

**MINUTES**  
**MICHIGAN STATE TRANSPORTATION COMMISSION MEETING**  
**May 29, 2008**  
**Lansing, Michigan**

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

Present: Ted B. Wahby, Chair  
Linda Miller Atkinson, Vice Chair  
Maureen Miller Brosnan, Commissioner  
Jerrold M. Jung, Commissioner  
James S. Scalici, Commissioner

Also Present: Jackie Shinn, Chief Deputy Director  
Frank E. Kelley, Commission Advisor  
Marneta Young, Commission Executive Assistant  
Jerry Jones, Commission Auditor, Office of Commission Audit  
Patrick Isom, Attorney General's Office, Transportation Division  
Myron Frierson, Bureau Director, Finance and Administration  
Susan Mortel, Bureau Director, Transportation Planning  
Larry Tibbits, Chief Operations Officer  
Leon Hank, Chief Administrative Officer  
Rob Abent, Bureau Director, Aeronautics and Freight Services  
Tim Hoeffner, Administrator, Intermodal Policy  
Sharon Edgar, Administrator, Bureau of Passenger Transportation  
Melvin Williams, Administrator, Freight Services and Safety Division  
Brenda O'Brien, Engineer of Construction and Technology  
Mark Van Port Fleet, Highway Development, Engineer of Design

Excused: Kirk T. Steudle, Director

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

Chair Wahby called the meeting to order at 9:00 a.m. in the Bureau of Aeronautics Auditorium in Lansing, Michigan.

**I. COMMISSION BUSINESS**

Commission Minutes

Chair Wahby entertained a motion for approval of the minutes from the State Transportation Commission meeting of April 24, 2008.

Moved by Commissioner Brosnan, with support from Commissioner Atkinson, to approve the minutes of the Commission meeting of April 24, 2008. Motion carried.

## II. **DIRECTOR'S REPORT – CHIEF DEPUTY DIRECTOR JACKIE SHINN**

Chief Deputy Director Shinn's report was shared with Larry Tibbits, Chief Operations Officer, and focused on:

### **Transportation Funding Task Force (TF2)**

Public Act 221 of 2007 creates the Transportation Funding Task Force (TF2) to "review the adequacy of surface transportation and aeronautics service provision and finance" in Michigan. Tim Hoeffner, Administrator of Intermodal Policy, is coordinating the MDOT staff support efforts. The Governor expects that the Task Force and the Legislature must develop and support a proposal to generate enough state transportation revenue to fully utilize the current federal dollars available while also anticipating the creation of adequate state transportation revenues to match the additional dollars which she is working to bring home from Washington D.C. in the next authorization.

Detailed information for both the TF2 and the Citizens Advisory Committee (CAC) can be found on the TF2 web page ([www.michigan.gov/tf2](http://www.michigan.gov/tf2)). The web page contains meeting schedules, minutes and committee resources and reports. Both the website and the email address ([MDOT-TF2@michigan.gov](mailto:MDOT-TF2@michigan.gov)) are up and running.

Considerations being discussed include the recommended needs that are workable in the short run and sustainable in the long run, the need for public education (especially about rapid rise in cost of construction materials), exploring bringing more federal investment back to Michigan for all modes, steps to stretch current dollars, and encourage regional coordination, and research what other states are doing.

The next TF2 meeting is scheduled for June 30<sup>th</sup> at the Aeronautics Auditorium. The topic will be "Alternative Funding Options". Later meetings are July 21<sup>st</sup> (Northwestern MI College, Great Lakes Campus, Hagerty Center, 715 E. Front Street, Traverse City), August 11<sup>th</sup> (Zehnders of Frankenmuth, 730 S. Main Street, Frankenmuth), September 8<sup>th</sup> (Aeronautics Auditorium, Lansing), September 29<sup>th</sup> (Holiday Inn, 1951 US-41 West, Marquette), October 13<sup>th</sup> (AMA Educational Service District, 2118 US-23 South, Alpena), and October 27<sup>th</sup> (Aeronautics Auditorium). The Task Force will be looking to coordinate with the Commission meetings so that a presentation on the final findings can be made to the Commissioners.

The Chair of the Task Force is Gretchen Driskell (Mayor of Saline), representing the Michigan Municipal League. She has been coordinating the Subcommittee structure for Intermodal (Aviation, Intermodal Freight, Intermodal Passenger, Highway, Road and Bridge). The full CAC is in the process of scheduling their next meeting for June. All CAC Subcommittees have met, scheduled meetings and made assignments to committee members. All meeting dates, times and locations are available on the Task Force web page ([www.michigan.gov/tf2](http://www.michigan.gov/tf2)).

Deputy Director Shinn asked for questions.

Commissioner Jung asked, regarding Intermodal Passenger, if we were making any progress in allowing buses to go into the Park-and-Ride facilities on the interstates.

Deputy Director Shinn answered yes. There are some Park-and-Rides that can accommodate buses just by the length of them. This is certainly being looked at and we can rest assured that any new or additional Park-and-Rides are going to be bus accessible. In the Southeastern Michigan region there is a very active program with SMART in the suburban areas. Unfortunately some of our older facilities were not designed with that in mind but they will be from now on. We are looking at the whole range of needs in Intermodal. Passenger pick-up and drop-off spots are our big concern as well as a bus shelter type of facility for folks to gather at strategic spots to access both SMART and DDOT, and whatever other needs there will be. Another big discussion is the next level—fixed bus routes. Grand Rapids has secured a substantial federal grant to move on a bus-rapid transit system (a fixed route along Division Street). There is great potential for economic development as well as efficiency. With current gas prices, all bus ridership is up all over the state.

No other questions were forthcoming.

Mr. Tibbits presented the next portion of the Report.

### **Winter Maintenance Report**

Michigan experienced a record number of snowfall events. In general, in the lower peninsula from November to early March, there were no consecutive three day periods without precipitation. Typically, we get a week or two break now and then. Snow and ice events were continuous – more like the UP normal winter experience. Frequency and intensity of snow removal and pavement clearing meant longer than normal hours of operation. December, January, February and March were all tough on our budget. Several areas saw record snowfall in February: Marquette - 182” (121” average), Grand Rapids - 106” (56” average), Flint - 77” (48” average), Lansing - 70” (54” average), Detroit – 69” (43” average). We experienced isolated salt shortages/delivery problems, as well as throughout the northern states and Canada (frontier Great Plains to East Coast). Last year’s (2007) winter expenditures were above average and we topped them by about \$20 million.

How did we get to the shortfall? This shortfall is compounded by materials inflation costs over the last few years, county labor contracts (higher wages/benefits/fringes), and escalating maintenance costs (fuel 57%, salt 32%, sand 39%, trucks 15%, steel blades 22%). As material and labor costs increase, the amount of work is reduced and the list of unmet or deferred needs grows.

The non-winter program for summer maintenance activities is historically determined by what remains in the budget after all winter and fall (non-winter) expenses are accounted.

Normal summer work would include a variety of work under routine, preventive, and heavy maintenance categories: mowing, litter control, sweeping, surface sealing and repairs, bridge, guardrail and sign repairs, rest areas and roadside parks, building repairs,

heavy maintenance (pavements), roadside management (drainage and vegetation). It was considered at one point, at least for this summer, whether rest areas and roadside parks should be closed. However we are pushing hard in state government to increase tourism, therefore making that action counter-productive.

Program adjustments are needed to offset an \$18 million shortfall. Actions and steps taken to accomplish this include: identify critical summer activities, identify and prioritize non-critical activities, ensure statewide consistency in level and type of service provided, and ensure consistency between direct and contract agency forces. MDOT must scale back summer activities through September 30<sup>th</sup> to stay within budget. Every region within MDOT was not affected the same. Statewide cutbacks include: mowing (regions who typically mow twice will only mow once; those who mow three times will now mow twice), litter pickup (Adopt-A-Highway Program will continue), curb and shoulder sweeping, and ditch cleaning. These items are non-critical and will have minimal effect on safety and the traveling public. It will not be business as usual. All will share the burden without significant disparity to minimize the effect across the board. No new money is available, additional M funds are not available, commitments already made to the Five Year Program.

Chair Wahby asked, since the money for summer and winter maintenance comes out of the same pot, if there were some other way to allocate funds. We can't let our roadways—the things that people see when they come through our state—be seen unmowed. Appearance plays a major role in our tourism industry.

Mr. Tibbits answered that the option is to ask the Legislature for a Supplemental Appropriation Transfer. We looked at doing this and the timing that it would take to have it done. This year we have already cut back on our M Program which is our state dollars that the department receives. We made a conscience decision to cut back on the non-critical things and focus on those heavy maintenance or treatments that protect the safety of the motorist. We will be cutting clear-vision areas and will do the best we can on the other mowing, but we are making other cutbacks to help fund and balance what we do statewide.

Chair Wahby mentioned a phone call he received regarding bumpers and tires laying along I-94 from Connors on out. This looks terrible and is not a very good perception for Michigan and the tourist industry. We need to find some funds to keep it looking a lot better than the picture that is being painted.

Commissioner Brosnan stated that she understands that the funds are tight, however, asked if we had thought about going back to the mindset that we had when we were prepping for the Super Bowl. Somehow we were able to rely on some exterior workforce, i.e., prison help. There must be a way to employ these types of resources again. The mowing is a huge issue, but the litter pickup is going to get even worse. Mowing won't bother folks so much if the litter is taken care of.

Mr. Tibbits responded that bumpers and other large items should not be seen along I-94—they should be picked up routinely throughout the summer. We had become what was known in the department as Super Bowl Clean and asked Metro Region what it

would take on an annual basis. The plan, as it stands now, there will be food wrappers and the other trash that normally litter the landscape. We had been working with the Department of Corrections for about the last two years to get a routine and regular workforce in the Metro area; however they are very reluctant to put prisoners along those roadways. To date we have been unsuccessful to get them to do that.

Commissioner Brosnan stated that she didn't understand that. We are all one state working together for the same thing. It worked for the Super Bowl; therefore effort should be put into persuading that department to cooperate.

Deputy Director Shinn suggested that, given their concerns, the department could put something in writing to them before the next meeting regarding options. There will have to be choices about where money is taken from and the impacts that would result.

Chair Wahby expressed interest in making every effort in looking into this because it is extremely important.

Commissioner Jung added that this is a beautiful state and although it may not be a politically feasible way of raising funds, the billboard companies are finding money to cut down trees so that drivers can have a clearer view of billboards. He suggested placing a surcharge upon the taxes that are assessed against billboard companies to maintain better roadways and a more scenic experience for tourism.

Commissioner Scalici added that his concern is that, in having to clean up the roads eventually, it would cost more down the road as opposed to how much it would cost now.

Mr. Tibbits responded that we will look at all alternatives. In completing his statement regarding what it would cost in the Metro Region on an annual basis, it would take an additional \$12 million per year.

Chair Wahby commented that it would change the impression that people would want to come into our state and expand.

Deputy Director Shinn stated that between now and the next meeting some options would be given in writing to the Commissioners so discussion could continue about this problem.

Continuing with the presentation...

Further areas where we currently plan on scaling back involves the Summer Youth Corps Program (hiring high school students around the state for litter pickup, rest areas and roadside parks, etc.), placing a freeze on snowplow and heavy equipment replacement, and placing a freeze on hiring maintenance personnel.

Everyone's total budget remains the same. Major maintenance activities will not be affected. From now until the end of September, there will be a 20% reduction in a portion of the remaining normal summer program. This will affect 28 MDOT garages, 66 counties, and 158 municipalities. Regions are preparing revised work plans to stay within budget and details are being worked out with contract agencies. A monthly

maintenance planning and projections initiative has begun to ensure statewide equity through September 30<sup>th</sup>. Contract agency budgets have not been reduced, we just spent more on winter than was projected.

Chair Wahby asked for questions; none were forthcoming.

### III. **OVERSIGHT**

#### Commission Agreements (Exhibit A) – Myron Frierson

Mr. Frierson presented information on 23 agreements. Pending any questions, Mr. Frierson asked for approval of Exhibit A; none were forthcoming.

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

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

Mr. Frierson gave a brief recap of the May letting: For the letting that occurred on May 2, 2008, 12 State projects with a total engineer's estimates of \$26.2 million were let. The low bids received on these projects totaled \$21.4 million. The average low bid for the 12 State projects let was \$1.78 million.

As of September 17, 2007, it was estimated that 341 State projects with construction costs totaling \$696.9 million would be let during the 2008 fiscal year. Through May of 2008, 263 State projects with engineer's estimates of \$594.25 million were let, representing 85.27% of the total amount projected to be let this fiscal year. In comparison, for May 2007, 321 State projects with total engineer's estimates of \$703.65 million were let, representing 77.68% of the fiscal year 2007 projection. The department's letting schedule has proceeded as planned. Leading up to and including the May letting, 106.75% of the construction cost estimate of projects scheduled for this period has been let. In comparison for this same period through May 2007, 88.11% of the construction cost estimate of projects scheduled for the year was let.

There are currently 25 State projects (10 have warranties) with engineer's estimates totaling \$35.7 million scheduled to be let on June 6, 2008. Total projects will be 75 with engineers' estimates of \$81 million. There are 48 Local projects (including one postponed project of the January 11, 2008, bid letting) scheduled to be let. Of these, two include work in the Jobs Today program.

Pending any questions, Mr. Frierson asked for approval of Exhibit A-1.

Chair Wahby asked how it is determined that, of the 25 State items, 10 have warranties.

Mr. Frierson answered that it depends on the scope of the project (type of repair being done and whether or not it meets the criteria for establishing warranty).

Chair Wahby entertained a motion. Motion was made by Commissioner Brosnan and supported by Commissioner Jung to approve the April bid letting. Motion carried on a

unanimous voice vote.

**Chair Wahby directed Mr. Frierson to finish all of his agenda items then we would continue with Mr. Van Port Fleet and Exhibit A-2.**

Information Items (Exhibit A-3) – Myron Frierson

Mr. Frierson provided information on 1 Local project (low bidder withdrew, now contract being awarded to a new low bidder) and 1 Aeronautics project, for which the bids are under \$500,000 and have less than two bidders or are low bid rejections, or have other bid issues, is being submitted for informational purposes only. No action is required.

Chairman Wahby asked for questions; none were forthcoming.

Letting Exceptions Agenda (Exhibit A-2) – Mark Van Port Fleet

Mr. Van Port Fleet provided information on 1 Local project that was over the engineers' estimate and is accompanied by a justification memo. Pending any questions, Mr. Van Port Fleet asked for approval of Exhibit A-2.

Commissioner Atkinson commented that the justification memo appears to suggest that there is a historic element to this truss. Under those circumstances, she asked if there were any access to historic preservation funds.

Mr. Van Port Fleet answered that he couldn't say literally. Typically this is a local agency project. There may be in certain circumstances some supplemental funding that might be available for enhancement or other type of funds, however without knowing the specifics of the bridge and whether or not it would qualify for those, this is not something he is able to respond to at this time.

Commissioner Atkinson asked if this is something that would be worth looking into.

Mr. Van Port Fleet responded that it could be looked into. Eventually enhancement is one of the areas we could potentially seek possibilities for this but even those funds are limited and spread throughout. If we dedicate that money for this, we would have to go after other sources. This happens to be a local bridge project so it follows the local bridge premise and the limited funds are the funds that we have available to the local bridge program which is roughly \$50 million per year.

Commissioner Atkinson commented that sometimes people think about historic preservation funds with buildings more than with bridges, but this one suggested it might be a candidate.

Mr. Van Port Fleet responded that, not being absolutely familiar with all the rules, he would have to go back and look.

No other questions were forthcoming.

Chair Wahby entertained a motion. Motion was made by Commissioner Brosnan and supported by Commissioner Scalici to approve Exhibit A-2. Motion carried on a

unanimous voice vote.

Contract Adjustments (Exhibit B) – Brenda O’Brien

Ms. O’Brien provided information for 3 MDOT and 5 Local projects. Pending any questions, Ms. O’Brien asked for approval of Exhibit B.

Commissioner Atkinson drew attention to item #2008-080 (0.35 miles of road resurfacing including cold milling ... in the city of Ferrysburg, Muskegon County). The write-up indicates that the city of Ferrysburg made lots of requests, and that they were willing to negotiate, discuss and participate in the cost. However, it does not tell us much about how much the city was willing to do on those requests. She asked if it were fair to say that the city stepped up to the plate on their requests.

Ms. O’Brien answered yes; it would be fair to say that. There were two main items where the city had 100% participation—the water main work and the decorative street lighting. Even though the list is very long, the majority of the requests fall under these to items.

Commissioner Atkinson then asked, regarding the repetitious statement of “the plans did not include”, if the department plans to look to, or has already engaged in, negotiations to recover something for all the things that the plans did not include.

Ms. O’Brien answered that she was not aware of this, but would look into it for her. Generally we do seek reimbursement from the designer.

No other questions were forthcoming.

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

Ms. O’Brien added, for information only, corrections to the performance matrix. Column headed “Time Period” currently indicates March 2008, however should indicate April 2008. It also shows for the month of April the projects submitted were at 4.66% overrun. We do have a Commission goal of 5% overrun and that 4.66% is attributable primarily to one project that came before the Commission in September 2006. Without that project we are at 1.1% overrun.

IV. **PUBLIC COMMENTS**

Chair Wahby asked if any member of the audience wanted to address the Commission; none were forthcoming.

Chair Wahby asked if any Commissioner wanted to address the Commission; none were forthcoming.

**ADJOURNMENT**

There being no further business to come before the Commission, Chair Wahby declared the meeting adjourned at 9:45 a.m.

The next full meeting of the Michigan State Transportation Commission will be held on June 26, 2008, in the 1<sup>st</sup> floor Bureau of Aeronautics Auditorium in Lansing, Michigan, commencing at the hour of 9:00 a.m.

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Frank E. Kelley  
Commission Advisor