



**MISSOURI HIGHWAYS AND TRANSPORTATION
COMMISSION**

Official Minutes

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**MINUTES OF THE REGULARLY SCHEDULED HIGHWAYS AND
TRANSPORTATION COMMISSION MEETING HELD IN JEFFERSON CITY,
MISSOURI, WEDNESDAY, AUGUST 5, 2015**

A regularly scheduled meeting of the Missouri Highways and Transportation Commission was held on Wednesday, August 5, 2015, at the Missouri Department of Transportation Building, 105 West Capitol Avenue, Jefferson City, Missouri. Stephen R. Miller, Chairman, called the meeting to order at 10:00 a.m. The following Commissioners were present: Lloyd J. Carmichael, Gregg C. Smith, Michael B. Pace, Michael T. Waters, Jr., and Mary E. Nelson.

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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Roberta Broeker, Interim 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 5, 2015.

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

-- CLOSED MEETING --

VOTE TO CLOSE MEETING

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

1. Section 610.021(1) – Legal actions and attorney-client privileged communications.
2. Section 610.021(3), (13) – Personnel administration regarding particular employees.

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

Commissioner Miller, Aye
Commissioner Carmichael, Aye
Commissioner Smith, Aye
Commissioner Pace, Aye
Commissioner Waters, Aye
Commissioner Nelson, Aye

The Commission met in closed session on Tuesday, August 4, 2015 from 9:00 a.m. until 6:00 p.m. and Wednesday, August 5, 2015 from 8:00 a.m. until 9:30 a.m.

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-- OPEN MEETING --

MARY E. NELSON QUALIFIED AS A MEMBER OF THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION

On July 13, 2015, Governor Jeremiah (Jay) Nixon announced the appointment of Mary E. Nelson of St. Louis to the Missouri Highways and Transportation Commission for a term ending March 1, 2017, or until her successor is duly appointed and qualified. Ms. Nelson will take the position held by Commissioner Bryan T. Scott vice his resignation from the Commission. Ms. Nelson was duly sworn on August 4, 2015, at the Missouri Department of Transportation Building in Jefferson City by Supreme Court Chief Justice Patricia Breckenridge.

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APPROVAL OF MINUTES

Upon motion by Commissioner Smith, seconded by Commissioner Pace, the Commission unanimously approved the minutes of the regular meetings held February 9, 2015 and March 10, 2015, and the special meetings held May 5, 2015; June 30, 2015; and July 2, 2015. 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. Commissioners Waters and Nelson abstained from voting on the minutes for the regular meetings held February 9, 2015 and March 10, 2015.

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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 5, 2015, Consent Agenda

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

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COMMISSION COMMITTEES AND COMMISSION RELATED BOARDS

The Commission has two standing committees: Audit and Legislative. In addition, it elects Commission representatives to two boards: Missouri Transportation Finance Corporation Board of Directors and MoDOT and Patrol Employees’ Retirement System Board of Trustees. The following committee and board reports were made during the August 5, 2015, meeting.

Audit Committee – Commissioner Pace stated there was no report and the committee is scheduled to meet on November 5, 2015.

Legislative Committee – Commissioner Carmichael reported that he and Chairman Miller traveled to Washington D.C. along with Interim Director Broeker and Governmental Relations Director Jay Wunderlich to visit with Missouri’s congressmen and senators on July 21 and 22, 2015. He noted they had time to discuss the transportation bill that was moving through the Senate at the time, and explain

what Missouri's concerns were with the bill and how important it is to get a full authorization as opposed to an extension of the existing bill. However, on July 31, 2015, the transportation bill that existed at the time expired, and congress passed an extension through the end of October. Progress is being made to get a six-year authorization proposal and efforts are underway for future passage.

Missouri Transportation Finance Corporation – Commissioner Smith reported the board received four loan requests for a total of \$5.2 million. The first loan in the amount of \$3.9 million was to the City of Cape Girardeau to replace a bridge. There were two loans from the City of Park Hills totaling \$1,089,000 for city street improvements. The fourth loan was to the Kansas City Port Authority in the amount of \$150,000 for rail improvements.

MoDOT and Patrol Employees' Retirement System – Commissioner Carmichael stated there was no report and the next board meeting is September 23, 2015.

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COMMISSION REORGANIZATION

MoDOT and Patrol Employees' Retirement System – The MoDOT and Patrol Employees' Retirement System (MPERS) operates under the direction and control of an eleven member Board of Trustees. Three members of the Missouri Highways and Transportation Commission serve as trustees on the Board. These trustees are elected by the members of the Commission. There has been a Commission member vacancy on the MPERS Board of Trustees since March 18, 2015, Commissioner Suelthaus' term ended. Commissioners Carmichael and Pace continue to serve on the Board of Trustees.

Upon nomination by Commissioner Carmichael, seconded by Commissioner Waters, the Commission unanimously approved a quorum of Commission members present the election of Commissioner Nelson as a new member of the Board of Trustees.

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INTERIM DIRECTOR'S REPORT

During the August 5, 2015, Commission meeting, Interim Director Roberta Broeker provided the following report:

Road to Tomorrow – Interim Director Broeker reported the department has received 150 different ideas, 35 of those were reviewed by the Road to Tomorrow team to obtain more information, and of those 35 there are 13 that have risen to the level where the team will be doing some in depth research to see how those ideas can help MoDOT rebuild I-70 and fund the reconstruction of I-70.

Flooding – Interim Director Broeker noted the state of Missouri has had some pretty significant rainfalls and flooding continues, causing the department to have over 1,000 road closures this year. She noted that each closure requires MoDOT staff to go out, close the road, and open it, sometimes multiple times at a single location. There are bridges that need to be inspected to see if there are any impacts due to the flooding. She reported that the department has used 31,000 labor hours solely related to bridge and road problems from flooding. Out of the 114 counties in Missouri there were 102 that were impacted by flooding this year. Flooding is a significant issue across the state of Missouri this summer.

Innovation – Interim Director Broeker was pleased to announce that MoDOT is sharing its innovations with other departments of transportation (DOTs) across the country. Several DOTs have requested information and provided feedback on innovations that were developed by MoDOT employees so they could do their jobs more efficiently, for less cost, and more safely. Additionally, Greene County is replicating the department's efforts by hosting their first Innovations Showcase.

Award – While the Safe and Sound Bridge Improvement Program was completed in 2012, it continues to receive awards and recognition. The Design-Build Institute of America awarded the program with its national award of merit, and now the program is a candidate for the national award of excellence. Additionally, other states, like Pennsylvania, are following MoDOT's footsteps with their own bridge improvement programs. Interim Director Broeker proudly remarked that this award is for a program that MoDOT created and now the department is seeing it work in other states.

Safety – After having a devastating weekend for fatalities on the road system in Missouri, Interim Director Broeker recalled one accident where a car was traveling the wrong way and caused a head on collision with another vehicle, all four people in the accident were killed and none of them were wearing their safety belts. She noted in Missouri the seat belt law is a secondary law not a primary law, and is one of the reasons the state's seat belt usage rate is so low. The fact is, if you are buckled up you stand a much better chance of surviving an accident than if you are not buckled up.

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WELCOME FROM MAYOR OF JEFFERSON CITY

Carrie Tergin, Mayor of Jefferson City, welcomed the Commission to the community where she has been a lifelong resident and third generation business owner in beautiful downtown Jefferson City. She stated she looks forward to furthering the partnership with MoDOT as the new mayor of the capitol city. She expressed appreciation for the Lafayette Street interchange which will provide direct access to Lincoln University and the retired state prison site. She noted that site is the biggest possible site for future economic development in the city. Mayor Tergin stated she is available to continue to collaborate with the state and MoDOT, and looks forward to getting to know the members of the Commission better.

Commissioner Carmichael thanked Mayor Tergin for her presentation and for her service on the Missouri State University board; he noted she brings tremendous knowledge and expertise to both roles.

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DELEGATION REPRESENTING RAINBOW CONNECTION, INC.

Peggy Carlisle, Owner of Rainbow Connection, Inc. (Rainbow), requested the Commission assist her with a contract dispute with Walsh Alberici Joint Venture (Walsh). Rainbow is a Disadvantaged Business Enterprise (DBE) firm that has been in business since 1980 and was a subcontractor for Walsh on the Boone Bridge project on I-64 in the St. Louis district. Ms. Carlisle explained that her company provided erosion control service and removed frozen material off a surcharge area for the project during the winter of 2014. She claimed that Rainbow has not been paid by Walsh for that work. Ms. Carlisle explained that Rainbow is a prodigy of MoDOT's DBE program. She requested MoDOT and the Commission use their influence with the prime contractors in how they conduct business with the DBE subcontractors. She also requested the Commission's assistance with seeking payment from Walsh.

Commissioner Nelson thanked Ms. Carlisle for her presentation and requested that she provide any documents that substantiate her claim to Rich Tiemeyer, Chief Counsel, so that information could be reviewed. Chairman Miller explained the Commission takes her concerns seriously and they will review the additional documentation she provides and do what is allowed under the law, but noted that there are certain limitations and laws the Commission must follow. He expressed the Commission's commitment not just to Rainbow but to all DBE companies to allow them to be successful and to continue to mentor and assist to the extent possible under the law.

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LINCOLN COUNTY ROUTE H BRIDGE

The Honorable Randy Pietzman, Missouri House of Representatives, requested the Commission replace the Route H Bridge crossing the Cuivre River in Lincoln County, Missouri. This bridge was originally constructed in 1953 and is located approximately five miles northwest of Troy. On June 15, 2015, the Northeast District implemented a ten ton weight limit on the bridge as a result of a rapidly deteriorating bridge deck. The Northeast District also lowered the speed limit to 40 mph along this stretch of roadway because of the bridge condition.

The ten ton weight limit restricts the traffic legally crossing the bridge to light duty vehicles only. All heavy duty vehicles and equipment weighing greater than ten tons cannot safely cross the bridge thus necessitating a thirty-one mile one-way detour. This restrictive weight limit and its lengthy detour impacts travelers on Route H. Lincoln County Emergency Services have had to adjust their routing and response plans. Lincoln County R-III School District school buses can no longer cross the bridge. The surrounding agricultural community must find other routes to move their equipment. MoDOT's standard trucks for snow and ice removal can no longer cross the bridge.

As part of MoDOT's Planning Framework, the Boonslick Regional Planning Commission and Transportation Advisory Committee (TAC) have identified a general priority "to keep bridges (non-

interstate, under 1,000 ft.) in good condition.” MoDOT believes the TAC will specifically list the replacement of Lincoln County Route H Bridge as a priority in the next version of their transportation needs list.

MoDOT agrees the bridge is in need of replacement; however, the bridge is located on a supplementary route. MoDOT’s current 325 Plan focuses STIP projects only on the primary system. In an effort to replace the bridge, Representative Pietzman approached the Lincoln County Commissioners to see if they could help in funding the bridge replacement, and they have offered to contribute \$200,000 to match federal funds on the project. The replacement of the bridge is estimated to cost \$1.2 million.

Representative Pietzman requested funds from the current cash balance be used to pay for the project. Commissioner Carmichael explained the Statewide Transportation Improvement Program (STIP) commitments have been made, and with the current funding situation there needs to be a sizeable cash balance to have the resources available to meet those commitments. Representative Pietzman also requested the department have the plans prepared for the project so when funds are available the project will be ready to go quickly rather than take the full three years that it would take to design and construct the project after the resources are available for the project. Chairman Miller explained the planning process that needs to take place in order to get the project in the STIP, once a project is in the STIP then resources can be allocated to prepare the plans for the project and construct it.

Chairman Miller thanked Representative Pietzman for his presentation. He noted Missouri has bridges throughout the state that are in dire need of help, and the department does not have the resources to repair or replace all of those bridges. There are currently 7 bridges that are closed and 600 critical bridges on the transportation system. He expressed appreciation for Representative Pietzman’s involvement and acknowledged everything the representative shared about people’s lives being important, access to emergency services being important. The chairman stated he wished more legislators would come forward to share their similar concerns because maybe then the people of

Missouri would understand the real challenge facing the department and the need for sufficient long term funding for transportation in Missouri.

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MACON COUNTY ROUTE T BRIDGE

The Honorable Tim Remole, Missouri House of Representatives, requested the Commission replace the Route T Bridge crossing Thomas Hill Lake in Macon County, Missouri. This bridge was originally constructed in 1961 and is located approximately five miles west of College Mound. On February 3, 2015, the Northeast District closed the bridge after a non-routine inspection uncovered deterioration and severe damage to the bridge girders. The damage and bridge type make repairs impossible.

This bridge closure and its lengthy detour impacts local residents and travelers on Route T. Macon County Emergency Services had to adjust their routing and response plans. A helicopter pad for air evacuation located on Route T east of the bridge is now no longer accessible from the west. Chariton County R-IV School District school buses from Salisbury, which covers the southeastern portion of Macon County, can no longer cross the bridge. Thomas Hill Lake provides seasonal recreation. Recreational visitors as well as area businesses depending on the seasonal traffic are now limited by the bridge closure. The surrounding agricultural community must find other routes to move their equipment and access their livestock. MoDOT's standard trucks for snow and ice removal can no longer cross the bridge.

As part of MoDOT's Planning Framework, the Mark Twain Council of Governments and their Transportation Advisory Committee (TAC) is midway through the process of revising and prioritizing their transportation needs list. The Macon Route T Bridge was not previously on their list because previous inspections had not revealed the damage observed in February 2015. Based on TAC discussions during development of their needs list, the department believes the TAC will specifically list

the replacement of Macon County Route T Bridge as a high priority in the next version of their transportation needs list.

MoDOT agrees the bridge is in need of replacement; however, the bridge is located on a supplementary route. MoDOT's current 325 Plan focuses STIP projects only on the primary system. In an effort to replace the bridge, Representative Tim Remole, approached the Macon County Commissioners to see if they could help in funding the bridge replacement using Federal Bridge Replacement Off-System (BRO) funds. The replacement of the bridge is estimated to cost \$1.0 million. Partial replacement re-using the existing piers is estimated to cost \$600,000.

Representative Remole expressed concerns about the condition of roads and bridges in rural northern Missouri. He indicated the people in northern Missouri do not believe they are receiving their fair share of funds for road and bridge work, and would like to see more money going to north Missouri. Chairman Miller responded with an explanation that the condition of the roads in bridges is not due to an inequity in funding but rather geology of the state. In northern Missouri roads are built on graded soil, in southern Missouri roads are built on solid rock. Roads last a lot longer when they are built on solid rock.

Commissioner Carmichael thanked Representative Remole for his presentation and especially for coming forward not only with a transportation problem, but possible funding for the solution to the problem. Chairman Miller responded the Commission is on the representative's side, and want to solve the problem as well. The Commission wants to solve the problem not just for Representative Remole but for all the representatives in the General Assembly and for every Missourian. However, the problem cannot be addressed without new long-term funding for transportation.

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MISSOURI STATE HIGHWAY PATROL'S ROLE IN TRAFFIC CRASHES

Sergeant Bill Lowe, Missouri State Highway Patrol (MSHP), shared with the Commission about what the patrol does for traffic safety in Missouri. He highlighted areas where the patrol works on traffic crash related issues. The first area he highlighted was enforcement. One program, called the 20 mile trooper, is implemented around holidays such as the 4th of July or Thanksgiving when travel on the roadways increases significantly. For this program, one trooper is dedicated to cover every 20 miles of an interstate in Missouri, in some troops additional troopers are assigned to major highways such as U.S. 50. This program gives the patrol the ability to respond to a motorist should they be stranded and help them on their way safely and quickly. It also gives the patrol visibility. The first thing a motorist does when they see a trooper is slow down. The more visible the patrol is, the better drivers are. The patrol also conducts DWI checkpoints in conjunction with other agencies. This effort again assists the patrol with being visible and discouraging drunk or drugged driving.

Education is another component of the patrol's efforts. They speak to schools, businesses, and community organizations. Sergeant Lowe emphasized the importance of reaching out to students to encourage making good choices now that will affect their future. The MSHP also issues media releases to raise awareness of the general public.

Sergeant Lowe reported traffic crashes have an effect on the victims and families involved in a traffic crash as well as the troopers themselves. The families have an emotional and financial burden put on them when they are involved in a traffic crash. The patrol has a DWI victim advocacy program that provides a service to help the victim understand the legal process that takes place following the crash. Traffic crashes take a toll on troopers emotionally too, especially when they have to tell a family they have lost a loved one due to a traffic crash. Additionally, working all of the crashes takes a significant amount of time and increases a trooper's already heavy workload.

MSHP works in partnership with MoDOT in several aspects of highway safety including enforcement grants, engineering of roadways, traffic incident management training, and sharing the same safety messages in schools across the state – wear your seat belt, pay attention, slow down, and don't drink and drive. The MSHP is to promote safety on the highways by enforcing traffic laws and working traffic crashes.

Commissioner Waters thanked Sergeant Lowe for highlighting the other things that troopers do in addition to writing tickets and thanked him for his service with the patrol.

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PUBLIC COMMENT – ROUTE 66 GASCONADE RIVER BRIDGE GUARDIANS

Richard Dinklea, spoke on behalf of the Route 66 community regarding the Gasconade River Bridge in Laclede County. He noted the Gasconade River Bridge is one of seven closed bridges in the state of Missouri currently. The bridge is important to the Route 66 community because it is a time capsule of what motorists saw one hundred years ago when traveling Route 66. The organization is concerned the bridge will be replaced and destroyed. The Route 66 community would like for the bridge to be repaired and restored. Or, in the alternative, if the bridge could remain in place as a tourist attraction and the department build a bypass of the bridge instead.

Thomas Tate, a fellow Gasconade Guardian provided some history regarding the structure which was built in 1924 by Riley & Bailey Company out of St. Louis. The bridge is 526 feet in length, and 20 feet across. It is a single span pratt through truss, two span parker through truss, and a single span warren and pony truss. He noted there are only three remaining mixed through truss bridges in Missouri. He explained the Route 66 Gasconade River Bridge Guardians have formed a non-profit corporation and have held some rallies and garnered worldwide attention regarding preservation of the bridge.

Commissioner Pace commended the gentlemen for their youth and their interest in historical highways and bridges.

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STRATEGIC APPROACH TO REDUCING FATALITIES AND SERIOUS INJURIES IN MISSOURI

On behalf of the Director, Bill Whitfield, Highway Safety Director, reported Missouri has seen a reduction in fatalities using a systematic approach to the implementation of key strategies to mitigate problematic crash types. With reduced funding in the construction program, Missouri's investment in safety improvements will impact continued progress in decreasing fatalities and serious injuries in the coming years.

Missouri has a strategic plan called the Blueprint to Save More Lives developed in partnership with agencies and safety advocates who are members of the Missouri Coalition for Roadway Safety and are involved in enforcement, emergency medical services, education, engineering, and other safety disciplines. The Blueprint to Save More Lives is developed utilizing data analysis to determine problematic crash types and identify strategies that represent the best opportunity to reduce fatalities and serious injuries occurring on Missouri's roadway system as a result of these problematic crash types. There are nine strategies that were identified to save more lives and reduce serious injuries: Increase Safety Belt Use, Reduce Substance-Impaired Driving, Change Safety Culture, Increase Enforcement, Improve Intersection Safety, Improve Curve Safety, Improve Roadway Shoulders, Expand Rumble Strips, and Improve Roadway Visibility.

Mr. Whitfield reviewed four of the necessary nine strategies that are all vital low-cost and even no-cost strategies and are enforcement and education related strategies. He explained that a primary seat belt law would save an estimated 43 lives per year. Mr. Whitfield reported there is a need to educate and enforce against impaired driving because these crashes account for twenty-five percent of the

fatalities and are one hundred percent preventable. Motorists continue to need to be educated about distracted free driving and obeying all rules of the road. Additionally, traffic enforcement around the state needs to increase.

John Miller, Traffic Liaison Engineer, reviewed five of the necessary nine strategies that involve a much larger safety investment and are engineering strategies. The use of J-turns at intersections on high speed expressways has reduced fatalities to zero at those locations. This is a lower cost solution than a full interchange; ten J-turns can be installed at ten intersections for the cost of one interchange. The department is using high-friction surface treatments on curves. All drivers benefit from safety improvements, but both the inexperienced and older drivers depend on safety investments as they are more prone to making driving mistakes. The elderly rely on roadway visibility aids like bright stripes. The youth may need improved shoulders to minimize their mistakes if they drop-off the edge of pavement as they may not be skilled in recovery.

The state of Missouri has seen nearly a forty percent reduction in roadway fatalities over the last decade. This reduction from 1,257 in 2005 to 766 in 2014 has been made possible by a comprehensive effort from law enforcement, education, emergency response, and engineering partners. Much of the engineering efforts have focused on using a systematic approach to implementation. MoDOT has installed over 10,000 linear miles of rumble stripes on wider paved shoulders. MoDOT has also installed over 800 miles of median guard cable to reduce the cross median crash type which can be very severe.

The roadway fatality reductions have leveled off as transportation investment has decreased. Many miles of the supplementary system could benefit from improved shoulders and rumble stripes. These critical safety investments not only can help combat the “run-off-road” crash problems, but also help lower the “unrestrained occupants” and “aggressive driving” crash problems.

Ensuring a collaborative effort utilizing engineering, enforcement, education and emergency medical services are key crash reduction countermeasures. Additionally, maintaining strong and active statewide and regional coalitions will provide enhanced outreach to Missouri motorists.

Commissioner Miller thanked Mr. Whitfield and Mr. Miller for their presentation and for underlining the need for funding to invest in safety improvements and explaining the direct correlation between what is invested in safety and the lives that can be saved.

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MEDICAL PLAN FUNDING RECOMMENDATION FOR CALENDAR YEAR 2016

On behalf of the Director, Jeff Padgett, Risk and Benefits Management Director, shared the funding recommendations for the medical and life insurance plan. The recommendations are based upon projected funding necessary to provide medical and life insurance benefits to employees and retirees of MoDOT, the Missouri State Highway Patrol (MSHP), and the MoDOT and Patrol Employees' Retirement System (MPERS). The MoDOT and MSHP Medical and Life Insurance Plan board of trustees (Board) provides recommendations based upon an actuarial review. AON Hewitt Consulting conducts an actuarial review and analysis of medical plan funding on a semi-annual basis. Based upon the June 24, 2015 review, the Board made recommendations for plan funding for calendar year 2016. The recommendations are projected to maintain adequate funding for medical plan costs.

Mr. Padgett shared information on medical plan trend costs. The medical plan utilization trend for 2015 is projected to increase by six and a half percent, which is similar to the projected national average increase of six to eight percent. Additionally, the plan's actual trend rate increased by almost four percent. The employees continue to help manage costs by receiving the majority of services from participating providers as well as using generic drugs when possible.

Mr. Padgett explained the prescription drug trend costs are not as favorable. There has recently been a dramatic increase in specialty medication cost. There are new drugs on the market that while

they are less than one percent of the total prescription drug claims, they make up over twenty nine percent of the cost of prescription drug spending. The increase is largely due to specialty drugs, which are primarily used to treat viral infections, cancer, rheumatoid arthritis, Crohn's disease, and multiple sclerosis. The plan will continue to seek potential strategies to reduce costs and find solutions to the challenge of funding for the use of new specialty drugs on the market.

Mr. Padgett provided a report regarding healthcare reform, or the Affordable Care Act (ACA). He noted the department had very little increase in costs that are connected directly with the ACA. However, there have been fees and taxes that are paid due to the ACA. The annual payment to the patient centered outcome's research institute fund of a little over \$48,000 was made in July, and the initial transition reinsurance program payment of a little over \$1 million was paid. The department will continue to monitor all of the requirements of the ACA and keep the Commission informed of the requirements that the plan must continue to meet.

Mr. Padgett also reported the High Deductible Health Plan (HDHP) and Health Savings Account (HSA) option has been requested by a number of employees. Employees of other state agencies have access to a similar option. The board recommends offering this as an option for employees.

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. This recommendation is projected to increase the employer contribution by approximately \$5.1 million for calendar year 2016. The projected total annual cost to the employers are approximately \$79.3 million total (\$55.4 million for MoDOT and \$23.9 million for the Missouri State Highway Patrol). The projected amount of contributions to be paid by subscribers is \$37.2 million.

Mr. Padgett recommended the Commission support the medical care plan as follows:

- Approve an increase of seven and one-half percent in total medical plan premiums for active employees and Medicare retirees for calendar year 2016.
- Increase total premiums for non-Medicare retiree categories by approximately ten and one-half percent. This is necessary to make these categories more self-sufficient, compared to the other Plan rate categories.
- Approve the offering of a High Deductible Health Plan (HDHP) and Health Savings Account (HSA) option beginning January 1, 2016.

After further discussion and consideration, and upon motion by Commissioner Smith, seconded by Commissioner Pace, the Commission unanimously approved medical and life insurance plan recommendations as presented by Mr. Padgett. Commissioner Waters thanked Mr. Padgett for his presentation and commented the department talks about taking care of the system, and he noted that cannot be done without the great employees of MoDOT and it is important to take care of those employees.

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CONSIDERATION OF EXCESS PROPERTY DISPOSAL, ROUTE FF IN JASPER COUNTY, EXCESS PARCEL NUMBER SW0198

In keeping with the Commission’s policy regarding disposition of Commission-owned property or property rights, the sale of all properties owned by the Commission with appraised or sale values of \$200,000 or more must be approved by specific Commission action.

On behalf of the Director, Becky Baltz, Southwest District Engineer, recommended conveyance of 10.83 acres of property located in the northwest quadrant of Route FF and Duquesne Road in Joplin, which was formerly the Joplin district office, to Ozark Center for a consideration of \$3,200,000.

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

-- REPORTS --

The Commission received the following written reports.

**FINANCIAL – BUDGET – REPORTS
YEAR-TO-DATE FINANCIAL REPORT, PERIOD ENDING JUNE 30, 2015**

Brenda Morris, Financial Services Director, submitted a written financial report for fiscal year ending June 30, 2015, 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 2015, 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 128 active contracts held by individual engineering consultant firms prior to June 1, 2015. Three engineering consultant services contracts were executed in June 2015, for a total cost of \$230,687. There were nine non-engineering consultant contracts executed in June 2015, for a total cost of \$1,314,070.

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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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