

# Montana Transportation Commission

May 28, 2015 Meeting  
Helena, Montana

## IN ATTENDANCE

Rick Griffith, Transportation Commissioner, Chairman  
Barb Skelton, Transportation Commissioner  
Carol Lambert, Transportation Commissioner  
John Cobb, Transportation Commissioner  
Dan Belcourt, Transportation Commissioner  
Mike Tooley, Director MDT  
Dwane Kailey, MDT Engineering  
Lori Ryan, Commission Secretary  
Tim Reardon, MDT  
Carol Grell-Morris, MDT  
Lynn Zanto, MDT  
Patti McCubbins, MDT  
Jim Walther, MDT  
Pat Hurley, MDT  
Paul Harker, FHWA  
Kevin McLaury, FHWA  
Chris Riley, FHWA  
Cary Hagreberg, MCA  
Paul Dennehy, Lamar  
Rick McAlmond, Lamar  
Myron Liable, Outdoor Advertising Association  
Matt Clyde, Premiere Outdoor Advertising  
Jarod Johnson, Yesco Electronics  
Ralph Fleck, Yesco Outdoor Media  
Nege Nelson, Yesco Outdoor Media  
Mike Elm, Yesco Outdoor Media  
Susan Lanto, Sundown Outdoor Advertising  
Zack Boller, Neder Outdoor  
Matt Clive, Premier Outdoor  
Rick Kidor, Art Outdoor

*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 Rick Griffith**

Commissioner Griffith called the meeting to order. After the pledge of allegiance, Commissioner Griffith offered the invocation.

## **Tribute to Retiring Chairman Kevin Howlett**

Commissioner Griffith said my first act of business as Chairman is to proclaim today as Kevin Howlett Day. Will our long standing Chairman please stand up. Kevin has been an inspiration, a mentor, a friend, and most of all Chairman of the Commission. He and Rhonda have graciously hosted us at their house many times and I appreciate that and I appreciate all the guidance he's given me through the years. I'm sorry to see him go. Lori has made arrangements for a lunch today. With that, I ask that you stand up and say a few parting words.

**Kevin Howlett** said I'm a man of few words. I've been thinking about this and wasn't sure what you all were planning. Reflecting back on my time here and the privilege of serving this state under three Governors, what an honor and privilege it's been but also what a challenge it's been to look at the needs in this state and to know you only have limited resources to get things done. The thing I've found is the

Commission has transitioned itself multiple times to being a Commission that is guided by principle and not politics and one that's guided by the needs of the small person as well as the corporations and the small towns are as important as the large towns. The Indian Reservations obviously I tried to ensure that those are not a forgotten part of the Montana Transportation System.

In reflection I know there were some difficult times and in the 12 years I served I didn't learn it all; there is so much more to learn. Every year the Red Book was certainly a challenge to know that putting these things in place and hopefully in a number of years they'll come to fruition. Some things haven't but they are not off the radar screen; you need to get them done. You need to get out of the mud in Swamp Creek and finish that project. We need to finish US 93. I look back on some of the projects that were monumental projects in the state – obviously the Interchanges were big projects, Zoo Drive in Billings was a huge project, Hwy 2 in Alberton was huge. I think of the thousands and thousands of miles I've traveled on these roads, you always do it with the hope ... we do it for our safety now but a lot of these things we will not have a chance to do over so we need to do them right. Doing them right means that we are considerate of all the things that are there including the motorized traffic as well as the pedestrians, wildlife, environmental issues, and cultural sites. All of those things come into play. I've always tried to guide my decisions from a consumer's perspective. This is a government agency but it's also a business, the people's business and it's the public trust we hold. To that end it's been something that's guided me in my term on the Commission. This Commission and previous Commissions have adapted to that well.

I've worked with some great people. The staff has worked really hard. Federal Highways has always been a very cooperative and willing partner. Tim Reardon has provided us with great legal guidance and advice. Dwane and I have battled over speed zones and I think I've educated Rick to continue with that tradition; so you don't just get to pass speed zone.

I would like to say to the staff and the Department, it's been a real honor and privilege to have been a part of this. This journey now ends and that's okay. From the last time we met, Rhonda and I became grandparents. My wife, my daughter, and my son-in-law are here with me today. With that I'm up for lunch.

I know you have a lot of difficult issues so I won't take up your time this morning but I wanted to take the opportunity to come and personally wish you well and thank all of you for your support and guidance and the memories we share for the time I was here. Thank you.

**Commissioner Griffith** said Kevin and I have had the luxury that few Commissioners have – it takes a year or two to understand the Red Book process and by the time something truly is a passion for you, you're usually off the Commission and don't get to see it built. Kevin and I have had the opportunity to see some of our projects built which is something we never thought would happen. That is a luxury we've had and I'm thankful we've gone down that path together. My first meeting as a Commissioner was in Kevin's District on Hwy 93 at Nine Pipes. Since we have Post Creek Hill in the process, one of Kevin's passions is Nine Pipes and I can tell you this as both a Commissioner and as a friend, I will carry your passion for Nine Pipes on.

**Director Tooley** said Commissioner Howlett was one of the first people to come see me when I became Director. I remember the conversation very well and I don't remember many conversations from the first three months of my term but I remember that one. We had a great conversation about each other's thoughts and philosophies and how we both wanted a more engaged Commission, which you gave us and then some and I thank you for that. I thank you for your guidance. I thank you for conversations on the side of the road on US 93 when we were kicking over

stones and talking about what should be done and what will be done on Post Creek. I guess the best compliment to you Kevin is what we all hope for in government service and you can rest assured this is a better place than it was before you got here because of what you did. People are safer, the highways are better, and your legacy is good roads in Montana. I appreciate your friendship and the discussions we've had.

We have a gift for you. I want to present this book to you on behalf of the Department. It is a history book of Montana Transportation and you have helped write some of this history. I can't thank you enough for your service.

**Dave Galt:** I'm Dave Galt and I worked here once. I had the honor to work in the Department when Kevin was appointed by Governor Marx. I can tell you that he was appointed at a time when we'd just made an agreement on Hwy 93 and we were talking about trying to get the job started and underway. It's funny to listen to you guys talk about some of the same projects we talked about back then. I hold Kevin in real high regard. I learned a lot from Kevin; he was a calming and stable voice on the Commission in the early part of 2000. I learned how to work with people from him. I think the Commission is going to miss him and I congratulate him for his service. He is a great guy and I appreciate him.

**Kevin McLaury,** Division Administrator with FHWA for the State of Montana. Kevin, I want to thank you for your service. To your family, thank you for sharing him with us. I know the time and the effort he put into the Commission and the effort he did for the State of Montana, and taking time away from family, thank you; it is much appreciated. Kevin, I enjoyed our time together. You made me a better person. You made the Commission a better place. You made the highways and roads in the State of Montana better. We've been together a long time; I've been here almost nine years now so we've seen a lot of things come and go. We haven't always agreed and that's okay. I enjoyed the discussion and the learning. You will be missed. I'll miss you on the Commission and your calming approach to tackling tough problems. My best to you in the future and with your endeavors as you move forward. God speed to you.

**Commissioner Skelton** said when I came on the Commission the "S" word was not to be spoken on the Commission; that was "Shiloh" in Billings. You have given me the opportunity to learn so much and so many things, especially your culture. That was very important to me. Rhonda you have a special family. Thank you for all you've done, not only for the State of Montana, but for so many of us personally the lives you've affected. It's with humility I call you my friend.

**Commissioner Lambert** said I will miss you, my friend. Thank you so much. I have learned so much from you and part of it is your calming influence. Obviously that is one of the things we'll remember you most for. I haven't been on the Commission that long but I've learned a lot from you. I appreciate what you've done for the Commission and the State. Thank you to your family for sharing you, I know that is difficult. Thank you Kevin.

**Commissioner Cobb** said I was in the Legislature for 24 years and served a lot of Chairman but you were really good; you were a very good Chairman. You were excellent.

**Commissioner Griffith** said thank you Kevin. I'm sincere about carrying your legacy forward. Thank you Rhonda for sharing him with us. Jorgenson's will never be the same; they'd run out of steak sandwiches because Kevin and I always ordered a Steak Sandwich. Thank you for your service.

## **Outdoor Advertising Presentation - Lamar Advertising**

I'm Paul Dennehy, General Manager, Lamar Advertising in the State of Montana. If I may reiterate from our last meeting. We're here to discuss digital off-premise billboards in the State of Montana. There are digital billboards up in the State of Montana presently – three in Billings, one in Great Falls and one in Helena. However, they are not on controlled routes but they are permitted by the local municipalities. We feel now it is important for Montana to move forward and establish reasonable and fair regulations on controlled routes in our state. We want to cover such issues as message duration of digital signs, lighting brightness, spacing, security, and anti-hacking protection. Thus we are looking at being proactive rather than reactive to the new digital technology. Being proactive will also establish standards that will eliminate proliferation or contain proliferation of new billboards. I think as our demonstration will show today, the majority of digital signs throughout the country and our neighboring states are put on existing billboards replacing static signs rather than building new locations. We believe that trend would stay the same in Montana if we move forward with the program.

Billboards have caught up to the digital age. It is a valuable medium to advertisers, consumers, and to government. MDT presently deploys digital signs throughout the state, deploying valuable messages to the travelers such as don't drink and drive, seatbelt messages, and the most recent was motorcycle awareness on our highways, and weather conditions through our mountain passes. The key to that value is current message.

In 2006, rules were drafted to allow electronic variable message signs. It was a well written plan and we believe, with some minor changes and tweaks, that plan could be used again as a base. We did go through three public hearings with the majority of the public in support of digital signs but it didn't get passed.

With that being said I'd like to introduce my co-presenters. Jerod Johnson, Yesco Electronics will give a presentation on the technological parts of digital signs that you may have questions on – issues of brightness and duration. Myron Liable, Outdoor Advertising Association of America will give a presentation on what the country is doing with digital signs as well as our neighboring states. Then I will finish with a couple of comments.

### ***Jared Johnson, Yesco Electronics***

I'm Jerod Johnson, Yesco Electronics. We are a manufacturer of digital signage from Logan, Utah. My role is to work with government relations issues. I work in these types of hearings on the state and local level throughout the Western United States. Yesco Electronics is a manufacturer of digital signage, we have regional customers that operate in Montana and they've asked us to participate in this process. We are also members of the National OAAA. So the information I'm presenting today is to give you a brief description of digital billboards.

We are a domestic manufacturer; we're a member of the National OAAA which is the National Outdoor Advertising Trade Association. We're also a member of the International Sign Association, which is the trade association for on premise signs. We provide LED signage to both of those industries. In the State of Montana in this situation we are addressing off-premise signs. There is often confusion between off-premise signs which is a billboard that the state regulates and an on premise sign which is on private property and typically is not regulated by the State. We work with both industries and both industries in their Trade Associations have adopted similar standards for use that we're trying to go through different government processes to get adopted and taken into rule or into ordinance or into statute.

What are digital billboards? This is a photograph of a typical billboard that you would see in Pocatello, Idaho. This is typical of what we already have in place in some of the municipal roadways in Montana. A digital billboard is very similar and its use is the exact same as a regular static billboard. The difference most significantly is that we can provide more outdoor advertising space using digital billboards without building additional billboard structures. The trend in the last few decades has been that in higher traffic areas in our communities, cities have restricted or stopped the construction of new billboard signs, however, those commercial areas continue to grow and they continue to be desirable places for advertisers of businesses to put their advertising. This is a solution that we have in the industry to use existing signs without putting new signs in these busy traffic areas and offer more space available for advertisers. We consider the technology to be an evolution of how we're delivering an advertising message to people because we are taking a lot of the physical work out of painting a sign. Originally billboards were hand painted, then those panels were all nailed up on a billboard sign. We're taking all of that labor out of advertising and making it quick and efficient. We're avoiding a lot of the waste and other byproducts of the process with panels and vinyl that we used in the past. So we see the technology as making us more efficient. We consider it also the highest and best use for that sign – that physical real property asset that we have at that location. When we can take a single sign and make it an opportunity for multiple companies to advertise on, it is very beneficial.

As far as the technology goes, I brought with me one of the basic building blocks of a billboard. This is the basic building block product we manufacture. Digital billboards use LED illumination which is very directional light which comes from each of those little colored dots you see. We know the exact angle that light is going to project from that sign face; it allows us to control the light. They are low energy and low maintenance. That particular product is designed and manufactured from start to finish in the US and we're proud of that. We were one of the original signage companies that pioneered this technology for the billboard industry. We think we've incorporated into the process, by working with the OAAA and the billboard companies, some real advantages in the use of billboards and the design of billboards that coordinate well with regulations. All of the ad posting is done by computer and all the signs used in outdoor advertising are monitored by web cameras. We have a network operation center in Logan, Utah, that is staffed 24/7. Right now we monitor just over 2,000 signs and have somebody watching the signs to make sure they are operating correctly, they are not having malfunctions with the brightness, and things like that. These are unique advantages to digital billboards that allow us to offer additional protections when it comes to regulations.

There are just a couple of domestic manufacturers who make these. We're all members of the OAAA and have worked with the industry on providing the sign that was used in creating the standards for the industry. Some of the standards we worked on from the very inception of using LED digital signage as a billboard, had to do with how the message would be displayed. Static messages rather than any kind of animation or video were chosen to be the standard for the industry nationwide. The time it takes to transition from one message to another and whether or not there is any visual effect that happens in that transition was a decision that we helped to create a standard on. Automatic dimming and ambient light standards required us to incorporate into the design of the signage physical parts and pieces and software that made it so that every sign used in outdoor advertising would automatically adjust for the light based on the ambient light that surrounds it.

We work with the OAAA in establishing these standards. The OAAA worked with scientific groups to help us establish brightness standards. Since then numerous traffic safety studies were done through the industry or trade association, universities, and FHWA to see the impact of the signs and whether there was cause for concern and repeatedly the results of these studies show that we've designed a product that's safe and does not create a dangerous distraction to drivers on the road. We can

provide some of those studies to you. The result is signs that typically holds for eight seconds. We feel confident that digital billboards operated within the industry standards are safe and unobtrusive.

This is an animation of what a typical billboard looks like (referring to slide). That is an eight-second static message. It transitions from one message to another without any effects or changes. Some have been concerned about the transition being flashing but as you can see it is an instantaneous change smoothly transitioning to the next message. Eight seconds is certainly a long enough hold time that you don't have any sensation of flashing.

We've worked, as a manufacturer, through the trade association to develop and design these signs so that they meet what we believe are very thorough scientific standards that the industry recommends to all of their sign operators. We've incorporated technology through software and hardware and we continue to innovate to make sure we have a product that can be well regulated and maintains the ability to provide a current message and provide the advertising space that our customers need and do it safely and in a way that is aesthetically pleasing. I'll be happy to answer any questions you may have.

### ***Myron Liable, Outdoor Advertising Association of America***

I'm Myron Liable, Outdoor Advertising Association of America in Washington, D.C. It's really great to be back in Montana; I'm a Helena native. I went to both State Universities in Bozeman and Missoula. It's great to be here. I'd like to do a quick snapshot in terms of the overall view from our industry perspective but also give you a quick snapshot on history, not only of billboards but also of the medium itself of digital.

Later this year in October will be the 50<sup>th</sup> Anniversary of the Highway Beautification Act. Many of you refer to it as the Ladybird Johnson Act, but basically it was part of President Johnson's Great Society Program. There was a lot of back and forth in terms of allowing digital billboards and what would happen with the new technology down the road in the future. Both Senator Mansfield and Senator Metcalf were very instrumental in passing the Highway Beautification Act of 1965. The bottom line was that billboards were to be a regulated medium. They were accepted and allowed in commercial and industrial areas either zoned or unzoned. The goal of the Act was to control the rural environment in terms of signage along the Interstate highways at that time. Now we have the Federal Aid Primary Highways in 1991 and the New National Highway System designation. Before the Act was implemented in Montana it went through a five-six year review period, so early 1970 was when Montana adopted the effective control provisions via statute as well as a federal-state agreement. Those provisions and federal regulations are still in effect. Those regulations were passed in 1975. From the standpoint of bringing up to new technology, around 2000 the first LED type billboards were installed on highways in other parts of the country. In 2007 the FHWA issued guidelines that basically green-lighted the use of the changeable message technology and suggested standards for states. As full disclosure, I have worked for FHWA in various capacities in division offices in the eastern part of the country, the old Bureau of Public Roads in Glacier Park, and I also ran the Highway Beautification Act of 1965 (HBA) at the Headquarters.

From the standpoint of the HBA and FHWA Highway Memorandum of 2007, I wanted to point out that from the standpoint of our Association and the industry nationwide we're committed to ensuring that both commercial and noncommercial messages are disseminated on standard size digital billboards that are going to be static, the content shall not include any animated, flashing, scrolling, intermittent, or full motion video. We've taken that step to ensure the quality. We work with the manufacturers, there are five nationwide, to ensure that the ambient light conditions

are acceptable because the FHWA guidance basically reiterated in their criteria “lighting shall be reasonable”. We went a step further and tried to fill that void as to what is reasonable lighting and conditions and added international experts on lighting to provide us with guidance and now 15 states have committed to go ahead and develop regulations.

One of the handouts I’ll provide to you is a chart that basically provides an overview of Rocky Mountain States and Western States criteria for digital billboards. We’ve included the static message time from these states, the change copy, and the spacing. You’ll see distinctions and differences in the actual spacing between the digital billboards but for your use and hopefully future efforts, you will now have a complete copy of all the western states in terms of their criteria that may be useful as we walk down the road on digital billboards.

From the regulatory environment standpoint, Wyoming, Colorado, New Mexico, and Oregon in the last few years have published either new regulations or statutes. Colorado is the most recent and they published new regulations this past February. Nevada is in the process right now of developing their regulations and we expect final adoption of those later this fall. All these states came to the same conclusion regarding digital billboards – they want fair and equitable regulations because we want to make sure message duration, brightness, spacing, security and anti-hacking provisions are provided. The bottom line is we want to balance an effective regulatory tool in terms of management of the program and fair and equitable enforcement. That’s what is needed.

This chart shows you that 44 states allow digital billboards on the DOT controlled routes, 15 states are using the OAAA recommended brightness standard. There are approximately over 1,000 local jurisdictions, either counties or cities, which now allow digital billboards via an ordinance. From our standpoint, we want to work with you and we support working toward effective and reasonable regulations.

Once again we said the first digital billboard was installed in 2000. There are approximately 400,000 static billboards around the country. So when you put it in the perspective of what is nationwide, of these there are approximately 5,500 that are digital billboard faces. So you can see the growth from 2000 has been a steady very incremental approach; approximately 1% of the billboard sites around the country are related to digital billboards. Once again probably 95% are on existing legal locations; they are not new billboards. There are very few new sites that have been employed for digital.

I want to point out that we’ve been working closely with all kinds of other local governments from the public safety standpoint as well as from the public service viewpoint. From the Amber Alert standpoint, our Association back in 2007 adopted and became one of the providers nationwide as part of the National Center for Missing and Exploited Children as part of the Department of Justice. That program has worked exceptionally well and now we’ve had nearly 1,000 Amber Alerts nationwide including 13 Amber Alerts here in Montana in the last several years. I have a letter to Jennifer Feats the Amber Coordinator for the Montana Department of Justice from NCMEC dated a week ago, showing the 13 Amber Alerts in Montana and that the feedback received from around the country has been very favorable. I’ll give you a copy of that letter.

I’d like to show you a quick overview of some of the public safety and public service work done by the Association as well as at the local and state level. At that a time he showed a video that provided a snapshot of some of the programs around the country. Most states that use digital billboards there is a direct relationship now being formed between the local police and the sheriff and/or Highway Patrol to help with fugitive alerts or other public safety awareness issues. More recently we had a lot of interest particularly in the northeast during their heavy, heavy snows this

winter, you saw some of the alerts that were bring processed by the Massachusetts DOT and other organizations. Once again, we can offer the assistance because it's fast, quick, flexible, and can be put up practically instantaneously through the computer. We think our technology is a win-win for the entire state. Thank you very much for the opportunity to be here.

***Paul Dennehy, Lamar***

Thank you for your time today. We thought it was important for you to see the technology side of the system as well as what we're doing around the country. We thought that might help pique the interest in what we are willing to do in Montana and would request that you move forward and have staff and counsel review the rules that were written in 2006 as well as the rules and regulations of our neighboring states that we handed out and come up with some Montana draft rules for digital signage for you to review and comment on and possibly move forward to the public hearing stage. Thank you very much for your time.

***Susan Lanto, Sundown Outdoor Advertising***

I don't have any experience with digital advertising. I don't have virtual billboards. In Montana I do not compete with digital billboards, however, in Las Vegas I have a few billboards and I've had some hands-on experience competing with digital billboards since they came into our market. An example, we have a few billboards near the airport in Las Vegas and when digital billboards were introduced our rate was \$3,000/mo. for advertisers to advertise on our billboards. When digitals came in, advertisers share space. On a static billboard you only have one advertiser on one billboard and they would be paying \$3,000/mo. On a digital billboard they can put up to six-to-eight advertisers on one billboard, so Lamar or Yesco would sell that advertising space for \$1,000/mo. For us, it reduced our income from \$3,000/mo. to \$1,000/mo. to compete with the bigger companies. To Yesco or Lamar, they would be making six times that. For example, is they sold to six advertisers for a \$1,000/mo. they would be making \$6,000/mo. and the smaller companies would be making \$1,000/mo. If they were selling to eight advertisers they would be making \$8,000/mo. versus our \$1,000/mo. What it did do to our company? It reduced our installation staff and our laborers by half; it took away that much business from our company. One of the presentations here said that posting ads by computer saves labor but it takes away jobs; it took away jobs from us in Las Vegas.

Now, again, I don't have any experience here because I'm not currently competing with digital but Montana, as you know, is a very large state, it doesn't have very many people so the advertising dollars for billboard companies here is much smaller. I've asked some of the billboard companies what their average rate of sales is per month and the lowest was \$350 and the highest was \$800. So that's a big difference from \$3,000/mo. in the bigger cities. Already there are very few advertisers for our existing billboards. So if we took, for example, \$350/mo. and Lamar put up a digital billboard next to us, in Las Vegas they cut the rates a third so a third of that would be \$116/mo. and that's what we'd be able to make off our billboard. Our lights on the billboards cost about \$116/mo. so we wouldn't have an opportunity to make any money. The bigger companies would be able to charge \$116 times six advertisers and make \$696/mo. that they'd be making versus the smaller companies making \$116/mo. If they have eight advertisers on the billboard they'd make \$928/mo. versus \$116/mo. for the smaller guy. That's the low end of the scale. The high end of the scale is in the Bozeman area, a billboard rents for \$800/mo. so a third of that is \$266/mo. That would only cover lights and the space you rent from the person who owns the property. So again it would be very difficult for us to make any money. Now if you took \$800/mo. divided by one third and multiply it by six advertisers, they would be making \$1600/mo. and we'd be making \$266/mo. Thank you for listening and I appreciate your time.

Commissioner Griffith said the Commission probably won't get into the economics of the opportunities or lack of opportunity because it can change. Personally I would like to put a moratorium on billboards period. I don't want to have my philosophy on billboards be a direct result of whether you can stay in business or not. With the highways, we don't get to the point where we don't change technology because our contractors don't deal in that. We've got to change the contractors, we've got to force the contractors to change technology to meet the new needs of the transportation system; that goes for signage as well. We can't regulate or tell you what to charge but we can regulate how many signs they need to pull out to get approval. If you look at the economics, typically at most locations they have to pull out at least two. It's the Commission's discretion how many signs they have to pull out to put in an electronic billboard.

Susan Lanto said do you mean for them to get approval to put in a digital billboard, they have to take out two billboard structures, is that what you're saying? Commissioner Griffith said correct. So that changes the economics, but I don't think it's for this Commission to get into that. I understand what you're saying that it's hard to compete against big companies. Susan Lanto said to sum it all up it would eliminate jobs for people who install billboards and it would drastically hurt the small companies. Commissioner Griffith said I appreciate that.

*Unidentified Speaker*

Obviously it is a concern for us. I won't go into the details of that but we want the State of Montana and the Commission to understand they need to take in all of the facts. Just because other states do things, that's irrelevant for what Montana does or should do. That shouldn't come into play. Nevada loves prostitution but Montana shouldn't jump in and do that just because Nevada does. Colorado allows marijuana use, does that mean Montana should do it just because they did? It should be irrelevant. I just want to point out that whatever decision you make going forward it needs to be based on Montana and Montana is unique. We have a lot smaller business infrastructure here. There is a place for digital billboards. I think the smaller companies will all agree to that but I'm not sure Montana is that place. There are a lot of small companies here that could never afford to get into the digital billboard game. There are places like Albuquerque and Denver that have infrastructure and high populations. Digital billboards are designed for large population centers; they are created for high traffic area. They are not really created for a small town atmosphere. Susan pointed out the financial impacts that could happen to the small companies. To be perfectly honest with you, my company would be the least impacted of any of the small companies in Montana but I will also stand next to all of the small companies to make sure that nothing happens to them either. If Lamar or Yesco would involve us in some of these discussions, I think it would really help. Maybe they have information they could provide to us to help us also see things in a different light. One frustrating thing for us is we had a Commission meeting a few months ago, there was plenty of time to talk to all of us and maybe come to this Commission meeting with a different focus on things but we've not been presented anything to make us change our minds. I think there needs to be some other things as a whole – for all of the sign companies in Montana to be getting together to work on things. I'm not going to get into all the details of safety etc., that's all done by experts.

One of the things I want to point out is the Amber Alerts – all of the messages are great things. Every small billboard company in Montana would all drop what we were doing to go help find a missing child if we knew that was the case. But I can tell you in Montana, because it is unique and different than the other states that don't have 200,000 people in a small area, there have been three Amber alerts in Montana in 2014 and all three were recovered without billboards because uniquely Montana has a fantastic program in place already. Jennifer does a great job in her position. Since she has taken over that position, 100% of all the kids that have been put on the

Amber Alert Program in Montana since 2011, have been recovered without digital billboards. We just don't have the volume of those things to justify having that. The State already has programs in place for those. Every time an Amber Alert goes out in Montana, it goes to 850 Convenience Stores in Montana because it goes through the Lotto system. Probably the most effective means they've found so far. According to the Department, Jennifer says, "at this point in time we feel we have the best program and although if digital billboards were available, we probably would take advantage of it, but it is not a reason to create digital billboards."

I'm not saying we would always go against digital billboards; there may be reasons in the future to have them but right now there should be a group of people put together of all different aspects to see what's best for the State of Montana and not necessarily just because another state is doing it. How does it benefit the people of Montana and the State of Montana? The advertisers in Montana actually aren't that fond of digital. They went to digital because they thought it was great but then they found out that they were still paying quite a bit of money to see their ad once every five or six times they drive by; so their exposure wasn't what they wanted. I actually had a billboard company come into Montana to meet with me recently who's had experience, they do not have digital and they actually told me that they did see an impact to their business, however, they got it all back after a certain period of time. A lot of their clients left their static and went to the new digital billboards surrounding them but eventually they got them all back. So he was trying to reassure us that we will get our clients back because the digital wasn't the best for the advertisers. But they're also a multi-million dollar company, so if they lose clients for a year, they could withstand that. Some of the small companies in Montana couldn't withstand losing clients for a year.

So those are some things we wanted to point out and we appreciate the time and the ability to speak here. This has been through a big public process in the past and I would recommend that it has to happen again if this is entertained. Also it wouldn't hurt for a group of people – small billboard companies, big billboard companies, right of way people, to get all the avenues to this in one spot so everybody can hear everyone else. I'm certainly open to hear what they have to say about it but until we're presented with some information that can assure us that a small company in Montana is not going to be jeopardized because of a billboard placed right next to theirs that might take six of their clients, I'm not going to be convinced. Thank you for your time.

***Rick McAlmond, Lamar Advertising***

I'm with Lamar Outdoor Advertising in Helena. A couple of things that kind of bother me in comparing Montana to anywhere in Las Vegas I'm not sure is fair. Currently the digital billboard we have in Helena has been here for nine years. Probably as far as occupancy, it runs fairly high. It's in high demand. What was there before the digital billboard was four faces and now there's two. So I don't see digital advertising proliferating in Montana; I see it actually reducing. When you say if we build a new digital, we'd have to remove some. That could be a local ordinance. I'm not sure it should be in the state rules. As far as cost, I'm not sure it's fair because some people can afford the digital and others can't so I'm not sure it's fair to not allow them. With that analogy there would be a lot of things we couldn't do.

***Rick Kiddo, Art Outdoor Advertising***

Most of my billboards are in Gallatin County and Park County but I have a few in Lewis and Clark County. One of my main concerns is when this was brought up several years ago, one of the main comments was we don't need flat screen TVs along our beautiful Montana roads blocking our view of the mountains. I can guarantee that will come back again if digital billboards are allowed. In Gallatin County it is very sensitive; we try very hard to build our billboards so they are not as high so as to

block out the view of the mountains. In the Gallatin they call it visual pollution so we're very careful about that. Every time a billboard is built in Gallatin County, I guarantee there are three or four letters to the editor in the local paper about how terrible they are. I just see this whole thing as another issue that we're going to have to deal with as small companies besides the economic issue of it. I just wanted to state that for the record. Thank you for your time.

Commissioner Cobb asked for a write up about the evolution and the tweaks in the rules over the years. Why do states do things differently? What are the problems? Have there been many changes over the years? What are the updates to the rules? When we talk about malfunctions, can you give some examples of that in your write up? What does the term "outside entertainment" mean? Do the 1,000 different local jurisdictions differ on their rules compared to the state? I'm curious about insects and birds being attracted to the lights? Has anybody complained about that? Are there any high traffic areas in Montana that could be compared to other states? If we did something like this, if we left it to high traffic areas, are there any high traffic areas in Montana? I would hope everybody would get together to see if there is any compromise. In Great Falls if you owned five or six in a row and there is no other competition, why do we care what they make? I'm curious because in some areas the same company owns everything so why do we care what they do in that area? I'm hoping everybody will get together before we have to make a decision.

Commissioner Lambert I remember when this issue was in front of us before. I remember the same issue when I was in the Legislature. It's been something we've struggled with for a long time. I certainly sympathize with the smaller companies. I'm not sure that you can ever make things equal. I would like to see some rules drafted. I certainly think this is coming, so maybe we should start. Do we have a rule already that tells us how tall signs can be? I'd like us to explore it a little bit.

Commissioner Skelton agreed with Commissioner Lambert. I'd like a little more information as John requested. Commissioner Griffith agreed. He asked that the presentation be forwarded to the Commission. It helped me get through some of the issues. Commissioner Belcourt said we see some of the digital signs now on traffic projects but I realize these are actual billboards on the side of the road with advertisements. I agree with the Commission that it is inevitable but balancing out with public safety would be a concern I'd have. I'd appreciate seeing a visual.

Director Tooley said he received a call from the Department of Justice Criminal Investigation Division while we were discussing billboards. They are aware of the letter that was going to be distributed and knew they were going to be part of the discussion. They want the Commission to completely understand that they remain neutral on this issue. They are neither endorsing nor opposing digital billboards. They were concerned they might be painted as being supporters through the introduction of the letter.

Commissioner Griffith said when this issue came up I was on the Commission then and I voted against it. We had some issues in Missoula near the University regarding brightness and other concerns. If any one thing swayed me at that time was the unknown of ... we see the signs that happen on Main Street that we have no control over that are bright and flashing and distracting. We have no control over those signs. We had the vision of that being the standard for what happens on these signs. So I've softened my stand on what I feel about digital signage for a few reasons: (1) I think they are low energy consumption and there is way less consumptive waste so from an environmental standpoint they make some sense. (2) We have the ability to choose a number of locations or make any rule, so if we want to replace signs with billboards, it could be any number of signs. It may reduce the number of physical locations where we have signs which to me is really cleaning up what we ought to be doing with the signs. (3) I know we've solved Amber Alerts but there is nobody in this room that's going to say an Amber Alert on a billboard is not going to be helpful

to locals. That too we could regulate. We could say something like one out of every six sign faces is a public service ad. That could be an Amber Alert, FBI, FEMA, local law enforcement, etc. That's our discretion for rulemaking. So for those reasons I've softened my thoughts on digital signing. So I'd like to ask the staff to draw up some rule making process to allow digital signs and at least let's put it to the test of the industry both smaller and larger companies in the industry and then put it on our regular Commission schedule. Commissioner Lambert asked if she should make a motion to that effect.

Commissioner Cobb said he prefers negotiated rulemaking and have them be involved in it. These rules are pretty broad and has stuff like "having a clear unobstructed view from official signs." You have your own response on what you'd like to do. Do you want to do the rulemaking or do you want negotiated rule making or just put something out there and have everybody come and talk to us at the end? Some of them said they'd talk to each other. Do you want them to talk amongst themselves first and then come to you? What does the Department think of this?

Tim Reardon said Carol wrote a memorandum on negotiated rulemaking process but I haven't had a chance to read it. It's a fairly extensive process and is time consumptive and perhaps gets us to the same place. What I'm hearing from the Commission is not necessarily to draft rules to be ready to publish but to give you a rough draft that you could consider putting out there. Commissioner Cobb had a number of questions and my suggestion is to wait until you get more information and then we can see if we can incorporate some history into this process. Once you start into rulemaking, you can stop it but there is a process and a cost and there is time associated with formally going through this process. If I understand you correctly you don't want to go there yet. You want to see something you might possibly look at if you decided you want to go there. Is that fair? Tim said we probably have something that won't take very long to put together. There are 44 states that have processes and they don't all look alike; there are differences in the way the process is done. We can provide you with some options to consider. One of the considerations you had at the last meeting was if you're going to allow a digital then there has to be a trade-off or some reduction within a two or five mile area. Somebody has to give up something; you can't put up a digital billboard on top of the other 35 already there. The other thing we've talked about in the past is there are limited areas in Montana where digital billboards would be a profitable venture. More urban areas with Interchanges and areas where there are facilities and you can craft all of that. We can start an outline for you.

Commissioner Griffith said if the other Commissioners have any ideas they can submit those ideas to Carol. Carol Grell-Morris said the process is already allowed under MAPA, there is a section that says an agency can use informal conferences and consultations with members of the public to obtain their view points (MCA 2-4-304). So the process Commissioner Cobb is requesting is legitimate. We can keep in contact with the various groups to get their viewpoints.

Commissioner Lambert moved that we ask the staff to begin drafting some rulemaking process having to do with digital signage so we can explore the process. Commissioner Skelton seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

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

### ***Cary Hagreberg, Montana Contractors Association***

I'm the Executive Director of the Montana Contractors Association. I'd like to welcome Mr. Belcourt to the Commission and I look forward to working with you. I

wanted to give you a quick summary of some things from our observation, representing the construction industry, which occurred during the recent Legislative session and ask for your help. We were unsuccessful in securing an infrastructure bill that would have helped local governments around the state with their construction needs – roads, bridges, water and sewer, schools, etc. We were unsuccessful in getting a Resolution passed, HJ 24, to simply study transportation infrastructure needs in the State of Montana and come up with recommendations for how to fund those needs. Our industry is very disappointed in the outcome of that legislative effort. We are going to be pursuing a different approach, a different strategy moving into the 2017 Legislative Session. We would very much like your help. We would very much appreciate the Commission weighing in on the transportation infrastructure needs of this state and emphasizing to the Governor, to the Legislature, and to the public of Montana how important it is that we address these needs. We got into a lot of interesting and somewhat frustrating discussions with a number of Legislators during the Session on the whole notion of bonding. We mentioned the possibility of considering a gas tax increase at several junctures and I all but got laughed out of the room. We don't intend for that to happen next session. So I'm here as an Ambassador for our industry. You all know what's happening in Congress; the "can" gets kicked down the road every time this issue comes up and it puts you all in a real pickle, it puts the Director and the Department in a no win situation trying to figure out how to advertise projects and obligate money and award bids. We've got to reinvent how we fund highways in Montana and in the nation. That's the reason I'm here today. Commissioner Griffith said we've had this discussion before and to be honest I think this is a good notice and a good point for the Commission, I'm in agreement with you. I think we work better together as a team when we can and I think we both have the same interests; our interests are your interests on this issue. I would like to help move that thinking forward.

One of my pet peeves is mathematically and materially unbalanced bidding. We took it on as a serious issue about a year ago. If nothing else we tried to send a message to the Association and its members that bid our projects that we are not going to take materially unbalanced bids but we are terribly concerned about mathematically unbalanced bids specifically on the last bid opening traffic control at \$.10 per unit. I would hope that in the next few months we could sit down as the industry and try to figure that out without us having to go to fixed unit prices. Of all areas where we don't want people fooling with pricing are ones that if you tell them to put up a candle stick or cone or do something safely, we don't want to grouse because it's underbid or if we have to do a 25% increase on an item because of increased traffic control. I'd like, as an industry, to work to solve that. We have the ability to solve it ourselves but I think some open communication here is critical. You were gracious enough to ask for our help and I hope it can be turned about.

Cary Hagreberg said thank you for making that point. Mr. Kailey had given me a heads up that this is a recurring issue and would possibly be mentioned today. I appreciate that. I can never stand here and explain how any individual company calculates their bids and how they approach their business practices but I can certainly convey back to our membership the concern the Commission has expressed. We're hearing it from the Department as well. Rest assured that I will do that. Dwane comes to most of our monthly Highway Technical Committee meetings as does Kevin Christensen and other MDT staff. We have a great dialogue and this certainly is an issue that should be brought before that group and I will be conveying that issue. I also need to make sure you understand that not every company that bids highway work in the State of Montana is a member of our Association. We'd love for all the contractors that do work for you to be members but they are not. We continue to work on that. We will make that communication.

## **Informational Safety Presentation – Roy Peterson**

Dwane Kailey said my staff is going to present some innovations, improvements, and how the Highway Safety Improvement Program (HSIP) works. In no way is that the only safety functions done by this Agency. HSIP is a large program in the Engineering Division but we do safety for the traveling public throughout this Agency whether it be in Maintenance, Rail Transit Planning, or MCS. Almost all the projects we design have additional safety procedures outside of HSIP as well. While this is a large program dedicated to safety, it by no means encompasses all of what MDT does for safety for the traveling public. With that I'll introduce Roy Peterson, Bureau Chief and Traffic Safety Engineer and Craig McCloud, our Safety Engineer who will also be presenting today.

My name is Craig McCloud, Safety Engineer for MDT. I have a brief presentation on the Highway Safety Improvement Program. It focuses on the steps our team goes through to identify and nominate safety projects. There are many steps to get it through the appropriate levels and design. My focus is on the front steps of getting projects identified.

**Goals:** I want to give you a little background information that contain our goals as a state agency and then some roadway data and crash data. I'll start with our goals. While our vision is zero fatalities and zero injuries, we have some interim goals that have been established through our Comprehensive Highway Safety Plan that Lynn Zanto's group manages. That goal was established in 2009. At the time, the annual stakeholder meeting established the goal as halving (cutting in half) fatalities and serious injuries over the course of two decades. You can see here (showing slide) this grey line is our linear depiction of that goal, then the individual orange bar reflects the number of fatalities and serious injuries we've experienced on Montana roadways since that goal was established. As you can see we're doing pretty well. We had a blip in 2012-2013 but overall we're making progress. When we think about getting to zero, we have work that needs to be done and we've got some things we can do.

**Roadway Data:** When you think about safety projects, there are two components. One is the roadway data and the other is the crash data. I'll start with roadway mileage. You are going to hear me say that the Highway Safety Improvement Program funds are eligible on all public roadways, not just state maintained roads. In Montana we have about 75,000 centerline miles of roadway that's open to public travel. Of that, only 12,000 is maintained by the State of Montana. As you can see here (showing slide) this green slice is city/county local rural roads that comprise the majority of the roadway network.

**Crash Data:** In Montana annually we experience somewhere between 20,000-22,000 crashes per year total that are reported either by the Highway Patrol or through the Highway Patrol and ultimately come to our department. I queried our crash data base for a five year period (2010-2014) and came up with 103,000 total crashes. Of that 103,000 we had over 6,100 fatalities and serious injuries. To put this in context I went out to the census website and found some communities that had about 6,000 folks in them. So we're talking about the entire community of Laurel or Whitefish or every person in Blaine County that has either been hurt, seriously hurt, or killed in a highway crash in Montana in the last five years. That gives you some context around the issue we're facing.

When you dive into the details a little bit more, we see that the vast majority of those fatalities and serious injuries occur on MDT roadways. I think that is fairly intuitive to us; we understand that MDT roadways are the highest level facilities and our roads typically carry the most volume. So while I said we're only 12,000 out of 75,000 total miles, we have the majority of crashes. However, I want to point out that the county and municipal crashes provide an opportunity to improve safety off the state

network. That is something Roy and I are focusing on as well. The other piece of information on this slide is that three out of every four fatalities and serious injury crashes occur in rural areas of our state. Again that shouldn't surprise anybody; we're big, we're rural, and there are long travel distances between destinations at typically high speeds and typically on two-lane roads.

The final piece of context is the dot map here (referring to slide) that I wanted to show you. It just plots the location of all those fatal and serious injury crashes over that five-year period. My intent here is to show what we kind expect. We see some clusters around our more populated areas but it also points out is that these crashes are occurring out in very rural portions of the state with very low population centers. So we need to have a system or process that comes up with a way for us to identify the right place to build a safety improvement. That's where the Highway Safety Improvement Program comes into play.

**Funding:** HSIP is a core funding program under the current highway bill which is MAP21. Annually Montana receives roughly \$18 million worth of HSIP. We also get an eight-to-nine million dollar penalty transfer from Section 164 that Congress mandated because we do not have the appropriate repeat intoxicated offender law. Historically our Agency has rolled that back into the infrastructure side when MAP21 comes into HSIP. Overall the Program receives somewhere between \$26 and \$28 million annually. The purpose of the HSIP is "to achieve a significant reduction of fatalities and serious injuries." Again I want to emphasize that it's an eligible funding source for all public roads not just state-owned roads but local, county, city and tribal roads as well.

This slide attempts to document the overall HSIP process. Again I'm going to focus on the orange slice from problem identification down to development of the HSIP projects list which is ultimately presented to this body. I'm not going to focus on development of the STIP, design and evaluation. When we think about HSIP projects, it starts with problem identification. A requirement under federal law is that the projects are data driven, crash data driven, and crash potential – it has to have some sort of data supporting and justifying the project. It also has to be consistent with our Comprehensive Highway Safety Plan, our big over-arching state-wide plan. Once we meet those two criteria, we move into the counter measure identification.

Counter measures are typically implementing, either through site specific locations where we're actually going out and building something at a site or implementation of a low-cost counter-measure that we know works and we're trying to put that in multiple locations. We do that, we come into the office, we evaluate and prioritize, do some benefit-cost calculations, and then develop our list of projects within our available funding. This is an umbrella of how the process works and I'll get into more detail in moment.

### ***Site Specific***

Site specific and systemic are the two ways we are trying to accomplish our goals. So when we think about site specific, our first step is problem identification. That entails our Safety Engineering Section team developing criteria that we're going to interrogate our crash database to identify that list of sites. In 2015, the process we're working through right now, we're using Level of Service Safety Four locations which is high potential for crash reduction as well as some minimum number of crashes. We run that through our crash database and we get a big list of sites. Historically it's been between 300-500 locations. That's a lot of sites so we try to whittle that down a little bit and eliminate sites that maybe our team has been out to in the last couple of years, we know about them already and maybe there's been a reconstruction project that's recently come through or one is planned. We don't spend the resources evaluating those locations because we know there is an improvement coming through. So we whittle the list down and get it manageable and then we go out and

do a field review. So our team from Helena coordinates with the teams in the District and when appropriate with the local road authority, and we go out and review the location. We are trying to find crash trends; we don't want to just look for the randomness of crashes, we need crash trends. Then we try to come up with an engineering counter-measure that addresses that trend.

We do all that then we bring it back into the office and sit down and put together a preliminary cost estimate. We try to encompass everything we think the project might entail – right-of-way acquisition, utility relocations, construction costs, construction engineering design. All those things are built into the cost estimate. We put that into a benefit/cost calculation that compares the benefit that we expect the project to provide in terms of reduced crashes over the life of that project divided by the cost of the project – capital costs and the increased maintenance costs. We do that for all the locations that we've identified for an improvement. We rank them based on benefit/cost and, within our available funding, we move forward with a list of potential projects that we run through our districts for approval. We nominate them and ultimately they come to this body for final approval. That's the theory of it.

*Example:* This location is 56<sup>th</sup> Street West and Central Avenue, West of Billings. It's a local roadway network non-MDT facility. This location was identified through our network screening process. At that point we didn't have any projects going on so our team took the next step and looked into the crash details. At this particular location we had 10 crashes that were eight right-angle and two fixed-objects in that 10 year period that resulted in six injury crashes with a total of 15 injuries. So there was something going on there. We have access to crash reports that the local law enforcement agencies report. So this was a sample of the crash type going on at this intersection (showing slide).

Our team takes all that information and schedules a meeting with the District and we also tried to get Yellowstone County involved. We go out to the location and try to identify what's going on and why are people getting in these crashes at this site. This is a picture looking at the east/west route central. As you can see we have lots of site distance, there are no side distractions, we have an overhead flasher warning drivers there is an intersection coming up. Looking the other direction, again we have some low hanging cost improvements that have already been done, double stop signs, overhead flasher. So a lot of the low cost improvements that we might recommend at this location have already been implemented. So in the field the team decided that a roundabout was the preferred option at this location to mitigate all those crashes.

We brought that back into the office and develop our cost estimate. In this case we came up with \$2.4 million for all phases. We use that as well as the nationally published crash reduction factors and for roundabouts we're expecting to see an 82% reduction in fatal and injury crashes as well as a 44% reduction in property damage. We do the math on all that to the benefit/cost calculation and the ratio is 3.34 which is very competitive. So this project was nominated and is currently moving forward in the design stage.

Other examples: We've done a couple of roundabouts in the Helena valley – one at York Road and Lake Helena and another one at Lincoln Road and Green Meadow Drive. We're trying to use signing delineation for local road improvement programs. You've seen a number of flashing yellow arrows that have been installed. A number of them have been installed with Highway Safety Improvement Program funds. Then guardrail and slope flattening. This list is not exhaustive; it's just to give you a flavor of some of the types of improvements. We're doing a lot of shoulder widening and other improvements as well. That's our site specific process – pretty quick and high level.

## ***Systemic***

System improvements are typically low cost, proven counter-measures that we want to do at multiple locations across the state to address some sort of crash type – road departure crashes or wrong way crashes are an example.

*Examples:* Here are some examples of recent projects. The wrong-way signing upgrades that have been completed on all the Interstate ramps was an HSIP project that went through last year. You are also seeing a number of these reflective back plates on signal borders that are going up. We do that both through HSIP projects as well as the issuance of design guidance that says any new signal that goes up is going to have that type of border on it. Shoulder rumble strips and centerline rumble strips are another real good systemic improvement that you see us nominating and proposing quite a bit. Again curve signing and delineation. I like this picture here that shows how curve signing can make this safer. There is actually a hidden curve right here (referring to slide) and how it can help the driver provide some consistency and hopefully improve safety at that location.

## ***2014 Projects***

In 2014, the final list of projects came to this group at the last Commission Meeting. Ultimately going through the process and steps, we identified 64 locations. Our average project cost was slightly less than \$500,000. We had a lot of big multi-million dollar very robust improvements and then we had a group of projects that were kind of low cost, systemic improvements and low hanging fruit. Overall it was a very diverse group of projects that we nominated. As you can see here, we got over \$30 million last year, so we're making some headway there.

## ***HSIP Application***

I wanted to make everybody aware that this HSIP Application that is available for all public roads. If you guys are talking to your constituency, this application is out there, it's pretty formal and gives some good background on the program itself. If local road authorities have a concern or an issue they can contact their local District Representative or they can contact Roy or me or they can use this application. Thank you for the opportunity to present this. The program is something I'm very enthused about and I appreciate the opportunity to present it.

Commissioner Griffith said I'm thankful that yours is the only budget that has gone up by 50% or better in the last year which we need to address some of these problems. Thinking about problems in a broader sense, I know the problems we had with the Belgrade Frontage Road and it seems there is a policy within the department to avoid a reduction in speed as an easy and safe fix for some of these problems. It is the last best option that you have and you push it back until the end. I understand some of that but the Frontage Road situation has improved ten-fold since we made those improvements over there. With the exception of one person, I've had nothing but positive comments about it.

Commissioner Griffith said it is easy for you to take an intersection and quantify the accident history but not so much on the stretch of road. What do you do for a section of road versus an intersection? How do you identify a section of road that needs a safety fix? We did the 65 mph speed limit through Butte and our accident rate was cut in half but it's nothing the Department would have gotten to if the Commission didn't do it. How can your program see that problem? Craig McCloud said you hit on a couple of things – one, we wouldn't expect intersections and roadway segments to perform the same way, i.e., the crash types, the crash causal factors would be totally different. I agree with you on that. We are working on development of an Intersection Safety Plan. However, in anticipation of a question like that we've provided this information to you. I mentioned earlier that we're

querying the database for Level of Service Safety Four – high potential for crash reduction. You mentioned crash rate and historically that's the number the industry nationwide has used. The crash rate is the number of crashes divided by millions of vehicle miles travelled but the number didn't really tell you anything. So we've contracted with a vendor to develop safety performance functions. They've taken all like sites and developed a curve (referring to slide) a blue line of the expected crashes for a given facility type. So I-15 through Butte is an urban four lane divided Interstate with whatever ADT is on that road. We have the tools available to us now to go in and see how it is performing compared to similar locations. Then our program looks for those locations in this box (referring to slide). So if this is the average or what we would expect, these locations are performing with many more crashes than what we would expect to occur.

Commissioner Griffith asked what was in that box. Craig McCloud said that's a site or location. Commissioner Griffith asked how big the site was; is it an intersection or five miles of road. Craig McCloud said we've only developed these for segments or roadway networks. We have the ability with our system to do whatever we want to do. We can do a half mile length or something bigger than that maybe five miles as well. This tool is pretty flexible to develop a list of locations that we think have potential for safety improvement. Commissioner Griffith said somehow we need to get to those areas. Helena was the same way. Helena didn't meet the metropolitan guideline for 65 mph but it needed the speed limit here. How do we get to that point? Craig McCloud said we've developed tools over the last 12-18 months that are really going to help our teams and our agency focus on those sites that have the most potential for crashes. I think in the future you will see a drastic reduction in those crashes. Commissioner Griffith asked if he was going to participate in October when we have to go to an 80 mph speed limit, are you going to be able to identify which areas don't promote an 80 mph speed limit. Craig McCloud said Roy and our team have been working on that exact question – what rational and what logic can we present to show where we think the 75 mph speed limit is working just fine. We're working on that; it's in draft form. This is part of the discussion for sure.

Kevin Howlett said the dot map that you had, looking at a Reservation communities, it looks like it is over-represented. I know over the years we've not had a lot of safety projects on Reservations to be quite honest in part because we didn't have the crash data that we needed from Tribal Law and Order, BIA. Nonetheless I know that on these Reservation communities there are a lot of accidents occurring with a lot people getting hurt. I know from a health perspective an awful lot of money is spent on automobile accidents. So I'm curious about the continued outreach to get the information that you need to make these roads safe. I also think when you look at these crashes, a lot of things go into that – the environment, the economics of the area, the poverty of an area, so I would like you to be mindful of those things as you look at trying to eliminate these issues. If you look on the Flathead, on Fort Peck, or on the Crow quite honestly you've got one major highway going through, I-90, but look at the crashes they are horrendous. So, while I'm appreciative of all that goes on across the state, it's really important to look at some of these other sites. All of these roads are eligible so whether it's a BIA road and one that comes to mind where I know there are a lot of crashes with a lot of fatalities is the road the BIA constructed up on the Blackfeet Reservation from Browning up to Dove Lake. There's been a lot of crashes there and a lot of deaths on that road but I haven't seen one of our projects up there. Of course BIA is in the same situation as everybody else for lack of money but if these dollars are available then some consideration should be given to those kind of roads as well.

Commissioner Lambert said I did want to point out the Bakken Corridor, no matter which road you take, it's been a high accident corridor and we're kind of desperate. When you say "any other government agency" is that like county commissioners, tribal counsel, BIA, city council, and if they qualify do they have to go through MDT or can they go right to you and you can assess whether or not there is a need? Craig

McCloud said I showed you the Application. Roy and I are trying to get out to all those groups you just mentioned. If it's a local road authority and they have a concern about safety or potential safety projects, I'd be happy to get that phone call. If they are more comfortable, they can talk to their local MDT Representative, either the District Administrator or their Traffic Engineer is another option. That application is also available. At this point we're trying to find those local road projects and I'd be happy to take them any way they come in.

Commissioner Cobb asked when they started getting this money. Lynn Zanto said it's a penalty transfer and it was 2006. It has to do with our repeat offender law and there were changes in the law at that time that put us out of compliance with the national model law. Commissioner Cobb said we saw the list of all the safety projects and there are some real large ones in there and I wonder if some of the Districts are trying to figure out a way to get their roads fixed because they can't do it the other way, but even if they wanted to do it that way, they still have to go through your benefit/cost ratio. Are you going to have a review of how well the project worked? How often do you review projects? How can the public and the Commission find out if the project worked? Can we see the results? Craig McCleod said the evaluation and feedback of the location is a requirement under federal law and is something our agency is doing now. We just implemented guidance that helps us do that. We need sufficient time to pass in order to review a project, now it is typically five years. This year we're evaluating projects we did in 2009 period and it will be summarized in a memo that is sent up to Dwane Kailey and others. Commissioner Cobb asked if the Commission could get that memo also. Craig McCleod said they would do that.

Commissioner Belcourt asked if the Tribes have a separate pool of money or do they have to go through the state. Craig McLeod said HSIP funding is currently a state-wide program, there is not set aside for tribal roads. Commissioner Belcourt asked if Tribes had approached the state about doing any projects. Craig McLeod said yes absolutely. Crash data has historically been an issue for us with some of the Tribes. Some Tribes are very good and we have very solid crash data but others are not which makes identification in those areas extremely more difficult. We are trying to get the work out through our annual Tribal Meetings and individual contacts, Tribal Symposiums, etc., to make the Tribes aware this program exists and that we would like those locations they have concerns about. Commissioner Belcourt said we need to address what concerns the Tribes have and maybe I can assist with some of that to get that crash data. Craig McLeod said if there is anything we can do to help you prepare for that, we'd be happy to do that. Commissioner Belcourt asked if there were any requirements in terms of compliance the state has to deal with, like criteria that Tribes do not report in terms of driver licenses and DUI's. Are there any additional requirements on the Tribes to comply with state laws in terms of traffic? Craig McLeod said he was not aware of any.

Commissioner Belcourt said he looked at the fatality report and noticed a drastic drop from 2013 to 2015. Commissioner Griffith said we're only four months into 2015 and that's the difference. Craig McLeod said the crashes are random and we have some variance but we want the trend to continue to go down so hopefully we're making progress.

Lloyd Rue, FHWA, said I have 15 years in Montana and 30 years with FHWA. That career of 30 years by in large has been in this field of safety and traffic engineering. I have a lot of respect for what Craig and Roy have been able to do in the last few years. They truly have put in place the tools and process and this goes for the whole Department as well. They put some transformative tools in place. There's a lot of work that's gone into the development of these tools and they've taken some risk to develop some contracts. They were delivered on time and on budget and they've become a model for the industry and for the state as well. I think there's a lot of unspoken that deserves some applause. Commissioner Griffith said one of the reasons we asked for this presentation is because we see a list of projects that need to

be funded and we didn't see this part of the equation. I do thank you and appreciate your efforts to make the Commission aware of the efforts you go through to get to this point. The Commission has now seen that application and if they know of people who need a safety project, get it out to them and be the carrier of that information to others.

### **Approval of Minutes**

The minutes for the Commission Meetings of January 29<sup>th</sup>, March 24<sup>th</sup>, April 7<sup>th</sup>, April 28<sup>th</sup>, and May 12<sup>th</sup> were presented for approval.

Commissioner Lambert moved to approve the minutes for the Commission Meetings of January 29<sup>th</sup>, March 24<sup>th</sup>, April 7<sup>th</sup>, April 28<sup>th</sup>, and May 12, 2015. Commissioner Cobb seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

### **Agenda Item 1: 2015–2019 Statewide Transportation Improvement Program**

Lynn Zanto presented the 2015-2019 Statewide Transportation Improvement Program to the Commission. In order to spend funds on federally supported surface transportation projects, federal law requires Montana to submit a Statewide Transportation Improvement Program (STIP) to the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) for approval. The STIP includes projects that MDT plans to program for preliminary engineering in the current federal fiscal year as well as other phases necessary to move projects forward during the next five federal fiscal years. The following is a list of most of the federal funding programs included in the STIP:

- Federal-aid highway programs such as the National Highway Performance Program (NHPP), Surface Transportation Program (STP), Highway Safety Improvement Program (HSIP), Congestion Mitigation and Air Quality Improvement Program (CMAQ) and the Transportation Alternatives Program (TAP).
- Federal Lands Transportation Program
- Federal Lands Access Program
- Tribal Transportation Program
- Federal Transit Programs
- Discretionary Programs
- Aeronautics Program
- Earmark Projects

The STIP provides an opportunity for the public to comment on new projects. It also demonstrates that funding is reasonably expected to be available for the various project phases that will move forward in the next five federal fiscal years. If a project has already entered a phase and funds have been obligated, that project will not be shown again in the STIP.

FHWA and FTA approval is based on their finding that the STIP was developed through a process consistent with federal statute. Montana's STIP has been developed according to federal planning requirements. The STIP meets the policy goals and objectives of MDT's 20-year policy plan, TranPlan 21; the Performance Programming Process (P3); and the metropolitan transportation plans developed in Billings, Missoula, and Great Falls.

Prior to submitting the STIP to the Commission for approval, the state is required to conduct a formal public involvement process. This process began on March 23, 2015, when the draft project list was posted on MDT's Web page and the public was notified that it was available for viewing and comment. On March 26, 2015, MDT distributed the STIP edition of the *Newsline* newsletter (construction projects only) and invited public comment. The public involvement process ran through April 21 and was carried out according to all pertinent federal laws including the following:

- 23 CFR 450, Subpart B
- 23 CFR 450.218
- 49 CFR 613.200
- Title VI of the Civil Rights Act of 1964
- Title VI assurance executed under 23 USC 324 & 29 USC 79
- Americans with Disabilities Act of 1990
- 49 CFR 20—restriction on influencing federal activities
- 40 CFR Subpart A of CAAA

MDT mailed the 2015-2019 draft STIP to the Transportation Commission on May 12, 2015. We received a half dozen comments. We always get good feedback from FHWA and you received a copy of who commented and how we responded. The wildlife group always give us a pretty good list of comments and we've worked with them through the years. If they come in and ask for an animal crossing on a chip seal project, it's probably not very feasible because we need to do it in a timely manner. They listed several projects where they would like to see some wildlife considerations. We passed those comments on to the District Administrators and Project Manager. For reconstruction and Bridge Projects, those sorts of considerations get taken into account right up front. We had three different comments related to Bike/Ped and interest in Commissioner Skelton's area of the Billings Bypass. We are early in the design process and we are looking at considerations but that particular project is a \$100 million project and the fiscal constraints are huge. All of those will be considered as the project design moves forward and the budget gets more refined and we see what were able to do. We received comment on Rail. We have limited funding for rail, we have a loan program at the state level and not required to be in the STIP but we include it. We have a very small amount of money and as we get a loanable balance we'll solicit from our freight rail companies to see if there are any improvements they need to their tracks. As the money gets replenished, we'll solicit more projects. There was a trail project in Seeley Lake, Fish Wildlife and Parks manages the Recreational Trails Program which is FHWA money that we transfer over to them to administer. Also our Transportation Alternatives Program is an opportunity for them to apply and consider that type of improvement. Crow Agency did contact us regarding a wetland project we've been looking at for quite a long time but with some of the changeover in Tribal leadership, that's been an area where we haven't gotten too far. The commenter was concerned about that project but we won't do anything there as the Tribe is not on board. They also had an interest in a safety project so we referred them to Craig and he'll follow up on that. We addressed FHWA and Federal Transit comments.

The STIP includes proposed highway projects for each of the five financial districts as well as statewide programs. The proposed highway projects include nominated projects that will enter the preliminary engineering phase of project development upon Commission approval. This project list is attached to this agenda item.

Once the Commission approves the 2015–2019 STIP, MDT will submit it to FHWA and FTA for their review and joint finding that the STIP is based on a statewide planning process that meets the requirements of federal law (23 USC 134 and 135, 49

USC 5304 and 5305). Following the federal finding, MDT will program new projects entering the preliminary engineering phase using FFY 2014 funds.

*Summary:* MDT is presenting the federally required 2015-2019 STIP to the Transportation Commission for approval.

MDT staff recommends that the Commission approve the 2015–2019 STIP and that it add the projects listed in the 2015–2019 STIP that will be entering the preliminary engineering phase during federal fiscal year 2015 to the program. Following approval, these projects will be submitted for programming.

Commissioner Griffith asked if everything in the STIP had been taken care of in the Red Book. Lynn said everything but the PE's. New PE's are the new projects. The attachment to your agenda item showing those projects are the new projects coming into the program. You won't see them in the TCP until this next year. The PE's are pulled out by District and part of the staff recommendation is to approve the STIP and also to approve these new projects as part of the program. When you approve the project as a whole, your action is adding projects to the program and then we advance it over time as design develops. In the upfront consideration of advancing these, we do estimating overall for the projects to assure they are within the funding projected over five-years. Commissioner Skelton asked if the bike path from Yellowstone will be considered in the overall project. It's not listed as a new project. Lynn said that is correct. We're very early in the design phase and they are working through the design, they'll consider the options for bike/ped along with cost and other features that come into the project design. Commissioner Skelton asked if it is part of the funding for the total project. Lynn said the \$100 million is a rough estimate at this time. With design, that could change. Commissioner Skelton said in essence it is in the STIP within the project. Lynn said yes.

Lynn said I'd like to draw your attention to page 16 in the STIPP. This is our Revenue page and it demonstrates to FHWA and to Federal Transit that we have enough money to cover what we're proposing. That it is fiscally constrained. We are anticipating about \$483 million in expenditures and we have projected revenues of about \$495 million, so we are within our budget. At each Commission meeting I bring forward additional projects and ask you to bring them into the program as identified. Then when they go to FHWA, we keep a balance in this table and it helps FHWA know that we are within the budget.

Commissioner Lambert moved to approve the 2015-2019 Statewide Transportation Improvement Program (STIP). Commissioner Skelton seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

## ***Agenda Item No. 2: Speed Limit Recommendation Basin X Route 22076***

Dwane Kailey presented the speed Limit recommendation for Basin X route 22076. We were requested by Jefferson County to review the speed on Old US 91 through Basin. We've looked at the traveling speeds, the roadway geometrics, the traffic crash data, and based on all the information we are recommending:

A 45 mph speed limit beginning at the intersection with I-15 Access Road and continuing west an approximate distance of 2,350 feet, transitioning to 35 mph speed limit for an approximate distance of 1,050 feet, and then transitioning to 25 mph for an approximate distance of 2,900 feet to the end of the route.

We have presented that to the local officials and Jefferson County has concurred and it is included along with the existing and the proposed speed limits. Staff is recommending approval. Commissioner Griffith asked if it was 25 mph through town. Dwane said that was correct.

Commissioner Skelton moved to approve the Speed Zone Recommendation for Basin X Route 22076. Commissioner Cobb seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

### **Agenda Item No. 3: Speed Limit Recommendation Jackrabbit Lane – Belgrade**

Dwane Kailey presented the Speed Limit Recommendation for Jackrabbit Lane in Belgrade to the Commission. This is a speed study on Jackrabbit Lane in the Community of Belgrade. We were requested by the Belgrade City Council to look at the speeds with an emphasis towards reducing the speed. We have looked at the crash data along with the Highway Patrol citation data. Based on all the information we've reviewed, we do believe a reduction is in order and with that we are currently recommending:

A 45 mph speed limit beginning at straight-line diagram station 51+00 (400 feet south of the intersection with Floss Flats Road) and continuing north to station 24+00, an approximate distance of 2,700 feet or 0.511-mile.

A 35 mph speed limit beginning at straight-line diagram station 24+00 (400 feet south of Thunder Road) and continuing north to station 45+00 (northside of the intersection with Main Street), an approximate distance of 6,900 feet or 1.307-mile.

We have presented this to both the City of Belgrade and the County of Gallatin. The concurrence from both is included along with a map for your review.

Commissioner Skelton moved to approve the Speed Limit Recommendation for Jackrabbit Lane, Belgrade. Commissioner Belcourt seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

### **Agenda Item No. 4: Speed Limit Recommendation Frontage Road – Jefferson County North & South**

Dwane Kailey presented the Speed Limit Recommendation for Frontage Road, Jefferson County North and South to the Commission. We were asked to look at reducing the speed. We've reviewed all the information including the roadway geometrics, crash data and with that we are recommending the following:

A 55 mph speed limit beginning at Captain Billy Gulch Road (MDT's jurisdiction) and continuing north to station 223+00, an approximate distance of 2.3-miles.

A 45 mph speed limit beginning at station 223+00 (3/4-mile south of the intersection with Mountain Aire Road) and continuing north to station 269+00, an approximate distance of 4,600 feet or 0.87-miles.

Statutory 25 mph speed limit beginning at station 269+00 (700' south of Jefferson Street) and continuing north to station 164+00, an approximate distance of 2,500 feet or 0.5-miles.

A 45 mph speed limit beginning at station 164+00 (north side of the Masters Way) and continuing north to station 206+00, an approximate distance of 4,200 feet or 0.8-miles.

A 55 mph speed limit beginning at station 206+00 (600' north of Destiny Lane) and continuing north to the end of the pavement (MDT jurisdiction), an approximate distance of 2.5 miles.

We've presented this to the local officials and their concurrence is attached along with a map for your review. Commissioner Griffith asked if this was the area the bikers use. Director Tooley said this is through Jefferson City and I've not seen a lot of biker activity out there. Montana City is on the opposite side of the Interstate; this is on the west side.

Commissioner Skelton moved to approve the Speed Limit Recommendation for Frontage Road, Jefferson County North & South. Commissioner Lambert seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

#### **Agenda Item No. 5: Speed Limit Recommendation Whitefish – Wisconsin Avenue (S-487)**

Dwane Kailey presented the Speed Limit Recommendation for Whitefish – Wisconsin Avenue (S-487) to the Commission. This request was from the Whitefish City officials. We have reviewed the roadway geometrics along with the crash data on the route. With all the information we are recommending the following:

A 35 mph speed limit beginning at straight-line diagram station 9+00 (900' north of the intersection with US 93) and continuing north to station 83+00 (600' north of "The Lodge" crosswalk), an approximate distance of 7,400 feet or 1.4-miles. Transitioning to

A 45 mph speed limit beginning at straight-line diagram station 83+00 and continuing to station 131+00 (just beyond the intersection with Big Mountain Road), an approximate distance of 4,800 feet or 0.9-mile.

We've presented this to the Whitefish City officials and their concurrence is attached along with a map for your review.

Commissioner Belcourt moved to approve the Speed Limit Recommendation for Whitefish – Wisconsin Avenue (S-487). Commissioner Lambert seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

#### **Agenda Item No. 6: Certificates of Completion February 2014 – March 2015**

Dwane Kailey presented the Certificates of Completion for the months of February 2014 – March 2015 to the Commission. By request of the Commission we've included some additional information such as the original DBE Goal on the project and the final goal as presented at bidding as well as the final payment relative to the goal. The Commission also requested that we provide additional information when

the final value has been different than what was let; when the value has increased prior to Certificate of Completion. So we've included some information to help disseminate Change Orders and that kind of activity on the project.

Commissioner Griffith asked if there was a compilation for those months or is it per project? Dwane said it was per project. Commissioner Cobb said he liked what they did in breaking the cost down especially for major changes. Are there any other adjustments? Dwane Kailey said the biggest adjustment on projects is the bid items are an estimate and those are allowed to be adjusted throughout the contract time. Major items take a 25% increase to require a Change Order and on non-major items it can take up to \$75,000 before we require that a Change Order be written. You can have a fair amount of adjustment within the Contract without having a Change Order. Commissioner Cobb asked if the Commission votes on anything over a certain amount and anything under that you make the decision. Dwane said that is correct. Kevin McLaury said any change, whether it's a no cost change to a contract, requires that a Change Order be written. If the cost of a major item is adjusted by 25% the cost can be renegotiated by the contractor. There is a Change Order written for every change to the contract. Commissioner Cobb asked what would happen if the Commission voted no on a Change Order. Commissioner Griffith said it is a unit price contract and the state has up to 25% without renegotiating the price. In other words, if they wanted to pave an additional Frontage Road, as long as it's in the project description, they could do that at the contract price but they can't change the conditions. Anything over 25% even if it is that same price has to have Change Order. Commissioner Cobb said the Change Order is above a certain amount. Dwane said we only do Change Orders for a certain value. The bid is very clear up to a certain adjustment. It's the ones that exceed a certain number of units that require renegotiating the price and the ultimate cost. For example, for traffic control we adjust those numbers up and down as we go through the contract. We don't know exactly how many units they are going to use. Up to a certain value we're allowed to do that within the contract. After that certain value, we must negotiate with the contractor for a Change Order. Commissioner Cobb said there is one coming up in my District that is a Change Order of \$52,000 so that is above that amount they could adjust on their own. Dwane said it's either that or it's a change to the contract – we either didn't have that item in there or we had to adjust the item in some form or fashion.

Commissioner Lambert moved to approve the Certificates of Completion for February 2014 – March 2015. Commissioner Belcourt seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

### **Agenda Item No. 7: Project Change Orders February 2014 – March 2015**

Dwane Kailey presented the Project Change Orders for the months of February 2014 – March 2015 to the Commission. These are presented for your review and approval. Staff would recommend approval of the Change Orders as presented.

Commissioner Cobb asked if Great Falls was just an underestimate. Dwane Kailey said that was correct. Commissioner Cobb asked if it took more to do that job than estimated. Dwane Kailey said we do the best engineering we can but we don't have enough money to do the finite details. When they get out into the field, they discover issues that we didn't anticipate. For example, in Great Falls plant mix, we use an average value statewide for the weight of plant mix but ultimately we want to make sure that we have a certain thickness out there so depending on the aggregate they use and how much oil they add to that plant mix, that weight can change and be different from the value we used for estimating but we want to make sure we have

that thickness correct. So at times we will overrun the contract based on that weight. Commissioner Cobb said if you look at the percent of the total amount, it's still pretty small. Dwane said that is correct. Commissioner Griffith said if you look at the Change Order in the Butte District where it talks about Portland cement, the state does an estimate of the quantity they are going to use for that project, and it's an estimate. Then the contractor has to go and cause the mix design to be prepared and when the mix design comes in, it may increase the number of value of cement in that mix which the state didn't know because it all depends on what gravel they use, etc., there are a whole bunch of different variables but at some point in time they have to make adjustments to do that.

Commissioner Belcourt moved to approve the Project Change Orders for February 2014 – March 2015. Commissioner Skelton seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

### **Agenda Item No. 8: Letting List**

Dwane Kailey presented the Letting List/Proposed Lettings for May through October to the Commission. These are in accordance with what we showed you and what you approved coming out of the TCP along with contingency planning for the department. We didn't have time to get this item on the agenda so I'll give you the information now but we're going to ask you to approve it on a future Conference Call. The MCA is having their annual meeting on August 20<sup>th</sup>. We have a letting set for that date so we're asking to move that letting to August 27<sup>th</sup>. We didn't have time to get that agenda item into your packet, so I'm briefing you on it now. When we have our next Conference Call I'll ask that you approve that change. Commissioner Griffith said as long as we have something to look at prior to the Conference Call. Dwane said he would include it in their packet for the Conference Call.

Commissioner Skelton asked about the railroad underpass at Laurel on May 14<sup>th</sup>, was that changed? Dwane said this is the one you approved recently. This is the one we let once before and we had issues with it so we rejected the bid and brought it back to you in May and we have now subsequently awarded. We saved about \$100,000 on that project.

Commissioner Lambert moved to approve the Letting List/Proposed Lettings. Commissioner Belcourt seconded the motion. All Commissioners voted aye.

The motion passed unanimously.

### **Directors Discussion & Follow-up**

Director Tooley said I want to give you some updates. Fiscally you've been watching the action in Washington. They extended us two more months so we will continue to follow our Contingency Plan. Right now we're still giving you projects to consider according to the last Contingency Plan and you see those lettings coming up. So we continue to plan on delivering the entire federal program this year. It's going to be heavy toward the end of the year. We keep watching the issue in Washington.

### *Legislative Session*

We also have issues here at home. The Legislative Session is adjourned. We did pretty well in the process. The budget we requested was largely approved. The issue is that there's more authority than there is cash, so the Department continues to look at that issue. The good news is we have the authority if the money comes in, the bad news is we're thinking the cash isn't coming in at the rate that would match the

authority. Staff is taking a long look at programs throughout the department and determining which ones will advance and which ones will be cut. We're doing that now with the goal of continuing to bring as much of the federal program forward as possible. So there may be some funding switches and those types of things but you'll be kept up to date on that.

That being said Cary Hagreberg did point out that we are very disappointed that HJR 24 did not pass out of the Senate Highways. We thought that was a great opportunity to put all the issues on the table over the interim if it had been approved and talk about things like either service reductions or revenue enhancements, whatever that winds up being. The good news is even though the resolution failed, the department is always offered a spot on the Revenue and Transportation Interim Committee every time they meet. So although we don't have a study resolution we still have an opportunity to come forward with our issues and make them known to the committee and some of the folks that would be pretty influential in the next session. So the work Mr. Hagreberg or the collaboration he is asking for between the department, the Commission, and the contractors could still occur and I think it should. We should just be ready to let them know the breadth and depth of the issue that faces us.

#### *Federal Money Update*

Commissioner Griffith asked what happened – is it slow federal money coming in that's causing that? Director Tooley said it's a lot of factors. It's not slow federal money because that's been pretty steady. They haven't let us down, the money has always coming in but just in time. You don't want to be speculative. If we had a couple hundred million dollars in state funds we could bet on that, but we don't. So what happens if we advance construct a lot of things? That would be the day Congress doesn't approve an extension. So we don't do that. We play it like the money is not going to be there and we prepare for that. So really the federal money is not a bid issue; it's not the big factor. The big factor is on the state side. This is an issue that actually should have and was about to occur in 2007. State revenues were down. Then shortly after that we had a massive influx of AARA funds and those types of programs that were 100% federally funded and that allowed the state balances to build. Shortly after that time, the department was looking at \$110 million state fund balance and thought wouldn't this be a great time to invest in state funded construction but looking back maybe it wasn't because that dropped that balance \$66 million. Commissioner Griffith asked if that was part of the General Fund balance and not the DOT balance. Director Tooley said it's the State Special Revenue Fund now. The General Fund is pretty healthy but in years when the General Fund wasn't healthy other issues got put into the State Special Revenue Fund and they remain there to this day. So there are a lot of things to talk about but what you need to know is the department is having to manage cash and watch it pretty closely and staff is paying very close attention to it. If something effects the work you do, we will let you know well in advance.

#### *Valley Center Drive*

Dwane Kailey said most of you are aware of the issues on Valley Center Drive. One of the things we did was to institute a special speed zone. We had planned to come back and report to you in May after the opening of East Belgrade. East Belgrade Interchange is not opened yet. I heard this morning the scheduled date is sometime around July 6<sup>th</sup> and it may open a little bit earlier than that. As discussed before we're going to need a little bit of time for traffic to stabilize and then we'll do an analysis and report back to you. At this point in time, we're probably looking along the lines of September before we'll be able to report our findings. Commissioner Griffith asked is they are in liquidated damages. Dwane said I don't believe so but I did not ask that specific question. Commissioner Griffith said he thought they would have it open last fall.

## **Next Commission Meeting**

The next Conference Calls were scheduled for June 9<sup>th</sup>, June 23<sup>rd</sup>, and July 21<sup>st</sup>.  
The next Commission Meeting was scheduled for July 30, 2015, in Billings.

## **Adjourned**

Meeting Adjourned

Commissioner Howlett, Chairman  
Montana Transportation Commission

Mike Tooley, Director  
Montana Department of Transportation

Lori K. Ryan, Secretary  
Montana Transportation Commission