

OREGON TRANSPORTATION COMMISSION

**Minutes of the Formal Monthly Meeting
August 20-21, 2013
Burns, Oregon**

On Tuesday, August 20, 2013, at 3:00 p.m., the Oregon Transportation Commission (OTC) and Oregon Department of Transportation (ODOT) staff held a panel discussion with members of the South East Area Commission on Transportation (SEACT) at the Harney County Community Center, 484 North Broadway, Burns, Oregon. At 4:30 p.m., the Commission convened for Executive Session pursuant to ORS 192.660 (2)(h). That evening, the commission met for dinner with members of SEACT and ODOT staff for a no-host dinner at The Pine Room, 543 West Monroe.

On Wednesday, August 21, 2013, at 8:00 a.m., the Oregon Transportation Commission (OTC) and Oregon Department of Transportation (ODOT) staff held a premeeting briefing session and reviewed the agenda in the meeting room at Bella Java, 314-A North Broadway Avenue. The regular monthly meeting began at 9:30 a.m., at the Harney County Community Center.

Notice of these meetings was made by press release of local and statewide media circulation throughout the state. Those attending part or all of the meetings included:

Commission Chair Pat Egan
Commissioner Dave Lohman – (by phone)
Commissioner Mark Frohnmayer
Commissioner Mary Olson
Commissioner Tami Baney
Director Matthew Garrett
Chief of Staff Dale Hormann
Trans. Development Div. Admin. Jerri Bohard

Communication Div. Admin. Patrick Cooney
DMV Division Administrator Tom McClellan
Highway Division Administrator Paul Mather
Region 4 Manager Bob Bryant
Region 5 Manager Monte Grove
NE Area Manager Tom Davis
Commission Assistant Jacque Carlisle

Tuesday, August 20

Chair Egan called the meeting to order at 3:14 p.m.

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Panel Discussion

The Commission participated in a panel discussion with members of the South East Area Commission on Transportation, (SEACT), and considered approval of SEACT's updated charter and biennial report. (**Background materials in Director/Commission/History Center File, Salem.**)

Background:

SEACT is co-chaired by Harney County Judge Steve Grasty and Grant County Commissioner Boyd Britton, and has 16 voting members. SEACT is responsible for Grant, Harney and Malheur Counties and the Burns Paiute Tribe. The OTC approved the initial charter on October 11, 2000. The co-chairs are presenting a revised/updated charter and biennial report. The biennial report describes SEACT's procedures and accomplishments over the last two years, and demonstrates how it meets the Oregon Transportation Commission's "Policy on the Formation and Operation of Area Commissions on Transportations" and the Highway Division Directive that implements the policy.

In preparation for this meeting, the Commission posed the following questions for ACT members to consider as part of the discussion.

- 1. Give us your thoughts on how the **Fix-It/Enhance** STIP process worked? What worked well? What need improvement? Did the process enable selecting strategic projects that meet multiple community objectives?*
- 2. As the OTC, we struggle with the balance between maintaining the transportation assets we have and expanding the transportation system. What does this balance look like in Southeast Oregon?*
- 3. As we look to find new revenue for transportation, what are the key opportunities for transportation investments to help the economic situation here? What investments covered meet the statewide needs?*
- 4. How do the roles of the ACTs and advisory committees change in view of Governor Kitzhaber's direction to the Commission? What do you see as some of the opportunities and some of the difficulties in changing the model?*

Governor Kitzhaber's six principles to OTC (from Governor Kitzhaber's address to the OTC in August 2011)

- Do we have the right group of individuals at the table at the beginning of the process to define the problem and solution together?*
- Should ODOT manage or own the facility or would it be better managed for a diverse set of outcomes by another agency or jurisdiction?*
- Are we creating programs that do not simply invest in the future of the transportation system but meet a multitude of community objectives?*
- Does each decision move us closer to a sustainable, safe, low carbon, multimodal system?*
- Does the decision maximize benefit for the least cost under the limited resources?*
- Finally, does this decision or policy move us closer to finding a more rational transportation funding mechanism for the future?*

Discussion:

Monte Grove started the discussion by introducing the participants in the panel discussion:

Alan Daniels – Ontario Economic Development Coordinator, Alternate SEACT Member
Angie Jones – Grant County Transit District General Manager, SEACT Member at Large
Mike Cosgrove – Retired, SEACT Member at Large
Dan Joyce – Malheur County Judge, SEACT Member
Lynn Findley – Vale City Manager, SEACT Member
Ken Freese – Owner, Freese Farm, SEACT Member
Patrick Bentz – John Day/Grant County Regional Airport Manager, SEACT Member
Boyd Britton – Grant County Commissioner, SEACT Co-chair
Don Munkers – Burns City Manager, SEACT Member
Linda Simmons – Retired, SEACT Member
Doug Ferguson – Ferguson Surveying and Engineering, SEACT Member
Judy Moore – Greater Eastern Oregon Development Corp. Staff Support, SEACT Support
Roberta Verderwall – Nyssa City Manager, SEACT Member
Christine Nelson – Greater Eastern Oregon Development Corp. (GEODC) Manager
Tom Davis – ODOT Region 5 Assistant District Manager
Monte Grove – ODOT Region 5 Manager
Dale Hormann – ODOT Chief of Staff

Question #1 was discussed. *“Give us your thoughts on how the **Fix-It/Enhance** STIP process worked? What worked well? What need improvement? Did the process enable selecting strategic projects that meet multiple community objectives?”*

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Alan Daniels said that with the way money is, and the limited funding, the group has done an outstanding job. They focused very hard on where the dollars were coming from and the purpose, and had enough projects of community importance to make the 100-percent list with a good balance. He still believes a good road map or master plan and strategic planning would be very effective. One issue was a lot of members did not want to rank the projects between NEACT and SEACT because they did not understand what the hot buttons were or what the priorities were for the other ACT. Ranking those projects might start a rift they had no intention of starting, and there was a lot of potential for hard feelings. It would have helped immensely if, at the start of the process, all the ACT chairs had got together so they all would be ranking the same way.

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Linda Simmons said the ACT learned a lot along the way, and one of the issues was there was not enough direction, in the beginning, to look more strategically than where they started out. However, a good project list was developed that they can support. The ACTs looked at the process very differently and time could have been saved if they had consolidated some of it before coming together. It was hard for SEACT to judge NEACT projects it wasn't familiar with because the ranking of projects changed somewhat once they knew each other's priorities.

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Boyd Britton said in the beginning it was like herding a bunch of cats. They did finally come together, and he feels SEACT could be an example for the rest of the state because of its teamwork and there's give and take. It's a good process, and he complimented Monte Grove and Tom Davis for keeping SEACT on track and looking out for the greater good, even when that conflicted with their own agendas. He did comment that initially some of the bike/ped multimodal projects just didn't work, and it felt like they were just thrown in to give it a broader multimodal feel. But they did bring a lot to the table, and one of their projects got funded. But we live in a different world, and the money is not there like it used to be, and it's not going to be. The OTC should look at a formula for when the money goes down to some of the smaller communities, which not every one of them necessarily qualifies for prevailing wage. We lose so much of our effectiveness and so much of those dollars because of that law. The state has to start looking at things differently. We can save if smaller communities do things in-house or in partnership with the county.

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Mike Cosgrove said that when he sees the different people and different interests and how much money was involved, it shouldn't have worked. But it did, and he credited ODOT staff for that. When it was announced that the process was going to change again, Sheila Lyons and Pat Fisher stepped up and asked how we are going to take advantage of this change. They allowed the Transportation Enhancement group and the Oregon Bike and Pedestrian group to be very supportive of the process.

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Doug Ferguson said federal money has a lot of strings attached that are difficult for the smaller communities. We could get 25-30 percent more work done, like asphalt on the ground, if there weren't so many strings attached to federal funds. We really need to explore this.

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Don Munkers welcomed the OTC to Burns, and extended his thanks for bringing the meeting to the community. Over the years there has been a lot of talk about streamlining government and intergovernmental relations. For the first time he can ever remember, it worked. He agrees with the comments made about the process being confusing in the beginning, but as it turns out, he witnessed some of the greatest compromising, and politics at its finest, through this process. He commends ODOT, the Commission, SEACT, and NEACT for that accomplishment. It was a wonderful experience.

Question #2 was discussed. *"As the OTC, we struggle with the balance between maintaining the transportation assets we have and expanding the transportation system. What does this balance look like in Southeast Oregon?"*

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Boyd Britton said the answer is very simple - you preserve what you've got. There is no money to spend on anything new, and the NEACT/SEACT discussion now is to decide which roads will have to be turned back to gravel.

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Doug Ferguson agreed that we don't have the luxury of expansion now, and the communities are in the same boat. We would love to expand, but we need to hang on to what infrastructure we have.

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Roberta Vanderwall said one of the things that got hung up in the final SEACT/NEACT meeting was between the **Fix-It** and **Enhance**. In particular, there is a big landslide in Baker County by Huntington that will be a **Fix-It** project. It's really important to utilize our veterans and our returning military people (National Guard) to come in and do some of those projects because it's training projects for them.

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Alan Daniels said he disagrees somewhat with Boyd Britton's comment because his community is in a little different situation than some of the others. It just pulled in 200 acres of industrial land with potential major development. They have to expand the truck route and transportation system down to that area or they won't be able to expand it. If they don't expand and grow, they will continue to die. It is a balancing act, and they are aggressively seeking corporations to come in because community prosperity is driven by the transportation system.

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Ken Freese said it is a balancing act because sometimes to take advantage of job creation, you've got to come up with different infrastructure. If you have manufacturing or something that requires more trucking, you are going to have to upgrade the road to accommodate. That would be existing transportation infrastructure, but it's got to be upgraded so you'll end up with some of both.

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Mike Cosgrove said that by the time the word got to their smaller communities it looked like they were going to strengthen their presentation if they just added a sidewalk or bike lane, even if it wasn't really a high priority. The system could be enriched with something that says, this is a possibility but you've got to justify it. The current system encourages, with limited funds, support for bike and pedestrian when possibly they aren't the highest priority or appropriate. The second issue is the proposed increased fees on snow park permits. Recreation costs money. Biking costs money. Yet, we are the only type of transportation that isn't required to put any money in, but this process is sure supporting some great improvements to the structure of biking transportation. It would be most appropriate to create a licensing or permit fee for bikes.

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Doug Ferguson said that the very fact that we didn't have all the information we could or should have had, probably resulted in some projects rising to the top, and rightfully so.

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Ken Freese said one the issue for him was that they went through 53 or 54 projects with about a 4- or 5-minute presentation for each. Some were by department heads or a representative of the community, and some were by consultants. He found himself judging not so much on the project, but rather on the presentation, as opposed to what should have been. He found

himself frustrated because it was not enough time to find out what a project entailed. Too much at once, and that was step one. However, Monte Grove worked through it with the ACT, and the final results turned out well.

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Dan Joyce said he did not want to judge NEACT projects, he barely knows the projects in SEACT. The other issue was having the time to do it.

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Roberta Vanderwall agreed that it was very difficult to judge projects from a different ACT without knowing everything about the project. It would help a lot if we could narrow it down where SEACT really concentrated on SEACT projects, and NEACT really concentrated on NEACT projects, and then brought the two together with 15 or 20 presentations instead of 50. It was too big and overwhelming.

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Linda Simmons said she was skeptical when the directive came in after they had started the process. It seemed as if they already had their projects down, we don't match, and was the whole process really worth it? The answer is yes, it was totally worth it. Monte Grove helped bring the two ACTs together and changed her thinking. The other thing that helped the county was to really prioritize as a county, even though there was some criticism because they didn't have any county projects. The county is looking at how many roads are going to have to go back to gravel, which is a huge thing for them.

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Lynn Findley started his job in the ACT on July 1, 2013, and with no knowledge of the process, Monte Grove and his staff engaged him in the process, and the process works. They are in full survival mode and the peanut butter approach is the only one that works for them when they are just trying to keep the lights on and the streets fairly smooth. Lynn said he is retired from the federal government, and he found this process eye opening, interactive, and a pleasurable experience. From a small community standpoint, he felt their viewpoint and concerns were heard and there was a phenomenal amount of give and take saying, this is our bottom line and what makes the most sense for us to do.

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Angie Jones said she is new to SEACT and was frustrated at the start of the process around the amount of time and the lack of knowledge available. It is a challenge to try and combine the interests of public transit with infrastructure and bike/ped. But it is a good process, and she learned a lot.

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Alan Daniels said the modal committees have been very important in the *ConnectOregon* process. He suggested running it by the modal committees at the start of the process to see if it passes the smell test. This might help eliminate wrong projects, and refine good ones. Expert opinions from the modal committees would help streamline the process.

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Roberta Vanderwall agreed that she learned a lot through the process, and that there needs to be a balance between fees for all the different modes.

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Boyd Britton said one of the difficulties they had was when there was a big project, realistically, were they going to spend that amount of money. Those really big highway projects really need to go in another category.

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Chair Egan asked for comments from the ACTs on what value is out there, and are the good projects to be had. What are their expectations about the next package, and how much control should be turned over to the ACTs? Are we asking them to do too much?

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Alan Daniels responded the ACT did have the discussion about funding larger projects over smaller projects. Transportation funds are so absolutely critical to these communities that if some of the larger projects were funded, the community would be in terrible trouble. Therefore, those projects were eliminated right off the bat. It just was not reasonable to consider them within that budget.

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Doug Ferguson said he feels there is a good balance of responsibility between the ACTs and the OTC.

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Alan Daniels commented on how successful the *ConnectOregon* projects have been. The airport has a rental car company on the field now and is extremely busy and viable, where it would have been dead if not for the *ConnectOregon* projects. Those projects could not have been funded through the Federal Aviation Administration because the airport could not prove qualification. That roadblock would have stopped economic development right there because new companies will not even consider moving business to an area that can't handle its corporate aircraft. The airport also conducts a ton of firefighting efforts that would not have been possible without the *ConnectOregon* funds.

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Don Munkers echoed Alan's comments about the airport in Burns, and said new ventures are being explored because of the expansion, including building more hangers to entice incoming businesses and a contract with the Bureau of Land Management (BLM).

In closing, Chair Egan said transportation is a priority. The Commission looks at all modes of transportation, even though highway is a big part of that. He was pleased at the input from aviation because it is so critical to a lot of communities all around the state. He was also very pleased to hear the deference and regard for Monte Grove and the regional staff and leaders. That is exactly what we want on an ongoing basis. The input received is very helpful and appears to be uniform in terms of understanding the STIP process. He asked that any additional thoughts, suggestions, or comments be forwarded on to Monte Grove so the ACT members' time is put to good use and we are effective next time. He doesn't know what will happen in the next legislative session, but he does believe if we are going to have another transportation package, it will probably be about economic development and economic impact

for the large part. What does it mean for communities? Why should we be making the investment?

As an example, the input received on transit is uniform in that it's critical from a human resources standpoint because people need it if they don't have cars. But it's also critical from employers' standpoint, to get their employees where they need to be. We need to do a better job of not just making this very obvious for not just legislators, but for the public also. He encouraged everyone to not be bashful or shy, and to be very vocal about where there are deficiencies, or where things are not being funded, and advocate for it. We need to make the case if we are going to ask legislators for buy in. He thanked everyone for their invaluable contributions and comments.

Action:

Commissioner Baney moved to approve the SEACT Charter. Members unanimously approved the motion.

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Executive Session

The Commission met in Executive Session to consult with legal counsel regarding records exempt by law from public inspection, pursuant to ORS 192.660(2)(f) and on pending litigation pursuant to ORS 192.660 (2)(h).



Chair Egan adjourned the meeting at 6:46 p.m.

Wednesday, August 21

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Formal Monthly Meeting

At 8:00 a.m. the Oregon Transportation Commission and ODOT staff held a premeeting briefing session and reviewed the agenda in the meeting room at Bella Java, 314-A North Broadway, Burns, Oregon. Highlights of the premeeting were:

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A review of the agenda – Matt Garrett reviewed the upcoming agenda.

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OTC Workshop - Dale Hormann presented an outline of a draft agenda for the October workshop meeting in Silverton. He asked for thoughts and suggestions.

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The formal monthly meeting was held at the Harney County Community Center. Chair Egan called the meeting to order at 9:40 a.m.

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Director's Report

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Les Brodie

Director Garrett said it was with deep sadness that he announced the passing of ODOT's Chief Financial Officer Les Brodie, on Tuesday, August 13.

Les was appointed Chief Financial Officer of the Oregon Department of Transportation on May 1, 2007. As part of ODOT's Executive Management, he oversaw the broad financial activities of the agency, including accounting, budget, debt and investment, economic and financial analysis, financial reporting, fuels tax and collection, payroll, revenue forecasting, and system development and maintenance. He had a Master of Science degree in Public Administration and more than 27 years experience in governmental finance, audit and administration where he built teams that promote innovative solutions, customer service and stakeholder involvement.

To honor the courage, strength, and dedication that was Les Brodie, and to acknowledge his life-long commitment to health and fitness, Director Garrett announced that the Activity/Fitness Room at the ODOT Headquarters has been renamed the Les Brodie Activity Room.

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Bridge Plaque Presentation

Director Garrett and Chair Egan presented a plaque to Mr. Ron Whiting, a relative of Susan Dixon Whiting, whom the U.S. Hwy. 20 Poison Creek Bridge was named after in 1938. Susan Dixon Whiting was the daughter of Mr. and Mrs. Harvey Dixon, a Harney County pioneer family who settled in the area in the early 1880s. She was born in 1870 and attended the Burns grade school, later marrying Frank Whiting, whose family settled in the area around 1877. Susan died in 1937.

The idea to name the U.S. 20 Poison Creek Bridge after Susan Dixon Whiting was suggested by Archie McGowan, who operated the Burns Garage with his father at the time the structure was built in 1937. Archie's grandfather founded the town of Burns, naming it after the poet Robert

Burns. "Besides being a wife and mother, Susan Dixon Whiting was a woman who was unusually interested in home development, neighborhood progress and public activities," wrote McGowan in his request to have the structure named Susan's Bridge. She was "honored and respected as an A-1 citizen", he said.

At the time the bridge was built, Susan lived next to the construction work and on occasion visited with the contractor, M. L. O'Niel and Sons, who honored her with the first passage over the structure when it was completed in July of 1937. Susan died a few days after she proudly traveled across the new bridge.

From late 1937 through 1938 McGowan corresponded with the Oregon State Highway Commission and the Oregon Historical Society to coordinate getting one of the first concrete deck bridges in the area named in memory of Susan and her unique spirit. The State Highway Commission approved the bridge naming request at their October 20, 1938, meeting. The Bridge was demolished and replaced sometime during the 1980's.

The bridge plaque reads: SUSAN'S BRIDGE
 SUSAN DIXON WHITING
 PIONEER OF 1883
 DIED 1937
 WIFE, MOTHER, CITIZEN

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Public Comments

Public comments were received from Kenton Dick, Transportation Planning for the Burns Paiute Tribe, and SEACT member. He thanked the State of Oregon and the OTC for the support provided the three counties SEACT represents in regard to safety on the road. The roads need to be maintained, as well as corrective action taken to remove sharp turns, etc. The tribe also thanked ODOT for funding for public transit, which is so critical for families in rural areas.

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Enhance 20-Percent Project List

The Commission began the discussion on policy direction for the development of a project list for the 20-percent of ***Enhance*** funds (approximately \$42 million) set aside for Oregon Transportation Commission (OTC) selection of projects. (***Background materials in Director/Commission/History Center File, Salem.***)

Background:

*In July 2012, the OTC approved the new **Enhance** process, which included designation of 80 percent of the funds to be split among the five regions using the modernization equity split. The*

regions with Area Commission on Transportation (ACT) support are in the process to prioritize those projects to be recommended for the regions' 100-percent list. This work is to be completed by mid-October. The Commission also set aside 20-percent of the funds for selection of projects based on its evaluation of ongoing policy options.

At the July 2013 OTC meeting with ACT and Advisory Committee chairs, there was a discussion of the **Enhance** process as well as some of the issues facing the ACTs as they move from the 150-percent list developed by each ACT, to the 100-percent region prioritized list. Some of the issues included underestimating the cost of the projects, overestimating the readiness of the projects, difficulty in identifying projects of statewide significance due to limited funds, a short time to develop these lists, and uncertainty of how statewide significance was defined. Several ACT members recognized that it will be difficult to address the statewide significant projects, given the limitations of the process.

The ACT chairs expressed their desire to be included in the discussion of the project selection for the \$42 million discretionary funds. The bullets below are a beginning to the policy discussion. There are a number of ways that the Commission could set a policy direction in the identification of additional projects. Options include the following:

- Identify strategic statewide projects that may or may not have been included during the **Enhance** application process or augmenting any statewide projects that end up on the 100-percent list.
- Use these funds for the purposes of preliminary engineering and right-of-way acquisition in order to build a shelf of projects to leverage any future revenue opportunities.
- Augment the regions' **Enhance** funds using the modernization equity split and allow them to add projects already prioritized as part of the discussion of moving from the 150-percent to 100-percent region list.
- Splitting the funds, a portion going to statewide project(s), and a portion to balancing across modes or regions

Based on the discussion and direction from the Commission, staff will return in September with a proposal for the process and timeline. Ultimately, this will lead to discussion on what the overall Draft Statewide Transportation Improvement Program will include for the 2015-2018 STIP and the timeline for completion.

Discussion:

Paul Mather began the discussion by giving a quick recap of the last few months to set the context for the discussion about how to use the 20-percent of the **Enhance** money set aside for the Commission. One of the key decisions made when the process was set, was how much money was anticipated to be in the 2015-2018 STIP. We are still shooting in the dark as to what that figure will actually be, so we're building this STIP on a lot of unknowns at the federal level. Scenarios were discussed anticipating the same level funding moving forward, and at the low end, where we live within the means of the Federal Highway Trust Fund. Hedging our bets, we chose an amount in the middle, between those two. MAP-21 expires next September, and after that, we don't know what our federal funds will be.

After fixing that middle amount, we skewed it between **Fix-It** and **Enhance**. Over historic levels, we skewed towards the **Enhance** side, feeling that if additional money became available, adding simpler **Fix-It** projects to make up the balance would be easier than going back through a public process to add the more complex **Enhance** projects. That's how we determined the amount of money going to **Enhance** projects, and within that, 80-percent went to the ACTs, and 20-percent to the OTC. The thought all along was to use that 20-percent to fill in gaps found along the way. To date, there doesn't seem to be a lot of smaller gaps, in either mode, type, or in communities. Instead, it's those larger projects that didn't even get on the table, given the size of money available.

Paul Mather discussed some concepts for using the \$42 million, such as to develop shelf-ready projects, move forward to Phase 2 of projects that are ready, picking two or more strategic, large projects of statewide importance, or augment the ACTs 100-percent lists. Jerry Bohard discussed next steps in the process.

Commissioner Olson said her highest priority would be to get projects on the shelf so we are ready when opportunities become available. ODOT has done an extremely good job in the past of taking advantage of funding opportunities by having those shelf-ready projects available.

Commissioner Baney feels the piece about planning is important, because she worries that sometimes the shelf-ready projects may not be the immediate needs of a community because there hasn't been a chance to plan for those needs. In the upcoming STIP, she hopes there is an opportunity to look at some flexibility for local communities. Also, if there were more dollars available to match some of those statewide significant projects, that also could be linked to economic development, is there a way to match or augment, and would that change the list for some of the ACTs.

Chair Egan said that to finish strong in the existing STIP, we need to be able to tell a story in a way that shows the legislature and others that we've done it right, there is buy-in, and that the folks that participated in the process will tell the same story. Part of that is for us to be able to go back, look at the process, and then be able to say what we did well, what we improved on, and what we still need. The other part of this is the ACTs. The ACTs appreciated the participation we provided them the opportunity to do. But they are also looking for leadership. They know and expect us to have the expertise, and they want us to be clear.

Commissioner Lohman said it feels like the ACTs have come up with a 100-percent list that is pretty darn good, and does a fair job of taking into account the concerns about the statewide system. That fact leans him away from using any of the 20-percent for projects of statewide importance.

Director Garrett said the concept of economic opportunity is legitimate, real, and we have a role in it. We have informed it by region and area managers engaging it, by significant discussion at the Freight Advisory Committee, and by looking for those types of projects that would leverage the creation of jobs by the movement of freight across the state.

Commissioner Olson would like to see collaboration between the regional staff and the ACTs in a long-range look at the transportation needs for their particular area without constraint of the cost. Take a 20-25-year look forward at what might happen in terms of population growth, or economic growth in the area. What kinds of transportation needs will that economic development bring? The STIP is a living document because it changes, and this forward thinking will assist ODOT and the ACTs in terms of coming to a transportation system for their area. She would like to see this element added to future STIP processes.

Chair Egan said the 20-25-year look is played out today somewhere in the Oregon Transportation Plan. Going back to comments made by some of the ACT chairs yesterday, we need to keep sight of the fact that they know their projects pretty well, but they look to us in terms of analysis to understand the issues around larger projects in other areas. It should be collaboration, but the region managers should be going to the ACTs preloaded with the project types that have come out of the Commission's discussions, and now we want the ACTs input on how it can be improved. Is it the right approach and does it match what the ACTs are looking at on a granular level? He said we want this to be a guided and facilitated process, and we have a strong role to play in preloading the conversation. This does not mean preordaining that conversation, but rather that we need to come to the table prepared to lead that conversation the right direction.

Commissioner Frohnmayer clarified that the concern he is hearing is that we want to make sure we are following through on the process we created, and that we're not creating a new process to go along with it. Let's preload the queue, and do the heavy lifting that really informs the ACTs about the projects of large significance in the area, but then let them do the prioritization relative to the local system.

Director Garrett said let's remember the obvious – there is no other forum that can articulate the statewide responsibility other than the Oregon Transportation Commission. We cannot lose sight of that, nor should we delegate it ever, to anybody. It's easy to confuse transactions, and as we move forward, we cannot forget that this conversation will influence future conversations, and there are rules of engagement out there, be they statutory or by groups we have animated, like the STIP Stakeholder Group. This is a comprehensive group of people that has articulated criteria, and is a resource and tool, and a collective wisdom that comes into play and helps inform the discussion. Let's use all the tools at our disposal to inform the discussion and the decisions that come out of it.

Chair Egan closed the discussion by saying he would like to have for the Silverton OTC meeting, explicit written composition of the input received to date, so we can articulate in the next STIP discussion that the ACTs' input has been heard and identified, and then have the discussion on moving forward. Jerri Bohard said that is what was planned. The survey is almost complete and a draft report will be presented at the October meeting.

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Oregon Highway Plan (OHP)

The Commission considered Policy 1C Revisions (State Highway Freight System) to the Oregon Highway Plan (OHP), and adoption of the rule on reduction of vehicle-carrying capacity.
(Background materials in Director/Commission/History Center File, Salem.)

Requested Actions:

- D1) Request approval to adopt Oregon Administrative Rule 731-012-0010. This new rule is needed to specify the procedures and requirements needed to implement ORS 366.215. The rule defines terms, identifies review requirements and required communication during reviews of proposed changes to designated highways.
- D2) Request approval to adopt the supporting information for the OHP Policy 1C amendments as part of the record, including the “Findings of Compliance with Statewide Planning Goals” for the OHP amendment.
- D3) Request approval to amend Oregon Highway Plan (OHP) Policy 1C (State Highway Freight System) and map to address the recommendations of the Freight Route Advisory Committee and the requirements of Oregon Revised Statute (ORS) 366.215 (Creation of state highways; reduction in vehicle-carrying capacity).

Background:

The 2003 Legislature adopted changes to ORS 366.215 with respect to state highways. ORS 366.215 states that the Oregon Transportation Commission (OTC) may not permanently reduce the vehicle-carrying capacity of an identified freight route. Exceptions to this statute are allowed if safety or access considerations require the reduction. An exception may also be granted by the Commission if it is in the best interest of the state and that freight movement is not unreasonably impeded.

Over the next several years ODOT staff implemented the statute through the development and use of guidance documents. In the spring of 2011, the Freight Planning Unit of the Transportation Development Division proposed revisions to the Oregon Highway Plan that included references to the implementation of ORS 366.215. During the public comment period on the proposed OHP amendments, concerns were raised about the interpretation and implementation of this statute. To address these concerns, ODOT delayed the implementation of the proposed amendments, revised agency guidance documents, and started the process of developing an administrative rule to provide clear direction to the agency and our partners regarding the implementation of the statute.

The Rulemaking Advisory Committee (RAC) was formed in July 2012 and chaired by ODOT Chief of Staff Dale Hormann. The committee consisted of members representing truck, bicycle, pedestrian and automobile users, as well as local governments and other interests likely to be affected by the rule. The committee met over the course of several months and made recommendations regarding the development of the rule. An ODOT technical team composed of Transportation Development, Motor Carrier, and Highway Division also assisted the RAC.

Draft Oregon Administrative Rule 731-012-0010 reflects ODOT's continued commitment to managing mobility on the state highways in a way that provides a safe, efficient transportation system that supports economic opportunity and livable communities for Oregonians. The draft rule:

- *Defines "vehicle-carrying capacity" for the purposes of this statute*
- *Identifies what constitutes a reduction in the "vehicle-carrying capacity"*
- *Documents the process for identifying "freight routes" subject to ORS 366.215*
- *Documents the process for reviewing proposed reductions of capacity on identified "freight routes"*
- *Identifies who makes the determination of potential reduction of capacity*
- *Identifies the process for documenting that ODOT will reduce capacity for the purposes of highway safety or access*
- *Identifies the process for a local government to seek an exemption that is in the "best interest of the state"*

As part of a parallel effort, staff has developed revisions to Oregon Highway Policy 1C (State Highway Freight System) that will help implement the requirements of ORS 366.215 and the new rule. The OHP amendment consists of additional text to the Policy Element Background section of State Highway Freight System element, a new action and a map of the Reduction Review Routes.

The public comment period on the OHP Policy 1C revisions (State Highway Freight System) and adoption of the rule on reduction of vehicle-carrying capacity began on June 1, 2013. At the start of the public comment period, ODOT notified a variety of stakeholders, including the Area Commissions on Transportation, Metropolitan Planning Organizations, League of Oregon Cities, Association of Oregon Counties, OTC-appointed advisory committees, tribal governments and others. A public hearing on the draft rule and OHP amendment took place on July 15, 2013, at the Wilsonville City Hall, which is also the date the public comment period closed. Everyone who testified was in support of the proposed OHP amendment and rule. Most were freight stakeholders in the private sector and stressed the importance of maintaining the capacity of our highway system to move large loads. The OHP amendment goes into effect upon Commission action. The rule goes into effect upon filing which is expected to happen at the end of August.

Discussion:

Transportation Development Division Administrator Jerri Bohard and Chief of Staff Dale Hormann presented the requests.

Commissioner Lohman said maintaining a freight route is very, very important, and this recognizes that. At the same time, there are going to be times when vehicle-carrying capacity needs to be reduced. This is a model on how to tackle a difficult problem with competing interests, you set up a process where everyone has a chance to give their input and then you make your decision.

Chair Egan agreed that he is very pleased and impressed with the process that prioritizes that we need to move goods, accounting for safety and accounting for local government and other competing uses of the road. He asked SEACT for stakeholder input on what else the

Commission would need to know about where we are headed as we approve this administrative rule.

Dale Hormann acknowledged how difficult it is to get freight from point "A" to point "B", and the necessity of using city streets, county roads, and state highway that are not on this reduced review route list. Those are issues that still need to be addressed and discussed. The OTC will engage the League of Oregon Cities and the Association of Oregon Counties on the issue of local roads.

Director Garrett said his hope and expectation coming out of this is to get the parties engaged early on as it has been his experience that when tensions are engaged early on, a pathway will be found. Commissioner Lohman agreed, but also noted the need to make sure everyone understands there is a decision to be made at the end, in a rational forum that isn't just politics.

Commissioner Frohnmayer said this is reflective of the need to make sure all the right stakeholders are at the table, one of the guiding principles the governor laid out.

D-1 Adopt Oregon Administrative Rule 731-012-0010.

Request approval to adopt Oregon Administrative Rule 731-012-0010. This new rule is needed to specify the procedures and requirements needed to implement ORS 366.215. The rule defines terms, identifies review requirements and required communication during reviews of proposed changes to designated highways.

Action:

Commissioner Baney moved to adopt Oregon Administrative Rule 731-012-0010. Commission members unanimously approved the motion.

D-2 Adopt Oregon Highway Plan (OHP) Amendments

The Commission considered approval to adopt the supporting information for the OHP Policy 1C amendments as part of the record, including the "Findings of Compliance with Statewide Planning Goals" for the OHP amendment.

Action:

Commissioner Baney moved to adopt the amendments to the Oregon Highway Plan. Commission members unanimously approved the motion.

D-3 Amend Oregon Highway Plan

The Commission considered approval to amend Oregon Highway Plan (OHP) Policy 1C (State Highway Freight System) and map, to address the recommendations of the Oregon Department of Transportation (ODOT) Freight Route Advisory Committee and the requirements of Oregon Revised Statute (ORS) 366.215 (Creation of state highways; reduction in vehicle-carrying capacity).

Action:

Commissioner Baney moved to amend the Oregon Highway Plan. Commission members unanimously approved the motion.

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Report on DMV Computer Systems

The Commission received an informational report on a strategic plan to modernize the Driver and Motor Vehicle Services Division (DMV) computer systems. ***(Background materials in Director/Commission/History Center File, Salem.)***

Background:

DMV depends heavily upon computer systems to deliver products and services to thousands of Oregonians every day. The core DMV systems are 40-50 years old, and cannot keep pace with today's expectations of a modern state government agency. The current systems place significant limitations on business processes and the ability to serve customers. Additionally, the current systems place burdens upon staff to compensate for inherent weaknesses in those systems, and prevent DMV from achieving its vision of highly effective and efficient service delivery.

DMV's computer systems cannot adapt quickly to ever changing needs from new legislation, improved business processes, customer service expectations, security requirements, and risks of fraud. Systems that cannot evolve to meet new requirements hold an agency back both operationally and technically.

DMV contracted with Mathtech, Inc. to help discern a vision of DMV business operations that moves beyond current limitations. The consultants analyzed business needs, the gap between current system capabilities and future business needs, while also conducting a peer review of DMV modernization projects conducted in other states. The final deliverable is a Strategic Information Systems Plan that outlines key steps and timelines to achieve a technological transformation that supports DMV's long-term goals.

Presentation:

ODOT DMV Division Administrator Tom McClellan and Information Systems Group Manager Dave Franks gave a high-level overview of the compelling business case to invest in DMV computer systems, and a presentation describing a logical and phased approach to this multiyear strategy. Highlights of the presentation were:

- The objectives of the strategy project are to evaluate the computer system against business needs, identify system modernization best practices, define a strategic roadmap by identifying priority projects and options, and to estimate a phased schedule, staffing, and costs.
- The project consultant (MATHTECH) and its approach.
- DMV's future vision and themes exemplifying the goals of modernizing the systems.
- Reality that current "frozen in time" system prevents addressing substantial operational needs.
- By NBIS standards, (National Bridge Inspection Standards), the system would be considered structurally deficient (SD), and the systems appraisal rating would be "2, basically intolerable requiring high priority of replacement."

- Business needs and future system blueprint – a modern, flexible system built incrementally over time.
- DMV received a “D” grade in a computer system evaluation on how it meets business needs.
- Examples of potential cost savings.
- Peer review and lessons learned by DMV’s in other states in various stages of modernization.
- Characteristics of successful projects.
- DMV modernization projects, approach, staffing, and costs.
- Next steps: define project governance, obtain DAS and LFO approval, vendor demonstrations, and begin business process improvement review.

Discussion:

Chair Egan said care is needed when presenting project staffing levels to the legislature. Graphs showing staffing levels can give the impression that when the project ends, the payoff is reduced bodies down the road. That is not the case. One of the lessons we have learned is that without continually putting people toward improvement projects, we will fall off the cliff again and not keep up.

Commissioner Frohnmayer said there is the potential to build a lot of value in applications that have value outside of Oregon, and asked if there was a way to explore if the project could be created as a revenue-generating project by pushing the cutting edge. \$90 million is a huge IT/software project, and an exhaustive search should be done to find the best practices, and the very best rapid development tools available to make a system that is more maintainable over the duration, and to save on implementation costs up front.

Commissioner Baney asked if any cost-savings analysis was done on the project. Dave Franks explain that a full cost/benefit analysis is one of the expectations of the DAS Policy Planning Office.

Commissioner Lohman said a \$90 million project is hard for the ordinary citizen to understand. Communication will be key as we look at how to manage a project of this scale and scope going forward.

Commissioner Olson agreed, saying that this is a perfect example of what happens when you don’t keep up with the times. You accumulate the cost over 30-40 years, and then there’s a payday.

Chair Egan made two closing comments. First, he said staff should challenge themselves to put things in terms that are attractive to legislators and customers. We should articulate in a manner that says this initiative is not just about our system, it’s about how we serve the public. Second, he likes the idea of seeing if there is some value that could be extracted beyond the modernization. He suggested the vendor RFP (request for proposal) be worded in a way that shows ODOT is not taking any risk, but if there’s downstream value, we want to capture some of that. He emphasized that if it becomes about an IT project as we go forward, the project will crater. The external audience needs to be in line every step of the way, so we need to

communicate effectively, and find a set of eyes and ears to find and capture public opinion. There needs to be a baseline that says, this is what our customers think about us today, and this is where we are going. There needs to be an effective way to show legislators the public will be happier with the State of Oregon because part of what is bought with this money is reduced time dealing with the state and DMV, and more public expectations are being met.

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Amending the 2012-2015 STIP

The Commission received information specific to amending the 2012-2015 Statewide Transportation Improvement Program (STIP) to add various construction projects. The total estimated cost of the projects is \$113 million, and the requested approval amount totals \$101 million. The projects will be funded from unallocated federal funds from Moving Ahead for Progress in the 21st Century (MAP-21). **(Background materials in Director/Commission/History Center File, Salem.)**

Background:

With the passage of MAP-21, the Oregon Department of Transportation received funding in excess of what it planned for when we built the existing STIP.

To allow for the best use of these funds and to meet the obligation requirements, we have developed an obligation strategy that moves planned projects from the 2016-2018 timeframe forward to 2014. By freeing up federal funds from future years, it allows the OTC time to use these funds on CRC or use them in the next STIP update.

<i>Interstate 5: Marquam Bridge – Capitol Highway Key # 18379</i>		
<i>TOTAL</i>		<i>\$12,350,000</i>

<i>Interstate 84: The Dalles – 15 Mile Creek MP 84.24 – 88.07 Key # TBD</i>		
<i>TOTAL</i>		<i>\$16,600,000</i>

<i>U.S. 26: Willamette R (Ross Island Br) Phase 1 Key #17523</i>		
<i>TOTAL</i>		<i>\$40,652,000</i>

<i>Oregon-213: Mulino to Blackman’s Corner MP 10.98 – 16.10 Key # TBD</i>		
<i>TOTAL</i>		<i>\$2,627,000</i>

<i>Oregon 99W: SCL Amity – SCL Monmouth MP 44.9 – 63.8 Key # TBD</i>		
<i>TOTAL</i>		<i>\$15,000,000</i>

<i>U.S. 199: Slate Creek- Cave Jct. MP 14.2-27.6 Key # TBD</i>		
<i>TOTAL</i>		<i>\$6,315,471</i>

<i>U.S. 395: Harney Co Line – Lake Abert MP 30 – 73.2 Key # TBD</i>		
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<i>TOTAL</i>		<i>\$15,000,000</i>
<i>U.S. 20: Black Canyon – Malheur River MP 203 – 214.46 Key # TBD</i>		
<i>TOTAL</i>		<i>\$4,600,000</i>

Discussion:

Highway Division Administrator Paul Mather presented the request to add projects to the STIP. He said we’re navigating choppy water as far as our knowledge of what revenue will look like, especially on the federal front relative to the projects in the queue we are ready to obligate. He has growing concerns about federal fiscal year 2014, and making sure there are enough projects available to obligate all federal funds. There are projects we have plans for, like the Columbia River Crossing, but we’re not certain of their outcome. The request today is an opportunity to make sure we don’t get caught short in obligating those funds. The projects are anticipated to be included in the next STIP **Fix-It** program, and were selected because of their simplicity, as well as their long shelf life and lack of complications. They provide the flexibility needed to obligate funds this year or next.

Commissioner Olson said it seems prudent to move forward with the preliminary engineering work on these projects because ultimately that will be done anyway, and the uncertainty of timing we want to be in a position to take advantage of any funds that might come our way. Paul Mather agreed that is a good approach because it gives him the flexibility to get started now while still preserving the decision or obligation of construction money until a later date when more is known about how things will fall in the next fiscal year.

Action:

Commissioner Olson moved to amend the 2012-2015 STIP to add preliminary engineering work for the projects listed on this agenda item, to a maximum amount of \$10 million. The motion was unanimously approved by Commission members.

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Consent Calendar

The Commission considered approval of the Consent Calendar. **(Background materials in Director/Commission/History Center File, Salem.)**

1. Approve the minutes of the July 17, 2013, Commission meeting in Silverton.
2. Confirm the next two Commission meeting dates:
 - Wednesday and Thursday, September 18-19, 2013, meeting in Ashland
 - Wednesday and Thursday, October 9-10, 2013, meeting in Silverton.
3. Request approval to adopt a resolution for authority to acquire real property by purchase, condemnation, agreement or donation.
4. Request approval of the following Oregon Administrative Rules:

- a. Amendment of 734-020-0070 relating to Sno-Park permit fees.
 - b. Amendment of 740-100-0090 relating to North American Standard Driver Out-of-Service Criteria exception.
5. Request approval of a Type C Immediate Opportunity Fund (IOF) grant in the amount of \$280,374. The request by City of Gresham and the Port of Portland to construct the extension of Hood Avenue which will facilitate economic development at the industrial property located at Gresham Vista Business Park (GVBP), North of SE Stark Street, and west of NE 223rd Avenue.
 6. Request approval of proposed proclamation that designates Oregon Teen Driver Safety Week, October 20-26, 2013, in support of National Teen Driver Safety Week, as proclaimed by Congress, for Governor Kitzhaber's signature.

Action:

Commissioner Baney moved to approve the Consent Calendar. Commissioners unanimously approved the motion.



Chair Egan adjourned the meeting at 12:30 p.m.

	
Pat Egan, Chair	Tammy Baney, Member
 (By phone)	
David Lohman, Member	Mark Frohnmayer, Member
	
Mary Olson, Member	Roxanne Van Hess, Commission Support