

Montana Transportation Commission

October 25, 2017 Meeting
Helena, Montana

IN ATTENDANCE

Barb Skelton, Transportation Commission Chair
Greg Jergeson, Transportation Commissioner
Carol Lambert, Transportation Commissioner (Phone)
Dave Schulz, Transportation Commissioner
Dan Belcourt, Transportation Commissioner (Excused)
Mike Tooley, Director MDT
Dwane Kailey, MDT Engineering
Lori Ryan, Commission Secretary
Dustin Rouse, MDT
Dave Ohler, MDT
Lynn Zanto, MDT
Kevin McLaury, FHWA
Chris Riley, FHWA
Paul Dennehy, Lamar Advertising

Please note: the complete recorded minutes are available for review on the commission's website at http://www.mdt.mt.gov/pubinvolve/trans_comm/meetings.shtml. You may request a compact disc (containing the audio files, agenda, and minutes) from the transportation secretary Lori Ryan at (406) 444-7200 or lrayn@mt.gov. Alternative accessible formats of this document will be provided upon request. For additional information, please call (406) 444-7200. The TTY number is (406) 444-7696 or 1-800-335-7592.

OPENING – Commissioner Barb Skelton

Commissioner Skelton called the meeting to order with the Pledge of Allegiance. After the Pledge of Allegiance, Commissioner Skelton offered the invocation.

Project Awards

Dwane Kailey said MDT has six projects to award today as follows:

Highway 2 Ped Bridge, Malta. The Engineers Estimate was \$1,145,412.10. We had four bidders. The apparent low was Battle Ridge Builders, Belgrade at \$1,220,179.25. They are 6.53% over the Engineer's Estimate but within guidelines. We also had zero DBE goal, however, we are showing 1.25% DBE participation. You may recall this was a bid from a few months ago that we recommended rejecting due to a supplier notifying us they had misquoted to the prime. We heard the supplier had misquoted by about \$200,000. Of note, we did see the bids increase by about \$200,000 on this round. The last bids were right at \$1.2 million so I think it worked out okay and I'm standing behind our recommendation to not award last time.

Duck Lake Fencing. The engineer's estimate was \$638,225.00. We had three bidders. The apparent low was Boise River Fence, Kalispell at \$512,142.64. They are 19.76% under the Engineer's Estimate with zero DBE goal and zero participation.

Stockett Safety Improvement. The Engineer's Estimate is \$600,951.45. We had five bidders and the apparent low was Missouri River Contractors, Helena at \$480,480.00. They are 20.05% under the Engineer's Estimate. We had zero DBE goal and we are showing 2.66% DBE participation.

Overlook Drive Pass, Great Falls. The Engineer's Estimate is \$453,041.00. We had two bidders and the apparent low was United Materials of Great Falls

at \$492,427.00. They are 8.69% over the Engineer's Estimate but within guidelines. Zero DBE goals and zero participation.

Cedar Street, Anaconda. The Engineer's Estimate is \$494,770.00. We had two bidders and the apparent low was Jim Gilman Excavating, Butte at \$414,709.76. They are 16.18% under the Engineer's Estimate with zero DBE goal and zero participation.

Safety Project 149 South of Hot Springs, Slope Flattening. The Engineer's Estimate is \$337,286.25. We had six bidders and the apparent low was Riverside Contracting, Missoula at \$275,217,00. They are 18.40% under the Engineer's Estimate with zero DBE goals and zero DBE participation.

The Department recommends award of all six contracts. Commissioner Schulz commented that most of the bids came in really low and that's encouraging. He asked if these would all be spring projects. Dwane Kailey said yes. Winter shutdown is November 15th and the Notice Proceed is typically six weeks after the bid, so they won't meet the winter shutdown time. We anticipate April 15th will be the startup.

Commissioner Schulz moved to approve the bids as presented. Commissioner Jergeson seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Approval of Minutes

The minutes for the Commission Meetings of August 22, 2017, August 24, 2017, September 5, 2017, September 19, 2017 and October 3, 2017 were presented for approval.

Commissioner Jergeson moved to approve the minutes for the Commission Meetings of August 22, 2017, August 24, 2017, September 5, 2017, September 19, 2017 and October 3, 2017. Commissioner Schulz seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item 1: Tentative Construction Plan (TCP) Concurrence

Director Tooley presented the TCP to the Commission. After a year of work with the Commission and the Department and a full day of meetings yesterday, the Department would like your concurrence on the TCP as presented. If you have any questions I can answer them.

Commissioner Jergeson asked if the Commission had authority to move anything around in the TCP. Director Tooley said the TCP is a scheduling tool and we're just asking for concurrence. Previous Commissions have tried to change the order of projects, but we don't believe that is within the Commission's authority and we would highly recommend against it because of the complication it would create within the TCP. Commissioner Jergeson said it was an interesting process. I appreciated the hours I spent with the Butte Administrator and his staff learning about the projects presented yesterday and the interesting relationship between the districts when they are all here. There is some competition between them and, yet they are all very supportive of one another and all looking out for the good of the state. It was an interesting process and the presentations were very well done and alleviated the need for a lot of questions. Commissioner Lambert noted for the new Commissioners that hadn't been through this process before, we need to emphasize that this isn't written in stone. This is a five-year plan, so things will get changed.

Commissioner Lambert moved to concur with the Tentative Construction Plan. Commissioner Schulz seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item 2: Functional Classification/System Designation Kalispell Bypass (Northern Portion)

Lynn Zanto presented the Functional Classification/System Designation, Kalispell Bypass (Northern Portion) to the Commission. The Transportation Commission gives concurrence on functional classification recommendations for public roadways at the state level with final approval by the Federal Highway Administration (FHWA). Functional classification is a method of classifying roads by the service they provide as part of the overall highway system. Additionally, the Transportation Commission is responsible for approving revisions to the National Highway System (per MCA 60-2-126).

Recently, construction activities were completed for the northern portion of the Kalispell Bypass project, and MDT conducted a functional classification and system designation review for the new route. At this time, MDT is recommending that the northern portion of the Kalispell Bypass be classified as a Principal Arterial and that it be placed on the National Highway System.

Summary: MDT is requesting Transportation Commission approval to classify the northern portion of the Kalispell Bypass as a Principal Arterial and add it to the National Highway System (pending final approval of these actions by FHWA).

Staff recommends that the Commission approve the following items:

1. Functional Classification (Attachment A):
 - a. Classify the northern portion of the Kalispell Bypass, between US-2 (N-1) and US-93 (N-5), as a Principal Arterial (3.6 miles)
This functional classification is subject to FHWA approval.
2. System Action (Attachment B):
 - a. Add the northern portion of the Kalispell Bypass, between US-2 (N-1) and US-93 (N-5), to the National Highway System (3.6 miles)
This action requires FHWA approval of functional classification and concurrence on proposed system designation.

Commissioner Schulz asked if FHWA will approve this. Kevin McLaury said yes. We're in a partnership on this and this has all been worked through prior to this. Commissioner Jergeson asked if there was any concern on the part of the commercial sector in Kalispell having traffic bypass them. Lynn Zanto said state law requires that we have a Resolution from the local government before we move forward with a bypass route. That happened some years back. I haven't heard any concerns about the bypass. With such a big project, I've never seen a community, city, county, economic development, and downtown embrace a project to the extent this was. Any pressure we got was about when we were going to get it done. Dwane Kailey said the intent of the bypass was a truck route to get some of the commercial vehicles outside of downtown and they are seeing a fair amount of that happen. There has been nothing but support from that community for this project.

Commissioner Jergeson moved to approve the Functional Classification/System Designation, Kalispell Bypass (Northern Portion). Commissioner Schulz seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item 3: Speed Limit Recommendation Interstate 15-Sieben-Hardy Creek

Dwane Kailey presented the Speed Limit Recommendation, Interstate 15 between Sieben and Hardy Creek to the Commission. The 2015 Legislature adopted SB375 which set the statutory speed limit on the Interstate at 80 mph. However, in working with the Legislature we were able to get some language inserted that allowed us to exempt out certain areas where we had concerns, essentially our mountainous areas. That allowed us to go in and do a speed study prior to setting the speed limit to 80 mph. We've completed about four of those areas and we have two remaining and this is one of them. The reason those areas weren't captured right away is predominantly due to construction activity. We've been doing a lot of rock fall mitigation in the Wolf Creek Canyon area. The other one remaining is Lookout Pass and we're always working up there. As soon as we have no activity we'll get the speeds collected and bring it back to the Commission for your review and approval.

We've studied the speeds and it is our recommendation to set the speed limit at:

A 70 mph / Truck 65 mph speed limit beginning at milepost 217.150 (north of the Sieben Interchange) and continuing north to milepost 227.613, an approximate distance of 10.5-miles.

A 75 mph / Truck 65 mph speed limit beginning at milepost 227.613 and continuing north to milepost 248.0 (north of the Hardy Creek Interchange), an approximate distance of 20.4-miles.

We have presented this to the county officials; we don't need their approval, but we always ask for it. They have not responded on this one. We are presenting it to you and recommending your approval. Commissioner Lambert asked if this road goes through a Reservation. Dwane Kailey said no, this is north of Helena. Commissioner Jergeson said it was in his district.

Commissioner Jergeson moved to approve the Speed Limit Recommendation, Interstate 15 – Sieben-Hardy Creek. Commissioner Schulz seconded the motion. All Commissionees voted aye.

The motion passed unanimously.

Agenda Item 4: Speed Limit Recommendation MT2 – Three Forks

Dwane Kailey presented the Speed Limit Recommendation, MT2 – Three Forks to the Commission. We studied the area and looked at traveling speeds, safety, roadside culture and based on that we are recommending the following:

A 45-mph speed limit beginning at station 115+00, (400' south of Oregon Street) and continuing north to station 134+50, an approximate distance of 1,950 feet.

A 35-mph speed limit beginning at station 134+50 (north side of Grove Street) and continuing north to station 145+00, an approximate distance of 1,050 feet.

Statutory 25 mph speed limit beginning at station 145+00 (north side of Elm Street) and continuing north to straight-line station 10+00 (100' north of Oak Street), an approximate distance of 2,900 feet.

A 35-mph speed limit beginning at station 10+00 and continuing north to station 21+00 (900' east of 2nd Ave E), an approximate distance of 1,100 feet.

A 45-mph speed limit beginning at station 21+00 and continuing east over Interstate 90 onto route designation Secondary 205 to station 69+00 (900' west of the Madison River Bridge), an approximate distance of 4,800 feet or 0.91-miles.

A 55-mph speed limit beginning at station 69+00 and continuing east on Secondary 205 to station 83+00 (350' east of the bridge), an approximate distance of 1,400 feet.

We have presented this to the city of Three Forks and Gallatin County and their letters of concurrence are attached.

Commissioner Schulz moved to approve the Speed Limit Recommendation MT2 – Three Forks. Commissioner Lambert seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item No. 5: Speed Limit Recommendation MT 117 – Nashua

Dwane Kailey presented the Speed Limit Recommendation MT 117 - Nashua to the Commission. We were requested to look at this area and based on our review and the traveling speeds, roadside culture, accident history, and citation data we are recommending the following:

A 45-mph speed limit beginning at station 469+00 (100 feet west of the intersection with Stewart Street) and continuing west and south to station 458+00, an approximate distance of 1,100-feet.

A 55-mph speed limit beginning at station 458+00 and continuing south to station 446+00, an approximate distance of 1,200-feet.

This effectively extends the statutory 25-mph speed limit. We have presented this to the town of Nashua and their concurrence is attached.

Commissioner Lambert moved to approve the Speed Limit Recommendation MT 117 - Nashua. Commissioner Schulz seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item No. 6: Speed Limit Recommendation Merrill Avenue – Glendive

Dwane Kailey presented the Speed Limit Recommendation Merrill Avenue - Glendive to the Commission. We reviewed the traveling speeds, accident history, citation data, and roadside culture and based on that information we are recommending the following:

A 35-mph speed limit beginning at straight-line station 16+00 (400' north of Allard Street) and continuing north to a point 100-feet south of Oregon Lane (as previously approved), an approximate distance of 3,850 feet.

This shortens the 35-mph speed zone and extends the 25-mph speed limit within the town. We have presented this to the city of Glendive and their letter of concurrence is attached for your review and approval.

Commissioner Lambert moved to approve the Speed Limit Recommendation Merrill Avenue – Glendive. Commissioner Schulz seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item No. 7: Speed Limit Recommendation Secondary 513 – Hall West

Dwane Kailey presented the Speed Limit Recommendation Secondary 513 – Hall West to the Commission. We were requested by Hall school officials to look at the speeds. Based on our review we are recommending the following:

A new 45-mph speed limit beginning at station 10+00 and continuing west to station 18+00, an approximate distance of 800-feet.

A 55-mph speed limit beginning at station 18+00 and continuing to milepost 2.35, an approximate distance of 2-miles.

A 35-mph speed limit beginning at milepost 2.35 and continuing along Secondary 513 to the end of the secondary route designation at milepost 9.7, an approximate distance of 7.35-miles.

This extends the 25-mph statutory speed limit. We presented this to Granite County and their letter of concurrence is attached for your review and approval.

Commissioner Schulz asked about the 35-mph speed limit for 7.5 miles. I bring that up because west of Anaconda toward Georgetown they have that and there is a lot of dispute and question about driving 35-mph for that distance. Dwane Kailey said there is a 35-mph speed limit for 7.35 miles. I'm not overly familiar with Hall but my guess is that the roadside culture, the approaches in the area are giving indicators of why that should be. Commissioner Schulz asked if it was a narrow road. Dwane Kailey said yes. Commissioner Schulz said obviously the governing body supports it. Dwane Kailey said if you look at where we measured the speeds, you can see most of traffic is traveling around that speed. We look at what the traveling public is comfortable driving because we don't want to turn them into law breakers because we don't have enough law enforcement to enforce the speed limit. So, we try to set the speed limit at what that average traveling public is comfortable driving on that road and most of the 35-mph section is gravel. Commissioner Lambert asked if this was the piece of road the County Commissioners didn't agree should be changed. Dwane Kailey said they all agreed. Commissioner Skelton asked about the signage. Dwane Kailey said they were working with the county on that.

Commissioner Jergeson moved to approve the Speed Limit Recommendation Secondary 513 – Hall West. Commissioner Schulz seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item No. 8: Speed Limit Recommendation US 212 – Ashland West

Dwane Kailey presented the Speed Limit Recommendation US 212 – Ashland West to the Commission. We were requested by Ashland County to look at the traveling

speeds, accident history, and roadside culture in this area. Based on our investigation we're are recommending:

A 60-mph speed limit beginning at station 390+00, project NH 37-2(12) and continuing west to station 323+00 (1,900 feet west of Birney Road), an approximate distance of 1.27-miles.

We have presented our recommendation to both Rosebud County and the Northern Cheyenne Tribe. We have concurrence from Rosebud County, but we've received nothing from the Northern Cheyenne Tribe. The District and MDT are recommending approval of the speed limit. We do try to get Tribal concurrence on these, but we don't always get it. Dwane Kailey said we've heard a lot from the Tribe requesting reduced speed limits out there, so I don't believe this is out of line with where they want to go.

Commissioner Lambert said the speed limit in that area does need to be reduced. Commissioner Skelton said she had been through that area and it is dangerous and does need to be reduced.

Commissioner Lambert moved to approve the Speed Limit Recommendation US 212 – Ashland West. Commissioner Schulz seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item No. 9: Speed Limit Recommendation Belle Prairie Frontage Road – Glendive

Dwane Kailey presented the Speed Limit Recommendation Belle Prairie Frontage Road in Glendive to the Commission. We were requested by Glendive to look at the speeds in this area. Based on our review we are recommending the following:

A 45-mph speed limit beginning at the intersection with Merrill Avenue and continuing east to straight-line station 22+00, an approximate distance of 0.42-mile.

A 55-mph speed limit beginning at straight-line station 22+00 (300' east of Utah Avenue) and continuing east to straight-line station 85+00, an approximate distance of 1.2-miles.

We have presented this to the city of Glendive and their letter of concurrence is attached. If you have any questions, please feel free to ask.

Commissioner Lambert moved to approve the Speed Limit Recommendation Belle Prairie Frontage Road – Glendive. Commissioner Jergeson seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item No. 10: Certificates of Completion July & August 2017

Dwane Kailey presented the Certificates of Completion for July & August 2017. They are presented for your review and approval. If you have any questions, please feel free to ask. The DBE goals are included – what was bid versus what the prime submitted and then the final participation. Commissioner Lambert asked if the DBE goal has been met. Dwane Kailey said we are exceeding the DBE goal. We are at 6.5% and the goal is 6.14% so we are exceeding the goal, but we aren't done yet.

Commissioner Lambert moved to approve the Certificates of Completion for July & August 2017. Commissioner Schulz seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item No. 11: Project Change Orders July & August 2017

Dwane Kailey presented the Project Change Orders for July & August 2017. They are presented for your review and approval. If you have any comments or questions, please feel free to ask. He said we have some projects that are negative. Page six shows a \$525,000 net reduction in costs and you don't always see that. In August both Glendive and Billings have a negative net value. We had a some fairly big negative change orders which is good. Commissioner Skelton asked why. Dwane Kailey said we try to design to the 85th percentile because you get to that diminishing return point where you can spend more time out there investigating but you're not gaining anything. What happens is we get out there and find different conditions than what we anticipated. In these two we found better conditions than expected, and the contractor came in with a better idea of doing it. They do devalue engineering and they can change what we expect in the contract, do it at a lesser cost, and share in some of the savings. When that happens, it is a benefit to the taxpayer. Commissioner Lambert said the entire year has been good and MDT deserves a pat on the back.

Commissioner Lambert moved to approve the Project Change Orders for July & August 2017. Commissioner Schulz seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item No. 12: Letting Lists & Proposed Letting Dates

Dustin Rouse presented the Letting Lists & Proposed Letting Dates to the Commission. The 2018 calendar year letting schedule has been created. There are twice per month lettings scheduled for February, March, April, September and October. There will be one letting in January, May, June, July, August, November and December. Staff coordinated with the Montana Contractors Association and adjusted the schedule to avoid conflict with their bi-annual meetings in January and August, and to avoid the CONEXPO Trade Convention in Las Vegas, NV. Staff recommends approval of the 2018 proposed letting schedule.

Commissioner Jergeson moved to approve the Letting Lists & Proposed Letting Dates. Commissioner Lambert seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item No. 13: Guidelines for Nomination and Development of Pavement Projects – Joint Agreement

Dustin Rouse presented the Guidelines for Nomination and Development of Pavement Projects – Joint Agreement with FHWA to the Commission. This is our Joint Agreement with FHWA for guidelines for the nomination and development of pavement projects. This document has not been updated since 2010 with only minor changes; this is a significant change. This Agreement constitutes a commitment by the Montana Department of Transportation (MDT) and the Montana Division of the

Federal Highway Administration (FHWA) to provide guidelines to nominate and develop projects consistent with criteria for projects in different funding and roadway treatment categories. This agreement supplements the Department's geometric design standards in the categories of corrective maintenance, pavement preservation, minor and major rehabilitation, and reconstruction. It also establishes guidelines for federal aid participation. This agreement provides guidelines for all state maintenance, state construction, and federal aid projects. Projects that fall within the parameters of this agreement will be considered eligible for federal aid by the Division. Projects that do not meet one or more of the parameters can still be considered for federal aid, but further review will be necessary in accordance with the Stewardship and Oversight Agreement on the National Highway System (NHS); by MDT on non-NHS routes (normally funded by the Surface Transportation Program (STP)); or the project may be a state-funded project. All projects will receive the appropriate level of environmental documentation as required by NEPA and MEPA.

Major changes included in this update are an added category called "Prep Due to Maintenance" and we countered that with what pavement preservation is, we describe and define Corrective Maintenance and Pavement Preservation. Under Pavement Preservation we have clearly defined how we want to handle pavement preservation. We give guidance to the Districts on how to handle those. We also give the districts the discretion to utilize core funding to nominate additional pavement preservation projects as needed.

We've also developed and added three different models under Pavement Preservation in line with national standards – Light Pavement Preservation is crack seal, seal and cover projects; Medium Pavement Preservation is the mill-fill type projects or micro surface project where we are paving but essentially bringing it back to the same elevation or grade; Heavy Pavement Preservation would be an overlay without milling so you're definitely raising the grade of the roadway. That has the added impact of a narrowing of the shoulders and there are other impacts we look at with that type of project. We've clarified those different treatments.

We also describe when design exceptions are necessary for those different treatments and levels. Under the Guardrail section, we talk about our new match policy and how we want staff to implement meeting the requirements of that policy. The Guidelines talk about ADA treatments. Attached to the Guidelines is our ADA Technical Feasibility Determination. If we are doing a "no fill" in town, we must do ADA upgrades at the intersections, so the ADA Technical Feasibility Determination allows staff the ability in areas where we can't meet the guidelines to document exactly why. We continue to carry those locations in a data base that our Civil Rights office maintains, so we continually track that inventory. Also, we updated our "Route Segment Plan Map" which has all our routes across the state.

I want to recognize Jim Tones and Jim Davies who were instrumental in helping to develop this new document which provides a quick reference for our staff as they develop projects. Both were instrumental in helping to get this done; it was a heavy lift and I appreciate their updates.

Dustin Rouse said Madam Chair is a signatory on this document and, short of significant comments and additional edits, we recommend your concurrence with this document and we'll proceed to fully execute this document as we move forward.

Commissioner Lambert said this Agreement was very interesting; I don't remember ever doing this before. It gives you some guidance when some of your constituents have questions. I appreciate having this in the book. Kevin McLaury thanked both MDT and FHWA staff who worked very hard to make this come together. This is a great guiding document as to what we will do and what the expectations are. A lot of work went into it and I want to thank all involved for doing it. Commissioner Schulz said I read this through and it pretty much just enhances or speaks to the needed

relationship between the Department and FHWA. Kevin McLaury said it lays out the relationship and it is a state-administered federally-funded program in that the Department picks the projects and we don't. We want to make sure we keep that relationship there as a working partnership. I think this enhances that.

Kevin McLaury recognized the staff and their helpfulness in developing the document. Director Tooley agreed and said it took both staffs working together to come up with a great agreement that guides how we move forward on these types of projects. It's always a good thing to have something we jointly understand and arrived at because we jointly worked together. I'm very appreciative of that. Commissioner Skelton said it is very helpful to the Commission when we review the projects. She thanked everyone for all their hard work.

Commissioner Jergeson moved to approve the Guidelines for Nomination and Development of Pavement Projects – Joint Agreement. Commissioner Lambert seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

Agenda Item 14: Discussion & Follow-up

State and Federal Finance

Director Tooley said Dwane Kailey and I attended the AASHTO annual meeting in Phoenix a few weeks ago. We were fortunate to hear from Secretary Chow while we were there regarding the federal program and the Administration's priorities. There will be a funding package which we've been anticipating for a while now. It keeps getting bumped out later and later because the Administration's priorities don't go away including Health Care and now Tax Reform. The Secretary suggested we might see something more concrete in the spring which didn't surprise any of us. In the mean time we will continue to work through as we have. We have an Authorizing Act right now but as far as finance or anything really changing, we're back to the cycle of extensions through the rest of this bill and maybe beyond. You don't need to worry about your Federal Aid Program going up in Montana by a billion dollars next year. Just say tuned; we can at least do what we're doing now.

HB 473 – Gas Tax

On the state side, HB 473 money is being collected at a rate of about 1.2% higher than projections. Again, not a huge windfall but things have turned around. As a matter of fact, the day after the gas tax increase went into effect, the overall price of gas dropped. So, it was cheaper after the gas tax was implemented. That's good news; people are not shying away from buying gas. We'll continue to watch and make sure that the collections are coming in as they should. The state has a decent balance; we aren't flushed in cash, but we can continue to match the Federal Aid Program and that was the whole point.

You received a letter recently from three MPO's regarding concerns with some of our internal policies. Planning has reviewed that letter and plans on responding to that. We think there were several misstatements within that letter that we will address with them.

The Department did create some internal working policies to better manage the State Highway Special Revenue Fund. The policies went into effect November 30, 2016. That was when we came to the Commission and said we were going to hold off on \$140,000 million in federal aid projects because the projections showed we wouldn't have the money to pay the bills when those bills came due which then started the whole HB 473 conversation. Even with HB 473, we think it is still very prudent to

manage that Highway State Special Revenue Fund in a different way than we have in the past. That brought up some concerns from local city governments. We're working through that issue with them and will respond to the MPO's but there is a larger conversation going on with the League of Cities and Towns. We're going to find a way to tweak some of these policies to make them more common sense and workable for the local government while, at the same time, accomplishing our goal of protecting the Highway State Special Revenue Account.

Lynn Zanto said my staff and I have regular coordinating meetings with the MPO's – Missoula, Great Falls, Billings planning staff. Last week we had a discussion with them and coordinated with some of Kevin's staff. If you read the letter, it sounds like they are indicating we are violating federal regulations all over the place; we aren't. Our internal operating policies do not circumvent federal or state laws or regulations. We had a good conversation with them; we listened to their concerns and explained what you just heard from the Director. We are keeping them posted as we go along.

Commissioner Lambert said as you know our District doesn't have an MPO but when I read something that has the people concerned then I get concerned too. I brought this up before and I thought there was going to be some action taken. I'd know the Department sets policy, but does the Commission ever see this policy or get a chance to comment on it. I've always thought we should have a policy book but maybe it changes too fast for that. When we hear something like this, I'd like to be able to look our policy. Could you comment on that?

Director Tooley said we can certainly share any of our policies with you. There are a couple of policies they have a concern with. Basically, no policy existed prior to this. If anything, there were project level agreements but there was no coordinating policy, so the Department felt like we should have a policy. The Commission does have a number of Commission policies, but these policies basically go right back to the engine that drives both our programs which is The Highway State Special Revenue Account and protecting that. While we didn't consult the Commission on that, we can certainly give you a head's up in the future because you're the ones in the local areas that hear concerns. We could have done better there. Commissioner Lambert said that was her concern. I've had people ask about the Commission's policy and I don't have a clue. The Commissioner's should have a little idea about the policies or if we get a question have a policy book to refer to.

Lynn Zanto said the policies were put in effect in November last year. At the September 20, 2016, Commission Meeting we had the Bicycle/Pedestrian staff come and present the Bicycle/Pedestrian program overall and the policies were touched on in that meeting. Also, Bike Walk Montana came to a meeting as well and raised some concerns. As the Director said, they are more cash-management and informed decision making across the state so we're being consistent with our approach to decisions. Commissioner Lambert thanked her and said it is a concern of mine.

Elected Officials/Public Comment

Paul Dennehy, General Manager of Lamar Advertising

I'm the General Manager of Lamar Advertising located at 7505 Entry Way in Billings. The reason I'm here today is to ask your consideration to read, look, review and check into the off-premise billboard digital policies that we have in the state now. As a review, prior to 2014-2015 digital signs were not allowed on routes controlled by MDT. The rules were re-written between 2014-2015 by MDT with some input from the industry and comment from the public. As a result, the rule changed, and digital billboards are now allowed on routes controlled by MDT.

The reason I'm here today is although those rules do allow them, parts of the rules are so specific that it's extremely difficult to find a location to build one. They are not allowed outside the cities which is not really an issue because digital billboards are to be used in population centers. The problems we run into are spacing issues. For example, one of the rules in the new regulations calls for no billboard to be closer than 500 feet to an intersection. If you look at most of the cities where we'd like to put digital signs, i.e., Main Street in Billings which you control or Tenth Avenue South, there is no possibility of sign outside 500 feet of an intersection. That means you need to have a city block longer than 1,000 feet and there are very few blocks that are more than 1,000 feet. Another rule states that no digital sign can be within 2,000 feet of another permitted sign which also creates quite a hardship to find a location.

So, I'm here to ask you to look at the rules and possibly reconsider some of the rules regarding digital signage. I'm only talking digital signage, I'm not talking all off-premise signs, just the digital portion of the Administrative Rules and see if we can work together with the industry and MDT to come up with rules that would allow more of a possibility of sites to build. To my knowledge, since the rules were written in 2014-15, there have been no applications to build digital signage on system in the state. I know that digital signage is allowed in the Federal-State Agreement. The only concern is spacing. If we can work with MDT, the industry, and the public to re-look at them. That's what I'm here to ask you. I think some minor changes in those rules can address that and make it feasible to do so.

For your information there are five digital billboards in Montana now; three in Billings, one in Great Falls, and one here in Helena if you need a chance to see what they are and have a look at them. Obviously, all of them are not on MDT controlled routes.

Commissioner Skelton asked about the process to review the sign rules. Dave Ohler said that was primarily Carol Grell-Morris worked on the Outdoor Advertising issues. You may recall, it's been quite an issue for a number of years before we finally got to the point where the rules allowed these digital billboards and it was quite a long process. Commissioner Lambert said didn't we just finish looking at the rules and wasn't spacing one of the issues that Carol worked on? She asked Mr. Dennehy if he had talked to the Department about this. Mr. Dennehy said the rules were written between 2014-2015, and yes, the industry was involved and had some input in that process as well as the public, but we obviously didn't come to an agreement at the end of it on all the segments of the rules.

Dwane Kailey said the spacing was a big issue. You may recall there were two factions on both sides – there were groups that didn't want digital signs and there were groups that wanted them. Spacing was one of the issues and one of the things that was talked about was with bringing in a digital sign, they had the opportunity to have multiple faces on them because they can change the screen. What the Commission and the Department talked about was when putting in a digital sign, maybe you need to pull out one or more of the existing billboards in that process. While some may not like the spacing the way it is, I do believe it was a fairly decent compromise with all the people commenting on the rule. Commissioner Skelton said we may want to talk to Outdoor Advertising and think about reviewing the rule to see what we can look at and maybe come to more of a compromise if that is possible.

Next Commission Meeting

The next Commission Conference Calls were scheduled for November 7, 2017. The next Commission Meeting was scheduled for December 14, 2017.

Adjourned
Meeting Adjourned