

Northeast Minnesota Area Transportation Partnership Meeting

November 1, 2006

**Hermantown Public Safety Building
5111 Maple Grove Road
Hermantown, MN**

Members Present

Denny Johnson
Wade Pavleck
Jason Hollinday
Earl Elde
John Welle
Doug Grindall
Jack Larson
Steve Kniefel
Greg Bennett
John Foschi
Dennis Jensen
Ron Chicka
Scott Veitenheimer
Bob Kind
Jason Fisher
Alta McQuatters
Bruce Martinson
Tom Peterson
Mike Forsman
Mark LeBrun
Wayne Olson
Jim Prusak
Cindy Voigt
Walter Leu
David Salo

Representing

Mn/DOT
Koochiching County
Fond du Lac Reservation
MIC
Aitkin County
Koochiching County
Rural Transit
St. Louis County
Pine County
MIC
Urban – Large Transit
MIC
Lake County
Lake County
Chisholm
Cook County
Cook County
Environment
St. Louis County
Pine County
Carlton County
Cloquet
Duluth
Mn/DOT
Hermantown

Ex Officio Member

Mike Robinson

Mn/DOT

Others Present

Don Mohawk
James Gittemeier
Ben VanTassel
Bryan Anderson
John Minor

Mn/DOT
MIC
ARDC
ARDC
Mn/DOT

Welcome/Introductions

Chairman David Salo called the meeting to order at 10:05 a.m. and introductions were made.

Approval of April 6, 2006, Meeting Minutes

Motion by Mike Forsman, second by Alta McQuatters to approve the minutes. Motion passed.

ATP Management

A number of Enhancements Program items were discussed.

- **Enhancements Process** – Bryan Anderson said that the 2011 Enhancement project pre-applications are due 11-3-06 and final project applications are due 12-15-06.
- **\$400,000 Project Cap** – Bryan stated that the ATP Work Group and Steering Committee have discussed the possible need to raise the federal funding cap for enhancement projects from the current \$400,000 to \$500,000. Construction costs have increased 30% in the last two years and trail projects now average \$250,000 per mile. We have recently been funding major DNR trail projects every other year in order to construct longer trail segments per project.

Wayne Olson said that Carlton County is the sponsor of a three phase St. Louis River trail project and that increased costs are a local match issue and may result in the need to split the project into four phases. A concern was expressed that a higher cap would result in fewer enhancement projects being funded each year.

John Welle said that he would support raising the cap if necessary and asked if other ATP's had maximum caps. Walter Leu said that the Northwest ATP has a \$500,000 cap but didn't have information on other ATP's. The Enhancements Task Force hasn't discussed this issue. John Foschi, a member of the Enhancements Task Force, said he shares the concern related to increased construction costs and the difficulty of project sponsors to fund currently programmed projects.

Motion by John Foschi to increase the federal funding cap for enhancement projects to \$500,000 starting in 2012. Walter Leu suggested that Mn/DOT be given the flexibility to fund project cost increases up to 20% over the programmed amount for currently programmed and future enhancement projects (results in a maximum federal funding cap of \$480,000). This is the current ATP policy for non-enhancement projects. John Foschi accepted this friendly amendment and Tom Peterson seconded the motion. Motion passed.

- **Trail Rehabilitation Eligibility** – Bryan Anderson said that the ATP Work Group and Steering Committee had also discussed the possible future need to fund existing trail reconditioning projects with federal enhancement funds in addition to new trail projects.

2006-2007 Program Status

Walter Leu reviewed the status of local project lists for 2006 and 2007. He indicated that seven 2006 projects have been deferred to 2007, some due to the lack of local advance construction (AC) funds. However, a number of local projects have been completed, are under construction or planned to be let ahead of schedule and he congratulated those county and city engineers. There are 36 local projects valued at approximately \$31 million in 2007.

Denny Johnson reviewed the status of the Mn/DOT 2007 program and state funded program set-asides. Mn/DOT District 1 has let nine projects valued at \$26 million and also has an additional \$13 million of AC payback in 2007. Major projects remaining to be let include the TH 53 four lane from CR 307 to the Rice River (December 2006) and the TH 65 Silverdale Bridge (March 2007). Mn/DOT state funded set-asides are currently within budget, however, six construction projects have significant supplemental agreements/cost overruns still pending. Denny also mentioned that a few smaller projects may be delayed if the Legislative Advisory Committee (LAC) doesn't approve the requested \$40 million increase in statewide budget authority. Mike Robinson said that LAC approval is also important for the district's operating budget so that we can use federal High Priority Project (HPP) funds to pay Mn/DOT staff for design and construction engineering on these projects.

2007-2009 STIP

Denny Johnson briefly reviewed the 2007-2009 STIP which was mailed to ATP members with the meeting agenda package. All requested projects have been funded and FHWA approval is expected in December 2006. Significant variations in annual program totals are primarily related to the year HPP projects are currently scheduled to be let. The 2007 federal appropriations bill is expected to be approved by Congress some time between December 2006 and March 2007.

2008-2011 ATIP

Denny Johnson briefly reviewed the tentative process and schedule for development of the 2008-2011 ATIP, which is similar to past years. Denny referred to the 2010 list of "Illustrative" projects developed last year and said that we would be soliciting federal aid candidate projects for 2011 that will be due by 12-15-06. Denny said that cost estimate updates for 2008-2010 projects are also due by 12-15-06 and may have a significant effect on the amount of federal funds available for 2011 projects.

Denny said that construction costs have increased 30% in the past two years and that the ATP Steering Committee has discussed the possible need to cap local project federal funding at the time of project letting. John Welle noted that project cost increases over 20% needed to go back to the ATP Steering Committee for approval. Mike Forsman said that St. Louis County has also been experiencing similar cost increases and reminded members of the inflation impact of delaying high cost HPP projects such as TH 53 and TH 169 north of Virginia.

Denny reviewed the 2008-2011 ATP Investment Guidelines that are recommended by the ATP Steering Committee for approval. The guidelines include a new \$1.5 million annual Highway Safety Improvement Program (HSIP) set-aside for 2009-2011 safety projects, of which two thirds are expected to be local projects and one third are expected to be Mn/DOT projects. Denny said that we would not solicit for specific safety projects this year. A Mn/DOT led consultant study that will assist in identifying candidate safety projects will be completed by June 2007. Walter Leu reminded members that the HSIP funds are not new dollars and would come from the current local and Mn/DOT shares of federal funds.

John Welle said that if most safety projects are local, it might be good to consider safety audits, best practices and districtwide partnerships. Mike Robinson said that Mn/DOT's consultant, Howard Preston (CH2M Hill), is encouraging safety audits and systemwide safety improvements such as median cable barrier on high volume four lane divided highways. Mike Forsman said that safety projects have already been identified such as TH 169 north of Virginia where black ice is an issue and sight distance improvements and safety turn lanes are needed. Denny Johnson indicated that it is expected that HSIP projects will primarily be low cost stand alone projects or safety add-ons (turn lanes) to preservation projects.

Cindy Voigt said that it might be good to overprogram in 2011 in case additional federal or state funds become available. Mark LeBrun said he supports keeping the 80/20 match goal for local projects.

Motion by Mike Forsman, second by Cindy Voigt to approve the 2008-2011 Investment Guidelines. Motion passed.

Other Business

Bryan Anderson encouraged members to review the new ATP Website www.nemnapt.org which includes general ATP information, the enhancements program, regional trails and will include ATP meeting minutes and links to other transportation related websites.

Cindy Voigt requested that the ATP consider allowing the use of federal funds for preliminary engineering on large projects such as Joshua Avenue in Duluth so that better right-of-way and construction cost estimates can be developed prior to requesting programming. John Foschi said that he would support this for major projects. Walter Leu said that it would be good to have this flexibility for special projects. Mark LeBrun

feels that the limited amount of federal funds should be used for construction and that the jurisdictions should fund preliminary engineering. Mike Forsman said that it is important to have projects “ready to go” in case more funds become available. Mike Robinson said that the Mn/DOT District office has a similar operating budget issue to pay our staff to deliver unusually large HPP projects.

Motion by Walter Leu, second by Cindy Voigt to allow the use of federal funds for project development costs on a specific project basis with the project sponsor making a presentation to the ATP Steering Committee and then a recommendation to the ATP. Motion passed.

Chair David Salo asked Mike Robinson to comment on the upcoming constitutional amendment vote related to the Motor Vehicle Sales Tax (MVST). Mike said that approval of the amendment would constitutionally dedicate 100% of the MVST to transportation by 2012. Currently, 54% of the MVST goes to transportation with 30% to highways and 24% to transit. Mike said that the up to 60% for highways language was clear and that future legislatures will make decisions on the split of highway and transit funding. Transportation funds would increase \$300 million per year after the five year phase in period, with over \$100 million per year for state highways. It is not known how the increased funding will be distributed statewide, but the Pawlenty Administration previously proposed that 50% of the funds be used for a bonding initiative for specific major statewide projects.

John Foschi said that it was his understanding that the equivalent loss of revenue to the general fund could be replaced by the increase in revenues from economic growth. Wade Pavleck felt that the amendment language was not clear and that the legislature was not doing their job and saying “trust me” to make future highway/transit funding decisions.

John Welle asked if bonding for specific projects would require legislative action. Mike Robinson said that the Commissioner of Transportation would have the authority to select specific projects. Denny Johnson said that northeast Minnesota had four projects on the previous Pawlenty Administration bonding list. Mike Forsman said that previous bonding bills provided limited funds to northeast Minnesota. Cindy Voigt said that regardless of funding distribution, it would be welcome new funding for Minnesota’s transportation systems. Mike Forsman commented that Mike Hatch supports “pay as you go” funding with limited bonding. John Foschi said that bonding might make sense with construction costs continuing to increase.

Mike Robinson mentioned the Toward Zero Deaths (TZD) Safety Conference being held at the DECC on November 2nd and 3rd and encouraged members to attend. He said that the conference has a broad agenda including engineering, enforcement, education and emergency medical response.

Denny Johnson gave a brief overview of the Mn/DOT District 1 2007-2016 Draft Ten Year Plan. The district has eleven projects valued at \$90 million of special federal funds. Denny reviewed the scheduled projects and said that some of the projects have been delayed a year or more due to the lack of state matching funds. Preservation of existing

pavements and bridges is Mn/DOT's top priority and the district has only six non-preservation or non-special federal funded projects in the 2011-2016 timeframe. Some of these projects may also have to be delayed if additional funds are needed for system preservation.

Next Meeting

The next ATP meeting will be on April 5, 2007, at a location to be determined.

Adjourn

The meeting was adjourned at 3:15 p.m.