fell from the bridge to the roadway underneath. Director Nichols said thoughts and prayers go out to the highway workers’ family and reminded everyone of how vulnerable road workers, law enforcement officers, and tow truck operators are while working on the road.

Constitutional Amendment 7 – Director Nichols commended team MoDOT for their efforts in preparing the long range plan, identifying transportation needs, and refining that long list of needs through the public involvement process and meetings with Missourians around the state culminating in the required project list for Constitutional Amendment 7.

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CONSTITUTIONAL AMENDMENT 7 UPDATE

Director Nichols reported, although the August 5 election results were disappointing as Amendment 7 failed to pass, Missourians have spoken and that decision is respected. The purpose of Constitutional Amendment 7 was to provide additional funding for transportation. The measure, if passed, was a temporary ¾ cent sales tax for ten years, and was estimated to provide revenue of \$5.4 billion over ten years for any transportation purpose.

Director Nichols said although resources are limited, the current focus of the department will be three areas of business (1) keep Missourians and customers safe who use Missouri’s transportation system, (2) maintenance and preservation projects to take care of the system, and (3) provide outstanding customer service.

He noted the direct correlation of investment in transportation and its affect and impact on safety. In 2005, there were 1,257 fatalities on roadways in Missouri. At that time, the department was able to start making significant safety improvements due to funding from the passage of Amendment 3. These improvements included guard cables, rumble strips, geometric improvements, and fixing curves. Those types of improvements dramatically reduced fatalities as indicated statistically, and by 2013 the fatality

rate had been reduced to 757 fatalities, the lowest rate since the 1940's. However, there are already indications of the impact reduced transportation funding has on the fatality rate, in 2014 there has been a three percent increase in fatalities. Mr. Nichols reassured the Commission that the department will do everything it can with the resources available to keep Missourians and customers safe when using the transportation system.

Director Nichols explained the department is in preservation and maintenance mode. The core value is to take care of the current system before investing in anything new. The projects in the 2015-2019 Statewide Transportation Improvement Plan (STIP) are mostly preservation type projects, such as resurfacing and bridge repair. There are some projects that will address safety and a few cost share projects that are previous commitments. He noted the department will finish those commitments but there will be no more commitments like that in the future as the department focuses on preservation.

The department will continue to be responsive to Missourians and provide outstanding customer service, which will become more difficult as the department will have to say no as it is unable to add projects, the cost share program will remain suspended, and communities will be disappointed.

Director Nichols noted he received inquiries regarding reductions in staff. Through the Bolder Five-Year Direction, the department reduced staff by nearly 1,200 employees, closed 131 facilities, and reduced MoDOT's fleet by more than 750 units. The \$700 million in the STIP is only possible at that level due to the cost savings from the Bolder Five-Year Direction being placed in the STIP budget. Director Nichols stated, the current staffing level is at the right size and the department cannot get any smaller and be able to accomplish the necessary work such as snow removal.

Director Nichols concluded by saying it was a disappointing day, but staff will continue moving forward. Commissioner Smith noted the stark reality of transportation funding has not changed, the department needs \$485 million per year to keep the transportation system in a state of good repair and

will only have \$325 million per year beginning in 2017. He stated his hope that the setback from the election does not delay continued discussion for a long term transportation funding solution.

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PUBLIC COMMENT – GARY BONACKER

Gary Bonacker, a farmer from Jefferson County, requested a permit to be able to utilize the department’s right of way to sell pumpkins. Mr. Bonacker stated he has sold pumpkins for approximately fifteen years, both wholesale and directly to the public. The right of way has high visibility to the traveling public on Highway 30 at the intersection of Sugar Creek Road in Jefferson County. Mr. Bonacker would pull in a trailer every morning and pull it out every evening, weather permitting. The area is accessed from the outer road and is located between the outer road (Old Highway 30) and Highway 30.

After further discussion, the Commission thanked Mr. Bonacker for attending the meeting and presenting his request. Commissioner Miller stated the Commission will consider his request and consult with staff regarding his request for a permit.

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2015 – 2019 STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM

On behalf of the Director, Machelle Watkins, Transportation Planning Director, presented the 2015-2019 Statewide Transportation Improvement Program (STIP). The STIP is a five-year list of all projects for the department, and is required by federal and state law. The STIP has two sections; one section is for the scoping and design work for projects that are being explored and reviewed for environmental impacts, and the other section is for the construction program and the budget for building the projects. The STIP is the department’s commitment to the public to deliver the projects and make the best use of every transportation dollar available.

This 2015-2019 STIP is virtually unchanged from the 2014-2018 STIP approved a year ago for a couple of reasons: the stark reality of funding in Missouri for transportation and the suspension of adding projects to the STIP. She reminded the Commission of their action taken at the January 8, and June 25, 2014 Commission meetings to suspend the addition of new highway improvement projects to the STIP, EXCEPT (1) Programming specific projects in the *Safety* and *Taking Care of the System* categories where funds are already committed in the STIP, but the specific projects have not been identified; (2) *Taking Care of the System* projects funded by other entities or with federal sub-allocated funds matched with local agency funds; (3) Projects for new or expansion of existing facilities which are funded by other entities, including funding of maintenance and operating costs; and (4) Projects approved by the Cost-Share Committee on or before its November 15, 2013, meeting when the applicable project agreements with the local sponsors are completed.

The STIP consists of three program areas with annual funding in fiscal year 2015: local programs at \$167 million, the multimodal program at \$143 million, and highways and bridges at \$720 million. By fiscal year 2019 the annual funding will change in the three program areas: local programs will drop to \$120 million; multimodal funding is largely unpredictable due the lack of a dedicated, flexible, statewide transportation funding source so its annual funding beyond the first year is unknown; and highways and bridges will be reduced to \$325 million. Ms. Watkins reminded the Commission of the stark reality of funding transportation in Missouri and that based on the financial forecast the construction budget will fall to \$325 million by 2017, far below the \$485 million it takes each year to take care of the system. With a little more than \$700 million available in 2015, the program is only about half of what it was just five years ago.

The STIP is developed using an extensive public involvement process called the Planning Framework Process. MoDOT staff work year round with regional planning commissions, metropolitan planning organizations, local elected officials, and the public to identify transportation needs throughout

the state. Those needs are prioritized for further consideration and ultimately determine the highest priorities recommended for programming in the STIP. The 2015-2019 STIP is a culmination of the past year's work with MoDOT's partners. Due to the stark reality of transportation funding, only a limited number of projects were added to the STIP. Ms. Watkins noted only twenty-six projects were added to the final 2015-2019 STIP. In past years, typically 500 to 800 projects are added to the STIP.

In addition, the department presented the draft STIP to the public for a comment period that began May 14, 2014, and concluded on June 13, 2014. As a result of the public comment period, four responses were received via the internet. Each comment received was responded to and Ms. Watkins shared a summary of the comments received. The Northwest District received one comment regarding the parking lot paving at the St. Joseph district office and plow truck purchases. The St. Louis District received one comment requesting the paving of two gravel city streets in St. Clair. The Multimodal Division received one comment questioning how airport projects are listed in Section 7 of the draft STIP. One question was received regarding the impact to the STIP if Constitutional Amendment 7, the ¾ cent sales tax, passes. A supplemental 7-day public comment period was provided from July 29, 2014 through August 5, 2014 for changes made after the draft STIP 30-day public comment period. No additional comments were received.

Ms. Watkins highlighted the changes between the draft STIP and the final version being presented for approval. There were 55 construction projects with minor changes and included a change in federal oversight designation for 23 projects, 22 projects changed award date within the fiscal year, 6 projects added or revised funding sources, and 4 projects revised the project description or length. There were 23 construction projects with major changes including 12 projects with delayed or accelerated right of way or construction work, the estimates for 7 projects were revised, and 4 projects added right of way or construction work.

Ms. Watkins then recommended the Commission approve the 2015-2019 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 450.218(1) and 23 CFR 450.334(a); delegate to the Chief Engineer the authority to approve the addition of scoping projects, hardship right of way purchases, and urgent or emergency projects; and to delegate to the Chief Engineer authority to approve fiscally constrained revisions to project phases, description, location, improvements, schedule, funding, technical corrections, and split or combine projects.

Commissioner Miller thanked Ms. Watkins for her presentation, and Commissioner Suelthaus inquired for clarification regarding the number of projects added to the STIP this year compared to previous years. Ms. Watkins responded that this year the STIP is only adding 26 projects, whereas in years past about 500 projects are added to the STIP each year. After further discussion and consideration, and upon motion by Commissioner Smith, seconded by Commissioner Suelthaus, the Commission unanimously approved the 2015-2019 STIP, as recommended by Ms. Watkins. Commission member abstentions on the 2015-2019 STIP have been recorded with the Secretary to the Commission.

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CONSIDERATION OF BIDS FOR ROADWAY IMPROVEMENTS

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

Mr. Schroeter recommended (1) Award of contracts to the lowest responsive bidders for bids received at the July 25, 2014, letting, as recommended and noted in Table I below. (2) Rejection of bids received on Call C01 as noted in Table II below, due to the bids being excessive per Section 102.15 of the Missouri Standard Specifications for Highway Construction.

**Table I
Award of Contracts
July 25, 2014, Bid Opening**

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
A01	M	Nodaway	J1S3014	\$937,762.34	\$0.00	APAC-Missouri, Inc.	Replace Bridge Deck
A02	P	Holt	J1S3026B	\$1,091,652.36	\$0.00	Herzog Contracting Corp.	Resurface
	CC	Atchison	J1S3026C				
	T		J1S3026D				
	OO		J1S3026F				
	W	Atchison, Holt	J1S3026E				
A03	136	Putnam	J1P3042	\$1,399,132.35	\$0.00	APAC-Missouri, Inc.	Replace Bridge Deck
	129		J1S3044				
	E		J1S3045				
	W	Putnam, Schuyler	J1S3043				
C02	210	Clay	J4P3095C	\$0.00	\$0.00	No bidders	Signing and Striping Improvements
	152		J4P3095B				Surface Sealing and Striping
F01	Various	Various	J6Q3001	\$420,183.17	\$134,276.00	Gerstner Electric, Inc.	ITS improvements
F02	64 Outer Road	St. Charles	J6S3074	\$383,284.50	\$0.00	L. F. Krupp Construction, Inc. dba Krupp Construction	Grading, Pavement and Add Shoulders
F03	Various	Various	J6S3075	\$499,972.70	\$0.00	Gerstner Electric, Inc.	Signal Improvements
F04	44	St. Louis City	J6I3032	\$2,043,305.91	\$0.00	St. Louis Bridge Construction Company	Replace Bridge Deck
TOTAL:				\$6,775,293.33	\$134,276.00		

**Rejection of Bids
July 25, 2014, Bid Opening**

Call No.	Route	County	Job No.	Description
C01*	35	Clay	J4I3005	Grading, Pavement, and Bridge
			J4I3023	

* Call C01 – Funding by City of Liberty Funding – \$4,200,000
Funding by City of Pleasant Valley Funding – \$100,000

Commission Consideration and Action

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

1. Awarded contracts to the lowest responsive bidders for bids received on the July 25, 2014, bid opening, as recommended and noted in Table I above. Non-contractual costs for these projects are shown on the above tabulation.
2. Rejected the bids received on Call C01, as noted in Table II above, because they were considered excessive.
3. Authorized the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer to execute the contracts awarded above.

Commissioner Miller abstained from voting on Calls A02 and C01.

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CONSIDERATION OF A SUPPLEMENTAL AGREEMENT WITH THE CITY OF WILLOW SPRINGS

On behalf of the Director, Kelly Lucas, Right of Way Director, explained the Commission's November 7, 2013, policy regarding use of Commission-owned property or property rights authorizes staff to execute leases and agreements for use of real property and its appurtenances. However, the policy further requires that all unique, sensitive and/or controversial transactions be submitted to the Commission for consideration. The proposed supplemental agreement is unique because of the nature of the original agreement previously approved by Commission action.

On February 1, 2012, the Commission approved the execution of the initial Lease with Option to Purchase Agreement with the City of Willow Springs. The initial agreement was fully executed on March 30, 2012. The terms of the initial agreement required the City of Willow Springs to achieve economic development through the creation of new jobs and/or increase student enrollment at an institution of higher education generating tuition revenues within a ten year period in lieu of payment. To date, the City of Willow Springs has achieved \$20,520 toward the \$1,305,630 economic development goal established by the initial agreement.

As a result of a supplemental agreement approved by the Commission on October 2, 2013, the Willow Springs R-4 School District was authorized to occupy the facility as a sub-lessee of the city beginning October 2, 2013. The Willow Springs R-4 School District is constructing a permanent building on the campus for the purpose of ultimately housing the preschool, however, due to weather conditions, the new preschool facility will not be completed as scheduled. Instead of being completed in early summer of 2014, it will now be completed in late fall of 2014. The department has reviewed the request by the City of Willow Springs to authorize the Willow Springs R-4 School District to occupy a portion of the facility for preschool activities for a temporary period ending December 31, 2014, and finds it would benefit the local community.

Via approval of the consent agenda, the Commission unanimously authorized the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer to execute the Third Supplemental Lease with the Option to Purchase Agreement to authorize the Willow Springs R-4 School District to occupy a portion of the former Willow Springs District Office for preschool activities as a sub-lessee of the City of Willow Springs for a temporary period ending December 31, 2014. Commissioner Carmichael abstained from voting on this agenda item.

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RATIFICATION AND APPROVAL OF PLANS FOR CONDEMNATION

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

<u>County</u>	<u>Route</u>	<u>Job Number</u>
Jackson	50	J4P2233
Jackson	AA	J4S2029B
Christian	CC/J	J8P2356

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

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-- REPORTS --

The Commission received the following written reports.

A BOLDER FIVE-YEAR DIRECTION REPORT

Dave Nichols, Director, provided to the Commission the quarterly update of the Bolder Five-Year Direction. On June 8, 2011, the Commission approved the Bolder Five-Year Direction to reduce staff by nearly 1,200 employees, close 131 facilities, and reduce MoDOT's fleet by more than 750 units. Significant progress has been made in the implementation of the plan, and the workforce and fleet reduction components have been completed.

As of June 30, 2014, MoDOT has vacated 124 facilities. Of that total, 107 facilities have been conveyed, which includes the termination of five leases and the establishment of long-term leases with other parties for four facilities that MoDOT previously occupied. The department is successfully operating in a seven-district configuration, has a significant presence in every county in the state, and has put the right people in the right jobs. As of June 30, 2014, the department realized a total savings of \$507 million. Savings as a result of the Bolder Five-Year Direction have been spent on improvements to Missouri's roads and bridges.

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

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

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CONSULTANT SERVICES CONTRACT REPORT

Eric Schroeter, State Design Engineer, submitted a written report of consultant contracts executed in the month of June 2014, for both engineering and non-engineering related projects. The department utilizes consultants to efficiently manage workload and provide specialized expertise to

supplement and support department staff. Expenditures for consultant services are funded from the Commission approved Statewide Transportation Improvement Program and MoDOT Operating Budget. Six engineering consultant services contracts were executed in June 2014, for a total cost of \$1,187,509. There were two non-engineering consultant contracts executed in June 2014, for a total cost of \$301,952.

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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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