



**MISSOURI HIGHWAYS AND TRANSPORTATION
COMMISSION**

Official Minutes

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**MINUTES OF THE SPECIAL HIGHWAYS AND TRANSPORTATION
COMMISSION MEETING HELD IN JEFFERSON CITY, MISSOURI,
TUESDAY, JANUARY 7, 2025**

A special meeting of the Missouri Highways and Transportation Commission was held on Tuesday, January 7, 2025, at the Missouri Department of Transportation, 105 W. Capitol Avenue, Jefferson City, Missouri. W. Dustin Boatwright, P.E., Chairman, called the meeting to order at 12:30 p.m. The following Commissioners were present: Warren K. Erdman, Francis G. Slay, and Daniel J. Hegeman. Gregg C. Smith and Ann Marie Baker were present via WebEx.

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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Ed Hassinger, Director of the Missouri Department of Transportation; Melinda Grace-Beasley, Assistant Chief Counsel-Human Resources; and Pamela J. Harlan, Secretary to the Commission, were present on Tuesday, January 7, 2025.

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

-- CLOSED MEETING --

VOTE TO CLOSE MEETING

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

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

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

Commissioner Boatwright, Aye
Commissioner Erdman, Aye
Commissioner Smith, Aye
Commissioner Slay, Aye
Commissioner Hegeman, Aye
Commissioner Baker, Aye

The Commission met in closed session on Tuesday, January 7, 2025, at 2:30 p.m. and adjourned at 5:05 p.m.

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-- OPEN MEETING --

COMMISSION/DIRECTOR ITEMS

COMMISSION WORKSHOP – FINANCIAL FORECAST UPDATE

The Commission held a workshop to learn more about how the department determines the amount of funds available to use in the development of the Statewide Transportation Improvement Program (STIP). Brenda Morris, Chief Financial Officer, reviewed the financial forecast and explained that it is the foundation that is used to develop the department’s budget that includes targets for the STIP. The financial forecast estimates the various components of state revenue, including the state motor fuel tax, motor vehicle sales taxes, motor vehicle and drivers’ licensing fees, and federal funds from the federal motor fuel tax, and other sources as provided by Congress and the Missouri legislature. The current financial forecast is an estimate that covers fiscal years 2026 through 2030. Ms. Morris reminded everyone the forecast is for road and bridge expenditures and does not include multimodal estimates.

Ms. Morris noted this forecast has some unique items; the base forecast are items that are normal and then there are several significant one-time sources of funding that have been provided to the department for very specific purposes for revenues. Examples of one-time sources of funding include Governor’s Transportation Cost Share Program, Focus on Bridges Program, Improve I-70 Program, Forward 44 Program, and funding for other General Assembly Designated and Funded projects.

She also reported on Senate Bill 262, which was passed by the General Assembly in Fiscal Year 2021 and signed into law by the Governor in July 2021, and increases the motor fuel tax by 12.5 cents over five years, 2.5 cents per year. The last increase will occur July 1, 2025. The overall impact comparing last year’s forecast to this year’s forecast is \$8.8 million more for Senate Bill 262 Motor Fuel taxes.

Funding from this increase has allowed the department to ensure federal funds are being matched and provided the department more resources to address operational needs.

Ms. Morris stated the financial forecast does have several planned debt issuances. Keep in mind, that each issuance will be considered individually and will only be done if the situation warrants it. However, not issuing bonds would mean fewer resources available for projects. Bond issuances have been included for Amendment 3, Improve I-70, and Forward 44. Staff will work with the department's financial advisors to figure out the best timing. The current plan is conducting two separate issuances in 2026: one in the fall and one in the spring. The reason for two issuances is to get good prices and if the department floods the market that could be problematic. The Commission and staff further discussed bond issuances, schedules, and accelerated amortization.

Ms. Morris and Todd Grosvenor, Financial Services Director, reviewed the revenue and disbursement assumptions. Mr. Grosvenor noted the base forecast includes all revenues and disbursement except the Improve I-70, Forward 44 and the General Assembly Designated and Funded Projects. He noted disbursements include the items approved by the Commission as part of the Fiscal Year 2026 budget submission and highlighted a few items including:

- \$13.6 million to continue implementing the market plan and provide tenure and performance pay increases (Personal Services (PS) and Fringe Benefits (FB));
- \$30.7 million to hire an additional 309 employees including 253 positions in Safety and Operations (PS and FB);
- \$22.6 million for various roadside contracts;
- \$17.0 million for maintenance supplies, roadway improvements and non-fleet equipment; and
- \$15.0 million for facility improvements related to mechanical systems (Construction and Materials Lab and the Southwest District Office).

Overall, disbursements decreased \$57.8 million in this forecast compared to last year's forecast. The main reason for the decrease is personal services and the related fringe benefits have not increased as quickly as was predicted in the previous forecast.

Mr. Grosvenor presented information related to inflation; contractor payments; debt service payments; the operating budget, which includes all the State Road Fund personal service, fringe benefits and expense and equipment; and revenues that go to other state agencies.

The Commission thanked Ms. Morris and Mr. Grosvenor for their presentation.

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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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