

# Montana Transportation Commission

**February 15, 2018 Meeting**  
**Commission Room**  
**2701 Prospect Avenue**  
**Helena, Montana**

## **IN ATTENDANCE**

Barb Skelton, Transportation Commission Chair  
Greg Jergeson, Transportation Commissioner  
Carol Lambert, Transportation Commissioner (excused)  
Dave Schulz, Transportation Commissioner  
Dan Belcourt, Transportation Commissioner (phone)  
Pat Wise, Deputy Director MDT  
Dwane Kailey, MDT Engineering  
Lori Ryan, Commission Secretary  
Dustin Rouse, MDT  
Dave Ohler, MDT  
Lynn Zanto, MDT  
Carol Grell Morris, MDT  
Kraig McLeod – MDT  
Kevin McLaury, FHWA  
Leonard Wortman, Jefferson County Commissioner  
Ralph Zimmer  
Marile Brown

*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](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](mailto: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.

## **Approval of Minutes**

The minutes for the Commission Meeting of December 14, 2017 and Conference Calls of November 28, 2017, December 19, 2017 and January 30, 2018 were presented for approval.

Commissioner Jergeson moved to approve the minutes for the Commission Meeting of December 14, 2017 and Conference Calls of November 28, 2017, December 19,

2017 and January 30, 2018. Commissioner Schulz seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

**Agenda Item 1: Local Construction Project – Local Forces  
Ravalli County, City of Butte, Silver Bow County**

Lynn Zanto presented the Local Construction Project – Local Forces, Ravalli County, City of Butte, Silver Bow County to the Commission. Under MCA 60-2-110 “Setting priorities and selecting projects,” the commission shall establish priorities and select and designate segments for construction and reconstruction on the national highway system, the primary highway system, the secondary highway system, the urban highway system, and state highways. This statute exists to ensure the safety of our system, protect transportation investments, and encourage better coordination between state and local infrastructure improvements. MDT staff reaches out to local governments to solicit local projects on state systems to ensure compliance with this statute.

*Summary:* Ravalli County, the City of Butte and Silver Bow County are planning to design and build transportation improvement projects on the state highway system. The projects will be funded locally and will utilize local forces for construction. These projects will be designed with input and concurrence from MDT staff to the extent practicable.

When complete, Ravalli County, the City of Butte and Silver Bow County will assume all maintenance responsibilities associated with new project elements. Thus, MDT will not incur additional liability or maintenance costs as a result of the proposed projects.

On behalf of the local governments, as required by MCA 60-2-110, staff requests that the Transportation Commission approve the local projects listed below. The projects are also illustrated on the attached maps.

Location	Type of Work	Cost (estimate)	Fiscal Year	Type of Labor
Westside Road (S-531), southwest of Hamilton, in Ravalli County	Bridge Deck Replacement	\$45,000	2018	Local
Westside Road (S-531), southwest of Hamilton, in Ravalli County	Culvert Upgrades	\$15,000	2018	Local
Excelsior Avenue / Walkerville Drive (U-1801) in Butte	Mill & Fill	\$277,000	2018	Local

Staff recommends that the Commission approve these improvements to the state highway system, pending concurrence of MDT's Chief Engineer.

Commissioner Schulz moved to approve the Local Construction Project – Local Forces, Ravalli County, City of Butte, Silver Bow County. Commissioner Jergeson seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

## **Agenda Item 2: Construction Project on State Highway System – Trinity Center – Helena**

Lynn Zanto presented the Construction Project on State Highway System, Trinity Center - Helena to the Commission. Under MCA 60-2-110 "Setting priorities and selecting projects," the commission shall establish priorities and select and designate segments for construction and reconstruction on the national highway system, the primary highway system, the secondary highway system, the urban highway system, and state highways. This statute exists to ensure the safety of our system, protect transportation investments, and encourage coordination on public and private infrastructure improvement projects that impact MDT routes.

### Trinity Center – Helena

The Trinity Center is a development located between Interstate 15 and Montana Avenue, north of Custer Avenue, in Helena. The developer for the Trinity Center is proposing improvements to the intersection of Custer Avenue (U-5802) and Sanders Street to address traffic generated by their new facility. Improvements would include traffic signal upgrades, ADA improvements and a new westbound right-turn lane on Custer Avenue.

The City of Helena has given preliminary approval for improvements at this location. Additionally, MDT headquarters and District staff have reviewed and concur with the recommended improvements.

The Trinity Center will provide 100 percent of project funding and will be required to complete MDT's design review and approval process (to ensure that all work complies with MDT design standards).

*Summary:* The Trinity Center is proposing improvements to the intersection of Custer Avenue (U-5802) and Sanders Street to address traffic generated by their new facility in Helena. Improvements would include traffic signal upgrades, ADA improvements and a new westbound right-turn lane on Custer Avenue.

Staff recommends that the Commission approve these modifications to Custer Avenue, pending concurrence of MDT's Chief Engineer.

Commissioner Jergeson moved to approve the Local Construction Project on State Highway System, Trinity Center - Helena. Commissioner Schulz seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

### **Agenda Item 3: Construction Project on State Highway System, Fort Belknap to Harlem – Shared Use Path**

Lynn Zanto presented the Construction Project on State Highway System, Fort Belknap to Harlem – Shared Use Path to the Commission. Under MCA 60-2-110 "Setting priorities and selecting projects," the commission shall establish priorities and select and designate segments for construction and reconstruction on the national highway system, the primary highway system, the secondary highway system, the urban highway system, and state highways. This statute exists to ensure the safety of our system, protect transportation investments, and encourage coordination on public and private infrastructure improvement projects that impact MDT routes.

#### Fort Belknap to Harlem – Shared Use Path

Representatives from the Fort Belknap Reservation are proposing a new shared use path along the eastern edge of US-2 (N-1) from Fort Belknap to Harlem. The shared use path would begin at the intersection of US-2 and 1<sup>st</sup> Street (in Fort Belknap) and end at the intersection of US-2 and Lincoln Road (S-241) near Harlem. Additionally, the Tribe is proposing to install a new pedestrian crossing at the intersection of US-2 and 1<sup>st</sup> Street to promote safe access across US-2.

MDT headquarters and Great Falls District staff have reviewed and concur with the recommended improvements. The Tribal Government will be responsible for providing 100 percent of project funding and will be required to complete MDT's design review and approval process (to ensure that all work complies with MDT design standards). The Tribe will also be responsible for all maintenance activities (and maintenance costs) associated with the new shared use path.

*Summary:* Representatives from the Fort Belknap Reservation are proposing a new shared use path along the eastern edge of US-2 (N-1) from Fort Belknap to Harlem. The shared use path would begin at the intersection of US-2 and 1<sup>st</sup> Street (in Fort Belknap) and end at the intersection of US-2 and Lincoln Road (S-241) near Harlem. Additionally, the Tribe is proposing to install a new pedestrian crossing at the intersection of US-2 and 1<sup>st</sup> Street to promote safe access across US-2.

Staff recommends that the Commission approve these modifications to US-2, pending concurrence of MDT's Chief Engineer.

Commissioner Jergeson said it would make sense that from Lincoln Road down to near the river the project would be in MDT right-of-way or at least I assume it is. How far does it get away from the highway and is it still the right-of-way? Is it tribal land? Lynn Zanto said I'll get back to you with an answer. Commissioner Belcourt said it looks like the Tribe is responsible for 100% of the funding and EOM and I'd like to acknowledge that.

Commissioner Jergeson moved to approve the Construction Project on State Highway System, Fort Belknap to Harlem – Shared Use Path. Commissioner Schulz seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

#### ***Agenda Item 4: Transportation Alternatives Project Gerald Ave Sidewalk Improvements – Missoula***

Lynn Zanto presented the Transportation Alternatives Project, Gerald Avenue Sidewalk Improvements – Missoula to the Commission. The Transportation Alternatives (TA) Program provides assistance to local governments, tribal entities, transit providers, resource agencies and/or school districts for community improvements deemed eligible to receive TA funding. MDT solicits proposals (from eligible entities) for construction projects, ranks each proposal, and then advances the highest priorities (without exceeding available TA funding).

Federal guidance mandates that MDT select TA projects via a competitive process. Further, federal guidance states that metropolitan planning organizations (MPO's) and state agencies (such as MDT) are not eligible to submit applications for TA projects.

At this time, MDT is advancing the final Transportation Alternatives (TA) project from the most recent round of project evaluations. This project will improve sidewalks and crossing elements (ADA, etc.) along the Gerald Avenue corridor in Missoula.

*Summary:* MDT is requesting Commission approval to add a Transportation Alternatives (TA) project in Missoula to the program. The estimated total cost for all project phases is \$507,000 (\$439,000 federal + \$44,000 state + \$24,000 local) – with the entirety of the federal funding originating from the Transportation Alternatives (TA) Program. It would be developed here at MDT.

The project is consistent with the goals and objectives identified in the Performance Programming Process (P3) as well as the policy direction established in TranPlanMT. Specifically, traveler safety and bicycle/pedestrian features will be enhanced with the addition of this project to the program.

Staff recommends that the Commission approve the addition of this Transportation Alternatives (TA) project to the program.

Commissioner Belcourt moved to approve the Transportation Alternatives Projects, Gerald Avenue Sidewalk Improvements – Missoula. Commissioner Jergeson seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

**Agenda Item 5: Bridge Program Projects**  
**Bridge Street – Big Fork**  
**Bridge Deck S- 234 S Havre**  
**Clarks Fork – 9 M S Belfry**  
**Cyr Bridge Rehab – 3 M W Alberton**

Lynn Zanto presented the Bridge Program Projects: Bridge Street – Big Fork; Bridge Deck S- 234 S Havre; Clarks Fork – 9 M S Belfry; and Cyr Bridge Rehab – 3 M W Alberton to the Commission. MDT's Bridge Bureau reviews bridge conditions statewide and provides recommendations for construction projects to be added to the Bridge Program. At this time, the Bridge Bureau recommends adding four (4) bridge projects to the Surface Transportation Bridge (STPB) Program. One project will rehabilitate a bridge on Secondary 234 (S-234). The other three projects will improve bridges on off-system routes (see attached maps for details).

Project information is shown on Attachment A. If approved, it would be MDT's intention to let these projects individually. The estimated total cost for all project phases is \$9,019,000 (\$7,809,000 federal + \$1,210,000 state) – with the entirety of the federal funding originating from the Surface Transportation Bridge (STPB) Program.

*Summary:* MDT is requesting Commission approval to add four (4) bridge projects to the Surface Transportation Bridge (STPB) Program. One project will rehabilitate a bridge on Secondary 234 (S-234). The other three projects will improve bridges on off-system routes. The estimated total cost for all project phases is \$9,019,000

(\$7,809,000 federal + \$1,210,000 state) – with the entirety of the federal funding originating from the Surface Transportation Bridge (STPB) Program.

The proposed projects are consistent with the goals and objectives identified in the Performance Programming Process (P3) as well as the policy direction established in TranPlanMT. Specifically, roadway system performance and traveler safety will be enhanced with the addition of these projects to the Bridge Program.

Lynn Zanto said regarding the Bridge Street Big Fork Bridge, I want to note that part of our process, before we come before the Commission, is to look at every project coming forward for nomination to see the level of public involvement it might have. Bridge Street already has a high public involvement because it is right in the middle of the community, therefore, we anticipate it will be handled as a substantial project under SB 182. That will be confirmed once the PFR is in place and the design team looks at it with the local government.

Staff recommends that the Commission approve the addition of these projects to the Bridge Program.

Commissioner Schulz moved to approve the Bridge Program Projects: Bridge Street – Big Fork; Bridge Deck S- 234 S Havre; Clarks Fork – 9 M S Belfry; and Cyr Bridge Rehab – 3 M W Alberton. Commissioner Belcourt seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

**Agenda Item 6: Great Falls District Projects:  
Chinook – East, Carter South,  
Freezeout Lake – North  
Zurich – East & West  
East Helena – East  
Jct MT 200 – Northwest (US 89)**

Lynn Zanto presented the Great Falls District Projects: Chinook – East, Carter South, Freezeout Lake – North; Zurich – East & West; East Helena – East; and Jct MT 200 – Northwest (US 89) to the Commission. The National Highway System (NH) Program finances highway projects to rehabilitate, restore, resurface, and reconstruct Non-Interstate routes on the National Highway System. Montana’s Transportation Commission allocates NH funds to MDT districts based on system performance.

The Surface Transportation Program – Primary (STPP) finances highway projects to rehabilitate, restore, resurface, and reconstruct routes on the state’s Primary Highway

System. Montana's Transportation Commission allocates STPP funds to MDT Districts based on system performance.

In response to emerging operational, safety and pavement needs, the Great Falls District is proposing four new capital construction projects on the National Highway System. The first project (*Chinook - East*) will reconstruct 5.9 miles of US-2 near Chinook. The second project (*Zurich – East & West*) will reconstruct 7.0 miles of US-2 near Zurich. The third project (*Carter – South*) will reconstruct 8.0 miles of US-87 near Carter. The final project (*East Helena – East*) will reconstruct 1.9 miles of US-12 near East Helena.

The estimated total cost for all projects (all phases) is \$81.4M (\$70.9M federal + \$10.5M state) – with the majority of the federal funding originating from the Great Falls District National Highway System (NH) Program. Portions of these projects are eligible to receive Highway Safety Improvement (HSIP) Program funds (up to \$9.6M total for all projects). There is adequate funding for these projects.

In response to emerging operational, safety and pavement needs on the Primary Highway System, the Great Falls District is proposing two new capital construction projects on US-89 (P-3). The first project (*Freezeout Lake – North*) will reconstruct 5.6 miles of US-89 near Choteau. The second project (*Jct MT 200 – Northwest*) will reconstruct 8.4 miles of US-89 near Fairfield. The estimated total cost for both projects (all phases) is \$27.7M (\$24.2M federal + \$3.5 state) – with the majority of the federal funding originating from the Great Falls District Primary System (STPP) Program. Portions of these projects are eligible to receive Highway Safety Improvement (HSIP) Program funds (up to \$4.6M total for both projects). Some of these are moving forward for safety reasons, so there is some safety funding that will also be put on the projects. With these all being reconstructs, they too will be projects under SB182 and that will be confirmed by the design team.

*Summary:* The Great Falls District is requesting approval to add six new projects to the highway program. The first four projects will reconstruct 22.8 miles of National Highway System (NHS) routes in the Great Falls District (at an estimated total cost of \$81.4M). The final two projects will reconstruct 14.0 miles of US-89 (P-3) near Choteau and Fairfield (at an estimated total cost of \$27.7M).

The proposed projects are consistent with the goals and objectives identified in the Performance Programming Process (P3) as well as the policy direction established in TranPlanMT. Specifically, roadway system performance and traveler safety will be enhanced with the addition of these projects to the program.

Staff recommends that the Commission approve the addition of these Great Falls District projects to the program.

Commissioner Jergeson said a couple of weeks ago I attended the Urban District Meeting in Great Falls, and I had a good visit with Doug and Steve about these projects. They explained how they were coming along and the significance of the safety component in a couple of the projects. It was all very good news. I appreciate that we are getting the last of the worst of Hwy 2 projects east of the mountains into the program. There are some folks on the highline west of Havre that are more interested in the highway from Carter to Great Falls getting done because it is dangerous. I also had a visit with Doug and Steve about a potential tour in June and what it might include. That tour would involve Carter South, Chinook East, and Zurich East and West. So, we'll get to see those projects. In some respects, I think these are good news for lots of people in the District. Is there a way to get a press release to the appropriate media outlets in the area? Lynn Zanto said that was part of the process.

Commissioner Jergeson moved to approve the Great Falls District Projects: Chinook – East, Carter South; Freezeout Lake – North; Zurich – East & West; East Helena – East; and Jct. MT 200 – Northwest (US 89). Commissioner Schulz seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

### **Agenda Item 7: Montana Rest Area Plan**

Lynn Zanto presented the Montana Rest Area Plan update to the Commission. Montana's Rest Area Plan, which provides the statewide vision for MDT's Rest Area Program, was formally adopted by the Transportation Commission on January 29, 2015. The Rest Area Plan offers comprehensive guidance for addressing needs associated with Montana's full-time rest areas, seasonal rest areas and truck parking facilities.

Beginning in 2009, MDT initiated changes to the Rest Area Program in order to facilitate more efficient delivery of Rest Area projects. First, a dedicated annual funding source was reserved solely for Rest Area projects. Second, the Statewide Rest Area Prioritization Committee was formed to assist with implementing asset management strategies and establishing project priorities. Lastly, research was conducted to support the various aspects of Rest Area planning and design.

Though still evolving, MDT's Rest Area Planning efforts have demonstrated effectiveness in meeting public expectations for rest areas in the most efficient manner possible. MDT annually updates technical changes to the Rest Area Planning Map (Attachment A) that are necessary to reflect developments since the last review. These changes are consistent with the guidance of the Commission-approved Rest Area Plan.

*Summary:* As part of the Rest Area Plan, MDT is providing a map noting the location and status of Rest Areas and Parking Areas statewide. Per the Rest Area Plan, this map is updated annually to provide a Rest Area status report to the Transportation Commission.

The proposed update to the Rest Area Planning Map is consistent with the goals and objectives identified in the Performance Programming Process (P3) as well as the policy direction established in TranPlanMT. Additionally, the Rest Area Plan Map aligns with the State of Montana's Vision Zero safety initiative as well as MDT's ADA Transition Plan. Lastly, the plan is consistent with key elements of the FAST Act emphasizing the safe operation of passenger vehicles and trucks hauling freight.

Lynn Zanto presented the history of rest areas. We've had a Rest Area Plan for a long time. We were receiving a lot of negative comments on the condition of our Rest Areas, so in the early 2000's we made a concerted effort to update our plan and come up with an asset management strategy. One of the issues was to move a rest area, it had to compete with all the highway projects. At that time when the District Administrators looked at all their needs, pavement condition was the most important, so it was hard for a rest area project to make its way through the system. So, when we came up with the asset management-based approach, we did a state-wide review of all the conditions of the rest areas and came up with performance goals. In 2009 we came to the Commission to ask for a set aside in funding for rest areas. Since that time, we've been implementing the asset management-based approach. We have a committee with representatives from Maintenance, Engineering and DEQ, that meets regularly that is responsible for implementing this plan. One of the most challenging things with rest areas is waste water and water generally and getting DEQ permits is one of the big hurdles.

The other transition we made is we changed the contracting mechanism to Design Build and that is very valuable for rest areas because building codes can change very quickly. We do a two-phase approach in building them: Phase 1 is identifying the need for a rest area which starts with a site assessment to make sure there is enough room, consider all the data and use, and coordinate with DEQ to get preliminary approval. Phase 2 is the Design Build and the construction piece. We committed to trying to do a rest area every year or two and that has been very successful. Since then we are receiving a lot of good comments about our rest areas.

Our goal is seventy miles between rest areas. The funding is used for reconstruction and a small portion is set aside for rehab which may consist of upgrading ADA or replacing worn out infrastructure as opposed to a whole new replacement. The Rest Area Plan is on the website which includes a map of the plan that includes the year of reconstruction or upgrade. That map gives the complete picture of all the rest areas across the state.

Staff recommends that the Commission approve the updates to the Montana Rest Area Planning Map.

Commissioner Skelton asked if MDT owns all the rest areas. Lynn Zanto said not all of them. A lot of them are “city park” rest areas which was a one-time special deal done in the 1990’s. Ennis and Twin Bridges are examples of city park rest areas. There were communities that had their own rest areas which needed help, so we used \$800,000 of state funds for each community that wanted to improve their existing facility. We entered into an agreement that they had to maintain them for at least 10 years to receive the funds. Since then we have around \$75,000 each year to continue to help these original city park rest areas. Each year we do a solicitation to see what kind of needs they have for the rest area, for example painting or utility costs. That money gets spread out between them. Lolo Pass is not a city park rest area, it is maintained by the Forest Service and Ravalli Hill is maintained by the Tribe.

Commissioner Schulz said he was aware of one person attending from a local government interested in discussing future consideration of a rest area just south of Helena. During public comment he would like a couple of minutes to discuss that.

Commissioner Schulz moved to approve the Montana Rest Area Plan.  
Commissioner Jergeson seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

## ***Elected Officials/Public Comment***

### ***Leonard Wortman, Jefferson County Commissioner***

As you are probably aware, the State of Montana decided to close the Montana Developmental Center in Boulder. It was catastrophic to a small community to lose those types of jobs. They are still operating on a much smaller scale, but it was a big hit to the community. We have been looking at ways to help the businesses in the community. We talked to several people who indicated the rest area in Lima increased the business in Lima by 20%. A person from the Bozeman Chamber of Commerce thought that the rest area was a real benefit to some of their businesses. Town Pump loves the rest areas and indicated their businesses are greatly enhanced by nearby rest areas. So, we went to the Rest Area Planning Commission with a proposal and asked if they were planning to rehab the rest areas in Jefferson City, would they consider moving the rest area to the Boulder interchange. For us that makes a lot of sense; it would be a win-win for everybody. They would only have to build one facility and it would be easier to maintain one as opposed to two. People were in support of that. We talked to Jeff Ebert and he was very supportive of having the rest area at that location. The State of Montana went ahead and spent over \$100,000 for a Feasibility Study which stated it would be a good idea. They had

looked at this before and the cost of the infrastructure across the highway was prohibitive, so we proposed partnering with the State of Montana and Jefferson County would put the infrastructure across the highway if they would put the rest area there. Eight hundred thousand dollars is a substantial investment to the county, but we felt that investment was worth it to better the community and help Boulder as well as all of Jefferson County. We also looked at putting in a Visitors Center right next door and promote some things out there.

It was progressing ahead; we had a lot of meetings and everyone was very supportive. They were talking about doing it this spring or next spring then suddenly I received a notice that said it didn't fit the Rest Area Plan because it was too close to Butte and Helena. That kind of boggled my mind because most of the time urban areas get the benefit of tourism and a small community like Boulder certainly deserves an opportunity for help. It was a huge blow, not only to me, but to the whole entire community because we had a huge amount of support for the rest area. I still have a hard time understanding why because the rest area in Bozeman is right in town and there are other rest areas close to communities. They just reconstructed the rest area at Beavertail near Missoula and it looks like they are going to reconstruct the one at Gold Creek in 2019. Those can't be 30 miles apart; there were three of them within 40-50 miles. To me that doesn't fit with the reason we were told. I was hoping you would be able to amend or add another star onto your map as a proposed site for the rest area to be located at Boulder. I think it's a win-win; we are very willing to partner with the State and it would be a huge benefit to a small community that is suffering from the previous state action. I would ask for your support in helping us get this accomplished.

Commissioner Schulz said we talked to Jeff Ebert about this on several occasions and I very much agree with Leonard. If this didn't meet the plan, why did we go through a significant amount of time and funding to do the preliminary analysis? Moving forward, the county has taken a significant step with a limited amount of dollars because of what happened to Boulder; their taxable values have dropped, and their available funding is reduced. They are willing to step out and make a significant financial obligation as well as several other groups in the community to provide the land, help with the water and sewer and other utilities. One of the upsides to relocating the rest stop is there are two sites below Jefferson City, one on each side, so you're having to maintain two rest stops now. I think the community would be very willing to participate in the maintenance and snow removal.

Leonard Wortman said that is correct. I'm sure we would have a limit to the participation because we're already into it pretty deep, but we certainly want to figure out what we can do to make this thing happen. Commissioner Schulz said I'm not surprised that vandalism, particularly on the south-bound rest area, is problematic because it is hidden by trees. In any case, I would certainly encourage the Commission and the Department to consider this. It isn't fourteen miles from its

current location and it certainly would simplify maintenance, construction costs, as well as the primary issue of enhancing business opportunities to community. Commissioner Skelton asked Lynn about the process of putting it back into the program. Lynn Zanto said this discussion came up as the result of us looking at Jefferson City and seeing what we needed to do with the current rest stop to keep it open all year around. If you follow the guidelines of our plan which says always look first at the existing site – what can we do there to have a safe and operational facility. We first do a site evaluation and the Feasibility Study, and there are major issues with Jefferson City and a lot of budget issues. Boulder was talked about a long time ago when we were trying to locate rest areas closer to cities but that meant new construction and we started to run into more challenging and expensive rest areas because of the land and environmental permitting. So as funding started to get tight and with the 2014 Plan we updated it to first look at the current site, and if the site isn't feasible, then you do a system-wide look at the spacing between facilities.

We did the site feasibility at Boulder as a potential replacement for Jefferson City and with some of the things they are willing to offer, it is feasible – the study concluded that. It was the system-wide network look and the spacing criteria that became the challenge; between Butte and Helena there isn't the need. My understanding was that the funding from the city and community side we weren't 100% confident they would have it and given funding challenges across the board and no transportation need for the rest area, hence the decision was made by the Highway State Special Revenue Account Committee to not move forward with a new rest area at Boulder. We didn't want the community to necessarily exert a lot of resources to try and bring the money forward, and with funding kind of fragile for the state and the need wasn't there. That was the decision; we can consider it again. The Director is the final decision maker in that process and the Commission also has the authority. If you want, we can present the information to you at a future meeting.

Commissioner Schultz said it would be more advantageous for Mr. Wortman to interact with the committee that currently evaluates rest areas annually, rather than continuing to interact with us. I think it is essentially a win-win for everyone; we're building one rather than rehabbing two, it would be open 12 months instead of seasonally. Unfortunately, what happened to the Development Center in Boulder at the hand of the Legislature has certainly had a problematic effect on the community of Boulder; one that this rest stop could turnaround and benefit. That shouldn't be part of it, but I know Mr. Wortman brought it up and I had a lot of dealing with it as a County Commissioner trying to help maintain that facility because of what it did for the community as well as the population within the center.

Lynn Zanto said the next piece we went through was to look at the cost, not just the cost of construction but also the long-term maintenance costs. The proposed new rest area at Boulder was estimated to cost about \$4.5 million for the construction piece alone, extending city facilities was about \$800,000, and the annual custodial

services would be about \$50,000. MDT costs would be about \$4.6 million for the new facility plus there are some maintenance things we would take care of which is an additional \$25,000 each year. At Jefferson City, based on the corridor not really needing a rest area from a safety perspective, our move would be to eliminate the Jefferson City Rest Area.

She asked Kevin McLaury if we close a rest area, do we need federal participation in that? Kevin McLaury said we would look at the process for closing; it's your facility and your program. We would look to see if you're meeting all the requirements to close a facility, it would have eligibility. Lynn Zanto said the estimated cost to close it would be \$800,000 but we're not sure if it is state or federal, but if it makes sense from the asset approach then that would be our plan.

Dwane Kailey said he mentioned Bearmouth, would you address that. Lynn Zanto said Bearmouth and Gold Creek are two existing rest areas that have been out there a long time. We improved Bearmouth about two years ago. Bearmouth was always in our plan but spacing-wise do we need to maintain Gold Creek. So, in the last couple of weeks, we completed a study of Gold Creek looking at the costs of eliminating it or converting it to truck parking. The trucking community told us they like opportunities for drivers to stop when they hit their limit of hours of service. So, we first looked at converting it to truck parking and that is the recommendation from the Committee. Commissioner Skelton asked if in 2019 it would go to truck parking? Lynn Zanto said Gold Creek will be a proposal to turn it into truck parking and we will consider that for a rehab project, but it will be only truck parking.

Commissioner Schulz said I don't want to belabor this but there is some evidence that there is an interest in this project and I would at least encourage you to keep this in your heads because there is some benefit to the traveling public as well as the community. Leonard Wortman said Boulder is in dire straits right now and if you wait two years to make a decision and another two years to get it built, I don't know if it would be that big of a benefit. I guess the big disappointment was that we had what we thought was a done deal. Lynn Zanto said the committee meets every six weeks, and we will regroup on this issue. The way it works is the committee makes recommendations looking at all aspects of it and their recommendation was that it was feasible. They then present the costs to us and the decision then rests with the Director with our input. Commissioner Skelton asked if Lynn would let the Commission know the Committee's decision.

*Marile Brown, Director of Safer Bozeman and Gallatin County*

We help look at safety issues. We were asked to help out in looking at the issue of the speed limit needing to be lowered on I-90 in Bozeman. I did a lot of research on it. First, I've been thinking a lot about this Committee and it is so unique in how it works in our government. You are a Committee where an average citizen like me can

reach out to and get answers and action. It is so different than anything else that is going on in the country right now where everything gets tied up in red tape. I appreciate you so much; I managed to find my way to you years ago and you helped immensely in Bozeman and have been saving lives as a result. I can testify to that. I want to thank you for who you are and what you're about. Commissioner Skelton thanked her.

In September 2016, an Engineering Study was done based on the state wanting to raise the speed limit to 80 mph. At that time, the speed limit going through the Bozeman area was 75 mph. The Engineering Study used a lot of 2014 data and was basically sent only to the City and County Commissions and I'm not sure it ever reached the City Commission; it reached someone in the City. It basically said, please concur that you don't want to raise the speed limit to 80 mph and if you don't answer, we'll assume you want it left at 75 mph. The County did send a letter concurring that they would not raise it to 80 mph, but unfortunately there was no public process involved in that. The emergency services were not notified, staff engineers were not notified, all the traffic people and all the different traffic groups were not notified; so, nobody knew it was going on and it would have been a good opportunity to lower the speed limit at that time. Now, here we are in 2018 and our Fire Chief came forward and said they were getting a lot more calls out on the Freeway and it's crazy out there. They've had two Sheriff's vehicles hit while trying to protect them; they can't even go after the speeders because they literally have to set up road blocks around them to get people to slow down and be more careful.

So, I decided to look at what the difference is between the study done in 2016 and what is readily available right now to figure out whether we would qualify for a 65-mph reduction without having to do a whole new expensive speed study and risk MDT personnel's lives setting that up. I went onto the MDT website and found that traffic volumes have increased by over 50% since the 2014 data that was used. In fact, we are now a higher traffic volume than any of the other 65 mph speed limit cities including Billings. I also went to the Highway Patrol and found that in one area where the Engineering Study said they expected crash data to go down or incident conflicts to go down, it increased by 31%. We've had an increase of the MS calls and they are stacking on the highway now getting backed up during events. It's really increased a lot. I also looked at Butte and how they did it. I found that in 2009, Butte came forward to the Transportation Committee and said they needed help. They looked at the death count over the whole MHP District which covers most of I-15 and I-90 in Butte. They found they could do a preliminary review and do a temporary speed reduction which was done and that stayed in effect until 2016 when it was made permanent.

I'm asking that you help us and our governments that get caught up in red tape. We are not allowed to look at speed limits; we can only come to you. So, I'm asking you to help us get through this little corridor with a lower speed limit if it is found it

should be done. I printed up a report for all of you that cites the state law and the different facts I found. Thank you very much.

*Ralph Zimmer, Engineer*

I am grateful for the opportunity to be here. I am an engineer and worked several years in the FHWA headquarters, then decided I wanted to return to the Rocky Mountain area and ended up at Montana State University. I was a Registered Professional Engineer in the District of Columbia, Indiana and Montana, and I was also licensed as a Traffic Engineer in the State of California. I've let all those registrations lapse because I took a disability retirement and decided not to do consulting work so didn't need those registrations anymore. I'm a Fellow Emeritus of the Association of Transportation Safety Information Professionals. At Montana State University, I taught many of the MDT Engineers who have offices in this building and elsewhere around the state and I can speak knowledgeably and professionally about the issues involved.

Before I do that, I want to represent the Bozeman Area Pedestrian and Traffic Safety Committee. That is a group that was formed by an official Interlocal Legal Agreement between Gallatin County, the City of Bozeman and the Bozeman School District. That Agreement is on file at the county courthouse. That group is also referred to in a Memorandum of Agreement between the Montana Department of Highways and the City of Bozeman where it was agreed the Committee, that I chair, is the official venue for public opinion for those three bodies on transportation matters. That group met with Fire Chief Waldo to discuss the safety issues that he and other emergency service providers encounter on the Interstate in the Bozeman area. It was a lengthy discussion and I was Chairman of the meeting and as Chairman, I do not actively engage in the discussion nor do I vote on the outcome of those discussions. The group voted unanimously to recommend to MDT and the Commission that the speed limit in the immediate Bozeman/Belgrade area should be lowered to 65 mph. At a meeting yesterday, they reconfirmed that commitment and directed me to actively pursue that to the extent I can.

Because I am legally blind, if any of you have questions, please don't just raise your hands because I won't see a motionless hand. Either speak up or waive your hands.

I'm changing hats now, I'm now talking as an individual engineer, an engineer with expertise in traffic and transportation. I have read the September 22, 2016, Engineering and Traffic Report that MDT submitted to the Commission as part of the consideration of what to do with the speed limit on all the Interstates in the state of Montana when the 80-mph speed limit was authorized by the Legislature. That's a good report but it has some statements of major importance now. You were provided copies of that study. One of the statements was, "given present traffic volumes, the 65-mph speed limit is not justified." Marile already mentioned it but

I'm going one step further, that report said the work they did was based upon 2014 traffic volumes. Marile stated those volumes in the Bozeman area went up approximately 50% in 2016; so, they went up 50% from the 2014 data used in the study for 2016. Folks it is now 2018 and they've gone up even more. So, there has been a significant change in those traffic volumes and again that study said, "given present traffic volumes, it's not justified to 65 mph." She also mentioned the fact the study anticipated that as a result of the opening of the East Belgrade Interchange, traffic conflicts in that area would decrease and there would be less justification for a 65-mph speed limit. She reported the statistics show just the opposite happened and this is probably the result of the increased traffic volumes – the traffic crashes went up significantly. In the two-year period comparing 2014-15 data with 2016-17 data, the traffic crashes in this specific area went up 31%.

As a Traffic Engineer, looking at the data and the information and assumptions and the basis of the recommendations made in the 2016 Report and accepted and adopted by this Commission on December 15, 2016, those assumptions are not, at this point, justified, in my professional opinion. We need a 65-mph speed limit for safety of reasons, a variety of them, some of which Marile nor I have mentioned. I have communicated with MDT that the 65-mph speed limit is needed today, not only a couple of years from now, but it is needed today. I encourage this Commission to do everything you can to see this is given proper consideration and is acted upon by this body at the earliest date. Thank you very much.

Commissioner Schulz said Marile sent me a couple of documents and I also have a significant number of documents relate to this issue. Admittedly and generally I concur that the speed limit from Belgrade to the Canyon should be evaluated and dropped; that's my personal perspective. At the same time and being a relatively new member to the Commission, it was quickly brought to my attention that speed limits for consideration of an analysis of the speed needed to come from the County Commission and neither of you spoke about that. However, a couple of days ago in preparation of this meeting, I talked to Commissioner Skinner and he brought up the fact that the County Commission was not asked what they thought about a 65-mph speed limit; they were asked if they thought it should remain at 75 mph and they said yes. I asked what he thought about a further reduction and he said he would not comment on that because they would handle that as a Commission. Being a former County Commissioner, I know the County Sheriff and I attempted to contact him, but he has not gotten back to me. Marile Brown said he signed the letter. Commissioner Schulz said he wanted to hear from him. Reducing the speed limit is easy enough to do but the local law enforcement has to be a primary and responsible party in helping enforce that. If you've got cars going around a fire truck or an accident scene at 80 mph, they're in violation of the law. Somebody in law enforcement has to make that point and I want to talk to the Sheriff about that. If you're not going to have law enforcement and people out there helping to manage the traffic, just putting up a different sign isn't going to help. I drive from Bozeman

to Belgrade regularly and I admit people are idiots on that road but until there are enough flashing lights out there, they are going to continue. I'm going to keep looking into it as the District Two Commissioner. The Department has made their statement and I have to respect that.

Commissioner Skelton asked when the last speed study was done in that area. Dwane Kailey said they approved it last year, and we had a speed study at that time; it was part of one of the segments we left at the existing speed limit when the state routes changed. I pushed staff pretty hard because I tended to agree with Commissioner Schulz, I thought it needed to be lowered. Based on the information we saw, people are comfortable driving the speed they were driving. I love what Commissioner Schulz said and you hit it right on the head; you're trading laws – if they're not obeying the state law that says you must move over and reduce your speed by 20 mph for an emergency vehicle, what leads us to believe they will obey a law that says you have to drive 65 mph. Absent enforcement, there is nothing we can do. We had a similar situation in Laurel where we reduced the speed, and as you know, that wasn't well received by members of the public. So, there are always the two factions we deal with.

Commissioner Skelton thanked the public for coming and braving the weather to join us today, we appreciate your input and your support of everybody in Montanan.

### ***Agenda Item 8: TranPlanMT Public Involvement & Stakeholder Survey Results***

Lynn Zanto said before I proceed I wanted to give you some information on the Fort Belknap Shared-Use Path. The little job by the River that was asked about is not state highway right-of-way; it is private, and the Tribe has an agreement/easement for the path to be there. Furthermore, we have an agreement with the Tribe for maintenance and there is a provision in that agreement that we have no responsibility for that outside our right-of-way.

Lynn Zanto presented the TranPlanMT Public Involvement & Stakeholder Survey Results to the Commission. TranPlanMT is Montana's federally mandated long-range statewide transportation plan. This plan establishes policies in the following 6 areas for the 20-year planning horizon.

- Safety
- System Preservation and Maintenance
- Mobility and Economic Vitality
- Accessibility and Connectivity
- Environmental Stewardship
- Business Operations and Management

These policy areas reflect input from the public and other transportation stakeholders.

The purpose of the TranPlanMT Public Involvement and Stakeholder biennial surveys is to examine the Montanan's perception of the current condition of the transportation systems, views about possible actions that could improve the transportation system in Montana, and opinions about MDT quality of service to its customers.

These surveys support this continuous and ongoing planning process.

Presentation of the results of the 2017 TranPlanMT Public Involvement and Stakeholder Survey. Kraig McLeod presented details of the results in a Power Point presentation. I am going to step through the data we received from both public involvement and stakeholder surveys.

We've completed this survey every two years since 1994 with the intent of measuring our customer's satisfaction with the system, grades on quality of service as well as the priorities the public and our stakeholder groups have with our transportation components. You have hard copies in front of you and they are available on our website under the TranPlanMT.

Before I jump into it, I want to give a few caveats about the data you are going to see in 2017. It is generally going to be lower than what we've seen in previous years and that is expected given some of the changes the University of Montana recommended, and MDT agreed with as part of this new survey. The first change was a change in methodology. Historically we've completed the survey using telephone-based people asking the questions. Given the difficulty in obtaining sample size with phone numbers the way they are and the cost of that particular survey methodology, we switched to an internet-based survey where you've got a URL link to the internet and then complete the survey. The upside is we got a great sample size that is statistically valid, but the downside is people tend to be more negative in their responses to an internet-based survey versus if I'm asking you a question when you tend to have a more positive response. We knew going in that was going to be an issue and that we would see more negative numbers. The other change was in the sliding scale. Historically we've had a one-through-nine scale, one being negative and 10 being positive. U of M pointed out that was an unbalanced scale – five positive choices and only four negatives. They recommended we add a zero to the end to make it balanced but that added another negative choice and we feel that skewed the results a little lower as well. I say all that just to say take the 2017 data with a little grain of salt. We're still going to compare it to our historical information but having said that moving forward, once we do the 2019 and 2021 surveys, we'll have good trend data and you can see the methodology change from there.

Generally, overall, folks are satisfied with our transportation system. The majority of both our stakeholders and public feel they are getting equal to if not more value out of the transportation system than they're putting into it annually in the form of state and federal fuel taxes. A theme we're going to talk about today is maintaining road pavement condition which was a priority for both our public and our stakeholders. We also asked, in the event funding decreases to MDT, where should we decrease our priority. Both the public and stakeholders said bike paths, pedestrian walkways, transit buses and rest areas. Overall, MDT is in the B and C range which is pretty good.

When we look at the public's priorities, road pavement condition is important, improving the Interstates and highways is also important, wildlife crossings and barriers, and they want to be kept informed about what we're doing as an agency. Most of our fellow Montanans view problems with the transportation system as small, however, road pavement condition was viewed as moderately severe in a couple of different areas.

Within your documents, you have lots of detail regarding the questions we asked. One is how useful are the methods that MDT is using to communicate with the public. We gave 10 different types of tools and asked them to rate them on their mean usefulness. As you can see the public thought the variable message signs, radio and televisions ads, and then our websites and our on-line social media tools are the most useful. Everything else had a level of usefulness, nothing we do is un-useful, but I would point out that public meetings were on the lower end of the mean usefulness scale. That is something for us to keep in mind as an agency.

This chart shows components of the services that the public rated. On a zero-to-ten scale, five is the psychological mean. If you're above five, you're satisfied and if you're below five, you're unsatisfied. The distance away from five is a measure of the intensity of satisfaction. As you can see, the overall system is above five, at a five and half. Airports, Interstate highways, and rest areas are at the top of the list and some of the transit services like instate air and passenger rail are at the lower end of the list. Funding for those items is a challenge for us; those are heavily subsidized service, and MDT just doesn't have a lot of influence on those items. Lynn said funding to those services like essential air service or instate air service, we have had to close a couple of the essential air service airports and it kind of resonates with the public. The same with inner-city bus, Rimrock Stages shut down some years ago and we worked hard with other providers to try to re-establish it, but service is limited.

This chart shows a comparison in percent change versus our 2001 Survey with components that we've evaluated consistently since then. We picked 2001 because that is when our Asset Management Program started to ramp up. This shows there has generally been an overall decrease in satisfaction when compared to 2001 with the

exception of bike paths and rest areas which are higher than 2001. Bear in mind that 2017 is expected to be lower, so I'm not sure this is totally unexpected. Green is good and is an indication we are above five in those categories and years. Red is less than five or unsatisfied. Five in this case is neutral, neither satisfied nor unsatisfied. When we break it down with the data in between instead of just looking at two different points in time, you see is lots of green. Historically, we've been good in these categories and we continue to do well. We mentioned passenger rail and inner-city bus has been an unsatisfied category for us for a number of years. We did see in-state and air service and elder disabled transit service drop below five in this survey.

We asked the public to rate our top perceived moderate and serious problems, both on a state-wide level and within the individual districts. Again, kind of theme jumping out at us is road pavement condition is a perceived moderate or serious problem in all the districts. In D1 and D3, we highlighted that in a red box because that indicates that over 25% of the respondents thought road pavement condition was a serious problem in those areas. Traffic congestion was another theme that jumped out at us in all the districts except D4. There the number two priority was resolution of safety issues.

We also asked both our public and stakeholder groups what priorities should be assigned actions to improve the system. This is a summary of all the categories that we asked: we ranked this chart by stakeholders from their number one priority down to their lowest at 15, and then gave you a comparison with the public ranking. The top two priorities are the same – pavement condition and improving the condition of the Interstate. The top six priorities between the two groups are the same. If we break that down by top actions to improve by district, again road pavement condition is consistently a priority throughout the districts. Improving the Interstates and highways in all the Districts except D2 which had wildlife crossings and barriers as an action to improve. Lynn Zanto said in the statistically valid sample, we asked them to do it by district also. Commissioner Schulz said he validated the wildlife crossing as an issue in his district too.

This a repeat of information I've already provided, but if you look at stakeholders, their highest priority is pavement condition on Interstate and major highways consistent with our public; stakeholders want us to improve our transportation safety which is their third highest priority. This graph provides a little bit more detail as far as the perceived value that both the public and our stakeholder groups are getting out of the transportation system compared to what they are typically putting in. State and federal fuel taxes – 88% of our stakeholders feel like they are getting at least if not more than that value and nearly 70% of the public feel like they are getting their value out of the system. Kevin McLaury said the federal government contributes more than the taxes raised for Montanans from Montana fuel use. Lynn said for every dollar we send to Washington DC in fuel tax, we get back around \$2.30. For the value, it is actually cheap. This question was more about going to the pump and

putting gas in the car, when we calculate that based on typical car average miles and fuel efficiency, do you think that's a good value? The other day I calculated what I'm paying in cable and it made me sick – \$2,300 per year.

Kevin McLaury said I've done some calculating on this in the past, to try and tell the story. At least how I've calculated it, if you take the average vehicle which gets 20 mpg and divide the average at 15,000, it was just shy of one dollar per day – around \$350 per year. This seems low, but the point is well proven when you ask somebody, what's the value to you to go anywhere for any reason at any time, and if that's taken away from you, what does that cost you. If you can't get to your job, it means everything. So, I don't think we tell a very good story here.

Kraig McLeod said we asked where to make cuts if funding decreased and those groups felt bicycle paths, pedestrian walkways, and local transit buses and rest areas were highly rated versus maintenance and other major highways were down at the lower end of that question.

This next series of slides are three slides per district which gives you a breakdown of overall satisfaction and our performance grades.

D1, Missoula: Overall satisfaction with the system was over five in 2017. We see a drop in Other Major Highways down below five to an unsatisfied level. As far as grades, we asked the public to grade us on a scale from A to F. We have a 2019 biennium goal of providing a 50% overall Quality of Service in the A or B range. That was our threshold for this chart. Green would indicate above 50% and as you can see in Missoula, we are almost 60% Quality of Service in the A range. Public Notification is continuing to hover around 50%. We see Maintenance and Repair drop down below 50% in 2017. This slide shows most satisfied in Missoula with airport, bike paths and rest areas. Other Major Highways was the area of least satisfaction with nearly 60% A or B.

D2, Butte District: We see a lot of green up above five in every category of general satisfaction in the overall transportation system. On Quality of Service we're approaching 70% here in A or B in Butte. We also had an improvement in Sensitive to the Environment versus previous surveys. We had an increase in Response to Ideas and Concerns, although it is still below 50%. Pretty consistent in the roll up with nearly 70% A or B.

D3, Great Falls. A lot up above five for the Overall System but we did see a drop in Transit Buses, Bike Paths, and Pedestrian Walkways although these are hovering right around five as far as a threshold goes. Quality of Service is A or B had a slight decrease in 2017 but still in the mid 60's. Convenience of Travel Through Work Zones was an area of improvement for us as far as satisfaction goes. We see the Public Notification continuing to hover around 50%. Responsiveness to Ideas and

Concerns is also ... Commissioner Schulz said so far in three districts, the bottom line has been pretty consistently red and consistent in the other districts. When you get done are you going to give us an idea of how to raise that? Kraig McLeod said we will give you an answer on that. Lynn Zanto said it is not surprising to me only because of the funding challenges. Some of the requests we've gotten through the years ... we're not in the position of doing a lot of new infrastructure; we're in a preservation mode. So, I was not surprised. I think we hit our peak right after the Recovery Act in terms of what we could provide to the public. I think honestly it is only going to get worse. With that said, we absolutely could do better in working with our stakeholders and the public.

D4, Glendive. Again, we see quite a bit of green in Glendive in Overall Satisfaction with the transportation system. Most of the numbers in 2017 are down versus 2015, but still above five. A or B is up above 60% for Quality of Service. The Responsiveness to Ideas and Concerns is just a good observation and continues to be red for us. We did see a drop in Overall Maintenance and Repair. Public Notification is also hovering around 50% in that district.

D5, Billings. Again, lots of green for Overall Satisfaction with the transportation system. We did see a drop in our local transit buses in this district. Grades again are in the mid 60's. Public Notification and Responsiveness are areas for potential improvement.

This is my last slide. I mentioned before our biennium goal was 50% A or B. This includes all off our stakeholder groups as well as the public for the last four surveys. This line is the 50% threshold and as you can see we're up above 50% for all the categories. So, we're meeting our goals. I would say that the stakeholders appear to be generally more satisfied than the overall public. You can see a general drop in 2017 but as I mentioned before, that is somewhat expected at this point and 2019 will give us another data point to move forward from. I'm happy to answer any questions you might have.

Carol Grell Morris said that they went through this same exact data with our District Administrators yesterday and I think some of the work the Agency is involved with on communications strategy for the public over the next couple of years is going to address some of these issues as well. Kraig said the last question about our Responsiveness to Ideas and Concerns I think is manifested in the roundabout at Grass Range. Commissioner Jergeson said I think it's probably inherent in the recent Legislature saying there is going to be a performance audit of the Department. The notion I get is the Legislature is sensing that kind of public response whether it's justified or not. I think that's what they are sensing and that is why they wanted an audit done and it's going to be interesting to see what the conclusions are to what they've been given. Carol Grell Morris said I wouldn't disagree with you on that but remember that audit came in the package for the gas tax increase. Dwane Kailey said

I think you're right on and in my opinion, I think it's a lack of education in the public. We do a great job, we just don't tell them. That's on us and that's what we're trying to fix. We have reasons why we do some of the things we do but again, we don't tell them; we're very bad at that. With the state rules and regulations and the federal rules and regulations, and with limited funding, there are reasons we can't do what they want, but we don't do the best job of explaining that to them. Lynn Zanto said once you look at the surveys if you have other questions, we're here to answer them.

#### Informational Presentation

### **Agenda Item 9: Certificates of Completion November & December – 2017**

Dwane Kailey presented the Certificates of Completion for November & December 2017 to the Commission. They are presented for your review and approval. If you have any questions or comments, please feel free to ask.

Commissioner Schulz said the Ennis Blaine Spring project is completed and is in this list. When is the next project going to happen? Dwane Kailey said he would get back to you on the schedule for that

Commissioner Schulz moved to approve the Certificates of Completion for November & December 2017. Commissioner Jergeson seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

### **Agenda Item No. 10: Project Change Orders November & December 2017**

Dwane Kailey presented the Project Change Orders for November & December 2017 to the Commission. They are presented for your review and approval. If you have any questions, please feel free to ask. Staff recommends approval.

Commissioner Schulz said he was curious about one of the change orders that seemed to be consistent through the document regarding new signs. Dwane Kailey said last session we partnered with the Montana Contractor's Association; we've had a very difficult time with the work zones. When I say "we" I mean the Montana Highway Patrol; there are a whole lot of issues on how to apply that, where to apply that, and the public hasn't fully understood "work zone". So, we partnered with the Montana Contractor's Association and amended or changed that law to read: "fines double when workers are present." We had a fair number of projects that were already let, the law went in effect on October 1<sup>st</sup> but again we had contracts that were

standing into the new law. So, we've tried to provide consistency out there for the public and worked with a fair number of our contractors and wrote change orders to help compensate them for the new signs. They didn't bid it that way and they're picking up some added costs and we wanted to compensate them for those costs. That is what those change orders are; they are fairly small because the signs were a couple of hundred dollars each. It wasn't a huge deal, but we wanted to compensate them for their additional costs.

Commissioner Jergeson moved to approve the Project Change Orders for November & December 2017. Commissioner Schulz seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

### **Agenda Item No. 11: Liquidated Damages**

Dwane Kailey presented the Liquidated Damages to the Commission. They are presented for your review and approval. We have six projects and contractors for liquidated damages:

Miles City East. The contractor is Prince Inc. They had five days of liquidated damages for a total value of \$11,900. They are not disputing these costs.

MT 24 Slide Repair. The contractor is Oftedal Const. They have three days of liquidated damages for a total value of \$4,902. They are not disputing these costs.

Columbus West. The contractor is Riverside Contracting. They had 13 days of liquidated damages for a total value of \$38,597. They are not disputing these costs.

Bench Blvd-Hilltop/Pemberton. The contractor is Knife River Corp. in Billings. They had seven days of liquidated damages for a total value of \$25,228. They are not disputing these costs.

Seventh Avenue ADA Ramps – Lewistown. The contractor is Century Companies, Inc. They have one day of liquidated damages for a total value of \$1,167. They are not disputing these costs.

Jct S494 N & S. The contractor is Oftedal Const. They had five days of liquidated damages for a total value of \$21,690. They are not disputing these costs.

With liquidated damages, you need do nothing and they stand as is. If you want to adjust them, then you need to make a motion. If you have any questions, please feel free to ask.

STAND.

### **Agenda Item No. 12: SF 119-INT – N Grass Range, PN 7848**

Dwane Kailey presented SF 119-INT – N Grass Range, PN 7848 to the Commission. As the Commission is aware, the Department initiated a safety project quite some time ago and started looking at building a roundabout at the intersection by Grass Range. Based on a fair amount of public and political input, we have asked our Engineering Consultant to provide us some lesser mitigations for that project. At this point in time, we're asking the Commission to approve a change in the scope of work. We have done some interim work out there turning it into a four-way stop, but some additional activity needs to take place to make it as safe as possible without going to a roundabout. Therefore, we are changing the scope to remove the existing left-turn lanes. This will allow for the creation of eight-foot shoulders allowing for some off tracking for larger equipment. We would also like to install LED flashing stop signs, so they'll have LED lights around the stop sign and we'll have those automated, so they will detect a vehicle approaching and come on as the vehicle approaches. We also want to seal and cover the area, ship seal the area so that we can adjust the pavement markings and it's nice and clean when we're done. We also want to improve the roadway radius to accompany the oversized over weight vehicles which was mentioned in bullet number one as well. The overhead flasher will remain, and we'll leave that in place. Then also we want to adjust some of the transverse rumble strips in the location. You may recall based on some presentations that were done, there was discussion about improving the illumination of the intersection. At this point in time, we're not recommending doing that because we believe that by leaving the lighting as is, it will help emphasize the LED lights around the stop sign. With those being actuated with an approaching car, we believe that will help grab the driver's attention and accentuate the stop sign. So, we're not recommending improving the illumination at the intersection.

Commissioner Schulz said obviously at the last meeting, there was a significant amount of public interest in this project. Each one of them had an idea of how it should be fixed. Are these some of the results of dialogue or discussions from interactions with those folks? Dwane Kailey said predominantly this is based on engineering analysis, but yes, we listened to all those comments that came in. Most of those individuals did not have a background in engineering or traffic engineering. We did listen to them but predominantly this is based on our engineering analysis and crash mediation factors and what we think is going to lead to notifying the public of a four-way stop controlled intersection and abide by or help induce the best compliance with that traffic control system out there.

Commissioner Schulz said thank you for that. Then these are the proposed recommendations to move forward in attempting to maintain an open dialogue with the public, will that meeting occur before this is initiated? Dwane said at this point in time the Department is not planning on doing any more public meetings. We do plan to notify the public of what we're doing; we will put a notice out to them advising that this is the direction we're going. Again, I do not plan to go out and do another public meeting. We want to fast-track this and get this out there as soon as we can; we're shooting for a July Letting. The short answer to your question is we're going to put out a notice to everybody and let them know where we're going but I don't plan to do another public meeting. Commissioner Schulz said I'm just curious because I started receiving some phone calls on the roundabout and now that there is a strategy or plan in place, I may or may not get phone calls. I may contact Commissioner Sielstad and tell him this is what is being proposed, is that appropriate? Dwane said that is very appropriate. The biggest complaint we will hear is the four-way stop; that will have the biggest opposition. To be blunt and honest, we cannot waiver from that option. The lack of a four-way stop is what got us here.

Commissioner Jergeson said about a week ago I got a phone call from a fellow that runs a commercial trucking operation in Havre and he wanted to talk about the roundabout at Grass Range. Surprisingly he said he was calling to support the roundabout at Grass Range. He said I send at least four trucks on the route to Billings every week and I'm concerned about the safety of my drivers and I would like that to be a safe intersection and a roundabout makes the most sense to me. I told him he was a little late. He said his drivers have no trouble negotiating roundabouts and he prefers them. He was happy with them. Another public person in Glasgow has asked me to come to the district meeting with the local government folks in Wolf Point in March. She runs an implement dealership. She is not opposed to a roundabout; she just wants to know if they are engineered so that her trucks can negotiate them relatively seamlessly. So, I'll meet with her next Tuesday. That was two public comments that were made. Yes, there will be some people opposed to the stop sign. Driving here this morning on icy roads and snow, I got out to the intersection where people are coming this way off the Interstate and there is a red light. I saw it was going to change and started slowing and two vehicles went past me and ran a red light with all that traffic, all that ice and everything that was going on this morning. Those will be objectors no matter what we do, and they are the ones endangering everybody's lives by their refusal to observe some common sense.

Commissioner Jergeson asked if FHWA had already approved this change. Dwane Kailey said they have not submitted it to FHWA because we needed the Commission's approval first. Lynn Zanto said there may have to be an amendment to the STIP also. Commissioner Skelton said at the last meeting we discussed whether we would have to refund money to the FHWA, do you know that yet? Kevin McLaury said once the request comes in, we will work with MDT staff to see

the elements that have already been put in place for the roundabout – the engineering, planning, all the elements of preconstruction, and even into some of the design that may be valid for this. Anything beyond that, we’re still working to see if all that fits. If it all fits, we’re going to be okay. There are some obvious things we don’t need but depending on where the Department wants to go with that information that might work for another project in the future. We will have that discussion; we will work with the Department and be as flexible as we can. It’s not like you lose those funds, it comes back to the Department. The only difference is the color of the money – state dollars would be used instead of federal. We will continue to work very cooperatively with the Department to ensure we can use as much of the information as possible.

Commissioner Skelton asked if we are sending all this out to the County Commissioners. Dwane Kailey said yes, they will get it.

Commissioner Schulz moved to approve the revised scope for SF 119-INT – N Grass Range, PN 7848. Commissioner Jergeson seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

### **Agenda Item No. 13: Letting Lists**

Dwane Kailey presented the Letting Lists for January through June to the Commission. They are submitted for your review and approval. I’ve got three or four informational things but I’m not asking for you to act on them today. I’m just putting them on your radar so that when we meet again, you’ll be aware that these are coming.

First, Grass Range is not in here yet; we’ll be adding it to the July Letting List.

East Helena Skid Resistance Project. We are doing this project a year earlier than what was shown in the TCP. It is a safety project out here on the viaduct. We’ve had a number of fatalities in the last couple of years and we think it is imperative that we accelerate this project and get it in place sooner than later. Staff has been very good at accelerating project development. We’ve also worked with Maintenance and done some interim work and there are now some delineators trying to separate the roadway. We’re trying to bring in some concrete barriers as well to separate the roadway. That is not in your Letting List right now, but I’m putting you on notice that we plan to bring that in and at the next Commission meeting I’ll advise you that we have so you can vote on that and either approve it or deny it.

Broadus Safety Improvement is another safety project that we’d like to bring in which was scheduled for 2023. It’s only \$7,000. We’ve been able to accelerate that design

to get it ready sooner than later. So again, we'd like to get that into the schedule and try to save lives if we can.

Broadus Interchange Project. When we went through the TCP Process, we adopted a new rule. You can not put a project into that first year of letting unless the right-of-way was clear. In the Glendive District, there was one project of concern that violated the rule, so we talked with them and said we want a backup project that does not violate the rule. However, if we're able to secure the right-of-way, we can work with the district and the Commission and talk about swapping the projects back. So, they put in Bad Route Interchange project and put it into the first year of the TCP and moved out the Broadus Interchange Project which had a roundabout and safety features because they did not have the right-of-way. We are now at a point where we have the right-of-way or will have it in the next week or so. I believe that has happened, so we are going to propose to swap those two projects. The dollar value is essentially the same so there is no impact to the TCP or the funding. Again, those are not in here today but I'm putting you on notice that we will be coming to you at the next Commission meeting with those four projects.

Commissioner Jergeson moved to approve the Letting Lists. Commissioner Schulz seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

#### **Agenda Item No. 14: OAC Proposed Rule Notice Welcome Signs**

Carol Grell Morris presented the OAC Proposed Rule Notice – Welcome To Signs. I'm Carol Grell Morris. I'm the staff attorney here at MDT and I'm also the rule reviewer for the Department. Today we would like to talk about a proposed rule for the Outdoor Advertising Control Program. As you may recall, Outdoor Advertising Control is under the Commission's authority, so the Commission must approve any rule proposals and any rule adoption. Today we have a Notice to Change one of our existing Administrative Rules 18.6.238 Community "Welcome To" Signs. This rule had been in place for a number of years since 2012. It allows communities to put up signs at the entrances to their communities and a lot of those are along state highways or MDT controlled routes. Whenever a sign is erected, it falls under Outdoor Advertising control and it has safety issues – it can't be a large monument in a clear zone and that type of thing.

The rule has been in place and has required permits, but we have not had a compliance of 100% and more recently we got requests from some communities who wanted some changes to the rule. The rule previously asked for them to look for locations outside the right-of-way and wouldn't allow them in the right-of-way and in some areas the communities felt like they had no other options. The sizes were not

working for them, the size limitations on the signs, etc. This is an amendment based on those community's requests. Some of the communities were prohibited from putting up "Welcome To" signs by the rule and so this is an effort to try and allow them the ability to do that.

Looking briefly at the rule, the proposed changes are in subsection (1), we've eliminated a sentence that talks about compliance with standards because the standards are a little different for these rules and the standards that exist came later in the rule. Subsection (3) is a brand, new change. Many of the communities asked for the ability to put a sponsor or a benefactor name on the sign. The signs are paid for by an outside group and the communities wanted the ability to recognize that. I think you commonly see that, an example would be the University of Montana has a large sign welcoming you to their campus and there are plaques underneath with the names of benefactors, i.e., McDonalds, etc. That would be the idea here as well. The rule proposal says that the "Welcome To" signs can include a plaque with the names of a sponsor or benefactor or support group, but it must be small, secondary to the "Welcome To" message and can be no greater than one third the total size of the "Welcome To" sign. The sponsor plaques would be limited to the sponsor only, no commercial advertising. That is the point we're trying to make that once you're into commercial advertising, you're into off-premise permit and sign regulations, you're competing with sign companies, etc. So, this would be limited to the name of the sponsor only and would have size limitations. Again, the communities have requested that.

Some of this is to make it more readable, so we didn't necessarily eliminate some of this information, we just moved it somewhere else. That is what you see in cross-throughs in what used to be 3, 4, and 5. The new number 4 is for clarity of reading and talks about the locations. The rule proposes that the "Welcome To" signs can be placed in two different locations: (a) private or government owned property adjacent to controlled routes. Again, this is outside the right-of-way and you must get permission from the landowner. That would be MDT's preferred location; we would rather not have a proliferation of signs in the right-of-way. Secondly under 4(b) a community would be able to put them within state-controlled right-of-way limits except for Interstates if they are placed 10 feet or more outside the clear zone and if they have an Encroachment Permit from the Department. Here is where the rule does retain the sentence about looking for other locations. The final sentence in the new 4(b) Right-of-way locations require verification that at least two specific locations outside the right-of-way were considered but were unavailable. That is really the Department's preferences, that they look for a location outside the right-of-way and document that. If they cannot, then a right-of-way location may be considered if clear zone issues and all safety issues are considered.

Following that we see a number of deletions. Again, that wasn't necessarily eliminated; some were, and others were not. What was eliminated is what used to be

subsection (c) were it talks about adequate spacing with speed limits tied to it – 30 mph, 45 mph was eliminated and some of the rest was routine about not obscuring road user’s views and that type of thing. For clarity, we put it all in the next new subsection (5) which now reads: “Welcome To” signs must not exceed 300 square feet. That is a change; it used to say 150 feet. That is a little larger size and again, the communities requested that. The way the rule is set up, the communities design their own signs because each community wants something different. They design their own sign within the parameter of 300 square feet.

The Traffic Safety people wanted the next restriction: that the sign contain lettering of a height of at least four inches. The reason is it doesn’t distract the driver; they are not straining to read what it says or trying to understand it. The remainder of the restrictions are the same as they were in the previous rule and are similar to other sign restrictions – you can’t put it on another sign, you can’t put it on a fence or power pole, you can’t make it resemble a traffic control sign. Those are typical restrictions on any signs. Those are listed here and retained in the new (h). They can’t be located near key decision points where a driver’s attention should be more focused on traffic control devices, roadway geometry, or traffic conditions. That is a safety feature. Finally, signs cannot be maintained from highway right-of-way. There is an exception but typically they would have to find another way to maintain their signs.

Finally, subsection (6) retains the information that there are no fees attached to these signs. Outdoor Advertising Permits typically have an initial fee and then you renew the permit every three years. Those will be waived in this case because the communities will not have the necessity to renew their “welcome to” permits. We did add: A private applicant is not eligible for “welcome to” signs. It is restricted to cities, towns, counties, and Tribal governments. That is explained earlier in the rule and repeated here. So, there is no ability other than those listed entities to apply for a “welcome to” permit. That is the purpose of them to welcome you to that community or town, so there should be no need for a private applicant to apply.

Eight talks about Encroachment Permits and we would retain that requirement because, as you know, Encroachment Permits issued by our Maintenance Department test the safety of objects in the right-of-way. That allows the engineers to evaluate break-away devices and other safety features. If you’re going to be in the right-of-way, the Encroachment Permit would be your first requirement.

Finally, in nine we talk about an Encroachment Permit – you must conform to the requirements of the Encroachment Permit. That is referring to things like traffic control; if you’re going to be maintaining that sign, you must have the appropriate traffic control that you see listed on an Encroachment Permit. That is one example.

Finally, if you want to modify a sign, you must get Department approval to do that. We did add new subsections (12) and (13): The Department reserves the right to deny

a “Welcome To” Sign Permit that may negatively impact the traveling public. Again, keep in mind some of these are going in the right-of-way, so we must have the ability to say this is not a safe location.

Finally, the Program is aware that not every “Welcome To” sign is currently in conformance with this. We added that, “you have one year to bring your sign into compliance.” There are currently some “Welcome To” permitted signs and currently some “Welcome To” signs not permitted, and this gives them one year to come into compliance and adds the ability for new applicants.

This rule notice and the reason that accompanies it are ready to go through the Rulemaking Process: Filing with the Secretary of State begins the public comment period. The notice is then sent out to interested persons and put on the website and the Department accepts public comment on that notice for 30 days. At the end of that time, we would have to bring it back to the Commission with any comments and responses to those comments. We may not get any comments, it just depends on the notice but if we do, they will come back to you.

If you have any questions, I’ll be happy to answer that. Otherwise, we need your vote to propose the rule and initiate the rule making process.

Commissioner Jergeson moved to approve the OAC Proposed Rule Notice – Welcome Signs. Commissioner Schulz seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

### **Agenda Item No. 15: Discussion and Follow-up**

Commissioner Skelton noted that Director Tooley was stuck in Minneapolis and unable to attend the meeting.

### **Agenda Item No. 16: State Funding Update**

*Larry Flynn, MDT Administration Division, Administrator*

I’m commonly referred to as the Chief Financial Officer of the Administration Division within MDT. As you’re aware, we’ve had quite a roller-coaster ride with our state funding sources over the last couple of years. In talking with Director Tooley, he thought it might be appropriate for me to come in and talk a little bit about the status of our state funds and where we’re going. He gave the following Power Point Presentation to the Commission:

## **MDT State Funding Overview**

- MDT Financial Background
  - Organizational structure vs fund structure
  - Fund accounting 101
  - MDT funds and programs
- The Highways State Special Revenue Account (HSSRA)
  - Sources and Uses
  - Cash management strategy
  - HSSRA pressure points
  - Review of 2017 Legislative actions
  - Looking ahead

## **Organizational Structure vs Fund Structure**

- Organizational Structure (Executive View)
  - 9 headquarters Divisions
  - 5 Districts
  - 6 Areas
- Budget Structure (Legislative View)
  - 6 Budgeted Programs
  - 3 Proprietary Programs
  
- Accounting Structure (Financial View)
  - 3 Fund Types
  - 7 Funds
  - 50 Separate “Accounts”

## **Fund Accounting 101**

Think of each “account” within a “fund” as a separate business with its own set of accounting records and own set of rules. There are more rules that describe how these accounts interact. Some accounts are shared with other agencies

Three main Funds at MDT:

- State Special Revenue (33 accounts)
  - State taxes and fees designated for a specific purpose
- Federal Special Revenue (6 accounts)
  - Federal monies received for state operations
- Proprietary Funds (3 accounts)- Business-like operations
  - Charge a direct fee for service

MDT programs spend from many different accounts

## **MDT Funds (accounts)**

- State Special Revenue Funds
  - Highways - Restricted/Unrestricted

- Aeronautics - Admin/Grants/Loans/Pav Pres
- Other State Special
  - UCR
  - Transaid
  - DUI Prevention
  - FTA Local Match
- Federal Special Revenue Funds
  - FHWA
  - FAA
  - FTA
  - FRA
  - NHTSA
  - FMCSA
- Proprietary Funds
  - State Motor Pool
  - MDT Equipment
  - Yellowstone Airport

**MDT Funding by Program (Annual Expenditure of \$700 Million)**

General Operations	\$ 50,000,000
Construction	\$440,000,000 (largely fed aid)
Maintenance	\$125,000,000
Motor Pool	\$ 5,000,000
Equipment	\$ 25,000,000
MCS	\$ 10,000,000
Aeronautics	\$ 5,000,000
Planning	\$ 40,000,000 (largely fed aid)

**Highways State Special Revenue Accounts (HSSRA)**

Constitutionally Restricted Account:

Payment of obligations incurred for construction, reconstruction, repair, operation, and maintenance of public highways, streets, roads, and bridges.

Payment of county, city, and town obligations on streets, roads, and bridges.

Enforcement of highway safety, driver education, tourist promotion, and administrative collection costs.

Non-Restricted Account

Can be used for any purpose

**HSSRA Sources and Uses (pre-FY2018)**

Primary Revenue Sources

- Gasoline and Diesel Tax
- GVW Permits and Fees
- Indirect Cost Recoveries
  - Federal, Private, and Local Partners
- Other Revenue
  - 3<sup>rd</sup> Party Contributions
  - Interest
  - Recoveries from Damages
  - Sale of Property

**Users of the HSSRA**

Department of Transportation

- State Match for Fed Aid Construction and Preconstruction Programs
  - approx. 13% state match
  - Cash reserves necessary to “float” Federal Program

- Winter Maintenance
- Pavement Preservation
- Motor Carriers Services
- Administrative Costs

Department of Justice

- Highway Patrol
- Motor Vehicle Division
- Centralized Services, IT, Legal
- Prisoner Per Diem
- Forensic Science
- Criminal Investigation

Local/Tribal Governments

- Statutory Distribution of fuel tax to cities and counties
- Revenue Sharing Agreements with all Tribes

Other Distributions

- Long Range Building Appropriation to FWP
- Petroleum Distributors
- Refunds for off-road use
- Statutory distribution for off-road use
  - State park facilities for motor boats
  - Snowmobile facilities, safety, education, and enforcement
  - Off-highway vehicle facilities, safety, education, damage repair
  - Aviation facilities and safety

**HSSRA Cash Management Strategy**

- Cash flow needs

- day to day operations
- state match for federal aid reimbursement
- Maintenance work is almost entirely state funded
- Cash balance is highly volatile
  - frequently swings by 10's of millions
  - mostly predictable
  - minimize the frequency, magnitude, and duration of negative cash
- Managing the highs and lows
  - excess balances may be invested in STIP for modest interest earnings
  - short term loans from the general fund are used to navigate shortages
  - use working capital as an annual target for financial planning purposes

### **Setting the Target for Working Capital**

- What is working capital?
  - Accounting calculation of current assets less current liabilities
  - Takes into account anticipated inflows and outflows
  - Calculated annually after the books are closed
  - Provides a “navigational beacon” for financial planning
- Need enough to cover 20-30 days of expenditures
  - \$38 million - \$56 million
- MDT target: \$40 million
  - As revenues exceed expenditures, working capital increases
  - Vice versa
  - If working capital is too low, more frequent loans from the general fund will be necessary
  - If working capital is too high, taxpayer investment is compromised, and reserves become a target for appropriations for other purposes

### **HSSRA Pressure Points**

- Revenue
  - Traffic Volume vs Fuel Economy
  - Motor Fuels Tax same since 1994
  - Slowdown in Commercial Vehicle Activity
- Expenditures
- Inflation
- Appropriated Commitments
  - Department of Justice
  - Other State Agencies
- Federal Aid Program Impacts
  - Match Requirements on Expanding Program
  - Project Modifications
  - Maintenance of New Infrastructure

**Legislative Actions – 2017 Session**

- HB473: (enhance revenue)
  - incrementally increases motor fuel tax (user fee)
  - generates \$25-35 million annually
  - 2/3 of revenue to local governments
  - 1/3 of revenue to MDT
  - restricts usage of funding to road and bridge work
- HB650: (separate agencies)
  - provides for dedicated funding source for MVD
  - directs a portion of gas tax to a separate account at MHP
- HB2: (reduce spending)
  - removed 65 FTE
  - reduced budget for State Funded Construction
  - reduced budget for Information Technology

**Looking Ahead**

- Stable balance projected for 4-6 years
- Revenue outlook uncertain
- Federal Aid program growth uncertain
- Falling Behind on Infrastructure investment

**MDT's Plan**

- Communicate with Executive and Legislative Partners
  - Governor's Office
  - Revenue and Transportation Interim Committee
  - Appropriations Committees
- Leverage higher federal match when available
- Continually analyze impact to infrastructure and safety
- Continue to explore internal efficiencies
  - Scrutinize hirings
  - Travel
  - Training
  - Other internal costs
- Analyze long-term implications of current revenue structure

***Farming Bridge***

Dwane Kailey noted that Farming Bridge is on the schedule for a January 2019 letting.

Commissioner Schulz said he was scheduled to be on a radio program to talk about the President's Infrastructure Program and how it will affect state transportation. I saw some of your comments in the Great Falls Tribune and I thought you were painting a bit of a rosy scenario. I'm a little nervous particularly given the budget last

year proposed to cut \$80 billion out of the Highway Program which I suspect is the \$80 billion that Max Baucus had secured for western states. I'm a little nervous about what it means. I think we ought to be frank with the public in Montana that if they cut the Federal Highway Program and that results in a less advantageous match rate on highway projects, what we have is holes in our plan for five years and even out beyond what we approved. I think we need to let folks know the downside. What Congress might do with that I don't know and of course they can have a different idea about the treatment of the Highway Program.

Lynn Zanto said the published comments made it sound that way, but my message was it's a good starting point to talk about the need for infrastructure funding. You are right, it is uncertain what it means for Montana because it's all infrastructure. I will talk more generally and not so much the President's plan, but FHWA funding in general is in trouble. Before MAP21 and the FAST Act were adopted by Congress, there was all this talk about our need and the fiscal cliff. The fiscal cliff conversation is coming back into a lot of the national news outlets. The FAST Act will expire September 30, 2020. The way it was passed and funded was with transfers from other parts of the federal government, generally from the General Fund into the Trust Fund. When 2020 comes, Congress can do a few things: they can raise revenue, leave the Trust Fund as is and just manage the federal revenues coming in and that's the fiscal cliff. If they just keep to the revenue coming in, that's almost a 40% decrease for transportation funding.

The Trust Fund has a Highway Account and a Transit Account. The Transit side hits a deficit even sooner than the highway side. They could do like they've done in the past and move other General Fund money into the Trust Fund. They have a lot on their plate to consider. We were hoping in the Administration's 2019 Budget on the infrastructure plan, there would be mention of the Trust Fund and some thoughts on how to fix it, but we're still going through it and so far, we don't see any reference to the Trust Fund. We don't know how the infrastructure plan is being funded, but probably from some parts of governments. There is a long way to go. You're right, it's not a rosy picture.

Pat Wise said we've got some pretty good information on what's in the President's plan. We have information from AASHTO, and the White House briefing that has the numbers.

Lynn Zanto said I can share the general components with Commissioner Schulz, so you would have that much information when you do the talk show. I can also give you the information from AASHTO. There were five components proposed in the President's plan - \$200 billion of federal money that would leverage \$1.5 trillion over a ten-year period. That means a lot of leveraging of outside private money or money other than federal money, which is difficult in the low population rural states. One component of the plan is called a \$50 billion block grant program that would be for

rural, but again, I have to caution that it's for rural infrastructure, it isn't just highways or road and bridges. That \$50 billion would go to each of the Governors based on some formula that is yet to be clarified. There is also another little carve-out in that \$50 billion, so it's really \$40 billion that would go through a formula and go to the Governor's and their respective states would determine what kind of infrastructure they wanted to use it for.

Commissioner Schulz said \$40 billion sounds like a lot of money but when you spread it out among 50 states that have 3,500 counties and X number of communities, it isn't very much. Lynn Zanto said no it isn't. We always try to encourage our Delegation that, if they do anything with new money or even when they are reauthorizing, they distribute to the states based on the formulas that are in place because they do good for a rural state. With those existing formulas, we get about one percent of the federal highway funding. That is good for us. This Administration's proposal doesn't appear to be using those formulas. Commissioner Schulz said out of the \$200 billion, the feds will contribute to the 1.5 trillion, but it has to be cut from other programs. What programs are they going to cut? Denny Washington suggested the other day he was going to build the St. Mary Milk River Repair Project under this bill. I doubt he would see a business case there at all. Lynn Zanto said the other four components are based on leveraging for discretionary application process for projects that probably we would not really compete for. They would be for new things. One of the elements does say they have the highest federal participation, the highest under that element is 20% federal and 80% outside. The rural component is silent on match. A block grant requires no match but then they have language that says there will have to be a planning component submitted and that will have to specify what other kind of funding is contributing.

Commissioner Jergeson asked if there was analysis being done on an incremental basis. That would reduce what they distribute to Montana, and then we would have to raise our gasoline tax. I'm sure we would have to more than double our gasoline tax. Commissioner Schulz said the Legislature had to go through so much trouble just to do four cents; that would be an incredible discussion. Commissioner Skelton said imagine the discussion on a twenty-five-cent increase. Lynn Zanto said at different times we have a sort of analysis along with looking at what it would cost us to not rely on the federal money; what's the breaking point when it's not even worth it. That is something we should beef up and prepare for those conversations. Kraig McLeod said just in rough dollars, for every \$10 million reduction in federal money, is about a \$.02 increase for gas tax. Commissioner Skelton asked Kraig to send the Commission a memo once he had that calculated. Kraig McLeod said it's a different question if you're talking about new money coming in and trying to match that; it will be a lower number. If you're talking about how to plug a hole when you're losing that much money, it's much higher. For instance, say we don't get any federal aid, \$400 million, that's about an \$.80 tax hike on Montanans to replace that \$400 million.

Lynn Zanto said that SB473 allocations for the local governments – part of the new tax that goes to local governments, notifications of their allocations went out last week. We'll send you a copy of the generic letter and there is a link on our website to be able to see all their allocations for the first collections through December 31<sup>st</sup>. Each year at this time, they'll get a similar allocation notice. Then we're going out and training them this month on how to request their funds. They must submit a request with a demonstration that their respective counsels and commissioners can confirm a project and a match to get the funds.

### **Next Commission Meeting**

The next Commission Conference Calls were scheduled for February 20, 2018, March 9, 2018, March 27, 2018, and April 10, 2018. The next Commission Meeting was scheduled for April 19, 2018.

### **Adjourned**

Meeting Adjourned

Commissioner Skelton, Chairman  
Montana Transportation Commission

Mike Tooley, Director  
Montana Department of Transportation

Lori K. Ryan, Secretary  
Montana Transportation Commission