

**MINUTES**  
**MICHIGAN STATE TRANSPORTATION COMMISSION MEETING**  
**March 31, 2005**  
**Lansing, Michigan**

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present: Ted Wahby, Chairman  
Linda Miller Atkinson, Commissioner  
Maureen Miller Brosnan, Commissioner  
James R. Rosendall, Commissioner

Also Present: Larry Tibbits, Chief Operations Officer  
Leon Hank, Chief Administrative Officer  
Frank E. Kelley, Commission Advisor  
Marneta Griffin, Executive Assistant  
Jerry Jones, Commission Auditor  
Patrick Isom, Assistant Attorney General  
Brenda O'Brien, Construction and Technology Support Area  
John Polasek, Bureau Director, Highway Development  
Myron Frierson, Bureau Director, Finance and Administration  
Ron DeCook, Director, Office of Governmental Affairs  
Susan Mortel, Bureau Director, Transportation Planning  
Polly Kent, Intermodal Policy  
Ben Kahrman, Director, Office of Communications

Excused: Robert Bender, Commissioner  
Vincent J. Brennan, Commissioner  
Gloria J. Jeff, Director

A list of those people who attended the meeting is attached to the official minutes.

Chairman Wahby called the meeting to order at 10:15 a.m. in the Bureau of Aeronautics Commission Conference Room in Lansing, Michigan.

I. **APPOINTMENTS**

Chairman Wahby welcomed the two new appointees, Commissioners Maureen Miller Brosnan and James R. Rosendall, to the Commission.

Chairman Wahby entertained a motion to approve the nomination of Commissioner Atkinson as the Vice-Chairperson to the State Transportation Commission. Moved by Commissioner Brosnan, with support from Commissioner Rosendall. Motion carried on a unanimous voice vote.

II. **COMMISSION BUSINESS**

Commission Minutes

Chairman entertained a motion for approval of the minutes of the State Transportation Commission meeting of January 27, 2005.

Moved by Commissioner Atkinson, with support from Commissioner Wahby, to approve the minutes of the Commission meeting of January 27, 2005. MOTION CARRIED.

III. **DIRECTOR'S REPORT – LARRY TIBBITS (for Director Gloria J. Jeff)**

Director Jeff gave a presentation during the joint meeting with the MAC regarding Integrated Transportation, which is an indication of the direction of the department in the 21<sup>st</sup> century. Mr. Tibbits gave a brief update on the state budget process. MDOT has recently kicked off the 2006 budget discussion with the legislature; both bills have been introduced in the House and Senate. Those bills will simultaneously be tracked as they are being considered. Within the last two weeks, MDOT has made presentations to both bodies. The process was opened with the presentation of MDOT's accomplishments.

The department expects Senate Committee action in April (2005). There are new legislators with plenty of very legitimate questions on our processes and products. We are providing them with information as quickly as we can.

Mr. Tibbits also gave a brief update regarding reauthorization. The current extension expires May 31, 2005. The House and Senate bills are both at \$284 billion for the national program. Once that works its way through the system the differences will be settled in Conference Committee. Senate action is expected in late April (2005), then on to Conference Committee in May (2005). We are likely to need a short extension after May 31<sup>st</sup>, but hopefully this time around Congress can give Michigan and the nation transportation funding for the next five or six years depending on how it comes out so that we can get on with the important business of building transportation.

The House and Senate versions are both at \$284 billion. The House version would give us \$185 million additional to Michigan on an average annual increase. The Senate version is \$229 million. Rate of return: House side is 90.5% (basically where we are now), and Senate side is 92%. Borders: House version \$29 million annually; Senate version \$44 million annually. Transit is a wash in both bills.

Mr. Tibbits asked for questions; none were forthcoming.

IV. **OVERSIGHT**

Appeal of Six-S, Inc.-Low Bid Rejection – Myron Frierson

Mr. Frierson gave brief background on the process of awarding contracts for bids. The department takes bids on a monthly basis. The processes for bid lettings are governed by the 2003 Standish Specifications for Construction. Bids are open publicly and are done electronically using a system called Expedite, which is owned by the American Association of State Highway and Transportation Officials (ASSHTO). After the results

are read, there is a bid review process where the staff looks for any bid irregularities. If an irregularity is found, the bid goes to a proposal review team, which is made up of management level employees within the department. If a determination is made to reject a bid, the bidder has an opportunity to appeal to the Proposal Appeal Committee, which is made up of bureau directors and a representative from Commission Audit. If that rejection is upheld and the bid is over \$500,000, the bidder then has the opportunity to appeal to the State Transportation Commission.

Specifications are clear in defining what is considered a bid irregularity, and the roles and responsibilities of the bidder and the department. Section 10206 of the Specifications states "by submitting a proposal a bidder agrees to the procedures and standards for accepting and rejecting irregular proposals." The provision has mandatory items that result into a mandatory bid rejection as well as items that could be discretionary. The bid that is being appealed today is outlined in the specifications as a mandatory bid rejection. This is an instance where the unit price was left blank (reading from the specs: "while a blank space is unacceptable, the explicit quotation of zero does constitute a price.") In this case, as well as in the past, unit prices that were left blank have routinely been rejected.

Mr. Frierson brought attention to a document given to the Commissioners which shows the kinds of prompts from the system that would assist the bidder in terms of recognizing if there is a problem in the submission of the electronic bid. As a user, you can override the prompts; this appears to be the case in this particular instance. Ultimately, the responsibility lies with the bidder to make sure that the bid is complete. The department's position is that it was appropriate to reject this bid, and as a mandatory bid rejection does not fall under Category-B where there is discretion.

Mr. Frierson asked for questions; none were forthcoming.

Chairman Wahby asked if there were a representative from Six-S, Inc. present that wanted to speak.

Attorney John Mulvihill, representing Six-S, Inc. asked for the opportunity to explain why Six-S feels that the bid was improperly rejected. Mr. Mulvihill stated that this was an approximately \$2 million project. There was a late addendum to the project, adding a very insignificant, peripheral item that amounted to \$560, which involves some highway pavement marking. The addendum came in late, they obtained a quote from the contractor, attached it as an exhibit to the initial appeal to the Proposal Committee. For some reason this was not transferred from their system to the Expedite system. Six-S acknowledges that the unit price was left blank. However, it is their position that, under Sub-section B of 106, the proposal and bid that was submitted was incomplete because of this one particular item. There was a \$20,000 spread between the low bidder and the second bidder. Six-S feels that to reject this bid over a \$560 item is unduly harsh, punitive, and deprives the Commission of what discretion it should be able to exercise in awarding a bid to a truly low bidder. To award this bid to Six-S is a \$21,000 savings to the State. To reject the bid is to reject it over a \$560 item in a \$2 million job. There was no effort to undermine the bidding process in order to obtain an undue advantage. Mr. Mulvihill urged the Commission to take a look at Sub-section B and conclude that they

(the Commission) have some discretion in that this was a small item (\$560).

Chairman Wahby stated that, as a Commission, they have to uphold the policies and procedures that are in place. There was ample warning that something was wrong with the bid when the computer gave the warning prompt. Chairman Wahby further stated that the responsibility is on the vendor, not the Commission, to make sure the requirements are met. It is difficult for the Commission to violate their own policy.

Chairman Wahby asked if any member of the Commission had comments; none were forthcoming.

Chairman Wahby entertained a motion. Motion was made by Commissioner Brosnan and supported by Commissioner Atkinson to deny the Appeal of Six-S, Inc. Motion carried on a unanimous voice vote.

Commission/State Administrative Board Contracts/Agreements (Exhibit A) – Myron Frierson

Mr. Frierson asked if any member of the Commission had questions on the contracts before them for their approval, and asked for approval of Exhibit A.

Commissioner Brosnan pointed out that in the last bid letting that was held, there are a number of bids that have come back for adjustments as a result of the new method for hot mix asphalt testing. There are about four lettings that are going out with that same type of product being used. Commissioner Brosnan asked if adjustments have been made for that in this bid letting.

Mr. Frierson deferred to John Polasek. Mr. Polasek stated that in these situations there is a lack of bid history, which is used when the department conducts its estimating. Now that there is more history the bid can be brought back to try and get it close to the actual cost.

No other questions were forthcoming.

Chairman Wahby entertained a motion. Motion was made by Commissioner Brosnan and supported by Commissioner Rosendall to approve Exhibit A Motion carried on a unanimous voice vote.

Bid Letting Pre-Approvals (Exhibit A-1) – Myron Frierson

Mr. Frierson asked the Commission for approval of the bid items for the April letting in Exhibit A-1.

Chairman Wahby asked Mr. Frierson to explain the term pre-approval for the benefit of the new Commissioners.

Mr. Frierson explained that each month the department asks the Commission, prior the letting, to pre-approve items over \$500,000. Once the letting takes place and the bids are determined to be low bids, the department also requires the State Administrative Board approval. As a way to expedite the process, the department has adopted a policy of

having the STC pre-approve the lettings. If there is an exception (if a low bid exceeds 10% of the engineers' estimate, is over \$500,000, is a single bidder, or a low bid rejection) that item comes back to the Commission for approval before they can proceed toward award.

Chairman Wahby asked for questions; none were forthcoming.

Chairman Wahby entertained a motion. Motion was made by Commissioner Brosnan and supported by Commissioner Atkinson to approve the April bid letting. Motion carried on a unanimous voice vote.

Supplemental to Bid Letting Pre-Approvals (Exhibit A-1) - Myron Frierson

Mr. Frierson stated that this is a project that, because of problems with the specification construction schedule related to the project, all bids were rejected earlier in the year. The department is resubmitting for approval. Because of the need to get the project completed this year there will be a special letting on April 12, 2005; therefore it needs pre-approval.

Mr. Frierson asked for questions; none were forthcoming.

Mr. Frierson asked the Commission for approval of the bid items for the supplemental lettings in Exhibit A-1.

Chairman Wahby entertained a motion. Motion was made by Commissioner Brosnan, supported by Commissioner Atkinson to approve the supplemental bid letting. Motion carried on a unanimous voice vote.

Letting Exceptions Agenda (Exhibit A-2) – John Polasek

Mr. Polasek reported on 11 items in this exhibit (one being the project that was previously up for appeal, seven state projects, one local project, and two aeronautics projects).

Mr. Polasek asked for questions.

Commissioner Brosnan asked, when talking about the hot mix asphalt program and its testing, are we testing because we're looking for a certain degree of quality in that mix.

Mr. Polasek answered yes.

Commissioner Brosnan then asked if that testing was done by the contractor or someone that the contractor hires, versus MDOT or someone that we hire.

Mr. Polasek answered that there is required testing done by the contractor.

Commissioner Brosnan asked if the department ever considered hiring the contractor to do the testing so that it is a more independent analysis.

Mr. Polasek answered that we do have that as well, but this is extra testing to assure the quality as it's put down. Mr. Polasek then called on Brenda O'Brien from the Construction and Technology Support Area for more clarification.

Ms. O'Brien stated that our acceptance for hot mix material is based on testing of the material, both by the contractor and MDOT. The ultimate acceptance is done by MDOT called Quality Assurance Testing. The contractor is routinely testing the quality control of the product as it is being produced and it has to meet certain specifications. MDOT randomly samples the quality control testing as a quality assurance second testing to verify the contractor test results.

Commissioner Brosnan inquired about project #0503035 (0.3 miles of road and four ramps reconstruction...Ypsilanti and VanBuren Township, Washtenaw and Wayne County). She stated that part of the difference in cost was that we would have to install traffic controls to monitor traffic to keep it moving smoothly in that area. Additionally, in order to assure that we are getting the value out of the contract, the contractor had to keep it moving. Commissioner Brosnan concluded by asking if it is MDOT that says traffic is not moving—how do we know that there have been traffic delays.

Mr. Polasek answered that we have your construction staff monitoring situations like that. Part of the monitoring is to make sure that the proper devices are in place and if not in place or fixed within a certain period of time, there are other penalties that are applied.

Commissioner Brosnan inquired about project #0503069 (3.57 miles of concrete pavement repairs, dowel bar retrofits...in Genoa Township, Livingston County). Just for her own understanding she wanted an understanding of "dowel bar retrofits".

Mr. Polasek answered that this can be seen between Charlotte and Lansing. On a concrete pavement that develops a crack, before that crack becomes too weak and starts to fault, a dowel bar retrofit is done to reinforce that crack.

Commissioner Brosnan inquired about project #0503010 (remove and replace bridge along with related approach work on Fred Moore Highway...St. Clair Township, St. Clair County). The consultant made an error in their design and estimate by not including a zero in their estimating system. Does MDOT have any kind of recourse with that contractor—are they bonded for their work?

Mr. Polasek answered that in this situation it was a decimal error and that kind of thing happens. It isn't an increase to the cost of the project; it is what the cost of the project would actually be.

Commissioner Brosnan asked if this has cost the department any additional money.

Mr. Polasek answered no.

Commissioner Brosnan thanked Mr. Polasek for his patience; no other questions were forthcoming.

Mr. Polasek asked the Commission for approval of Exhibit A-2.

Chairman Wahby entertained a motion. Motion was made by Commissioner Brosnan and supported by Commissioner Rosendall to approve Exhibit A-2. Motion carried on a unanimous voice vote.

Information Items (Exhibit A-3) – Myron Frierson

Mr. Frierson reported that these exhibit items are for information only.

This item had a single bidder with the actual bid being below the engineers' estimate. There is no action required.

Chairman Wahby asked for questions; none were forthcoming.

Contract Adjustments (Exhibit B) – Brenda O'Brien

Ms. O'Brien requested approval of 11 items included in the packet.

Extra 2005-39 (I-94/US-24 Telegraph Road in the Metro Region) has been to the Commission before and will be again. This is a very large, complicated, accelerated project with unforeseen circumstances that the department would not have been able to predict in advance. Two major points that Ms. O'Brien wanted to mention related to contract modification (CM) 31 (involves a design consideration that will add redundancy to the construction itself), and CM 33 (involves setting up a budget amount for force account work for unforeseen circumstances due to some of the site conditions encountered early on in the project. This is a budget amount that will be balanced at the end of the project). This project is a little better than half complete; total completion expected in November 2005.

Extra 2005-46 (two bridges over M-5—Rouge River—in the Metro Region) also had unforeseen surprises early on in the project. It was discovered that the original structure was put on timber piles that were not shown on the plans. Once the demolition began it was determined that, in the best interest of the project, to remove the timber piles which required delicate demolition techniques that would not normally have been expected. There are several budget items that will be balanced (up or down) depending on how the work proceeds.

Ms. O'Brien asked for questions.

Commissioner Atkinson asked a mechanical question regarding the summary graph. It appears that some of these projects have been before the Commission before, however the summary graph shows a blank "previously before the Commission" column. Commissioner Atkinson wanted to know if there was any history on these projects.

Ms. O'Brien stated that some of these have gone to the State Ad Board, which has lower limits than the Commission, and some have gone to the Commission. Ms. O'Brien stated that she would not be able to say which projects, specifically, have been to the Commission before.

No other questions were forthcoming.

Ms. O'Brien asked the Commission for approval of Exhibit B.

Chairman Wahby entertained a motion. Motion was made by Commissioner Brosnan and supported by Commissioner Atkinson to approve Exhibit B. Motion carried on a unanimous voice vote.

Six Month Financial Audit Follow-up Report (Exhibit C) – Jerry Jones

Mr. Jones stated that this report provides the details on audits that have been outstanding over 120 days since being issued. It reflects the status of 27 audits, but since the report was issued and sent to the Commissioners, two of those jobs have been concurred with, making it 25 outstanding. The department is working very closely with Commission Audit in addressing the remaining audits and are attempting to complete the process and close them out.

Mr. Jones and Chairman Wahby asked for questions; none were forthcoming.

Mr. Jones then called on Chairman Wahby for his response.

Chairman Wahby stated that he has reviewed the financial audit follow-up reports, discussed them with the Commission Auditor, and moved to accept the reports in Exhibit C.

Support was given by Commissioner Rosendall. Motion carried on a unanimous voice vote.

Six Month Internal Audit Follow-up (Exhibit D) – Jerry Jones

Mr. Jones stated that this report reflects the status of the departments' actions to implement the internal recommendations, and is through the period ending December 31, 2004. In this report three additional audits have totally been closed, leaving one audit report outstanding with two recommendations.

Mr. Jones asked for questions; none were forthcoming.

Mr. Jones then called on Chairman Wahby for his response.

Chairman Wahby stated that he has reviewed the internal audit follow-up reports and discussed them with the Commission Auditor, and moved to accept the reports in Exhibit D.

Commissioner Atkinson asked if there was a target date of completion for the one audit report that is outstanding.

Mr. Jones answered that this is a report that the department is working with other state agencies in reviewing state aircraft utilization. The department anticipates this review will be completed before the next follow-up, which is period ending June 30, 2005.

Support was given by Commissioner Atkinson. Motion carried on a unanimous voice vote.

Chairman Wahby suggested to Mr. Jones that he meet with Commissioner Brosnan to discuss her role with the Audit Subcommittee.

V. **RESOLUTIONS**

**Resolution for the Issuance and Sale of State of Michigan State Trunk Line Fund Bonds, Series 2005 - Myron Frierson**

For the benefit of the new Commissioners, Mr. Frierson gave background information.

**Debt Management**

Bonding for highway and bridge projects has been a financing tool used by the department for several decades, starting in 1919. Bonding has been used to close financing gaps and to accelerate project delivery. The earlier project completion and related system condition and economic benefit have been viewed as offset to increase debt service costs. The department has aggressively refinanced its debt to reduce overall debt service costs. As of September 30, 2004 outstanding State Trunk Line debt was \$600 million in variable notes and \$1,055.7 million in long-term bonds for a total of \$1,655.7 million. Comprehensive Transportation debt was \$267.6 million in long-term bonds. Total outstanding debt to the department at the end of 2004 was \$1.9 billion.

MDOT ratings are AA-, Aa3, and AA from the top for all three rating agencies (Fitch, Moody's, and S&P) which are in the second tier of their rating structures. MDOT's bond ratings are in the middle of the pack for transportation departments and are considered a good credit or risk.

**State Transportation Commission Authorization**

Act 51, PA 51, as amended, outlines funding allocation, activities for department, counties, cities and villages, and authority of the State Transportation Commission.

Section 18b of Act 51 authorizes the State Transportation Commission (the "Commission") to borrow money and issue bonds for the purposes described in Michigan Constitution 1963, art 9, § 9, for the purposes of refunding bonds previously issued for such purposes payable from the State Trunk Line Fund or Comprehensive Transportation Fund, or for a combination of such purposes, and paying costs relating to the issuance of the bonds.

Constitution provides that at least 90% of the funds collected be used exclusively for the transportation purposes of planning, administering, constructing, reconstructing, financing and maintaining state, county, city and village roads, streets and bridges designed primarily for the use of motor vehicles using tires and reasonable appurtenances to those state, county, city and village roads, streets and bridges. It also states a maximum of 10% be used for comprehensive transportation purposes.

Act 51 set a maximum debt limit for debt service at two times coverage. The Commission's policy states the maximum to be 4 times coverage, meaning debt service

payment cannot exceed 25% of the Act 51 revenue. Current coverage ratios are for STL 12.1 and CTF 7.8. Commission policy also requires a minimum 3% present value savings on refunding.

To assist the department on debt management issues we have a team of advisors, investment bankers and attorneys. In addition to Leon Hank, Ed Timpf and Mr. Frierson, the team includes a financial advisor, Public Financial Management (Peter Kessenich), attorneys Miller, Canfield (Jerry Rupley) and Dickinson Wright (Jim Bliss), Attorney General (Molly Jason, Jason Smith) and Treasury staff and investment bankers Merrill Lynch and Loop Capital.

#### **Five Year Transportation Plan 2004 - 2009**

The funding strategy for the five year plan included \$460 million in new money bonding. In 2004 the Commission authorized MDOT to bond for \$460 million, of which we have issued \$185 million in the fall of 2004. Also, included funding assumption was the direct or indirect refinancing of \$580 million in GRAVEE notes from the Build Michigan II program.

2004 - \$185,710,000

Official Statement says that a portion of the proceeds will be used to pay the costs of certain State Trunk Line Fund projects as part of MDOT's five year road and bridge program designed to preserve the existing infrastructure, reduce traffic congestion and improve safety along freeways and state trunk lines. The proceeds will allow MODT to let major contracts in advance of their normally scheduled award dates. Due to the structure of this bond issue the department received approximately \$200 million in bond proceeds.

#### **Future Bonding Related to Five Year Transportation Plan**

Approximately \$260 million in FY 2006 to fund projects in five year plan. Also, in FY 2005 or FY 2006 begin refinancing of \$580 million in GRAVEE notes. The structure of this refinancing effort has not been outlined.

For the Airport Improvement Plan \$36 million in new bonds will be issued within the next three years for airport improvement projects. These bonds will be issued through the Comprehensive Transportation Fund, but will be funded by dedicated revenue from airport parking taxes.

Chairman Wahby asked if the \$260 million was earmarked for preservation.

Mr. Frierson answered that it was part of supporting the Five Year Plan, which is both preservation and capacity increases.

Chairman Wahby stated in the beginning he thought the \$200 million was for new projects and the \$260 million for preservation, making the total \$460 million

Mr. Frierson answered that in terms of the project lists that the Commission are given, it includes both preservation and capacity improvement. Basically the money is considered fungible, and we bond based upon cash flow for the entire project list.

### **Job Today Projects Bonding**

The department will bond for approximately \$400 million in new money to fund accelerated construction projects. Projects in the five year plan to be accelerated will be replaced by projects added to later years of the five year plan. Timing of the bond issue will be based on cash flow needs of the projects selected for the Job Project program. Job Today Program projects are being identified in part on how fast project construction can start. The department would need Commission approval for new bonding related to GRAVEE notes, AIP and the Job Project program. We will seek Commission approval later in the year. As previously mentioned the department constantly looks for refunding opportunities to lower its debt service costs.

Today we are asking the Commission for approval of two resolutions to allow the department to act upon refunding opportunities within the next year. The resolutions expire December 31, 2005. We are advising the Commission that it is appropriate, and in the best interests of the State of Michigan, subject to favorable market conditions, to refund or advance refund all or any portion of the previously issued and outstanding State Trunk Line Fund Bonds designated State Trunk Line Fund Bonds, Series 2001A and State Trunk Line Fund Bonds, Series 2004 (the "Prior Bonds") Comprehensive Transportation Bonds designated, Comprehensive Transportation Bonds Series 2002B and Comprehensive Transportation Bonds Series 2003 (the "Prior Bonds") and to fund all or part of the costs of such refinancing from the proceeds of the Bonds authorized.

These resolutions are similar to previous requests for authority to pursue refunding, except we are asking approval to use if warranted an interest lock option. Guidelines regarding the refunding are Appendix C of the resolutions.

An interest lock option or agreement allows the department to enter into an agreement with an investment banker to lock or fix a certain interest rate for future bond issue. The cost of the lock is at a slightly higher interest rate 5 basis points over what the rate would be if the bonds were actually being sold. Several weeks or months later the bonds are priced at the current interest rate. At which time a calculation is made to determine what amount of cash is needed to be exchanged between the parties to approximate an effective interest rate on the bonds which matches the agreed upon fixed rate. Once the bonds are sold the lock agreement ends. If actual interest rates for the new bonds are higher or lower than the locked rate there is a cost incurred by the investment banker or the department. The department's risk is that interest rates will be below the locked rate and then the department would owe the investment banker additional money for the period of the lock agreement. There are other risks associated with the solvency of the investment banker, but given the short-term nature of this transaction this risk is minimal. The calculation of cost of the lock agreement is subject to negotiation.

Using a lock option allows the department to quickly take advantage of advantageous interest rates sooner than if the normal process was followed. We estimate the rate lock provision would save at one month in processing time. The department will be working with our debt management team to make rate, bond structure and timing decisions.

Mr. Frierson asked for questions.

Commissioner Atkinson asked for clarification regarding the term “notional amount” in the Appendix C (page C-1, #9).

Mr. Frierson deferred to Attorney Jim Bliss of Dickinson Wright, PLLC. Mr. Bliss explained that a notional amount is similar to a principle amount except that it’s just a number. In the case of the rate lock, there would be a notional amount that would approximate the amount of bonds you would be issuing, and that is what you would figure the calculation on.

Commissioner Atkinson asked if, in a sense, it would be something like an index.

Mr. Bliss used this example: If the bonds were going to end up being approximately \$250 million that’s needed to refund the bonds selected for refinancing, the notional amount of the rate lock would be \$250 million. Further, the notional amount is just a notion that you have in your head—not dollars.

No other questions were forthcoming.

Chairman Wahby entertained a motion to approve the Resolution to Authorize the Issuance and Sale of State of Michigan State Trunk Line Fund Bonds, Series 2005. Motion was made by Commissioner Atkinson and supported by Commissioner Rosendall to approve the resolution. Mr. Kelley called the roll: all answers were affirmative. Motion carried on a unanimous roll call vote.

Resolution for the Issuance and Sale of State of Michigan State Comprehensive Transportation Refunding Bonds, Series 2005 - Myron Frierson  
Information relating to this resolution was given above.

Mr. Frierson asked for approval of this resolution.

No questions were forthcoming.

Chairman Wahby entertained a motion to approve the Resolution to Authorize the Issuance and Sale of State of Michigan State Comprehensive Transportation Refunding Bonds, Series 2005. Motion was made by Commissioner Brosnan and supported by Commissioner Atkinson to approve the resolution. Mr. Kelley called the roll: all answers were affirmative. Motion carried on a unanimous roll call vote.

## VI. **PRESENTATIONS**

Larry Tibbits introduced Mark VanPortFleet, Design Engineer, who gave a PowerPoint presentation on a DRAFT Context Sensitive Solutions policy.

Mr. VanPortFleet drew attention to the DRAFT Context Sensitive Solutions (CSS) policy and the DRAFT Implementation Plan located in the Commissioners’ packets.

Executive Directive (No. 2003-25) stated that MDOT shall “develop policies and procedures to expand the use of Context Sensitive Solutions (CSS) for transportation

projects; invite stakeholder participation; address safety, mobility, liability, the environment, and other issues. MDOT has involved external stakeholders from the environmental community, planning associations, local governments, transportation industry, and other state agencies.

In April 2004 the department conducted a survey, as well as a stakeholder workshop in June 2004. More than 40 stakeholder organizations attended. Six focus groups were formed at this workshop: public involvement, aesthetics, environmental quality, mobility, historic/cultural/community concerns, and economic development. The focus groups met three to four times throughout the summer of 2004 and completed workshops recommending: policy, guidelines and procedure changes and a definition for a successful CSS program. Also, MDOT became a CSS Designated State.

MDOT has responded to stakeholder input by taking the information and formulating a Draft Policy and Draft Implementation Plan. Thereafter, another stakeholder workshop was held in December 2004 to allow all focus groups to revise the draft policy and implementation plan. The DRAFT presented today is a result of the input and revisions of the December workshop.

To involve leadership, all versions of the draft were sent to MDOT leadership for review and comment.

MDOT has heard several things from the stakeholders. They all agree that public involvement should be early and often, they want MDOT to encourage CSS use by local governments, and they want continued input into policies and implementation.

What's next? Continue to review the CSS manual, continue to train staff, continue on a detailed implementation plan following policy approval, and hold annual stakeholder/MDOT partnering meetings.

Mr. VanPortFleet asked for questions.

Commissioner Atkinson inquired to what extent the Michigan Townships Association is involved.

Mr. VanPortFleet responded that they were an invited stakeholder group, and are represented partially by the counties being formed as a conduit or funnel for funding. MDOT tried to invite as many organizations as possible, knowing they could not work with 500 organizations in a workshop environment. Therefore, they took the initiative to say that if the organization was covered by an umbrella organization, the umbrella organization was invited. The umbrella organization then had the responsibility to take the information back to their constituents.

Commissioner Brosnan asked if the stakeholders that were present could be introduced.

Mr. VanPortFleet introduced Ben Strupka and Brad Garmon (Michigan Environmental Council), Robert Chaprnka (Michigan Railroads Association), Bill Carley (ACEC/Michigan), Ed Noyola (CRAM), and Glenn Bukoski (MITA).

Brad Garmon (MEC) introduced himself and briefly stated the involvement of MEC in the CSS policy process.

No other questions were forthcoming.

VII. **PUBLIC COMMENTS**

Chairman Wahby asked if anyone wanted to address the Commission; none were forthcoming.

Chairman Wahby asked if any member of the Commission had comments; none were forthcoming.

Commissioner Atkinson requested that the Commission consider presenting resolutions of appreciation to former Commissioners Awrey and Garside.

Chairman Wahby stated that this was in the works for a future agenda item.

**ADJOURNMENT**

There being no further business to come before the Commission, the Chairman declared the meeting adjourned at 11:30 a.m.

The next full meeting of the Michigan State Transportation Commission will be held in Lansing, Michigan, on April 28, 2005, commencing at the hour of 9:00 a.m.

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Frank E. Kelley  
Commission Advisor