

MICHIGAN STATE TRANSPORTATION COMMISSION

PUBLIC MEETING

April 18, 2024

Lansing, MI

DRAFT MEETING MINUTES

Members Present: Michael D. Hayes, STC Chair
Richard W. Turner, STC Commissioner
Heath E. Salisbury, STC Commissioner
Suzanne Schulz, STC Commissioner
Rhonda Welburn, STC Commissioner
Rita Brown, STC Commissioner

Also Present: Director Brad Wieferich, Michigan Department of Transportation
Kathleen Gleeson, Assistant Attorney General, Transportation Division
Jeff Cranson, Office of Communications, MDOT
Troy Hagon, Commission Advisor
Patrick McCarthy, Director, MDOT Bureau of Finance
Dee Parker, Director, Bureau of Development
Greg Brunner, COO
Jack Cotter, Commission Auditor, Office of Commission Audits
Ashleigh Houska, Department Analyst, Office of Commission Audits
About 20 to 25 people were in the audience.

I. WELCOME

Chair Hayes called the meeting to order at **10:02 a.m** and welcomed everyone to the STC meeting. Hayes pointed out that it is National Work Zone Awareness Week. The theme this year is work zones are temporary, but our actions behind the wheel are forever. He mentioned that everyone needs to slow down and pay attention in work zones.

Director Wieferich thanked Chair Hayes for bringing attention to National Work Zone Awareness Week. He said it is very important to make our work zones safer. Director Wieferich mentioned that there have been improvements to protection in work zones including barriers and the new distracted driving laws, as well as the new speeding laws that have been passed.

For more: [Full STC hearing video.](#)

II. COMMISSION BUSINESS

- ***Minutes of January 25, 2024 Commission Meeting (motion required)***

Chair Hayes requested a motion regarding approval of the minutes for the January 25, 2024 Commission meeting. There were no comments. Commissioner Turner made a motion to approve the meeting minutes, and Commissioner Schulz supported. Chair Hayes led a voice vote; all members present voted in favor; **motion to approve carried.**

- ***TAMC Appointment Nomination (motion required)***
Troy Hagon presented the nomination of James Snell to the Transportation Asset Management Council. Commissioner Salisbury made a motion to approve, and Commissioner Schulz supported. Chair Hayes led a voice vote; all members present voted in favor; **motion to approve carried.**
- ***Amendment to Rebuilding Michigan Bond Resolution – (motion required) – Patrick McCarthy***
Mr. Patrick McCarthy presented the Amendment to Rebuilding Michigan Bond Resolution which requires a motion. There were no questions. Commissioner Turner entertained the motion to approve, Schulz supported.

Troy Hagon led a roll-call vote. Chair Hayes, yes, Vice Chair Salisbury, yes. Commissioner Brown, yes. Commissioner Schulz, yes. Commissioner Welburn, yes. Commissioner Turner, yes. **Motion to approve carried.**

- ***Office of Commission Audits (OCA) Update – Jack Cotter***
Mr. Cotter spoke to the State Transportation Commission reviewing the commission policies. Since the last meeting, OCA has divided the policies into two, Pre-1994 policies, and policies from 1994 to present. After OCA assessed the policies, it seems very likely the 1994 Commission reviewed and kept the policies they intended to keep during the June 8th, 1994 meeting. The Pre-1994 policies were replaced by new policies, or are out of date. Office of Commission Audits is requesting the STC entertain a motion to eliminate or replace the Pre-1994 commission policies.

Chair Hayes agreed to entertain a motion. Commissioner Brown made the motion and Commissioner Wellburn seconded.

Troy Hagon led a roll-call vote. Chair Hayes, yes. Vice Chair Salisbury, yes. Commissioner Brown, yes. Commissioner Schulz, yes. Commissioner Wellburn, yes. Commissioner Turner, yes. **Motion to approve carried.**

Commissioner Hayes said that this was a great start to updating the commission policies that the STC had discussed in January. The STC will be working with OCA to review the 1994 to present policies in the coming months.

III. **OVERSIGHT AND OTHER INFORMATIONAL REPORTS**

- ***Quarterly Bid Letting Summary – Patrick McCarthy***
Mr. McCarthy presented the following documents to the STC for review: Quarterly Bid Letting Summary for the 2nd Quarter which consisted of 117 projects, Bid Letting Trends, and the Procurement Card Report for the 2nd Quarter.

Chair Hayes had a question on item 38, a 98-million-dollar contract, which had an innovative contracting method: fixed price variable scope project. Chair Hayes requested clarification on this method.

Mr. McCarthy explained a fixed-price variable scope project means there is a set dollar amount for the project and then the contractor performs as much work as they can for that dollar amount. Director Wieferich further clarified that the contractor that wins will not be the lowest bidder, since the price was already fixed, but the one who agrees to do the most work. This allows MDOT to maximize the work they can do for a set dollar amount. This has been an MDOT practice for about 10 years, but it isn't used frequently. Director Wieferich said that this particular contract is for the Rebuilding Michigan Bond fund and that they are trying to stretch the amount as much as possible.

Chair Hayes asked if this contract had a warranty and Mr. McCarthy confirmed it did. Vice Chair Salisbury asked if the contractors are not allowed to go beyond the pre-determined amount of the contract and Director Wieferich confirmed this. He said that these types of contracts are when there is more need than dollars available.

Chair Hayes asked if item 61, a project that provides generators for pump stations, would address flooding in the Metro area. Director Wieferich said the goal of this project is to get permanent generators on site so if there are power outages the pumps can still kick on. It doesn't fix all the issues but will help. They still need to look at the entire drainage system infrastructure to address the needs of those systems, which can get overwhelmed during storms. There were no further questions. **No motion required.**

- ***Quarterly Bid Justification Summary – Dee Parker***

Mr. Parker presented the Quarterly Bid Justification Summary for the 2nd Quarter to the State Transportation Commission. There were no questions. **No motion required.**

- ***Real Estate Services Section Disposal of Real Property Interests – Dee Parker***

Mr. Parker presented the Real Estate Services Section Disposal of Real Property Interests to the STC. There were no questions. **No motion required.**

- ***Final Construction Contracts – Extras and Overruns – Jason Gutting***

- MDOT Projects for January, February, and March 2024
 - 87 projects totaling approximately \$323 million were finalized.
 - 5 projects were more than 10 percent over the original contract amount.
 - 45 projects came in under original contract amount.
- Final monthly contract costs were respectively 0.61, 0.38, and 2.03 percent over their original contract amount.
- Fiscal year 2024 is averaging 0.78 over original contract amount.

- Local Agency Projects for January, February, and March 2024
 - 109 projects totaling approximately \$93 million were finalized.
 - 7 projects were more than 10 percent over the original contract amount.
 - 67 projects came in under original contract amount.

- 2 MDOT projects and 4 local agency projects are being presented.

No motion required.

Commissioner Brown asked if the overruns are due to the increase in materials. Mr. Gutting said the causes are varied, but many times the road and bridge deterioration may be worse than first estimated which leads to additional costs. There were no more questions. **No motion required.**

- ***Six-Month Financial Audit Follow-up Report – Jack Cotter***

There was nothing to report for the Six-Month Financial Audit Follow-up Report. Mr. Cotter asked the STC to consider revising the policy requiring a report since there has been nothing of note for many years. Chair Hayes said that is something they could consider reviewing for the next meeting. Commissioner Turner made a motion to accept the report and Vice Chair Salisbury seconded. Chair Hayes led a voice vote; all members present voted in favor; **motion to approve carried.**

V. PUBLIC COMMENTS

There were several members of the public who had a comment or request for the State Transportation Commission.

1. Flint Residents for Stronger Neighborhoods

- a. **Joel Arnold, City Planner** – Mr. Arnold wanted to comment on 475. When it was originally built it caused damage to the city of Flint and divided a neighborhood. A lot of folks worked on the designs to reimagine the highway so it could function while allowing these neighborhoods to be reconnected. Unfortunately, due to funding, most of the improvements that were suggested are not going to happen. The community feels frustrated that they engaged with MDOT and were ignored. The Flint Residents for Stronger Neighborhoods were there to advocate for these changes to the highway. Mr. Arnold pointed out that this was a once in a generation opportunity because the infrastructure would last for decades. He asked MDOT to use this as a chance to reimplement the original plans.
- b. **Michael Farver, Certified Tourism Ambassador** – Mr. Farver explained that he has lived in Flint his whole life. When he got out of the military in 1980 he discovered a highway was being built right through his block which divided his neighborhood in half. He used to have football games every Sunday, but the highway stopped it. Now MDOT wants to take the exit away that connected the separated community. Mr. Farver wanted to voice his opposition to this plan.
- c. **Lanie Nix, Certified Tourism Ambassador** – Ms. Nix has lived in Flint for 15 years. She said over the years Flint has bloomed like a rose. As a CTA she is charged by the Chamber of Commerce and PureMichigan to uplifting the city. Ms. Nix said she cares about her community, Flint has so many strong qualities, but also a sense of division. Ms. Nix believes 475 causes that division. She explains that a beautiful community was destroyed by the highway and after the many meetings to repair these wrong many voices were

squelched due to the budget. She said it seems that MDOT has no system in place to use non-profits, grants, or funding to fill those gaps. Ms. Nix said she finds this irresponsible.

2. **Monica Shapiro, Representative from Complete Streets** – Ms. Shapiro started by mentioning she was at the Pell Grant meetings and believes it would have been helpful if they were given accurate plans to bring to the community to raise funds for these projects instead of MDOT simply rejecting them. Ms. Shapiro then went on to request the Act 51 money be placed under the oversight of Complete Streets Commission, who could then allow the community to decide how the money is used. The reason for this request is because in Genesee County, they are building three-foot shoulders for safety, but this makes it more dangerous for non-motorized travel. She also addressed that while most traffic is motorized, a great percentage of deaths are cyclists and pedestrians. Ms. Shapiro said MDOT continues to widen the roads without any sidewalks or cyclist safety added and there is no communication with the township. Ms. Shapiro would also like to see active transportation access being added as a line item on the studies because when these roads are expanded no sidewalks are added.
3. **Kirk Westphal, Representative from Trains Not Lanes** – Mr. Westphal introduced himself as being from a grassroots group from Ann Arbor. The group formed in support of the no-build alternative for US-23, in opposition to the three-capacity expansion alternative. The City of Ann Arbor unanimously passed a resolution against widening, asking MDOT to instead improve non-car connections above and below the highway. Mr. Westphal mentioned the group has about 1300 signatories to this petition. He did comment that they applaud MDOT repairing bridges and improving safety in this section. They also appreciate that MDOT is speaking with regional transit authority about potential alternatives to the project. Mr. Westphal referenced several issues that the group has with the current plan, including that adding car capacity doesn't fix traffic, the increase in emissions, particulates, and noise pollution. Widening highways doesn't fix traffic, so why do we do it? Causes increased emissions, particulates, and noise pollution. The group supports MDOT renewed interest in an effective complete streets policy that doesn't pit transportation against community goals. Mr. Westphal asked that the STC changes their policy as soon as possible to a fix it first, connectivity and an environmental justice model. He asked that they focus on repairing our current infrastructure and undoing the documented legacy of harm in many of Michigan's communities.
4. **Jack L. Hoffman** – Mr. Hoffman said his purpose was to discuss debt vs regulatory fee financing of State Transportation Programs and facilities. Mr. Hoffman says that the 2019 state fuel and registration tax revenue was \$2.8 billion, where State Trunkline received \$1 billion, \$900 million went to maintenance and \$100 million went to bond service. Mr. Hoffman says that in 2020, when the STC adopted the governor's policy to fund the state's transportation system by borrowing against future fuel and registration taxes, Laura Mester, MDOT Chief Administration Officer, had warned that this wouldn't fix everything, and a long-term solution was needed. Mr. Hoffman says that under the Governor's policy, in 2024, fuel and

registration tax will be about \$2.8 billion. He says that while distribution to the state trunkline fund will increase to \$1.4 billion, only \$1 billion goes to maintenance, and \$400 million to interest. He says there is a better way to tax the trunkline, stating that in 1978 Proposal 44 amended the constitution to allow the politically independent STC to create a rule that in the event the legislature fails to appropriate sufficient tax revenue to adequately maintain the state transportation system then commercial operators shall be charged a regulatory fee for the privilege of operating commercial vehicles on the system. Mr. Hoffman says if the state officers have any questions on this, they should request a legal opinion from Attorney General Nessel.

VII. **ADJOURNMENT**

Chair Hayes adjourned the meeting at 10:53 am.

VIII. **NEXT MEETING**

The next full meeting is August 1st. Location is to be determined.

Troy Hagon
Commission Advisor