



**MISSOURI HIGHWAYS AND TRANSPORTATION
COMMISSION**

Official Minutes

TABLE OF CONTENTS

February 7, 2018

VOTE TO CLOSE MEETING 5

COMMISSION/DIRECTOR ITEMS

Commission Workshop – MoDOT’s Workforce..... 6

Approval of Minutes 7

Consent Agenda..... 7

Commission Committees and Commission Related Boards 8

Director’s Report 9

PUBLIC PRESENTATION

Delegation Representing the U.S. Highway 36/I-72 Transportation Development District 10

MODOT PRESENTATIONS

Highway Safety..... 12

Projected Impacts of Connected and Automated Vehicle (CAV) Technology on Highway Operations,
Planning, and Revenue Generation..... 14

RESOLUTION

Resolution Expressing Appreciation to Donald (Don) G. Wichern for Outstanding Service to the State
of Missouri..... 15

ADMINISTRATIVE RULES/POLICIES

Commission Policy–Financial, Project Funding and Financing Alternatives (Cost-Share)..... 17

Report and Recommendation Regarding Final Order of Rulemaking
–Causes of Contractor Disqualification..... 24

Report and Recommendation Regarding Final Order of Rulemaking
–David’s Law Sign Program 25

Report and Recommendation Regarding Final Order of Rulemaking
–Supplemental Guide Sign Program 26

Report and Recommendation Regarding Final Order of Rulemaking
–Organizational Rule 27

Report and Recommendation Regarding Final Order of Rulemaking
–Rail Fixed Guideway Systems..... 28

Report and Recommendation Regarding Final Order of Rulemaking
–Transportation Rule 29

Report and Recommendation Regarding Final Order of Rulemaking
–Scenic Byways..... 30

Report and Recommendation Regarding Notice of Proposed Rulemaking
 –Highway Closing 31
 Report and Recommendation Regarding Notice of Rescission Rulemaking
 –Plant Collection from Right-of-Way 32
 Report and Recommendation Regarding Notice of Proposed Amended Rulemaking
 –Rest Areas 33

BUSINESS ISSUES

Report and Recommendation Regarding License Plate Reissuance Agreement..... 33

STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM

Consideration of Bids for Transportation Improvements 35
 Request for Approval of Location and/or Design of Highways 39

REPORTS

Audits and Investigations’ Annual Report..... 40
 Financial Accountability Report – Quarterly Report..... 40
 Report Regarding Executive Order 17-03 Administrative Rule Review Process Update..... 40
 Financial – Budget – Reports
 Year-to-Date Financial Report, Period Ending December 31, 2017 42
 Consultant Services Contract Report..... 42

**MINUTES OF THE REGULARLY SCHEDULED HIGHWAYS AND
TRANSPORTATION COMMISSION MEETING HELD IN JEFFERSON CITY, MISSOURI,
WEDNESDAY, FEBRUARY 7, 2018**

A regularly scheduled meeting of the Missouri Highways and Transportation Commission was held on Wednesday, February 7, 2018, at the Department of Transportation building, 105 West Capitol, Jefferson City, Missouri. At the request of the Chairman, Michael T. Waters, Jr., Commissioner, called the meeting to order at 11:00 a.m. The following Commissioners were present: John W. Briscoe, Terry L. Ecker, and Robert G. Brinkmann, P.E. Michael B. Pace and Gregg C. Smith attended the meeting via teleconference.

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, February 7, 2018.

* * * * *

*“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 specs, 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 Pace, Aye
Commissioner Smith, Aye
Commissioner Waters, Aye
Commissioner Briscoe, Aye
Commissioner Ecker, Aye
Commissioner Brinkmann, Aye

The Commission met in closed session on Tuesday, February 6, 2018 at 2:00 p.m. and adjourned at 6:00 p.m.

* * * * *

-- OPEN MEETING --

COMMISSION WORKSHOP – MODOT’S WORKFORCE

The Commission held a special meeting to learn more about current workforce related statistics and strategies to address workforce related issues. All state agencies are experiencing higher turnover, reportedly due to lack of pay raises, lower morale, increased work load, and changes to benefits. Workforce was identified as the number one risk for the department in its recent annual Enterprise Risk Management assessment. Recruitment and retention of good employees representing all the communities we serve continues to be an organizational challenge. Turnover and resignation rates are increasing, especially in the area of maintenance. The retirement rate is high, but the primary concern is the turnover rate. There is growing concern in the turnover rate for civil engineers, historically the turnover rate has been about 40 civil engineers per year but that has increased to 45 civil engineers per year. Ms. Knudsen reminded everyone that there is a cost associated with turnover; it costs a total of \$28 million. Most of that is lost productivity and soft costs, but there are hard costs associated with turnover as well. Workplace culture improvements continue with regard to safety, diversity and inclusion, and employee development. However, lagging pay remains as a major contributor to employee dissatisfaction and is the major reason for employment separations.

Continued advocacy for legislative approval of MoDOT’s pay strategy is critical to the department’s future success. Due to the sporadic nature of pay raises across all of state government MoDOT has not kept pace and all state agencies are below where they should be because cost of living adjustments have not been funded regularly as they should have. On top of that, MoDOT has not moved folks through the range so currently there is salary compression as well. The Fiscal Years 2018 - 2022 pay strategy provides either a one-step increase for all eligible employees below step ten of their salary range, or to provide legislatively approved cost of living adjustments (COLA) for all employees. This includes in the budget request \$14.5 million in Fiscal Year 2019 for a one-step increase and a two

percent COLA; \$6.1 million in Fiscal Year 2020; \$7.6 million in Fiscal Year 2021; and \$6 million in Fiscal Year 2022. Total cost of the pay strategy is \$34.2 million over five years and is contingent upon approval by the Commission and an increase in legislative appropriations.

In addition to implementation of a pay strategy the department is working to increase employee engagement and recognition through new programs like the apprenticeship program, talent acquisition system, performance development approach, and leadership coin recognition. Efforts continue with strategic recruiting, employee development programs and behavior based safety efforts. Plans are under development for organizational review and succession planning as well as an organization wide job description review.

The expectation remains that MoDOT’s workforce has the talent necessary to serve Missouri citizens and safely deliver results but at the least cost possible. Commissioner Waters expressed concern regarding the department’s inability to keep up with inflation and how that impacts employees. The Chairman thanked Ms. Knudsen and the Human Resources division for their presentation.

* * * * *

APPROVAL OF MINUTES

Upon motion by Commissioner Briscoe, seconded by Commissioner Waters, the Commission unanimously approved the minutes of the regular meeting held November 1, 2017. 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 February 7, 2018, Consent Agenda

No items were removed from the consent agenda. Upon motion by Commissioner Ecker, seconded by Commissioner Waters, 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. The following committee and board reports were made during the February 7, 2018, meeting.

Audit Committee – Commissioner Waters explained the Audits and Investigations division will begin the annual risk assessment process this month. This process will aid in formulating the Fiscal Year 2019 internal audit plan. The audit plan will be presented to the Audit Committee in June for approval.

Additionally, the internal audit section will receive an AASHTO Peer Review in May. The next Audit Committee meeting is planned for June.

Legislative Committee – Jay Wunderlich reported both the House and Senate chambers have gotten down to business by hearing public testimony on various legislative proposals that have been filed so far this session. As it relates to transportation, since the beginning of session, the Director along with other key MoDOT staff, have already attended and participated in several committee hearings including the House and Senate Appropriation Committees; House Transportation Committee; and the Senate Transportation Committee. These meetings don't include the numerous informal meetings that have taken place in the Capitol surrounding the Commission's 2018 legislative agenda.

On January 31, 2018, Director McKenna presented the department's annual report to the Joint Committee on Transportation Oversight. This report is required by state statute and must be presented to the members of the Joint Committee on Transportation Oversight by February 15 of each year. Included in the report is a copy of the department's comprehensive financial information, detailed explanation of the methods used to select construction projects, a listing of future projects, and so much more. During his presentation, Director McKenna used the *Citizen's Guide on Transportation Funding* document, as the basis for his testimony on where transportation dollars are generated, how the funds are currently being spent, and how additional funding could be used if they were to become available. The annual report can be found on MoDOT's website.

Missouri Transportation Finance Corporation (MTFC) – Commissioner Waters stated the board met yesterday where Williams Keepers, LLC, was approved to perform audit services for the next three fiscal years starting with fiscal year 2018. Additionally, a loan to the City of Clinton was approved. The next MTFC meeting will be in May.

MoDOT and Patrol Employees' Retirement System – Commissioner Briscoe stated there was no report this month.

* * * * *

DIRECTOR'S REPORT

During the February 7, 2018, Commission meeting, Director Patrick McKenna provided the following report:

Federal Transportation Funding – Director McKenna reported the Mid America Association of State Transportation Officials (MAASTO) submitted for consideration to the USDOT a proposed Discretionary Rural Program. Missouri is a part of MAASTO and Director McKenna currently serves as president. This program calls for investment in rural infrastructure. The Director noted that he was pleased last week to hear the President speak about the need for investment in the nation's transportation infrastructure. That investment is critically important for the safety of citizens and the reliability of the transportation system that forms the backbone of the economy. President Trump's plan moves to reconsider federal and state roles and responsibilities in transportation planning and funding. There is a call for states and localities to bring new revenue at a higher percentage match to secure federal funds. Missouri will need additional state transportation revenue to match all available federal funds. The

Director stated this should be viewed as a call to action for Missouri policy makers to raise state revenue or place the question on the ballot to ensure Missourians receive their fair share of federal resources. The good news is that the General Assembly has already mapped out the path to success, drawing on the work of the 21st Century Transportation Task Force. Its recommendations provide solutions for sustainable funding streams going forward. MoDOT fully supports the work of the Task Force and urges favorable consideration of its recommendations. Director McKenna explained three transportation funding scenarios that depending on what happens could impact Missouri's ability to draw down additional federal funding for transportation; two of the three scenarios require Missouri to take action to increase the state's funding for transportation.

Employee Recognition – Director McKenna recognized MoDOT's Administrator of Aviation Amy Ludwig who was recognized by *Airport Business* magazine as one of the “Top 40 under 40” in airport business. The listing showcases top talent and leading thinkers in the aviation industry who are building success today and innovations for the future. Amy has been MoDOT's aviation administrator for the past 5 years and has done a terrific job.

Beckie Brietzke, senior diversity & inclusion specialist in the Equal Opportunity Division, was selected by the State Office of Administration as the winner of the 2017 Missouri State Employee Award of Distinction in the category of human relations. This is a tremendous honor for Beckie, and the Director thanked her for her service and dedication to MoDOT employees.

* * * * *

DELEGATION REPRESENTING THE U.S. HIGHWAY 36/I-72 TRANSPORTATION DEVELOPMENT DISTRICT

Dale Bagley, Mayor of the City of Macon and Chairman of the U.S. Highway 36/I-72 Transportation Development District (TDD), and Larry Craig, Executive Director of the U.S. Highway 36/I-72 Transportation Development District, reported on the pending conclusion of the TDD with the successful completion of the transportation project and closure of accounts. Mr. Bagley reported in 2002 five counties in the region, Marion, Ralls, Monroe, Shelby, and Macon, banded together for rural Missouri. Together with the Commission this regional cooperation resulted in a significant improvement in the transportation system. The goals for this project included improved safety, convenience for the traveling public, economic development including growth in the region and jobs, and reduction of stress and traffic on Interstate 70. This project now provides a link from Chicago to Kanas City through a four lane highway across northern Missouri. When looking at traffic counts, new

businesses in the region, and improved safety, Mr. Bagley declared this project an unconditional success.

Mr. Craig further reviewed the history of this effort and what remains to be accomplished. He explained the Transportation Development District (TDD) was formed in 2004 for financing the ballot issues. The ballot was submitted to a vote of the people in 2005 and the TDD was officially certified in June 2005. On July 31, 2017, the ½ cent sales tax was terminated. The TDD determined there were enough resources to meet its financial obligations with the loan to the MTFC and other expenses that will be incurred through the abolishment process. Also on July 31, 2017, the TDD made its final two payments on the \$34 million loan to the MTFC. This loan was paid off two and a half years earlier than the amortization schedule provided and three and a half years earlier than the life of the sales tax. As a result the TDD saved the Commission approximately \$550,000 in interest. The State Auditor's Office conducted a close-out audit as required by statute and issued its affirmative report in November 2017. On January 12, 2018, the Tenth Circuit Court approved the ballot language for an April 2018 election for a vote to abolish the TDD. After the election results are certified a final budget meeting will be held to pay all outstanding bills and disperse any excess funds on June 30, 2018.

Both Mr. Bagley and Mr. Craig thanked the Commission and the department for helping make this project possible. They recognized Tom Boland, former member of the Commission as well as Chairman of the Highway 36 / I-72 Corridor Transportation Corporation, and Robert Carr of Armstrong Teasdale for their efforts at bringing this matter to a successful vote of the public.

Commissioner Smith thanked the gentlemen for their presentation and for their leadership in reaching the successful conclusion of this project. Director McKenna noted that in an era of heightened cynicism of the public process, this project is a shining example of local leadership identifying a need, garnering the resources, resulting in a transportation improvement for the whole region's betterment.

* * * * *

HIGHWAY SAFETY

On behalf of the Director, Nicole Hood, State Highway Safety and Traffic Engineer, presented on highway safety and why it is important for everyone to work collectively and accept the personal responsibility to protect each other on the roadway. She reported every year there are nearly 1,000 people killed in crashes on Missouri's roadways; these crashes impact communities and families across the state. Sadly, the majority of these deaths are preventable. People are making poor choices to drive while distracted, intoxicated, too fast for conditions, and several more. While the roadways are generally not the cause of these crashes, there are steps the department can take to address these crashes and the preventable human error that caused them.

Missouri's Blueprint, *A Partnership Toward Zero Deaths*, was completed in 2016 and is the state strategic highway safety plan. This blueprint was developed by multiple agencies and organizations and focuses on engineering, enforcement, education, and emergency response efforts. The blueprint identifies strategies that have the greatest potential to save lives and reduce serious injuries. These strategies are known as the Focus 5: changing the traffic safety culture, highway safety legislation, increasing enforcement efforts, implementing engineering solutions, and enhancing pedestrian safety.

A large part of the contributing circumstances to crashes are distracted driving, aggressive driving, and impairment. The top roadway strategies are systemic improvements which drive where safety money is invested to get the best return. These strategies are aimed at keeping drivers in their lane and on the road. The five year Statewide Transportation Improvement Program provides \$250 million in safety funds targeted at reducing fatalities. In 2017, the Commission showed its commitment to safety by increasing the annual distribution of safety funds by \$10 million, and again in January 2018 when the formula for distributing district safety funds was modified to be based on fatalities and serious injuries.

Unfortunately, Missouri ranked last and received a grade of F in a safety report released by the National Safety Council. This report recommends policy actions that states can implement to help save lives. Missouri could improve its score by strengthening the state texting law, passing a primary safety belt law, strengthening the child passenger laws, provide for automated enforcement and red light camera usage, and strengthen the graduated driver license law. Two of the Commission's legislative priorities include a primary safety belt law and strengthening the no texting law. Not only does Missouri need drivers to do their part and make good decisions, but Missouri also needs stronger laws to help enforce these behaviors. If Missouri passed a primary safety belt law, Missouri could save 40 to 50 lives a year. When a driver is texting and driving, the average text diverts a driver's attention for about five seconds; at 55 miles per hour that driver traveled the length of a football field without looking at the road. A stronger texting law would also save countless lives by reducing these distracted driving crashes. It is encouraging to see Missouri lawmakers considering several bills this legislative session aimed at addressing texting while driving and a primary seatbelt law. Ms. Hood noted she hopes there is a successful outcome this legislative session to take a step in the right direction and save lives.

MoDOT leads by example, and has changed its cell phone policy and safety policy to fit the department's safety message. In addition, the department is promoting the Buckle Up Phone Down challenge, urging businesses and individuals to buckle up every person, every time, every trip, and to put those cell phones down while driving. This challenge is the perfect tool to raise awareness and encourage drivers to stay focused and wear their safety belts while driving.

Ms. Hood concluded her presentation stating the department will continue to focus on education, engineering, enforcement, and emergency response efforts but there is a need for legislation to help change some of these driving behaviors as well. Chairman Pace thanked Ms. Hood for her presentation and encouraged her to continue to do the good work of improving safety in Missouri.

* * * * *

PROJECTED IMPACTS OF CONNECTED AND AUTOMATED VEHICLE (CAV) TECHNOLOGY ON HIGHWAY OPERATIONS, PLANNING, AND REVENUE GENERATION

On behalf of the Director, Michael DeMers, Innovative Partnerships and Alternative Funding Director, reported at the end of the Road to Tomorrow initiative there was a renewed focus on the connected and automated vehicle technologies. Since the conclusion of the Road to Tomorrow initiative the department has held two public forums on the topic of connected and automated vehicles.

It is a time of transformation in the transportation industry, and currently there are more questions than answers on how transportation will change in the next twenty years. But, as the department works to update the state's long range plan, it would be foolish not to examine trends and think about changes in technology that will require changes in policy and investment. An exploration and discussion about technology trends and potential impacts of those trends today took place at these public forums. These forums were an opportunity to raise the issues of technology and its impact on highway operations, planning, and revenue generation; as well as to listen to transportation partners.

State governments nationwide have taken different courses of action regarding the emergent capabilities enabled by connected and automated vehicle technologies. MoDOT leadership believes the emergent technologies supporting Connected and Automated Vehicle (CAV) operations on state highways may have profound implications for highway operations, planning, and revenue generation across the state. Several of these implications were examined, with several outcomes collected for consideration.

At these forums information regarding the availability of fully automated vehicles from present day through 2030 was shared. These vehicles are being produced by new and innovative companies as well as the more traditional blue chip automotive companies. Tesla currently has vehicles on the market, Ford will be producing automated vehicles in 2020 along with Toyota, and by 2021 GM will be producing these vehicles, while Kia has plans to have vehicles available by 2030.

The primary benefit of this technology is the safety improvement that will reduce human error and related crashes. Driver inattention is the leading human error which will be less of an issue in the future with automated vehicles. A survey of attendees took place at one of these forums and participants said they would accept a commute that would be up to fifteen minutes longer if it were in an automated vehicle. This informal poll indicated the biggest obstacles to automated vehicle usage and implementation included the status of the technology, how affordable it will be, along with liability and privacy issues. The poll results indicated that most would feel safe using an automated vehicle particularly at speeds under thirty miles per hour. However, when it came to allowing their children to use this technology most felt comfortable at speeds under thirty miles per hour.

MoDOT's effort to include connected and automated vehicle technology impacts in its long range plan is demonstrative of its broad vision to deliver transportation solutions of lasting value. The department is recognizing there are technologies under development that will have major impacts to transportation over the next three to four decades. These impacts will affect highway capacity, department operations, planning, and traditional sources of transportation revenue.

Director McKenna stated the department wants to make sure that the transportation industry knows Missouri is open for business and wants to encourage the testing of these technologies in partnership with other states. The potential to improve safety in the future is tremendous and we need to be prepared to incorporate this technology in the transportation network as these changes are coming and quickly.

* * * * *

RESOLUTION EXPRESSING APPRECIATION TO DONALD (DON) G. WICHERN FOR OUTSTANDING SERVICE TO THE STATE OF MISSOURI

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

WHEREAS, Donald (Don) G. Wichern began his distinguished career with the Missouri Department of Transportation on August 1, 1984, and will be retiring on March 1, 2018, with more than 33 years of service to the State of Missouri; and

WHEREAS, Don Wichern served in a variety of capacities beginning as a Construction Inspector in the former District Six, moving through increasingly responsible assignments of Resident Engineer, Assistant to the District Construction Engineer, District Construction Engineer, and Assistant District Engineer, culminating in his promotion as District Engineer for the Northwest District; and

WHEREAS, throughout his career, Don Wichern was an expert at building bridges both structurally and socially. His inspiring leadership and engineering knowledge brought him much success with completion of many significant transportation projects. He was the Construction Inspector for the Route 40/61 Daniel Boone Bridge over the Missouri River connecting St. Charles and St. Louis counties. As Resident Engineer, he oversaw the construction of the Discovery Bridge on Route 370 over the Missouri River, a unique project that constructed the truss span on a barge that was floated into place with crowds of people observing this engineering feat from the river banks. As District Engineer, his leadership was instrumental in the rehabilitation of the Brownsville Bridge, replacement of the Rulo and Atchison bridges, and completing the environmental assessment for the I-229 double decker bridge all of which are major Missouri River Bridges in the Northwest District; and

WHEREAS, throughout his career, Don Wichern served admirably, diligently, tirelessly, and collaboratively on behalf of the Department of Transportation and the State of Missouri, as evidenced by his ability to establish and maintain excellent relations with organizations in the St. Louis and Northwest Districts for the betterment of Missouri's transportation system. His talent and ability to genuinely connect with the community was evidenced through his work during the flood of 2011. The bridge he built connecting the department with the Missouri State Highway Patrol Troop H will forever be remembered and appreciated as he led the way for the department to assist the Missouri State Highway Patrol in locating their fallen officer, Fred Guthrie, who fell victim to the flood while on patrol; and

WHEREAS, Don Wichern believed that it is important to be accountable through the wise use of resources to deliver transportation solutions of great value. As Assistant District Engineer in St. Louis, he was instrumental in leading the design plan production process to improve the district's record of delivering plans on time and on budget. Don also assisted with leading the district's transition to area and core teams by guiding district leaders in providing the necessary support to these new teams to deliver transportation solutions; and

WHEREAS, Don Wichern's interest in and concern for others endeared him to his co-workers and friends through his friendly approach with everyone he met and knew. His ability to stay steady and cool while under pressure made him a valuable resource that many relied upon as evidenced through his willingness to serve in the dual roles of District Engineer for the Northwest District and Interim District Engineer for the Kansas City district; and

WHEREAS, his work ethic, integrity, expertise, and caring for others have earned him the respect, admiration, and friendship of Department employees and the public he served; and

WHEREAS, Don Wichern recognized the importance of balancing family and career and is a loving husband to Linda and a devoted father all while performing his job duties with compassion, dedication, and pride;

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

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

* * * * *

COMMISSION POLICY – FINANCIAL, PROJECT FUNDING AND FINANCING ALTERNATIVES (COST-SHARE)

On November 7, 2013, the Commission implemented a policy for Project Funding and Financing Alternatives (Cost-Share). The policy includes the Cost-Share/Economic Development Program, Transportation Corporations, Transportation Development Districts, Missouri Transportation Finance Corporation (MTFC) Loan and State Transportation Assistance Revolving (STAR) Fund Loan. Revisions are needed to the Cost-Share/Economic Development Program to account for projects that significantly expand the state highway system or increase maintenance costs for the department and to add members to the Cost Share/Economic Development Committee. Revisions are also needed to the Missouri Transportation Finance Corporation (MTFC) Loan to be in agreement with the bylaws of the Corporation. The policy was divided into its component parts to simplify the process for future revisions and to make it easier to locate and read the specific funding or financing option. On behalf of the Director, Brenda Morris, Financial Services Director, recommended the Financial-Project Funding and Financing Alternatives (Cost-Share) policy be revised as indicated with the green text for new language and the red strikethrough text for deleted language as follows:

Category: FINANCIAL
Subcategory: Project Funding and Financing Alternatives (~~Cost-Share~~)

PROJECT FUNDING AND FINANCING ALTERNATIVES (~~COST-SHARE~~)

Innovative project funding and financing alternatives for transportation projects are techniques and mechanisms employed to achieve project benefits earlier than would be possible with traditional funding and financing methods. These alternatives can be used in conjunction with each other to develop a project-funding plan.

Funding Alternatives

- Cost-Share/~~Economic Development~~ Program
- Transportation Corporations
- Transportation Development Districts

Financing Alternatives

- Missouri Transportation Finance Corporation (MTFC) Loan
- State Transportation Assistance Revolving (STAR) Fund Loan

(See ~~below~~ the individual policies for ~~description and policies pertaining to~~ each of the funding and financing alternatives.)

Conventional Debt

In addition to the innovative financing programs noted above, project sponsors can use conventional debt-financing methods such as bonds and bank loans to finance projects.

General Policies

In addition to policies specific to each of the funding or financing alternatives, the following general policies apply.

Project Funding Plan

- All projects funded through these alternatives must have a written plan for funding type and source. This plan should be incorporated into the agreement between the project sponsor and MHTC.
- Concurrence from the ~~department~~ District Engineer in which the project is located is ~~preferred~~ necessary for Cost Share/~~Economic Development~~ projects to proceed.

Acceleration

- **Provisions** - MoDOT will consider moving a construction project earlier in the ~~Statewide Transportation Improvement Plan (STIP)~~ schedule if:
 1. The project sponsor provides ~~one-hundred~~ percent (100%) ~~percent~~ of the project financing. The MHTC will repay all or an agreed upon portion of the construction cost when the project was initially scheduled for construction or at such future time as MHTC agrees to repayment.
 2. The terms of repayment comply with MHTC's debt management policy. This policy establishes a methodology for determining the Commission's debt capacity.
- **Project Scope** - MoDOT will also consider modifying projects under development if the project sponsor agrees to partially or completely pay for the new elements.
- **Project Design** - All projects on the state highway system must meet MoDOT's design standards and are subject to the same review and approval processes as projects fully funded by MoDOT.
- **Innovative Finance/Project Acceleration Agreements – Approval and Execution:** Agreements by which entities accelerate a project on the Commission-approved ~~Statewide Transportation Improvement Plan (STIP)~~ by providing the cost of financing and the Commission commits to future repayment of project costs, may be executed by the Director, Chief Financial Officer, Chief Engineer, or Assistant Chief Engineer, provided the agreements are in compliance with all related Commission policies.

Related Commission Minutes for Innovative Finance/Project Acceleration Agreements: July 10, 2001-EOD;
January 12, 2011-EOD; April 3, 2012-EOD, Paragraph B7b

Effective Date: ~~November 7, 2013~~ February 7, 2018
Supersedes Policy Dated: ~~March 10, 2004~~ November 7, 2013
Last Reaffirmed:
Date of Origin: December 9, 1988

Related Commission Minutes – Project Funding and Financing Alternatives: February 9, 1926; December 9, 1988; October 5, 1990; November 2, 1990; December 6, 1991; August 6, 1993; September 8, 1993; January 12, 1996; October 3, 1997(2); August 10, 2001; March 10, 2004
November 7, 2013 - combined Commission actions pertaining to the various funding and financing options with the Project Funding and Financing Alternatives Policy.
February 7, 2018 – separated Commission actions pertaining to the various funding and financing options.

Category: FINANCIAL
Subcategory: Project Funding and Financing Alternatives (~~Cost-Share~~)
Sub-Subcategory: Cost Share Program

Cost-Share /~~Economic Development~~ Program

Since 1926, counties and political subdivisions have been allowed to participate in the cost of improvements on the state highway system in order to advance the projects. On December 9, 1988, the Commission approved its first policy pertaining to business enterprise participation in improvement projects on the state highway system.

Cost Share/~~Economic Development~~ Committee

The Cost Share/~~Economic Development~~ Committee consists of the Chief Engineer, Chief Financial Officer, ~~and the~~ Assistant Chief Engineer, ~~and two members selected by the Director~~. The Committee selects projects prior to recommending approval by the Commission via a ~~Statewide Transportation Improvement Program (STIP) amendment~~.

In addition to the ~~general policies noted above~~ Project Funding and Financing Alternatives policy, Cost Share/~~Economic Development~~ Program projects must be in compliance with all of the following:

- Project must be on state highway system.
- Local metropolitan planning organization (MPO) or regional planning commission (RPC) must support the project.
- The department District Engineer in which the project is located must review ~~agree to~~ the need and proposed solution before the project can be considered.
- Agreement approved by the Missouri Highways and Transportation Commission (MHTC) and the project sponsor is required for each project. The MHTC agreement identifies project expenses that will be included and each party's responsibility for project costs. These agreed upon expenses are called "participation costs."
- At a minimum, the agreement between MHTC and the project sponsor will include expenses for construction inspection, construction contract, and any construction change orders. Other expenses that may be included are preliminary engineering, right of way acquisition, right of way incidental costs and utility relocations.
- ~~When P~~project sponsors are willing to partner with the department, the department will match their investment up to fifty percent (50%) of the project cost. The department will work in cooperation with the Department of Economic Development with project sponsors to determine when targeted investments can be made to create jobs and may provide up to one-hundred percent (100%) of participation costs. Ten percent (10%) of the cost share program funds are set aside for projects that demonstrate economic development through job creation. ~~must contribute at least 50 percent of participation costs unless the project creates a material number of new jobs relative to the size of the project~~
- ~~Projects that create jobs, as verified by the state Department of Economic Development, may be funded up to 100 percent of participation costs. Retail development projects are not eligible for the higher participation level do not qualify as economic development projects that create jobs.~~
- Projects that significantly expand the state highway system or increase maintenance costs for MoDOT must have pre-approval by the Chief Engineer prior to submittal of the application to MoDOT. If a project significantly expands the state highway system or increases maintenance costs the Commission may seek an agreement for the

project sponsor to either: (1) accept the transfer of ownership of a portion of the existing state highway system in an amount of miles as determined by the Commission; or (2) payment of all increased maintenance costs.

Effective Date: ~~November 7, 2013~~ February 7, 2018
Supersedes Policy Dated: ~~March 10, 2004~~ November 7, 2013
Last Reaffirmed:
Date of Origin: December 9, 1988

Related Commission Minutes – Project Funding and Financing Alternatives: February 9, 1926; December 9, 1988; October 5, 1990; November 2, 1990; December 6, 1991; August 6, 1993; September 8, 1993; January 12, 1996; October 3, 1997; August 10, 2001; March 10, 2004

Related Commission Minutes – Cost Share/Economic Development Committee: October 3, 1997-Innovative Finance Steering Committee.
November 7, 2013- combined Commission actions pertaining to the various funding and financing options with the Project Funding and Financing Alternatives Policy.
February 7, 2018 – separated Commission actions pertaining to the various funding and financing options, removed reference to economic development, added two Cost Share committee members selected by Director, modified project requirements.

Category: FINANCIAL
Subcategory: Project Funding and Financing Alternatives (~~Cost-Share~~)
Sub-Subcategory: Economic Development Agreements

Economic Development Agreements – Approval and Execution

Agreements, applications, and related documents with the Missouri Department of Economic Development or the Missouri Development Finance Board concerning the Commission receiving contributions for the construction of transportation projects may be executed by the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer, provided the subject project has been approved by the Commission.

Effective Date: ~~November 7, 2013~~ February 7, 2018
Supersedes Policy Dated: ~~March 10, 2004~~ November 7, 2013
Last Reaffirmed:
Date of Origin: December 9, 1988

Related Commission Minutes – Project Funding and Financing Alternatives: February 9, 1926; December 9, 1988; October 5, 1990; November 2, 1990; December 6, 1991; August 6, 1993; September 8, 1993; January 12, 1996; October 3, 1997(2); August 10, 2001; March 10, 2004

Related Commission Minutes – Economic Development Agreements: July 10, 2001; January 12, 2011-EOD; April 3, 2012-EOD, Paragraph B7c; January 8, 2014 – Cost-Share/Economic Development Program suspended; January 4, 2017 – Cost Share/Economic Development Program reinstated.
November 7, 2013- combined Commission actions pertaining to the various funding and financing options with the Project Funding and Financing Alternatives Policy.
February 7, 2018 – separated Commission actions pertaining to the various funding and financing options.

Category: FINANCIAL
Subcategory: Project Funding and Financing Alternatives (~~Cost-Share~~)
Sub-Subcategory: Transportation Corporations

Transportation Corporations

Related Statutes: Sections 238.300 – 238.367, RSMo - Transportation Corporations (First effective May 30, 1990)

Transportation Corporations: Legislation was enacted in 1990 for the purpose of creating an alternate funding means for accomplishing needed highway improvement projects. Transportation Corporations are temporary, not-for-profit corporations formed under state law to advance state system projects. The Corporation's Board of Directors has various powers and authority to (1) act with the Commission's approval on behalf of MHTC; (2) issue bonds; and (3) charge a toll. When all debt pertaining to the project has been paid and the project is complete, the project becomes a part of the state system.

The statutes require the Commission to determine that the proposed project will improve or is a necessary or desirable extension of the state highways and transportation system and that the proposed corporation will have adequate funds to finance the proposed project. The statutes further require that rules be promulgated regarding the transportation corporations' authority to enforce the payment of tolls. An example of a project completed through use of the Transportation Corporation structure and the collection of tolls ~~is~~ was the Lake of the Ozarks Community Bridge in Camden County.

In addition to the ~~general policies noted above~~ Project Funding and Financing Alternatives policy, Transportation Corporations:

- Must hold a public hearing and receive approval by affected cities, counties, and MHTC.
- Must enter into a project agreement with MHTC.

Transportation Corporation Rules – Enforcement of Tolls

Related Rules: [7 CSR 10-21, Transportation Corporations](#)

The manner in which the Commission authorizes transportation corporations to enforce tolls will be in keeping with State Code of Regulations, Title 7, Division 10, Chapter 21, *Transportation Corporations*, as adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Transportation Corporation Documents – Approval and Execution

Agreements with Transportation Corporations may be executed by the Director, Chief Financial Officer, Chief Engineer, or Assistant Chief Engineer; HOWEVER, in keeping with the statutes, the following must be approved by the Commission: project authorization; articles of incorporation; by-laws; final financing plan; and final construction plans and specifications.

Effective Date: ~~November 7, 2013~~ February 7, 2018

Supersedes Policy Dated: ~~March 10, 2004~~ November 7, 2013

Last Reaffirmed:

Date of Origin: December 9, 1988

Related Commission Minutes – Project Funding and Financing Alternatives: February 9, 1926; December 9, 1988; October 5, 1990; November 2, 1990; December 6, 1991; August 6, 1993; September 8, 1993; January 12, 1996; October 3, 1997(2); August 10, 2001; March 10, 2004

Related Commission Minutes – Transportation Corporation Rules: Administrative Rules: January 9, 1998; April 3, 1998.

Related Commission Minutes Transportation Corporations-EOD: July 10, 2001-EOD; January 12, 2011-EOD; April 3, 2012-EOD, Paragraph B7d(2)

November 7, 2013_ combined Commission actions pertaining to the various funding and financing options with the Project Funding and Financing Alternatives Policy.

February 7, 2018 – separated Commission actions pertaining to the various funding and financing options.

Category: FINANCIAL

Subcategory: Project Funding and Financing Alternatives (~~Cost-Share~~)

Sub-Subcategory: Transportation Development Districts (TDDs)

Transportation Development Districts

Related Statutes: Sections 238.200 – 238.280, RSMo – Transportation Development Districts (First effective May 30, 1990)

Legislation known as the “Missouri Transportation Development District Act” was enacted in 1990. This legislation allows a district (political subdivision) to be created to fund, promote, design, construct, improve, maintain, and operate one or more projects or to assist in such activity. Transportation Development Districts are temporary political subdivisions of the state formed through the circuit court process to advance local or state system projects. The District board has various powers and authority to (1) act on its own behalf; (2) issue bonds; (3) and impose sales tax, property tax, special assessment, or toll. When the project is complete, it becomes either part of the state or local transportation system.

In addition to the ~~general policies noted above~~ Project Funding and Financing Alternatives policy, Transportation Development District projects must be in compliance with the following:

- Property owners or registered voters must approve the district, project, and funding.
- Must enter into agreement with the MHTC and/or a local transportation authority.

Transportation Development District Documents – Approval and Execution

Agreements with Transportation Development Districts may be executed by the Director, Chief Financial Officer, Chief Engineer, or Assistant Chief Engineer; HOWEVER, in keeping with the statutes, the following must be approved by the Commission: project authorization and final plans and specifications.

Effective Date: ~~November 7, 2013~~ February 7, 2018

Supersedes Policy Dated: ~~March 10, 2004~~ November 7, 2013

Last Reaffirmed:

Date of Origin: December 9, 1988

Related Commission Minutes – Project Funding and Financing Alternatives: February 9, 1926; December 9, 1988; October 5, 1990; November 2, 1990; December 6, 1991; August 6, 1993; September 8, 1993; January 12, 1996; October 3, 1997(2); August 10, 2001; March 10, 2004

Related Commission Minutes – TDD EOD - July 10, 2001-EOD; January 12, 2011-EOD; April 3, 2012-EOD, Paragraph B7d(1) November 7, 2013- combined Commission actions pertaining to the various funding and financing options with the Project Funding and Financing Alternatives Policy.

February 7, 2018 – separated Commission actions pertaining to the various funding and financing options.

Category: FINANCIAL
Subcategory: Project Funding and Financing Alternatives (~~Cost-Share~~)
Sub-Subcategory: Missouri Transportation Finance Corporation (MTFC) Loan

Missouri Transportation Finance Corporation (MTFC)

State Infrastructure Banks were created in the 1995 National Highway System bill to make loans and provide assistance to surface transportation and ~~capital~~ transit capital projects. In order to establish a State Infrastructure Bank in Missouri, the Commission created a non-profit lending corporation known as the Missouri Transportation Finance Corporation (MTFC), as authorized by the federal transportation act, ~~to help finance local transportation projects~~. The loans allow highway and public transportation projects to be completed more quickly through the use of a combination of federal, state, local, and private money. The State Infrastructure Bank is authorized to offer a variety of financing options for transportation projects, including direct low-interest loans, bonds, and credit enhancements to allow local governments to get a lower interest rate on bonds. During the period extending from 1996 through 1999, the bank was capitalized with \$59.7 million dollars (\$49.4 federal dollars plus \$10.3 state matching dollars). Since that time funds to operate the program have been those that are returned to the bank in the form of loan repayments, as well as investment income and loan application fees.

MTFC Organizational Structure

A general non-profit corporation, to be known as the Missouri Transportation Finance Corporation (MTFC), created in keeping with Missouri law will be used as the initial organizational structure for the State Infrastructure Bank. The Commission Secretary will act as registered agent for the corporation.

The Missouri Transportation Finance Corporation Board of Directors will be appointed by the Commission. The directors shall at all times be divided into three groups. Group 1 shall consist of three of the then current members of the Commission each of whom shall be elected by the Commission. Group 2 shall consist of three employees of the Missouri Department of Transportation being the Director, Chief Financial Officer, and Director of Multimodal Operations who shall serve as members of the Board of Directors by virtue of their positions without further action of the Commission. Group 3 shall consist of two at large members with knowledge in the field of business or finance elected by the Commission.

The President of the Board of Directors shall be from Group 1 and shall be appointed by the Chairman. All other officers will be elected by the Board of Directors.

~~The Board of Directors of the Missouri Transportation Finance Corporation is authorized to approve and amend the bylaws~~

~~of the corporation; however, the provisions thereof shall not be inconsistent with the provisions above.~~ The bylaws of the Corporation may from time to time be altered, amended, suspended or repealed, or new bylaws may be adopted by a resolution adopted by the majority of (a) the entire number of directors then fixed by the bylaws, and (b) the Commission.

In addition to the general policies noted above, the following specific provisions are applicable to the Missouri Transportation Finance Corporation:

- Applicants must be able to pay back loan and agree to terms and conditions approved by corporation and MHTC.
- Eligible projects include highway projects and transit capital projects otherwise eligible for federal transportation funds.
- Assistance is provided **primarily** through direct loans; however, other types of assistance including primary and subordinated loans, bond and grant anticipation loans, debt-reserve financing, subsidized interest rates, letters of credit and others **as authorized by federal law can be provided with Board approval.**
- Interest rates are based on comparable term U.S. Treasury or tax-exempt bond rates.

Effective Date: ~~November 7, 2013~~ February 7, 2018

Supersedes Policy Dated: ~~March 10, 2004~~ November 7, 2013

Last Reaffirmed:

Date of Origin: December 9, 1988

Related Commission Minutes – Project Funding and Financing Alternatives: February 9, 1926; December 9, 1988; October 5, 1990; November 2, 1990; December 6, 1991; August 6, 1993; September 8, 1993; January 12, 1996; October 3, 1997(2); August 10, 2001; March 10, 2004

Related Commission Minutes - MTFC: August 9, 1987, March 6, 1996; August 9, 1996; October 3, 1997; April 3, 1998; December 2, 1998; July 7, 2000; January 10, 2003; April 4, 2003; September 10, 2004, March 5, 2014

November 7, 2013- combined Commission actions pertaining to the various funding and financing options with the Project Funding and Financing Alternatives Policy.

February 7, 2018 – separated Commission actions pertaining to the various funding and financing options, and modified reference to bylaws to correspond with recent change in the bylaws.

Category: FINANCIAL

Subcategory: Project Funding and Financing Alternatives (~~Cost-Share~~)

Sub-Subcategory: State Transportation Assistance Revolving (STAR) Fund Loan

State Transportation Assistance Revolving Loan (STAR)

Related Statutes: Section 226.191 RSMo ~~2000~~ – State transportation assistance revolving fund created—administration—powers of commission—fund not to lapse.

*Legislation was enacted in 1996 creating a State Transportation Assistance Revolving (STAR) Fund for the purpose of assisting in the planning, acquisition, development, and construction of transportation facilities **other than highways**. In December 1997, the fund was capitalized with \$2,425,000 of General Revenue funds appropriated by the General Assembly. The General Assembly annually appropriates ~~the balance in~~ **an amount for the STAR Fund account thereby making those funds available for STAR Fund loans.***

In addition to the general policies ~~noted above~~ for funding and financing alternatives, the following specific provisions are applicable to State Transportation Assistance Revolving Fund loans:

- Applicants must be able to pay back **their** loan and agree to **written** terms and conditions approved by MHTC.
- **Eligible projects include non-highway transportation projects.**
- Assistance is primarily through direct loans.
- Interest rates are based on comparable term tax-exempt bond rates.
- Funds are provided to applicants on a reimbursement basis, after receipt of project invoices from the project sponsor.

State Transportation Assistance Revolving (STAR) Fund Rules

Related Rules: [7 CSR 10-20, Financial Assistance](#)

The procedures, conditions, and repayment terms applicable to any loans made under the State Transportation Assistance Revolving Fund Program will be in keeping with the Code of State Regulations, Title 7, Division 10, Chapter 20, *Financial*

Assistance, as adopted by the Commission and filed with the Joint Committee on Administrative Rules and the Secretary of State.

Effective Date: ~~November 7, 2013~~ February 7, 2018
Supersedes Policy Dated: ~~March 10, 2004~~ November 7, 2013
Last Reaffirmed:
Date of Origin: December 9, 1988

Related Commission Minutes – Project Funding and Financing Alternatives: February 9, 1926; December 9, 1988; October 5, 1990; November 2, 1990; December 6, 1991; August 6, 1993; September 8, 1993; January 12, 1996; October 3, 1997(2); August 10, 2001; March 10, 2004

Related Commission Minutes – STAR Fund Rules: July 11, 1997; October 3, 1997
November 7, 2013- combined Commission actions pertaining to the various funding and financing options with the Project Funding and Financing Alternatives Policy.
February 7, 2018 – separated Commission actions pertaining to the various funding and financing options.

Via approval of the consent agenda, the Commission unanimously approved the policy revisions described above.

* * * * *

REPORT AND RECOMMENDATION REGARDING FINAL ORDER OF RULEMAKING – CAUSES OF CONTRACTOR DISQUALIFICATION

On behalf of the Director, Dave Ahlvers, State Construction and Materials Engineer, presented the final order of rulemaking for 7 CSR 10-18.020, Causes of Contractor Disqualification. The department reviewed and recommended changes to the rules to comply with the requirements of Executive Order 17-03. At the October 4, 2017 meeting, the Commission authorized the filing and publication of the proposed amended rule 7 CSR 10-18.020, Causes of Contractor Disqualification. After Commission approval, staff filed these rules with the Joint Committee on Administrative Rules and the Office of Secretary of State, who published the amended rules in the *Missouri Register* for public comment. The public had from November 15, 2017 to December 15, 2017, to submit comments in support of or in opposition to the notice of amended rulemaking. No comments were received during the public comment period.

The following is a summary of the significant changes to the rule. This amendment adds a preponderance of the evidence must be met to determine collusion exists among bidders on state highway system contracts. The rule is also amended to add Occupational Safety and Health Administration (OSHA) violations categorized as willful, and/or a documented history of serious and/or repeated

violations that resulted in serious injury or death, as a reason for which a contractor may be disqualified from bidding on state highway construction contracts. It is also amended so that a contractor cannot avoid disqualification by the Department by asserting that work performed by any person on behalf of the contractor under a Commission contract cannot be imputed to such contractor.

The department supports this final order of rulemaking for Causes of Contractor Disqualification. After consideration, the Commission, via approval of the consent agenda, unanimously approved the final order of rulemaking and authorized the Secretary to the Commission to file the final order of rulemaking with the Joint Committee on Administrative Rules and the Office of the Secretary of State, and authorized the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer to execute documents to complete the final rulemaking process.

* * * * *

REPORT AND RECOMMENDATION REGARDING FINAL ORDER OF RULEMAKING – DAVID’S LAW SIGN PROGRAM

On behalf of the Director, Nicole Hood, Highway Safety and Traffic Engineer, presented the final order of rulemaking for 7 CSR 10-27.020 and 7 CSR 10-27.040, David’s Law Sign Program. The department reviewed and recommended changes to the rules to comply with the requirements of Executive Order 17-03. At the October 4, 2017 meeting, the Commission authorized the filing and publication of the proposed amended rules 7 CSR 10-27.020 and 7 CSR 10-27.040, David’s Law Sign Program. After Commission approval, staff filed these rules with the Joint Committee on Administrative Rules and the Office of Secretary of State, who published the amended rules in the *Missouri Register* for public comment. The public had from November 15, 2017 to December 15, 2017, to submit comments in support of or in opposition to the notice of amended rulemaking. No comments were received during the public comment period.

The significant changes to the rule will reduce excessive use of unnecessary restrictive words and make editorial changes for rule clarity.

The department supports this final order of rulemaking for David’s Law Sign Program. After consideration, the Commission, via approval of the consent agenda, unanimously approved the final order of rulemaking and authorized the Secretary to the Commission to file the final order of rulemaking with the Joint Committee on Administrative Rules and the Office of the Secretary of State, and authorized the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer to execute documents to complete the final rulemaking process.

* * * * *

REPORT AND RECOMMENDATION REGARDING FINAL ORDER OF RULEMAKING – SUPPLEMENTAL GUIDE SIGN PROGRAM

On behalf of the Director, Nicole Hood, Highway Safety and Traffic Engineer, presented the final order of rulemaking for 7 CSR 10-17.020, Supplemental Guide Sign Program. The department reviewed and recommended changes to the rules to comply with the requirements of Executive Order 17-03. At the October 4, 2017 meeting, the Commission authorized the filing and publication of the proposed amended rule 7 CSR 10-17.020, Supplemental Guide Sign Program. After Commission approval, staff filed these rules with the Joint Committee on Administrative Rules and the Office of Secretary of State, who published the amended rules in the *Missouri Register* for public comment. The public had from November 15, 2017 to December 15, 2017, to submit comments in support of or in opposition to the notice of amended rulemaking. No comments were received during the public comment period.

The following is a summary of the significant changes to the rule. The proposed amendments to these rules reduces excessive use of unnecessary restrictive language, modifies the college signing program to comply with new legislation and adds categories to the tourist attraction category to allow additional participation in the program.

The department supports this final order of rulemaking for Supplemental Guide Sign Program. After consideration, the Commission, via approval of the consent agenda, unanimously approved the final order of rulemaking and authorized the Secretary to the Commission to file the final order of rulemaking with the Joint Committee on Administrative Rules and the Office of the Secretary of State, and authorized the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer to execute documents to complete the final rulemaking process.

* * * * *

REPORT AND RECOMMENDATION REGARDING FINAL ORDER OF RULEMAKING – ORGANIZATIONAL RULE

On behalf of the Director, Michaelene Knudsen, Human Resources Director, presented the final order of rulemaking for 7 CSR 10-1.010, Organizational Rule. The department reviewed and recommended changes to the rules to comply with the requirements of Executive Order 17-03. At the October 4, 2017 meeting, the Commission authorized the filing and publication of the proposed amended rule 7 CSR 10-1.010, Organizational Rule. After Commission approval, staff filed these rules with the Joint Committee on Administrative Rules and the Office of Secretary of State, who published the amended rules in the *Missouri Register* for public comment. The public had from November 15, 2017 to December 15, 2017, to submit comments in support of or in opposition to the notice of amended rulemaking. No comments were received during the public comment period.

The following is a summary of the significant changes to the rule. . This rule is proposed for amendment to change the name of the “Traffic and Highway Safety” division to the “Highway Safety and Traffic” division, and include the new “Innovative Partnerships and Alternative Funding” division.

The department supports this final order of rulemaking for Organizational Rule. After consideration, the Commission, via approval of the consent agenda, unanimously approved the final order of rulemaking and authorized the Secretary to the Commission to file the final order of rulemaking

with the Joint Committee on Administrative Rules and the Office of the Secretary of State, and authorized the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer to execute documents to complete the final rulemaking process.

* * * * *

REPORT AND RECOMMENDATION REGARDING FINAL ORDER OF RULEMAKING – RAIL FIXED GUIDEWAY SYSTEMS

On behalf of the Director, Michelle Teel, Multimodal Operations Director, presented the final order of rulemaking for 7 CSR 265-9.010 thru 265-9.150, Rail Fixed Guideway Systems. The department reviewed and recommended changes to the rules to comply with the requirements of Executive Order 17-03. At the October 4, 2017 meeting, the Commission authorized the filing and publication of the proposed amended rules 7 CSR 265-9.010 thru 265-9.150, Rail Fixed Guideway Systems. After Commission approval, staff filed these rules with the Joint Committee on Administrative Rules and the Office of Secretary of State, who published the amended rules in the *Missouri Register* for public comment. The public had from November 15, 2017 to December 15, 2017, to submit comments in support of or in opposition to the notice of amended rulemaking. No comments were received during the public comment period, or during the public hearing that was held on December 7, 2017.

The following is a summary of the significant changes to the rule. Seven of the rules are proposed for amendment and five are proposed for rescission. The majority of the amendments are minor in scope such as updates to reflect current editions of materials that are referenced in the rules. The more substantive amendments are necessary due to federal statutory and regulatory changes. The requirements currently contained in the rules proposed for rescission will instead be incorporated in the state safety oversight program standard required in federal regulations.

The department supports this final order of rulemaking for Rail Fixed Guideway Systems. After consideration, the Commission, via approval of the consent agenda, unanimously approved the final

order of rulemaking and authorized the Secretary to the Commission to file the final order of rulemaking with the Joint Committee on Administrative Rules and the Office of the Secretary of State, and authorized the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer to execute documents to complete the final rulemaking process.

* * * * *

REPORT AND RECOMMENDATION REGARDING FINAL ORDER OF RULEMAKING – TRANSPORTATION RULE

On behalf of the Director, Michelle Teel, Multimodal Operations Director, presented the final order of rulemaking for 7 CSR 10-7.010, Distribution of Funds Appropriated to the Missouri Elderly and Handicapped Transportation Assistance Program. The department reviewed and recommended changes to the rules to comply with the requirements of Executive Order 17-03. At the October 4, 2017 meeting, the Commission authorized the filing and publication of the proposed amended rule 7 CSR 10-7.010, Distribution of Funds Appropriated to the Missouri Elderly and Handicapped Transportation Assistance Program. After Commission approval, staff filed this rule with the Joint Committee on Administrative Rules and the Office of Secretary of State, who published the amended rule in the *Missouri Register* for public comment. The public had from November 15, 2017 to December 15, 2017, to submit comments in support of or in opposition to the notice of amended rulemaking. No comments were received during the public comment period.

The rule was amended to reflect the Department’s current practice of allocating fifty percent of available MEHTAP funding to Area Agencies on Aging and removing unnecessary restrictive language in the rule.

The department supports this final order of rulemaking for Distribution of Funds Appropriated to the Missouri Elderly and Handicapped Transportation Assistance Program. After consideration, the Commission, via approval of the consent agenda, unanimously approved the final order of rulemaking

and authorized the Secretary to the Commission to file the final order of rulemaking with the Joint Committee on Administrative Rules and the Office of the Secretary of State, and authorized the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer to execute documents to complete the final rulemaking process.

* * * * *

REPORT AND RECOMMENDATION REGARDING FINAL ORDER OF RULEMAKING – SCENIC BYWAYS

On behalf of the Director, Eric Schroeter, State Design Engineer, presented the final order of rulemaking for 7 CSR 10-12.010 through 10-12.030, Scenic Byways. The department reviewed and recommended changes to the rules to comply with the requirements of Executive Order 17-03. At the October 4, 2017 meeting, the Commission authorized the filing and publication of the proposed amended rules 7 CSR 10-12.010 through 10-12.030, Scenic Byways. After Commission approval, staff filed these rules with the Joint Committee on Administrative Rules and the Office of Secretary of State, who published the amended rules in the *Missouri Register* for public comment. The public had from November 15, 2017 to December 15, 2017, to submit comments in support of or in opposition to the notice of amended rulemaking. One comment was received during the public comment period from the Missouri Farm Bureau. The Farm Bureau generally supported the Commission's proposed amendments, but also asked the department to reconsider the deletion of the requirement of including an action plan in the scenic byway corridor management plan. After consideration, the department concurred in the request and this final order amends proposed 7 CSR 10-12.020 to retain the requirement that a scenic byway corridor management plan have an action plan.

The following is a summary of the significant changes to the rule. This rule is proposed for amendment to remove unnecessary restrictive language, ensure the rules reflect current statutory

requirements and processes, streamlines the application requirements and makes the application available online, and eliminates the biennial review process.

The department supports this final order of rulemaking for Scenic Byways. After consideration, the Commission, via approval of the consent agenda, unanimously approved the final order of rulemaking and authorized the Secretary to the Commission to file the final order of rulemaking with the Joint Committee on Administrative Rules and the Office of the Secretary of State, and authorized the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer to execute documents to complete the final rulemaking process.

* * * * *

REPORT AND RECOMMENDATION REGARDING NOTICE OF PROPOSED AMENDED RULEMAKING – HIGHWAY CLOSING

On behalf of the Director, Becky Allmeroth, State Maintenance Engineer, presented to the Commission a proposed amended administrative rule for 7 CSR 10-2.020, Ordering Limitation of Weights on, or Closing of Certain State Roads. This rule is proposed for amendment to remove unnecessary language restrictions within the rule and unnecessary descriptive language and background in the rule. Under Executive Order 17-03, the Commission is required to review each of its rules in the *Code of State Regulations*, as a result of this review these rule changes are being proposed for consideration.

The public will have an opportunity to submit comments in support of or in opposition to the proposed amended rulemaking. All comments received from the public will be considered and summarized in the order of rulemaking.

After consideration, the Commission, via approval of the consent agenda, unanimously found there is substantial evidence that the proposed amended rulemaking is necessary to carry out the purposes of sections 227.250 and 304.210, RSMo that grants the Commission's rule authority,

authorized the Secretary to the Commission to file the notice of proposed amended rulemaking with the Joint Committee on Administrative Rules and the Office of the Secretary of State for publication in the *Missouri Register*, and authorized the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer to execute documents to initiate the rulemaking process.

* * * * *

**REPORT AND RECOMMENDATION REGARDING NOTICE OF RESCISSION RULEMAKING
– PLANT COLLECTION FROM RIGHT-OF-WAY**

On behalf of the Director, Becky Allmeroth, State Maintenance Engineer, presented to the Commission administrative rule 7 CSR 10-13.010, Plant Collection. This rule is proposed for rescission and is necessary because the Department has an existing permit process for work performed on the Commission’s right-of-way and this process can be used for plant collection activities without the Plant Collection administrative rule. Under Executive Order 17-03, the Commission is required to review each of its rules in the *Code of State Regulations*, as a result of this review this rule is proposed for rescission.

The public will have an opportunity to submit comments in support of or in opposition to the proposed rescission rulemaking. All comments received from the public will be considered and summarized in the order of rulemaking.

After consideration, the Commission, via approval of the consent agenda, unanimously found substantial evidence that the proposed rescission rulemaking is necessary, authorized the Secretary to the Commission to file the notice of proposed rescission rulemaking with the Joint Committee on Administrative Rules and the Office of the Secretary of State for publication in the *Missouri Register*, and authorized the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer to execute documents to initiate the rulemaking process.

* * * * *

REPORT AND RECOMMENDATION REGARDING NOTICE OF PROPOSED AMENDED RULEMAKING – REST AREAS

On behalf of the Director, Debbie Rickard, General Services Director, presented to the Commission administrative rules 7 CSR 10-16.020 through 7 CSR 10-16.050, Rest Areas. This rule is proposed for amendment of rest area publication vending. The proposed amendments clarify terms to properly identify component parts of machines, eliminate unnecessary provisions, like the definition for news rack, and eliminate unnecessary wording restrictions. Under Executive Order 17-03, the Commission is required to review each of its rules in the *Code of State Regulations*, as a result of this review these rule changes are being proposed for consideration.

The public will have an opportunity to submit comments in support of or in opposition to the proposed amended rulemaking. All comments received from the public will be considered and summarized in the order of rulemaking.

After consideration, the Commission, via approval of the consent agenda, unanimously found substantial evidence that the proposed amended rulemaking is necessary to carry out the purposes of Article IV, Section 29, Missouri Constitution, Title 23, United States Code. Section 111(b), and Sections 226.130, 226.150 and 226.750-790, RSMo, that grant the Commission’s rule authority; authorized the Secretary to the Commission to file the notice of proposed amended rulemaking with the Joint Committee on Administrative Rules and the Office of the Secretary of State for publication in the *Missouri Register*, and authorized the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer to execute documents to initiate the rulemaking process.

* * * * *

REPORT AND RECOMMENDATION REGARDING LICENSE PLATE REISSUANCE AGREEMENT

On behalf of the Director, Roberta Broeker, Chief Financial Officer, reported in 2016 the General Assembly passed House Bill 2380. The bill amended Section 301.130.9, RSMo, to authorize

the Department of Revenue (DOR) to issue new bicentennial license plates. DOR asked the Commission to pay the costs to manufacture the new plates. Because the Commission and Department paid for a license plate reissuance in calendar years 2008-2010, some state representatives, DOR staff, and Department of Corrections-Missouri Vocational Enterprises (MVE) staff expected the Commission would again pay the manufacturing costs for the bicentennial license plate reissuance, although the legislation did not direct the source of funds that would pay for license plate manufacturing costs.

There is a desire to work cooperatively with the General Assembly and other state agencies on motor vehicle issues while not diverting the Commission's constitutionally dedicated revenue stream, from state highway system purposes. The department is committed to making sure the Commission will be fully and timely reimbursed the State Road Fund (SRF) moneys it spends for MVE new license plate material and manufacturing costs from the additional license plate fee that DOR will impose and collect from purchasers of the new plate. Section 301.130.9, RSMo, authorizes this fee.

Costs will be incurred by MVE during fiscal years 2018 - 2021. MVE will start to manufacture new license plates in March 2018 and DOR intends to begin to issue the new license plates in October 2018.

A Memorandum of Understanding (MOU) between the Commission, DOR and MVE is necessary to establish the parties' obligations and ensure the Commission is fully reimbursed its SRF expenditures, receives consideration to enter into the MOU, and is protected from any potential legal challenges to the MOU. The proposed MOU provides the estimated total costs for materials and manufacturing of the plates may be \$20 million; and the Commission will be fully and timely reimbursed for its expenditures from the additional statutory fee charged license plate purchasers in the reissuance period.

After consideration, the Commission via approval of the consent agenda unanimously authorized the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer to execute the MOU, subject to approval as to form by the Chief Counsel's Office.

* * * * *

CONSIDERATION OF BIDS FOR TRANSPORTATION 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. He noted Calls G04 and H07 have local funding, as noted in Table I below, and the department received all of the necessary concurrences.

Mr. Schroeter recommended (1) award of contracts to the lowest responsive bidders for bids received at the January 19, 2018, letting, as recommended and noted in Table I below. (2) Rejection of bids received on Call F06 due to excessive bids per Section 102.15 of the Missouri Standard Specifications for Highway Construction and noted in Table II below.

**Table I
Award of Contracts
January 19, 2018, Bid Opening**

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
A02	10	Carroll	J1P3108	\$2,771,003.58	\$0.00	Capital Paving & Construction, LLC	Resurfacing
B01	24/61	Marion	J2P3059C	\$1,298,342.75	\$0.00	Bleigh Construction Company	Bridge Rehabilitation
B02	61	Clark, Lewis	J2P3151	\$2,902,673.05	\$0.00	W. L. Miller Company	Coldmill and Resurfacing
		Lewis	J2P3219				Safety Improvements
B03	94	Warren	J2S3124	\$1,383,095.20	\$0.00	Don Schnieiders Excavating Company, Inc.	Bridge Replacement
			J2S3143				
C01	I-70	Saline	J3I3009	\$3,362,678.87	\$0.00	Capital Paving & Construction, LLC	Two Bridge Deck Replacements

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
C02	65	Saline	J3P3061	\$3,987,881.18	\$0.00	Capital Paving & Construction, LLC	Coldmill and Resurface
C03	WW	Lafayette	J3S3058	\$516,631.75	\$0.00	E & C Bridge, LLC	Bridge Deck Replacement
C04	BB	Saline	J3S3068	\$386,244.25	\$0.00	E & C Bridge, LLC	Bridge Deck Replacement
C05	I-435	Platte	J4I3242	\$295,830.75	\$0.00	Leavenworth Excavating & Equipment Company, Inc.	Slide Repair
C06	69	Clay	J4P3140	\$3,833,544.48	\$0.00	Ideker, Inc.	Coldmill and Resurface
C07	50	Jackson	J4P3156	\$2,919,446.41	\$0.00	Chester Bross Construction Company/C.B. Equipment, Inc.	Resurfacing
C08	Z	Platte	J4S2219	\$1,114,542.35	\$0.00	Boone Construction Co.	Bridge Replacement
C09	A	Cass	J4S3146	\$771,025.00	\$0.00	Emery Sapp & Sons, Inc.	Bridge Replacement
C10	F, H	Jackson	J4S3151	\$4,369,708.46	\$10,000.00	Clarkson Construction Company	Bridge Rehabilitation
C11	2	Cass	J4S3152	\$959,252.75	\$0.00	Clarkson Construction Company	Bridge Rehabilitation
D01	1-44	Crawford, Laclede	J5I3226	\$1,089,480.51	\$0.00	Chester Bross Construction Company/C.B. Equipment, Inc.	Pavement Repairs and Concrete Profiling
D02	I-44	Laclede	J5I3300	\$879,341.31	\$0.00	Willard Asphalt Paving, Inc.	Shoulder Improvements
D03	7	Pulaski	J5P3109	\$265,871.20	\$0.00	Pappas Industrial Coatings, Inc.	Bridge Painting
D04	54	Cole	J5P3118	\$3,484,383.47	\$20,000.00	Capital Paving & Construction, LLC	Coldmill, Resurface And Six Bridge Rehabilitations
D05	63	Boone	J5P3165	\$430,211.92	\$0.00	E & C Bridge, LLC	Bridge Rehabilitation
D08	F	Dent	J5S3167	\$1,140,974.10	\$0.00	Robertson Contractors, Inc.	2 Bridge Replacements
D09	B, C, CC	Laclede	J5S3198	\$513,996.22	\$0.00	Vance Brothers, Inc.	Seal Coat

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
F01	I-44	St. Louis City	J6I3150	\$20,741,863.00	\$41,000.00	Kozeny-Wagner, Inc.	6 Bridge Replacements and 6 Rehabilitations With One Add Alternate
F02	I-70	St. Louis	J6I3156	\$10,135,000.00	\$9,840.00	Pace Construction Company	Interchange Improvements
		St. Louis, St. Louis City	J6I3165				Coldmill and Resurface
F03	61, I-70	St. Charles	J6I3182	\$1,904,168.95	\$0.00	N.B. West Contracting Company	Bridge Rehabilitation and Pavement Improvements
F04	21	Jefferson	J6P2345	\$1,398,842.82	\$0.00	Pavement Solutions, LLC	Intersection Improvements
F07	47	Franklin	J6S3161	\$2,234,409.03	\$0.00	N.B. West Contracting Company	Microsurfacing
F08	ZZ	Franklin	J6S3223	\$655,452.16	\$0.00	N.B. West Contracting Company	Resurfacing
G01	I-44	Jasper, Lawrence	J7I3073	\$14,239,299.00	\$0.00	APAC-Central, Inc.	Coldmill and Resurface
G02	I-44	Newton	J7I3204	\$3,212,048.74	\$0.00	Capital Paving & Construction, LLC	2 Bridge Rehabilitations
G03	I-49	Jasper	J7P3000	\$4,520,964.37	\$0.00	Capital Paving & Construction, LLC	2 Bridge Rehabilitations
G04*	160, 76	Taney	J7P3187G	\$844,729.52	\$625.00	Lehman Construction, LLC	Intersection Improvements
G05	V	Henry	J7S3135	\$769,848.60	\$0.00	Boone Construction Co.	Bridge Replacement
G07	V	Stone	J7S3151	\$508,585.00	\$0.00	Hartman and Company, Inc.	Bridge Replacement
G08	U	Cedar	J7S3153	\$619,991.20	\$0.00	Boone Construction Co.	Bridge Replacement
G09	66	Jasper	J7S3156	\$761,797.57	\$0.00	Emery Sapp & Sons, Inc.	ADA Improvements
G10	65	Greene	J8P3111	\$415,671.18	\$0.00	Branco Enterprises, Inc.	Pavement Rehabilitation
H01	74	Cape Girardeau	J9S3290	\$847,654.39	\$0.00	Apex Paving Co.	Resurface

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
H04	Various	Various	J9P3502	\$638,480.00	\$0.00	Above And Below Contracting, LLC	Scour Repairs
H05	D	Mississippi	J9S3223	\$1,400,015.33	\$0.00	Robertson Contractors, Inc.	Bridge Rehabilitation
	P	New Madrid	J9S3067 J9S3230				Bridge Replacement
H06	N	Dunklin	J9S3221	\$758,422.39	\$0.00	Robertson Contractors, Inc.	Bridge Replacement
	O		J9S3229				
H07**	Bus 60	Stoddard	J9S3242	\$2,410,890.06	\$0.00	Apex Paving Co.	Coldmill and Resurfacing
	AA		J9S3272				Resurfacing
	Y	Stoddard, Scott	J9S3251				
H08	O	Scott	J9S3277	\$846,136.48	\$0.00	Robertson Contractors, Inc.	Bridge Replacement
	U		J9S3276				
H11	Various	Various	J9S3503	\$489,003.60	\$0.00	Kinder Brothers Excavating, Inc.	Scour Repairs
			TOTAL:	\$109,029,432.95	\$81,465.00		

* Call G04 *Funding by Taney County - \$422,364.76

** Call H07 **Funding by City of Bloomfield - \$40,048.00 for J9S3272

**Table II
Rejection of Bids
January 19, 2018, Bid Opening**

Call No.	Route	County	Job No.	Description
F06	30	Jefferson	J6S3160	Microsurfacing

Commission Consideration and Action

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

1. Awarded contracts to the lowest responsive bidders for bids received on the January 19, 2018, bid opening, as recommended and noted in Table I above. Non-contractual costs for these projects are shown on the above tabulation.

2. Rejected bids received on Call F06 due to excessive bids per Section 102.15 of the Missouri Standard Specifications for Highway Construction and noted in Table II above.
3. Authorized the Director, Chief Engineer, Chief Financial Officer, or Assistant Chief Engineer to execute the contracts awarded above.

Commissioner Pace abstained from Call H04.

* * * * *

REQUEST FOR APPROVAL OF LOCATION AND/OR DESIGN OF HIGHWAYS

Route 47, Franklin County Job No. J6S3207 No Requests for a Public Hearing

The proposed improvement provides a microsurfacing overlay, guardrail upgrades to MASH standards and upgrades ADA accommodations to current standards. The project will have normal access right of way. The roadway will remain open to traffic during construction. Traffic will be managed using flagger control during the resurfacing process. Pedestrian traffic will be managed using detours during construction of the ADA upgrades. Adequate signing will be provided to control traffic flow in the area. The project is 1.5 miles in length.

On behalf of the Director, Tom Blair, St. Louis District Engineer, recommended approval of the location and design as presented at the public hearing.

After full consideration of the favorable and adverse economic, social and environment effects of the recommended designs, the Commission via approval of the consent agenda unanimously found and determined the recommended location and design would best serve the interest of the public and approved the recommendation.

* * * * *

-- REPORTS --

The Commission received the following written reports.

AUDITS AND INVESTIGATIONS' ANNUAL REPORT

Bill Rogers, Director of Audits and Investigations, provided to the Commission the Audits and Investigations 2017 Annual Report.

* * * * *

FINANCIAL ACCOUNTABILITY REPORT – QUARTERLY REPORT

Brenda Morris, Financial Services Director, provided to the Commission the written Quarterly Financial Accountability Report for the period ending December 31, 2017.

* * * * *

REPORT REGARDING EXECUTIVE ORDER 17-03 ADMINISTRATIVE RULE REVIEW PROCESS UPDATE

Kathy Harvey, Assistant Chief Engineer, submitted a report that provides a status update on administrative rules. By enacting Section 536.175 RSMo, the general assembly required state agencies to periodically review their administrative rules and repeal those rules that are obsolete or unnecessary and amend those rules to reduce regulatory burdens on individuals, businesses, or political subdivisions or eliminate unnecessary paperwork. MoDOT started its periodic administrative rule review process as required by law on July 1, 2016, and had prepared amendments and rescissions deemed necessary in order to complete the report to the Secretary of State that was submitted on June 30, 2017.

On January 10, 2017, Governor Eric Greitens issued Executive Order 17-03 that requires all state agencies to review all of its rules in the Code of State Regulations and to provide a report to the Governor by May 31, 2018. The executive order stated Missouri government has codified an excessive amount of administrative rules and Missouri citizens and businesses deserve efficient, effective and necessary rules but that such rules should not reduce jobs, limit innovation, or impose costs far in excess of

the rule's benefits. It says rules that are ineffective, unnecessary or unduly burdensome must be repealed to attract businesses to Missouri and encourage job growth. The executive order prohibits the Commission from putting proposed new rules, or amended current rules, for notice and comment until approved by the Governor's Office. The executive order requires the Commission to review all of its rules and provides a list of items the department must consider during this review process.

As a result of the Governor's executive order all rulemaking was temporarily suspended until February 28, 2017. The rule review process under the Governor's executive order is separate from and in addition to the Section 536.175 RSMo periodic rule review process and report. Consequently, the continual review of administrative rules led to the Commission's desire for a better understanding of where each rule is at in the review and rulemaking process. This report was prepared in response to the Commission's request and provides a summary of the status of administrative rules currently under review and in the rulemaking process.

As of February 7, 2018 no rules were presented to the Commission for impetus approval. Four rules have received impetus approval and are being reviewed with stakeholders: Financial Assistance-State Transportation Assistance Revolving Fund, Ignition Interlock, Procurement of Supplies, and Transportation Corporations. One set of rules are waiting for the Governor's office review and approval: Railroad. Three sets of rules have received Commission approval for filing: Plant Collection, Rest Areas, and Traffic Regulation-Highway Closing. One set of rules was filed with the Secretary of State and Joint Committee on Administrative Rules, Disadvantaged Business Enterprise. One set of rules are in the public comment period: Design Build. Two sets of rules recently completed the public comment period: Uniform Relocation Assistance and Utility and Private Line Location and Relocation. Additionally, seven sets of rules were approved for filing final orders of rulemaking: Causes of contractor disqualification, David's Law Program, Organizational Rule, Rail Fixed Guideway, Scenic Byways, Supplemental Guide Sign Program, and Transportation-Transit Rule. Final Orders were filed

with the Joint Committee on Administrative Rules for two sets of rules: Junkyard and Outdoor advertising.

* * * * *

**FINANCIAL – BUDGET – REPORTS
YEAR-TO-DATE FINANCIAL REPORT, PERIOD ENDING DECEMBER 31, 2017**

Brenda Morris, Financial Services Director, submitted a written financial report for fiscal year to date December 31, 2017, with budget and prior year comparisons.

* * * * *

CONSULTANT SERVICES CONTRACT REPORT

Eric Schroeter, State Design Engineer, submitted a written report of consultant contracts executed in the month of December 2017, 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 317 active contracts held by individual engineering consultant firms prior to December 1, 2017. Fifteen engineering consultant services contracts were executed in December 2017, for a total of \$1,720,264. There was one non-engineering consultant contract executed in December 2017, for a total cost of \$84,320.

* * * * *

* * * * *

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.

* * * * *