



**MISSOURI HIGHWAYS AND TRANSPORTATION
COMMISSION**

Official Minutes

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October 12, 2023

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**MINUTES OF THE REGULARLY SCHEDULED
HIGHWAYS AND TRANSPORTATION COMMISSION MEETING
HELD IN WARRENTON, MISSOURI,
THURSDAY, OCTOBER 12, 2023**

A regularly scheduled meeting of the Missouri Highways and Transportation Commission was held on Thursday, October 12, 2023, at the City of Warrenton Annex, 202 West Walton Street, Warrenton, Missouri and was available via live stream. Terry L. Ecker, Chair, called the meeting to order at 9:30 a.m. The following Commissioners were present: W. Dustin Boatwright, P.E., Gregg C. Smith, Robert G. Brinkmann, P.E., and Warren K. Erdman. There remains one vacant seat.

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

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Patrick McKenna, Director of the Missouri Department of Transportation; Rich Tiemeyer, Chief Counsel for the Commission; and Pamela J. Harlan, Secretary to the Commission, were present on Thursday, October 12, 2023.

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

-- OPEN MEETING --

COMMISSION/DIRECTOR ITEMS

APPROVAL OF MINUTES

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

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CONSENT AGENDA

Consent Agenda Process

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

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

Minutes reflecting action on items removed from the consent agenda and openly discussed reflect the open discussion and vote thereon.

Consideration of October 12, 2023, Consent Agenda

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

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COMMISSION COMMITTEES AND COMMISSION RELATED BOARDS

The Commission has two standing committees: Audit and Legislative. In addition, it elects Commission representatives to two boards: Missouri Transportation Finance Corporation Board of Directors and MoDOT and Patrol Employees’ Retirement System Board of Trustees. A Commissioner also serves on the Missouri Coalition for Roadway Safety Executive Committee. The following committee and board reports were made during the October 12, 2023, meeting.

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

Legislative Committee – Commissioner Boatwright reported the veto session of the Missouri General Assembly came and went with little fanfare. There were several attempts in the House to override the Governor’s vetoes on several specific sections of the budget, but the Senate quickly gaveled in and out of session without taking any actions. He noted that during the interim months, MoDOT staff will be meeting with elected officials by visiting with them in their respective legislative districts and by inviting them to attend their respective MoDOT district legislative forums. This meeting will allow key MoDOT personnel to visit with House, Senate, and congressional members and their staff on projects currently taking place in their legislative districts and discuss transportation-related public policy issues of interest to them. MoDOT staff is also working to identify legislative sponsors for the proposals presented in last month’s Commission report: Safer Access for Everyone on the Roadways (SAFER) and statutorily defining MoDOT’s safety-sensitive employees as first responders to receive certain mental health benefits.

Missouri Transportation Finance Corporation (MTFC) – Commissioner Smith stated that there was no report and the MTFC Board meeting is scheduled for October 20, 2023.

MoDOT and Patrol Employees’ Retirement System (MPERS) – Commissioner Boatwright reported the board met on September 21, 2023. At this meeting the annual actuarial valuation was presented and the contribution rates for the employers were established at 52 percent for MoDOT. While staff celebrated

fully funding the retiree unfunded liability, there remains an unfunded status for current employees/future retirees, hence the contributions for the unfunded liability and the continued high contribution rates paid by the employers. The next board meeting is scheduled for November 16, 2023.

Missouri Coalition for Roadway Safety Executive Committee – Commissioner Brinkmann reported as of Thursday, October 5, there have been 744 traffic fatalities in Missouri this year. This is 41 fewer fatalities than the same period last year, a five percent reduction. MoDOT and the Missouri Coalition for Roadway Safety hosted the state’s annual Highway Safety and Traffic Conference in Columbia, Missouri from September 25 through 27, 2023. More than 530 individuals attended to discuss pressing safety issues such as seat belts, distracted driving, speed, and impairment. The conference sparked several ideas and re-energized participants to keep moving forward with old and new ways to improve highway safety.

Buckle Up Phone Down (BUPD) Day will be held on Wednesday, October 25, 2023. The day will also kickoff the third annual BUPD High School Showdown, a friendly competition hosted by MoDOT and AAA to see which school can secure the most BUPD pledges from students, faculty, friends, and family. Last year, 70 Missouri high schools participated resulting in more than 15,000 BUPD pledges. As part of the BUPD Day activities, several public awareness efforts will be taking place, including new paid media for BUPD and the state’s recently enacted hands-free law.

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DIRECTOR’S REPORT

During the October 12, 2023, Commission meeting, Director Patrick McKenna provided the following report:

AASHTO Committee on Construction – Nearly 170 state department of transportation employees and industry partners attended the Annual American Association of State and Highway Transportation Officials (AASHTO) Committee on Construction in Kansas City from September 17 through 21. MoDOT hosted the event. The conference provided the opportunity to network and share best practices on the latest techniques in work zone safety, how to improve customer service, promoting quality and environmental responsibility in projects, encouraging technology driven improvements, and developing the workforce. More than 60 attendees from the conference toured the Buck O’Neil project. This was the largest group tour to date for the project. Project Director James Pflum presented to the group on tour. One of the most impactful presentations was on suicide prevention and mental health in the construction industry. It is not talked about much, but the reality is we are four to five times more likely to lose someone in our industry to suicide than we are any other construction related fatalities. We cannot ignore the impact it has on our staff when one of our construction partners loses a team member to suicide. Our team is working on ways to share this information and continue the conversation with our MoDOT team.

Highway Safety and Traffic Conference – September 25 through 27, MoDOT and the Missouri Coalition for Roadway Safety hosted its annual Highway Safety conference. More than 500 safety advocates attended this year’s event. Speakers shared powerful personal stories and promoted innovative behavioral and infrastructure solutions. Missouri travelers face many safety challenges, but the continuous efforts of education, enforcement, engineering, and emergency response were discussed to move us toward zero deaths on Missouri roadways. Presentations included such topics as Missouri’s new hands-

free law, an update on the Interstate 70 widening project across the state, the effect of legalized cannabis on highway safety, and the importance of partnerships to increase overall driving safety. Conversations continue to promote a shared responsibility among Missourians to create safer roadways based on a simple idea: no one can do everything, but everyone can do something. The conference serves as motivation for the important work of so many highway safety professionals and advocates across Missouri to save lives. He also noted the upcoming AASHTO Committee on Safety will be meeting in Kansas City October 17 through 19. The goal of this meeting is to develop an action plan to address the 40,000 fatalities that occur on the nation's highways every year.

Annual Day of Remembrance – On September 21, MoDOT's Central Office and seven districts across the state held their annual Day of Remembrance ceremonies to recognize and honor MoDOT's 139 fallen workers. It marked the eleventh ceremony for the statewide memorial at the Central Office. In addition to the gathering of employees at the Central Office Fallen Worker Memorial, the Central Office ceremony was live streamed on MoDOT's website to allow employees and family members to attend virtually. Sadly, MoDOT added one employee to the memorial this year - Southwest District Senior Equipment Technician Charles Eugene "Charlie" Toler. On July 24, Toler was performing mechanical work on an oil distributor when he was killed in a vehicular crash on Route V one mile west of Mount Vernon. At the Southwest District ceremony, employees, their families, and the community gathered to pay tribute. Thank you to Commissioner Gregg Smith for attending and speaking at the Southwest ceremony. This annual event of reading and remembering all those MoDOT team members that have lost their lives is an emotional and important event to employees and the families.

Status of Projects – The Director reported the department is coming to the end of the Governor's Focus on Bridge program. There are only nine bridges left to complete. All of them will be done by the end of the year. The Director expressed his appreciation of the Governor's vision and support to provide General Revenue to focus on 250 of the worst bridges in the state. MoDOT and its contractors have done a great job getting this work done quickly over the past few years, and the department will complete the program on schedule in December.

The department is also actively working to get the contracts underway for the next round of Rural Roads projects. Today's consideration of bids includes projects for this year's program. After Commission action today, \$72.3 million of the \$100 million will be awarded, with the remaining scheduled for lettings through March. The Fiscal Year 2023 and Fiscal Year 2024 General Revenue funding designated for these low volume roads is making a difference. All last year's contracts are completed, and we are seeing the overall condition of Missouri's roads improving by approximately five percent.

Improve I-70 Update – Today there will be an update from the Improve I-70 team on the great progress the team has made moving toward the first contract. Improve I-70 Central Project Director Jeff Gander will share the two teams shortlisted to compete for the first project from Route 63 in Columbia to Route 54 in Kingdom City. Meetings with these teams started yesterday. The department looks forward to bringing the best value proposal to the Commission for review and approval at the February 2024 Commission meeting. The next project will be the section from here in Warrenton to Interstate 64 in Wentzville. The solicitation for competing contractor teams will start in the spring with the plan for a contract award next fall. The department is excited to have this opportunity to improve I-70 by adding an

additional lane of traffic in each direction for 200 miles. That is a generational opportunity to improve transportation and economic needs across Missouri.

Quick Hiring Events – The Director reported on last month’s recent hiring emphasis. In July he challenged the Human Resources division and other divisions involved in hiring to streamline the process. It can typically take a couple of months to get hired and even longer to get your first pay. Over the past two and a half months, the department held 11 hiring events, extended nearly 180 job offers, and had 150 accept. As of last week, just under 100 of those are employed.

These new employees started work in many cases the week after the hiring event and immediately began earning a paycheck. Instead of waiting for the results of all the pre-employment tests, the department is taking a chance. New employees go through a couple weeks of onboarding and safety training so starting immediately puts them on the payroll and the results can come in while they do their basic training. The Director also reported that the department had more employees coming into the organization than leaving for four months in a row this spring and summer. The department slipped a little in September with negative seven employees for the month, but that was in large part due to a higher number than usual for retirements. Overall, it has been a great effort to try to remove some barriers to our hiring process and get employees on board quickly. He noted the draft financial statements indicate the department is down 1.9 million labor hours from 2018 to present. The department is down on labor hours in the area of roadside maintenance and the department is working through it, but the level of service is down due to this loss in labor hours. The department is working to restore the level of service in roadside maintenance and hope to see improvement in that area in the future.

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PUBLIC PRESENTATIONS

WELCOME BY CITY OF WARRENTON

Eric Schleuter, Mayor of the City of Warrenton, welcomed the Commission to Warrenton for their October 12, 2023, meeting. He commented that Warren County is a little more rural and sticks with its traditions and family values. Commissioner Boatwright thanked Mr. Schleuter for the community welcome and it is exciting to see these council chambers with a packed audience today.

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INTERSTATE 70: DRIVING ECONOMIC GROWTH IN THE CORRIDOR

Steve Etcher, Economic Development Consultant for Greater Montgomery and Greater Warren County Economic Development Council; Brent Speight, Chair of Greater Montgomery County Economic Development Council; Joe Gildehaus, Warren County Presiding Commissioner and Chair of the Boonslick Regional Planning Commission Transportation Advisory Committee; and Charlie Norwald,

Community Leader and former State Representative, shared with the Commission the exciting things going on in this region. Interstate 70 is a significant freight and passenger corridor for the local and state economy. It provides connections to the citizens in the region. Efforts over the past decade have attracted new investment and employment opportunities. There are 27 projects that will create 2,200 new jobs and invest more than \$2 billion in the region including CertainTeed, Uncle Rays Potato Chips, and the American Foods Group. These investments would not have been possible without ongoing investment in our transportation system. Much of the region's economic growth has been accommodated and was supported by key investments in roadway infrastructure including such projects as building a railroad overpass on Highway 19 to accommodate the freight movement for King Building Systems in Montgomery City, improvements to the South Outer Road which provides ingress and egress to CertainTeed a state-of-the-art manufacturing facility on the south side of Interstate 70, and now improvements to Veterans Memorial Parkway to accommodate the wonderful project that the area has come to know as AFG for American Foods Group. For these transportation investments the community says thank you, and they could not have done it without the support and participation of the department and the Commission.

The region is working on a master plan to create a mega site industrial complex in Montgomery County that will drive investment in the community for years to come. As a region they are growing in population, economic development activity, as a destination, and family incomes. The region is poised to continue this growth and economic opportunities for those who choose to call this region home. The Improve I-70 program will provide even more opportunities for investment along this corridor. The region welcomes the opportunity to collaborate with the Commission and MoDOT during the construction of the third lane along the I-70 corridor to make this investment impactful to the communities along this corridor, to minimize the economic disruption during the construction phase, and to make sure to leverage this key public sector investment to attract even more private sector investments to the state's economy.

Brent Speight thanked the Commission for approval of the Greater Montgomery County Port Authority; it is very important in implementing the development of the mega site. He also thanked the Commission for the contractor hired to rebuild the overpass at Highway 19 and Interstate 70. The project was completed much quicker than anyone anticipated and even though people were complaining on Facebook it was done very well and done much better than Facebook reports. Seven or eight years ago the region formed a group to oppose tolling of I-70 because it felt that would be very detrimental to the communities along the corridor. He expressed he has no doubt as the department has demonstrated with recent projects that the improvements to I-70 will be done not only in a speedy fashion but also in the right way. While the region opposed tolling, it did support the tax initiative that was on the ballot in 2018, even though it failed, and continued to support what the legislature did with the gas tax a year ago. Mr. Speight noted that he spoke many times at public meetings how detrimental it would be if that gas tax increase was ever repealed, and he explained if the Commission and department need help in keeping that from happening to please reach out and the region will help.

Joe Gildehaus noted that improvements on I-70 will support the residential and commercial growth that Warren County is experiencing. There are more than a thousand homes in subdivisions planned and in development at this time throughout the county as well as several large apartment complexes being built. Growth along this corridor today includes a new high school in Wright City, planning for a new elementary school in Warrenton, and new and expanding companies that bring in good paying jobs for the communities. Warren County also has numerous tourist destinations that are accessible by I-70 including Cedar Lake Cellars, Innsbrook Properties, and Katy Trail State Park. These destinations bring in thousands of people daily. Over the last several years some traffic counts on some of the roads have really exceeded a lot of expectations including Highways 47, TT, and T, Stracks Church Road, and Roelker Road. He also noted critical intersections and interchanges to accommodate the future growth in the region including the Wright City interchange at mile marker 200 on I-70, the proposed Stracks Church

interchange, Highway T and W, and Highway AB. Warren County is excited to be one of the first phases for the I-70 reconstruction project, and pledges to work with MoDOT and make sure this project is done well today and for the future.

Charlie Nordwald, community leader and former State Representative, noted MoDOT's history and its many wonderful accomplishments including but not limited to paving of the farm to market roads, the get Missouri out of the mud initiative, bridge projects, and in 1956 initiating the interstate highway system. He believes the 2024 enhancement of I-70 will be the next successful chapter in MoDOT's history. It has the potential to go down as one of the largest undertakings ever, expanding and enhancing 200 miles of existing lanes, medians, viaducts, and service roads. This enhancement project has been made possible by the foresight and initiative of Governor Parson, the 2023 Missouri legislature, the Missouri Highways and Transportation Commission, local governments, and private enterprise. It is designed to address an overdue issue that has been created out of necessity. The I-70 improvement project is for everyone, every municipality, every county, and the state. The state will benefit from the efficient flow of commercial traffic on I-70. Interstate 70 is the transportation lifeline of our nation, and everyone has a stake in its well-being. Just because a person does not live on, own property, or have a place on I-70 does not mean they do not benefit from its efficiency and safety. Everything is moved by a truck at some point, anyone that shops at any local retailers will benefit from the highway infrastructure.

One important consideration of the enhancement project is to maintain a reasonable flow of everyday traffic over the existing lanes of I-70, its overpasses, and service roads. This will ensure the continued access for local traffic, ambulances, fire trucks, law enforcement vehicles, and school buses. It will also enable existing merchants and manufacturers to thrive while they wait on the completion of the enhancement project.

The success of this enhancement project does not lie solely with MoDOT, it lies with neighboring municipalities, counties, and independent entrepreneurs that must lend their support to guarantee the

enhancement project is the very best it can be. Let us synergize and not criticize, compromise and not condemn, and cooperate and not contradict. The fact is this project is good for all, what helps our neighbors helps us. Let us not lose sight of the fact as we go forward with this project. We are writing the next chapter of the state of Missouri's transportation history and together we can make it the best one. I challenge everyone in this room and those who may work on this project in the future to always remember our first responsibility is to the health and welfare of the taxpaying citizens we serve.

Commissioner Brinkmann thanked everyone for their presentation and noted that like everyone in attendance, the Commission cannot wait for this Improve I-70 program to be done! Commissioner Boatwright noted he is often asked why I-70 is important to him, and he responds that I-70 is a lifeline that connects everyone.

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MODOT PRESENTATIONS

UPDATE FROM MODOT'S NORTHEAST DISTRICT

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

The Northeast District proudly supports the MoDOT values of safety, service, and stability while serving more than 297,000 Missourians in 17 counties. The Northeast District maintains 9,790 lane miles of interstates and major, minor, and low volume routes. Interstates and major routes in the region include I-70, I-72, U.S. Routes 36, 54, 61, 63, and 24, Missouri Routes 19 and 6. The Northeast District's major

roads are maintained at 93 percent good (statewide goal 90 percent); 69 percent of its minor roads are in good condition (statewide goal 80 percent) and 74 percent of its low volume roads are in good condition (statewide goal 70 percent). With all of the recent investment, the low volume road condition has improved ten percent from last year.

The Northeast District has 1,097 bridges including 15 major bridges. Bridges provide important connectivity for communities, safety, commerce, and agriculture. The Northeast District completed 27 bridges identified on the Governor's Focus on Bridge Program. The Fixing Access to Rural Missouri (FARM) Bridge Design-Build program improves a total of 31 bridges in the Northwest and Northeast districts. The Northeast District has 16 bridges that are included in the FARM Bridge program. All 16 of these bridges are completed. Currently the district has 63 bridges on the poor condition list. In 2018 the district had 94 poor condition bridges. This reduction of 31 bridges from the list required programming 112 bridges in the past 5 years of the STIP.

The Northeast District has over 4,082 lane miles of low-volume roads. The condition of these roads is at 74 percent good. This is up from 67 percent last year. With the current STIP, the district will continue to make significant improvements to these low volume and minor roads. The Governor's Rural Road Program provided \$100 million of General Revenue monies to be used on rural roads. The Northeast District received \$27 million of this money to improve the condition of low-volume roads. The district completed the program improving 184 centerline miles of low-volume roads. The Legislatively Designated Rural Road Program provides \$100 million to be used on minor and low-volume roads. The Northeast District received \$18.5 million toward this program. This will improve at least 125 centerline miles of low-volume and minor roads in the district and up to 142 centerline miles using add-alternate bidding. The projects are expected to be out for bid this summer with completion by end of calendar year 2024.

The Northeast District employees continue to produce amazing results: In the last year, the district delivered the largest STIP and low-volume road program in the history of the district. More than \$129 million in projects were awarded, and 85 percent were completed on time. District Maintenance placed over 47,000 tons of asphalt. In addition, District Maintenance placed over 600 lane miles of seal coats to extend the life of the pavements and replaced more than 13,184 square feet of signs. Northeast District striping teams striped 5,570-line miles in 2022 and has completed 4,332-line miles through mid-September 2023. In 2022, Northeast District striping assisted in Central and St. Louis Districts. In 2023, Northeast District striping assisted in Kansas City District. Northeast District's Operation staff supported the Kansas City District by sending 36 employees to Kansas City in Spring 2023 for litter removal in preparation for the NFL Draft. Northeast District's Operations staff supported the St. Louis District by sending 16 employees each winter storm event to St. Louis to plow snow during winter operations. Northeast District had a total of 34 employees volunteer to assist with winter storms in St. Louis District.

Ms. Gough highlighted a few key STIP projects for the district. The Missouri Route 19 and Interstate 70 interchange project included the bridge replacement over the interstate and interchange improvements that included the installation of two roundabouts. This project was completed two months ahead of schedule and will now remove the existing interchange later this month. The use of the planning framework brought three projects forward in the STIP including US Route 61 at Alexandria in Clark County, Missouri Route 19 corridor improvements near the Mark Twain School in Ralls County, and Missouri Route 47/US Route 61 Lincoln County diverging diamond interchange located at Troy.

Ms. Gough reported on a few of the unfunded needs in the district. These projects include the US 61 Expressway, US Route 54 Shared four-lane, and Missouri Route 47 corridor and safety improvements. She also noted successful community partnering on projects through the cost share program and the Governor's Cost Share program. The cities of Warrenton, Bowling Green, and Kirksville, along with

Montgomery and Warren counties have participated in these programs to invest in transportation infrastructure improvements in their communities.

Northeast District and Northeast Coalition for Roadway Safety continue to promote safe driving behaviors, Buckle Up Phone Down (BUPD), and Missouri's highway safety strategic plan "Show-Me Zero." They recently recognized four counties (Clark, Knox, Monroe, and Schuyler Counties) with the Show Me Zero Awards recognizing them for zero fatalities in 2022. Unfortunately, fatalities in the district have increased compared to the statewide fatality totals that have decreased. The district has made focused efforts to educate and reduce the fatalities in the district.

Ms. Gough also highlighted the district recruitment efforts. Staff have been busy trying to fill positions by hosting job fairs in Warrenton and Troy with some positive results. The goal is to fill open positions in maintenance at the job fairs. The district participated in the build my future event in Macon. There is one high school that is a JAG school and that is at the Mexico High School through their Vo-Tech program and that has been very successful, and the district is working to build and grow that relationship. Staff have been very busy out there recruiting trying to ensure that we fill all our open positions.

Ms. Gough concluded her presentation on a positive note because the Northeast district is very fortunate to have a great team that includes program delivery, maintenance, Human Resources, striping team, and support staff. She explained the striping crews from Macon and Hannibal were very busy last year striping over 5,500-line miles in mid-September they had already striped 4,000-line miles this year. The Northeast district assisted Central District and St Louis District last year and are still currently assisting Kansas City District this year to complete their priority routes. Having that good stripe going into winter is very critical. The Northeast District assisted Kansas City with their litter operation, and this is in addition to all the extra efforts that they have been putting into Northeast district with litter, there are employees who volunteered for overtime to try to address some of these litter issues in the Northeast

district. There are strike teams for winter operations, the district sent 16 employees to serve on strike teams in the St Louis district for each snowstorm and the Northeast district had 34 employees volunteer. The district continues to have staff that are willing to do that this year not only shift around within our district but to go to St Louis.

Commissioner Smith encouraged the district to keep up their safety efforts to try and reduce fatalities. Commissioner Erdman thanked Ms. Gough for her presentation and the statewide effort with the different districts helping with the litter pickup in Kansas City as they prepared for the NFL draft.

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HIGH PRIORITY UNFUNDED NEEDS

On behalf of the Director, Eric Schroeter, Assistant Chief Engineer, presented Missouri’s High Priority Unfunded Needs. This document plays a critical role because it fills the gap between the funded Statewide Transportation Improvement Program (STIP) and the Long-Range Transportation Plan (LRTP). The LRTP is often more visionary and aspirational, and then on the other end of the spectrum the STIP is a funded concrete plan of projects. This document helps MoDOT identify the next needs between the STIP and the LRTP. Missourians have repeatedly established the number one goal for MoDOT is to take care of the existing system; however, many needs still exist that remain unfunded. The Citizen’s Guide to Transportation Funding identifies \$1.1 billion of high-priority unfunded annual transportation needs under six categories.

The department and Commission value the importance of public input and the established planning framework that utilizes Regional Planning Commissions and Metropolitan Planning Organizations to select and prioritize needs and projects. Through the established planning framework policy, MoDOT can collaboratively and strategically work with local officials throughout the state to address unlimited needs with limited resources and involve planning partners in the decision-making process. Initially started in 2019, the department now has an established process to annually prepare a list of unfunded

transportation needs. This list enables the department to be prepared should additional resources become available and continue its collaboration with its planning partners.

The High Priority Unfunded Needs List includes multiple tiers of needs. The first tier represents the highest priority needs which could be delivered with additional funds in the STIP timeframe. The second and third tier represents the highest priorities which could be delivered beyond the horizon of the STIP. The Multimodal tier represent the highest multimodal priorities which could be delivered if there was a dedicated funding source for other modes. The distribution of funds is based upon the third step of the Commission's Funding Allocation policy for System Improvements. Planning partners are an essential element in the process that develops this list.

Mr. Schroeter was pleased to report that from 2019 to 2023, \$5 billion in projects were moved from the unfunded needs list into the STIP. From 2019 to 2020, \$742 million in projects were moved from the unfunded needs list into the STIP. From 2020 to 2021, the STIP was not updated due to the COVID-19 pandemic, but the department still moved \$9 million worth of projects from the unfunded needs list to the STIP. From 2021 to 2022, the department was able to move \$1.25 billion from unfunded into the STIP. The most significant move occurred from 2022 to 2023 with \$2.9 billion in projects advanced to the STIP. This list has helped the state advance a tremendous amount of work to improve transportation in Missouri.

Planning partners are an essential element in the process that develops this list. Over the last several months, MoDOT staff worked with Metropolitan Planning Organizations and Regional Planning Commissions throughout the state to develop this list of unfunded road and bridge needs, and Multimodal needs.

This list is constrained by dollar amount and time. The funding assumption targeted a total of \$4.5 billion for three tiers and another tier for Multimodal at \$1 billion. Tier one targeted \$500 million and tiers two and three targeted the remaining \$4 billion. The project list that resulted from the process

exceeded the targeted amounts, totaling \$4.7 billion statewide. The tier one list totaled \$551 million, the tier two list totaled \$2.1 billion, and the third tier totaled \$2.0 billion. In addition to the three tiers and the multimodal category, there are two more categories including the major bridges at \$440 million, and a statewide unfunded needs category at \$4.9 billion. These unfunded projects were distributed across a variety of types of projects including improve bridge conditions, improve road conditions, increase economic growth and improve safety, major interstate reconstruction, and multimodal. Altogether, the unfunded needs list totals \$11 billion.

There were nine public meetings held in August to receive public comment and input on the unfunded needs list. There were 102 participants that attended the public meetings. Additionally, this information was available on MoDOT's website for public comment. Over 144 comments were received, mostly supporting needs identified in the list. Fourteen comments were received identifying twenty-two needs not currently listed.

The department will continue to bring the High Priority Unfunded Needs List to the Commission annually. The current list will be available online and shared with others to educate the public, transportation leaders, and elected officials about transportation needs in Missouri and how additional transportation funds could be used.

Bringing this to the Commission finalizes the update for this year. The next steps are to share the comments received through this process with the planning partners. Then after the next STIP, the department will begin updating this list once again.

Commissioner Erdman shared how impressive the planning process is, involving communities and citizens across the state. It is remarkable how robust the planning process is and has a lot to do with the department's success.

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IMPROVE I-70 PROGRAM UPDATE

On behalf of the Director, Ed Hassinger, Chief Engineer, and Jeff Gander, Central Project Director, provided an update on the Improve I-70 Program. Interstate 70 is a crucial east-west link, not only in Missouri, but across the country. In its rural sections, it carries an average of 33,000 vehicles per day. In its urban areas, it can see up to 82,000 vehicles a day. Not only is it a vital transportation corridor, but it is also an economic engine. Interstate 70 carries 100 million tons of freight. The corridor is home to vital workforce development opportunities, with 1.1 million jobs dependent on I-70. But it was designed and constructed from 1956-1965, and the oldest sections are 67 years old.

MoDOT made keeping its driving surface in good condition a priority. But those resurfacing treatments do not last long because of the damage that exists beneath the surface. Closing a lane for any reason on I-70 between Kansas City and St. Louis results in immediate backups that stretch for miles. Truck traffic continues to grow, and stop-and-go congestion will be more prevalent in coming years, especially in the corridor's urban areas. The concerns were mounting as the years passed, and a real investment in the interstate was crucial.

In his state of the state address in January 2023, Governor Parson shared his vision to make the largest investment in decades to widen and rebuild the I-70 corridor and take the first step in adding a third lane across the state. The General Assembly then went to work and through the legislative process included \$2.8 billion of general revenue in Missouri's Fiscal Year 2024 budget to fund the Improve I-70 Program. The \$2.8 billion includes \$1.4 billion in General Revenue funds and \$1.4 billion in bonding authority. The debt service will be paid out of general revenue as well.

The Office of Administration I-70 Project Fund (OA I-70 Project Fund) was created during the 2023 Legislative Session to fund widening of I-70 from Blue Springs to Wentzville. In HB 5, the General Assembly appropriated \$1,400,000,000 from General Revenue to the OA I-70 Project Fund for expenses related to the Improve I-70 Project. In accordance with the Memorandum of Understanding with the

Office of Administration, the Commission must approve the award of I-70 Project contracts to enable the transfer of monies from the OA I-70 Project Fund to the State Road Fund I-70 Project Fund (SRF I-70 Project Fund). The Commission's approval of the I-70 Project contracts is contingent upon transfer of monies from the OA I-70 Project Fund to the SRF I-70 Project Fund. To date the Commission has approved five contracts totaling \$19.5 million.

In addition to the general revenues, the department is applying for an INFRA/MEGA/Rural Grant seeking more funding for the Improve I-70 Program. The grant was submitted to the USDOT on August 21, 2023, requesting almost \$300 million. The focus of the grant request was for technology and innovation. This grant application has a strong cost benefit ratio and excellent support from political partners.

The department established five goals for the Improve I-70 Program. 1. Provide a third lane of travel to eastbound and westbound I-70 from Blue Springs to Wentzville. 2. Improve the interstate while modernizing the existing pavement and bridges through innovation. 3. Increase the efficiency of freight movements along I-70. 4. Minimize construction impacts with a focus on work zone safety, communications, and construction staging. 5. Expand a diverse workforce through the creation of jobs.

Public input is important prior to the design stages of a transportation project. The department held seven public informational meetings from August 28 through September 7. Approximately 600 people attended the in-person meetings, and more than 2,400 visitors reviewed the meeting information online. The team received approximately 200 comments between the in-person meetings and the online comment form. Public involvement will continue as the department moves forward with the rest of the projects across the corridor.

On July 12, 2023, the Commission recognized it would take multiple contracting methods including Design-Build to complete the Improve I-70 program and authorized the use of design-build as well as design-bid-build to deliver the necessary improvements in the most cost effective and efficient

manner. The department will review the procurement and delivery methods for each project through an internal risk assessment and program delivery determination. The department is working to get advanced notification to industry for each project.

The program is divided into six projects. When traveling from west to east the sections of interstate are divided as follows: from Blue Springs to Odessa, from Odessa to Marshall, from Marshall to Columbia, from Columbia to Kingdom City, from Kingdom City to Warrenton, and from Warrenton to Wentzville.

Mr. Gander shared a tentative schedule for the program. The first project will address the section from Columbia to Kingdom City and the project size is estimated to range from \$350 to \$500 million. The procurement process started in August 2023 with a project award estimated in February 2024 and completion is estimated for winter 2027. The second project to be addressed is the section from Warrenton to Wentzville. The project size is estimated to range from \$400 to \$500 million. The procurement process will start in March 2024 with a project award estimated in the fall of 2024 and a completion time frame of fall 2028. The third project will be from Blue Springs to Odessa with a project size ranging from \$200 to \$300 million. The procurement process will begin in October 2024 with an estimated spring 2025 award and completion around fall 2028. The fourth section of I-70 will be the project from Kingdom City to Warrenton with an estimated project size of \$650 to \$750 million. Procurement for this project will begin in April 2026 with a project award in fall 2026 and completion around fall 2030. The fifth project will be from Odessa to Marshall and the project size will range from \$450 to \$550 million. The procurement process will begin in October 2026 with an estimated project award of spring 2027 and project completion in spring 2030. The sixth and final project will be from Marshall to Columbia and will be a project size ranging from \$600 to \$700 million. The procurement process will begin in May 2027 with a project award of fall 2027 and completion around fall 2030. The aggressive schedule is to complete all the work in about 7 years.

The department quickly began work on the first project of the program. A 20-mile section of I-70 between U.S. 63 at Columbia and U.S. 54 at Kingdom City will be improved in this project. The Request for Proposals (RFP) were released on October 6. The Statement of Qualifications (SOQ) and shortlist of teams were shared. One team is called the I-70 Constructors which includes Emery Sapp & Sons and Capital Paving and Construction Joint Venture with partner Parsons. Another team is called Millstone Weber which includes Millstone Weber and partners Jacobs and Lunda. It is estimated that construction will begin as soon as the summer of 2024.

For this first project the department has established six goals. 1. Deliver the project by December 31, 2027, within the program budget of \$405 million. 2. Provide a third lane of travel for eastbound and westbound I-70 from Columbia to Kingdom City. 3. Improve I-70/US 63 and I-70/US 54 Interchanges providing for better traffic flow and movement of freight. 4. Improve the interstate while modernizing the existing pavement and bridges. 5. Minimize construction impacts through communication and construction staging while maintaining safety and mobility. 6. Provide expanded employment opportunities to a diverse workforce.

To deliver the Improve I-70 program, leadership at MoDOT recognized the need for a designated leadership team. The department selected the following team to lead the program.

- Eric Kopinski, Program Director
- Jeff Gander, Central Project Director
- Nicole Samer, Central Project Deputy Director
- TBD, East Project Director
- TBD, West Project Director
- Zach Osman, Design Lead
- Spencer Robinson, Safety and Traffic Lead
- Dan Oesch, Third Party Lead
- Liz Prestwood, Innovations Lead
- Lairyn McGregor, Communications Lead

Commissioner Smith thanked Mr. Hassinger and Mr. Gander for their presentation and noted how much he looks forward to this project. Commissioner Erdman noted there are additional projects in

Kansas City and St. Louis beyond the Improve I-70 program and the improvements to the I-70 corridor are bigger than the Improve I-70 Program.

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ADMINISTRATIVE RULES / POLICIES

COMMISSION POLICY REVISION – FINANCIAL – DEBT MANAGEMENT

Following a comprehensive review of all Commission policies, on November 7, 2013, the Commission formally compiled and adopted the Commission policies that the department currently operates under today. In addition to the Commission’s periodic review, there are occasions where a policy may need to be updated. The department is revising this policy to: (1) Align definitions with the current lien structure of the bonding programs and more accurately describe pledged revenues and how debt service coverage is calculated; (2) Revise Section 6 to describe all current bonding programs and their levels of debt service coverage including adding information on State Appropriations for Mega Projects; (3) Update language in Section 9 to strengthen continuing disclosure commitments; (4) Make other minor edits to correct wording. The modifications are noted in green text for new language, and red strike through text for deleted language.

Director McKenna recommended the Financial-Debt Management policy be revised as indicated below. Via approval of the consent agenda, the Commission unanimously approved the policy revisions described below.

Category: FINANCIAL
Sub-Category: Debt Management Policy
Effective: ~~February 6, 2019~~ October 12, 2023
Related Source: Missouri Constitution, Article IV, Section 30(b)

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Section 1: Statement of Policy Objectives

The purpose of this debt management policy (**Policy**) is to ensure that each debt financing of the Missouri Highways and Transportation Commission (**Commission**) is completed in the most efficient and effective manner and in accordance with the best practices of the industry to achieve the Commission’s fiscal management goals and objectives. The goals of the Commission are to:

- Preserve the existing system through asset management;
- Retain operating and system maintenance capacity;
- Use debt to fund significant projects **or for project acceleration**;
- Maintain the best and most effective underlying credit ratings on long-term debt issued by the Commission;
- Minimize borrowing costs;
- Limit debt duration and ensure immediate repayment of principal thereby limiting or eliminating interest only debt service payments; and
- To avoid any and all derivative financial products or agreements.

This Policy has been developed and amended to reflect current state and federal laws regarding Commission and public entity debt obligations as of the effective date of this Policy.

Section 2: Application of Policy

This Policy will apply to any long-term indebtedness of the Commission. Long-term indebtedness refers to debt issued for capital financing with terms of one year or longer. This Policy shall also apply to capital equipment financing having a life of one year or longer.

The Missouri Department of Transportation's (Department) Director and Chief Financial Officer (CFO) have the responsibility and authority for structuring, implementing and managing the debt program. The Director and CFO shall also advise the Commission regarding the need to amend this Policy and recommend any amendments. The CFO will be responsible for ensuring compliance with this Policy.

The Commission may amend this Policy if doing so advances its fiscal management goals and objectives and such an amendment is fiscally prudent. Approved amendments shall be evidenced in writing and copies shall be delivered promptly to the rating agencies.

Section 3: Definitions

<i>Advance Refunding Bonds:</i>	Debt issued for the purpose of retiring previously issued debt more than 90 days in advance of the redemption or maturity date of the previously issued debt. Advance Refunding Bonds could be issued to achieve interest rate savings, restructure principal or to eliminate burdensome covenants with bondholders.
<i>Amendment 3 Bonds:</i>	Bonds issued under the 2005 Master Bond Indenture dated as of July 1, 2005.
<i>Arbitrage:</i>	Investment earnings on bond proceeds and certain monies pledged for payment of bonds, which are invested at a yield greater than the yield on the applicable bonds or the yield on the obligation adjusted for federal interest subsidy payments received by the Commission. The Internal Revenue Service regulates the amount which may be earned from the investment of such money and conditions under which arbitrage must be rebated to the U. S. Treasury. Arbitrage rules enforced by the Internal Revenue Service generally apply to all Tax Advantaged Financings.
<i>Asset Management:</i>	A strategic framework for making cost-effective decisions about allocating resources and managing road and bridge system infrastructure. It is based on a process of monitoring the physical condition of assets, predicting deterioration over time and providing information on how to maximize resources to address condition.

<i>Commission:</i>	Missouri Highways and Transportation Commission created in article IV, section 29, of the Missouri Constitution.
<i>Current Refunding Bonds:</i>	Debt issued for the purpose of retiring previously issued debt within 90 days of the maturity date or redemption date of the previously issued debt. Current Refunding Bonds are typically issued to achieve interest rate savings and could be issued to restructure principal or eliminate burdensome covenants with bondholders.
<i>Debt Capacity:</i>	The maximum amount of debt or financing obligations that may be issued by a borrower within legal and policy constraints without overextending the borrower's ability to repay those obligations or meet the operating and asset management needs of the Department.
<i>Debt Service Coverage from Pledged Federal Revenue:</i>	Annual Pledged Federal Revenue divided by the annual debt service on outstanding bonds issued by the Commission as Grant Anticipation Revenue Vehicles Federal Reimbursement (GARVEE) Bonds or similar bonds.
<i>Debt Service Coverage for State Appropriations Mega Projects Bonds:</i>	Mega Projects State Appropriations plus Excess Net Pledged State Revenue divided by annual debt service for outstanding State Appropriations Mega Projects Bonds issued by the Commission.
<i>Debt Service Coverage from Net Pledged State Revenue:</i>	Annual Net Pledged State Revenue less the amount of debt service associated with closed liens divided by the annual debt service on open liens for outstanding bonds Amendment 3 Bonds issued by the Commission.
<i>Department:</i>	Missouri Department of Transportation as created in article IV, section 29, Missouri Constitution.
<i>Derivative Product:</i>	A financial agreement associated with a debt issue or an investment in which its value is derived from other sources. A derivative product includes but is not limited to agreements to exchange fixed and floating rates, limit variable interest rate risk, or fix an interest rate on an investment or debt product for certain periods.
<i>Excess Net Pledged State Revenue:</i>	(a) With respect to Federal Reimbursement (GARVEE) Bonds, Net Pledged State Revenue less Amendment 3 Bond debt service; and (b) with respect to State Appropriations Mega Projects Bonds, Net Pledged State Revenue less Amendment 3 Bond debt service and Federal Reimbursement Bond debt service to the extent required to be paid from Net Pledged State Revenue.

<i>Federal Reimbursement (GARVEE) Bonds:</i>	Bonds issued by the Commission as Grant Anticipation Revenue Vehicles (GARVEE) under the 2008 Master Bond Indenture dated as of December 1, 2008.
<i>Focus on Bridge Bonds:</i>	Bonds issued by the Commission under the 2005 Master Bond Indenture dated as of July 1, 2005 to improve or replace bridges payable from appropriations by the State to the State Road Fund.
<i>Focus on Bridge State Appropriations:</i>	Deposits to the State Road Fund to pay debt service on bonds issued under the 2005 Master Bond Indenture.
<i>Mega Projects State Appropriations:</i>	Deposits to the State Road Fund from appropriations by the State to pay debt service on bonds issued under the 2023 Master Bond Indenture.
<i>Net Pledged State Revenue:</i>	Pledged State Revenue less authorized costs paid (e.g., apportionments to local governments, enforcement of motor vehicle laws, MoDOT retirement programs and costs of collection of those revenue) prior to being available for deposit into the State Road Fund.
<i>Official Statement:</i>	The disclosure document prepared by the Commission describing the structure and security of the bond issue, as well as the economic, financial, demographic and managerial characteristics of the Commission, as appropriate.
<i>Original Issue Discount:</i>	The discount from par value at the time the bond or other debt is issued. It is the difference between the stated issue price and the redemption price at maturity.
<i>Original Issue Premium:</i>	The amount by which the public offering price of a security at the time of its original issuance exceeded its par value.
<i>Pledged Federal Revenue:</i>	Federal aid reimbursements or federal fund obligations for road and bridge projects pledged and available to pay debt service on Federal Reimbursement (GARVEE) Bonds or similar bonds issued by the Commission pursuant to state law.
<i>Pledged State Revenue:</i>	State revenues derived from highway users and any other monies appropriated or deposited into the State Road Fund; or the State Road Bond Fund except those monies appropriated or deposited into the State Road Fund specifically for the payment of debt service associated with State Appropriations Mega Projects Bonds issued under the 2023

Master Bond indenture, or any other fund held in trust that is pledged and available to pay debt service on bonds issued by the Commission pursuant to the Missouri Constitution.

Project Acceleration: Debt financing issued or cash provided by an outside entity to finance a Commission approved project to be constructed earlier than originally programmed by the Commission.

*State Appropriations
Mega Projects Bonds:* **Bonds issued by the Commission under the 2023 Master Bond Indenture dated as of December 1, 2023.**

State Road Bonds: As defined in article IV, section 30(b), Missouri Constitution, any bonds or refunding bonds issued by the Commission to finance or refinance the construction or reconstruction of the state highway system (see Appendix A).

System: The state highway system that includes roadways and bridges.

*Tax Advantaged
Financing:* Bonds, notes, capital leases or other instruments treated as debt for federal income tax purposes, that are issued under provisions of federal income tax laws and regulations to provide special tax treatment either (1) for the debt holder in the form of a federal income tax credit or the ability to exclude interest paid on the obligation from gross income for federal income tax purposes or (2) for the issuer of the obligation in the form of a federal subsidy payment to offset a portion of interest expense.

*Total Road and Bridge
Revenue:* Total Commission revenues less funds dedicated for non-highway purposes such as airports, rail, transit and waterways **and less dedicated funding sources such as Amendment 3 revenues, Focus on Bridge State Appropriations, and Mega Projects State Appropriations.**

Variable Rate Debt: An instrument typically with a long-term maturity where the interest rate is adjusted periodically, on a daily, weekly, monthly, semi-annual, annual or other basis. With true variable rate demand obligations, the investor has the ability to unilaterally sell back their bonds to the remarketing agent. There are other types of short-term (variable rate) debt, such as floating rate notes (FRNs), that do not require credit enhancement or liquidity support, where the investors can hold the securities for their own account either to the maturity date or mandatory tender or put date following the stated floating rate period.

Section 4: Appropriate Uses of Debt

The Commission deems the following as appropriate uses of debt:

- Providing funds for the construction and reconstruction of the State Highway System pursuant to article IV, section 30(b) of the Missouri Constitution;
- Refunding Bonds under the guidance in Section 16 of this Policy; and
- Leases of one year or longer. Similar term leases as part of a statewide contract, master agreement, or any other agreement fall within the scope of this Policy.
- Only in circumstances where new sources of revenue or additional funds are provided to offset the debt service costs of the issuance.
- Estimated asset life of construction projects should exceed duration of debt service by a minimum of two times.

Article IV, Section 30(b)2.(3) of the Missouri Constitution allows for the Commissioner of Administration and the Commission to certify the portion of the moneys in the State Road Bond Fund not needed to make payments on bonds or to maintain an adequate reserve to make future payments to be appropriated to the State Road Fund.

Before proceeding with such certification the Commission shall consider whether there are state highway construction projects that will benefit from the issuance of state road bonds.

Section 5: Description of Types of Debt

This section identifies the three categories of debt or other long-term obligations, which may be incurred by the Commission and the intended sources of repayment.

<i>CATEGORIES</i>		<i>REPAYMENT SOURCE</i>
1.	Contractual obligations of the Commission to pay for all or some portion of debt service on debt issued by an outside entity to finance a Commission approved project.	State or federal funds*
2.	State Road Bonds.	State or federal funds*
3.	Leases of one year or longer.	State funds

*Each of these potential debt instruments can be payable from resources deposited into the State Road Fund, the State Road Bond Fund or funds held in trust. As a general practice, the primary resource for the payment of debt is from the State Road Bond Fund, as that is the intended purpose of that fund.

Section 6: Analysis of Debt Capacity

The Commission acknowledges the relationship between the amount of outstanding debt and the credit rating and the importance of maintaining a high credit rating. This, in turn, helps preserve the Commission's continuous access to low-cost capital financing. Thus, the Commission will incorporate its debt obligation in determinations of other department spending priorities including the issuance of additional debt. The Commission also acknowledges prudent fiscal stewardship favors stricter policies than typical industry and rating agency standards of debt capacity.

The Commission will limit the amount of Total Road and Bridge Revenue that can be allocated to debt obligations. The following capacity constraints relate to the Commission's potential debt or long-term obligations identified in Section 5 of this Policy. These constraints are in addition to the requirements set forth by the Commission's bond indentures.

A fixed percentage not to exceed 5 percent of the annual Total Road and Bridge Revenue, ~~not including Amendment 3 revenues,~~ may be used to meet the repayment requirements of the Commission's debt obligations identified in Section 5 of this Policy, ~~provided~~ and other subordinate debt obligations, such as loans associated with the Missouri Transportation Finance Corporation. Provided further that the estimated debt service will not disrupt system asset management and operating capacity. Provided further that new or additional funding sources, such as Amendment 3 or state appropriations, may be designated for the exclusive purpose of covering debt service to advance construction projects and these may be considered beyond and apart from the percentage limit above.

The Commission structures its debt based on the pledged revenue sources. When issuing debt, the Commission pledges either state revenue or a combination of federal and ~~a subordinated pledge of state revenue. The State Road Bonds are categorized into five liens—senior lien, first lien, second lien, third lien and subordinated lien. The senior lien will not have additional bonds issued other than for the purpose of refunding senior lien bonds. As a result, the senior lien is closed for the purpose of financing additional capital projects. The Commission will seek to maintain at least 5.0 x Debt Service Coverage from Pledged State Revenue for the first lien debt, at least 4.0x Debt Service Coverage from Pledged State Revenue on the second lien debt and at least 3.0x Debt Service Coverage from Pledged State Revenue on the third lien debt.~~ state revenue. The State Road Bonds are categorized into three bonding programs – Amendment 3 Bonds, Federal Reimbursement (GARVEE) Bonds, and State Appropriations Mega Projects Bonds.

~~The combination of federal and subordinate lien State Road Bonds are categorized into a single lien, referred to as the GARVEE lien.~~ Amendment 3 Bonds are categorized in three distinct liens - first lien, second lien, and third lien. The Commission will seek to maintain at least 5.0x Debt Service Coverage from Net Pledged State Revenue for the first lien debt, at least 4.0x Debt Service Coverage from Net Pledged State Revenue on the second lien debt and at least 3.0x Debt Service Coverage from Net Pledged State Revenue on the third lien debt.

Federal Reimbursement (GARVEE) Bonds are categorized into a single lien and are secured by a combination of federal funds and a subordinate lien on Excess Net Pledged State Revenue. The Commission will seek to maintain at least 5.0x Debt Service Coverage from Pledged Federal Revenue on the Federal Reimbursement (GARVEE ~~lien-debt~~) Bonds.

State Appropriations Mega Projects Bonds are categorized into a single lien. The Commission will seek to maintain at least 2.0x Debt Service Coverage from Mega Projects State Appropriations plus Excess Net Pledged State Revenue.

Section 7: Debt and Finance Plan Management

The CFO shall be responsible for implementing the debt and finance plans of the Commission, including preparing cash flow projections of the Commission's capital and debt programs. These projections should include estimates of:

- All sources of funds;
- Debt service requirements;
- Debt service coverage;
- The timing of operating expenditures and transfers;
- Each capital program component;
- The timing of construction commitments and disbursements;
- Asset management estimate; and
- System operating estimates.

The cash flow projections shall be revised as needed to reflect and incorporate current estimates for each element, including revised revenue and expense estimates, inflation and interest rates.

The Commission may use Tax Advantaged Financing. The purposes for which Tax Advantaged Financings may be used are generally limited by federal law and treasury regulations to financing or refinancing capital expenditures for publicly owned and operated facilities. When Tax Advantaged Financing is used, the CFO is also responsible for (1) developing and maintaining a system to account for the expenditure or allocation of bond proceeds to expenditures for purposes permitted under the provisions of the Internal Revenue Code and (2) to the extent required by applicable law and specific circumstances, monitoring the ownership and use of assets financed with proceeds of a Tax Advantaged Financing until the obligations are discharged. The CFO is also responsible for ensuring the bond financings remain in compliance with federal tax and post-issuance requirements.

Section 8: Project Acceleration

A public or private entity may request Project Acceleration of a project identified in the Commission's current Statewide Transportation Improvement Program (STIP). If approved, the Commission will commit to future payments for all or some portion of debt service on debt issued or cash provided by an outside entity to finance a Commission approved project. These debt service payments must fall within the acceptable levels of debt as outlined in this Policy.

Section 9: Disclosure Practices

The Commission is committed to full compliance with applicable securities law requirements for all outstanding and future financings. Official Statements and other financial disclosure documents shall be prepared based upon industry practices, regulatory requirements and the *Disclosure Guidelines for State and Local Government Securities* prepared by the Government Finance Officers Association (GFOA) where applicable. ~~The Commission shall covenant to comply with all applicable market disclosure requirements~~The Commission designates the CFO to have responsibility to cause the reports and event notices to be submitted to the designated repository as required by the Continuing Disclosure Undertaking.

Section 10: Credit Rating Relations and Selection

Credit ratings are a major factor in determining the cost of borrowed funds in the municipal market. The determination of credit quality by a rating agency is based on that agency's assessment of the creditworthiness of the Commission with respect to a specific obligation. The goal of the Commission is to maintain its positive presence in the credit markets through the maintenance and improvement of all relevant credit characteristics within its control.

As this Policy is amended from time to time, a copy will be sent to the credit rating agencies.

Section 11: Use of Credit Enhancement

Credit enhancement (third party guarantees of debt including but not limited to bond insurance, bank facilities, and surety bonds, as appropriate) may be used to improve the marketability of a particular issue or when the cost of the credit enhancement is less than the financial benefit, which results from use of the enhancement. Absent special circumstances, credit enhancement providers shall be selected by competitive proposal.

Section 12: Optional Redemption Provisions

Commission debt issues shall customarily include an option by the Commission to redeem the outstanding principal after a specific date at a price at or above the par amount of the principal then outstanding. Exceptions may exist for shorter-term debt for which optional redemption may have an adverse effect on the interest rate or marketability of debt. The optional redemption terms shall be determined based upon the following factors:

- Special requirements of the Commission due to program or business terms; and
- The earliest date at which bonds may be redeemed at the lowest price which does not have a material adverse effect on the price or marketability of the issue.

Section 13: Financial and Legal Advice

The Commission shall retain an independent financial advisor and bond counsel. A financial advisor is

prohibited from acting as an underwriter on any financing for which they have been engaged by the Commission to provide financial advisory services for a period of one year after the scheduled expiration of such financial advisor agreement.

Any person, firm, corporation or other entity doing business in the state of Missouri as a financial advisor, underwriter or investment advisor shall be selected in a manner consistent with the requirements of applicable federal and state laws, regulations and administration rules.

Section 14: Method of Sale

Analysis will be conducted to ensure the most effective and efficient method of sale is selected. The Commission shall make the final determination as to the method of sale.

Section 15: Term of Bonds

The term of the bonds issued will be structured such that the average ~~life of the bonds shall on average exceed the~~ useful life of the projects constructed ~~shall exceed the weighted average maturity of the bonds~~ by a minimum of two times. Bonds should in most cases be structured to repay principal in all debt service payments, i.e. no interest only deferral periods.

Section 16: Refunding Procedures and Practices

Refunding of outstanding debt will be considered in order to:

- Achieve debt service savings;
- Restructure principal; and
- Eliminate burdensome covenants with bondholders.

An advanced refunding takes place when Advance Refunding Bonds are issued more than 90 days before the redemption or maturity date of the outstanding bonds being refunded. The proceeds of the new refunding bonds are invested in an escrow account and then used to pay off the old bonds upon the redemption or maturity dates. Pursuant to Federal law, Advance Refunding Bonds may not be a Tax Advantaged Financing. Therefore, an advance refunding should generate a level of debt savings sufficient to justify the utilization of taxable bonds. Targets for Advance Refunding Bonds are as follows:

- Each maturity to be advance refunded should produce a minimum 3 percent present value savings based on the principal amount of the debt being refinanced; and
- The total present value savings (net of expenditures associated with the transaction) for all maturities to be advance refunded should be at least 5 percent of the refunded par amount.

Consideration of Advance Refunding Bonds will include more than the present value savings targets noted above. For example, the amount of negative arbitrage should factor into an advance refunding decision. Staff will consult with its independent financial advisor and use other tools available to evaluate advance refunding opportunities and develop recommendations for the Commission.

A current refunding takes place when Current Refunding Bonds are issued not more than 90 days before the redemption or maturity dates of the outstanding bonds being refunded. The proceeds of the Current Refunding Bonds may be invested to pay off the old bonds upon the redemption or maturity dates. Pursuant to Federal law, Current Refunding Bonds can be a Tax Advantaged Financing or non-Tax Advantaged Financing. Targets for Current Refunding Bonds are as follows:

- Each maturity to be current refunded should produce a minimum 2 percent present value savings based on the principal amount of the debt being refinanced; ~~or~~and
- The total present value savings (net of expenditures associated with the transaction) for all maturities to be current refunded should be at least 3 percent of the refunded par amount.

As it relates to refunding bonds, the manner in which savings are realized (up front, deferred or on a level annual basis) should be determined based upon the overall needs and objectives of the Commission. In most instances, up front savings will be used to fund the construction and reconstruction of state highway system projects, while annual savings will be used to reduce ongoing revenue requirements.

Refundings involving a restructuring of principal should be rare and limited to circumstances where financial savings can be achieved without extending the original duration of debt service.

Any debt service reserve funds, which are released upon the issuance of refunding bonds, shall be applied to the par amount of the bonds being refunded.

Section 17: Use of Variable Rate Debt

The Commission will minimize use of variable rate debt.

Section 18: Use of Derivative Products

The Commission shall not use derivative financial products.

Section 19: Investment of Bond Proceeds

To the extent possible, investments will be managed to preserve principal, maximize the interest earned, meet legal covenants and requirements, match liquidity requirements and observe tax law limitations.

Section 20: Arbitrage Rebate Compliance

To the extent required by applicable federal laws, regulations and bond covenants, the Commission will comply with all Arbitrage rebate requirements associated with Tax Advantaged Financing. The Commission may use outside experts, including bond counsel, independent financial advisor or public accountants, to assist in preparing required filings and making payments. The Commission will annually determine any accrued rebate liability and make provisions for reserving funds for rebate purposes.

Section 21: Debt Service Reserve Funds

Debt service reserves funded by proceeds of bonds or available cash or cash equivalents may be created to secure debt issues of the Commission. Debt service reserve funds will be created only when required to market a specific type of debt, achieve a desired credit rating or provide a needed liquidity source for a debt issue.

Section 22: Market and Investor Relations

The Commission and/or its **independent** financial advisor shall maintain favorable relations with the investing public and the underwriters, which buy and sell its debt. The following actions shall be taken to achieve this purpose:

- Maintain contacts with investment banking firms;
- Maintain contacts with rating agencies to ensure that they are informed of the Commission's financial position and major initiatives; and
- Provide financial statements, Official Statements and periodic financial information pursuant to the Commission's ongoing disclosure obligations.

Section 23: Use of Original Issue Discount and Premium

The Commission will minimize the use of Original Issue Discount or Original Issue Premium (**OID** and **OIP**, respectively) unless financial benefits can be demonstrated or it is necessary for purposes of marketing a portion of a bond issue. Bonds which carry significant OID may be rendered nonrefundable, a significant disadvantage to the Commission for which a commensurate benefit should be received. Bonds that generate a substantial OIP create more proceeds for the Commission but at a higher rate of interest.

Effective Date: ~~February 6, 2019~~ October 12, 2023
Supersedes Policy Dated: ~~November 7, 2013~~ February 6, 2019
Last Reaffirmed:
Date of Origin: May 5, 2000

Related Commission Minutes: Adopted May 5, 2000; Amended June 10, 2005; Amended May 10, 2006; July 8, 2009; November 7, 2013 – comprehensive policy review. February 6, 2019 – comprehensive policy review. **Amended October 12, 2023.**

DEBT MANAGEMENT POLICY (Continued)

Appendix A:

Missouri Constitution
Article IV, Section 30(b)
EXECUTIVE DEPARTMENT

Section 30(b). Source and application of state road fund--sales tax imposed on sale of motor vehicles, apportionment, how, use of revenue--distribution of increases--sales taxes not part of total state revenues or expenses of state government.

1. For the purpose of constructing and maintaining an adequate system of connected state highways all state revenue derived from highway users as an incident to their use or right to use the highways of the state, including all state license fees and taxes upon motor vehicles, trailers and motor vehicle fuels, and upon, with respect to, or on the privilege of the manufacture, receipt, storage, distribution, sale or use thereof (excepting those portions of the sales tax on motor vehicles and trailers which are not distributed to the state road fund pursuant to subsection 2 of this section 30(b) and further excepting all property taxes), less the (1) actual cost of collection of the department of revenue (but not to exceed three percent of the particular tax or fee collected), (2) actual cost of refunds for overpayments and erroneous payments of such taxes and fees and maintaining retirement programs as permitted by law and (3) actual cost of the state highway patrol in administering and enforcing any state motor vehicle laws and traffic regulations, shall be deposited in the state road fund which is hereby created within the state treasury and stand appropriated without legislative action to be used and expended by the highways and transportation commission for the following purposes, and no other:

First, to the payment of the principal and interest on any outstanding state road bonds. The term state road bonds in this section 30(b) means any bonds or refunding bonds issued by the highways and transportation commission to finance or refinance the construction or reconstruction of the state highway system.

Second, to maintain a balance in the state road fund in the amount deemed necessary to meet the payment of the principal and interest of any state road bonds for the next succeeding twelve months.

The remaining balance in the state road fund shall be used and expended in the sole discretion of and under the supervision and direction of the highways and transportation commission for the following state highway system uses and purposes and no other:

(1) To complete and widen or otherwise improve and maintain the state highway system heretofore designated and laid out under existing laws;

(2) To reimburse the various counties and other political subdivisions of the state, except incorporated cities and towns, for money expended by them in the construction or acquisition of roads and bridges now or hereafter taken over by the highways and transportation commission as permanent parts of the state highway system, to the extent of the value to the state of such roads and bridges at the time taken over, not exceeding in any case the amount expended by such counties and subdivisions in the construction or acquisition of such roads and bridges, except that the highways and transportation commission may, in its discretion, repay, or agree to repay, any cash advanced by a county or subdivision to expedite state road construction or improvement;

(3) In the discretion of the commission to plan, locate, relocate, establish, acquire, construct and maintain the following:

- (a) interstate and primary highways within the state;
- (b) supplementary state highways and bridges in each county of the state;
- (c) state highways and bridges in, to and through state parks, public areas and reservations, and state institutions now or hereafter established to connect the same with the state highways, and also national, state or local parkways, travelways, tourways, with coordinated facilities;
- (d) any tunnel or interstate bridge or part thereof, where necessary to connect the state highways of this state with those of other states;
- (e) any highway within the state when necessary to comply with any federal law or requirement, which is or shall become a condition to the receipt of federal funds;

- (f) any highway in any city or town which is found necessary as a continuation of any state or federal highway, or any connection therewith, into and through such city or town; and
- (g) additional state highways, bridges and tunnels, either in congested traffic areas of the state or where needed to facilitate and expedite the movement of through traffic.

(4) To acquire materials, equipment and buildings and to employ such personnel as necessary for the purposes described in this subsection 1; and

(5) For such other purposes and contingencies relating and appertaining to the construction and maintenance of such state highway system as the highways and transportation commission may deem necessary and proper.

2. (1) The state sales tax upon the sale of motor vehicles, trailers, motorcycles, mopeds and motortricycles at the rate provided by law on November 2, 2004, is levied and imposed by this section until the rate is changed by law or constitutional amendment.

(2) One-half of the proceeds from the state sales tax on all motor vehicles, trailers, motorcycles, mopeds and motortricycles shall be dedicated for highway and transportation use and shall be apportioned and distributed as follows: ten percent to the counties, fifteen percent to the cities, two percent to be deposited in the state transportation fund, which is hereby created within the state treasury to be used in a manner provided by law and seventy-three percent to be deposited in the state road fund. The amounts apportioned and distributed to the counties and cities shall be further allocated and used as provided in section 30(a) of this article. The amounts allocated and distributed to the highways and transportation commission for the state road fund shall be used as provided in subsection 1 of this section 30(b). The sales taxes which are apportioned and distributed pursuant to this subdivision (2) shall not include those taxes levied and imposed pursuant to sections 43(a) or 47(a) of this article. The term "proceeds from the state sales tax" as used in this subdivision (2) shall mean and include all revenues received by the department of revenue from the said sales tax, reduced only by refunds for overpayments and erroneous payments of such tax as permitted by law and actual costs of collection by the department of revenue (but not to exceed three percent of the amount collected).

(3) (i) From and after July 1, 2005, through June 30, 2006, twenty-five percent of the remaining one-half of the proceeds of the state sales tax on all motor vehicles, trailers, motorcycles, mopeds and motortricycles which is not distributed by subdivision (2) of subsection 2 of this section 30(b) shall be deposited in the state road bond fund which is hereby created within the state treasury; (ii) from and after July 1, 2006, through June 30, 2007, fifty percent of the aforesaid one-half of the proceeds of the state sales tax on all motor vehicles, trailers, motorcycles, mopeds and motortricycles which is not distributed by subdivision (2) of subsection 2 of this section 30(b) shall be deposited in the state road bond fund; (iii) from and after July 1, 2007, through June 30, 2008, seventy-five percent of the aforesaid one-half of the proceeds of the state sales tax on all motor vehicles, trailers, motorcycles, mopeds and motortricycles which is not distributed by subdivision (2) of subsection 2 of this section 30(b) shall be deposited in the state road bond fund; and (iv) from and after July 1, 2008, one hundred percent of the aforesaid one-half of the proceeds of the state sales tax on all motor vehicles, trailers, motorcycles, mopeds and motortricycles which is not distributed by subdivision (2) of subsection 2 of this section 30(b) shall be deposited in the state road bond fund. Moneys deposited in the state road bond fund are hereby dedicated to and shall only be used to fund the repayment of bonds issued by the highways and transportation commission to fund the construction and reconstruction of the state highway system or to fund refunding bonds, except that after January 1, 2009, that portion of the moneys in the state road bond fund which the commissioner of administration and the highways and transportation commission each certify is not needed to make payments upon said bonds or to maintain an adequate reserve for making future payments upon said bonds may be appropriated to the state road fund. The highways and transportation commission shall have authority to issue state road bonds for the uses set forth in this subdivision (3). The net proceeds received from the issuance of such bonds shall be paid into the state road fund and shall only be used to fund construction or reconstruction of specific projects for parts of the state highway system as determined by the highways and transportation commission. The moneys deposited in the state road bond fund shall only be withdrawn by

appropriation pursuant to this constitution. No obligation for the payment of moneys so appropriated shall be paid unless the commissioner of administration certifies it for payment and further certifies that the expenditure is for a use which is specifically authorized by the provisions of this subdivision (3). The proceeds of the sales tax which are subject to allocation and deposit into the state road bond fund pursuant to this subdivision (3) shall not include the proceeds of the sales tax levied and imposed pursuant to sections 43(a) or 47(a) of this article nor shall they include the proceeds of that portion of the sales tax apportioned, distributed and dedicated to the school district trust fund on November 2, 2004. The term "proceeds from the state sales tax" as used in this subdivision (3) shall mean and include all revenues received by the department of revenue from the said sales tax, reduced only by refunds for overpayments and erroneous payments of such tax as permitted by law and actual costs of collection by the department of revenue (but not to exceed three percent of the amount collected).

3. After January 1, 1980, any increase in state license fees and taxes on motor vehicles, trailers, motorcycles, mopeds and motortricycles other than those taxes distributed pursuant to subsection 2 of this section 30(b) shall be distributed as follows: ten percent to the counties, fifteen percent to the cities and seventy-five percent to be deposited in the state road fund. The amounts distributed shall be apportioned and distributed to the counties and cities as provided in section 30(a) of this article, to be used for highway purposes.

4. The moneys apportioned or distributed under this section to the state road fund, the state transportation fund, the state road bond fund, counties, cities, towns or villages shall not be included within the definition of "total state revenues" as that term is used in section 17 of Article X of this constitution nor be considered as an "expense of state government" as that term is used in section 20 of article X of this constitution.

(Adopted March 6, 1962) (Amended November 6, 1979) (Amended by Initiative November 2, 2004)

(1962) Highway commission had authority to condemn easement to provide a substitute location for pipelines which was necessary for interstate highway construction as the taking was for public purpose and was not in violation of Article III, § 38(a) since state received compensation in surrender of existing right-of-way. State ex rel. State Highway Commission v. Eakin (Mo.), 357 S.W.2d 129.

(1968) Toll road authority act of the 74th General Assembly which permitted resorting to gas tax money to meet bonding obligations violated constitutional provision for allocation of gas tax money. Pohl v. State Highway Commission (Mo.), 431 S.W.2d 99.

(1972) Subdivision (5) of this section does not empower the State Highway Commission to provide rest areas abutting state routes. State ex rel. State Highway Commission v. Pinkley (A.), 474 S.W.2d 46.

(1973) Held, this provision requires interest or income from state road fund to be credited to such fund and not diverted to general revenue or any purpose other than state highway purposes. State Highway Commission v. Spainhower (Mo.), 504 S.W.2d 121.

(1984) Fees collected by motor vehicle unit of Dept. of Revenue for copies of motor vehicle records made pursuant to section 109.190, RSMo, are "revenue derived from state highway users" and as such are to be credited to state road fund. State Highways and Transportation Commission of Missouri v. Director, Department of Revenue (Mo. banc), 672 S.W.2d 953.

(1992) Logo signs along highway rights-of-way, announcing availability of purveyors of food, fuel and lodging at highway exits constitute an improvement to the highways and the initial use of highway funds, whether reimbursed or not, does not transgress constitutional restrictions. Missouri Outdoor Advertising Association, Inc. v. Missouri State Highways and Transportation Commission, 826 S.W.2d 342 (Mo. en banc).

(1994) Expenditure of state road fund for mitigation plan required by federal Pipeline Safety Act is appropriate expenditure as it relates and appertains to the construction of Page Avenue Extension of state highway. DeMere v. Missouri State Highway and Transportation Commission, 876 S.W.2d 652 (Mo. App. W.D.).

* * * * *

BUSINESS ISSUES

GREATER MONTGOMERY COUNTY PORT AUTHORITY APPLICATION TO BECOME A POLITICAL SUBDIVISION

On behalf of the Director, Jerica Holtsclaw, Multimodal Operations Director, recommended the Commission approve the application of the Greater Montgomery County Port Authority to become a political subdivision of the state. The proposed boundary of the Greater Montgomery County Port Authority is the entirety of unincorporated Montgomery County; the cities of Montgomery City, New Florence, High Hill, Jonesburg, and Wellsville all located in Montgomery County; and the city of Hermann located adjacent to Montgomery County in Gasconade County.

The County of Montgomery and the City of Hermann passed ordinances creating the Greater Montgomery County Port Authority. This entity submitted a port authority application to the Commission, in accordance with § 68.010.1 RSMo, for approval to become a political subdivision of the state. Section 68.010 RSMo authorizes the Commission to accept applications, conduct hearings, and approve or disapprove applications for approval of local or regional port authorities as political subdivisions of the state.

The Multimodal Operations Division’s waterways unit assists authorized cities and counties in forming port authorities to foster economic development. MoDOT promotes the use of Missouri’s navigable rivers to make low-cost waterborne transportation benefits available to business. Freight moved through the public ports reduces truck traffic.

Via approval of the consent agenda, the Commission unanimously approved the application of the Greater Montgomery Port Authority to become a political subdivision of the state.

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**NORTHEAST MISSOURI REGIONAL PORT AUTHORITY OF CLARK COUNTY
APPLICATION TO BECOME A POLITICAL SUBDIVISION**

On behalf of the Director, Jerica Holtsclaw, Multimodal Operations Director, recommended the Commission approve the application of the Northeast Missouri Regional Port Authority of Clark County to become a political subdivision of the state. The proposed boundary of the Northeast Missouri Regional Port Authority of Clark County is the entirety of Clark County.

The County of Clark and the City of Alexandria discussed creation of the Northeast Missouri Regional Port Authority of Clark County. The county submitted a port authority application to the Commission, in accordance with § 68.010.1 RSMo, for approval to become a political subdivision of the state. Section 68.010 RSMo authorizes the Commission to accept applications, conduct hearings, and approve or disapprove applications for approval of local or regional port authorities as political subdivisions of the state.

The Multimodal Operations Division’s waterways unit assists authorized cities and counties in forming port authorities to foster economic development. MoDOT promotes the use of Missouri’s navigable rivers to make low-cost waterborne transportation benefits available to business. Freight moved through the public ports reduces truck traffic.

Via approval of the consent agenda, the Commission unanimously approved the application of the Northeast Missouri Regional Port Authority of Clark County to become a political subdivision of the state.

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STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

CONSIDERATION OF BIDS FOR TRANSPORTATION IMPROVEMENTS

On behalf of the Director, Travis Koestner, 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 D4A and G04 have local funding as noted in the tables below, and the department received all the necessary concurrences.

Mr. Koestner recommended: (1) Award of contracts to the lowest responsive bidders for bids received at the September 15, 2023, letting, as recommended, and noted in Table I below; and (2) Rejection of Call H04 for bids received at the September 15, 2022, letting, due to excessive bids per Section 102.15(a) of the Missouri Standard Specifications for Highway Construction as noted in Table II below.

**Table I
Award of Contracts
September 15, 2023, Bid Opening**

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
A01	5, 41	Carroll, Chariton, Linn	J1P3223	\$3,894,979.30	\$0.00	Capital Paving & Construction, LLC	Resurface
A02	B, D, DD, K	Livingston	J1S3393	\$584,138.50	\$0.00	BRS Construction, LLC	ADA Improvements
A03	111	Atchison	JNW0006	\$2,568,107.62	\$0.00	North Central Bridge, LLC	Bridge Replacement
	46		JNW0005				
A06	W, N, KK, E, A, HH, D, BB	Caldwell, Carroll, Clinton	JST0049	\$6,061,945.05	\$0.00	Emery Sapp & Sons, Inc.	Resurface
A4A	6	Sullivan	JNW0023	\$12,210,353.96	\$0.00	Magruder Paving, LLC	Resurface
A4B	YY, Y, M, 129, C, 139, NN	Chariton, Linn, Livingston, Putnam, Carroll, Sullivan	JST0050				
B01	79	Marion	J2P3357	\$12,455,000.00	\$0.00	KCI Construction Company	Bridge Replacement and ADA Improvements
B02	15	Shelby	J2P3386	\$1,013,342.90	\$0.00	W. L. Miller Company	Seal Coat
		Monroe, Shelby	JNE0017				
B03	E	Lincoln	J2S3407	\$3,563,752.23	\$0.00	Magruder Paving, LLC	Seal Coat
		Lincoln, Montgomery	J2S3408				Resurface

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
B04	B	Audrain, Ralls	J2S3413	\$4,452,233.22	\$0.00	Christensen Construction Co.	Resurface
	D	Audrain, Boone	J2S3415				
	M	Audrain	J2S3418				
	FF	Audrain, Boone	J2S3417				
B05	79	Pike	JNE0014	\$1,073,508.62	\$0.00	W. L. Miller Company	Seal Coat
	B		JNE0015				
B07	AA, DD, T, CC, FF, K	Macon, Monroe, Randolph	JST0053	\$6,473,692.05	\$0.00	Emery Sapp & Sons, Inc.	Resurface
C01	371	Platte	J4S3349	\$2,156,464.41	\$0.00	Ideker, Inc.	Resurface
D01	I-44	Crawford	J5I3477	\$8,780,426.53	\$0.00	Capital Paving & Construction, LLC	Resurface
D02	3, 40	Boone, Howard	J5P3518	\$2,298,702.65	\$0.00	Vance Brothers, Inc.	Seal Coat
	87	Howard	JCD0018				
	5	Cooper, Morgan	JCD0017				
D03	32	Dallas, Laclede, Texas	J5P3527	\$1,557,100.00	\$0.00	Blevins Asphalt Construction Company, Inc.	Seal Coat
D05	87, B, 50, 135, 3, V, 129, 5, 124, J	Boone, Cooper, Howard, Moniteau, Morgan	J5S3369B	\$1,176,984.87	\$0.00	S & A Equipment & Builders, LLC	ADA Improvements
D4A*	41	Cooper	J5P3530	\$3,276,334.85	\$0.00	Christensen Construction Co.	Resurface
	K		JCD0016				
D4B	F, JJ	Cooper, Pettis	JCDM0002				
D7A	100	Gasconade, Osage	JCD0078	\$16,560,000.00	\$0.00	Pace Construction Company, LLC	Resurface
	133, EE	Maries, Osage, Pulaski	JCD0077				
	A	Osage	JCD0028				
D7B	AC, AD	Franklin	JST0051				
D7C	K, Z, FF, OO, HH, KK, NN, E, DD, RA, JJ, T, V	Gasconade, Osage	JST0056				

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
F04	141	Jefferson	JSLM0034	\$333,961.35	\$0.00	Infrastructure Management, Inc.	Pipe Replacement
F05	I-70	St Louis City	JSLM0038	\$160,000.00	\$0.00	Pace Construction Company, LLC	Bridge Fence and Barrier Repair
G01	I-49	Barton, Vernon	J7I3489	\$13,288,448.47	\$0.00	APAC-Central, Inc.	Resurface
G02	65	Dallas, Greene	J7P3393	\$2,664,454.69	\$0.00	APAC-Central, Inc.	Resurface
		Greene	J8P3164				
G03	ZZ, 60, 14, K, PP	Christian, Lawrence	J7P3470	\$411,572.75	\$0.00	Radmacher Brothers Excavating Co., Inc.	ADA Improvements
G04**	86	Newton	J7S3487	\$1,927,237.15	\$600.00	Hartman and Company, Inc.	Intersection Improvements
G05	413	Greene	J8S3157	\$5,389,000.00	\$0.00	Hartman and Company, Inc.	Bridge Replacement and ADA Improvements
G06	C	Greene	J8S3226	\$995,456.68	\$0.00	APAC-Central, Inc.	Resurface
	WW		J8S3227				Resurface and add shoulders
	DD		J8S3228				Resurface
G07	73	Camden, Dallas	JSR0157	\$2,589,612.98	\$0.00	APAC-Central, Inc.	Resurface
G08	EE, K, W, Y, NN, PP, J	McDonald, Newton	JST0045	\$3,306,797.66	\$0.00	Emery Sapp & Sons, Inc.	Resurface
G09	AA, D, E, Y	Bates	JST0046	\$3,594,755.18	\$0.00	APAC-Central, Inc.	Resurface
H01	B	Bollinger	JST0041	\$3,063,000.00	\$0.00	Pace Construction Company, LLC	Resurface
	A	Madison	JST0037				
	C	Scott	JST0027				
	ZZ	Dunklin	JST0028				
	V	Cape Girardeau	JST0032				
H03	BB	Ripley	JST0034	\$2,218,000.00	\$0.00	Pace Construction Company, LLC	Resurface
	CC	Iron	JST0030				
	H	Reynolds	JST0043				
	K	Madison	JST0040				
			TOTAL	\$130,099,363.67	\$600.00		

* Call D4A - Funding by City of Blackwater – \$21,350.65 (JCD0016)

** Call G04 – Funding by City of Neosho – \$963,618.58 (J7S3487)

**Table II
Rejection of Bid
September 15, 2023, Bid Opening**

Call No.	Route	County	Job No.	Description
H04	C	Madison	JSE0160	Soil Nail Wall

Commission Consideration and Action

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

1. Awarded contracts to the lowest responsive bidders for bids received at the September 15, 2023, bid opening, as recommended, and noted in Table I above. Non-contractual costs for these projects are shown in the above tabulation.
2. Rejected Call H04 due to excessive bids per Section 102.15(a) of the Missouri Standard Specifications for Highway Construction as noted in Table II above.

Commissioner Erdman abstained from calls A01, A02, A06, B04, B05, D02, D05, G08, and G09.

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APPROVAL OF PLANS FOR CONDEMNATION

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

<u>County</u>	<u>Route</u>	<u>Job Number</u>
St. Louis	I-55	J6I3427

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

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REQUEST FOR APPROVAL OF LOCATION AND/OR DESIGN OF HIGHWAYS

Route CC, Christian County
Job No. J8S0736F
Public Meeting Held Tuesday, July 25, 2023
Online Meeting Held Tuesday, July 25, 2023 – August 8, 2023

The proposed improvement provides for the construction of a roundabout at the intersection of Route CC with Main Street and Cedar Street. The

proposed typical section for the roundabout provides for a 20' lane with a 10' truck apron and 108' center median. The roundabout has been designed to accommodate truck traffic. Route CC has been designed for 12' lanes in each direction, with a westbound to northbound right turn lane and a westbound to southbound left turn lane. Cedar Street will provide 12' lanes in each direction. Main Street will provide 12' lanes in each direction that tapers out to a 12' Two Way Left Turn Lane that ties into the City of Nixa Main Street project. Curb and gutter will be constructed on each route. Sidewalks will be constructed on Route CC to tie into the City of Nixa Main Street project. The project will have normal access and fully controlled access right of way. Construction of the roundabout will be completed in stages to provide access to the adjacent properties. A signed detour will be provided for the stages requiring closure at the intersection. The project is 0.456 miles in length.

On behalf of the Director, Stacy Reese, Southwest District Engineer, recommended approval of the design as presented at the public hearing.

After full consideration of the favorable and adverse economic, social, and environmental 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.

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-- **REPORTS** --

REPORTS

The Commission received the following written reports.

MEDICAL AND LIFE INSURANCE PLAN: MEDICAL AND LIFE INSURANCE PLAN REPORT

On behalf of the Director, Brandon Denkler, Assistant to the Chief Administrative Officer, Employee Health and Wellness, provided financial and claims data reports for the period January 2023 through June 2023, and for the most recent five calendar years to update the commission on the cost and utilization of the Medical and Life Insurance Plan. The number of claims processed monthly in the first six months of calendar year 2023 decreased 28.7 percent compared to the first half of calendar year 2022. Medical claims decreased 11.3 percent, and pharmacy claims decreased 50.3 percent when compared to the same timeframe in 2022. This decrease is a result of the Medicare eligible members switching to the Medicare Advantage Plan in 2023.

There was an increase of 7.7 percent in 2022 total claims expense when compared to 2021, and a 14.2 percent increase in pharmacy spending from 2021 to 2022. This increase can be attributed to an increase in the cost of specialty drug claims.

The State Paid Life Insurance program provides a death benefit equal to the employee's annual salary. If the death is work-related, this benefit is three times the employee's annual salary. This benefit is provided at no cost to the employee. Through June 2023 there were 11 active employee deaths.

The total operating revenues decreased 8.3 percent compared to the same period in 2022. This is primarily the result of there being no change in medical premiums in 2022, and a slight decrease in the number of covered individuals. The Medical Plan had a loss of \$6.7 million in the first half of calendar year 2023; resulting in a net position of \$41,824,663 as of June 30, 2023.

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MODOT BRIEFING REPORT

Patrick McKenna, Director, provided to the Commission the written monthly Issue Briefs that are sent from the department to the Governor since the previous MoDOT Briefing Report. There were four briefing reports for the past month.

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MISSOURI DEPARTMENT OF TRANSPORTATION FINANCIAL REPORT – FISCAL YEAR 2024

Todd Grosvenor, Financial Services Director, submitted a written financial report for the fiscal year to date August 31, 2023, with budget and prior year comparisons.

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CONSULTANT SERVICES CONTRACT REPORT

Travis Koestner, State Design Engineer, submitted a written report of consultant contracts executed in the month of August 2023, for both engineering and non-engineering related projects. The department utilizes consultants to efficiently manage workload and provide specialized expertise to supplement and support department staff. Expenditures for consultant services are funded from the Commission approved Statewide Transportation Improvement Program and MoDOT Operating Budget. There were 574 active contracts held by individual engineering consultant firms prior to September 1, 2023. Eighteen engineering consultant services contracts were executed in June 2023, for a total of \$16,072,909. There were zero non-engineering consultant contracts executed in August 2023.

Mr. Koestner noted the budget for design and bridge consultants is \$110 million. As of the date of this report the total expenditures are \$14.8 million.

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

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The Mission of the Missouri Highways and Transportation Commission is to:

- Represent the citizens of Missouri pursuant to the Constitution by providing independent and nonpartisan governance of the Missouri Department of Transportation; and
- Establish policies, exercise oversight, and ensure accountability in developing and maintaining a world class transportation system in Missouri which fosters safety and economic development.

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