



Minutes

Department of Transportation Commission

Meeting of

April 21, 2011

MINUTES
DEPARTMENT OF TRANSPORTATION COMMISSION
April 21, 2011
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MINUTES

DEPARTMENT OF TRANSPORTATION OF SOUTH CAROLINA

April 21, 2011

The regular monthly meeting of the Department of Transportation Commission was held at the Beaufort City Hall, 1900 Boundary Street, Beaufort, South Carolina at 9:30 a.m. on April 21, 2011. In compliance with the Freedom of Information Act, the news media was advised in writing of the time, date and place of this meeting.

Present

Daniel Isaac, Chairman Presiding
R. Eddie Adams
Johnny P. Edwards
J. Craig Forrest
Sarah Nuckles
Harrison Rearden
Ken Willingham

Absent

Also Present: Robert J. St. Onge, Jr., Secretary of Transportation
John V. Walsh, Deputy Secretary for Engineering

SECTION 1: On motion of Commissioner Forrest, seconded by Commissioner Adams, the Commission unanimously passed a motion to approve the agenda.

SECTION 2: Commissioner Forrest welcomed the Commissioners to Beaufort and introduced local officials in attendance including Beaufort Mayor Pro Tem Donnie Beer and City Manager Scott Dadson. The Comprehensive Plan for the City of Beaufort was presented to the Commission.

SECTION 3: On motion of Commissioner Willingham, seconded by Commissioner Adams, the minutes for the meeting of March 21, 2011, copies of which had been previously mailed to each member of the Commission, were approved.

SECTION 4: Commissioner Rearden reported for the Invitations and Resolutions Committee. The committee reviewed and approved three requests. Commissioner Rearden made a motion requesting full Commission approval of the recommendations of the committee naming the following:

- The Steven Clyburn Williams, Jr. Building – Lancaster County
- P. H. Livingston Overpass – Charleston County
- In Memory of Mary Shivers – Richland County

The motion was seconded by Commissioner Willingham and passed unanimously by the Commission. Copies of the resolutions are shown in detail in the Commission Actions for April.

SECTION 5: Chairman Isaac read the following resolution:

WHEREAS, the SCDOT Commission approved significant projects to address the economic development, safety and congestion needs of the state; and

WHEREAS, as part of this program, the SCDOT would fund a portion of the preliminary engineering, right-of-way and construction of the significant projects through the issue of State Highway Bonds;

NOW BE IT RESOLVED, the SCDOT Commission requests that the Joint Bond Review committee approve the issuance of up to \$344 million (\$344,000,000) in State Highway Bonds to fund the significant projects; and

BE IT FURTHER RESOLVED that, the State Budget and Control Board, upon approval of the Joint Bond Review Committee, authorize the issuance of up to \$344 million (\$344,000,000) in State Highway Bonds to fund the significant projects.

The Commission authorizes the timing and the amounts of the bond issues to be determined by the SCDOT staff.

Chairman Isaac asked for a motion to approve the resolution. A motion was made by Commissioner Forrest and seconded by Commissioner Willingham to approve the resolution as presented. During discussion, the following comments were made:

Commissioner Nuckles:

Mr. Chairman, I'd like to go on the record to state my opposition to this resolution. One reason of course is because we did not have publicly noticed meeting of an action that is a significant action on the part of the DOT. Another reason is that this would wipe out any contingency funds that the DOT would have for any emergency operations because this would use all of our remaining bond capacity and the selection of the projects, nor this resolution, nor any of this discussion was submitted to the commissioners in writing in open and public manner. And that this is being done with public money and not private money and involves a high risk to the DOT of the State of South Carolina.

Commissioner Rearden:

Mr. Chairman, I just want to concur on one item and that is the way we are doing the business. I would have preferred, number one a single discussion on this resolution, call it a workshop if you like, and a dissemination of this for our consumption prior to this meeting. That's just an observation.

Commissioner Nuckles:

May I make one more comment Mr. Chairman? I'm sorry. In our workshop I think it was mentioned by you or someone that these bonds would be sold in stages, which is also the way the Infrastructure Bank does, however I believe; and I would like to have an opinion from staff; if the Commission approves this resolution, then these bonds...this bonding capacity is then taken up so that we cannot, even though we aren't selling the bonds except in stages during the construction of a project as the SIB does, it does lock in that bonding capacity. So we don't have...just because we haven't sold the bonds doesn't mean that the DOT can then go back in there and say "oh well we haven't sold all of these, we'll just use some of these".

Chairman Isaac:

Let me read the last sentence again. "The Commission authorizes the timing and the amounts of the bond issues to be determined by SCDOT staff."

Commissioner Nuckles:

I understand Sir but you're saying you're obligating \$344 million of our remaining \$344 million dollar capacity and I'm not sure of the legal aspects of that.

Secretary St. Onge:

I'm not a bond expert but from talking to Angela, as I understand the resolution as presented presents an issue that says we're going to use a bonding strategy to fund special projects and those special projects are not named in this. That this is a preliminary step in a long series of steps including going to the Joint Bond Review Committee and the Budget and Control Board where we're going to have to give far more detailed information, far more justification on this particular strategy and then get their approval to proceed. Whether or not, once you name the initial number in the up to amount locks that in and there's no other wiggle room to use it any other way or to float a different bond is something that's beyond my level of expertise. I would assume let's say, if we had \$300 million in capacity and only used \$150 million of it and had a project that became either a) an emergency or b) something else that we had to respond too that we could use that permission and go after a sub-bond if you will. Another issue within that...we may want to write that as we present this to the Joint Bond Review Committee and the Budget and Control Board so that we have that kind of flexibility within this strategy. You mentioned the SIB, the State Infrastructure Bank, which had used all of its capacity. Now with question marks about the Mark Clark, we're not sure if there may be some capacity to solve some of these issues that may come up or others that I'm sure there will be claimants for. John is there anything that you would add to that?

Deputy Secretary Walsh:

Mr. Secretary the only thing that I would be able to offer is based on what Angela provided us. 85% of the agency's capacity remaining would be \$430 million. The full capacity is probably somewhere around \$600 million. Traditionally the Treasurer's office and the Joint Bond Review Committee will not, have generally not, approved up to 100% of any bonding capacity. So we're under the 85% percent if this is approved.

Secretary St. Onge:

So there is still some head room and as we buy down the debt that exists currently, we will have additional head room. That does not change the concerns that I expressed in the workshop about also as a concomitant and parallel action, vigorously look at how we're going to look for new and different revenue strategies for funding the maintenance side and other sides of the mission at DOT I hope that's clarified somewhat

Commissioner Forrest:

The Secretary just mentioned one of my points and I heard very, very clearly 85%. I think that's very, very meaningful. The buying down of the debt over that is certainly going to come into play as we proceed over the next several years. The key, I believe, for this particular resolution. I think I heard this referenced.....all this is, is providing the trigger for us to go forward into perhaps a longer path than we would like, but a path that we need to start going down. And that was my point about the financing of infrastructure. And I think that this is a unique opportunity for us to start that stroll down that path and hopefully it won't be too long. But again, this is the trigger that's going to allow us to take some bold initiatives to get what we believe are significant economic development, tourist and whatever projects for us and get them off the dime and I applaud this Commission because this perhaps discussion has not taken place far much too long believe me. Thank you.

Commissioner Edwards:

Mr. Chairman, just a question. Once we vote on this, these projects are locked in to this? Those projects cannot be changed can they?

Chairman Isaac:

It would be up to the Commission but I'd like to make sure that these projects are locked in. We can add projects to them but I don't want to take any of these projects off the list.

Commissioner Edwards:

As long as that's in the minutes that these projects are locked it, that's fine. Thank you

Commissioner Nuckles:

Mr. Chairman I'd like to point out that of the five projects, one of them is ranked 23rd. Another one has no ranking and I'm not sure if it's because it's a new location project and we have not ranked new location projects under Act 114...possibly due the cap that we have on the system...can't add to the system unless we take something off. Another one is not high ranked in the STIP at all. One of the I-26 is 12th and one of the I-26 projects is 25th. So I think again, we do not have to follow Act 114 ranking. We must consider the criteria but we don't have to follow it. But I think it's important the position of this commission should be careful about appearing to be political rather than objective and quantifiable.

Commissioner Edwards: *Call for the vote*

Chairman Isaac called for the vote. The motion passed with Commissioner Nuckles voting "no". A copy of the resolution and supporting documents can be found in the Commission Actions for April.

SECTION 6: Chairman Isaac called on Deputy Secretary Walsh to read the next motion. Secretary Walsh read as follows:

Move that the SCDOT staff be directed to place the projects contained in the resolution approved by the Commission out for public comment and that the projects be placed into the Statewide Plan and STIP at such time as the bond issuance is approved by the appropriate state entities and that SCDOT staff be authorized to take all necessary steps to advance the projects.

The motion was made by Commissioner Willingham and seconded by Commissioner Forrest. There was no discussion and the motion was passed by the Commission with Commissioner Nuckles voting "no".

SECTION 7: Chairman Isaac asked Secretary Walsh to read the following:

The SCDOT Commission has considered the requirements of ACT 114 in making a decision to direct the SCDOT to seek approval for bonding of the I-85/US 276 interchange in Greenville, I-26 projects in Berkeley and Charleston, Columbia Airport Interchange on I-26 in Lexington, and the I-73 project in Dillon. The purpose of this document is to satisfy the requirements of SC Code of Regulations 63-10 C.2.

Having duly assembled to discuss and consider the economic conditions of the state in terms of where interstate improvements would support job creation, economic development and tourism, the Commission finds that there is sufficient justification to advance the subject projects. These projects will serve to enable and enhance commerce and create jobs and provide for long term economic competitiveness of the State of South Carolina.

A motion was made by Commissioner Rearden to approve the above action. The motion was seconded by Commissioner Forrest. There was no discussion and the motion was passed by the Commission with Commissioner Nuckles voting "no".

SECTION 8: Deputy Secretary Walsh reviewed the Recommendations previously submitted to the Commission for action. Commissioner Nuckles requested that page 12 be voted as a separate item. Commissioner Rearden commended the staff for work in handling the volume of work requests received each month.

A motion was made by Commissioner Edwards and seconded by Commissioner Rearden, to approve the Recommendations as submitted, with the exception of page 12 which will be voted on separately. The motion passed unanimously. Full details of all Recommendations are included in the Commission Actions for April.

SECTION 9: A motion was made by Commissioner Forrest, seconded by Commissioner Adams to approve the Recommendations shown on page 12. During discussion, the following comments were made:

Commissioner Nuckles:

Mr. Chairman I had some concerns. This is a philosophical concern. This is for components to assist with further expansion of our intelligent systems in various locations throughout the state. I'm going to make kind of a little pun here. To me, the most intelligent transportation system we can have is one that provides... that meets its system preservation needs before it spends money on high tech gadgets. I'm being an old fogie on this one. I asked Mr. Walsh what it was because I didn't know if it was those digital signs. But its cameras

Deputy Secretary Walsh:

The scope of work there is the cameras that we install on the interstate so that we have a visual. We use them to notify first responders of the types of accidents and we use it to coordinate our 511 system and to give people pre-notification of incidents so that they can plan their trip around it to avoid the area. We use it to notify Highway Patrol of an area that we need to check so it's traffic management

Commissioner Forrest:

The statewide 47.039 that's in all the congressional districts, they're all ITS projects. Is that correct?

Deputy Secretary Walsh:

It's the installation of poles and cameras along interstates across the entire state

Commissioner Forrest:

Again, what we're trying to do is squeeze as much capacity out of the system as we possibly can without building new pavement. ITS is a proven technology that allows us to use the existing system. I highly encourage that we approve it. Call for the question.

Chairman Isaac called for a vote on the motion to approve page 12 of the Recommendations. The motion passed with Commissioner Nuckles voting "no" to the statewide project listed as File #47.039173R1.

Full details of all Recommendations are included in the Commission Actions for April.

SECTION 10: Commissioner Edwards, Chairman of the Finance Committee, made a motion requesting full Commission of the 2011-2012 operating budget. The motion was seconded by Forrest. There was no discussion and the motion was passed by the Commission with Commissioner Nuckles voting "no".

SECTION 11: On motion of Commissioner Nuckles, seconded by Commissioner Rearden, the Commission unanimously passed a motion approving revision #20 of the 2010-2015 Statewide Transportation Improvement Program (STIP) as submitted and shown in detail in the Commission Actions for April.

SECTION 12: Secretary St. Onge presented an update on various Department programs and activities including the following. A full copy of the Secretary report is included in the Commission Actions for April.

- AARA Funded Projects
- April Storm Damage Clean Up
- Public Transportation Ridership Increase
- 511 Traveler Service
- Bids Advertised to Procure Two Temporary Steel Bridges
- Motor Fuel Revenue Report
- Highway Fatality Report

SECTION 13: Chairman Isaac noted that this was Commissioner Willingham's last meeting as a Commissioner and thanked him for his service to the state and department.

SECTION 14: Commissioner Willingham reported for the Legislative Committee and called on Wendy Nicholas to update the commissioners on legislative activities relative to the DOT. The update included a brief report on the removal of roads from the state highway system bill and the budget. More details will be provided to the commissioners as the session moves forward.

Commissioner Willingham stated that he had enjoyed his time on the commission. He thanked the commission for their friendship during his time served and complimented the staff of the DOT for their professionalism and cooperation.

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SECTION 16: There being no further business to come before the Commission, the meeting was adjourned at 11:05 a.m.

Daniel H. Isaac, Chairman