

## **The Blue Ribbon Citizens Committee on Missouri's Transportation Needs Committee Meeting Minutes – June 29, 2012**

The June 29 meeting of the Blue Ribbon Citizens Committee on Missouri's Transportation Needs was held at the Show-Me Center in Cape Girardeau.

The meeting was called to order by Bill McKenna, co-chair of the Blue Ribbon Committee.

Committee members in attendance were:

Tom Crawford	Duane Michie
Estil Fretwell	Ben Jones
Randy Verkamp	Mark Stidham
Ric Neubert	Len Toenjes
Joe DeLong	Rod Jetton, co-chair

There were 86 persons in attendance. Special guests recognized for their attendance were Senator Bill Stouffer (R-Napton), Rep. Ellen Brandom (R-Sikeston), Tom Schulte, U.S. Senator Blunt's office, Brandon Fayhe, U.S. Senator McCaskill's office, and Rudy Farber chairman of the Missouri Highways and Transportation Committee.

Mr. McKenna spoke on the importance of the creation of the Blue Ribbon Citizens Committee. Mr. McKenna stated the objective of the committee is to look into ways to improve safety, promote economic development and identify possible solutions to pay for future transportation improvements.

Co-chair Rod Jetton stated how important it is that House Speaker Steven Tilley recognized the importance for increasing funding for Missouri's transportation system. Mr. Jetton thanked the volunteers who serve on the Blue Ribbon Committee.

At the request of Mr. McKenna, the committee approved the minutes from the Blue Ribbon Committee meetings held on June 1 in Springfield.

Mr. McKenna began the meeting by telling those in attendance that the committee has been listening to previous testimony that was focused on transportation needs. He encouraged those in attendance to instead direct their testimony on how to pay for the needs.

MoDOT Director Kevin Keith began the public hearing by testifying before the committee that the state of Missouri has a problem on both the state and federal levels on how to adequately fund transportation.

Mr. Keith stated the current fuel tax collection process is broken. Currently, MoDOT receives approximately seventy percent of every dollar. The fuel tax hasn't been increased on the state level since 1992 and the federal fuel tax hasn't been increased since 1993. In the meantime, the cost of asphalt has increased from twenty-one dollars a ton in 1992 to sixty dollars a ton today. Likewise, a cubic yard of concrete in 1992 sold at fifty one dollars; and today a cubic yard of concrete sells at \$153.00.

Mr. Keith said the other problem is that the world is changing. Cars are getting better fuel mileage. In fact, the federal government is imposing stricter CAFÉ standards on new automobiles being manufactured. For example, in 2030, new cars will be required to provide 50 miles per gallon; this is good for the environment, but bad for funding infrastructure. Also, while vehicle miles traveled remains constant, fuel revenues continue to decline. This is a result of cars getting better fuel mileage and newer vehicles being introduced into the market place, such as electric cars and commercial trucks now operating on compressed/liquefied natural gas.

Mr. Keith also stated that the federal highway trust fund is insolvent. Congress is not looking into the future, but instead is just trying to use a band aid approach for keeping money in the trust fund – they have no real solution in mind for adequately financing the federal highway system and instead “are just kicking the can down the road.”

While Amendment 3 was able to ramp up the state’s transportation construction budget to a \$1.2 billion a year program, the funds have now been spent and the construction program is less than \$700 million a year and dropping. If it wasn’t for Amendment 3 funds, MoDOT could not have matched federal funds several years ago.

Matt Seiler, Assistant District Engineer for MoDOT’s Southeast District, provided an overview of the makeup of the region.

Mr. Seiler testified that agriculture, mining, logging, river port, railroads, transit and healthcare make up the industries in the southeastern part of the state.

Mr. Seiler stated there are approximately 15,950 miles of roads in the district that serves a population of about 577,000 persons.

In terms of additional transportation funding needs for the southeastern district, Mr. Seiler stated that pavement rehabilitation needs for major roads require an additional \$10 million over the next 10 years. Pavement rehabilitation needs for minor routes will require about \$8 million over 10 years. Estimated additional cost is \$18 million a year for 10 years.

According to Mr. Seiler, there are approximately 136 bridges that are rated in poor condition and another 443 additional deficient bridges needing upgrades. Estimated additional cost is \$6.8 million over 10 years to bring bridges up to a good condition. In terms of safety needs such as shoulders, rumble stripes, and guard cables the needs total about \$13 million over 10 years.

Another additional \$515 million to \$555 million in one-time funding is needed for improvements to major route projects for:

- I-55 by adding 6 lanes in Cape Girardeau County
- Building an interchange along I-55 in Scott City
- Improvements along Rt. 25 in Jackson and Gardenville
- Improvements to US 51 on Chester Bridge in Perry County
- Improvements to the Theodosia Bridge in Ozark County

In total, \$893 million to \$933 million is needed for district improvements over a 10 year time period. Presently, \$60 million is budgeted a year for the southeast district.

Mr. Seiler concluded his remarks by stating, “Current funding will only allow the condition of the current transportation system to get worst.”

Don Welge, Gilster Mary Lee Corporation, provided an overview to the committee on how many miles of roads the company truck drivers travels across the nation and throughout the state of Missouri. Mr. Welge polled his truck drivers who said the Missouri’s roads are the third best of the surrounding states.

A list of projects the company - and its drivers - would like to see improved include:

- Better approaches to the Chester Bridge on the Missouri-side;
- Improvements on Hwy. 51;
- A third highway through Cape Girardeau;
- Larger rest areas for more truck parking;
- Adding additional capacity to I-70;
- Making improvements to the I-44 and I-70 interchange in St. Louis;
- More parking at truck scales for large commercial trucks; and
- No longer use guard cables which cause more damage to cars when they run off the road and it doesn’t prevent large trucks from crossover accidents.

While he made no formal recommendation for increased funding for transportation, Mr. Welge suggested that increases in fuel and license taxes are a couple of possibilities for increasing funding. Taxing too high can hurt the overall revenues structure for the state stated Mr. Welge.

Joyce Graening, Fox Trotters Association, testified that Ava is the national headquarters for the National Fox Trotters Association.

Ms. Graening stated that improvements are needed to Rt. 60 for turn lanes into arena at the headquarters office. Also shoulders are needed along Rt. 60 between Mansfield to Ava. More signage is also needed to welcome folks to Ava by renaming Hwy. 5 the “Fox Trotters Highway.”

Ms. Graening offered some of the association’s private property to the state to build turn lanes into their fox trotters’ arena.

Greg Beavers, City Administrator for Farmington, suggested to the Blue Ribbon Committee that they be cautious when considering giving some state-owned highways to local municipalities to maintain. Giving cities and counties state roads to maintain doesn’t improve the overall transportation system.

Mr. Beavers said cities have concerns with using sales taxes for other purposes than for city uses. He said the fuel tax is the closest to a user fee and should be considered as an additional revenue source for transportation purposes.

Bill Osbourne, Southeast Missouri Transit Services, testified that transit services must be provided to all citizens of the area and can only be accomplished through a good transportation system.

Mr. Osbourne, said one solution for increasing transportation funding is to educate the general public on the need for additional revenues. “Once the general public understands the need for more money, then they are more likely to pay higher taxes.”

Mr. Osbourne suggested that fuel taxes and a sales tax on fuel are two options that need to be considered as revenue increases.

Mr. Osbourne said MoDOT has done a great job for establishing the case for the need for more money for highways. MoDOT has also done a great job in implementing internal efficiencies to put more money on the roads.

Daniel Heil, Nestle Purina, testified that his company has been able to grow because of the good transportation infrastructure system in the Southeast District.

Mr. Heil suggested that compassion must be expressed when selling a revenue package to the voters. MoDOT’s credibility is good, but there must be an educational effort implemented to educate the workforce so they will support a tax increase. The Missouri General Assembly needs to help educate the general public on transportation needs and the importance to adequately fund those needs. MoDOT and the Blue Ribbon Committee must take the lead to educate the general public.

Dr. Tom Lawson, Route 67 Corporation, testified that fuel taxes, sales taxes and the fees imposed on drivers licenses should be reviewed as possibilities for increasing revenues for transportation.

Dr. Lawson said the improvements to Route 67 have helped attract jobs and economic development including a hospital located in Poplar Bluff. Dr. Lawson provided an example of how the citizens of Poplar Bluff voted to increase its local sales tax to make improvements between Poplar Bluff and Fredericktown *before* concrete was ever poured on the project.

Paul Koeper, Cape Girardeau County Commission, testified that MoDOT has done a great job in streamlining the department. Mr. Koeper said he really appreciated the department spending money on improving 802 bridges across the state.

Mr. Koeper also testified that MoDOT has been excellent to work with from the county commission level and that a lot of work has been achieved between the two public entities.

One of the problems for MoDOT, according to Mr. Koeper, is that MoDOT is required to operate a total transportation system that includes multimodal activities. However, the department continues to receive the same level of funds that are primarily to be used for highway purposes; MoDOT is a transportation department funded like a highway department.

Mr. Koeper concluded his remarks by stating that counties are not interested in taking over any state-owned letter routes.

Lester Goodin, a Mississippi County farmer, testified that the farm to market roads (referring to the 6,300 miles of roads in the Southeast District) carries about 20 percent of the total traffic.

Mr. Goodin said the lettered routes are in bad shape.

Mr. Goodin said the large farm equipment impacts travel on lettered route roads and that heavy commercial trucks hurt the condition of the farm to market roads.

Mr. Goodin suggested that Missouri raise the state fuel tax by at least 3-cents. This increase would still be less than Tennessee and Arkansas. This increase would generate about \$20 million. A 5-cent increase in the fuel tax would generate about \$34 million.

According to Mr. Goodin, increasing the fuel tax is the fairest way to generate revenues for transportation purposes.

Nathan Bengtson, DuPont-Pioneer, testified that a good transportation attracted the new \$60 million DuPont plant into the area.

Mr. Bengtson said funding for minor routes is important to the state.

Felicity Brady, Ozark Foothills RPC, provided an overview to the Blue Ribbon Committee on the importance and structure of a regional planning commission.

Ms. Brady, encouraged the Blue Ribbon Committee to use the Transportation Advisory Committee, structured within each of the state's regional planning commissions, to encourage public buy-in for supporting a tax increase for transportation.

Sandy Ortiz, SHOW Mobile Staff – Southeast Missouri State, testified that the state must keep and maintain roads in good condition. A good transportation system will help to ensure the traveling public will be able to get to medical and healthcare appointments when needed.

Brittney Holmes, a Bollinger County teenager, testified that she had a friend who died on Missouri's roads. Ms. Holmes believes better signage and well striped roads are important for traveling safe.

Earl Norman, Benton Hill Investment Company, testified that MoDOT cannot pass a sales tax on its own.

Mr. Norman said that sales taxes are dedicated for local and county forms of government.

Mr. Norman suggested to the Blue Ribbon Committee that one way to pass a future statewide transportation tax package is to bundle counties together to create a new road district form of governance. This will allow the counties to work together to generate needed funding to build

transportation projects. Once a local sales tax is passed for the newly created road district and the money goes to local projects then MoDOT can ask for a fuel tax increase.

Tracey Glenn, Cape Chamber of Commerce, presented to the Blue Ribbon Committee a letter from the chamber president, John Mehner.

Ms. Glenn testified that MoDOT needs a reduction in total amount of roads it maintains. Ms. Glenn said the chamber is open to funding options.

Scott Meyer, City Manager for Cape Girardeau, stated the city is supportive of handing over local lettered route roads to counties. Local control and local funding is very important to cities.

Mr. Meyer testified that MoDOT needs to continue illustrating efficiencies. Mr. Meyer said that MoDOT should pay for projects only when monies are available and get out of funding projects with bond financing. This action could help MoDOT's credibility.

Mark Luther, Holcim Cement, testified that the state cannot afford to neglect a state transportation system because it impacts the state's economy.

Mr. Luther said MoDOT needs a good revenue stream. One way the department could save money is to utilize "life cycle costs" practices to build and maintain more money on roads. Mr. Luther said MoDOT can only do so much with what it has. Educational efforts must start at an early childhood age in an attempt to educate future school children on the need to adequately fund transportation for their future years in order to appreciate a good transportation system.

Dan Overbey, SEMO Port Authority, supports the state obtaining a stable funding source for capital improvements.

Mr. Overbey stated that one barge removes 55 trucks off the highway system. 30 barges equal 2,160 commercial trucks. Making investments in port infrastructure can help the state's economy.

Mr. Overbey suggested that the Blue Ribbon Committee index the state's fuel tax to generate addition revenues for transportation. However, he suggested that the committee use caution when considering increasing the state sales tax rate which could upset cities and counties.

Eva Dunn, an individual from Bolinger County, testified that she really appreciated Director Keith's testimony on the reasons for the need of additional transportation funding.

Ms. Dunn stated that local planning commissions should be used for helping educate citizens on the need to support a funding package for transportation and that any new revenues goes towards transportation and NOT the general revenue fund.

Ryan Holder, an individual, testified that the Blue Ribbon Committee should explore all avenues for funding transportation. These options include increasing the state gas tax, increase license fees, or increasing inspection fees on automobiles.

Written testimony was submitted by Mr. Jeff Glenn, an individual, and Julia Thompson, Parks and Recreation, City of Cape Girardeau.

The next meeting for the Blue Ribbon Citizens Committee is scheduled for July 9, at the ARC City Activity Center in Columbia, at 1:00 p.m.

The meeting was adjourned.