

MINUTES
MICHIGAN STATE TRANSPORTATION COMMISSION MEETING
August 25, 2011
Traverse City, Michigan

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

Jerrold M. Jung, Chair
Ted B. Wahby, Vice Chair
Linda Miller Atkinson, Commissioner
Chuck F. Moser, Commissioner
Todd A. Wyett, Commissioner

Also Present:

Kirk T. Steudle, Director
Frank E. Raha, Commission Advisor
Amy Dickenson, Commission Executive Assistant
Jack Cotter, Commission Auditor, Office of Commission Audits
David Brickey, Attorney General's Office, Transportation Division
Mark Van Port Fleet, Bureau Administrator, Highway Development
Myron Frierson, Bureau Director, Finance and Administration
Brenda O'Brien, Pavement Operations Engineer, C&T
Bill Shreck, Public Outreach
Scott Thayer, North Region Engineer
Rise Rasch, Traverse City TSC
David Langhorst, MDOT North Region
Russ Jorgenson, Federal Highway Administration
Bill Hamilton, House Fiscal Agency
Kevin Klein, Cherry Capital Airport, Inc.
Julie Clark, TART Trails
James Bruckbauer, Michigan Land Use Institute
Russ Soyring, City of Traverse City
Heather Jamison, Grand Traverse County Road Commission
Wayne Schmidt, Michigan State Representative
David E. Nathan, Michigan State Representative
Paul Opsommer, Michigan State Representative
Mark McKellar, Grand Traverse County Road Commission
Patty O'Donnell, NWMCOG
Hans Voss, MCUI
Jim Johnson, Leelanau Co. Road Commission

Excused: James S. Scalici, Commissioner

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

Chair Jung called the meeting to order at 9:05 a.m. in the Haggerty Center Conference Room in Traverse City, Michigan.

Representative Wayne Schmidt welcomed those attending the meeting. He expressed his appreciation to the Transportation Commission for holding the August meeting in Traverse City. Representative Opsommer was introduced

Rise Rasch introduced local transportation partners that were present at the meeting. Those individuals included: Heather Jamison, Grand Traverse County Road Commission; Russ Soyering, City of Traverse City; and Mark McKeller, Grand Traverse County Road Commission; James Bruckbauer, Michigan Land Use institute; Julie Clark, TART Trails; Patty O'Donnell, NWMCOG; Hans Voss, MCUI; Jim Johnson, Leelanau County Road Commission, and Doug DeYoung attended representing the Chamber of Commerce.

Ms. Rasch thanked the local partners for coming and participating at the State Transportation Commission Meeting.

I. **COMMISSION BUSINESS**

Commission Minutes

Chair Jung entertained a motion for approval of the minutes from the State Transportation Commission meeting of July 28, 2011.

Moved by Commissioner Atkinson, with support from Vice Chair Wahby, to approve the minutes from the State Transportation Commission meeting of July 28, 2011. Motion carried.

II. **DIRECTOR'S REPORT**

SAFETY-LU – Federal Reauthorization

Director Steudle stated SAFETEA-LU will expire at the end of September. This bill approves all of the funding and most of what MDOT does. It gives authority to collect the federal gas tax what also expires on September 30. If the authority for the highway trust fund that collects the gas tax is not extended, they cannot collect federal gas tax. The House version of the bill cuts funding by 34 percent; however, the language of the bill is not available. The Senate proposal keeps funding at current funding levels plus inflation.

III. **OVERSIGHT**

Bond Resolution – Myron Frierson

Mr. Frierson provided information for a Bond Resolution of the State Transportation Commission Authorizing Issuance and Sale of Refunding Bonds. The resolution will be transmitted to the Legislature for the required 30-day notification period upon receiving Commission approval. Mr. Frierson stated it is based on present value, which is over \$2 million.

Pending any questions, Mr. Frierson asked for approval.

Chair Jung asked about the interest rates.

Mr. Frierson stated it is unknown, but interest rates are historically low.

Chair Jung entertained a motion to approve the Resolution of State Transportation Commission Authorizing the Issuance and Sale of State of Michigan Comprehensive

Transportation Refunding Bonds. Motion was made by Vice Chair Wahby and supported by Commissioner Atkinson to approve the resolution. Mr. Raha called the roll; motion carried on a unanimous vote.

Commission Agreements (Exhibit A) – Myron Frierson

Mr. Frierson presented information on 66 agreements. He stated that the vast majority of the agreements listed are from Passenger Transportation.

Commissioner Atkinson asked for clarification of the supplemental A and Exhibit A items being presented to the Commission.

Mr. Frierson provided Commissioner Atkinson with clarification that Supplemental A was an addition to Exhibit A.

Commissioner Moser abstained from items in Exhibit A pertaining to the EUPTA.

Pending any questions, Mr. Frierson asked for approval of Exhibit A; none were forthcoming.

Chair Jung entertained a motion. Motion was made by Commissioner Wyett and supported by Commissioner Atkinson to approve Exhibit A. Prior to approval, Commissioner Atkinson requested that a list of the agreements Commissioner Moser abstained from voting on be attached to Exhibit A and be placed in the official Commission file. Motion carried on a unanimous voice vote.

Commission Agreements (Exhibit Supplemental A) – Myron Frierson

Mr. Frierson presented information on one agreement. The agreement provides for the marketing and capital costs to continue the MichiVan vanpool program. The program provides transportation to people commuting back and forth to work. Pending any questions, Mr. Frierson asked for approval of Exhibit Supplemental A.

Chair Jung entertained a motion. Motion was made by Commissioner Atkinson, and supported by Commissioner Moser to approve Supplemental 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 August 5, 2011 bid lettings. 32 State projects with total engineers' estimates of \$41.3 million and low bid dollars totaling 1.3 million were let. The State low bids for fiscal year-to-date 2011 total \$621.2 million compared to \$640.4 million for the same period of fiscal year 2010. There were 84 projects in the August 5, 2011, lettings. The average number of bids received for the State projects was 4.6 per project.

Of the 138 contracting companies eligible to submit bids for the August letting, 117, or 84.8%, submitted at least one bid. In August 2010, 154, or 85.1%, individual contractors submitted at least one bid of the 181 contracting companies eligible. Currently for the August 2011 bid lettings, there are no projects to report for which all bids were rejected.

State trunkline projects scheduled to be let during FY 2011 total 338 with total construction costs of \$815.5 million. As of the August 5, 2011, letting, 266 State projects with a total of \$649.4 million in construction cost estimates were projected to be let. In comparison to FY 201 through August 2010, 318 state projects with \$695.5 million in total estimates were let, representing 81.6% of the total amount projected to be let in fiscal year 2010. Leading up to and including the August 2011 lettings, 87.9% of the projected construction cost estimate anticipated for this period was let. For this same period through August 2010, 93.3% of the projected construction cost estimate was let.

Next month there is a letting on September 2, 2011. There are 35 state projects with a total engineer's estimate of \$53.6 million scheduled to be let. Eleven of these projects include warranties. In addition to the state projects, 22 Local projects with an engineer's estimate of \$45.6 million are scheduled to be let. No projects were approved with ARRA funds.

Mr. Frierson stated there will also be a special letting on September 16, 2011. The department may have to come back and ask for a waiver, depending on the timing of the projects.

Chair Jung asked what the expected total budget would be for the upcoming year.

Mr. Frierson said it is undetermined, but it is expected to be less than originally estimated.

Pending any questions, Mr. Frierson asked for approval.

Chair Jung entertained a motion. Motion was made by Commissioner Moser and supported by Commissioner Wahby to approve Exhibit A-1. Motion carried on a unanimous voice vote.

Letting Exceptions Agenda (Exhibit A-2) – Mark VanPortFleet

Mr. VanPortFleet provided information on two State projects and one Local project that were over/under the engineers' estimates. Item #2 was a maintenance-funded contract, which is unique because the contractors are not allowed to bid on mobilization or for minor traffic devices. In this case, the estimator failed to recognize and account for those items, which can be up to 15% of the contract. The estimator did not account for the number of setups required for the project. This added significant costs to the project; however, the department believes the prices are fair and equitable.

Chair Jung stated that the department tends to keep track of the overages and underages of the engineer's estimates. The goal should be estimating as close to the correct price as possible. The commission would like to see a variance report that also shows those estimates that come in below the engineer's estimate.

Mr. VanPortFleet stated that when you try to narrow the curve, it does risk the chance that more projects will come to the commission for approval. The past few years estimating has been a struggle because of the economy and continuous change in prices.

Commission Moser stated that it is hard to project the costs.

Pending any questions, Mr. VanPortFleet asked for approval of Exhibit A-2.

Chair Jung entertained a motion. Motion was made by Commissioner Moser and supported by Commissioner Wyett 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 six Extra MDOT projects totaling \$1,061,462.98. Ms. O’Brien also provided information 12 Extra and 4 Overruns that equaled \$1,767,254.06 for Local projects.

She stated that in July the department completed 24 projects. For the FY 2011, it puts the department at 1.68% over which is considerably less than the 5% allowed by the State Transportation Commission.

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

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

IV. APPOINTMENTS

Commission Advisor Frank Raha presented the Commission with the department’s nomination of David Wresinski to the Asset Management Council.

Chair Jung entertained a motion to approve. Motion was made by Commissioner Wyett and supported by Commissioner Moser. Motion carried.

V. PRESENTATIONS

Transportation Asset Management 2012-2014 Work Program – Bob Slattery

Mr. Slattery stated the Asset Management Council continues its training program. He presented the Transportation Asset Management Council’s 2012-2014 work program that was adopted by the council on August 3, 2011. (A copy of the work program is attached to the official minutes.) In the 2014 work program, there is a significant amount of training. Mr. Slattery stated there would be key components that will assist the council in making the program successful within the State of Michigan. Data collection has continued on both federal and non-federal paved roadways and outreach is being expanded. In addition to the annual report, there are guides/templates being developed for both roads and bridges.

Transportation Asset Management Fiscal Year 2013 Budget Request – Bob Slattery

Mr. Slattery provides information supporting the Asset Management Council’s request for the 2013 budget in the amount of \$1,626,400, which is the same budget that has been approved the past few years. He stated that in fiscal year 2011, the council added region expenditures Asset Management budget.

Pending any questions, Mr. Slattery thanked the commission and requested approval of the FY 2013 Asset Management Council budget in the amount of \$1,626,400.

Commissioner Moser asked if the budget included the training efforts.

Mr. Slattery stated that, yes; the Asset Management Council's program does include training.

Mr. Slattery stated that Asset Management Council works closely with local official to determine what works, what hasn't worked, and what the best practice is to move forward.

Chair Jung asked if the Asset Management approach was used during the process of developing the 5-Year Plan.

Director Steudle stated that the department has used the Asset Management approach for several years, dating back to the late 1980s. The council is charged with coming up with a common definition and terminology for the condition of the asset (road/bridge) and how to maintain it. The work program is taken out to cities, counties, looking at the entire system as a whole. All public agencies are represented.

Commissioner Moser stated the Sault Ste. Marie was approached to see if they would like to participate in the October 2011 Asset Management Conference being held in Escanaba.

Commissioner Atkinson asked if a list or overview that could be given to the Commissioners to provide to the locals that may want to attend the Asset Management conference being held in Escanaba in October. She would like to send out invites to those that may gain from attending.

Mr. Slattery stated that the public would gain from attending; however, those that would gain the most are the appointed individuals within the communities.

Director Steudle stated the Asset Management Approach is the best methodology to use for those responsible for maintaining the asset (roadways),

Chair Jung entertained a motion to approve the Asset Management Council's 2013 Budget. Motion was made by Vice Chair Wahby and supported by Commissioner Atkinson. Motioned carried.

North Region Updates – Scott Thayer

Scott Thayer gave an update on the North Region's 2011 construction projects. Mr. Thayer presented a slide to familiarize the Commission with the areas within the Region. The North Region represents approximately 25% of Michigan geographically with approximately 6% of the population residing within it. Mr. Thayer gave an overview of North Region operations. The Northern Michigan economy relies on tourism, with 36% of jobs dependent upon it. The Region is very sensitive to this and makes their decisions based on economic need, meeting the needs of those that live, work, and visit Northern Michigan. Meeting the needs citizens and businesses can be shown through the multiple examples of collaborating with businesses and local government to address infrastructure needs and enhance their communities through streetscapes, access improvements, and improved operations. Major investments have been made in Alpena, Cheboygan, Grayling, Rogers City, Hillman, Onaway, Mackinaw City, and Cadillac. Those visiting the North Region rely on a dependable and predictable experience on the highway system. In addition to meeting system road and bridge needs, the region

works on several other initiatives. MDOT has been part of the Huron Shores Heritage Route Committee. The route was designated as a heritage route, which allows the coastal communities to receive a higher priority for MDOT funding when applying for grants for projects that are in the Heritage Route's Management Plan. The US-23, Huron Shores Route has been designated as a Heritage Route based on its recreational and historic sites. MDOT will continue to be part of this and other partnerships that will enhance the (see voice recording/presentation).

The Region has also benefited from the push to develop a Comprehensive Nonmotorized Trail System in Northern Michigan. Many groups are partnering on this effort. A 71-mile trail from Alpena to Cheboygan is being developed through collaborating with the Department of Natural Resources, understanding customer needs. Mr. Thayer discussed the Sleeping Bear Trail system, which TART and the public have been planning since 2005.

Mr. Thayer introduced Rise Rasch, Traverse City TSC Manager. Ms. Rasch stated the TSC maintains the roads of six counties that surround the Traverse City Bay. The TSC does planning, design, oversight of construction, and other day-to-day operations. The TSC often contracts with counties and cities for maintaining the roads. There are numerous ongoing local agency projects. The TSC is also starting to work with planning groups and other groups within the Traverse City area such as TC Talus, NWCOG, NECOG, and the Chamber of Commerce. The department is becoming a stakeholder in many of things. The idea is to move people, goods, and services from one side of the state to the other, while collaborating with all of the communities affected.

Ms. Rasch introduced Hans Voss and Doug DeYoung, presenting the Grand Vision.

Grand Vision Land Use and Transportation Strategy - Hans Voss and Doug DeYoung

Mr. Voss explained that growth and development is what drives this initiative. There is an increase in the growth of the region, attracting people and investment. Sleeping Bear Dunes is bringing more traffic and growth in the area. Funding comes from Federal, State, and Local sources. Funding was received to conduct a study for \$1.5 million, with \$100,000 coming from MDOT and \$350,000 coming from community funding.

The Region consists of Antrim, Benzie, Grand Traverse, Kalkaska, Leelanau, and Wexford counties, all of which worked collaboratively on the Grand Vision effort. Mr. Voss presented a slide with all of the stakeholders.

The Grand Vision process was fascinating and MDOT should be recognized for their efforts and listening to the public's priorities first. There were many challenges, but the collaboration held the project together. There were several public meetings and workshops held to have the public sit down and come up with a growth strategy. Developing the infrastructure was and is critical to that growth. Several workshops were held that resulted in findings that citizens care about the natural landscapes. There was a surprising interest transit and for public rail to connect to the lower portion of the state.

Mr. DeYoung stated the Grand Vision would bring economic sustainability. He discussed community involvement and the importance of ongoing planning discussions with stakeholders. Planning discussions result in system philosophy, which is the key to moving

forward. The discussions also resulted in issue networks that focus on transportation, growth and development, food and farming, housing, energy, and natural resource.

The Grand Vision has resulted in the following community engagements and strategies: 1) Next Michigan 2) Division Street 3) Kalkaska Master-plan 4) Empire, Honor, and Suttons Bay Grants 5) Silver Drive 6) Buckley Streetscape 7) the Farm to School and Table Programs, and 8) Energy Educational Series.

A copy of the full presentation will be attached to minutes.

Grand Traverse Area Economic Partnerships - Mary Gillis, Grand Traverse County Road Commission

The Road Commission has several partnerships, MDOT being one of the biggest. The Hammond Keystone Connector opened to traffic in August 2010. It was funded with a Build Michigan III Grant. The concept actually started in 2002 with a bridge over the Boardman River. The concept changed to a corridor project and included facilities for pedestrians and bicyclist/non-motorized. Context Sensitive Design was used and cost were approximately \$10 million. The project is believed to improve the economic climate in the community, providing route around the commercial area. The project was successful and has won many state and national awards for the pedestrian and non-motorist improvements. They thank MDOT and the Commission for improving the local economy.

City of Traverse City Presentation – Russ Soyring Project Manager

Mr. Soyring discussed projects within the community. He discussed the 2006 Woodner Avenue project, which he worked with MDOT to make enhancements. The city also received a couple of grants that included streetscapes, bike paths to provide infrastructure to pedestrians and bicyclist. Mr. Soyring stated the number one reason people come to Traverse City is to enjoy its beaches. The city wants tourists to enjoy their visit by developing streetscapes. By putting the investment into the waterfront, the wealth comes into the downtown area. It is an economic asset to the city. Traverse City is starting to get on the radar, being in National Geographic, Money Magazine, etc. Pure Michigan is helping bring tourism to the region. Development is important to draw people to the region.

He presented slides depicting the city's plan to redevelop the community, through enhancements, and improvements. Developments are underway; there are plans to bring a four-story hotel into the community that will have approximately 103 rooms. The tunnel and round-a-bouts will provide easier access around the community. Connecting an old historic district to the waterfront. This will allow four lanes, forcing pedestrians and bicyclist to have eye contact with the motoring public making travel safer. The city will build parking ramps and getting rid of the surface lots, the town will become more walkable and accessible.

The Haggerty Insurance structure added 300 jobs. He discussed a parking structure that enabled parking for 200 employees, parking structure included solar panels to reduce the amount of energy being used. The Haggerty Insurance development will add more businesses such as a coffee shop, etc.

Mr. Soyring showed a slide that showed the plan for Silver Drive. The enhancement grant requires including a southern entrance to the state building and it will be a complete streets project. Bike paths, boardwalks, and other traffic elements will be part of the road project.

A copy of the presentation is on file.

VI. **PUBLIC COMMENTS**

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

Kevin Cline from the Traverse City Airport commented and thanked the department and commission for all of their support and coming to Traverse City. He commented on Traverse City's general aviation ramp supporting those traveling in and out of the airport. He discussed upcoming projects and the impact the FAA shutdown had. He Mr. Cline discussed the funding crisis the State of Michigan faces due to the Aviation Fuel Tax Bill not being updated. He asked the commission and the legislature to make aviation funding a priority to prevent the loss of the overall funding mechanism.

Julie Clark from Traverse Area Recreation and Trails (TART) thanked Representative Schmidt for the passing of the Complete Streets bill. Even with the economic struggles, people still need to move in all forms of transportation. We will need to figure out funding strategies; but if we pull together, we can get things done. Thank you for supporting these efforts.

Commissioner Atkinson stated funding is a big issue. Among the things we learn, we have to look at funding sources outside the original box. She asked if the Commission could be informed of how funding of these efforts is achieved.

Mr. Cline stated that funding has come primarily from enhancement grants and even locals living along the trail. Half of the funding is coming from private funding sources/ outside funding sources. Identifying different partners was key for the Silver Drive project.

Director Steudle commented on the extraordinary collaborative process used. This was an effort where the community came together. It was important for the department to see where the community wanted to go, making it easier for the department to come in and assist with the developments and meeting the community's infrastructure needs. This is the model of how it should be done across the state.

Chair Jung mentioned the Harbor Springs bike trail and the initiative of getting that done. He stated that economic development goals result in the creation of jobs. Good people make businesses grow. Good people are attracted to good environments. Great pedestrian and non-motorized routes are essential elements needed to attract people to the region.

Chair Jung asked if any Commissioner wanted to address the Commission, none were forthcoming.

VII. **ADJOURNMENT**

There being no further business to come before the Commission, Chair Jung declared the meeting adjourned at 11:04 a.m.

State Transportation Commission

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The next full meeting of the Michigan State Transportation Commission will be held on Thursday, September 29, 2011, in the 1st floor Office of Aeronautics Auditorium in Lansing, Michigan, commencing at the hour of 9:00 a.m.

Frank E. Raha
Commission Advisor