

Transportation Funding Task Force (TF2)

March 7, 2008

Minutes of the Meeting

Present: Senator Glenn Anderson, Representative Pam Byrnes, Cindy Elliott, Senator Jud Gilbert, Dennis Gillow, John James, Ann Jousma-Miller, Mike Nystrom, Roger Salo, Rich Studley, Peter Varga, L. Susan Zehnder

Absent: Representative Philip LaJoy

Director Kirk Stuedle of the Michigan Department of Transportation (MDOT) opened the meeting shortly after 9 a.m. with welcoming remarks. TF2 Members were asked to introduce themselves and describe their experience, which was diverse and extensive, across the group. Director Stuedle then asked the members of the Citizens Advisory Committee (CAC) who were in the audience to introduce themselves and note the organization they represent. Director Stuedle then introduced Tim Hoeffner, MDOT staff to the committee.

Mr. Hoeffner reviewed the legislative requirements of PA 221 and outlined the TF2's charge, which is to focus on funding alternatives until October 31, 2008, when the group's preliminary report is due.

Mr. Hoeffner asked for nominations for committee chairperson. Peter Varga nominated Rich Studley. Mike Nystrom seconded the nomination and suggested that Dennis Gillow act as co-chair. That recommendation was seconded by Ann Jousma-Miller. Ms. Miller then asked, if there were co-chairs, who would run the meeting. Senator Anderson suggested the co-chairs alternate between meetings. A voice vote was taken and the arrangement passed unanimously. Mr. Studley and Mr. Gillow both thanked the group for their confidence and support and expressed their conviction that the group would work together to complete this important effort.

Mr. Hoeffner respectfully requested of the new chairpersons that he continue with the presentation that had been prepared. They concurred.

Mr. Hoeffner described the work program for the TF2. The deadline for the TF2 preliminary report is October 31, 2008. He reviewed the schedule of meetings from now until October. He discussed the conduct of the meetings, in accordance with Michigan's Open Meetings Act, and asked that members attend in person. He apprised folks of the email address (MDOT-TF2@michigan.gov) and the website (www.michigan.gov/TF2) for this effort.

Mr. Nystrom congratulated Senator Gilbert as sponsor of the bill and remarked on how impressive it was that only two people from the more than 30 members of the TF2 and CAC were unable to attend today's meeting. He noted the short window in which the group will need to do a lot of work, and suggested that the work of the National Surface Transportation Policy and Revenue Commission could help inform their efforts. He also said he hoped the TF2 would be able to make preliminary recommendations throughout the summer, and make short-term as well as longer-term recommendations. He asked about the length of meetings, and Mr. Hoeffner

responded that they will be all day meetings, probably from 9 a.m. to 4 p.m., based on the group's preferences as indicated in the advance survey.

Rich Studley expressed his appreciation to the MDOT staff, and his support for holding TF2 meetings around the state. He said that public comment is very important to the process and suggested the group consider allowing public comment at the start of the meeting, so those who come to testify will not have to wait all day to be heard.

Mr. Studley also congratulated the lawmakers who worked on P.A. 221 and who serve on the TF2. He stressed the importance of the words "maximizing return on transportation investments" in the bill, and suggested a clear focus on impact on "economic activity and personal mobility" is spelled out in the law. He also emphasized the need to determine the cost of doing nothing. He encouraged the members of the CAC, as they proceed to examine transportation needs and revenues, to identify not just problems, but also solutions.

Peter Varga spoke up in support of public comment, both at the beginning and at the end of each meeting. He echoed Mr. Studley's sentiments, and stressed the need for a sustainable solution. He urged the group to create a plan for now and for the future, and cautioned that this is a challenge that may require two sets of solutions. Although there are problems today, he cautioned that if the group does not anticipate the future, there would be other, possibly worse, problems then.

Dennis Gillow remarked that the group also needs to provide some public education. He said that people understand that the roads are in bad shape, but they don't understand why. They don't necessarily realize the steep rising cost of steel, asphalt, or salt. They don't realize that there has not been an increase in the gas tax for 10 years. He noted that once the public understands the issues, they may be more comfortable supporting a revenue increase.

Senator Jud Gilbert suggested this is true of legislators as well. He said that legislative members don't universally understand the big picture of transportation in all its modes and how transportation contributes to the economy. He cautioned that whatever recommendations the TF2 puts forth, they will need to be promoted in the Legislature, and there may be education needed there as well.

Senator Glenn Anderson also supported having public comment periods at both the beginning and end of TF2 meetings.

Mr. Hoeffner suggested starting each half of the all-day meetings with a public comment opportunity. He also noted that the group will be able to take public comments through the TF2 website and present those comments in their entirety or summarized as a part of each meeting. He noted that the group has an outstanding opportunity to shape transportation for now and long into the future.

Mr. Hoeffner then introduced Susan Mortel, Director of the Bureau of Transportation Planning at MDOT. Ms. Mortel made a presentation on the activities and recommendations of the previous Act 51 study committee in 1999-2000. She reviewed the context of the previous effort compared

to today's context. She reviewed the recommendations of the previous Act 51 study group, which were diverse, but placed a special emphasis on asset management.

Ms. Mortel then introduced Carmine Palombo, of SEMCOG, who is Chairman of the Asset Management Council. Mr. Palombo discussed how the previous Act 51 study committee's efforts were frustrated by a lack of data at the local level. He reviewed particulars about the Asset Management Council, and the progress that group has made in compiling data on the entire federal aid highway system in Michigan, including roads under jurisdiction of the cities and county road commissions. He stressed that one of the most important things about the Asset Management Council is that it has helped different road officials work together cooperatively instead of competitively, and that their consensus approach is a strong aspect of that cooperative relationship. He presented some of the data for the federal aid system, which showed that both road and bridge condition on the 47,000 mile system are deteriorating.

[NOTE: Both Ms. Mortel's and Mr. Palombo's presentations are available on the TF2 website: www.michigan.gov/TF2]

John James asked how Michigan is doing with regard to bringing home federal funds for transportation. Mr. Hoeffner noted that Michigan is what's called a donor state, and receives only about 92 percent of the federal transportation revenue that is collected here and sent to Washington, D.C.

Mr. Nystrom remarked upon the misunderstanding by the general public of asset management. He noted that the public believes "every fix is a 30 year fix" which is not the case; some highway work is intended to extend the life of the pavement by only a couple of years. Mr. Nystrom said that there needs to be better communication to help the public understand that, and noted with humor that this could be his first official recommendation.

Peter Varga pointed out that transit's rate of return for federal funding is much lower than that for highways, perhaps less than 50 percent. He stressed that the group needs to explore how to bring in federal investment for all modes.

Tim thanked Mr. Palombo and Ms. Mortel for their presentations and suggested a short break.

After the break, the TF2 members had a chance to respond to questions on a variety of topics with automated audience response technology. The questions were asked in order to sound the TF2 out on important issues related to transportation, and the results were interesting and varied. [For the questions and answers, please see the presentation on the website.]

TF2 and CAC members had some comments in response to specific slides. One surprising result was that so many of those surveyed felt that government had an obligation to provide mobility and access to health care, jobs and education. There were some questions about the truck data offered. Representative Pam Byrnes noted that safety did not rank high as the biggest future challenge for transportation because MDOT is doing its job, and people feel the system is safe.

Mr. Hoeffner then called the members' attention to two handouts highlighting criteria for a good set of recommendations. These include criteria from the previous Act 51 Transportation Funding Study Committee and from the National Surface Transportation Infrastructure Finance Commission. The purpose of these handouts was to prompt the TF2 members to start thinking about what they would like to deliver in terms of recommendations in October. The criteria will be revisited when the group gets closer to making recommendations, probably this summer.

Mr. Hoeffner then asked the chairpersons for their permission to send a letter to the CAC members, scheduling their first organizational meeting. Mr. Studley reiterated that it is very important to be true to the legislative intent, with a focus on supporting the economy and personal mobility. He asked that the letter be sent to the committee chairs for their approval before it is sent to the CAC members. Mr. Hoeffner noted, for the CAC members in the audience, that their first meeting will be on Thursday, March 20, from 2:30 p.m. to 4:30 p.m. in the Aeronautics Auditorium, the same room as today's TF2 meeting.

Mr. Hoeffner also noted that the Michigan Transportation Team fly-in to Washington, D.C. conflicts with the proposed May 19 TF2 meeting in Traverse City, so that location will be changed to allow for people's need to travel. He then asked the chairs if they had any additional remarks.

It was suggested that the April and May meeting agendas, on state and federal funding respectively, be combined in one meeting. Representative Byrnes expressed her support for that idea, noting that the TF2 should be more focused on creative problem-solving and future funding alternatives.

Mr. Studley also agreed, but noted that as part of that presentation it should be clear what alternative funding mechanisms are available under current federal law. He suggested the group consider what steps could be taken to stretch current dollars, and to encourage regional coordination and recognize those areas of the state where such efforts are already underway to increase efficiency and innovation. He also suggested the group try to learn as much as possible about what is going on in other states. He noted some information that had been included in Director Steudle's presentation in Mt. Pleasant a few weeks previously as an example.

Mr. Hoeffner noted, along those lines, that if anyone on the TF2 or CAC hears of something going on in another state that would make sense in Michigan, they should bring it to the attention of the group.

Senator Gilbert suggested that data on the economic impact of Local Jobs Today would be helpful information to include with regard to the economic impact of transportation investment.

Senator Anderson noted that the group should think in terms of businesses looking for employees who cannot get to jobs, and factor that kind of information into the TF2's recommendations. He felt that a lack of contact, early on, with the business community, was part of what took the DARTA effort off track.

Mr. Varga, following up on Senator Anderson's statement, noted that in all modes the business community has not been well surveyed to determine their transportation needs or the potential to leverage economic benefit between modes.

Bob Struck, a CAC member in the audience, expressed his appreciation for the spirit of cooperation and conscientiousness exhibited by the TF2 members. He stressed that transportation issues impact everything we do.

Roger Salo suggested it would be helpful to get background information on funding to the TF2 members in advance of the next meeting. He reminded the group that this effort is about funding for all modes, not just highways, and that to review all of it in one day would be a daunting task.

Mr. Hoeffner suggested the need for good, strong coffee at the April 21 meeting. Combining the two agendas will mean the group will get a review of the highlights of all types of funding, rather than an in-depth presentation, and that if they have more detailed questions as a result of that presentation, the follow-up responses could be presented as part of the May meeting.

Mr. Gillow then called for public comment.

Carolyn Kayne, President of Michigan Trails and Greenways Alliance (MTGA) Board spoke. She thanked the committee for their effort and noted the importance of trails to health, economic development, mobility, tourism, and increased property values. She noted there are many positive developments in the trail effort, including development of the Ionia to Greenville connector, a 120-mile trail which will be the 4th longest trail in the nation and a significant tourist draw. She asked the TF2 and the CAC to include MTGA in their process, and invite MTGA to their meetings. She specifically thanked Senator Gilbert for his work on trails.

There was no other public comment and the meeting adjourned at 11:52 a.m.

