

**MINUTES**  
**MICHIGAN STATE TRANSPORTATION COMMISSION MEETING**  
**September 24, 2009**  
**Lansing, Michigan**

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

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

Also Present: Frank E. Kelley, Commission Advisor  
Marneta Griffin, Commission Executive Assistant  
Jerry Jones, Commission Auditor, Office of Commission Audit  
Patrick Isom, Attorney General's Office, Transportation Division  
Greg Johnson, Chief Operations Officer  
John Friend, Bureau Director, Highway Delivery  
Mark VanPortFleet, Bureau Director, Highway Development  
Wayne Roe, Administrator, Finance and Administration  
Bill Shreck, Director, Office of Communications  
Jackie Shinn, Chief Deputy Director  
Ed Timpf, Administrator, Finance and Administration  
Leon Hank, Chief Administrative Officer  
Sharon Edgar, Administrator, Bureau of Passenger Transportation  
Mark Chaput, University Region Engineer  
Rob Abent, Bureau Director, Aeronautics and Freight Services  
Polly Kent, Acting Administrator, Intermodal Policy  
Denise Jackson, Administrator, Statewide Planning

Excused: Steven K. Girard, Commissioner  
Kirk T. Steudle, Director

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

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

I. **COMMISSION BUSINESS**

Commission Minutes

Chair Wahby entertained a motion for approval of the minutes from the State Transportation Commission meeting of August 27, 2009.

Mr. Kelley asked that the August 27<sup>th</sup> minutes reflect that Frank Morway was present in the place of Jerry Jones for Commission Audit.

Moved by Commissioner Scalici, with support from Commissioner Atkinson, to approve the minutes from the State Transportation Commission meeting of August 27, 2009. Motion carried.

Chair Wahby commented that he and Director Steudle traveled to Washington to meet with the Michigan Delegation to discuss problems with matching funds for transportation. The Director did an excellent job in presenting Michigan's concerns and what we are going to do in the future in terms of these matching funds. There are some plans that are on the table and they are going to work with the Director on these issues. We also met with AASHTO and Amtrak on High Speed Rail.

Ms. Shinn added that the Director is very engaged with the discussion on the status of Michigan as well as the development of new policy and a new transportation federal funded program.

## II. **RESOLUTIONS**

### **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 - Comprehensive Transportation Bonds, Series 2003 – Ed Timpf**

This bond resolution was previously adopted by the State Transportation Commission on June 30, 2005 and September 27, 2007, respectively, 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." As required by statute, upon approval by the Commission, this bond resolution will be transmitted to the Legislature for the 30-day notification period. We will provide the Commission with the final resolution amending the project list at the October 29, 2009, Commission meeting. A roll call vote approving this authorizing bond resolution is requested. Pending any questions, Mr. Timpf asked for approval.

Chair Wahby entertained a motion to approve the Resolution to Amend the Project List Attached to a Previously Adopted Commission Resolution-Comprehensive Transportation Bonds, Series 2003. Motion was made by Commissioner Atkinson and supported by Commissioner Jung to approve the resolution. Mr. Kelley called the roll; motion carried on a unanimous vote.

## III. **OVERSIGHT**

### **Commission Agreements (Exhibit A) – Wayne Roe**

Mr. Roe presented information on 59 agreements (Item #30 (Amendatory Contract 2009-5583) between MDOT and the City of Dearborn) was withdrawn. Pending any questions, Mr. Roe asked for approval of Exhibit A.

Commissioner Jung asked why the item was withdrawn.

Mr. Jones explained that the funding participation that's reflected in the documentation is not correct. The department will fix it and bring it back to the next meeting.

Chair Wahby entertained a motion. Motion was made by Commissioner Jung, and

supported by Commissioner Scalici to approve Exhibit A. Motion carried on a unanimous voice vote.

Supplemental Commission Agreements (Exhibit A) – Wayne Roe

Mr. Roe provided information for 1 Local project. Pending any questions, Mr. Roe asked for approval of Supplemental Exhibit A; none were forthcoming.

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

Bid Letting Pre-Approvals (Exhibit A-1) – Wayne Roe

Mr. Roe provided information on 26 projects. Pending any questions, Mr. Roe asked for approval of Exhibit A-1; none were forthcoming.

Chair Wahby entertained a motion. Motion was made by Commissioner Atkinson and supported by Commissioner Brosnan 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 1 State project that was over the engineers' estimates and is accompanied by a justification memo. Pending any questions, Mr. VanPortFleet asked for approval of Exhibit A-2; none were forthcoming.

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

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

**Commissioner Atkinson, as a point of order, asked Chair Wahby if this item could be moved to after Exhibit C in order to allow more time to review the information prior to voting.**

**Chair Wahby agreed.**

Bid Letting Not Pre-Approved (Exhibit A-4) – Wayne Roe

Mr. Roe provided information for approval of 1 State project and 2 Local projects which were derived from the September 18<sup>th</sup> special letting (2 are ARRA projects). Pending any questions, Mr. Roe asked for approval of Exhibit A-4; none were forthcoming.

Chair Wahby entertained a motion. Motion was made by Commissioner Atkinson and supported by Commissioner Jung to accept Exhibit A-4. Motion carried on a unanimous voice vote.

Contract Adjustments (Exhibit B) – John Friend

Mr. Friend walked-on Item #2009-153 (11.68 miles of hot mix asphalt cold milling...in the city of St. Clair Shores, Macomb County). The total for this was just short of half a million dollars—the main item involved about \$300,000 worth of slope repair failures

that were discovered during the construction phase. This project also involved some widening and as we widened the roadway the outside slope became steeper. When we attempted to do the slope restoration, the slope started to erode away. It was at that time that we discovered some organic/junk material that was wasted from the original construction. That required us to go in and dig out the material and do a more permanent fix. Another \$100,000 is for some additional concrete patch work that needs to be done at some of the ramps.

Attention was drawn to the following items:

2009-128 (9.53 miles of hot mix asphalt cold milling...on I-96...under the I-496 ramp...Eaton and Ingham Counties) for \$255,780. The project was originally set up to have a significant portion of the outside shoulders gapped-out during the construction phase. It was determined that the shoulders had deteriorated to the point where they needed to be re-paved. The contractor offered a discount and we thought it was a good time to do it.

2009-131 (0.29 miles of hot mix asphalt roadway reconstruction...Chilson Road, Livingston County) where the department was asked to find ways to accelerate the construction phase significantly to support local businesses and reduce construction time. This was accomplished for a reasonable amount of money, \$358,000, but there is a significant offset of about \$267,000. Construction time was reduced from 49 days down to 14 days.

2009-132 (4.94 miles of road reconstruction on I-96, US-24 (2 locations), and on Old US-24...in the city of Detroit, Redford Township, Wayne County) has come before the Commission previously (2003). There have now been changes to the design process. The paint type on the bridge was different than what was anticipated during the design phase—this has been corrected as we now check for this early in the design phase. This project is now winding its way through the process as a result of a settlement discussion between the department and the contractor.

2009-136 (6.56 miles of pavement repair, hot mix asphalt overlay...in the cities of Sterling Heights and Utica, Macomb County) involves our Value Engineering Process. Although we are requesting \$664,000 worth of costs, it represents one half of the savings that was accomplished by this project by going through the VE proposal.

2009-138 (4.08 miles of freeway reconstruction...in the cities of Novi and Farmington Hills, Oakland County) for \$618,000 and has a significant offset of just under \$500,000. For not a lot of money we were able to change the construction staging, maintain additional lanes of traffic and request user delay which made for a more acceptable project to the public.

With the walk-on he provided information for 10 MDOT projects and 3 Local projects. Pending any questions, Mr. Friend asked for approval of Exhibit B; none were forthcoming.

Chair Wahby entertained a motion. Motion was made by Commissioner Jung and

supported by Commissioner Atkinson to approve Exhibit B. Motion carried on a unanimous voice vote.

Division of Operations Audit Report (Exhibit C) – Jerry Jones

Exhibit C is our Six Month Follow-Up Report on Financial and Compliance audits that have been outstanding over 120 days since being issued. This report covers 3 audits, with \$50,901 in net recommended adjustments. As the report indicates, the department is working with the audited entities and our office, to close these audits. Pending any questions Mr. Jones recommended that the Commission accept this report. With no questions forthcoming, he then called on Commissioner Brosnan for her input.

Commissioner Brosnan stated this audit was only unique in one regard and that was that there were so few outstanding reports that she had no questions for the Auditor.

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

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

Mr. VanPortFleet provided information for 1 State project that was over the engineers' estimates and is accompanied by a justification memo. Pending any questions, Mr. VanPortFleet asked for approval of Supplemental Exhibit A-2; none were forthcoming.

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

IV. **PRESENTATIONS**

2009 Michigan Construction Quality Partnership Achievement Award – Glenn Bukoski and Greg Johnson

The seed for this initiative was planted in late 2004 when the Contractor Associations initiated meetings with the department for focused discussion about how we, together as an industry, owners and contractors, could better meet the expectations of our transportation customers.

The eight partners are: ACEC, APAM, CRAM, FHWA, MCPA, MITA, MRPA and MDOT. We remain committed to the objectives and benefits that we sought in the beginning: enhance product quality, enhance value through joint training and skill development, ensure skilled personnel across industry, improve industry wide relationships, reduce risk for everyone, and increase public trust in the transportation industry in Michigan.

The Charter was originally signed at the April 27, 2006 STC meeting. Much progress has occurred since that time. The Michigan CQP partnership has achieved tier I accreditation through National Partnership for Highway Quality (NPHQ). We delivered a series of CQP pilot projects in 2007 and 2008 focusing on joint training opportunities for contractor and owner staff. We have brought a third party administrator on board who is assisting the partnership with curriculum development, developing training

courses and building a database for the partnership. Additionally, we have formalized a Michigan CQP Awards Program.

Some of the long term activities to look forward to for the Michigan CQP Program include expanding the role of the third party administrator to full management of the database, developing and providing on-line training courses and working with the partnership to move to a self-funded program. The partnership will continue to expand the training curriculum for three levels of staffing, hands-on level (field staff), mid-management level (supervisory and technical support staff) and executive level (owners and senior management). We are considering expanding our current inventory of certifications for a variety of work classes for individuals and are considering corporate certification as well. We would like to continue to expand the training requirements and manage a certification program which is ultimately linked to contractor and consultant pre-qualification.

We have set up our award categories consistent with the categories established by NPHQ. This year's achievement award is in the category of Small Project (less than \$20 million). The candidate project needs to demonstrate that it has achieved the elements for the following criteria: Quality Processes and Results, Customer Focus, Teamwork, Safety, Innovation and Value, and Long-Term Improvement.

The 2009 Michigan CQP Achievement Award goes to M-50 from Hand Highway to Nortley Highway, Lenawee County. M-50 is a major non-freeway route which connects Jackson, at its west end, with Monroe, at its east end. The project consisted of resurfacing of 5.9 miles of M-50, and included intersection improvements, guardrail upgrades, an asphalt pavement overlay in a roadside park, and drainage improvements. It added a full-width shoulder to accommodate the Michigan International Speedway (MIS) for race day traffic. Elements that made this project a winner: quality control processes were implemented; the needs of major customers (MIS, Cabelas, motoring public) were considered as they were included in project progress meetings; contractor and MDOT demonstrated exceptional teamwork in progress schedule management and environmental stewardship on the project; safety was a major focus area throughout construction.

Mr. Johnson presented the award—the contractor was Aggregate Industries; accepting on their behalf was Brian Quinn of Rieth-Riley Construction Company, Inc. The owner was MDOT; accepting on their behalf was Demetrius (Dee) Parker, Jackson TSC Manager, and Hal Zweng, Resident Engineer, Tecumseh Field Office.

Traffic Incident Management – Angie Kremer, MDOT Statewide Traffic Incident Management Engineer and SPL/SGT. Kevin Lucidi, MSP, 2nd District Traffic Crash Reconstructionist

Traffic Incident Management (TIM) is the procedures and process of coordinating resources with multidisciplinary partnerships to detect, respond to, and clear traffic incidents as quickly as possible while protecting the safety of on-scene responders and the traveling public. This includes police, fire, EMS, transportation and towing.

The National Traffic Incident Management Coalition (NTIMC) was formed with many of the different stakeholders that are involved in traffic incidents (International Chief of

Police, National Fire and Protection Association, AAA, AASHTO, FHWA, ITE, etc.). They came up with common goals (National Unified Goal-NUG) and the major objectives: responder safety, safe, quick clearance, prompt, reliable, and interoperable communications.

#### *Responder Safety*

Responder deaths and injuries are an increasing concern. Approximately 300 law enforcement officers die in vehicle incidents each year in the United States, 20% of annual firefighter deaths occur on roadways, and 108 injuries were reported involving an emergency vehicles in Michigan for 2008. From 2004 to 2008, 18 people were killed involving an emergency vehicle in Michigan. Part of this objective involved the High Visibility Safety Apparel Law effective November 24, 2008. Any worker that is on a federally aided highway is required to wear high visibility gear (all inclusive to include highway workers, tow truck operators, fire/rescue/EMS/law enforcement, and media). Some of the other things that can help First Responders in Michigan are recommended practices for responder safety, Move Over/Slow Down Laws, Steer It, Clear It House Bill and driver training and awareness.

#### *Save, Quick Clearance*

Traffic congestion is a serious national concern, and more coordinated and efficient TIM is one of the major means we have at our disposal to do something about it. About one-quarter of the traffic congestion in the US is caused by non-recurring traffic incidents. While we have learned to function around high levels of recurring congestion during regular peak travel periods, unexpected travel delay is especially destructive to the economy, ruining just-in-time delivery schedules, and meeting plans. When traffic incidents occur, every minute counts. For every minute that an interstate lane is blocked, 4-6 minutes of travel delay result. In some metro areas in peak hours it can take 10-20 minutes or it may not recover at all until that peak hour is over. An estimated 20% of all crashes are secondary crashes.

Commissioner Atkinson asked what a non-recurring traffic incident was.

Ms. Kremer replied that it wouldn't include road construction—a planned type of event. It would be weather or other crash.

Commissioner Atkinson asked if it was from the point of view of the driver's familiarity with that part of the road.

Ms. Kremer replied yes.

#### *Prompt Reliable and Interoperable Communications*

We refer to this as the three C's—we're communicating, cooperating and collaborating/coordinating. After major incidents we have after-action briefings where everyone who has been a part of that incident talks about what went well, so it is documented and made part of our standard procedures, and what didn't go well (not a finger pointing session but helps determine what areas we need to concentrate on in the future for improvement).

During this past spring and summer we have held TIM Workshops for: Independence Township Fire Department, Westland Fire Department, Dearborn Fire Department, Redford Fire Department, Dearborn Fire Department, 121<sup>st</sup> Trooper Academy, Harper Woods Fire Department, Delta County, Dickinson County, Huron County, Oceola County, Jackson County, Mackinac County, Menominee County, Muskegon County, Saginaw County, Sanilac County, Schoolcraft County, Tuscola County, and Wexford County.

Secondary crashes present several problems: 1) an additional crash on top of the primary crash that is going to extend the time that the roadways or lanes are going to be closed; 2) fatal injuries to passengers in the secondary vehicle.

One of the simplest solutions that MDOT has come up with recently are crash reconstruction reflectors—scrap aluminum approximately 3x3 in size formed into an “L” that are laid on the roadway. This allows us to measure the scene without additional personnel (frees up a trooper for other duties) and aids in visibility of the path of the crash.

MDOT and MSP share resources such as aerial photos of roadway configurations for use in court presentations, camera images from the MITS Center in downtown Detroit to monitor anything from police/fire incidents to traffic congestion, information from the NAVTEQ website which shows traffic congestion and other roadway traffic, and the Courtesy Freeway Patrol that assists stranded motorists.

As far as developing partnerships no one does it alone. Sharing equipment and resources, workshops (educating other agencies and entities on how our jobs are done), and possessing common goals. This is basically a win-win relationship for everybody that provides immediate notification of incidents, an opportunity to submit a joint application to OHSP for a traffic trailer, joint applications for grants (agencies working together shows a better use of funding), successful after-incident action meetings (i.e., I-75/9 Mile crash—what went right, what went wrong, how we improve in the future), cross training, and permission for an 800MHz talk group.

Commissioner Brosnan asked if funding for this program comes from both the state police budget and the MDOT budget.

Ms. Kremer replied that currently we don't have a dedicated budget for incident management. The MITS Center is probably the biggest area with incident management and they do have money that can cover certain activities like the workshops, spill kits, etc. There is some funding such as seatbelt incentive safety money. We are trying to do as much as we can with the small amount of dollars that we are getting.

Commissioner Brosnan asked if they were mostly funded through grants.

Ms. Kremer replied that we try to take advantage of any type of grant that we have but we are trying to use recycled materials (reflectors). A lot of it right now is just personnel time.

Commissioner Atkinson asked if any local groups in remote areas of the state wanted to take part in this program, maybe for incident debriefing, reflectors, or for the grant for a traffic trailer, is there any way that they can access this information on-line.

Ms. Kremer replied that there was nothing on-line—that's one of the areas we wanted to build up. We have been contacted by fire organizations who have actually requested to do workshops. If they contact me, I can work with our local office and work on doing a workshop anywhere. The National TIM Coalition website contains a lot of information; not necessarily specific to Michigan.

Transportation Asset Management FY 2011 Approved Budget – William McEntee

The FY 2011 budget is for \$1,626,400.00. We are attempting to transition from a program where we do annual data collection on the federal aid eligible highway system to a more expansive program where we're now out collecting data on the non-federal aid system; at the same time we're collecting sufficient data to do the analysis we need to do on the federal aid system.

Major areas that are funded in the budget are data collection and analysis, education programs and outreach programs. We are getting more and more requests from local communities and local groups to come out and talk with them on how to transition their planning to an asset management based program.

A couple bills have been introduced but most importantly House Bill 4962, which could significantly expand the definition of asset management here in Michigan. If it passes, it will probably be necessary for us to come back with an additional budget request, however the request before the Commission to day is to carry on under the existing state law.

Pending any questions, Mr. McEntee asked for approval of the FY 2011 budget.

Commissioner Atkinson asked for explanation of "MPO/RPA Council Related Activities" that is listed on the budget.

Mr. McEntee explained that we reimburse the participants in the data collection now through the Metropolitan Planning Organizations and the Regional Planning Organizations. Rather than making direct payments from the department to the local agencies the bills are now flowing through the regions to reimburse the regions.

Commissioner Atkinson asked if this is essentially where the rubber meets the road; they are out there doing the data collection.

Mr. McEntee replied essentially; correct.

Commissioner Brosnan as if they are expecting that with the expansion in the legislation (of their role) that there will be funding that comes with it.

Mr. McEntee replied that it will be necessary to provide additional funding in order to do some of the inventory activities that we've seen in some of the proposed legislation. For

example, going out and inventorying all the traffic signs statewide; that will be a very large task, and then building the data tools you'd need to be able to maintain that inventory.

Commissioner Brosnan asked if more money is going to be appropriated to the MDOT budget so that we can then accommodate their needs.

Mr. McEntee replied that he would guess no, but he doesn't have first hand information. We would be given the responsibility then to find a way to fund it.

Chair Wahby entertained a motion. Motion was made by Commissioner Atkinson and supported by Commissioner Brosnan to approve the FY 2011 budget. Motion carried on a unanimous voice vote.

FY 2010 Program Announcement – Denise Jackson, Craig Newell, Jean Ruestman, Nikkie Johnson and Matthew Brinker

As we begin the 2010 Program year, there are revenue challenges and uncertainty facing each mode of travel; although we face difficult choices we continue to emphasize our priorities of preserving and efficiently operating the system and, providing a safe and secure transportation system.

Transportation plays a fundamental role in supporting Michigan's economy and protecting the quality of life in our communities. When you look at the total program, we plan to invest \$1.83 billion in transportation infrastructure and services (1.43 billion towards highways, \$273 million towards bus, marine, port and rail, and \$125 million towards aviation).

Highway – Craig Newell

*Revenue Assumptions*

Total funding available for the Capital and Maintenance Program is estimated at \$1.45 billion; \$954 million available in federal funding of which, \$148 million comes from the American Recovery and Reinvestment Act (ARRA), and we anticipate \$499 million in state funding—this includes \$67 million in Economic Stimulus bonds. FY 2010 is last year MDOT will be able to match all available federal aid without additional state revenue.

*Investment Plan*

We have made some revisions to the highway investment template for 2010. It reflects some actions in connection with the strategic plan to become a more integrated and operations-focused organization, creates a new work category titled "Safety and System Operations" which includes the Safety Program, Intelligent Transportation Systems (ITS), Congestion Mitigation and Air Quality (CMAQ), and Operations (a new category with work types aimed at improving highway operations based on current Five-Year program commitments—at this time no new funding is available for this category).

Investments for the 2010 highway program include: \$557 million (40%) for roads, \$263 million (18%) for bridges, \$90 million (6%) for capacity improvements and new roads, \$131 million for safety and system operations (safety-\$78 million, congestion mitigation and air quality-\$33 million, ITS-\$11 million, and operations-\$9 million), \$108 million for “other” (includes enhancement, railroad crossing, safe routes to schools, noise abatement and scoping), \$287 million for routine maintenance.

#### *ARRA*

Of this total \$1.4 billion program, \$148 million is ARRA funding. This is broken down by \$120 million invested in pavement preservation projects (4 reconstruction projects), \$10 million for bridge preservation, \$15 million for capacity improvement, nearly \$1 million for guardrail improvements, and \$1.4 million for transportation enhancement.

#### *Preserving the System*

Approximately 94% of the Highway program is dedicated to preservation and maintenance. We will continue routine maintenance activities such as pothole filling, snow plowing, sweeping, and grass cutting. The Capital program will repair 268 miles of trunkline roads across the state and rehabilitate over 183 bridges. Many will be done using a corridor approach that will lessen the impact on motorists. We will continue to emphasize an asset management approach by extending the life of the pavements with the CPM program.

#### *Safety*

A total of \$131 million will be invested for Safety and System Operations and \$78 million in signs, pavement markings, median guardrail, and traffic signals, and safety programs. We will continue concentrated efforts of addressing lane departures which account for approximately 50% of all fatalities and continue ITS investment to improve safety and system performance (Traveler Information Systems, IntelliDrive Program). The CMAQ Program (\$33 million) continues to fund ITS operations and maintenance activities as well as other air quality improvement projects (roundabouts at I-94 Matawan exit in Van Buren County and merge/weave lanes on US-131 in Muskegon County).

#### *Expanding the System*

The Highway Capacity Improvements and New Roads Program is a \$90 million program aimed at relieving congestion. The 5 major highway projects to be let to contract in 2010 include: at new bridge and interchange on I-96 at Latson Road, Livingston County, the reconstruction and widening of M-84 from Delta Road to Euclid Avenue, Bay County (ARRA job), a noise wall on M-53 at 18½ mile and Van Dyke, Macomb County, a bridge on M-23 over the Grand River, Ottawa County, and an interchange reconstruction on I-94 at Sargent Road, Jackson County. In addition to these 5, 4 projects will be continuing that were let in prior year: reconstruction and widening of M-59 from Crooks to Ryan, Oakland County, final year of construction on I-75, Ambassador Gateway Project, Wayne County, reconstruction and widening of I-94 from Westnedge Avenue to east of Lovers Lane, Kalamazoo County, and a replacement of the US-131 bridge over the Manistee River, Manistee County.

Bus, Passenger Rail, Marine/Port – Jean Ruestman

*Investment Plan*

The FY 2010 Bus, Marine/Port and Rail Passenger Programs total \$263 million--\$246 million for local transit, \$7 million for intercity bus, \$1 million for marine and port, and \$9 million for rail passenger.

*Revenue Assumptions*

The program is based on the FY 2010 Executive Budget which includes state, federal and local revenue. Local and federal revenues are expenditure authority only—not actual revenues. Federal revenues are based on our knowledge of past years of annual formula apportionments, congressional earmarks, and local flexing. We also consider our anticipated MDOT grant applications to FTA. This year, our Federal Recovery Act funds are shown separately—these are actually part of our FY 2009 Program and these projects will be carried out in FY 2010/2011. There is also some opportunity for discretionary funds coming in 2010. State revenues are made up of the Comprehensive Transportation Fund (CTF). Act 51 defines how CTF will be expended. CTF supports bus, marine and rail passenger (over 90%) and rail freight (10%). CTF revenues are declining which led to a \$10 million reduction and more cuts could be coming.

*Preserve Existing Services*

The operating assistance funding amount has been preserved, however state assistance as a percentage of total costs will decline since local costs (costs of doing business) continue to go up. The percent of operating assistance has been declining for several years. The state's share of local transit operating assistance averaged 43% in 2000; down to 35% in FY 2008 and will fall to below 20% by 2013 unless there are new revenue sources. There is a reduction in match to federal transit capital grants. Bond funds are still available for facility match for 1-2 years, toll credits will likely still be available for match for preventive maintenance and equipment, but the big uncertainty is the match for buses. There is a real possibility that federal funds may sit idle in FY 2010; if the match capability doesn't improve in FY 2011 we may actually lose those federal funds.

We hope available revenues will continue to maintain existing state-subsidized intercity bus services. There is a likely reduction in existing passenger rail services due to declining revenues in the executive budget that were not able to cover the costs of the current level of service. This decline may actually jeopardize the possibility of federal investments. Intercity infrastructure work is limited to those projects slated to receive 2002 and 2003 CTF bond revenues, such as the Pontiac Terminal and West Detroit Track, unless we receive ARRA grants.

Under the FY 2010 Program, MDOT will accept and deliver federal transit funding to help preserve existing services in rural transit, transportation to work, service to the elderly and persons with disabilities, and rural intercity bus. MDOT will be competing for federal discretionary funds, especially for the ARRA discretionary funds for passenger rail.

Chair Wahby asked Ms. Shinn to explain toll credits.

Ms. Shinn, because there are different uses for toll credits and how we use them, deferred to Mr. Hank who explained that as monies are invested in the infrastructure projects like the Mackinac Bridge, Blue Water Bridge and the International Bridge, the federal government allows us to take credit for those kinds of investments and we can use those monies as “soft match”—we don’t actually to pledge or have available hard cash to meet the 20% requirement; we can use these credits that we’ve accumulated over time for prior investments. This is the concept we’ve been using the last years to keep our grant programs going in the transit area. One of the things we’re discussing internally is whether we may need to use those credits for the highway side as well. We’re going to use every source we can, but to this point we have used them extensively in the transit area.

Ms. Shinn added that in transit it’s not different than if purchasing 20 buses—instead of purchasing the full 20 you’d cut it back to 15 buses because the cash is based on the 80%.

Chair Wahby asked if that was part of the Schauer proposal.

Ms. Shinn replied yes but he goes beyond that about making Michigan and other states that are reaching high unemployment rates to allow us a pass on federal match.

Chair Wahby added that he understood it to mean that you’d be able to do something with these toll credits to effectively help us through the match.

#### Rail Freight – Nikki Johnson

MDOT’s rail freight programs are small, but they support a critical part of our transportation infrastructure. Rail Freight Funding supports grade crossing safety, as well as preserving Michigan freight rail network.

#### *Revenue Assumptions*

We have 4 types of appropriations that support our 4 rail programs. Federal aid and MTF funds support our safety efforts. CTF supports the state-owned rail system and our two loan programs. This year, our CTF appropriation is about \$2 million less than FY 2009. Revenue from loan repayments, lease payments, and any property sales go back into our state-owned rail property and economic development efforts. Our \$2.1 million additional expenditure authority is really high, compared to what is typically available to be spent. We also pass-through mandated funding to the Detroit/Wayne County Port Authority for operating assistance, which, like other CTF programs, will also be reduced this year.

This year we will have a little more to invest than what the appropriations reflect. In addition to our appropriations, this year, we will have \$1.6 million in reprogrammed bond money to spend on state-owned rail property, which will almost offset the FY 2010 CTF reductions. While our infrastructure loan program did not receive a FY 2010 CTF appropriation, our program investments include \$1.5 million for the program since it is a revolving-loan fund that is able to continue without additional appropriations. Even though our actual anticipated property management revenue will be closer to \$300,000, rather than the \$2.1 million expenditure authority, we should still have about \$11.5 million in total to invest through our 4 programs. About 95% of this funding is for preservation and safety.

*Investment Plan*

We plan to invest about \$5.1 million in preservation. Projects will be to undertake a second phase of a 25-mile rehabilitation project on a state-owned line between Cadillac and Yuma that started last year (we estimate that it will cost approximately \$3 million to complete the project), to invest approximately \$.6 million to repair 2 railroad bridges on the state-owned system, \$1 million to cover leases and trackage-right fees, as well as vegetation control and any necessary repairs on the state-owned system, and to loan rail companies \$1.5 million to preserve private rail infrastructure.

We plan to invest approximately \$5.9 million through our two programs that address grade crossing safety on local roads. Safety enhancements, like installing lights/gates at a crossing will account for \$4.9 million of the appropriations. We identify most of the projects through a statewide evaluation process, however, some are locations are addressed when local road authorities undertake road projects that affect crossings. Crossing eliminations, primarily through permanent road closures at active track, but also through other projects like track realignment will account for \$1 million of the appropriations.

Aviation – Matt Brinker

*Revenue Assumptions*

Our federal revenue (104.87 million) comes from a number of streams which feed into the Airport and Airway Trust Fund (Passenger Ticket Taxes, Cargo Taxes, and Fuel Excise Tax). On the state side about \$3.51 million of Aeronautics Fund will be put into the program; those entities that feed into that are the Fuel Excise Tax, Aircraft Registration, and Licensing and Permits. Local Funding is anticipated to be about \$16.23 million for a total of \$124.61 million.

Our anticipated revenue of \$124.61 million will be spent on three main categories in our 2010 program: Airport Improvement Program-\$123.62 million, Air Service-\$460,000, and All Weather Airport Access-\$530,000.

*Investment Plan-Airport Improvement Program*

It should be noted that the AIP program was inflated about 40% above anticipated funding levels to accommodate unforeseen increases in discretionary funding. However, this practice of buffering the program in this manner is no longer necessary as large, unforeseen increases in FAA discretionary funds have not materialized in recent years. Funding restrictions have forced us to eliminate statewide programs such as airport fire fighter training and runway crack sealing. There is still a great deal of uncertainty regarding federal funding as we are waiting for some indication of funding levels under the next FAA reauthorization. We remain deeply concerned about the House version of FAA reauthorization (HR 915) as it would double the required state match to 5% from the current 2.5%. Under that scenario, we will likely not have the necessary state funds to leverage all federal revenue in 2011.

*Investment Plan-Air Service and All Weather Airport Access*

There was no inflation in the 2010 program for these categories; there actually was a little over \$380,000 reduction. With the continued decline in revenues for the State Aeronautics Fund, the Air Service Program will likely remain unfunded for FY 2010.

*System Preservation and Enhancement*

Approximately 2/3 of the FY 2010 Airport Improvement Program will be focused on system preservation (runway reconstruction and maintenance, airfield lighting, and terminal rehabilitation). The remaining 1/3 will be devoted to capacity improvement (runway extensions, terminal expansions, and new instrument approaches).

Commissioner Jung asked if funding was static or if expenditures were down rather sharply.

Mr. Brinker replied that the federal revenue will be static at about \$105 million; our actual program is down about \$125 million so we are down slightly but not too much.

No other questions were forthcoming.

Chair Wahby highlighted the ARRA Oberstar cumulative employment data which shows that between March and August we had 8,646 total employees that were added and equated to 259,858 hours and a total payroll of \$7,839,799.

Ms. Shinn pointed out that there are still some zeros in some of the columns for the Battle Creek area and in Region 2; that is because they were not able to report to us yet. It's not as if there has not been investment there.

V. **PUBLIC COMMENTS**

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

Chair Wahby asked if any Commissioner wanted to address the Commission.

Chair Wahby commented that it appears like we still have a lot of challenges in terms of the reports presented today with the financing for all these and how we're going to get matches, etc. Additionally, he complimented the department for doing a great job.

Commissioner Atkinson commented that she appreciates the volume and quality of work. Further, she suggested that all involved with the meeting materials preparation aggressively look at using a quicker, less expensive mode of giving us this information. All of it is created digitally before it is printed and sent to us. She would encourage the Commission representative and the department to begin to change the process in which the Commissioners receive their meeting materials.

Ms. Shinn noted her comments and stated that the team would begin working on it with Mr. Kelley to see how best we can accomplish this. The department doesn't like walk-ons either and recognizes the challenge that that puts before them.

VI. **ADJOURNMENT**

There being no further business to come before the Commission, Chair Wahby declared the meeting adjourned at 10:48 a.m.

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The next full meeting of the Michigan State Transportation Commission will be held on Thursday, October 29, 2009, in the 1<sup>st</sup> floor Bureau of Aeronautics and Freight Services Auditorium in Lansing, Michigan, commencing at the hour of 9:00 a.m.

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Frank E. Kelley  
Commission Advisor