

**Northeast Minnesota ATP
Steering Committee Meeting
Monday, January 24, 2011
Mn/DOT Headquarters Building
Lake Superior Conference Room**

Members Present

John Welle
Jim Rohweder
Wayne Olson
Rick Durkley
Pete Eakman
Jim Foldesi
Walter Leu
Al Goodman
Cindy Voigt
Jesse Story
Dennis Jensen
Doug Grindall
David Betts

Others Present

Jon Mason
Bryan Anderson
James Gittemeier
Robert Herling
Rex Bordson
Denny Johnson
Gus Peterson

Representing

Aitkin County
MIC
Carlton County
Special Interests
Pine County
St. Louis County
Mn/DOT
Lake County
Duluth
Cities > 5000
Transit
Koochiching County
Cook County

Representing

ARDC
ARDC
MIC
MIC
Mn/DOT
Mn/DOT
Mn/DOT

Call to Order

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

Minutes of the October, 14, 2010 Meeting

Motion by Walter Leu, second by Jim Rohweder, to approve minutes. Motion passed.

2011 Program Status

Walter Leu reviewed the FY 2011 local program (handout) and discussed each project's status. He advised that most projects were on schedule and would be authorized and let this year. He said that the FY 2010 local HSIP project was not authorized in time to be let last year and would be moved into FY 2011. It would be substituted for the FY 2011 Lake and St. Louis County edge stripe HSIP funded project which would now move to FY 2012. Jim Foldesi said that noise concerns related to edge stripes

would be discussed at the St. Louis County Board meeting in April. The Air National Guard HPP project programmed in FY 2011 is also moving to FY 2012. John Welle said the City of Aitkin HPP funded trail project must be moved from FY 2010 to FY 2011 because it did not make the authorization deadline. Jim Foldesi indicated the St. Louis County/City of Duluth Rice Lake and Arrowhead Road intersection project originally funded with federal funds will be funded with State – Aid dollars.

Gus Peterson reviewed the FY 2011 Mn/DOT program (handout) and said the TH 107 project has also been let. He said that the January 28, 2011 letting has over \$34 million of District 1 projects in it. The largest is a \$28 million concrete pavement repair project in the Moose Lake and Hinckley areas. Gus said it was the largest project of that type ever let in the area. All of the remaining projects are on schedule and will be let prior to June, 2011. The two project deferrals, Carlton Co. signing, and cable median guardrail near Midway Rd., were caused by conflicts with future projects on I-35.

2012 – 2015 ATIP

Denny Johnson reviewed the 2012 – 2015 ATIP.

- ***Process/Schedule (handout)*** – The process/schedule is very similar to last years. Denny noted the date for the Enhancement Task Force meeting has been rescheduled for February 7th.
- ***STIP Funding Guidance/Investment Guidelines (handouts)*** – Denny reviewed the STIP Guidance sent out by Mn/DOT’s Office of Capital Programs and Performance Measures (OCPPM). The ATP’s federal and state fund targets were discussed and it was explained that the federal funds target in FY 2014 was down significantly because of the Bond Accelerated Program payback in that year. He reviewed the ATP’s Investment Guidelines indicating they were in conformance with the STIP Guidance. John Welle asked about the hold harmless funding category shown in the guidance. Denny explained that when the target distribution formulas were revised a few years ago, some ATP’s saw their future funding allocations actually decline from their current level. It was decided that no ATP should get less funding than what they were getting at the time the formula was adjusted so the amount shown in the hold harmless tabulation makes up that difference. The STIP guidance also discusses the Section 106 Programmatic Historic bridge agreement that Mn/DOT has entered into with the FHWA, and various other federal and state agencies. This agreement states that both Mn/DOT and local agencies are expected to perform proactive preservation on a select number of pre-1956 historic bridges if prudent and feasible. The Stewart River bridge on TH 61 north of Two Harbors falls into that category and will be evaluated in the FY 2016 timeframe.
- ***2012 Contingency Projects (handout)*** – The STIP guidance sent out by OCPPM indicated that all of the ATP’s must declare 20% of the FY 2012 federal funding they receive as contingent. This is due to the risk and uncertainty of future federal funds. For ATP 1, the total is \$8.0 million. We have declared contingencies in past STIP cycles as well, but have never been required to defer projects. The two projects that will be identified as FY 2012 contingencies are the DTA regular route bus purchase (\$3.7 million federal) and the Mn/DOT TH 169 Pokegama Ave. project in Grand Rapids (\$4.6 million federal). Dave Christy asked if the Pokegama Ave. project would become a priority for the next year if deferred and Gus indicated that it would.
- ***2015 Enhancement Projects (handout)*** – Bryan Anderson provided a list of the 13 candidate enhancement projects received for funding in FY 2015. He indicated that all were worthy projects and the Enhancement Task Force will be meeting on February 7th to evaluate the proposals. Their recommendation for funding will be made to the Steering Committee at their next meeting.
- ***2015 Federal - Aid Candidate Projects (handout)*** – Denny reviewed the list of

FY 2015 federal – aid candidate project submittals. He noted that the proposed projects very closely match the ATP approved investment guidelines for both category and funding level. He noted the DTA was not requesting any funding in 2015 but had significant bus purchases in FY's 2012 and 2014. He also said the number of projects requested in rural St. Louis County was the lowest that he could remember. Jim Foldesi said the county was concentrating on work within the MPO area in FY 2015. Gus said the TH 11 pavement project from Loman to Pelland in Koochiching County will be added to the project list, however, it is funded with federal Corridor Border Infrastructure funds and state match funds that will not affect the ATP federal formula funds target.

County Team/County Board Meetings

Bryan Anderson said he would be in contact with the county engineers to set up meetings with their boards during the month of March. Because the 2015 federal aid candidate project submittals were so close to the investment guidelines, it did not appear that County Team meetings would be required. The county engineers were asked to rank enhancement projects if multiple projects were recommended for funding in their county.

Other Business

Better Roads for Minnesota - Denny Johnson discussed a draft proposal called Better Roads for Minnesota which is designed to provide \$1.2 billion to halt the unsustainable deterioration of the state trunk highway system. Mn/DOT conducted a risk analysis on pavement preservation and then compared that risk to the departments other investment priorities – safety, mobility, bridge and regional and community investment priorities. This assessment showed pavement preservation to be a high priority for future investment. The timeframe for this investment proposal is FY 2012 thru FY 2015.

Funding for this proposal would come from a variety of sources. They include future FFY 2011 federal funds plus state match, Chapter 152 program savings and uncommitted funding, St. Croix bridge funding if it does not move forward, the TH fund balance, and other innovative proposals such as the issuance of GARVEE bonds (bonds issued against future federal fund receipts) and public/private partnerships. There is a substantial amount of risk due to funding uncertainties associated with this draft proposal. Should these risks become reality, Mn/DOT may not be able to complete the Better Roads program as planned. Al Goodman asked if the bonds would be paid back with a gas tax increase similar to the current Chapter 152 bond program. Walt said that the specifics are unknown at this time.

EEO and DBE Training - Walt said that EEO and DBE training will be available in the Bemidji District office on February 15th and in the Duluth District office on February 23rd from 1:30 p.m. to 4:00 p.m.

Additional FFY 2011 Funds for Local Projects (*handout*) – Gus provided a list of local projects that were prioritized to receive additional federal funding in FFY 2011. They include a St. Louis Co. pavement preservation project on the Midway Road between the junction of TH 2 and TH 194, and the trail into the Voyageurs National Park Visitor Center in Koochiching County. Walt and Gus explained these projects will require St. Louis & Koochiching Counties to sign advance construction agreements before the projects are let due to the uncertainties relating to future federal funds. Gus said the STIP amendments for both projects have been submitted to OCPPM.

Transportation Revolving Loan Fund – Gus said the loan evaluation committee met two weeks ago and recommended funding for two projects totaling approximately \$4.5 million. He said the committee was hoping to obligate all of the \$13 million available for highways and the \$1.5 million available for transit to ensure that it is not taken away and used to offset the state budget deficit. The committee recommended, and Mn/DOT top staff approved, a proposal to have an open solicitation rather than only one annual opportunity. Cities and counties will be provided with information from OCPPM concerning this new option.

Rural Minor Collectors – Gus said a question came up during the 2015 project solicitation concerning using federal funds on rural minor collectors. This came about as part of a discussion with Pine County Engineer, Pete Eakman, whose top ranked FY 2015 candidate project is on a rural minor collector. The SAFETEA-LU Corrections Bill contains language allowing this type of federal fund usage, but Gus indicated the Mn/DOT OCPPM discourages it. The FY 2015 federal – aid candidate project submitted by Pine County is on a major collector.

Next Meeting

The next Steering Committee meeting is scheduled for March 7, 2011 at a location to be determined.

Adjourn

The meeting adjourned at 11:40 a.m.