



**MISSOURI HIGHWAYS AND TRANSPORTATION  
COMMISSION**

**Official Minutes**

**TABLE OF CONTENTS**

**May 9, 2007**

<b>VOTE TO CLOSE MEETING</b> .....	3
 <b>COMMISSION/DIRECTOR ITEMS</b>	
Rudolph E. Farber Qualified as a Member of the Missouri Highways and Transportation Commission .....	3
Meeting Minutes .....	4
Consent Agenda .....	4
Resolution Expressing Appreciation to Marjorie B. (Marge) Schramm for Outstanding Service on the Missouri Highways and Transportation Commission .....	5
Election of Member to Board of Directors, Missouri Transportation Finance Corporation .....	6
Commission Committee Reorganization .....	7
Commission Committees and Commission Related Boards .....	7
Appointment of Secretary to the Commission .....	7
Director's Report .....	8
 <b>PUBLIC PRESENTATION</b>	
Status Report on Local Matching Funds for Katy Trail Extension .....	8
 <b>POLICIES/ADMINISTRATIVE RULES</b>	
Administrative Rules – Final Order of Rulemaking, 7 CSR 10-6.070, Permits for Outdoor Advertising .....	9
Administrative Rules – Final Order of Rulemaking, 7 CSR 10-25.030, Apportion Registration .....	10
 <b>STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM</b>	
Draft 2008-2012 Statewide Transportation Improvement Program .....	10
Consideration of Bids on Federal-Aid and State Projects .....	12
Roadway Location and Design Approval .....	15
Roadway Design Approval .....	16
Ratification of Approval of Right of Way Plans for Condemnation .....	16
 <b>BUSINESS ISSUES</b>	
Fiscal Year 2008 Budget Proposal .....	17

**INNOVATIVE FINANCE**

Arnold Triangle Transportation Development District,  
Consideration of Project and Appointment of Advisor ----- 20

**PROPERTY ACQUISITIONS AND CONVEYANCES**

Disposal of Property, Interstate Route 70 and Route 180, St. Louis County ----- 21  
Disposal of Excess Property, Route 65/76, Taney County----- 21  
Disposal of Property, Route 141 and Interstate Route 55, Jefferson County ----- 21  
Change in Access, Break in Access and Geometric Improvements,  
Route 141, Jefferson County ----- 22

**REPORTS**

Financial – Budget – Reports  
Year-to-Date Financial Report, March 31, 2007 ----- 23  
Financial Accountability Report – Quarterly Report ----- 23

**WORK SESSION**

Debt Management Policy Overview Workshop ----- 23

**MINUTES OF REGULARLY SCHEDULED HIGHWAYS AND  
TRANSPORTATION COMMISSION MEETING HELD IN  
JEFFERSON CITY, MISSOURI, ON WEDNESDAY, MAY 9, 2007**

A regularly scheduled meeting of the Missouri Highways and Transportation Commission was held on Wednesday, May 9, 2007, in Jefferson City, Missouri. The meeting was called to order at 9:30 a.m. by James B. Anderson, Chairman. The following Commissioners were present: Duane S. Michie, Vice Chairman, David A. Gach, Mike Kehoe, Bill McKenna, and Rudolph E. Farber.

The meeting had been called pursuant to Section 226.120 of the 2000 Revised Statutes of Missouri, as amended. The Secretary verified that notice of the meeting was posted in keeping with Section 610.020 of the 2000 Revised Statutes of Missouri, as amended.

\* \* \* \* \*

\* \* \* \* \*

Pete Rahn, Director of the Missouri Department of Transportation; Rich Tiemeyer, Chief Counsel for the Commission; and Mari Ann Winters, Secretary to the Commission, were present on Wednesday, May 9, 2007.

\* \* \* \* \*

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

**-- OPEN MEETING --**

**RUDOLPH E. FARBER QUALIFIED  
AS A MEMBER OF THE MISSOURI HIGHWAYS  
AND TRANSPORTATION COMMISSION**

On March 19, 2007, Governor Matt Blunt appointed Rudolph E. (Rudy) Farber of Neosho to the Missouri Highways and Transportation Commission for a term ending March 1, 2013, or until his successor is duly appointed and qualified, vice Marjorie B. Schramm, term expired.

Mr. Farber's appointment was confirmed by the Senate on April 19, 2007. He was duly sworn on May 9, 2007, in the Missouri Department of Transportation headquarters office in Jefferson City by Supreme Court Judge Mary Rhodes Russell.

\* \* \* \* \*

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

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

Commissioner Anderson, Aye  
Commissioner Michie, Aye  
Commissioner Gach, Aye  
Commissioner Kehoe, Aye  
Commissioner McKenna, Aye  
Commissioner Farber, Aye

The Commission met in closed session from 8:15 a.m. until 9:20 a.m. and returned to the Open Meeting at 9:30 a.m.

\* \* \* \* \*

**-- OPEN MEETING --**

**APPROVAL OF MINUTES**

Upon motion by Commissioner Michie, seconded by Commissioner Gach, the Commission unanimously approved the minutes of the regularly scheduled meeting held on April 11, 2007. The Chairman and Secretary to the Commission were authorized and directed to sign and certify said minutes and to file same in the office of the Secretary.

\* \* \* \* \*

**CONSENT AGENDA**

**Consent Agenda Process**

In order to make the most efficient use of Commission meeting time and to ensure Commission members are well informed on issues requiring their action, the 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 on the Commission meeting agenda. Those items considered by the 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 May 9, 2007, Consent Agenda**

Upon motion by Commissioner Michie, seconded by Commissioner Gach, all items on the May 9, 2007, consent agenda were unanimously approved.

\* \* \* \* \*

### **RESOLUTION EXPRESSING APPRECIATION TO MARJORIE B. (MARGE) SCHRAMM FOR OUTSTANDING SERVICE ON THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION**

The Commission unanimously adopted the following resolution.

WHEREAS, Marjorie B. Schramm was appointed to the Missouri Highways and Transportation Commission by Governor Mel Carnahan on May 11, 2000, and served an extended term of seven years; and

WHEREAS, Commissioner Schramm served as Vice Chairman from March 2004 until March 2005, as Chairman of the Commission from March 2005 until March 2006, and as Vice Chairman from March 2006 until March 2007; and

WHEREAS, Commissioner Schramm brought to the Commission a distinguished background in public service and, as a result, unique knowledge of highway and transportation issues, astute understanding of public funding and fiduciary responsibility, and respect for the perspectives and input of Missouri's diverse populace; and

WHEREAS, during her tenure on the Commission, Commissioner Schramm performed her duties with extraordinary professionalism, integrity, dignity, and the desire for her actions to reflect the best interest of all Missourians; and

WHEREAS, Commissioner Schramm was instrumental in many positive changes within MoDOT, as evidenced by Commission concurrence in an objective funding allocation process; voter approval of Amendment 3 in 2004; major improvement of the state highway system through MoDOT's Smooth Roads Initiative, implementation of a Design/Build project on I-64 in St. Louis, initiation of a Design/Build project on I-29/I-35 in Kansas City, and initiation of a statewide 800 Bridge Improvement (Safe and Sound) Program; and

WHEREAS, Commissioner Schramm placed great value on the input of Missouri citizens into the highway project priority decision-making process and encouraged the MoDOT staff in its efforts to implement the planning framework process; and

WHEREAS, Commissioner Schramm cared deeply about the safety of MoDOT employees and strongly supported initiatives to increase safety in highway construction work zones; and

WHEREAS, Commissioner Schramm's expertise in the development of sound public policy coupled with her humility in resolving complex civic challenges gained her well-known and well-deserved recognition as a great public servant and esteemed statesman; and

WHEREAS, Commissioner Schramm's interest in, and concern about, others endeared her to her cohorts on the Highways and Transportation Commission and to the MoDOT staff,

NOW, THEREFORE, BE IT RESOLVED that the Highways and Transportation Commission does hereby publicly express its appreciation and gratitude to Commissioner Schramm for the public service she has performed for the citizens of Missouri.

BE IT FURTHER RESOLVED that a copy of this resolution be forwarded to Commissioner Schramm so she will have a permanent record of the admiration and affection in which she is held by the members of the Missouri Highways and Transportation Commission and MoDOT staff.

\* \* \* \* \*

**ELECTION OF MEMBER TO BOARD OF DIRECTORS,  
MISSOURI TRANSPORTATION FINANCE CORPORATION**

Upon motion by Commissioner Michie, seconded by Commissioner Kehoe, Commissioner Farber was unanimously elected to the Board of Directors of the Missouri Transportation Finance Corporation replacing Commissioner Kehoe. Commissioners Michie and Gach will continue to serve on this board.

\* \* \* \* \*

## COMMISSION COMMITTEE REORGANIZATION

Chairman Anderson made the following appointments to the Commission committees:

- Legislative Committee** - Commissioners McKenna and Kehoe, Co-chairmen.  
All Commission members serve on this committee.
- Audit Committee** - Commissioner Michie  
Commissioner Kehoe  
Commissioner Farber

\* \* \* \* \*

## COMMISSION COMMITTEES AND COMMISSION RELATED BOARDS

The Commission has two committees: Audit and Legislative. In addition, it elects Commission representatives to two boards: Missouri Transportation Finance Corporation Board of Directors and MoDOT and Patrol Employees' Retirement System Board of Trustees. The following committee reports were made during the May 9, 2007, meeting.

**Legislative Committee** - Commissioner McKenna reported that most of the initiatives on the Commission's legislative agenda have been combined into a single bill that continues to be considered by the General Assembly. He noted with disappointment, however, that funding for capital improvements of ports would most likely not be approved during this legislative session. The session ends at 6 p.m. on May 18, 2007.

**MoDOT and Patrol Employees' Retirement System** - Commissioner Michie reported that the retirement fund investments yielded a 16 percent return since the beginning of the fiscal year, resulting in a fund value exceeding \$1.8 billion.

\* \* \* \* \*

## APPOINTMENT OF SECRETARY TO THE COMMISSION

Chairman Anderson announced that the Commission had unanimously selected Pamela Harlan, Senior Governmental Relations Specialist, to assume the role of Secretary to the Commission effective upon the retirement of Mari Ann Winters on September 1, 2007. Ms. Harlan's promotion will be effective on August 1, 2007, to allow sufficient time for the transition.

\* \* \* \* \*

## **DIRECTOR'S REPORT**

During the May 9, 2007, Commission meeting, Director Pete Rahn provided the following report:

**New District Engineer** - Director Rahn introduced Paula Gough, District Engineer, District 3 (Hannibal). Ms. Gough replaced District Engineer Kirk Juranas who assumed the District Engineer position in District 8 (Springfield).

**Construction Cost Containment** - Director Rahn reported that MoDOT is unique among the nation's Departments of Transportation in its ability to deliver its construction program on time and within budget. He said while a typical Department of Transportation experiences budget overruns ranging from 17 to 20 percent, MoDOT's focus on construction cost containment has resulted in an overrun of less than 1 percent over a five-year period and a slight under run for the current fiscal year. He said many states have been forced to delay projects as a result of budget overruns, and he commended MoDOT employees for their steadfast commitment to construction cost containment. All funds that become available through roadway improvement contract under runs are used for additional highway improvements.

**Safety Belts** - Director Rahn said the MoDOT staff had worked diligently to advise the members of the General Assembly of the opportunity to save 90 lives a year through enactment of a primary safety belt law.

**Trees for Tomorrow** - In an effort to illustrate MoDOT's commitment to preserving the environment for future generations, MoDOT partnered with the Department of Conservation to purchase 2.5 million trees during the next five years to offset the number of trees that are lost as a result of highway construction and routine maintenance operations.

\* \* \* \* \*

## **PUBLIC PRESENTATION - STATUS REPORT ON LOCAL MATCHING FUNDS FOR KATY TRAIL EXTENSION**

The Honorable John Landwehr, Mayor of the City of Jefferson, and Ms. Pamela Boatright, Executive Director of Missouri State Parks Foundation, provided an update on their efforts to secure the required matching funds for extending the Katy Trail to the City of Jefferson via a pedestrian/bicycle bridge across the Missouri River.

Mayor Landwehr reminded the Commission that federal enhancement funds had been approved for the project, contingent upon the local area providing the required 20 percent

matching funds. He said the proposed pedestrian bridge provides a vantage point from which all four major transportation modes are visible.

Ms. Boatright reported that, to date, the local area has raised \$210,000 of the \$300,000 local matching funds needed for the project via grants and donations from businesses. She said in addition to the great support for the project in the Jefferson City/Cole County area, gifts had also been received from businesses in both St. Louis and Kansas City. An opportunity for members of the general public to donate to this effort will soon be available.

Chairman Anderson commended Mayor Landwehr and Ms. Boatright for their efforts to extend the Katy Trail to Jefferson City. He and Commissioner Kehoe emphasized that the improvement would be a tremendous asset for the City of Jefferson and the State of Missouri.

\* \* \* \* \*

**ADMINISTRATIVE RULES, FINAL ORDER OF RULEMAKING, 7 CSR 10-6.070,  
PERMITS FOR OUTDOOR ADVERTISING**

On behalf of the Director, Dave Nichols, Director of Program Delivery, reminded the Commission that at its February 7, 2007, meeting, the Commission authorized filing and publication of the notice of proposed amended rulemaking for 7 CSR 10-6.070, Permits for Outdoor Advertising. The amended rule was published in the *Missouri Register* on March 15, 2007, and no comments were received during the 30-day public comment period.

Mr. Nichols recommended approval of the final order of rulemaking and requested authorization for the Secretary to the Commission to file the final rulemaking with the Joint Committee on Administrative Rules and the Office of the Secretary of State. He further recommended that the Director, Chief Engineer, or Chief Financial Officer be authorized to execute any document appropriate and necessary to complete this final rulemaking process.

The Commission, by unanimous vote of all members present, approved the recommendations.

\* \* \* \* \*

**ADMINISTRATIVE RULES, FINAL ORDER OF RULEMAKING, 7 CSR 10-25.030, APPORTION REGISTRATION**

On behalf of the Director, Jan Skouby, Motor Carrier Services Director, reminded the Commission that at its February 7, 2007, meeting, the Commission authorized filing and publication of the notice of proposed amended rulemaking for 7 CSR 10-25.030, Apportionment Registration. The amended rule was published in the *Missouri Register* on March 15, 2007, and no comments were received during the 30-day public comment period. Ms. Skouby recommended approval of the final order of rulemaking and requested authorization for the Secretary to the Commission to file the final rulemaking with the Joint Committee on Administrative Rules and the Office of the Secretary of State. She further recommended that the Director, Chief Engineer, or Chief Financial Officer be authorized to execute any document appropriate and necessary to complete this final rulemaking process.

The Commission, by unanimous vote of all members present, approved the recommendations.

\* \* \* \* \*

**DRAFT 2008-2012 STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM**

On behalf of the Director, Mabelle Watkins, Director of Transportation Planning, presented the draft 2008-2012 Statewide Transportation Improvement Program (STIP). The program totaled \$6.5 billion for the five-year period: \$5.05 billion for highways and bridges; \$0.76 billion for other modes; and \$0.7 billion for sub-allocated projects, such as the Off-System Bridge Program and the Congestion Mitigation Air Quality Program.

Ms. Watkins explained that during the first three years of the program, MoDOT would be upgrading the condition of its major roadways and bridges. During the last two years, the program will consist primarily of taking care of the system.

The proposed STIP contains 302 new projects, 60 of which were split from other jobs in the STIP. Ms. Watkins said that of the 136 jobs removed from the STIP, 100 were bridges anticipated to be accomplished through the 800 Bridge Safe and Sound Program; 27 were combined with, or replaced by, another job in the STIP; and nine were accomplished with MoDOT forces.

Brian Weiler, Director of Multimodal Operations, explained that the multimodal portion of the STIP differs from the highway portion in that MoDOT does not own or operate any of the multimodal facilities. The amount of revenue projected for multimodal operations is a guesstimate because the actual amount must be appropriated by the General Assembly. Mr. Weiler reviewed anticipated improvements in each of the modal areas.

Ms. Watkins reported that the planning framework process, wherein MoDOT works cooperatively with the regional planning commissions and metropolitan planning organizations to identify and prioritize highway improvements, continues to provide substantial benefit to both MoDOT and the local areas.

The draft 2008-2012 STIP will be made available to the public for the required 45-day comment period. The Commission will again consider the draft STIP at its July 18, 2007, meeting.

\* \* \* \* \*

## CONSIDERATION OF BIDS ON FEDERAL-AID AND STATE PROJECTS

On behalf of the Director, Dave Nichols, Director of Program Delivery, presented the following recommendations pertaining to bids received on federal-aid and state highway and bridge projects during the past month.

Mr. Nichols recommended (1) award of contracts to the lowest responsive and responsible bidders noted in Table I below, and (2) rejection of bids received on Call Nos. 301 and 404, as identified in Table II below, because they were considered excessive. He said the City of Perryville concurred in the award of Call No. X02.

**Table I  
Award of Contracts  
April 27, 2007, Bid Opening**

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
102	59, 45	Buchanan	J1P0923	\$1,738,617.89	\$216.00	Herzog Contracting Corp.	Resurface Driving Lanes with Superpave and Shoulders with BP-1
103	71	Andrew, Nodaway	J1P0835	1,602,615.94	656.00	Herzog Contracting Corp.	Resurface Driving Lanes with Superpave and Shoulders with BP-1
104	36	DeKalb	J1P0921	2,995,904.84	328.00	Herzog Contracting Corp.	Grading and Paving with Superpave and BP-1
105	I-29, I-229	Andrew, Atchison, Buchanan, Holt	J2P0763F	211,116.52	0	Central Seal Company	Pavement Striping
401	7	Cass	J4S1704	3,555,619.15	905.12	J.M. Fahey Construction Co.	Grading, Drainage and Optional Paving
	7	Cass	J4S1705		656.00		Grading, Drainage and Optional Paving
	VV	Cass	J4S1706		207.60		Grading & Optional Paving to Construct Roundabout
	7	Jackson	J4S1779		1,726.00		Grading, Optional Paving and Install Signals
402	92	Platte	J4P1452	1,268,884.68	367.12	Boone Construction Co.	Grading, Optional Paving and Replace Bridge
403	291	Jackson	J4P1821	1,334,734.31	656.00	APAC-Kansas, Inc.	Resurfacing with Warm Mix Superpave, BP-1 and BP-3
405*	69	Clay, Platte	J4P1393	8,274,983.57	1,312.00	APAC-Kansas, Inc.	Cold milling, Bridge Deck Resurfacing (Superpave)
		Clay	J4P2000		0		Waterline Relocation, Multi-Use Trail, and Street Improvements
		Clay	J4S1727		0		Grading, Paving (Superpave), MSE Walls

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
601	Various	Franklin, St. Charles, St. Louis, St. Louis City	J6S2030	286,215.60	0	N.B. West Contracting Company	Deck Seal Coat on 25 Bridges
602	I-70	St. Charles	J6I1997	339,217.99	144.00	Kozeny-Wagner, Inc.	Construct Sound Wall
603	364	St. Charles	J6U1028N	283,783.00	0	Advanced Environmental Services, Inc.	Demolition of Buildings on 7 Parcels
604	I-44, I-55, I-70	Jefferson, St. Charles, St. Louis, St. Louis City	J2P0763C	361,589.58	0	Central Seal Company	Pavement Marking
605	40	St. Louis	J6P2097	1,690,000.00	1,312.00	Pace Construction Company, LLC	Resurfacing and Striping
607	40	St. Charles	J6P0672C	22,949,743.47	1,214.60	Millstone Bangert, Inc.	Grading, Alternate Paving, Bridges (New and Rehabilitation)
609	I-70, I-44	Boone, Callaway, Cooper, Crawford, Franklin, Greene	J6Q2102	1,858,413.75	221,000.00	T.G.B., Inc.	Dynamic Message Sign Installation
701	60	Newton	J7P0865	271,027.00	0	Snyder Bridge Co.	Repair to Bridge End Bent, Expansion Device, and Adjacent Concrete
801	160	Ozark	J8P0808	153,011.05	526.24	Ozark Asphalt Company	Optional Pavement – PCC, Bituminous or Cold Mix for Intersection Improvement
802	Various	Christian, Greene	J8I0869	360,234.50	0	Superior Rail System, L.L.C.	On-Call Guardrail Repair
	Various	Greene, Laclede, Webster	J8P0873				On-Call Guardrail/Guard cable Repair
803	14	Christian	J8P0787	679,394.00	656.00	Hunter Chase & Associates, Inc.	Optional Pavement and Traffic Signals
804	I-44	Jasper, Newton	J2P0763D	367,123.10	0	Central Seal Company	Pavement Striping
		Crawford, Phelps, Pulaski	J2P0763E				
		Greene	J2P0763G				
		Greene, Laclede, Webster	J2P0763H				
901	63	Phelps	J9P0537	941,181.45	0	Lake Asphalt Paving & Construction, LLC	Shoulder Construction (Base & BP-1), Diamond Grind (PCC)
X01	AE	Stoddard	J0S0858	228,381.60	0	Robertson Contractors, Inc.	Bridge Deck Replacement

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
X02**	51	Perry	J0P0964	273,838.15	0	Lappe Cement Finishing, Inc.	Traffic Signals, Widening
				<b>\$52,025,631.14</b>	<b>\$231,882.68</b>		

\* Call 405 - Funding by City of Kansas City for Job J4P2000 - \$2,738,800.48 (100%).

\*\* Call X02 - Funding by City of Perryville - \$273,838.15.

**Table II  
Rejection of Bids  
April 27, 2007, Bid Opening**

Call No.	Route	County	Job No.	Description
301	AA	Clark	J3S0653	Bridge Deck Replacement
404	I-29	Platte	J4I1662	Grading, Bridge Rehabilitation, and Optional Pavement

### Commission Consideration and Action

After consideration, and upon motion by Commissioner Michie, seconded by Commissioner Farber, the Commission unanimously took the following actions:

1. Awarded contracts to the lowest responsive and responsible bidders for bids received on April 27, 2007, as recommended and noted in Table I above. Non-contractual costs for these projects are shown on the above tabulation.
2. Rejected the bids received on Call Nos. 301 and 404, as noted in Table II above, because they were considered excessive.

In keeping with the Commission's Delegation of Authority to Execute Documents Policy, the Director, Chief Engineer, Chief Financial Officer, or the Director of Program Delivery may execute the contracts awarded above.

### Corridor Completion

Commissioner Kehoe observed that Call No. 607, which is a 2.1-mile project extending from Lake St. Louis to the Route 61/Route 40/I-70 interchange, will complete the I-64 corridor.

### Construction Cost Containment

Mr. Nichols reported that over the last five-year period, MoDOT had been able to stay within 1 percent of the programmed (budgeted) amount compared to the final project cost on approximately \$4 billion worth of work.

Chief Engineer Kevin Keith reported that other states were typically experiencing double-digit increases in final costs compared to their programmed amounts. Because of the negative impact of such increases on their construction programs, a national meeting is being convened to address this specific issue. In the interim, Mr. Keith is receiving, and responding to, requests from other states to explain MoDOT's approach to cost containment.

Chairman Anderson noted that Missouri's phenomenal success in curbing the negative nationwide trend of escalating construction costs resulted from the efforts of vendors, suppliers, contractors, design professionals, and Team MoDOT. He applauded their innovation and hard work.

\* \* \* \* \*

## **ROADWAY LOCATION AND DESIGN APPROVAL**

On behalf of the Director, Roger Schwartz, District 5 Engineer, recommended approval of the location and design of the following project as presented on the preliminary plans and exhibits shown to the public at the noted hearing.

**Route 17/52, Miller County**  
**Bridge over Osage River east of Tuscumbia**  
**Job No. J5P0887**  
**Hearing Held April 3, 2007**

This proposed improvement provides a new two-lane roadway and bridge over the Osage River adjacent to the existing roadway and structure. New construction will consist of two 11-foot lanes with three-foot shoulders. This project will have normal access right-of-way. Traffic will be maintained on existing Route 17 during construction. This project is 0.6 mile in length.

After full consideration of the favorable and adverse economic, social, and environmental effects of the recommended location and design, 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.

\* \* \* \* \*

**ROADWAY DESIGN APPROVAL**

On behalf of the Director, Becky Baltz, District 7 Engineer, recommended approval of the design of the following project as presented on the preliminary plans and exhibits shown to the public at the noted hearing.

**Route I-44, Lawrence County  
Route I-44 and Route 39 Interchange in Mt. Vernon  
Job No. J7I0599**

**Hearing Held December 5, 2006**

This proposed improvement provides grading, bridge, and paving to reconstruct the Route 39 interchange. Route 39 will consist of four 11-foot lanes, a 12-foot center turn lane, and four-foot shoulders. This project will have fully controlled access right-of-way. Route I-44 and Route 39 will be open to traffic during construction. This project is 0.7 mile in length.

After full consideration of the favorable and adverse economic, social, and environmental effects of the recommended design, the Commission, via approval of the Consent Agenda, unanimously found and determined the recommended design would best serve the interest of the public and approved the recommendation.

\* \* \* \* \*

**RATIFICATION OF APPROVAL OF RIGHT-OF-WAY PLANS FOR CONDEMNATION**

On behalf of the Director, Dave Nichols, Director of Program Delivery, recommended the Commission ratify the Chief Engineer’s approval of the following right-of-way plans, which have been filed for condemnation.

<u>County</u>	<u>Route</u>	<u>Job Number</u>	<u>Date Commission Approved Design</u>
St. Louis	67	J6P1828	April 12, 2006 1 <sup>st</sup> Amended
Jackson	I-470/US 50	J4I1641B	September 13, 2006 1 <sup>st</sup> Amended
Jefferson	30	J6P1803	Fewer than 5 parcels affected.
Platte	45	J4P1567	January 16, 2004
Jefferson	BB	J6S1783	March 13, 2007
Bollinger	72	J0P0848	May 10, 2006

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

\* \* \* \* \*

## **FISCAL YEAR 2008 BUDGET PROPOSAL**

On behalf of the Director, Roberta Broeker, Chief Financial Officer, presented the proposed Fiscal Year 2008 budget in the amount of \$2,276,991,000. Ms. Broeker explained that preparation of the budget began with identifying MoDOT management staff's desired direction for MoDOT. This process resulted in establishing the following three Fiscal Year 2008 budget goals for consideration of the Commission:

1. Maximize the size of the construction program.
2. Recognize the importance of, and increase funding for, MoDOT's maintenance program.
3. Provide flexibility in distribution of resources between personal services and expense and equipment.

Ms. Broeker noted that the anticipated \$1.469 billion construction program in Fiscal Year 2008 is expected to decline to \$836 million in 2010 and \$791 million in 2012. Because these figures include preliminary engineering, right-of-way acquisition, and other miscellaneous costs associated directly with the project, the actual dollars available for award to contractors for road and bridge improvements would be approximately 20 percent less than the amounts cited.

Ms. Broeker called attention to the fact that the staff had projected that \$850 million in federal funds would be available for obligation in Fiscal Year 2008. She emphasized that the staff had not projected increases in federal funds after Fiscal Year 2009 due to the uncertainty of funding after the current federal transportation program expires.

Ms. Broeker reviewed the total anticipated revenues and expenditures for the 2008-2012 period and pointed out that projected expenditures are growing faster than projected revenues. As a result, the staff is beginning now to tighten the budgets related to internal operating costs. Personnel vacancies in the Central Office have been eliminated and the District seasonal worker program has been reduced. The districts have been empowered to spend their personal services money for either full-time or seasonal workers to gain the greatest efficiency.

Ms. Broeker explained that the budget was reduced by 1 percent in the areas of Administration and Construction expense and equipment, and the Information Systems budget was reduced from \$35 million to \$30 million. Other Central Office unit budgets were reduced by 1 percent based on their two-year average expenditures. Recognizing the importance of the maintenance operations resulted in a proposed average increase of two percent in the Maintenance and Fleet categories.

Ms. Broeker said most of the work anticipated by the Facilities budget line item involved preservation work or improvements necessary to provide ADA accessibility.

Ms. Broeker stated that MoDOT's administrative cost is budgeted at 2.2 percent of the proposed budget, which continues to be very low. Ms. Broeker explained the programs associated with Highway Safety, Motor Carriers, and the Motorist Assistance Program. She said most of the funding for Multimodal Operations is derived from federal programs and is passed through MoDOT to provider entities.

Ms. Broeker commended Beth Ring, Director of Risk Management, for her efforts to increase safety and reduce costs associated with the worker's compensation program. These efforts resulted in the allocation of funds needed to cover anticipated worker's compensation claims in Fiscal Year 2008 being reduced from \$12 million to \$2 million.

In an effort to ensure that the citizens of Missouri are aware of the impending significant reduction in dollars available for completing major highway corridors and building new highways, Commissioner Michie suggested the staff consider a revision to the budget format to clearly reflect the portion of “Contractor Payments” related to taking care of the existing system and the portion related to new construction.

Director Rahn noted that without increased funding, future MoDOT programs would be essentially “maintenance” programs. To do otherwise, he said, would result in the recently improved condition of Missouri’s roads returning to their badly deteriorated condition.

Director Rahn pointed out that the increase in the budget line item for Debt Service results from increased bonding for road improvements as mandated by Missouri voters through establishment of a State Road Bond Fund in 2004 (Amendment 3).

Director Rahn also emphasized that that the staff had revised its projection of federal dollars to eliminate a previously assumed 3 percent annual increase. The current federal transportation bill will expire on September 30, 2009. Director Rahn reminded the Commission that Congress had operated on a continuing resolution basis for two years upon expiration of the prior federal transportation bill, during which time it had exhausted all fund balances. He expressed concern because, for the first time, there will be no fund balances to allow Congress to continue the transportation program through continuing resolutions. He said federal funding shortfalls would result in financial hardships for the states. He said he could not predict how this very critical issue would be resolved.

The Commission commended Ms. Broeker for improvements made in the MoDOT budget process and for her understandable presentation of a complex matter.

The Commission will review the information presented by Ms. Broeker and take action thereon at its June 13, 2007, meeting.

\* \* \* \* \*

**ARNOLD TRIANGLE TRANSPORTATION DEVELOPMENT DISTRICT,  
CONSIDERATION OF PROJECT AND APPOINTMENT OF ADVISOR**

On behalf of the Director, Ed Hassinger, District 6 Engineer, and Kirk Boyer, Resource Management Director, advised the Commission that in response to a petition filed by the City of Arnold, on August 16, 2006, the Circuit Court of Jefferson County established the Arnold Triangle Transportation Development District (TDD) as a political subdivision for the purpose of constructing various improvements to Route 141, Church Road, Missouri Road, Old Lemay Ferry Road, and Big Bill Road. Route 141 is a part of the state highway system and, therefore, under the jurisdiction of the Commission. The Commission does not own any real property within the proposed TDD and has no financial participation in the project.

In keeping with Sections 238.220(3) and 238.225(1), RSMo, the Commission, via approval of the consent agenda, (1) found that the improvement to Route 141 is a necessary and desirable extension of the state highways and transportation system, subject to the TDD making any revisions in the plans and specifications required by the Commission and subject to the TDD entering into a mutually satisfactory agreement with the Commission regarding development and future maintenance of the project, and (2) appointed the District 6 Engineer, or his designee, as the Commission advisor to the Arnold Triangle TDD's board of directors. In keeping with the Commission's Delegation of Authority to Execute Documents Policy, the Director, Chief Engineer, Chief Financial Officer, or respective business unit director may execute the related agreements.

\* \* \* \* \*

**DISPOSAL OF PROPERTY,  
INTERSTATE ROUTE 70 AND ROUTE 180, ST. LOUIS COUNTY**

On behalf of the Director, Ed Hassinger, District 6 Engineer, recommended that five parcels totaling 37,524.5 square feet adjacent to Interstate Route 70 and Route 280, St. Louis County, be conveyed to Nismarck, LLC, for the fair market value offer of \$233,000.

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

\* \* \* \* \*

**DISPOSAL OF EXCESS PROPERTY, ROUTE 65/76,  
TANEY COUNTY**

On behalf of the Director, Kirk Juranas, District 8 Engineer, recommended conveyance of 0.35 acre of land located in the southeast quadrant of the Route 76 and Route 65 interchange in Branson, Taney County, to the City of Branson for a nominal consideration.

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

\* \* \* \* \*

**DISPOSAL OF PROPERTY,  
ROUTE 141 AND INTERSTATE ROUTE 55, JEFFERSON COUNTY**

On behalf of the Director, Ed Hassinger, District 6 Engineer, recommended conveyance of three tracts, totaling 4.37 acres, to the City of Arnold in exchange for \$900,000. The property is located in the southwest quadrant of the Interstate Route 55 interchange at Route 141 in the City of Arnold. The transaction would be contingent upon (1) Federal Highway Administration approval of the disposal of interstate right-of-way; (2) execution of an agreement with the City and the developer for the construction of a public road to service all properties currently accessed by Big Bill Road, (3) a fully executed sales agreement with the City of Arnold; and (4) MoDOT

staff approval of the conveyance provisions and Chief Counsel's Office approval as to form of the conveyance documents.

Via approval of the consent agenda, the Commission unanimously approved the property conveyance described above. In keeping with the Commission's Policy on Delegation of Authority for Approval and Execution of Documents, the contract setting out the conditions for sale of the excess property may be executed by the Director, Chief Engineer, Chief Financial Officer, Director of Project Delivery, or the District Engineer.

\* \* \* \* \*

**CHANGE IN ACCESS, BREAK IN ACCESS  
AND GEOMETRIC IMPROVEMENTS,  
ROUTE 141, JEFFERSON COUNTY**

On behalf of the Director, Ed Hassinger, District 6 Engineer, recommended approval of a request from THF Arnold Development, LLC, to construct a 48-foot right-in/right-out only entrance centered at the southerly right-of-way line of Route 141, Jefferson County, opposite Station 374+61.58 in exchange for negotiated compensation in the amount of \$150,000. The proposed geometric improvements to be constructed by the developer include auxiliary turn lanes, medians, and islands. Because the proposed entrance is a non-arterial connection that will be constructed to accommodate a commercial development and because the improvements will not provide traffic relief to the state system, the request falls outside the authority granted by the Commission on February 13, 1997, to the staff to approve breaks in limited access.

Via approval of the consent agenda, the Commission unanimously approved the request of THF Arnold Development, LLC, for the break in access described above, subject to approval as to form of the agreement by the Chief Counsel's Office.

\* \* \* \* \*

**--- REPORTS ---**

The Commission received the following written reports.

**FINANCIAL – BUDGET – REPORTS  
YEAR-TO-DATE FINANCIAL REPORT, MARCH 31, 2007**

Deborah S. Rickard, Controller, presented the Fiscal Year 2007 monthly financial report for the period ending March 31, 2007, with budget and prior year comparisons.

\* \* \* \* \*

**FINANCIAL ACCOUNTABILITY REPORT – QUARTERLY REPORT**

Deborah S. Rickard, Controller, presented the written Quarterly Financial Accountability Report for the period ended March 31, 2007.

\* \* \* \* \*

**WORK SESSION**

**DEBT MANAGEMENT POLICY OVERVIEW WORKSHOP**

The Commission met with the MoDOT staff and its financial advisor to review the current status of the bond financing program. No actions were requested or taken during the meeting.

\* \* \* \* \*

\* \* \* \* \*

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

\* \* \* \* \*