

MINUTES FOR THE TRANSPORTATION COMMISSION MEETING

TO BE HELD IN THE ODOT BUILDING COMMISSION MEETING ROOM OKLAHOMA CITY, OKLAHOMA

BE IT REMEMBERED that on Wednesday the 6th day of March, 2017, at the hour of 11:00 a.m., the Transportation Commission met in the Commission Meeting Room of the ODOT Building in Oklahoma City, Oklahoma.

NOTICE of the schedule of regular meetings of the Oklahoma Department of Transportation for the calendar year 2017 having been given in writing to the Oklahoma Secretary of State, and public notice and agenda having been posted in a prominent public view at or before 11:00 a.m. on Thursday, March 2, 2017, prior to the meeting, on the Atrium Informational Monitor in the ODOT building, and on the glass doors on the north side of the ODOT Building in accordance with Oklahoma Open Meeting Act, 25 O.S. Section 311.

ITEMS PRESENTED BY COMMISSION CHAIRMAN

CALL TO ORDER: Mr. David Burrage called the meeting to order at 11:00 a.m.

ROLL CALL:

Present:	John Fidler	Member
	David Burrage	Chairman
	Bobby Alexander	Member
	Brad Burgess	Vice-Chairman
	Pete Regan	Member
Absent:	Dan Overland	
	Greg Love	
	Todd Huckabay	
Presiding:	David Burrage	

The following items were presented and approved as written at the Transportation Commission meeting of March 6, 2017. For those items amended, deferred, or rejected, those notations were also made. Action taken by the Commission is noted here on these sheets.

Commissioner Burrage recognized Director, Mike Patterson for his announcements.

Director Patterson introduced special guest, Jeanette Nance, Executive Director of Keep Oklahoma Beautiful. The Department has, for many, many years, been a partner with Keep Oklahoma Beautiful in their efforts to eradicate litter and help clean up Oklahoma

Mr. Chairman, Commission, thank you for having me. This is one of the best parts of my job. Mike tells a story about how he likes to go with me out to the classrooms, because you all participate in our litter education programs, and we get to go to the winning classrooms for those contests; and he says that's a fun day. But this is my fun day, because I get to recognize you all as a sponsor of our programs; and one of our biggest programs is the Great American Cleanup that happens from March 1st to May 31st. What we do is we have community groups register with us to get free trash bags, vests, gloves and water for their volunteers, to hold clean ups around the state. Many, many of them are along Oklahoma's highways. So the Department of Transportation partners with us to help us deliver those supplies statewide. Our staff, which there is 4 of us, 77 counties, lots and lots of communities to deliver supplies to. So as we speak,

some of my staff is down at the main warehouse off Lincoln sorting supplies to be distributed to the district offices, which then will sort them and send them out to the counties where my community volunteers can pick them up. And it's those volunteers that help Oklahoma clean the roadways, shorelines, turnpikes and parks, saving Oklahoma \$6.1 million dollars in 2016 in defrayed taxpayer dollars using free supplies with volunteers. So I love this partnership. I nominated it to the Keep America Beautiful nominations for state partnerships. This is your third time to receive this award; Montie Smith of ODOT came to Washington D.C. with me on January 24th to receive it at their banquet and award celebration. So I'm here today to present it to you all as a Commission, and thank you so much for your support!

ITEM PRESENTED BY THE SECRETARY TO THE COMMISSION

28. Approval of the Minutes of the Transportation Commission Meeting of February 6, 2017

ACTION: Burgess moved and Fidler seconded that the Minutes be approved as presented.
MOTION: Carried by the following vote:
AYES: Fidler, Overland, Love, Burrage, Huckabay, Alexander and Burgess
NAYES: None
ABSTAIN: None
ABSENT: Regan

CONSENT DOCKET PRESENTED BY COMMISSION CHAIRMAN

29. Programming of Federal Railroad Crossing Safety Funds—Section 130 Title 23 Funds – Mr. Moody

- a) Muskogee County – District I – a signal project which includes the installation of pedestal-mounted flashing light signals with gates and two 40' concrete crossing surfaces at Three Forks Road near Muskogee, with the Oklahoma Gas & Electric Spur Track - \$399,828.00
- b) Latimer County - District II - a signal project which includes the installation of pedestal-mounted flashing light signals with gates at Stovall Road in Wilburton, with the Arkansas-Oklahoma Railroad - \$255,380.00
- c) Latimer County - District II - a signal project which includes the installation of pedestal-mounted flashing light signals with gates and two 32' concrete crossing surfaces at Panola Road in Panola, with the Arkansas-Oklahoma Railroad - \$327,456.00
- d) LeFlore County - District II - a signal project which includes the installation of pedestal-mounted flashing light signals with gates at US-271 near Fanshawe, with the Arkansas-Oklahoma Railroad - \$256,383.00
- e) LeFlore County - District II - a signal project which includes the installation of pedestal-mounted flashing light signals with gates and three 48' concrete crossing surfaces at US-270/Plum Street in Wister, with the Arkansas-Oklahoma Railroad- \$398,031.00
- f) Oklahoma County - District IV - a signal project which includes the installation of pedestal-mounted flashing light signals with gates and the extension of the existing crossing surface an additional 16' at Covell Road/NE 206th Street near Luther, with the Stillwater Central Railroad - \$260,770.00
- g) Oklahoma County - District IV - a signal project which includes the installation of pedestal-mounted flashing light signals with gates and a 24' timber crossing surface at SW 2nd Street in Jones, with the Stillwater Central Railroad - \$237,759.00
- h) Oklahoma County - District IV - a signal project which includes the installation of pedestal-mounted flashing light signals with gates and a 104' concrete crossing surface at Britton Road/Main Street in Jones, with the Stillwater Central Railroad - \$327,403.00

- i) Oklahoma County - District IV - a signal project which includes the installation of pedestal-mounted flashing light signals with gates and a 32' timber crossing surface at Hiwassee Road in Jones, with the Stillwater Central Railroad - \$242,060.00
- j) Mayes County - District VIII - a signal/traffic signal preemption project at SH-20/Graham Avenue in Pryor, with the Union Pacific Railroad - \$392,229.00
- k) Mayes County – District VIII – a signal/traffic preemption project at 1st Street in Pryor, with the Union Pacific Railroad - \$52,758.00

30. Transportation Safety Improvement Projects – Mr. Pendley

- a) Latimer County – District II - to change the traffic control at the intersection of SH-82 and Cravens Road, from 1-Way stop control to 3-Way stop control
- b) Pottawatomie County – District III – the installation of Pedestrian Hybrid Beacons at 8th Street and 11th Street on SH-9 in the City of Tecumseh - \$130,000.00

31. Land Sales – Mr. Phillips

- a) Oklahoma County - District IV – Utility Easement - in Oklahoma City at the Southwest corner of the intersection of N. Grand Blvd. and NW 58th Street - \$19,116.00
- b) Rogers County - District VIII - Land Sale - in Verdigris on the West side of the interchange of I-44/Will Rogers Turnpike and SH-266 - \$4,650.00

ACTION: Overland moved and Alexander seconded that the Consent Docket be approved as presented.
 MOTION: Carried by the following vote:
 AYES: Fidler, Overland, Love, Burrage, Huckabay, Alexander and Burgess
 NAYES: None
 ABSENT: Regan

END OF CONSENT DOCKET

ITEMS PRESENTED BY DIRECTOR OF ENGINEERING – Mr. Tegeler

32. Programming Items

- a) Oklahoma County - District IV - repair vehicle impact damage to I-40 EB over Choctaw Road located 1.2 Miles east of Junction I-240 - \$30,000 - Party responsible for the damage is known.
- b) Murray County – District VII - repair vehicle impact damage to I-35 NB over US-77 located 1.6 Miles north of the Carter County line - \$45,000 - Party responsible for the damage is unknown.

ACTION: Burgess moved and Huckabay seconded that the Items be approved as presented.
 MOTION: Carried by the following vote:
 AYES: Fidler, Overland, Love, Burrage, Huckabay, Alexander and Burgess
 NAYES: None
 ABSENT: Regan

33. Engineering Contracts

- a) Grant and Kay Counties - District IV - to provide preliminary engineering and prepare construction plans for SH-11: widen and resurface from SH-74 Jct., extend east to the Kay C/L and SH-11: widen and resurface from the Grant C/L, extend east to I-35.

EC-1842B Cabbiness Engineering, LLC \$1,231,949.00

- b) Kingfisher County - District IV - to provide preliminary engineering and prepare construction plans for SH-51: widen and resurface from SH-132, extend east to US-81.

EC-1842E Professional Engineering Consultants, P.A. \$685,201.00

- c) Kingfisher and Logan Counties - District IV - to provide preliminary engineering and prepare construction plans for SH-51: widen and resurface from 7.53 miles east of US-81, extend east to the Logan C/L and SH-51: widen and resurface from the Kingfisher C/L, east 5.0 miles to the SH-74 Junction.

EC-1842A Benham Design, LLC \$1,141,000.00

ACTION: Huckabay moved and Alexander seconded that the Items be approved as presented.
MOTION: Carried by the following vote:
AYES: Fidler, Overland, Love, Burrage, Huckabay, Alexander and Burgess
NAYES: None
ABSENT: Regan

34. Engineering Contract Supplement

Tulsa County – District VIII – to perform preliminary engineering and to prepare final design plans for I-244 Bridges over the Arkansas River.

EC-1294 Supplement 5 Garver, LLC \$83,250.00

ACTION: Overland moved and Fidler seconded that the Item be approved as presented.
MOTION: Carried by the following vote:
AYES: Fidler, Overland, Love, Burrage, Huckabay, Alexander and Burgess
NAYES: None
ABSENT: Regan

ITEMS PRESENTED BY THE PROGRAMS DIVISION MANAGER – Mr. Adkins

35. Lettings

- a) Final May 2017 Bid Opening
b) Tentative June 2017 Bid Opening
c) Tentative July 2017 Bid Opening

ACTION: Overland moved and Huckabay seconded that the Items be approved as presented.
MOTION: Carried by the following vote:
AYES: Fidler, Overland, Love, Burrage, Huckabay, Alexander and Burgess
NAYES: None
ABSENT: Regan

ITEMS PRESENTED BY OFFICE ENGINEER – Mr. Leonard

36. Change Orders with Cumulative Total of \$50,000.00 or Less – Information Only

- a) Beckham County - SH-6 - STP-205B(005)3P / 29160(04), \$8,544.05
- b) Cleveland County - Ct. St. - STPG-214B(075)AG / 31566(04), \$16,566.43
- c) Coal County - SH-3 - SSP-263F(038)SS / 23285(07), \$10,944.00
- d) Cotton County - Co. Rd. - CIRB-117C(064)RB / 24859(04), \$6,000.00
- e) Ellis County - US-283 - STP-223B(009)3P / 29489(04), \$15,856.00
- f) Garvin County - SH-76 - ACSTP-125B(137)SS / 23264(04), \$3,750.00
- g) Garvin County - Co. Rd. - CIRB-125C(164)RB / 24869(04), \$42,937.81
- h) Garvin County - SH-29 - SSR-225B(058)SR / 29805(05), \$27,317.52
- i) Garvin County - I-35 - SSR-3500(045)SR / 32081(04), \$4,756.46
- j) Grady County - SH-19 - STPY-226C(014) / 28038(04), \$3,032.78
- k) Grady County - US-62 - HSIPG-226F(013)TR / 30852(04), \$57,430.80 Underrun
- l) Harmon County - Co. Rd. - CIRB-129D(040)RB / 24950(04), \$2,673.55
- m) Jackson County - Co. Rd. - CIRB-233C(008)RB / 28723(04), \$14,180.00
- n) Jefferson County - Co. Rd. - STP-234C(035)CI / 30451(04), \$3,780.55
- o) Johnston County - SH-22 - SBR-235C(013)SB / 30578(04), \$20,230.25 Underrun
- p) Lincoln County - SH-66 - SSR-241C(029)SR / 29802(04), \$45,086.68
- q) Love County - SH-32 - ACSTP-143C(093)SS / 26502(04), \$15,770.00
- r) Ottawa County - SH-10 - ACSTP-258C(023)SS / 27074(04), \$1,872.00
- s) Pottawatomie County - Co. Rd. - CIRB-263D(040)RB / 30029(04), \$26,033.05
- t) Seminole County - SH-99A - SSP-267C(050)SS / 28926(04), \$613.07
- u) Sequoyah County - US-59 - NHPP-268N(038)RW / 23107(12), \$9,500.00
- v) Stephens County - SH-53 - STP-269C(016)SS / 27045(04), \$7,158.37
- w) Stephens County - Co. Rd. - STP-169D(191)CI / 28350(04), \$8,789.43
- x) Tulsa County - Ct. St. - ACNHPP-030N(076)SS / 28873(04), \$9,750.00

37. Change Orders with Cumulative Total Greater than \$50,000.00

- a) Beckham County - Co. Rd. - CIRB-105C(158)RB / 24840(04), \$38,392.51
- b) Blaine County - SH-3 - SSP-206N(027)SS / 26997(04), \$66,420.40
- c) Bryan County - SH-22 - SSP-207C(054)SS / 28829(04), \$150,000.00
- d) Caddo County - SH-152 - STPY-008B(308)SS / 01817(04), \$90,500.55
- e) Cherokee County - Co. Rd. - CIRB-111C(081)RB / 22151(04), \$28,715.28
- f) Cleveland County - I-35 - IM-NHIY-0035-2(317)107 / 27896(04), \$52,233.29
- g) Cleveland County - Ct. St. - STP-214B(042)(063)AG / 29293(04), \$39.04 Underrun
- h) Creek County - SH-16 - STPY-119C(119)SS / 21908(04), \$3,957.00
- i) Greer County - SH-6 - ACSTP-128B(008)SS / 15023(07), \$15,004.60
- j) Lincoln County - Co. Rd. - STP-241D(025)CI / 30019(04), \$114,491.00
- k) Mayes County - Co. Rd. - CIRB-249D(011)RB / 27813(04), \$101,509.00
- l) Mayes County - Co. Rd. - CIRB-249D(027)RB / 30102(04), \$60,351.83
- m) McIntosh County - SH-9 - STPY-146C(062) / 21730(04), \$28,197.77
- n) Muskogee County - Co. Rd. - CIRB-151C(181)RB / 25419(04), \$95,372.10
- o) Oklahoma County - Ct. St. - OKC-XTWN(006)(048)SS / 17428(60), \$500,000.00
- p) Oklahoma County - Ct. St. - OKCY-XTWN(070) / 17428(80), \$3,897.94
- q) Oklahoma County - Ct. St. - STP-155A(439)AG / 19312(05), \$346,972.56 Underrun
- r) Okmulgee County - US-266 - SSP-156C(093)SS / 21738(04), \$81,849.24
- s) Okmulgee County - US-75 - NHPP-256N(024)SS / 21740(04), \$22,466.88
- t) Okmulgee County - I-40 - NHPP-4000-(005)SS / HSIPIG-0040-6(380)238TR / 27970(04), \$0.57 Underrun
- u) Pawnee County - US-64 - NHPP-259N(015)SS / 30320(04), \$575.50 Underrun
- v) Payne County - Ct. St. - STP-260B(019)MS / 31415(04), \$6,664.50

- w) Pottawatomie County - SH-102 - STP-163C(165)SS / 21788(04), \$73,506.24
- x) Pottawatomie County - SH-102 - SSP-163C(190)SS / 23287(04), \$48,615.59
- y) Seminole County - Co. Rd. - STP-267C(044)CI / 30039(04), \$67,146.47
- z) Tulsa County - I-44 - HSIPG-272C(122)IT / 23170(07), \$7,000.00
- aa) Tulsa County - I-244 - IM-TIGR(497)SS / 26604(04), \$8,228.60
- bb) Tulsa County - I-244 - NHPPI-2440-(005)SS / STP-272C(103)SS / 28869(04), \$7,376.42

ACTION: Fidler moved and Alexander seconded that the Items be approved as presented.
MOTION: Carried by the following vote:
AYES: Fidler, Overland, Love, Burrage, Huckabay, Alexander and Burgess
NAYES: None
ABSENT: Regan

ITEM PRESENTED BY THE OFFICE ENGINEER – Mr. Delce

38. Awards

- a) Deferral from January 19, 2017 – Regular Letting
- b) February 16, 2017 – Regular Letting

ACTION: Fidler moved and Alexander seconded that the Items be approved as presented.
MOTION: Carried by the following vote:
AYES: Fidler, Overland, Love, Burrage, Huckabay, Alexander and Burgess
NAYES: None
ABSENT: Regan

ITEMS PRESENTED BY THE COMPTROLLER – Ms. Hilmes

39. Fiscal Year 2017 Budget Revisions

- a) Request to increase state share Federal Aid Projects by \$22,448,966 for the return of ROADS funds for FY2016 and FY2017.
- b) Request to increase state share Right of Way by \$4,400,000 and state share Construction by \$2,100,000 for cancelled prior year encumbrances.
- c) Request to decrease the maintenance budget \$3,291,260 for the recent revenue shortfall declaration in the ROADS Fund. Public Transit will be reduced by \$5,250 and Rail Passenger will be decreased by \$3,500 as a result of the shortfall.
- d) Request to transfer \$10,000,000 from OCIA Debt Service to State Aid Projects.

NOTE: *Commissioner Burrage commented, I guess everybody sees that we're taking about \$3.3 million out of our maintenance budget! But do this with our eyes wide open, and know that there will be stuff that won't get fixed. It will cost more to repair when we do get around to it. Does anybody else want to bad mouth this move? Now, I know there's a lot of suffering going on because of the state budget, but this is just a time to pause and point out that we're not spending this money, and were going to spend more when we go back.*

ACTION: Overland moved and Alexander seconded that the Items be approved as presented.
MOTION: Carried by the following vote:
AYES: Fidler, Overland, Love, Burrage, Huckabay, Alexander and Burgess
NAYES: None
ABSENT: Regan

Commissioner Burrage said next up is the Director's Report. I know you've got several things on your list you probably want to talk about; but I specifically would like to hear what your thoughts are as we face this budget situation. We do a lot of planning, you guys do a great job, and not all the time do we hear about the status of our whole system; what's this going to do to us? I know everybody thinks we've had a lot of money to spend on construction, but we've kind of grabbed the low hanging fruit and knocked it off. We have not got to some of the systemic problems! Everybody thinks we're going to have every bridge fixed, and we're going to be in great shape; that's simply not true! But I don't know how much everybody really understands that situation and our situation. We've had improved funding; we are grateful for it; but as far as making a dent in where our toll system's going, I'd like to hear more about it, and I think the Commission would; because we're going to have to be prepared. What do we need to do? How do we need to do it? Who do we need to be talking to? What do we need to be telling them? I know this story is going on everywhere, but one of the biggest accomplishments our State has made, we know we got the Thunder, we know we got MAPS, we know there's wonderful things going on in Tulsa and Lawton and other places; but we are certain that the transportation advances and holes that we fill has helped us stay out of the ditch. But I fear we're going back to the ditch!

ITEM PRESENTED BY THE DIRECTOR – Mr. Patterson

40. Director's Report

So when the Governor made her State of the State address, she talked about increasing fuel tax, along with a total tax package redo. Over the years, Secretary Ridley and I have talked about the fact that it doesn't seem that the State of Oklahoma has kept up. Maybe we still have a 1930's revenue model at the State level, while the rest of the State of Oklahoma in some areas has been thriving. I talked to some of you individually about how your businesses going and some of you have had a slump, and some of you are still holding your own. I can't say that about the State of Oklahoma; and it occurred to us in our conversations that part of that reason is because, again, it's built on a 1930's revenue model. The Governor said as much that, I think she used a different era than I did, but she believes that there needs to be an overhaul of our revenue model at the State level; and that's what she's proposed with some of her tax package. So one of the things that I wanted to mention to the Commission was, she had proposed taking both our \$0.14 cent diesel tax and \$0.17 cent gasoline tax up to \$0.24 cents. She sees that as an opportunity, given the fact that we're 49th in the country in the gasoline tax, and 48th in the country in diesel fuel tax. And if everything goes like most would predict, we'll end up being 50th in about 3 months; because the other 2 states, South Carolina and Alaska, are looking at increasing theirs. But in her proposal, she talks about an additional fuel tax, but she recognizes that ODOT will not receive additional money; and even though there are some spreadsheets floating around the Capitol that show that ODOT's going to get additional revenue, we do not! It was not her intent that we receive additional revenue; it was her intent to change the revenue model in how transportation is funded. To that end, the additional fuel tax would come to us, and then our income tax allocation would go away from us. So that's part of the overall changing of the revenue model; and I need to keep stressing that, again, because there are a couple of spreadsheets that show we get more money. There's a sense by the public that if they're paying more at the pump for fuel tax, we must be getting more revenue. So we're going to have to continue to get that word out.

To get to your point, Mr. Chairman, I think it's time that we discuss more about what needs to be after bridges. We say in our eight-year plan, if you look beyond 2020, we don't work on as many bridges because we're at a manageable state, because our structurally deficient bridges, by then, are at less than 1%, which was our goal. But we don't really articulate, and have not yet articulated well, what it is that we're going to be working on and what our needs are. We used to have a needs study that we'd put out every year, and at one point it was \$12 billion dollars; but it encompassed a lot of different things, and a few years ago we broke that down into pavement, bridges, different components of the highway system, the geometrics, sight distance, curves, hills, so we need to bring that back to the Commission. Mr. Chairman, if I could, I'd like to bring that back to you and the Commission, at our April meeting, I think I can get it put together by then.

Commissioner Burrage said he would certainly appreciate it and I know the other Members would too. Also paying special note to what happens if we don't keep up what we've built; I mean, because that's where we were when this journey started; that's why it's taken us 10 and 15 and 20 years to build some projects.

Director Patterson said, we know, quite frankly, and unfortunately we know it wouldn't take much to lapse into where we were before. Because we know, going forward, that we're going to have to touch, rehabilitate, or reconstruct 90 bridges a year after 2020; after we are now managing bridges rather than them managing us. We're still going to have to do 90 a year, and that's \$450 million dollars, conservatively, just to take care of bridges. That doesn't count getting caught up on all the other things, and making the safety improvements on geometric, vertical, and horizontal sight distances, shoulders on two-lane highways. And then we are getting into congestion issues here in Oklahoma City, and one of our solutions to that is an eastern loop; we need that eastern loop! We can't pay for it, so we have to call our friends at the Turnpike Authority to pay for it, build and operate it. So we'll get that information, we need to have better facts and better information, so when we are asked, what will the impact be? So we'll get that for you.

Commissioner Burrage stated that we have become a destination for a lot of guys that are in business. In the Dust Bowl, everybody left, then we had two or three oil booms, and people have come back; but the improvements that ODOT has made to our system have enabled us to keep, retain, and attract others. This is just a fact; and to go backwards now, with the intense pressure we have by some of the other States around us; I mean, you can come here, or you can go across the line, which place do you want to be? We've seen that, and we saw a big company choose a location because of the different economic factors in Oklahoma; and ROADS was very definitely a big part of that!

Director Patterson stated that if you will recall our Lifeblood Video, they mentioned that very thing. Another thing that just occurred to me, that in that video, you saw Dr. Russell Evans from Oklahoma City University, when we did that interview, he also got into some off-camera discussions with us, talking about high-end retail; and sometimes we can attract them to Oklahoma, and sometimes we can't. They're looking for more dense populations; but he in working with other developers, have talked to the retailers and said, you can't look at the same density models; you don't have to have the density of Chicago, Houston or Dallas. You can have the same penetration here in Oklahoma City, because we don't have the same congestion. Up until now; we are starting to feel that congestion, and I'm just fearful that we're going to start losing out on some of those retail opportunities. Even if they widen their radius around their store, just because we have good transportation, once it becomes congested and people can't get to their store, that's when we're going to have an economic drop.

Commissioner Burrage said in your position as a Director, at the very least we need to be able to let the Legislature know, the Governor know, and the Public know, where we are at and what it takes to stay there. If they want us to do better, what we need, they need to know what it's going to be like if we go backwards. Now obviously, we're going backwards already, like a lot of the State Agencies; but everybody needs to do it with eyes wide open.

Director Patterson said, Right, they need to know that whatever decision is made, and we can't make that decision for them. As I often say, we here at ODOT have a statutory responsibility; they have a constitutional responsibility, and they have to fulfill that constitutional responsibility to balance the budget. So whatever they need to do, to do that, then do it!

Commissioner Burrage said that we have shown that we can operate at any size, employee-wise, function-wise. We can spend responsibly, whatever level of funding we have. The difference here, as you can see, it's easy to see when we don't repair something; it's easy to see when something needs to be expanded and we don't expand it, and we need a new road and we don't do it. All those things are easy to see, and we just need to tell our story like it is. I think that's why people like our motto, is because we tell it like it is.

Director Patterson said, "That's right".

Commissioner Burrage stated, "I think we fail when we don't have the whole picture out there, and that's what I'd like to ask you to do".

Director Patterson said, "We will do that".

Commissioner Burrage asked Secretary Ridley if he had any comments, or wanted to add to anything.

Secretary Ridley said that an event took place here a week or so ago Director Patterson that was certainly concerning for me, and I'm sure it was for you and anybody that follows the financial well-being, or the financial health of the State. And that's when S&P downgraded the State of Oklahoma to a Double A minus, and then had other categories of ratings that went down as well. We have a basic understanding that it will affect us in the bond market. I don't know that it affects our current bond indentures, but any future ones that certainly may and will cost us more money for money. But one has to believe that just the stigma of that happening to a State, a downgrade, is not beneficial for the economic outlook of that State. And I see Carlos is in the audience, and he may have a feel for that as well. But if you wouldn't mind commenting on that, I know you and I have talked about that over the years, that heaven forbid that we'd be downgraded, and the impact that that would have, and the stigma that it would have on the State.

Director Patterson said, "You are right, Mr. Secretary, there is a financial component to any downgrading in future bond issues, and it's going to cover any entity of the State that's issuing bonds". Those colleges and universities in Higher Ed, the Turnpike Authority, ODOT, when we re-enter the bond market. The Department of Tourism is getting ready to build a new building and will require bonds for that. So you're exactly right, there's that stigma, when you read the report and they talk about the financial well-being of the State of Oklahoma, and the challenges that the Legislature is undertaking with revenue failures and revenue shortfalls; it does paint a different picture. Last week I was in Washington with other DOT CEO's, a couple of them, they've got the opposite problem. Their bond ratings are getting better, they have more money to spend, and one of them is even challenged by where to spend it; and I beg Utah to send us money all the time, but he just refuses. But it does give a different stigma, and it concerns me, personally, that we're battling other States for economic development, and their bond ratings are not being downgraded. That is a stigma that I never wanted to experience, but I'm afraid we're there.

Commissioner Burrage stated, "I'm certainly not against bonds, but there are a time and place for them". There are circumstances that fit them, and I think we need to be very cautious in what we do and what we think makes sense. You know, the bond market, the cost is going to go up, that's for certain. Everybody knows the Federal Reserve is expected to rise at this meeting. We have all been for bonds when they were cheap, and as that changes, it'll change the appetite, naturally, for those, or I would think it would.

Director Patterson said, when you're looking at the budget agreement of last year, and bonds replacing revenues, I don't think that's what you were talking about as being the appropriate time for issuing bonds.

Commissioner Burrage answered, "No it wasn't". We've kind of messed up your report here.

Director Patterson said, "No it's a great conversation, in front of some people that are sitting behind me that need to understand the conversation.

Commissioner Burrage said we are all concerned up here about the path forward. You know, recognizing all the other challenges that the State has, there is not a quick fix; there's not a forever fix; we all understand that, but we need to get our story out there. Everybody needs to know where we're at, where we're going, whether it's good or bad.

Director Patterson stated, "I have a couple of other things; you had asked for this a couple of meetings ago, to update you monthly on where we're at with the Rail Crossing Safety Program". With your approval of today's items, we're up to 207 locations, with a total of \$41.1 million dollars. You'll recall, we

started with \$75 million and \$28 million was taken from us as part of the budget last year, so that nets us at \$47 million and we spent \$41 million. So we're getting very close, and just to recall, we started in October of 2015 and we are 18 months into it, and we're almost finished on the 3 year plan.

Commissioner Burrage commented, "Badly needed improvements"!

Director Patterson said, "Yes, badly needed, not a week goes by that I don't get a phone call or a letter of appreciation for that program".

Commissioner Love said to hit the high notes on the numbers on the rail budget; the Department in about 1998, bought that rail line for roughly \$4 million.

Director Patterson said that's correct.

Commissioner Love said fast forward to 2 or 3 years ago, we sold it for \$75 million.

Director Patterson said that's correct.

Commissioner Love stated that we took that money, and we've been putting it back into rail safety throughout the State, to the amount of thus far, \$41 million dollars. Then last year, the State Budget required, or obviously the State felt the need to take \$26 million dollars.

Director Patterson said it was \$28 million they took.

Commissioner Love said \$28 million out of the proceeds of that sale that ODOT had made to the private rail line.

Director Patterson said the money that they took from us last year was the original amount of appropriations that the Department was provided in the late 70's, early 80's, to begin the process of acquiring abandoned rail lines. So that, again, that was the original amount of the original appropriation, and they deemed it to return the original appropriation.

Commissioner Love said, so the point is that ODOT in their wisdom, Secretary Ridley was here at that time, McCaleb and others made a great decision to buy that particular line. We maintained it over that interim period of time, and then when the market was such that we were able to resell it to a private rail company, get the proceeds from that, that didn't come out of the taxpayer of Oklahoma's pocket, that was money that was literally, you know, money that ODOT was able to make on the deal that they were able to make, and we're reinvesting that back into the rail lines throughout the State and improving the safety of the whole rail system. So I just wanted to be sure that everyone was clear on that.

Director Patterson said, yes, and I appreciate you mentioning that, because that's exactly true, for us to turn that back around and improve safety. I just want to remind everybody, as you have, most of these crossings are on county roads and city streets; the highway systems where they are located are really bad, the sight distance is terrible.

Commissioner Burrage said, we talked about how far this would move us up on the, not necessarily ODOT, in the counties and the cities and move the State forward. Did anybody ever put an estimate on how far ahead that moved in fixing those intersections?

Director Patterson said, "No, but I'll have that for you".

Commissioner Burrage said, "Because they would have never gotten it done".

Director Patterson said, "No, because our annual budget for that is \$8 million dollars in federal funds; so we essentially moved it forward 6 years, just on the State fund part, and we continue to put our federal funds into it.

Commissioner Burrage said that was great comments by Commissioner Love.

Secretary Ridley said Lori's back there in the back; she may want to comment on this.

Director Patterson invited Lori Peterson up for some comments.

Ms. Peterson thanked Director Patterson and the Commission. She introduced herself, "I'm Lori Peterson, and I represent the Oklahoma Railroad Association, which is the Freight Railroad Industry in Oklahoma, both the Class I and the Short Line Operators". Just wanted to say, "Thank you to the Department for their work on this project". When it was started, the 8 Year Plan was the model that you used to do these railroad improvements. We didn't choose them, they were chosen based on the crossings that needed to be upgraded. Each railroad has participated, and thanks again, we very much appreciate our partnership with the Department.

Director Patterson reminded everyone that the Commission Meeting next month will be on the second Monday, which is April 10th. He asked that everyone please wear orange to this meeting in honor of "Work Zone Safety Awareness Month".

Commissioner Alexander said, "I have one other comment about rail". In Woodward we have about 80 trains go through there every day. With the help of this railroad crossing program we've been able to make Woodward a quiet zone. Our hospital in Woodward gives out ear plugs when people check in, it's about a block off the rail depot there and it was so loud. Thank you very much Craig for working with the Railroad Company there to get this accomplished.

Director Patterson thanked everyone for the comments.

Information Only: No Commission action required.

ITEM PRESENTED BY COMMISSION CHAIRMAN

41. Adjournment Motion

ACTION: Burgess moved and Alexander seconded that the Meeting be adjourned.
MOTION: Carried by the following vote:
AYES: Fidler, Overland, Love, Burrage, Huckabay, Alexander and Burgess
NAYES: None
ABSENT: Regan

Meeting adjourned at 11:44 a.m.

Approval of the Minutes of the Transportation Commission Meeting of March 6, 2017.

David Burrage – Chairman

Brad Burgess – Vice Chairman