MINUTES
TRANSPORTATION ASSET MANAGEMENT COUNCIL
October 5, 2005
Aeronautics Building
Lansing, Michigan

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

Present

Carmine Palombo, Chairman
Robert Slattery, Vice Chairman
David Bee, Member
Eric Swanson, Member
Steve Warren, Member
Susan Mortel, Member
Kirk Steudle, Member
Howard Heidemann, Member
Jerry Richards, Member
Bill McEntee, Member
Spencer Nebel, Member
Frank Kelley, Commission Advisor

Absent

None.

Staff Present

Rick Lilly- Bureau of Transportation Planning
Ron Vibbert- Bureau of Transportation Planning
Stacey Schafer- Bureau of Transportation Planning

Call to order

The meeting was called to order at 1:10 p.m.

Approval of Minutes - Rick Lilly

Mr. Richards moved for approval of the revised August meeting minutes, supported by Mr. Slattery. Mr. Lilly stated that there was a correction that needed to be made to the minutes: Mr. Steudle handed out the new strategic plan and not the new budget. Motion carried as corrected.

Election of Vice-Chair

Mr. Steudle made a motion to appoint Mr. Slattery as the Council's new Vice-Chair, supported by Ms. Mortel. Motion carried.

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Correspondence and Announcements-Rick Lilly

Mr. Palombo welcomed Spencer Nebel as the Council's newest member.

Mr. Lilly reported that Mr. Nebel's appointment to the Council was approved by the State Transportation Commission at their last meeting, as well as Mr. Richard's and Mr. Palombo's reappointment. The Council is waiting on confirmation from the County Road Association on Mr. McEntee's reappointment.

Mr. Lilly stated that each member of the Council should have received copies of the new member contact list; which has been updated with Mr. Nebel's contact information.

Agency Reports

Mr. Vibbert informed the Council that Michigan Department of Transportation (MDOT) is embarking on an effort, in conjunction with counties, regions, and cities, to vastly improve the quality of traffic data we have for the federal aid system. We ultimately end up reporting to the Federal Highway Administration under the Highway Performance Monitoring System (HPMS). This is scheduled for November 8-9, 2005.

Mr. McEntee informed the Council that he and Mr. Warren report back to the County Road Association on a quarterly basis. At their last meeting he reported the status of the Council and some of the activities that are going on. They are very supportive of what the Council is doing.

Mr. Warren informed the Council of a few items taking place in his MPO Metropolitan Planning Organization (MPO) area. The technical and policy committees of the MPOs have come to the conclusion that they support the idea of automated data collection for their local area. The recommendation is going to the Metro Council to receive approval to allocate the funds to do this.

Mr. Lilly is going to try to schedule Mr. Abed Itani to attend the December Data Management Committee meeting as well as the Council meeting to assist in the automated data collection.

Committee Reports: Administrative and Education

Mr. Palombo reported that in terms of our ability to do presentations, Mr. Lilly has put together a generic group of slides. If anyone needs an asset management presentation, done they should contact Mr. Lilly for assistance.

Lou Lambert gave an update to the committee on Cambridge Systematics.

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Mr. Palombo reported that Mr. Surber gave an update on the internet based report training. The committee agreed that there should be training carried out around the state. December would be a good time to have these meetings.

The committee discussed retreat dates. They talked about having a one day session in addition to the Council's normal meeting. A calendar was handed out to each member of the Council with possible meeting dates at a couple of different locations. The Council decided to have the retreat on November 28, 2005, at the Kellogg Hotel & Conference Center. Mr. Lilly will invite Mr. Itani to attend this retreat. The future of data collection is going to be the focus of this retreat.

Data Management

Mr. McEntee reported that the committee received an update on the internet based reporting process. The intent was to be able to roll out the report on capital preventative maintenance and have some training in December and introduce it to some potential users. After a lengthy discussion, there was a consensus recommendation that the committee ask Center for Geographic Information (CGI) to pull together the other two elements of the completed project reporting package. The committee discussed waiting for the structural improvements and major capital improvements to be completed before they do the training. The hope is to get a better training for each of the participants if all three components are completed. Mr. Surber agreed to talk to staff and see what it would take. A major part of this would be to determine the data needs for the structural improvements and the new projects, how to define them as well as locate them.

At the last Council meeting the issue came up of doing some quality control on the 2004 PASER ratings, this was addressed at the Data Management Committee. The recommendation from the Council was that the committee goes ahead with the quality control corrections with a report from Mr. Surber as to what, in detail, was all involved. Mr. Surber handed out a report on the 2004 PASER data with the changes that were made.

Mr. McEntee informed the Council that the committee received a presentation regarding MDOT's proposal on automated distress collection. There is a proposal to do a demonstration from two vendors, three were invited and two responded. The consensus of the committee was that, if possible, MDOT should try to schedule both of these vendors on the same day. There is a route that is proposed in a handout, with a questionnaire. Pat Schafer is going to send the questionnaire to Mr. Lilly to distribute to the rest of the Council, asking the Council what questions they have and what interests the Council might have in automated data collection. They will try to include this at the presentation. A schedule will also be available at the presentation stating when the analysis of automated data collection is going to take place, between the October and November time frame.

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The business requirements document was presented at the committee meeting. Katie Zimmerman was in attendance at the two sessions that were held to edit the requirements document. While she was there, members had a chance to speak with her about the data needs for the software tool that is in the process of being developed. Ms. Zimmerman's view was that the Council is collecting sufficient data to do the level of analysis that the Council hoped to do. Mr. Palombo expressed concern over the number of administrators using the data tool. The concern was that this is not clearly known. It is not clear who is supposed to be doing what. The Council needs to take advantage of the abilities that each agency has and try to facilitate the entire process. Our job is to get the information from all 617 agencies. This is not a matter of compliance vs. noncompliance issue, because we are going to be compliant. The Council needs a lot of input from a lot of people. Committee's need to spend some time on identifying the roles and what the consequences are going to be. MDOT Staff would be coming up with the different ways to ensure that the Council is receiving compliance on the reporting requirements and what methods might be available.

Mr. Warren said that if we are expecting the Regions and the MPOs to help facilitate this process, sometimes on our behalf as a Council, there needs to be some functionality that allows them to query the database to help us monitor what is going on. If we are not receiving cooperation, we need some facilitated mechanism that allows any MPO or Region person to state how the people in their region are doing. That needs to be rather timely. Mr. Palombo agreed with what Mr. Warren was saying.

Strategic Analysis

Mr. Warren reported that the committee held their second session to discuss business requirements for statewide strategic analysis and modeling. The result of the meeting was a report that was handed out to each member of the Council. Essentially, the report tries to document what the requirements are and their functionality. The committee spent a lot of time at the two sessions talking about process. There was a lot of discussion about the MPOs' role in all of this and discussion about who is going to run the model and how it was going to be run. It was good to have Ms. Zimmerman at the sessions, because she generated two or three reports with some of her conclusions, as well as the committee's conclusions. One of her main conclusions of the committee was that it appears that RoadSoft meets the requirements for a statewide investment tool; some enhancements may need to be made. Discussion should continue on about RoadSoft and possibly begin some discussion about governance and what needs to happen to RoadSoft. Mr. Lilly state that given where the Strategic Analysis Committee came out and the recommendation Ms. Zimmerman gave, we seem to be on the right track and that RoadSoft, given some modifications, could serve the needs of the Council. What was proposed to the committee was that Mr. Lilly, Gil Chesbro, Mr. Vibbert, and Rob Surber would travel to Michigan

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Tech, meet with staff and begin to answer the issue of the contract and the governance, as well as asking the technology staff begin to work out some of the items that need to be changed. The hope is to put together the technical requirements document so that the committee and Council could respond to it. The discussions should start with the different points that are in the back of the document. This would be used as the basic blueprint for the next document with other questions that need to be addressed. If members have any questions or comments, they should all be sent to Mr. Lilly.

Quarterly Report - Rick Lilly

The report was handed out to the members. The 2006 budget was passed in the Legislature and was signed into law by the Governor. The Council and State Transportation Commission have both passed the 2007 budget.

The PASER training is going on and Mr. Chesbro will address this later in the meeting.

Approval of 2006 Meeting Schedule-Rick Lilly

Mr. Heidemann moved that the 2006 meeting schedule be approved, supported by Mr. Warren. Mr. Steudle recommended that the Council take the opportunity to hold a couple meetings outside of Lansing and go into other communities. Motion carried.

Cambridge Systematics Update- Lou Lambert

Lou Lambert reported that Cambridge is very pleased to be able to present the draft report and the guidebook to the Council. They did everything that they could to put what they learned on their trips into the document and make the options available. The guidebook is organized around the annual budgeting process. It is based on assessing current condition, studying program targets and funding levels, identifying all your candidate products and how this is done, how do you set your priorities and develop a multi-year program, and finally how do we report all of this. There a couple holes in the document, one is on the roles of the MPOs and RPOs. The Data Management Committee asked Mr. Lambert and his team to put together some ideas, which they agree to do. They do want to enhance the work being done by CGI. They would like to expand on what they are doing as they progress.

With regards to the training course, PowerPoint slides were provided; talking points are going to be added at a later date. The course is designed to run from 8:00 a.m. to 3:00 p.m. It has three interactive participation pieces. These are the three new pieces that Cambridge Systematics is doing as part of the new national course that Cambridge was asked to developed for FHWA and National Highway Institute (NHI), these have been modified to fit the Council's needs.

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The Council has received the draft documents and all questions on behalf of the Council should be directed to Mr. Lilly. He will coordinate them and pass them on to Mr. Lambert. The plan is to do a full presentation at the December Council meeting, where they will go over the final product as well as feedback from the Council.

Mr. Palombo reported that at the Administrative and Education Committee meeting, the committee talked about having the prototype course at the end of January. The committee could possible asking the agencies that participated in putting this together then doing a trial run to find out how well Cambridge Systematics captured what the course was intended to do. The Council needs to begin to find a location to hold this as soon as possible.

The pilot study is not likely to get done before the first of the year, and Cambridge has asked if the contract could be extended until either January or February of next year. **Mr. Heidemenn moved that the Council put an extension on the Cambridge Systematics contract for 90 days, no money, time only, to finish the work that we need to do as a Council to hold the pilot and have Cambridge revise the pilot based on the information that they will receive, supported by Mr. Steudle. Motion carried**

Mr. Lilly is going to go through his review of the draft report and the guidebook and relate it back to the work plan. Mr. Lilly is going to make sure that everything is done that was contracted to be done.

Mr. Lambert informed the Council that the national course will be given this month is Washington DC. Cambridge will receive feedback as to how the course went there; also a course is going to be scheduled in Nevada the first part of next year. They will have some examples to bring back to the Council.

Update on Data Collection-Gil Chesbro

Gil Chesbro gave an update on data collection. Mr. Chesbro has been sending out e-mails updating the Council with the most recent information and maps of completed regions. Mr. Chesbro informed the Council that he had originally reported about 30 counties being completed. He was concerned about this number, so he contacted some of the regions and found out that about 56 counties have now been completed. The data collection is ahead of last year's schedule. Mr. Chesbro indicated that because of the changes in RoadSoft, it should be fairly easy to seam all of the data collection together quickly.

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Review of Business Requirements Report

The Council had a lengthy discussion regarding the issue of Strategic Analysis. A verbation rendering of this discussion is attached to these minutes as an addendum.

Public Comment

There was no public comment

Adjournment

Meeting adjourned at 3:13 p.m.

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Addendum: Discussion Regarding Strategic Analysis

Ms. Mortel: The group (Strategic Analysis Committee) had some discussion about the translation between the statewide strategy analysis and the use of asset management strategy at a local level. For example, the discussion that we had that the statewide analysis will not dictate local asset management strategy. As a committee, we decided that we wanted to check with the Council as to whether or not other members had a similar view. In other words, the overall role of the regions is a topic that needed discussion; more specifically the relationship between Act 51 agencies and the regions being something that we discussed at length, and not knowing how to resolve that. Lastly, who can really use the model? At this point we are assuming that it is the technical team, but what is the role of the regions in the use of the model, if anything? The committee had these discussions and came to the point where they had an agreement as a group, but wanted to check with the other members' perceptions.

Mr. Warren: A lot of the discussion involved the committee trying to focus on the business requirements and what they were for our statewide model. A lot of the discussion flowed in and out of the process leading up to running the model, who runs the model, what is the output, and what is the role of the regions? The committee ended up discussing it all and members wanted to hear what Mr. Palombo and other Council members thought of this in terms of what their vision is.

Mr. Palombo: Noticed that in his review of the draft report it appeared that the recommendation from the consultant was that this gets built, not necessarily top down, but bottom up. Each regional analysis gets done and then is added up to develop the entire statewide analysis. If that is the best technical way of doing it, then we should use whatever works best. Mr. Palombo's observation was that the Council has had a lot of discussion over the last two years about the role of this Council and at what level we should be interacting. A lot of time has been spent talking about data analysis. Some of the discussion, as well as what was put into the Annual Report, was on how do we report on this data? We have been very careful to report on a statewide level. We have some slides that have been put together that show the regional data, we decided to roll it all up into one table. With all of this as background, the idea that we are going to be doing a regional analysis that will, on the basis of a consultant telling us (Council) that is the best way of doing it and then adding it up to a state level. Mr. Palombo does not have a problem with that, but it gets back to what are we still going to be reporting? The state total or are we going to be reporting each region? For example, page four, one of the questions that Mr. Palombo had was a bullet that read, "The output will be used by the Asset Management Council (AMC), in developing statewide and regional asset management strategies." Certainly, the output should be used by the AMC in developing statewide asset management, but what Mr. Palombo does not know what is meant by, "the output will be used

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by the AMC in developing regional asset management strategies," what is the context of this?

Mr. Warren: We continue to debate, discuss, and interpret what a strategy is. It continues to come back to that key term. It may still mean different things to different people. Mr. Warren gave his perspective from what he heard Tim Colling say was the best way to develop an analysis statewide is to do it by region. The reason why you do it by region is because, for example, we were testing a scenario that said there was $100 million more in an investment that we could make. What would happen to the system if we took that $100 million and put it into the system? It could be that all that money would end up in SEMCOG, because that is where the worst conditions or the greatest percentage of roads are. This is probably an unrealistic analysis, because we know that money is distributed more geographically then that. We said that the best way to do the analysis is to look at region by region, taking different factors into account. That was one of the primary reasons in terms of how you do the analysis, have to break the system down. Now, does that necessarily mean that it is the regional planning regions; maybe we need to rethink that? The key term is who initiates that analysis? Mr. Warren thinks it's initiated by the Council, directing this modeling team. That is not to say or what he did not hear was that each individual region planning commission would do their analysis and report up to the state, this is not what he heard. So, there is a small difference in terms of who initiates that analysis. Another questions was, could other agencies, other then the AMC, use this model? Mr. Warren has no problem with that, to him he thinks that it is something that the Council develops in hopes that other regions and MPOs will use it. We got stuck, in terms of, trying to figure out the business requirements, primarily for the statewide model. It was Mr. Warrens perspective that we should not get stuck by adding other requirements because we think that other people might want to use it. We are here primarily to discuss requirements for the statewide model.

Mr. Palombo: He told his staff that there is going to be three years worth of data and we have RoadSoft. He has a long- range plan that needs to be worked on in the next couple of years, and he has already told his staff to begin an analysis of that data, using RoadSoft. At the end of the day, he wants to be able to say, to the elected officials that this is the current condition of our roads, which is the data we are all collecting, and this is what is going to happen on the federal aid system. Mr. Palombo has a pretty good idea of what is invested in those systems by keeping some data and then being able to show them what a continued invest of those levels are going to need. Mr. Palombo understands that if we do one analysis, the Council is going to do all these different regional analysis that is then going to sum up into a statewide analysis. Is there an issue between what the Council's analysis for Southeast Michigan will be and what Mr. Palombo's region's analysis will be?

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Ms. Mortel: A couple of things that the Strategic Analysis Committee had discussed was that we are going to be doing statewide analysis; and if we do any regional analysis, we might find that the investment pattern in a particular region is not going to achieve what we think that it can achieve some time in the future. What is going to happen then? What is the relationship between the various responsible entities in this process? Does the Council do anything about that, the region, the county? There are regions that have different capabilities. How do you make sure that there is an even statewide approach and a statewide focus and yet make use of the data in a way that is appropriate? The committee did not jump into any conclusions. When Ms. Mortel and Mr. Warren were talking about it, they thought that is would bare discussion as a Council. Ms. Mortel does not think that the Council has to agree on it, but other members of the Council do need to be thinking about it. We are, as Mr. Warren mentioned, trying to focus on statewide analysis because that is what we are here to do, and that is what our primary focus should be.

Mr. Palombo: That goes back to something we talked about earlier, what authority do we have so we can come up with a strategy. That strategy can be implemented any number of different ways in each region, it's possible that it can be implemented unevenly and yet still achieve an, overall objective. At the end of the day, other than reporting on the overall states progress towards achieving that objective, what other authority do we have?

Mr. Slattery: We do not have much authority. It seems like this analysis, the use of this tool, is more and more specific the lower and lower you get. He does not see the state dictating to Mt. Morris to do this project or that project. But, he does see the state suggesting to the region a certain goal by a certain time and a strategy of how to get there. The higher you go, from local to state, the more general the strategy should be. It is more suggestive at the top to the regions and the counties; and as you go down, they suggest the more specific strategies to the locals that it gets done. It is the local road agency that they should do the analysis on the project, it means the most to them. Mr. Slattery does not think that the state can dictate a strategy to every city and village, neither can they dictate it to a region, but they can be suggestive.

Mr. Steudle: HE would agree that it is the group that needs to make those decisions. But, when Mr. Slattery said that the state can dictate, he does not think that the Council can do it. The people who write Act 51 and authorize the payments to be made by distribution certainly could say that if we are really going to get our hands on the condition of all of these roads, we need to have these kinds of things happening all over and a condition in receiving Act 51 money needs to meet the requirements. Mr. Steudle does not think that we can affirmatively say that they cannot do that, we can't.

Mr. Warren: He challenges the Council to think in terms of what it is when we say the word "strategy". It is very easy to talk strategy in terms of a performance

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measure like our strategy is to achieve 80 percent. To Mr. Warren, this is not a strategy, but rather a target to achieve. A strategy is how we get there, because you could get there a number of different ways. What is the strategy that we are choosing to get there? When Mr. Warren thinks of asset management statewide strategy, it's us reporting what is the consequence of all the collective decisions that Act 51 agencies are making? What is the consequence of all of that? That is one thing that we can report. The other thing that we can report is any number of scenarios that we evaluate, in terms of different strategies to achieve a higher performance level. We have analyzed the scenario where instead of this amount of money going into capacity improvements. We have looked at all the investments and we have determined that we are spending $50 million a year in capacity improvements. What if 50 percent of that went into capital preventative maintenance? That is a different strategy. That is not dictating to anyone that you need to do that, it is simple reporting that there is a different future if we invest our money differently. To Mr. Warren, that is where we end, unless the commission picks up the ball and says that we could have a different consequence statewide, if we invest $25 million more in capital preventative maintenance. If this were the case, then if that happens, we got a hammer, and then we can say that these are the types of roads that it should go into. When we talk about strategy, we really need to spend a whole day and say this is what we mean when we say "strategy", how we are going to get to some performance goal.

Mr. Palombo: This is not the first time that this has come up. At some point we really do need to define these terms that we are using.

Mr. Steudle: Mr. Warren did a good job defining the two, and he would agree with the explanation of it. It clearly is a performance target that is what we want to get to as a goal. Strategy clearly is and there are a variety of ways to get there.

Mr. Warren: Unless you control the dollars, you really can not dictate how you are going to get there.

Mr. Steudle: We can provide suggestive strategies, it goes back to the class, you can use different approaches.

Mr. Warren: Where this kind of boils down to the regional thing, we could say that with a different set of investments statewide, we could achieve a higher performance goal. In some regions, they may already be there, which would mean reallocating money from some area to another area, and we do not want to go there. That is where it gets a little tricky in terms of regional analysis, and that was one of the reasons why we wanted to break down the state in terms of regions. We may end up saying something about the fact that statewide things are happening very well, but in Southeast Michigan the scenario is not as good.

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Mr. Palombo: As long as it is a reporting mechanism, it is totally appropriate for the Council to report that. The consequences of that, for us as a group, are inappropriate for us to get into. Mr. Steudle has correctly pointed out that if the commissioners or the Legislature then they will have data upon which to act. But, for us, other then the reporting it is not up to us.

Mr. Warren: A big part of our strategy is teaching people how to develop strategies better. We may find that only 10 percent or less of road agencies are out there doing this strategy analysis and setting targets. We have determined that, through assumptions, we could probably achieve a lot higher performance targets if a lot more people were doing strategy analysis. That is or could be part of strategy; we now have the documents to do it.

Mr. Lilly: So, the first step may be just to get people to do asset management. Then you get a huge boost in condition just with that.

Mr. Warren: We do have a strategy; we just do not know what it is.

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