

## FINANCE AND PROGRAMMING COMMITTEE MINUTES

May 6, 2009

Transportation Building, Raleigh, North Carolina

Vice-Chairman Perkins called the committee meeting to order at 3:30 p.m. Upon a motion by Board member Burrell, seconded by Board member White, the April 1, 2009 minutes were approved as presented. Board members Burrell, Collier, Cowell, Dennis, Dunn, Galyon, Kindley, Lakey, McRae, Perkins, Szlosberg, Tulloss, White, and Wilson were present. Board member Blount was absent.

Board member Cowell introduced Mayor John Woods with the Town of Davidson for a special presentation. Mayor Woods, on behalf of the Metropolitan Transit Commission, presented the members of the Board of Transportation with a proclamation expressing appreciation for their vision, leadership, and partnership in making public transportation a viable option in the lives of Mecklenburg County citizens, creating sustainable communities and improving the environment. Chairman Galyon accepted the proclamation on behalf of the Board.

Jim Trogdon, Chief Operating Officer, started his remarks by welcoming everyone to the meeting.

Mr. Trogdon thanked the Charlotte-Mecklenburg area mayors for their partnership and the board members for their hard work.

Mr. Trogdon announced that the board members had received the NCDOT's 2008-2009 Quarterly Performance report. This report highlights the department's performance through March 31, 2009. It provides an overview of new transportation reform/approval framework. The department has met 76 percent of its targets to date. Mr. Trogdon thanked the Governance Office for their work to prepare the report.

Mr. Trogdon reminded everyone that the Finance and Programming Committee meetings and Thursday board meetings are now being video conferenced over the Web. Windows Media is required to view the meeting. The link is <http://wms.its.state.nc.us/dotlive>. Board secretary Tammy Denning has copies of a memo that details this new service or you can contact Jan Bryant in the Governance Office for additional information.

Mr. Trogdon noted that economic recovery continued to be a major focus of the department over the past month. Last week, Secretary Conti awarded contracts for nine additional recovery highway and bridge projects totaling almost \$50 million. Work on most of these projects will begin early to mid-June. The bids received on economic recovery projects let to contract in April came in more than 17 percent, or about \$10.2 million, below the department's estimate. The

department continues to pursue discretionary grant funding for the Southeast High Speed Rail Corridor and Yadkin River bridge replacement.

On April 7, the department partnered with the State Highway Patrol to increase work zone safety awareness through *Operation Drive Smart 2009*.

During the past month, Secretary Conti traveled around the state for different events:

- April 8 - he traveled to Greensboro to speak with the Piedmont Authority for Regional Transportation (PART). He also met with local media and employees.
- April 15 - he participated in the Clean Fuel Advanced Technology Ride n' Drive event at the N.C. Solar Center at N.C. State.
- April 20 - he participated in two panels: one at N.C. Site Selectors Invitational in Pinehurst and one at Smart Growth Summit in RTP.
- April 23 and 24 - he traveled to Charlotte to speak to the Charlotte Chapter of Women in Transportation Seminar. He also went to Davidson to meet with the Lake Norman Transportation Commission.
- April 27 – the Secretary joined Board Chairman Doug Galyon and Board member Nancy Dunn in Greensboro and High Point. They participated in the economic recovery summit at Guilford Technical Community College. They also visited the J. Douglas Galyon Depot, Piedmont Triad International Airport, High Point City Hall, Mendenhall Terminal and High Point Train Depot.
- April 28 – the Secretary joined Board member Nancy Dunn in Winston-Salem to meet with local employees. He spoke at a combined meeting of the Transportation Committee for Council of Government Affairs of the Winston-Salem Chamber of Commerce and the Winston-Salem Alliance. He met with the president of Winston-Salem Arts Center and a local architect about design of bridge replacements on Business 40. He spoke to the Winston-Salem Rotary Club. He attended an ARRA Workshop with Governor Perdue at Winston-Salem State University.

On behalf of the Secretary, Mr. Trogdon participated in the Charlotte Legislative Summit in Raleigh.

Mr. Trogdon announced that Governor Perdue instituted a flexible furlough program. In exchange for a half percent reduction in pay over the remainder of the fiscal year, employees will get 10 hours of flexible leave to take between June 1 and December 31. The willingness and cooperation of employees will be appreciated as we face a difficult budget situation.

Mr. Trogdon thanked all the employees who participated in this year's Continuous Process Improvement Program (CPI). CPI encourages individuals and teams of employees to develop and improve processes, practices and approaches to help the department complete its mission. Over the past 11 years, hundreds of projects have been submitted to help save money, reduce cycle time, promote better communications, conserve energy and the environment, and allow the department to operate more safely. Each year the Most Outstanding Project Award is given to the project judged to be the best submitted during that year. Award presentations are normally provided during the CIP conference, but due to budgetary constraints, this year's event was cancelled.

This year, two projects served as co-winners of the award.

- Asphalt Surface Treatment Patching (AST) was submitted by Division 11. This project found that many years of using their AST patching process has extended pavement life by three to five years. The need for patching has decreased by 30 percent and the number of claims for damage to vehicles from loose stone was reduced by 80 percent.
- The co-winning project was the Pre-Trip Inspection Guidebook submitted by Division 14. This project developed a PowerPoint slide show and fully illustrated guidebook for its fleet safety classes. Following the introduction of these materials, exam scores of participants improved from 72.5 percent to 84.2 percent. Also, the number of equipment accidents went from an average of 9.6 to 5.3 per month.

Mr. Trogdon congratulated Divisions 11 and 14 on their research and accomplishments. He asked Chief Engineer Jon Nance to come forward to accept this award on behalf of Divisions 11 and 14.

Mr. Trogdon also presented the NCDOT Leadership & Management Development Association's (LMDA) Manager of the Year Award. LMDA presents this annual award to recognize an individual whose accomplishments and superior work performance represent the best application of management principles. This year, LMDA is honoring three extraordinary NCDOT employees. The finalists are Debbie Barbour, Director of Preconstruction; Wally Bowman, Division 5 Engineer; and Michael Shumsky, Acting Director of General Services.

This year's finalists were nominated by their employees and peers based on their demonstration of exemplary leadership and management skills. Based on the votes and approval of the Executive Board, Debbie Barbour was selected as the NCDOT 2009 LMDA Manager of the Year.

David Knight, Assistant Secretary for Natural Resources with the Department of Environment and Natural Resources, along with Bill Gilmore, presented the draft EEP Biennial budget. The budget will be tabled for one month and brought back to the Board for approval next month.

Mark Foster, Chief Financial Officer, provided a financial update.

The May 7, 2009 board agenda was reviewed.

Vice-Chairman Perkins called for committee reports.

Board member Burrell reminded the board members that the Audit and Contract Review Committee would present the Policies and Procedures for Major Professional or Specialized Services Contracts on Thursday for approval. This information was presented last month at the Finance and Programming Committee meeting for information only.

The Audit and Contract Review Committee also presented the Public Private Partnerships Draft Policy and Procedures to the Board for review. The committee will ask for approval at the June board meeting.

Vice-Chairman Perkins made the following announcements:

- The Aviation Subcommittee will meet tomorrow morning at 9:00.
- The first meeting of the Transit Subcommittee will meet at 9:00 a.m. in the EIC.
- The Road Naming Committee will not meet at 10:30 a.m.
- The Rail Subcommittee will meet at 10:00 a.m. in room 160.
- The Toll Roads Subcommittee will meet in Room 150 at 10:00 a.m.

The meeting was adjourned at 4:50 p.m.

Minutes prepared by Sarah Mitchell.