

MINUTES
MICHIGAN STATE TRANSPORTATION COMMISSION MEETING
September 28, 2006
Marquette, Michigan

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

Present: Linda Miller Atkinson, Vice Chair
Maureen Miller Brosnan, Commissioner
Vincent J. Brennan, Commissioner
James S. Scalici, Commissioner
James R. Rosendall, Commissioner

Also Present: Kirk Steudle, Director
Leon Hank, Chief Administrative Officer
Larry Tibbits, Chief Operations Officer
Frank E. Kelley, Commission Advisor
Marneta Griffin, Executive Assistant
Jerry Jones, Commission Auditor, Office of Commission Audit
David Brickey, Attorney General's Office, Transportation Division
Brenda O'Brien, Engineer of C&T, Highway Delivery
John Polasek, Bureau Director, Highway Development
Myron Frierson, Bureau Director, Finance and Administration
Bill Shreck, Director, Office of Communications
Denise Jackson, Administrator, Statewide Planning
Ronald DeCook, Director, Office of Governmental Affairs
Rob Abent, Bureau Director, Aeronautics and Freight Services

Excused: Ted Wahby, Chair

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

Vice Chair Atkinson called the meeting to order at 9:00 a.m. in the Citizens Forum Room of the Lakeview Arena in Marquette, Michigan.

Vice Chair Atkinson acknowledged the absence of Chair Wahby who is recovering from surgery; therefore was unable to attend today's meeting.

Vice Chair Atkinson acknowledged Mr. David Brickey who is sitting in for Patrick Isom from the Attorney General's office for MDOT.

I. **COMMISSION BUSINESS**

Commission Minutes

Vice Chair Atkinson entertained a motion for approval of the minutes of the State Transportation Commission meeting of August 24, 2006.

Moved by Commissioner Brennan, with support from Commissioner Rosendall, to approve the minutes of the Commission meeting of August 24, 2006. Motion carried.

II. **DIRECTOR'S REPORT – DIRECTOR KIRK STEUDLE**

Director Steudle's presentation focused on:

Local Jobs Today

In March, the Governor called on state lawmakers (Senator Mike Prusi, District 38, being instrumental) to amend transportation funding law to allow the state to issue bonds for local transportation grants and loans. Less than three months later, she signed the legislation into law. (Public Acts 139 through 141 of 2006). The Local Jobs Today program is part of Governor Granholm's comprehensive economic plan to create jobs and grow Michigan's economy. The program marks the first time state dollars are being used to fund city and county transportation projects.

When Governor Granholm accelerated Jobs Today projects last year, we recognized that there were still unmet transportation needs, particularly with respect to our local road and transit systems. The Governor committed then to develop a state and local partnership that equitably met local transportation needs statewide and created more jobs. The goal is to help County Road Commissions and Municipalities obtain matching funds necessary to leverage Michigan's federal funds for construction of critical, federal-aid eligible local road and transit capital projects. The Local Jobs Today projects we announced July 25th fulfill that commitment.

The proposal has the potential to accelerate investment of nearly \$347 million in federal funds and create up to 7,100 jobs in 2006 and 2007. We are leveraging more than \$80 million dollars of state investment capacity to accelerate more than \$400 million in local transportation projects.

With the Local Jobs Today Project announcement, we are meeting our promise to work with local governments, the Legislature and transportation stakeholders by creating the opportunity to maximize available federal aid at the local level. As a result of this partnership, local governments and road agencies are able to accelerate critical road, bridge and transit projects, and together we will be creating thousands of jobs all over Michigan. County Road Commissions can continue submitting projects to the County Road Association of Michigan (CRAM) and cities and villages can continue submitting projects to the Michigan Municipal League (MML). We will announce the next round of projects later this year.

Governor Granholm views Michigan's transportation system just as the taxpayers do: they expect all of their roads to be in good condition, whether the road they travel is a city street, a county road or state highway. For the first time we are investing state transportation dollars to create jobs and make improvements to local roads that support the economic development efforts of Michigan cities and counties.

Total projects approved for CRAM and MML come to 207 (64 in FY 2006; 143 in FY 2007). There have been 55 high priority projects (HPP) approved (\$26,322,795 total HPP Jobs Today match; \$157,828,071 total HPP project cost).

Yesterday, as a part of the Local Jobs Today Program, we presented a check for \$195,750 to the City of Negaunee for reconstruction, streetscaping, and resurfacing on Croix Street from US-41 to Maas Street. The project's total cost is \$1,478,176.

Several check presentations will be held tomorrow:

City of Sault Ste. Marie—they will be receiving a check totaling \$632,931.00 for two projects: \$165,300 for the E. Spruce Street improvements which includes the complete reconstruction of the existing roadway. Spruce Street is a two-lane roadway, 32' wide face-to-face and includes a subbase, subbase underdrains, aggregate base, concrete curb and gutter installation, HMA paving, construction of a new enclosed storm sewer and drainage structures as necessary, restoration, pavement parking and traffic control; and \$467,631.00 for the Portage Avenue reconstruction of existing roadway and realignment of approximately 50% of the project length. Project is for a four-lane roadway, 52' wide face-to-face and includes subbase, subbase underdrains, aggregate base, concrete curb and gutter installation, HMA paving, construction of new enclosed storm sewer and drainage structures as necessary, restoration, pavement marking and traffic control.

Chippewa County Road Commission in Sault Ste., Marie—they will be receiving a check for \$324,808. This check will be used for the reconstruction of Tilson Road to all-season standards, including drainage improvements and new pavement.

Cheboygan County Road Commission—they will be receiving a check for \$232,580.00 for reconstruction of F-05 Black River Road.

Today, we will be presenting to the Marquette County Road Commission a check for \$195,750.00 for the realignment of County Road 492 (Wright Street). The Upper Peninsula will be receiving a total of \$1,260,489 of Local Jobs Today checks this week which will help generate 137 jobs.

Director Steudle called on Senator Prusi for remarks.

Senator Prusi thanked everyone (other lawmakers, Governor's office, department officials, etc.) for their contributions toward making this happen.

Director Steudle presented the \$195,750.00 check to the Marquette County Road Commission (present were Robert L. Pecotte, Chair; Darryll L. Sundberg, Vice Chair; James Iwanicki, Manager; and Ray Adamini, Township Supervisor) for the Governor's Local Jobs Today Program.

Director Steudle turned the report over the Ms. Denise Jackson, Administrator of Statewide Planning.

Fiscal Year 2006 Accomplishments

The FY 2006 Program was the largest to date. Program investments total more than \$1.9 billion (\$1.51 billion was invested in the highway program; \$402 million invested in the Multi-Modal Program; \$109 million was invested in Preserve First (7% of the highway program); and initiation of the Jobs Today Program (\$163 million, 40% authorized in FY 2006) and will continue on into FY 2007).

Effective and Inclusive Government

Included the Local Jobs Today Program (\$44 million approved in 2006); Vehicle Infrastructure Integration (VII) testing and development between the USDOT and automobile industry; legislative briefings and listening sessions on the Five Year Program; initiation of the State Long Range Plan update to 2030; Construction Quality Partnership (CQP) (CQP charter was signed at the April 26th meeting of the STC—includes MDOT, American Council of Engineering Companies of Michigan, APAM, CRAM, FHWA, MCPA, MITA, and MRPA; local partnering (i.e., M-26 through South Range, Houghton County); and Super Bowl XL (licensed and inspected extra motor coaches to handle added demand; developed a Comprehensive Traffic Management Plan).

Safety of the Transportation System

Providing a safe transportation system continues to be a major focus of the department. MDOT developed a Comprehensive Infrastructure Security Plan that was coordinated with the Homeland Security Protection Board. This plan is actually a compilation of several security plans.

Governor Granholm endorsed the Strategic Highway Safety Plan. The Plan's goal is to reduce fatalities on all Michigan roadways to 1 per 100 million vehicle miles traveled using a Comprehensive Highway Safety Program, and a Local Safety Initiative to address local road safety.

Safety belt usage increased in Michigan to 94%. To promote the safety and protection of workers and motorists, "Where Workers Present 45" signs were installed in work zones. We are also promoting Transit Driver Safety. MDOT provided the federal funds to allow the Michigan drivers to participate in the national competition, where they finished in 2nd place. MDOT also conducted snow plow driver safety courses.

Funding was granted for 36 improvement projects and 3 closure projects associated with the local grade crossing program. Pilot Safety Seminars were conducted throughout the state to provide recurrent training for pilots on issues designed to help pilots improve their skills, enhance their knowledge, and prevent accidents. Ten Air Service Program grants were implemented during the year from a Call for Projects that emphasized safety and security. Projects that increased communications also received priority. Projects were implemented in the following communities: Alpena, Escanaba, Flint, Houghton, Iron Mountain, Lansing, Muskegon, Pellston, and Sault Ste. Marie.

Air Quality, Operations and Protecting Natural Resources

We continue to update technology and expand ITS operations. Courtesy Patrol expanded to 24/7 coverage assisting 27,000 motorists a year; the MichiVan Program grows (number of vanpools increased 45%); carpool usage increased 8%; “Environmentally Friendly” Transit Facilities were opened (i.e., BATA), and Transit Buses will be put into operation (i.e., CATA took delivery on three electric hybrids).

Economic Development Opportunities

A \$1.51 billion dollar highway capital program investment supported over 27,000 jobs throughout Michigan in 2006. The Economic Development Office provided over \$72 million to build commercial routes, relieve congestion, bring forest products to market and generate private investment and job creation—over 7,300 jobs were created or retained through Category A investment.

Highway Program

MDOT announced 232 projects and awarded 210. This equates to a 91% delivery rate of the announced Road and Bridge projects. In addition, Jobs Today added 78 new projects to the FY 2006 program. MDOT announced 232 projects, but delivered 288 projects. Approximately 480 miles of roadway were rehabilitated or reconstructed, and over 250 bridges were improved. Approximately 1,800 miles were repaired under the CPM program. At the end of 2006 we are projected to be at: highway-89% good, and bridge-85% good.

Through the Capacity Improvement Program (CIP) MDOT awarded 4 Improvements. No New Roads projects were scheduled as part of FY 2006. Major CIP projects include: M-24 (Pratt Road to south of I-69 in Lapeer County); I-696 at Franklin Road in Oakland County; I-94 (US-131 to Oakland in Kalamazoo County—added to FY 2006 with assistance from a SAFETEA-LU earmark); and I-94 at Baker Road in Washtenaw County (added with Jobs Today funding).

Enhancement Program: Over \$30 million was committed to trunkline and local enhancement projects in 52 communities (31 miles of roadway streetscape were improved, 105 miles of pedestrian/bicyclist facilities were created, 2 roadside parks were refurbished, and 2 historic transportation buildings were preserved).

Rest Area Program: \$8.3 million was invested in 9 rest areas, including 3 new rest areas; MDOT and Master Gardener’s partner to promote horticultural education and beautify rest areas and welcome centers across Michigan; Michigan became the first state to incorporate Universally Accessible Playgrounds into the Rest Area Program.

Aviation, Bus, Marine/Port and Rail Programs

MDOT contracted for 208 Airport Improvement projects were contracted in FY 2006; 61% of eligible airports achieved all-weather accessibility (all 37 state owned AWOS stations received maintenance in FY 2006); grants for Airport Awareness continued at \$25,000/airport; and an extensive update of the Five Year Air Service Forecast was completed.

MDOT continued to preserve existing transit services by issuing \$163 million for local bus operating assistance to 78 transit agencies, \$3.6 million for special services to 40 agencies, and \$120 million in federal transit infrastructure funds leveraged with CTF and toll credits to fulfill local match requirements.

Additionally, MDOT continued to improve and preserve Michigan's Rail infrastructure by investing \$2.6 million through the Michigan Rail Loan Assistance Program (MiRLAP) (4 projects were financed). The Freight Economic Development Program financed four loan/grants, investing nearly \$1.1 million for construction and to rehab siding track to provide rail access. Of the state-owned rail system 13.2 miles of track, 10 crossings and 6 culverts were rehabilitated. Through July, 2006 all Michigan rail passenger revenue was up 15% as compared to last year.

Fiscal Year 2007 Program

MDOT's FY 2007 Transportation Program provides for balanced and comprehensive investments to support and grow Michigan's economy and protect quality of life. It is an inclusive program that improves air quality and protects natural resources while supporting job creation and economic growth. This program continues to emphasize preservation of the transportation system and provides safe mobility to motorists. More than \$1 billion will be invested to preserve and maintain roads and bridges. Significant portions of the Aviation and Transit programs are dedicated to existing infrastructure. We will plan to implement a comprehensive highway safety program building upon what has been accomplished in 2006.

Total 2007 budget is nearly \$2.1 billion (highway, \$1.624 billion; bus, marine, rail, \$311 million; and aviation, \$162 million). These investments will positively influence Michigan's economy through job creation and economic development.

Highway Program Investment Plan

The FY 2007 Highway Capital and Maintenance Program will total more than \$1.624 billion (repair and rebuild roads, \$624 million; repair and rebuild bridges, \$180 million; capacity improvements/new roads, \$310 million; safety, \$66 million; congestion mitigation and air quality, \$36 million; ITS, \$12 million; other, \$123 million; and routine maintenance, \$275 million). This includes all phases of work – scoping, environmental clearance, design, ROW acquisitions, and construction.

Multi-Modal Investment Plan

This plan will total \$473 million. It is broken down between Aviation at \$162 million (Airport Improvement Program, \$161 million; air service and all weather access, \$1 million); and bus, marine, rail at \$311 million (local transit, \$279 million; intercity bus, \$9 million; marine and port, \$.4 million; and rail passenger/freight service and safety, \$22 million).

Preserving the System

MDOT will continue to preserve airport system infrastructure through capital replacement/rehabilitation, invest up to \$20 million to maintain and preserve rail infrastructure, continue to provide capital support to eligible authorities for public ferry

operations, and continue providing local bus transit operating assistance. The Department will sustain and expand transit services in small urban and rural areas using SAFETEA-LU funds aimed at the needs of targeted populations by implementing two new federal programs: New Freedom Initiative, and Job Access/Reverse Commute, as well as utilize state and federal funds to maintain intercity bus service.

Preserving and maintaining roads and bridges accounts for \$1.08 billion of the Highway Program (more than 535 miles of improved roads, over 245 bridges repaired, and managing 1,450 miles of good/fair roads with CPM Program). MDOT continues the Preserve First Initiative (final year of this program; began in 2003) with this Program. Preserve First funding represents 11% of the Highway Program in 2007. The Department will continue to implement the Jobs Today Program (final year of this program; began in 2006) (\$358 million, representing 22% of the Highway program will come from Jobs Today), and \$237 million for safety, CMAQ, ITS, TEDF, Enhancement and other state and federal programs.

Providing a Safe Transportation System

Providing a safe and secure transportation system is one of the key elements of the FY2007 Transportation program. Approximately 60 railroad grade crossing safety improvements will be made through the Local Grade Crossing Program. Efforts will also be continued to improve safety through the Comprehensive Safety Program (increased from \$63 million in 2006 to \$66 million in 2007). Further implementation of the All Weather Airport Access Program will be made as well. This program enables airports to be accessible to pilots during inclement weather conditions. Some of the systems that are involved in this program are: using GPS technologies, Ground Communications Outlets that provide pilots with direct communication links to air traffic facilities, and providing real-time, accurate weather information to pilots and the aviation community through the Automated Weather Observation System (AWOS).

Expanding the System

The Transportation Economic Development Fund (or TEDF Program) supports economic development opportunities throughout Michigan. TEDF investments will support Michigan's target industries and help relieve urban congestion.

The Michigan Rail Loan Assistance Program operates as a revolving fund and is designed to help preserve and improve Michigan's rail freight infrastructure by awarding non-interest bearing loans to fund eligible rail infrastructure improvement projects.

The Highway Capacity Improvements and New Roads Program is a \$310 million Program aimed at relieving congestion. The Major Highway Projects to be let to contract in 2007 include: I-96 at Chicago Drive, Kent County; I-75 Ambassador Gateway, Wayne County; M-59 from I-96 to Michigan Avenue, Livingston County; I-696 at Franklin Road, Oakland County.

The Fiscal Year 2007 Transportation Program implements the strategy approved in January as part of the Five Year Program. The draft 2007-2011 Five Year Program will be presented at the November Commission meeting.

Ms. Jackson asked for questions; none were forthcoming.

III. **RESOLUTIONS**

Resolution of the State Transportation Commission of the State of Michigan Intending to Amend the 2004 Bond Issue List Attached to a Previously Adopted Commission Resolution – Myron Frierson

At the State Transportation Commission Meeting on July 27, 2006, the Commission approved a resolution entitled “Resolution of the State Transportation Commission of the State of Michigan Indicating the Intention of the State Transportation Commission to Amend the Project List Attached to a Previously Adopted Commission Resolution.” The amended project list is for projects to be funded in whole or in part from the proceeds of the department’s State Trunk Line Fund Bonds, Series 2004 and 2006. The revised project list provides funding for up to \$80 million in grants to local units of governments for Local Jobs Today projects. The revised total for the project list is now \$664,992,155. This resolution finalizes the addition of the \$80 Million Local Jobs Today Program to the project list.

Mr. Frierson asked for questions and roll call vote approval of this resolution.

No questions were forthcoming.

Vice Chair Atkinson entertained a motion to approve the Resolution Intending to Amend the 2004 Bond Issue List Attached to a Previously Adopted Commission Resolution. Motion was made by Commissioner Brosnan and supported by Commissioner Brennan to approve the resolution. Mr. Kelley called the roll; all answers were affirmative. Motion carried on a unanimous roll call vote.

Resolution of the State Transportation Commission of the State of Michigan Intending to Amend the Build Michigan III Project List Attached to a Previously Adopted Commission Resolution – Myron Frierson

At the State Transportation Commission Meeting on July 27, 2006, the Commission approved a resolution entitled “Resolution of the State Transportation Commission of the State of Michigan Indicating the Intention of the State Transportation Commission to Amend the Project List Attached to a Previously Adopted Commission Resolution.” The amended project list is for projects to be funded in whole or in part from the proceeds of the department’s State Trunk Line Fund Bonds, Series 2001. The revised project list provides additional funding options for expending remaining bond proceeds. This resolution finalizes the changes to the project list. Exhibit X contains the revised project list.

Mr. Frierson asked for questions and roll call vote approval of this resolution.

No questions were forthcoming.

Vice Chair Atkinson entertained a motion to approve the Resolution Intending to Amend the Build Michigan III Project List Attached to a Previously Adopted Commission

Resolution. Motion was made by Commissioner Brennan 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 of the State Transportation Commission of the State of Michigan Intending to Amend the Jobs Today Project List Attached to a Previously Adopted Commission Resolution – Myron Frierson

At the State Transportation Commission Meeting on July 27, 2006, the Commission approved a resolution entitled “Resolution of the State Transportation Commission of the State of Michigan Indicating the Intention of the State Transportation Commission to Amend the Project List Attached to a Previously Adopted Commission Resolution.” The amended project list is for projects to be funded in whole or in part from the proceeds of a future State Trunk Line fund bonds.

The Commission approved a resolution at its January 26, 2006 meeting authorizing the department to issue \$630 million in bonds to meet funding needs for Jobs Today Program and program changes due to federal aid reauthorization. The revised project list contains changes in project cost estimates and funding for short-term loans to support the local Jobs Today Program. This resolution finalizes the changes to the project list. Exhibit Y contains the revised project list.

Mr. Frierson asked for questions and roll call vote approval of this resolution.

No questions were forthcoming.

Vice Chair Atkinson entertained a motion to approve the Resolution Intending to Amend the Jobs Today Project List Attached to a Previously Adopted Commission Resolution. Motion was made by Commissioner Brosnan and supported by Commissioner Scalici to approve the resolution. Mr. Kelley called the roll; all answers were affirmative. Motion carried on a unanimous roll call vote.

IV. **OVERSIGHT**

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

Mr. Frierson stated that information on 50 projects and agreements were given for review.

Correction was made to Item 3 (Retroactive Contract 2005-5381 between MDOT and the Road Commission for Oakland County), line 3—“The purpose of this agreement...was authorized in **2005**”, not 2001.

Items 18-21 are Jobs Today Loans to local units of government that were mentioned in the resolutions above. Periodically these agreements will come before the Commission.

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

No questions were forthcoming.

Vice Chair Atkinson entertained a motion. Motion was made by Commissioner Brennan 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 re-cap of the September 2006 bid letting activities: 43 State projects with total engineers' estimates of \$103.8 million were let; low bids announced on these projects totaled \$100.1 million. The average low bid of all 43 State projects is \$2.3 million (one of these items had the low bid of \$49.9 million—nearly half of the total low bids for the letting). The average low bid for the remaining 42 items was \$1.2 million. Of the low bids announced, seven items with low bids totaling \$15.3 million have yet to be determined. Nine items with total low bids of \$66.8 million had warranties.

It was estimated that 426 state projects with construction costs totaling \$1,106.8 million would be let during the 2006 fiscal year. For the entire fiscal year, 476 items with engineers' estimates of \$997.1 million have been let with low bids totaling \$956.2 million; 90.1% of the total dollar amount projected to be let in 2006 was let. There were 491 items let through fiscal year 2006 with low bids totaling \$894.6 million.

The total number of bids submitted for this letting was 360, of which 215 were submitted for state projects. There was an average of 5.8 bids submitted for each item that was let, and an average of 5.0 bids for each state item. Of the 413 contractors eligible to submit bids using Bid Express, 135 submitted bids for this letting.

There are currently 41 state items with engineers' estimates totaling \$102.0 million scheduled to be let on October 6, 2006; 22 of these items have warranties. In addition to these state items, six of the nineteen local agency items scheduled to be let include projects in the "Jobs Today Jobs Tomorrow" program.

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

No questions were forthcoming.

Vice Chair Atkinson entertained a motion. Motion was made by Commissioner Brosnan and supported by Commissioner Scalici to approve the October bid letting. Motion carried on a unanimous voice vote.

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

Mr. Polasek reported on 10 items (1 low bid rejection, 7 State, 2 Local) that were 10% over the estimates which are accompanied by justification memos. Many of these project justifications are due to hot mix asphalt prices and it is felt that they will be constructed in the 2007 season. Some of the increase that is shown is due to the uncertainty of what the asphalt prices will be in the spring. Pending any questions, Mr. Polasek asked for approval of Exhibit A-2.

No questions were forthcoming.

Vice Chair Atkinson entertained a motion. Motion was made by Commissioner Brennan and supported by Commissioner Rosendall to approve Exhibit A-2. Motion carried on a unanimous voice vote.

Contract Adjustments (Exhibit B) – Brenda O’Brien

Ms. O’Brien has 7 MDOT projects (6 extras; 1 overrun), before the Commission.

Attention was drawn to Extra Item 2006-136 for \$686,000.00 (13.21 miles of rubblizing and resurfacing...in Arenac and Ogemaw Counties). The typical cross-section in the plans showed superelevation corrections to be done, however we inadvertently did not show a pay item to compensate the contractor for that work. The contractor was required to bring in quite a quantity of aggregate material in order to build up that superelevation and build a wedge to bring it to the proper crossload.

Attention was also drawn to Overrun Item 2006-36 for (6.35 miles of concrete pavement repairs, shoulder...in Macomb County). The existing pavement was found to be in worse condition than anticipated during the scoping and design phase. The extent and depth of deterioration at most of the pavement joints was such that the planned joint repair method was not effective, therefore full depth concrete joint repairs were used. There will be a corresponding decrease (estimated at \$343,000.00) at a future time on this project.

Pending any questions, Ms. O’Brien asked for approval of Exhibit B.

No questions were forthcoming.

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

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

This report provides the details on audits of contract projects that have been outstanding over 120 days since being issued. This report contains 17 audits, with approximately \$866,000 in net recommended adjustments. As the report comments indicate, the Department is working with the audited entities and our Office to address the audits and close them out.

Mr. Jones recommended that the Commission accept this report and asked for questions; none were forthcoming.

Mr. Jones then called on Commissioner Brosnan for her response.

Commissioner Brosnan stated that she has reviewed the report along with the Department’s response, and recommends that the Commission accept the report.

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

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

This report reflects the status of the Department's actions to implement the recommendations covered in the reports as of June, 2006. This report reflects two outstanding Internal Audits, and as you can see from the current responses, the Department is continuing to work on implementing the report recommendations.

Mr. Jones recommended that the Commission accept this report and asked for questions; none were forthcoming.

Mr. Jones then called on Commissioner Brosnan for her response.

Commissioner Brosnan stated that she has reviewed the report along with the Department's response, and recommends that the Commission accept the report.

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

V. **REGION AND LOCAL PRESENTATIONS**

Region Update – Randy Van Portfliet, Region Engineer, MDOT Superior Region

Mr. Van Portfliet introduced members of his staff: Mike Premo, Crystal Falls TSC Manager; Jack Bedard, Associate Development Engineer; Ray Roberts, Region Operations Engineer; Vince Bevins, Region Planner; James Lake, Region Communications Rep; Deb Leisner, Finance Analyst; Andy Sikkema, Ishpeming TSC Manager. Mr. Van Portfliet thanked Mr. Sikkema and Marion Johnson for their work in coordinating the arrangements and activities on yesterday.

In the Superior Region's 2006 Construction Program, 321 miles were improved at a total cost of \$67 million. During the 2007 Construction Program they are looking at improving 223 miles at a total cost of \$45 million. Comparing the Statewide goals to Superior Region goals, by 2007 the Superior Region will be 98.5% good on freeways (Statewide 95%), and 95% good on non-freeway (Statewide 85%).

Special Initiative and Legislative Project Updates

High Priority Projects (HPP): Superior Region's only HPP project is I-75 grade lift from M-134 to the Chippewa/Mackinac County Line; a two year project with construction beginning 2006; Project Description: grade lift, carpool lot improvements at M-123 & Mackinac Trail, high quality pavement markings, sign upgrades.

Supplemental Bill Projects: US-41 pedestrian crossing at Michigan Technological University; M-28 along Teal Lake in Negaunee; and I-75 Business Loop in Sault Ste. Marie. All projects are programmed and in the design phase. MDOT is assisting MTU with the pedestrian crossing.

Jobs Today Initiative Projects (MDOT): 15 projects covered 242 lane miles, \$17.5 million invested. All projects are programmed and will be constructed in the 2006 construction season.

Jobs Today Initiative Projects (LOCAL): Statewide—the Jobs Today Initiative granted \$44 million which leveraged over \$279 million; the Superior Region was awarded over \$7 million to leverage \$40 million in local projects (56 projects); currently 90% are programmed; MDOT is available to assist in any way.

Maintenance: Plowing Roads and More—Andy Sikkema

Wing Plows reduce equipment and labor hours, increase level of service, and extend crew capabilities. Pre-wetting reduces salt usage, clears roads, is environmentally friendly, and keeps costs low.

Vice Chair Atkinson asked how long was the winter season that they had to plan for.

Mr. Sikkema answered that they go on 24-hour winter shifts from October 15th to April 30th when standard daytime shifts are again implemented.

Roadside park enhancements include solar wells, which are reliable, sanitary, and better accepted by the public. We are partnering with the community to utilize tourist orientation signs. These increase tourist appreciation of the area, and are an economic benefit to the community. The Keweenaw Parks (one of the main attractions) context sensitive master planning will involve stakeholder involvement in order to preserve important park features, and to be able to increase this as an economic benefit to the community.

Vice Chair Atkinson asked if these are parks that are accessible year round.

Mr. Sikkema answered yes. Some of them are plowed but for the most part they are not open in the winter when you have 360 inches of snow.

Superior Region Asset Management (5 projects)—Vince Bevins

Snowmobile Trail Crossing Inventory Project: Region maintains 107 snowmobile trail crossings along MDOT highways; these are official MDNR trails crossing state trunklines; has an annual repair program of \$125,000. The project scope was to locate and inventory all official DNR snowmobile trail crossings located on MDOT trunklines, assign an index number, create a uniform permitting process for DNR Trail Groomer, and overlay with future R&R and CPM projects.

Roadside Facility Inventory Project: Started in 2006; idea was to locate and inventory all roadside parks, rest areas, table sites and welcome centers. Will serve as a foundation for future needs analysis, and generate a map, indexed to the existing statewide database.

Passing Relief Lane Program: One of the more successful programs; currently 52 passing relief lanes; 4 constructed in 2005; 8 more planned through 2008.

Truck Safety Turnout Program: Working with the Governor's Marquette office and the Timberman's Association to help plan for future locations; 23 turnouts region-wide; 9 planned for the future; are essential for the commercial traffic and the motoring public tourist.

Highway Access: If you plan for your access along your roadway, you can actually increase your capacity and safety. We are able to do this through a comprehensive corridor access management plan, by accessing management zoning ordinances for each local government, and the creation of a coordinated site plan review process between MDOT and the local road agencies.

M-64 Bridge Over the Ontonagon River—Mike Premo

There were operational problems with an existing swing bridge that was constructed in 1939. This bridge pivots on a center span. At times it would not open or close due to swelling in hot summer weather. This was the last swing-span structure built by the Michigan State Highway Department. In 1990 we began looking at alternatives regarding replacing the swing bridge.

The new bridge has been constructed. One of the issue with the existing location of the bridge is that it's between the marina and Lake Superior. One of the options involved moving the marina on the other side of the swing bridge and putting in a fixed span bridge. Eighty percent of the community wanted a bridge that was upstream, or to the south of the marina and the railroad bridge. They wanted to get the truck traffic out of downtown away from the elementary school. The bridge itself goes over E&LS Railroad, over the Ontonagon River and over River Road. Seven families had to be relocated, which is fairly significant in a small community.

Partners and resource agencies involved in this project are: Village of Ontonagon, MEDC, FHWA, DNR, DEQ, U.S. Coast Guard, Army Corps of Engineers, SHPO – Historic Structures, Archeological Dig, Smurfit-Stone Container Corporation, and E&LS Railroad.

A dedication ceremony was held on September 2nd. It was attended by MDOT Director Kirk Steudle, MDOT representatives, local, state and federal dignitaries, and nearly 500 members of the public.

No questions were forthcoming.

US-41/M-28 Corridor Management Team – Dennis Stachewicz, Chocolay Township Planner

The Management Team is an advisory group consisting of access management minded individuals functioning as a regional planning group. Having been active for nearly 5 years meeting on a monthly basis, it consists of 9 members including: local officials, road commission, planning commission, and MDOT staff.

Major functions include reviewing development plans for commercial and multi-family developments within the corridor, working with law enforcement agencies to share information and coordinate safety efforts, and ensuring that access management techniques are implemented in all MDOT and private projects within the corridor. We have made significant improvements along the corridor in both re-construction and new construction.

Accomplishments include 20 driveway closures, 2 road closures, 6 intersection improvements, 3 driveway realignments, reviewed 44 developments, zoning ordinances (6) communities, and new quality partnerships with regional cooperation of transit, law enforcement, and local officials.

We are looking forward to continue working with communities to implement MDOT and Corridor Management Plan visions: Chocolay Township Corridor Enhancement Grant Application; MARQTRAN planning initiatives to foster multi-modal use of the corridor. We also plan to continue regional planning and cooperation.

No questions were forthcoming.

Heritage Trail Project – Carol Flusher, Manager, Lake Superior Community Partnership

The vision of the Iron Ore Heritage Area will establish a series of multi-use routes connecting our communities' most populated areas, while preserving and telling the story of Marquette County's rich mining heritage. The routes will be designed for two-way use with access points for a variety of user groups, including walkers, runners, hikers, horseback riders, nature enthusiasts, bicyclists, cross country skiers, snowshoers, snowmobilers, and automobiles.

DNR purchased Chocolay to Munising grade for east/west snowmobile corridor. The City of Marquette has linear corridor going through town. DNR owns from Holiday Inn to Baghdad Junction with plans to go to M-35. The City of Ishpeming and Negaunee purchased mining property between two towns with old railroad corridors. DNR owns from southwest Ishpeming to Humboldt and now has Humboldt to Republic.

Goals of this project include: provide safe transportation corridors for non-motorized and motorized users, preservation of iron mining heritage, opportunities for governmental units to work on a common goal for the benefit of all, compatible economic development, provide recreational resources (provide a more active and healthy community), and community asset (connects communities and provides opportunities for residents to actually visit with each other).

No questions were forthcoming.

County Road Issues – Chuck Erickson, Commissioner, Dickinson County Road Commission (DCRC)

Mr. Erickson thanked MDOT and legislative officials for the way they have worked with them in expediting the Jobs Today projects. They applied for six projects they were eligible for federal aid on, and were granted all six. On August 17th Governor Granholm presented a check to the DCRC for \$477,188.00.

These funds will provide a local match for six federal aid projects, and expedite the release of federal aid funds in the amount of \$4,609,489.00. This will generate over \$5 million worth of construction work the county road system over the next couple years. All projects will be put on all-season routes.

Mr. Erickson stated that the one “irksome” issue he has is when the “deer watchers” call in May wanting to know why we don’t cut the roadsides back on the trunklines. There are a lot of car-deer accidents in Dickinson County due in part to the roads not being cut back far enough—2 passes is not enough. Mr. Erickson would like to see more funding in the Superior Region for improvements on roadside mowing.

Mr. Erickson further commended MDOT on the passing lanes.

Vice Chair Atkinson asked Mr. Erickson what the population of Dickinson County is.

Mr. Erickson answered 27,000.

Vice Chair Atkinson stated that Dickinson County is the second smallest county in the State. It is a border county with three bridges connecting us to Wisconsin. It has two large industrial cities, paper mills, mines, quarries, and a large tourism business.

No other questions were forthcoming.

Airport Issues – Keith Kaspari, Manager, Sawyer International Airport (SIA)

Here in Marquette County, we believe that Sawyer Airport is quite special. Since the Air Force Base closed in 1995, Marquette County has been very fortunate to receive a great deal of both Federal and State funding, allowing County leadership to begin many critical projects and facility improvements to develop the former K.I. Sawyer Air Force Base, to what I believe to be the Regional Airport for the Greater Upper Peninsula.

Since September 1999, when Marquette County relocated to Sawyer from Negaunee Township, Sawyer has undergone many capital development projects that will over time provide the County the ability to continue the recruitment of aviation-based companies. American Eagle Airlines is an excellent example of the type of aviation tenants that we would like to continue to recruit to the area.

Both MDOT and the Federal Government have been key participants to remain on target for the continued growth of the airport.

Key Programs and Operations

Annual FAA Entitlement Funding: Continue to support entitlement funding at the fully authorized level (\$1M for Marquette County). Marquette County is heavily reliant on both Entitlement and Discretionary funding for the continuation of Sawyer’s Capital Development Projects.

FAA’s Military Airports Program (MAP): Provide support for Marquette County’s next application for MAP funding for Federal Fiscal Years 2007, 2008 and 2009. This program allows Marquette County to continue hangar renovations, parking lot improvements, and other facility enhancements to generate needed revenues for the continued operation of the airport.

Grant Match for Airport Capital Development Program (ACDP): Continue the funding support at 2.50% State of Michigan grant match for Sawyer's Capital Development Projects.

Continued Financial Support of MDOT's Air Service Grant Programs: The Airport Awareness Grant program provides necessary funding for the marketing and advertising of air service to the local community; the Air Carrier Recruitment and Retention program to assist small communities to retain and enhance commercial service to their hub airports; the Airport Capital Equipment program assists small airports with the purchase of minor capital equipment purchases (i.e. aviation radios, plowblades, etc.).

FAA's Federal Contract Air Traffic Control Tower Program: Marquette County requests support for the continuation of the FAA's Contract Air Traffic Control Tower Program. Sawyer is one of four airports in the State in the Contract Tower Program, yet Sawyer is the only one of the four in the Cost-Share program. Sawyer Airport has the only operational air traffic control tower in the Upper Peninsula. Sawyer would not be able to continue to operate the tower without this funding.

FAA Radar: Continued support to operate the FAA radar unit located at the former military command facility, locally referred to as the SAGE Building. Without this radar there is a radar gap in the Northern border with Canada. This radar also provides coverage from the ground level to an approximate elevation of 5,000 feet. No other radar is able to provide that for Sawyer.

Broader Issues For Future Growth And Development

U.S. Customs Office: Marquette County requests support for the return of a U.S. Customs Office. Without a U.S. Customs office in Marquette County, it makes it very difficult for County leadership to market Sawyer to air cargo airlines and heavy freight forwarders. A U.S. Customs Office would also support the iron ore industry and other raw materials moved by shipping on the Great Lakes, and by rail.

Homeland Security Northern Border Patrol: The former military base is strategically located on the Northern Border with Canada. Runway, facilities and existing infrastructure are well suited for the operations of the Northern Border Patrol as well as other homeland security functions.

Deep Water Ports and a North/South Highway Corridor: Enhancements of the current water ports and a north/south highway corridor will position the airport and the region for future growth and development.

Roadway Directional Signage: Provide support for the County to work with the Ishpeming TSC to allow for the installation of additional roadway signage to direct passenger traffic to Sawyer from locations throughout Marquette County and the Upper Peninsula.

Sawyer's Numbers During 2006

Sawyer is currently on pace to surpass 2005's record number of 115,543 total passengers, an increase of 30% since relocating from the former airport in Negaunee Township.

Of the Upper Peninsula's 149,000 total passengers through August, Sawyer accounts for nearly 90,000, or approximately 60.37% of the total traffic carried.

With three months remaining in 2006 as we approach October, Sawyer has exceeded the total number of passengers carried during entire calendar year of 2000 – Sawyer's first full year of service.

Through the month of August, Sawyer is one of only three commercial service airports in Michigan that are noting increases in passenger ridership, with Sawyer up approximately 15.4% through the month of August (the other two airports are Houghton and Manistee).

American Eagle Airlines, with service to Green Bay, Madison and Chicago, are noting record increases in passenger traffic – with outbound passengers up by approximately 35%, and inbound passengers up by nearly 40%.

Mesaba Airlines, with service to both Detroit and Minneapolis/St. Paul, are noting passenger increases on average of 15%.

Midwest Connect/Skyway Airlines provides service to Milwaukee.

For the first time ever during the months of July and August, Sawyer surpassed 13,000+ passengers.

In Summary

Sawyer International Airport is well positioned for growth in all aviation segments, to include: passenger service, air cargo, general, corporate and sport aviation, education, industrial aircraft maintenance and flight training by military aircraft. Sawyer is the only airport in Michigan's Upper Peninsula that provides passengers a choice of more than one airline.

Vice Chair Atkinson asked how likely it is that SIA will be able to have direct air service from Marquette to Lansing.

Mr. Kaspari answered that, unfortunately, SIA lost their air service to Lansing last September via Milwaukee. Hopefully over time we will be able to restore that service. Certainly the Upper Peninsula merits and has a great deal of potential service to the State Capitol.

Vice Chair Atkinson stated that there is no way for the people in the Upper Peninsula to get to the Capitol of the State without going to another State to do so.

Mr. Kaspari responded that we do have service to Detroit, and of course Lansing has service to Detroit, but that's the round-about way of getting there; other than taking a 7-8 hour drive.

Mr. Kaspari further stated that SIA would like to work with the staff of the Ishpeming TSC to garner MDOT's support for the installation of additional roadway signage and directional signage in Marquette County to get people from other counties to Sawyer.

Vice Chair Atkinson stated that the route over CR-480 is a secret.

No other questions were forthcoming

County Road Issues – Jim Iwaniki, Manager, Marquette County Road Commission (MCRC)

The Jobs Today Program has really been a positive for all in Marquette County; 10 projects; \$3 million worth of construction; over a half million dollars of local match has been provided to them. This is important because Marquette County is looking at an \$800,000.00 short-fall in 2006 for its road issues.

Asset Management

There are 220 miles of paved county and primary roads; 51% of it is rated in poor/fail condition; 35% in fair condition; 14% in good/excellent condition. There are 406 local miles of paved road with 47% rated in poor/fail condition. Marquette County has 94 bridges they are responsible for; 25 are structurally deficient, and 27 are functionally obsolete. Their total road and bridge needs come to \$161 million to bring things up to a reasonable condition.

The MCRC would like to continue discussions with MDOT regarding the possible jurisdictional transfer of CR-480.

Another positive for the MCRC has been the Local Bridge Program.

Small Urban Funding Issues

This is a critical issue for the Road Commission to deal with. There are two small urban areas: Marquette small urban area, and the Ishpeming/Negaunee small urban area—these areas are growing the most. There are a lot of project needs in those areas, but because of the additional small urban areas in the State, we are no longer guaranteed a project every year.

Economic Development Issues

One thing that is lacking in the Program is for retail stores. People have to go to other towns or another State (Wisconsin) to do their shopping. Retail stores that are being built create economic development for the Upper Peninsula. Capturing those dollars will enable us to put road systems into the stores coming in.

Passing lanes have been a tremendous help in the U.P., however highway maintenance is sorely missing. Six months out of the year involves snow and ice removal. Businesses

are not attracted to the area when highway maintenance is lacking. Services are being reduced due to lack of staff—six years ago there were 96 employees at the Commission; now there are 69. Snow and ice removal are a part of safety and economic development.

No questions were forthcoming.

Vice Chair Atkinson interjected to introduce Ms. Stacy Welling, from the Governor's Northern Michigan office, and Ms. Kirsten Simmons, from the Governor's Lansing office. Vice Chair Atkinson thanked them for attending today's meeting.

Marquette and Alger County Non-Motorized Trails – Susan Brian, Executive Director, Noquemanon Trail Network

This is a 501(C)(3) non-profit organization, funding solely by memberships, private funding, etc. Their mission is to attain and sustain non-motorized trails throughout Marquette and Alger Counties. There are 10 trailheads that are accessible for cross-country skiers, hikers, and bikers, as well as the Hiawatha Water Trail.

Several events take place throughout the area: Superior Bike Fest (3-day event), Subaru Noquemanon Ski Marathon (4th largest ski marathon held in North America; brings in 1,500+ skiers every year), Oar-to-Shore Mountain Bike Race (summer event; 2,000+ people). Without the partnership with MDOT and the Road Commission, they would not be able to hold these events.

Recently they have started raising \$800,000.00 for the Forestville Trailhead Project, which is a lodge and trailhead facility. This will accommodate large scale events such as national cross-country skiing, and international competitions. Fifteen acres of land was donated for the facility which will consist of the lodge itself (5,000 sq. ft.), ski stadium (similar to the Salt Lake City Olympics' relay area), and a large parking area.

One of the critical issues is access to getting to the trailhead. There are some roadways and bridges that need improvement to give the people that come to the area a better experience.

No questions were forthcoming.

VI. **PUBLIC COMMENTS**

Vice Chair Atkinson asked if any member of the audience wanted to address the Commission.

Mr. Bob Struck, Executive Director of UPEMS, and Marquette County Commissioner, thanked the Commission and MDOT for taking the time to come to the U.P. and for showing support of Marquette in the past. UPEMS is an organization that develops and supports emergency medical services throughout the U.P. and Northern Michigan.

Mr. Struck stressed the continued importance of partnering between all agencies. He further mentioned that a better access road from the south needs to be developed.

Commissioner Judy Nerat, Great Lakes Council and Menominee County Road Commission, welcomed and thanked the Commission and MDOT for coming to the area. She commended the staff for the work they have done on the passing lanes on 241 and M-35, which definitely helps the flow of traffic.

Mr. Steve Lindberg, State Representative candidate for the 109th District (replacing Representative Stephen Adamini), thanked the Commission and MDOT for coming to the area. Mr. Lindberg spoke of the passion that Representative Adamini has for transportation and economic development, and if successful, he will also continue in that vein.

No other comments were forthcoming.

Vice Chair Atkinson, on behalf of the Commission, thanked those not previously mentioned that helped to coordinate the events of yesterday and today: Craig Lambert, Marion Johnson, Merrie-Lynne Cherry (MDOT Chief Deputy Director's Office), Vanessa Blaxton and Jan Pohl (MDOT Director's Office), and Marneta Griffin (MDOT Commission Office).

Vice Chair Atkinson presented each Commissioner with a copy of a historical map of Marquette, which is on display at the Peter White Library.

Vice Chair Atkinson asked if any other Commissioner wanted to address the Commission.

None were forthcoming.

ADJOURNMENT

There being no further business to come before the Commission, Vice Chair Atkinson declared the meeting adjourned at 11:55 a.m.

The next full meeting of the Michigan State Transportation Commission will be held on October 26, 2006, in the Bureau of Aeronautics Auditorium in Lansing, Michigan, commencing at the hour of 9:00 a.m.

Frank E. Kelley
Commission Advisor