

State Transportation Commission

June 23, 2011

**Director Kirk T. Steudle, P.E.
Michigan Department of Transportation**

Today's Topics

- Southwest Region Updates
- MDOT Reinvented

Southwest Region Updates



Calhoun County/ Battle Creek Emergency

- 11 Days
- 12 Employees
- 6 Dump trucks and 4 loaders
- 610 Loads hauled to city disposal sites



ECONOMIC DEVELOPMENT - PROJECTS



Benton Harbor Vision Plan



MAIN STREET VISION
Benton Harbor, MI

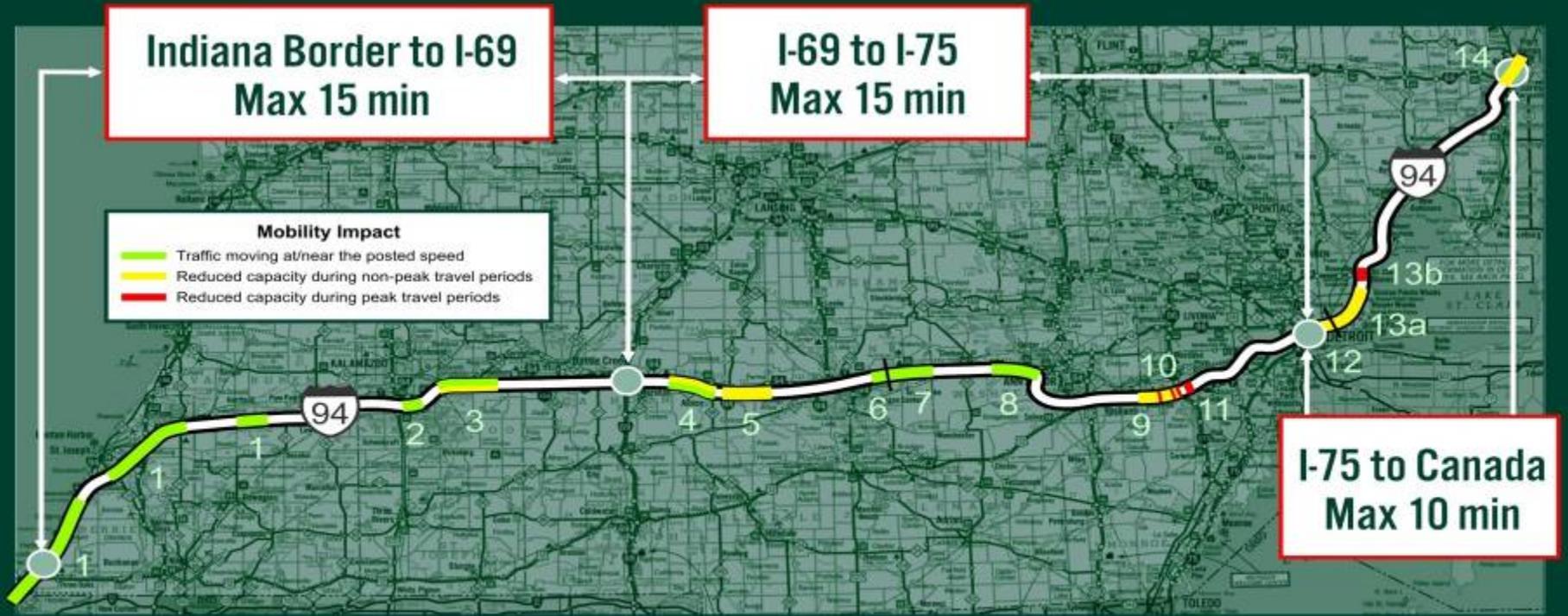
ECONOMIC DEVELOPMENT - MOBILITY



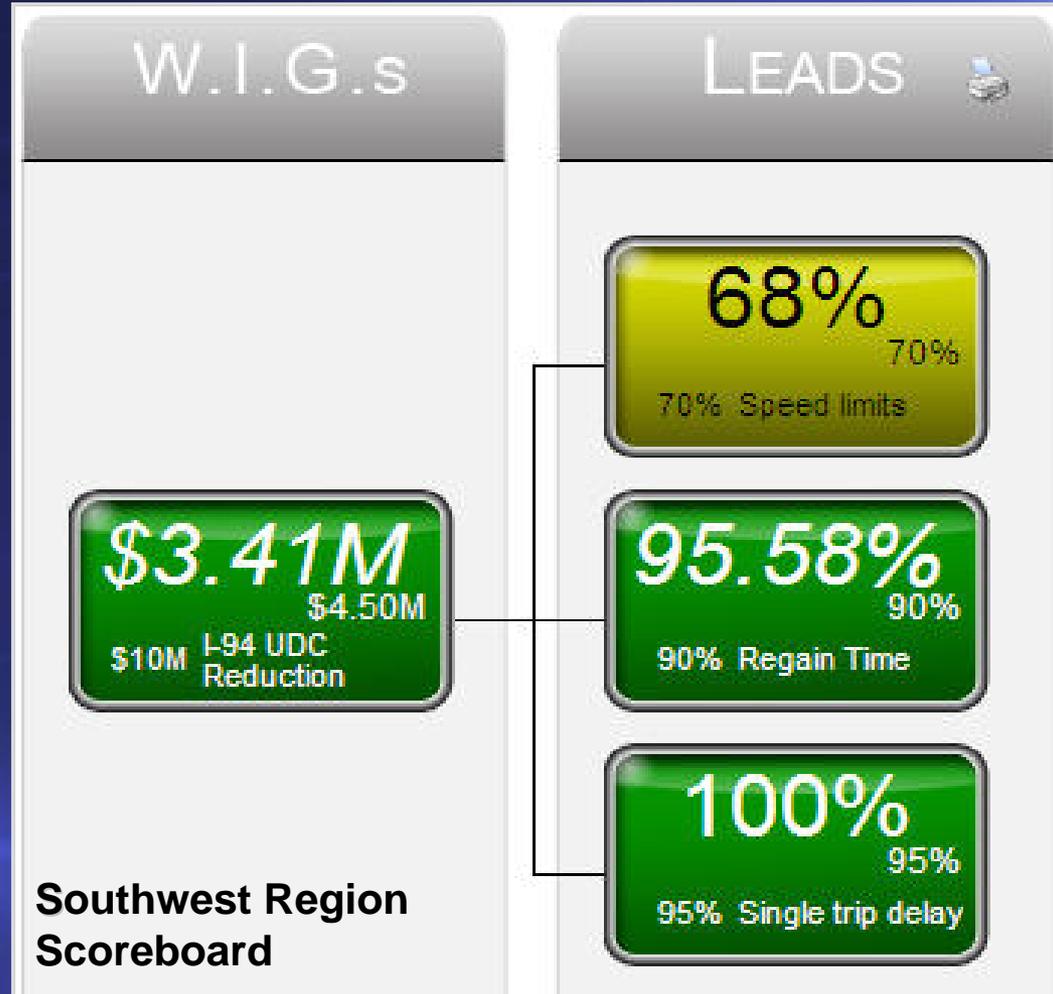
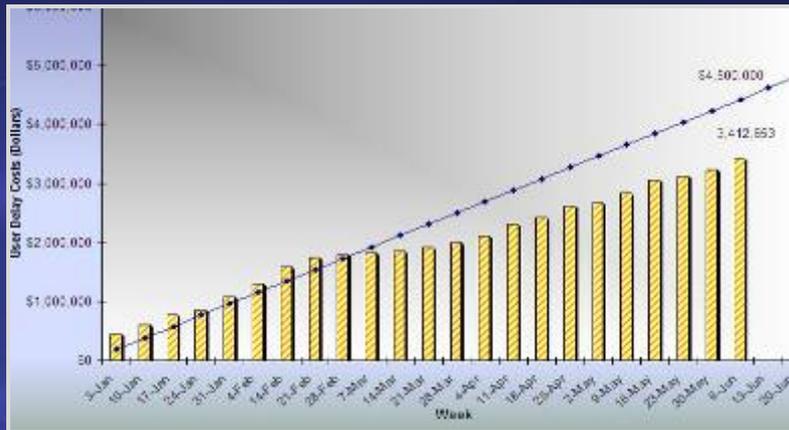
2011 Predicted Performance



3 Projects	8 Projects	3 Projects
15.5 Miles of WZ	32.8 Miles of WZ	14.3 Miles of WZ
3.3 minutes TTD in Peak	13.0 minutes TTD in Peak	3.8 minutes TTD in Peak
6.9 min. TTD in Off-Peak	14.1 min. TTD in Off-Peak	14.4 min. TTD in Off-Peak



ECONOMIC DEVELOPMENT - MOBILITY



WEEKLY ACCOUNTABILITY SESSION

06/13/11 CY2011 Results

4 incidents, 2 work zones, 9 unknown events

Prior week/coming week commitments

ASSET MANAGEMENT – M-222



MDOT Reinvented

June 2011

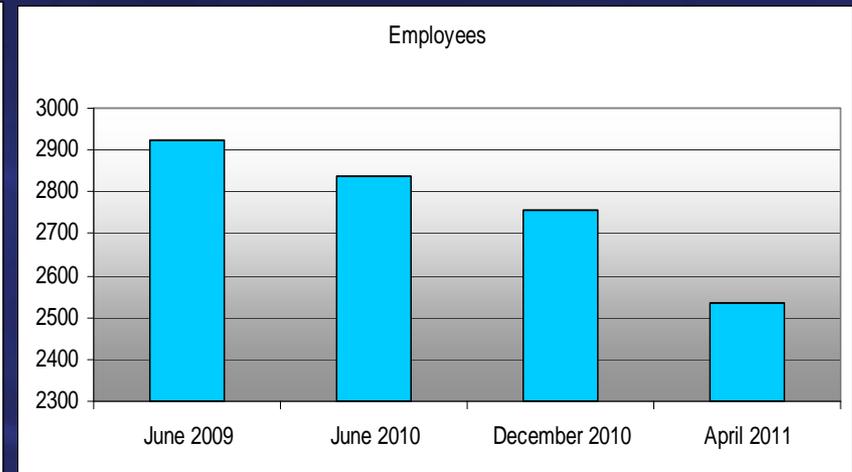
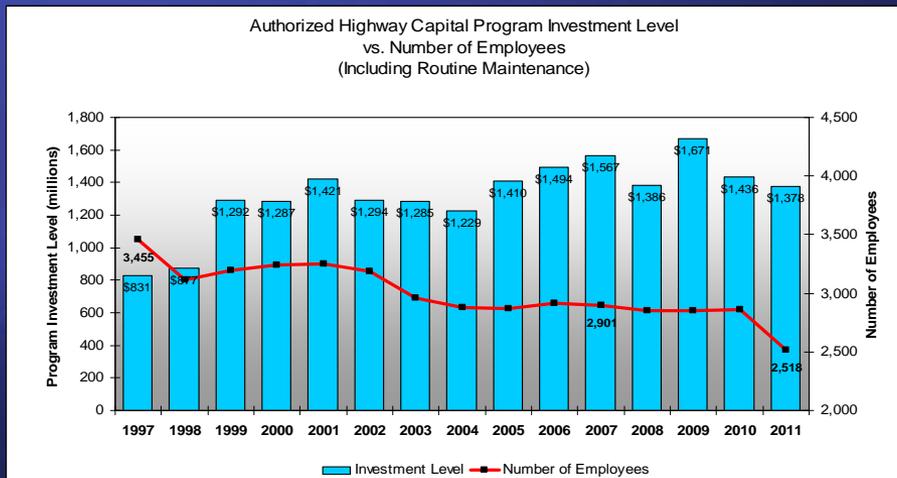


Reinventing MDOT

- Reorganizing to:
 - Leverage what we've accomplished
 - Sustain mobility
 - Support business and economic growth
 - Stay customer-focused
 - Motivate highly-qualified staff
 - Make the most of limited resources
 - Be transparent and accountable
 - Ensure MDOT stays a national leader

Fewer Staff

- Nearly 15% fewer staff since 2009
 - Worth up to \$45 million in potential state & federal funds each year, understanding that some money may be used for contracts or construction projects
- Choosing not to fill 60 supervisor/manager positions



Fewer Facilities

- Closing or consolidating 8 facilities, saving an estimated \$300,000 per year in rent and utilities
 - Committed to providing the same level of customer service
 - Staff reductions allowed for consolidation in fewer locations or through mobile offices



Fewer Facilities

- Closing Transportation Service Center Facilities
 - Cass City, Howard City
- Consolidating TSC Facilities
 - Moving Escanaba TSC functions to other UP TSCs
 - Relocating Grayling TSC to Gaylord facility
 - Combining Macomb & Port Huron in one location
- Closing Construction offices
 - Allen Park, Rockford, Tecumseh

Cutting Bureaucracy

- Consolidating & “right-sizing” in Lansing
 - Eliminates duplication of effort
 - Integrates former program “silos”
 - Allows MDOT to operate more quickly & efficiently
- Supervisor/Manager to staff ratio: 1 to 7.5
 - Does not include oversight of more than 2000 consultant, construction and maintenance contracts employing thousands of people
 - Some field supervisors have up to 30 employees

Organizational Changes

- Reducing bureaus to offices: Aero and Passenger Transportation
- Consolidating activities to improve coordination, alignment, and central function
 - Passenger & freight rail activities
 - Building & facilities work
 - Maintenance, construction, traffic & operations
 - Environmental activities

Moving Forward

- MDOT's Mission remains:
 - Providing the highest quality integrated transportation services for economic benefit and improved quality of life
- Better, Faster, Cheaper, Safer, Smarter

...Better...

- Keeping bridges & trunkline in 90% good or fair condition
- Measuring performance
- Recognized nationally for context-sensitive solutions that increase cost-effectiveness & customer benefits



...Faster...

- Using technology to address traffic incidents
 - SE Michigan: 11.5 million hours delay avoided in 2010
 - Grand Rapids: addressed 1100 incidents in 2010
- Reduced auditing time on small contracts 70%
- Automated environmental classification to double speed of project classification over the course of implementation
- Saving \$8 million in staff time annually through process improvements made in the past year



9 Mile Road Bridge over I-75: From disaster to ribbon cutting in 5 months

...Cheaper...

- Used Build America Bonds to save \$22M in debt service compared to traditional bonding
- Restructured CTF bonds to improve cash flow & make more than \$41M available for transit capital over 3 years
- Saving \$4M/yr with electronic or energy-efficient technology
- Cut aeronautics program costs \$2.4M by reducing services or using alternate funding
- Simplified accounting processes provide \$100,000/yr savings for MDOT, save time & money for contractors
- Partnered with transit associations to provide safety, customer service training more cost-effectively
- Incorporated recycled asphalt and concrete in all MDOT projects in 2010

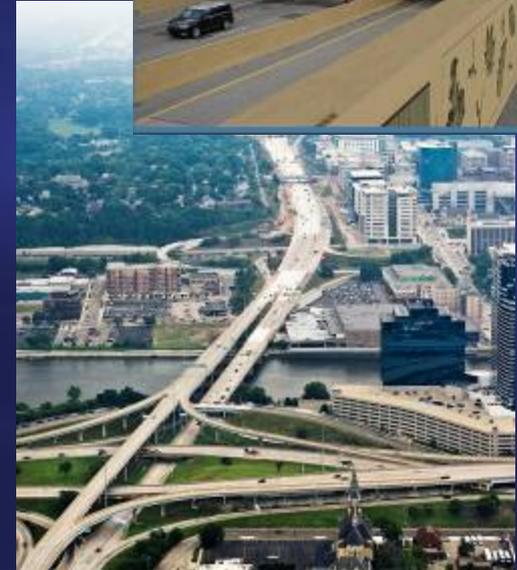
...Safer...

- 109 fewer fatalities from 2008 to 2009
- 214 fewer serious injuries from 2008 to 2009
- Nationally recognized for Safe Routes to School
 - Improve safety and provide healthy walking options for over 35,000 students in 81 schools



...and Smarter

- Using technology to speed service
 - Electronic bidding saves State & private sector time and money, reduces the potential for errors, eliminates 10,000 pieces of paper per bid letting
- Invested \$76M in economic development grants
 - Helped create or retain 28,000 jobs
 - Leveraged \$9B in private investment over 5 years
 - Every \$1 of economic development funding invested leverages \$123 of private investment



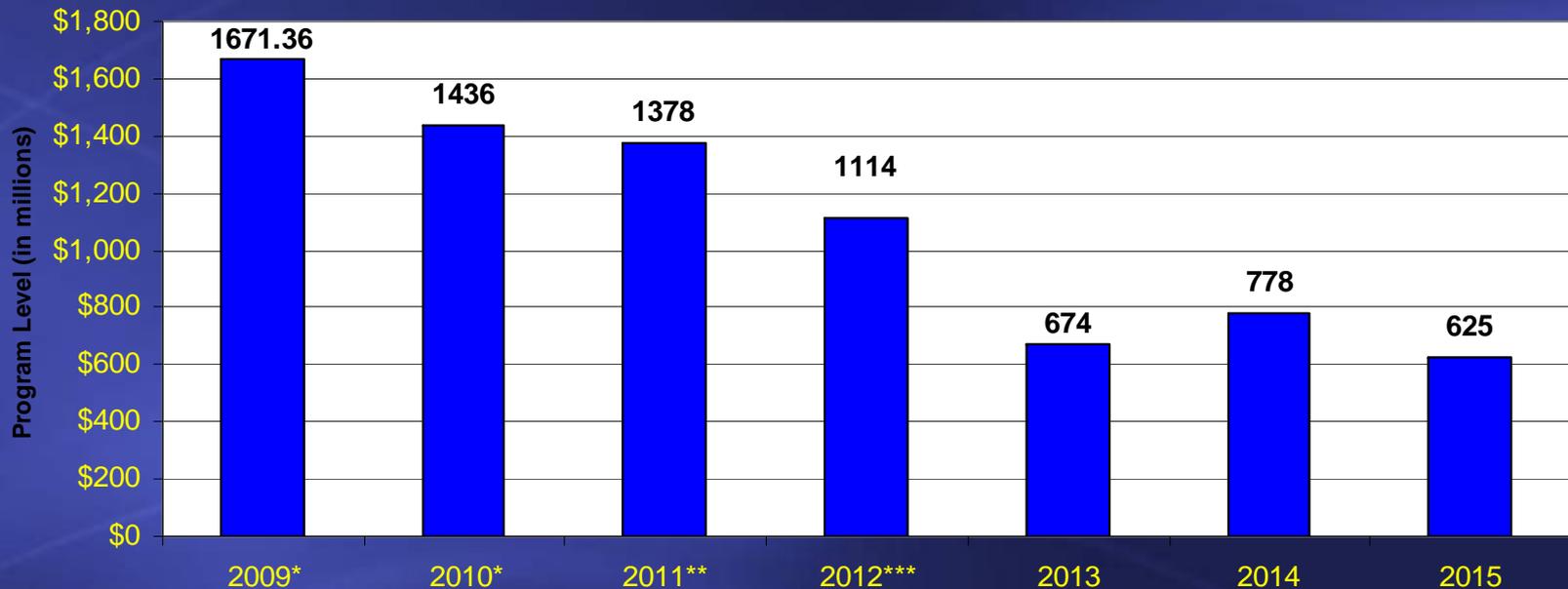
Transportation Supports Michigan's Economy

- Current 5-year highway program investment provides:
 - \$3.6B in personal income
 - \$3.4B contribution to Gross State Product
 - \$37.9M (2011) to \$76.1M (2015) in household travel-time savings
 - \$96.1M (2011) to \$125.5M (2015) in business savings
- Amtrak service provides communities with stations \$62M annually in benefits attributable to rail service
- Transit services provide 11,469 jobs and \$805M in financial benefit to communities
- Aviation contributes \$20B annually to MI economy

There are Challenges Ahead

- Reduced state resources

Highway Capital Program Investment



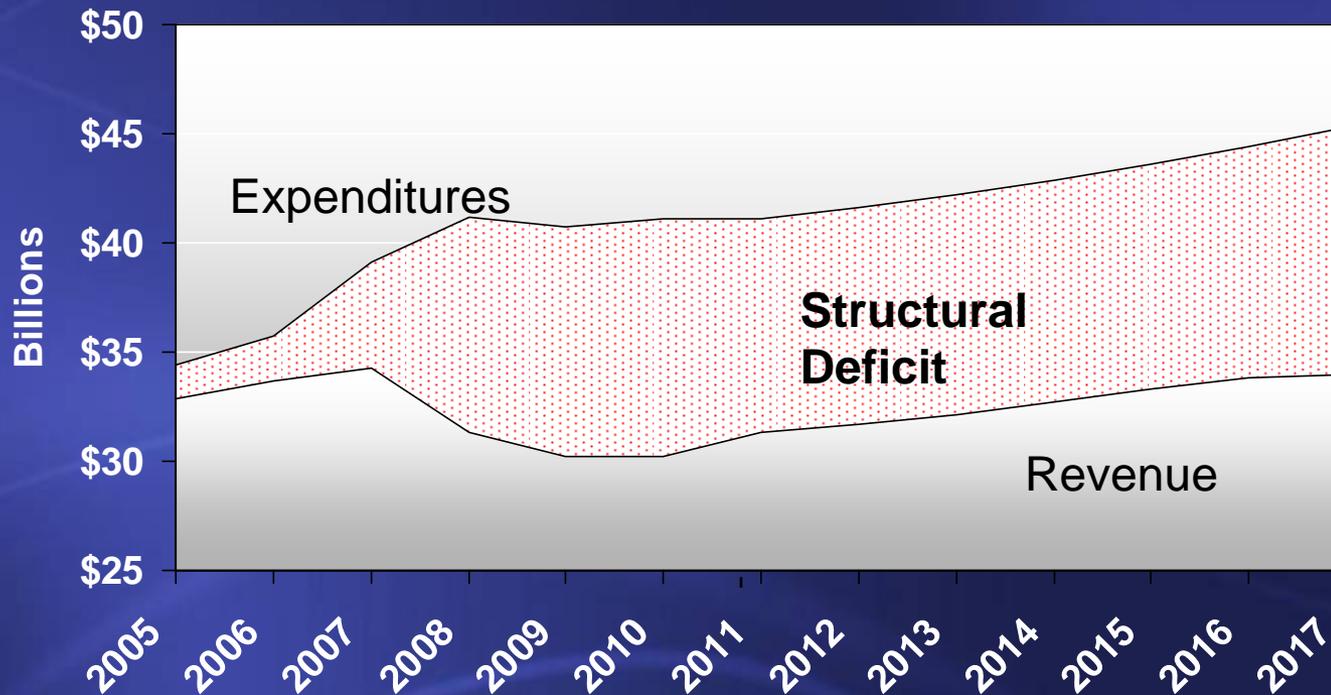
* FY 2009 and 2010 Full Program with ARRA Investments

** FY 2011 Announced in the Five Year Program

***FY 2012 Match All Federal aid Program with added toll credits
2013-2015 Reduced Program

Challenges

- Financial uncertainty at federal level
 - Federal reauthorization 2 years overdue
 - Highway Trust Fund: expenditures exceeding revenue, creating a structural deficit



Challenges

- Changing Demographics
 - Aging population
 - Shifting population
 - Population decline
- Changing Needs
 - Ever increasing demand for mobility & system reliability
 - Broader demand for multi-modal alternatives
 - Maintain aging infrastructure
 - Financial and environmental sustainability



Reinventing MDOT

- Reorganizing to help address challenges
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 - Sustain mobility
 - Support business growth
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MDOT Mission

Providing the highest quality integrated transportation services for economic benefit and improved quality of life.

- Mission stays relevant for the new MDOT:
Better, Faster, Cheaper, Safer, Smarter

