OZARKS TRANSPORTATION ORGANIZATION

**BOARD OF DIRECTORS MEETING MINUTES**

**February 18, 2010**

The Board of Directors of the Ozarks Transportation Organization met at its scheduled time of 12:00 p.m. in the Busch Municipal Building, 4th Floor Conference room in Springfield, Missouri.

The following members were present:

Mr. Harold Bengsch, Greene County Commission Mr. Bradley Jackson, City of Ozark

Mr. John Grubaugh, Christian County Ms. Lisa Officer, City Utilities

Mr. Jim Bresee, Christian County, Rep (a.) Mr. Tom Finnie, Citizen-at-Large Rep.

Ms. Teri Hacker, Citizen-at-Large Representative Mr. Bob Scheid, Airport Board Representative

Ms. Judy Stainback, City of Battlefield Mr. Bob Stephens, City of Springfield

Mr. J. Howard Fisk, Citizen-at-Large Rep. Mr. Matt Seiler, MoDOT (a)

Mr. Michael Giles, City of Springfield Mr. Jim Huntsinger, City of Republic

Mr. David Coonrod, Greene County Commission (Chair)

1. *Denotes alternate given voting privileges as a substitute for voting member not present*

The following members were not present:

Mr. Mokhtee Ahmad, FTA Mr. Brian Bingle, City of Nixa (a)

Mr. Brad McMahon, FHWA Ms. Virginia Fry, City Utilities (a)

Mr. Mark Schenkelberg, FAA Ms. Joni Roeseler, FTA (a)

Mr. Jim O’Neal, City of Springfield Mr. Gary Cyr, Airport (a)

Mr. Dan Chiles, City of Springfield (a) Mr. Rick Hess, City of Battlefield (a)

Mr. Tim Smith, Greene County Administrator (a) Mr. Brian Hayes, City of Nixa

Ms. Roseann Bentley, Greene County Commission (a) Mr. Jamie Schoolcraft, City of Willard

Mr. John Elkins, Citizen-at-Large Rep. (a) Mr. Tom Vicat, City of Strafford (a)

Mr. Marc Thornsberry, City of Springfield Mr. Kirk Juranas, MoDOT

Others present were: Mr. Tim Conklin, Ms. Sara Edwards, Ms. Natasha Longpine, Ms. Debbie Parks Mr. Chris Stueve and Ivis Garcia Zambrana, Ozarks Transportation Organization; Mr. Steve McIntosh, Office of Congressman Roy Blunt; Ms. Stacy Burks, Office of Senator Christopher Bond; Mr. David Rauch, Senator Clair McCaskill’s Office; Steve Childers, City of Ozark; Mr. Frank Miller, MoDOT; Mr. Carl Carlson, Scott Consulting Engineers; Mr. Dan Smith, Greene County Highway Department; Ralph Rognstad, City of Springfield.

Mr. Coonrod called the meeting to order at 12:00 p.m.

1. **Administration**
2. **Introductions**
3. **Approval of Board of Directors Meeting Agenda**

Ms. Stainback motioned to approve the agenda. Mr. Fisk seconded and the agenda was approved unanimously.

1. **Approval of December 17, 2009 Meeting Minutes**

Mr. Bengsch made the motion to approve the December 17, 2009 minutes. Mr. Huntsinger seconded and the minutes were approved unanimously.

1. **Public Comment Period**

None

1. **Executive Director’s Report**

Mr. Conklin stated that Congress was discussing another jobs bill. Staff continues to monitor the possible bill and will keep the Board posted. Currently, the federal highway program is being funded by a Continuing Resolution through February 28th. The impact to Missouri with the continuing resolution is approximately $20 million less per month and over $200 million per year less in federal funding that is available for highways. If the funding levels are not fixed to restore them to previous years, projects may have to be delayed through MoDOT.

The TIGER Awards have been announced. Fifty-one projects were selected. From Missouri there was $5 million and $5 million for Arkansas for the Bella Vista Bypass as well as $50 million in the Kansas City Green Zone.

Staff continues to work on a Congestion Management Process Update to report on the status of congestion in the OTO area. The CMP is a federal requirement in areas designated as TMAs. The City of Springfield and MoDOT staffs are invaluable in the provision of the traffic data needed to analyze congestion.

OTO is updating the existing travel demand model in order to update the Long Range Transportation Plan in FY 2011. The LRTP is required to be updated every five years. OTO will lead a “Brainstorming Session” this spring as part of the OTO LRTP update. Input from this session will kickoff the process as part of the OTO LRTP update.

Mr. Conklin also stated that the OTO Unified Planning Work Program and budget will be on to the April agenda for Board review and approval. Staff has completed the Senior and Disabled Transit brochure and it will be distributed in late March. He also mentioned that a new TIP process will begin in March. An application will now be required for all projects due to FHWA requiring a copy of the application prior to approving obligation.

Staff attended public meetings for the CC design project, Republic Road/FR 170 extension planning, the Campbell six laning design project, Route 66 corridor management plan meeting, and East West Arterial public meeting. Staff also made a presentation to the City of Ozark Board of Alderman regarding OTO. Staff attended the Salute to Legislature and the Missouri Chamber Transportation Conference. Staff also presented the Ozarks Commute website to the area Environmental Collaborative. Staff is also working to schedule the STP-Urban funding scenario meeting in March since February was snowed out.

1. **New Business**
2. Update on EPA Review of Ozone Standards and Impact to OTO

Ms. Longpine stated that in light of new information that is coming from EPA staff thought this would be an appropriate time to update the Board on the impact of air quality non-attainment, specifically relating to OTO’s responsibilities.

Ozone is unique in how it is regulated since it is actually the result of a chemical reaction, so the specific regulations apply to ozone precursors – Volatile Organic Compounds and Nitrogen Oxides. Ozone is a major ingredient in smog and is also seasonal in nature, occurring mostly during the summer. The 1990 Clean Air Act Amendments placed greater emphasis on transportation sources and connections between air quality planning and transportation planning.

In 2008, the standard was reduced from 80 parts per billion (ppb) to 75 ppb. The 2005-2007 design value for the Springfield region was 77 ppb. The 2006-2008 design value was 73 ppb and the 2007-2009 design value was 69 ppb. The current standard of 75 ppb is now under review by EPA for a value between 60 and 70 ppb. The lowest design value in the state of Missouri is 67 ppb.

Although transportation accounts for a significant portion of emissions, it is also where the most improvement has taken place. Since 1970, emissions, in tons, from every mobile source pollutant have declined. Emissions reductions continue to be influenced by technological changes, including reformulated gasoline, more efficient engines, on-board diagnostic systems, and catalytic converters. Emissions will continue to decline over the next twenty years due to Tier II Vehicle Standards, Heavy-Duty Engine Standards, and Low-Sulfur Diesel Fuel Rules. An example from Washington, D.C. demonstrates the impact these technological changes can have.

Transportation conformity is a way to ensure that Federal funding and approval goes to those transportation activities that are consistent with air quality goals. Conformity determinations apply to transportation plans, transportation improvement programs (TIPs), and projects funded or approved by FHWA or FTA in areas that are considered non-attainment or maintenance. A conformity determination shows that the total emissions projected for a plan or program are within the emissions limits set for the region.

Transportation conformity for the Springfield region is required to be made by OTO. Currently, the non-attainment area for the region would consist of Greene, Christian, Stone, and Taney Counties. The area outside of the MPO is called the donut area. OTO is the lead agency responsible for determining conformity for the donut area as well.

Mr. Coonrod asked how the MPO could exercise authority over the donut area.

Ms. Longpine stated that it comes down to approving projects. It is an interagency consultation process that involves everyone. When it comes down to the end of the day and the region cannot show conformity, it can impact which projects can go forward.

Mr. Coonrod stated that there is a Southwest County Commissioners Association that meets periodically. The Commissioners are meeting April 14th. OTO Staff might want to present this to the Association.

Ms. Longpine stated that when staff learned that the MPO was responsible for this area in December that was a surprise. That is the reason this presentation is being made is so everyone is aware.

Regional emissions analysis determines if projected emissions for a plan or TIP exceed emissions limits established by the State Implementation Plan (SIP). The analysis is conducted using MOVES, an EPA approved mobile emissions model. Inputs to the model must be based on a conforming travel demand model, of which the current OTO model is not, though staff is aware of what changes are needed for the next model update. A conformity determination is also coordinated through interagency consultation, among which OTO, MoDOT, DNR, FTA/FHWA, and EPA are included. The public is to be involved as well.

Conformity is required in new non-attainment areas one-year after the effective date of designation. The potential designation date for the Springfield region is August of 2011, and then the conformity determination would be due August of 2012. After the initial determination, conformity is required every 4 years and prior to approval/acceptance of the transportation plan, TIP, and certain plan/TIP amendments. It is also required prior to approval of federal projects involving FTA/FHWA approval/funding, as well as within 24 months of EPA actions, such as EPA acceptance of emissions limits (budget) in initial SIP submission or if the emissions budget is revised in the SIP. The date of conformity determination is based on the date of final finding by FTA/FHWA.

Projects exempt from transportation conformity include safety, mass transit, air quality, intersection channelization, interchange reconfiguration, and traffic signal synchronization projects.

A maintenance area is any geographic region of the U.S. previously designated as non-attainment, and then redesignated as attainment. Transportation conformity requirements also apply to maintenance areas. To be considered in maintenance, an area must develop a 10-year maintenance plan that provides for the maintenance of the Ozone standard. After another 8 years, an area must submit a revised maintenance plan for the 10 years following the expiration of the first plan. If an area is still in attainment after that 20-year period, an area goes from maintenance to attainment, and at that point no longer has to perform transportation conformity determinations.

OTO is preparing to deal with the potential effects of non-attainment by attending training, seeking to bring more training to the region, and by being aware of potential budget/funding issues.

Mr. Bengsch stated that the maintenance period is the kicker, because in all probability, the OTO region will be in non-attainment, unless there is an extremely cool summer. Given that fact, and based on what is going on right now in Washington, no one sitting around the table expects that ten year maintenance plan to be effective for all ten years, because the standards are going to change again. If a standard (say it is 68) is developed and the OTO is in non-attainment, but a plan that meets 68 is developed then in year five the EPA lowers it to 65. Even though the OTO has met 68, a new ten year plan has to be made.

Ms. Longpine stated that Kansas City has run into that. In 2007 Kansas City was released from maintenance and considered in attainment. When the new 75 ppb standard came into effect, the area was in non-attainment again. Kansas City did the twenty years and now they are back in non-attainment again. It will be interesting to see how this all works. There might not be a monitor in the nation that is able to meet the new standard except for very rural areas, so EPA will be very busy working on this. There is CMAQ (Congestion Mitigation and Air Quality) funding that the area could qualify for, but it is distributed by formula throughout all fifty states, so if there are more non-attainment areas then funding would be limited.

Mr. Fisk asked Mr. Conklin how it would impact future OTO budgets, especially with the donut area and the potential need for additional staff .

Mr. Conklin stated that Commissioner Bengsch is correct on the levels. With regards to the budget, there will need to be a transportation travel demand model within the OTO area, so that the OTO can model the region’s long term plan. Other MPOs around the area have spent $300,000 to $0.5 million developing these travel demand models that are constrained, showing the traffic throughout the system, producing data that can be used to plug into the EPA based model. The OTO will need to match those federal funds for the additional costs and that will have to be worked out. The MPO is either in or out depending on the value. If the OTO is in attainment, the area might be okay for another three years. When staff was up in Kansas City, it was somewhat surprising to learn about that donut area, that the MPO by federal law is required to account for that. Staffing for that first year is something that will need to be examined.

Mr. Fisk asked if there were any additional funds that could be requested.

Mr. Conklin stated that Ms. Longpine mentioned the CMAQ funding. If that funding level stays the same throughout the State of Missouri or increases is something that will have to be monitored. Also in the next Transportation Bill it talked about Transportation Management Areas like OTO having to do green house gas reduction targets and other modeling. EPA talked about the need for additional funding in order to do this type of work and analysis. It is something that the OTO will just need to watch and see what is decided about ozone. The past few summers have been really cool. It is just a matter of time before the area gets there. In the next transportation bill there may be other requirements dealing with ozone.

Ms. Hacker asked if this program will limit cities’ growth and development, increase mass transit programs, or spread population out over the next twenty years

Mr. Conklin stated that most of the models are showing significant reductions in tons per day NOx, through fuel standards increasing and other technological changes and at the same time, the standards are going to be lowered more in the future. It is something that the area is going to have to continue doing. Most areas are able to show conformity, based on the technologies, the fuel, and the engines that are reducing NOx right now. It all hinges on that level of ozone that is budgeted for the region.

Ms. Longpine stated that in comparison the Washington, D.C. example shows tons per day per NOx. They are showing 32 tons in 2030. The OTO is starting at 35 tons per day, so the scale is a little different and hopefully it will have a proportional impact.

Mr. Huntsinger asked if, in the worst case scenario, there is a bench mark where the EPA could step in and force a region to make changes in transportation.

Mr. Conklin stated that there was a risk of losing federal funding to the region. It is a huge risk for this organization and region if the requirements to model and program improvements are not met.

Mr. Huntsinger stated that in when he was in El Paso, the EPA came very close to stopping all vehicular traffic in the down town area. There was pollution blowing in from Mexico. The OTO area does not have that problem here but there was a point where the EPA could actually come in and restrict travel.

1. Appointment of an OTO Fleet Management Subcommittee

Mr. Conklin stated that OTO staff is requesting the creation of an OTO Fleet Management Subcommittee that would report to the Technical Committee and the Board of Directors. This subcommittee would address current and emerging freight and fleet issues in the OTO area related to transportation planning, alternative fuels, best practices, and the use of new technology.

OTO will need to plan for and have good fleet data upon becoming non-attainment. This data will be used to model the mobile sources of NOx and VOC, as well as other emissions which could include greenhouse gases (GHG) in the next Transportation Bill.

OTO would like to coordinate this discussion regarding air quality related to transportation mobile sources and the use of compressed natural gas (CNG), biodiesel, idle reduction policies, diesel oxidation catalysts, 2010 fuel standards, coolant heaters and auxiliary power units, and other alternative fuels and technologies as part of the long range transportation plan update.

Mr. Finnie asked who would be on this committee. Mr. Conklin stated the OTO has been talking with the cities, counties and school district with regards to people who manage public and private fleets. Staff does not have a complete list, but is trying to leave it as open as possible.

Mr. Coonrod asked how many would be on this committee. He suggested seven. Mr. Conklin stated that the committee would need more than seven with the trucking firms.

Ms. Longpine stated that the list was currently between fifteen and twenty. Mr. Coonrod stated that it should not be too big since large committees are hard to handle, but will be left up to staff to coordinate.

Mr. Conklin stated that staff could invite the fleet managers to be on this committee and report to the Technical Planning Committee and then the Board of Directors, really targeting those who are responsible for the fleets within the OTO area. Staff was thinking Springfield Public School District, City Utilities and any other large fleet providers such as FedEx.

Ms. Officer made the motion to create an OTO Fleet Management Subcommittee. Mr. Bengsch seconded and the motion carried unanimously.

1. OTO Long Range Transportation Plan Update

Ms. Longpine stated that the OTO is kicking off the Long Range Transportation Plan. The OTO’s Long Range Transportation Plan (LRTP) was last adopted in April of 2006. The federal requirements relating to the metropolitan planning process state that the LRTP be updated every five years. In order to attain approval of an updated LRTP by April of 2011, staff is commencing the update process this year. Staff has developed a timeline for the update process and has begun outlining the elements to be included in the plan update.

Public involvement is a key component of all OTO’s planning processes and, as recommended in the OTO Public Participation Plan, a separate Plan-specific public participation plan will be developed. Components of the public participation process include the utilization of the OTO website, a public citizen survey, regional public meetings both at the beginning of the plan and at its conclusion, a brainstorming workshop, and a collection of subcommittees relating to the various modes of transportation discussed in the plan, as well as fleet management. The OTO Technical Planning Committee will serve as the planning committee directing the evolution of the LRTP update.

The LRTP update will contain the following elements:

* Public Participation Plan
* Regional Trends
* Street and Highway
* Intracity Public Transit
* Intercity Passenger Transportation
* Bicycle
* Pedestrian
* Aviation
* Goods Movement
* Transportation Demand Management
* Environmental Considerations > Air Quality, Historical, Natural, Endangered, Fleet Management, Sustainability
* Safety
* Project Prioritization Process and Project Selection
* Financial Capacity and Constraint

This planning process will also serve as the process for updating the City of Springfield strategic plan, as the City wants to achieve a regional perspective on transportation for the purposes of updating their plan, and since the timing of both planning processes coincided, it was practical that a duplication of effort be avoided. The goals and resulting strategies from the OTO planning process will be funneled into the overarching process and format the City of Springfield is employing.

To kick off the planning process, as Mr. Conklin mentioned earlier, staff is looking at doing a brainstorming workshop with area leaders. The date that is currently being considered is April 8th. Staff checked multiple calendars of the different agencies to see if there was something else scheduled. Right now staff is looking at 9:00 a.m. to 3:00 p.m. The Technical Planning Committee would actually be the planning committee for the Plan.

Ms. Longpine stated that Brian Weiler and Rod Massman from MoDOT would probably participate in regards to the multi modal division.

1. **Amendment Number Three (3) to the FY 2010-2013 Transportation Improvement Program**

Ms. Edwards stated there are twelve amendments included as part of TIP Amendment Number Three to the FY 2010-2013 Transportation Improvement Program.

1. MoDOT and the City of Battlefield are requesting the addition of a project to resurface FF Highway from Weaver Road to Haseltine Road in the amount of $251,000.
2. MoDOT is requesting to add a project to construct ADA improvements at the Kearney and Summit intersection in the amount of $2,000.
3. MoDOT is requesting to add a project to make rail crossing safety improvements at the Kissick Avenue BNSF Crossing in the amount of $3,000.
4. MoDOT is requesting to add a design project in the amount of $50,000 to relocate Eastgate Avenue on Chestnut Expressway.
5. MoDOT is requesting $40,000 to scope and design the rehabilitation of the Route 160 bridge over 1-44. Mr. Miller stated that the bridge decking is not good and MoDOT is looking at probably having to replace that bridge. There are a lot of bridges in Springfield that were built in late sixty’s – early seventies that need rehabilitation and it is going to start hitting all at once. Ms. Edwards stated that the OTO will have to start spending a lot of funds on bridges.
6. MoDOT is requesting to add $70,000 for right-of-way acquisition to the US 60 (James River Freeway) and US 160 (Campbell) interchange scoping project.
7. The City of Battlefield is requesting to add a project to conduct an Access Management Study on M Highway in the amount of $20,000. This was approved several years ago but it was not carried over into the TIP.
8. The City of Battlefield is requesting to program STP-Urban funds for the construction of 700 linear feet of new sidewalk along Elm Street from Cloverdale Lane west to Tower Drive.
9. The City of Springfield is requesting to reduce the total project costs of the Walnut Street Phase III Streetscape project.
10. The City of Springfield is requesting to reduce the total project costs of the Boonville Phase IV Streetscape project.
11. The City of Springfield is requesting to reduce the total project costs of the Wilhoit Plaza Streetscape project.
12. The City of Springfield is requesting to add an enhancement project for Park Central East and West in the amount of $322,000.

Mr. Finnie made the motion to approve TIP Amendment Number Three to the FY 2010-2013 TIP. Ms. Officer seconded and the motion carried unanimously.

1. **MoDOT’s Transportation Investment Scenario**

Mr. Conklin stated that MoDOT is currently developing scenarios outlining what could be accomplished with additional state transportation investment. MoDOT’s scenario assumed $7.53 billion in funding with a ten-year planning horizon. The proposed scenario is equivalent to a one-percent statewide transportation sales tax which equates to approximately $289 million available to the OTO area for additional transportation projects. The description of this scenario as well as a preliminary project list is attached.

One year ago, the OTO Technical Planning Committee and Board of Directors adopted the OTO Priority Projects of Regional Significance list. OTO staff along with MoDOT District 8 staff developed the attached spreadsheet based on the OTO Priority Project list. MoDOT will provide additional projects for the Taking Care of the System (TCOS) and the Safety categories.

The following categories and funding levels have been supplied to OTO for project selection: Flexible Funds - $59 Million; Major Projects & Emerging needs - $190 Million; Other Modes - $40 Million, for a total of $289 Million.

OTO will present this spreadsheet to MoDOT as the official proposal of projects that would be accomplished with additional transportation investment in the OTO area.

The list was modified since the Technical Planning Committee recommendations. Some of the parameters were unclear when the list was developed. The newly clarified parameters include:

1. The funding levels were already inflated to future dollar values which necessitate the need to inflate the project costs as well.
2. All future projects not just those in addition to those already planned must be included in the submitted project list.

Staff found that projects also needed to be included that were already funded in the STIP and that included the Sound Walls on US 65 and the Operations and Maintenance budget for MoDOT’s portion of the Traffic Management Center for the ten year period were added. It is around $100,000 a year to fund the TMC. The MO 14, U.S. 160 and Rt. CC projects were all reduced in order to meet the funding targets.

The Technical Planning Committee did recommend the project list be approved with the caveat that the ten year scenario would include the flexibility for emerging needs in later years. There was a lot of discussion with regard to a specific set list for a ten year time period and what happens in year six or seven if there is a need out there that was not identified. That was a concern for the Technical Committee as well as other funding for other modes including transit operating systems. Originally, transit capital projects were shown and staff used the TIP and showed the City Utilities Transit projects being funded with that additional investment. There is a revised spread sheet and under transit, the capital projects were taken out, it was termed transit, and it is called “annual programs to sustain the transit system in the OTO area.” Staff is trying to provide the flexibility if City Utilities transit or another transit provider, or even if the OTO decided that expansion or a regional transit system should be implemented, than there would still be flexibility.

The final concern that the Technical Planning Committee wanted to make the Board aware of is that is that I-44 should be considered along with other improvements to I-70. In this investment scenario, the focus is on I-70 and the dedicated truck lanes. The Technical Committee had concerns that to wait ten years to do anything on I-44 is too long and that MoDOT should look at I-44 along with I-70.

Staff is requesting that a Board of Directors member make a motion to reaffirm that the projects that are submitted to MoDOT in Jefferson City will come off the OTO Priority Projects of Regional Significance along with the caveat that the ten year scenario will have flexibility in later years, and that it would include transit operating assistance with I-44 along with I-70. Staff will be attending a meeting in Jefferson City next week to share with the other MPOs and RPCs projects that are the priority projects for this region as well as the other regions in the state of Missouri. Staff would like to present these priority projects.

Mr. Finnie stated he would not vote for it. He agreed with the project list but thought the caveat had no force. A ten year plan for these types of transportation projects is irrational. The OTO would be locked into a campaign a year from now with MoDOT stating that these are the projects that are being committed to. The needs ten years from now are not all known. If the area is fortunate and takes a dramatic new approach to transit in this community, transit should be substituted for one of these projects. Trying to look ten years into the future, and say that these are the only projects the OTO is going to commit to, the caveat means nothing. It is going to put the area in a box, MoDOT needs to be aware that of this. He agreed with the concern on I-44. Ten years from now I-44 is going to be as bad as I-70 is now and MoDOT is doing nothing about that. The whole campaign is going to be based on this issue. He wanted to see it be a three to five year commitment. He agreed with the funding, but thought philosophically it is a bad direction to go in.

Mr. Bengsch stated that he agreed with Mr. Finnie 100 percent. It is disturbing that the Department of Economic Development brags at the statewide level that Southwest Missouri is an economic engine for this state, but when it comes to transportation, the I-70 corridor gets attention. It is not just transportation, it is everything. He thought Mr. Finnie was right on target and stated it was time to stand up and shout loudly.

Mr. Grubaugh stated that on the second page, it talks about reducing funding on 14/160/CC and wanted further clarification.

Mr. Conklin stated that once the project costs were inflated, the OTO priority list of regional significance cost more than $300 million to deliver. The projects had to be phased or scaled back in order to fit them into that funding level. Staff looked at the projects and instead of listing out specific projects for CC and 14, they put “various capacity improvements” on 14 and CC in order to allow flexibility. Originally, the OTO funded all the projects showing how they fit into the $300 million, but it did not work with inflation. Mr. Thornsberry shared his concern in regard to inflation, that it is projected to be around 3 percent per year. Just six to eight years ago, staff looked at the cost of the construction index and engineer and use record, materials were just going sky high, much more above three percent, so there is that concern that inflation could go up. The three percent inflation may not be conservative enough.

Mr. Grubaugh stated that he doubted he was being conservative enough. He stated he was new to the OTO Board and wanted to make sure he had understood it correctly. Ms. Stainback asked if there was an option for a shorter time frame.

Mr. Conklin stated that whatever message the Board would like for him to carry up to Jefferson City would be relayed.

Mr. Finnie stated that the message that the Board should send is that a time frame in order to get a tax increase through is based on some very scary assumptions. If they do not meet all those assumptions additional tax increases would not be possible. A five year perspective gives everyone at least a chance of dealing with inflation and dealing with changes in priorities. It is reasonable and it gives everyone in the State a chance to be successful. He was in favor of a tax increase but concerned.

Mr. Fisk stated that when he read this he thought of the fifteen year plan. No one has forgotten and within twelve or fourteen months everyone knew that was a disaster. He agreed that a ten year plan would be bad.

Mr. Finnie made a motion to encourage MoDOT to look at a five year period for a tax increase and what could be promised in that five year period. He stated that inflation could be predicted better and priorities met better. Mr. Fisk seconded the motion.

Mr. Conklin asked if they could add in there that the projects could come from the OTO priority projects. Mr. Finnie stated that there was no problem with the projects. The projects would have to be refined a little for the scope, for example instead of ten miles, say five miles on 14.

Mr. Grubaugh stated that his concern would be a bridge to get started. Most bridge projects have to save up money; it is the only way to fund them. MoDOT had lost their credibility in the fifteen year plan and it has cost them to this day. Ms. Edwards asked if that meant OTO would decline to submit a list whatsoever. Mr. Coonrod stated that Mr. Conklin had a handle on that. Mr. Smith asked if I-44 was going to be added into the motion.

Mr. Finnie stated I-44 would be added to the motion. The motion carried unanimously.

1. **On-System Bridge Replacement and Rehabilitation Program (BRM)**

Mr. Conklin stated that OTO is allocated On-System Bridge Rehabilitation and Replacement Program (BRM) funds and has a $1,051,368.05 BRM balance. OTO is allowed to have a three year running maximum balance of $755,244 or the excess funds will revert to MoDOT to be spent in the OTO area.

OTO staff is requesting a bridge project be added to the 2011-2014 TIP. The BRM funds require a 20 percent match and the project will need to be obligated prior to September 30, 2010. On-System Bridge funding is available for use on roads that are functionally classified as urban collectors, rural major collectors, and arterials. MoDOT has identified several bridges in the OTO area that can be programmed in the FY 2011-2014 OTO Transportation Improvement Program. This funding is available to local jurisdictions. It is similar to STP Urban money, but it is around $250,000 a year. Bridges are typically more than that. Staff has talked about having an application process for local jurisdictions to apply and compete for these funds. The Technical Committee did recommend that the OTO utilize the current funds that have accumulated for the last few years and place them on MoDOT bridge projects and also approve an application process for the 2011 funding. As Mr. Miller mentioned there are bridges in need of repair, so this would help accelerate those bridge projects.

Mr. Finnie made the motion to allocate the on-system bridge replacement and rehabilitation program funds to MoDOT and accept applications for FY 2011 funds. He also made the comment that the BRM is a nice program. Mr. Fisk seconded and the motion carried unanimously.

Mr. Miller stated that the funds would be put on the Farmers Branch Bridge in Ozark.

1. Dunton Associates CPA letter regarding Governmental Classification

Mr. Conklin stated that the OTO recently hired a CPA firm, Dunton and Associates, to review OTO’s status with the IRS. OTO has been operating under the assumed governmental entity status since April 2008.

Governmental entities must satisfy two tests to be exempt from income taxes, the “essential governmental function” and the “accrual test.” Dutton and Associates has provided the opinion that OTO has met these two tests.

OTO is not able to obtain an official IRS status in their database due to how the organization was coded in 2008 on the SS4 form. The IRS stated they are unable to change their database without a private letter ruling.

Dutton and Associates has also informed OTO of the option to receive a private letter ruling to ensure IRS’s agreement with this claim or position, however; this is not a requirement to operate as a governmental entity. A private letter ruling would approximately cost OTO $5,000 to $15,000.

OTO employment taxes with the State of Missouri are currently coded as government and OTO has received a tax exempt letter for purchasing. The OTO is recommending that it should continue to operate as a governmental entity until there is a need to revisit OTO’s tax status based on any future operations that may add or change this organization. Unless a Board Member feels that staff should go on and get a private letter ruling, the OTO will continue operating as a governmental entity.

1. Quarterly Financial Report

Ms. Officer stated that this is the six month financial report. In the bank, OTO has a little over $70,000. If comparing the revenue and expenses to the OTO budget, revenues are almost at 60 percent, which is right in line with the six month financials. The local match is at 92 percent. She thanked the local jurisdictions for sending in the local dues funds early. Total expenses are $207,000, which is 35 percent of the OTO budget at six months and with net income, it is $132,000, which is way ahead of budget.

Mr. Grubaugh made the motion to accept the OTO Second Quarter Financial Report. Mr. Finnie seconded and the motion carried unanimously.

1. **Public Comments**

None

1. **Other Business**
2. **Board of Directors Member Announcements**

Mr. Coonrod stated that of all the things that Senator Kit Bond has done for southwest Missouri, it would be a nice gesture on the part of OTO to present him with something. Missouri is no longer a donor state, it is one thing that comes to mind, and he has done a lot more things than that. There is some time to think about it.

1. **Transportation Issues For Board of Directors Member Review**

Mr. Conklin thanked Ms. Stainback for her service to the OTO.

1. **Adjournment**

Mr. Coonrod adjourned the meeting at 1:03 p.m.

**Approved by Board of Directors on April 15, 2010**

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*Mr. J. Howard Fisk*

*Board of Directors Secretary*