REGIONAL TRANSPORTATION COUNCIL
10:00 A.M. NOVEMBER 25, 2008

LOUISVILLE MARRIOT EAST
1903 EMBASSY BLVD
LOUISVILLE, KY 40299

AGENDA

1. Call to Order
2. Review and approve minutes from September 24, 2008 (See Attached)
3. Open for public comments
4. County Transportation Updates in the KIPDA ADD region
5. Kentuckians for Better Transportation Update
6. Power Point Presentation on Pavement Preservation Program
   Jon Wilcoxson, Kentucky Transportation Cabinet Division of Maintenance
7. In other business-Overview of Fiscal Year 2009 Prioritization Process
   Next Regional Transportation Council Meeting January 22, 2009
8. Adjournment

Auxiliary aids/services are available when requested 3 business days in advance.
CALL TO ORDER

Due to the absence of Judge Rob Rothenburger, Council Chairman; Vice Chairman Judge John Logan Brent called the meeting to order at 1:00 pm.

REVIEW AND APPROVAL OF MINUTES FROM JUNE 26, 2008

Judge Randy Stevens made a motion to approve the minutes from June 26, 2008. Mayor Tom Hardesty seconded the motion, and it carried with a unanimous voice vote.

PUBLIC COMMENTS

There were no public comments.

COUNTY TRANSPORTATION UPDATES IN THE KIPDA ADD REGION

Mr. Carl Henry stated that the Shelbyville bypass project is progressing well, and Burks Branch Road has been re-opened. The Hi-Point sidewalk project has been given a completion deadline of November 15, and he thanked Mr. Embry for helping with that project. Mr. Henry also asked the Council for advice on the availability and price of salt. Mr. Embry will collect some information on salt and will have the data at the next meeting.

Judge Randy Stevens stated that in Trimble County, the Smith Road project is nearing completion and will encompass the east and south side of the new Milton Elementary School. The project will involve a road widening from 10 feet of driving surface to approximately 24 feet. Judge Stevens also stated that Trimble County’s new Road Foreman is Tony Rowlett. A public advisory group has also been formed to communicate with Wilbur Smith and Associates on the Milton Madison Bridge project. This group will help keep the character of the community in mind when designing the bridge. In a minimum of two years, and a maximum of 3 years, they will know where the bridge will be placed and what it will look like.

KENTUCKIANS FOR BETTER TRANSPORTATION UPDATE

Mr. Randall Embry stated that according to the KBT Update dated September 5, 2008, USDOT Secretary Mary E. Peters directed the Federal Highway Administration to take immediate steps to protect the solvency of the highway account of the Highway Trust Fund and called on Congress to act quickly to finally address a long-predicted problem. Rep. Jon Mica of Florida, the ranking Republican on the House Transportation and Infrastructure Committee, is trying to persuade Sen. John McCain to support his proposal for a $1.5 trillion surface transportation bill that would be funded one-third with federal revenue, one-third through public-private partnerships and one-third bonds, according to Congressional Quarterly.

Later this month, the Pennsylvania legislature is expected to vote on Governor Ed Rendell’s proposal to give a 75 year lease of the Pennsylvania Turnpike to a private operator for $12.8 billion.

After a year of study and evaluation, a committee established by the North Carolina legislature last year is set to make recommendations to begin to deal with the state’s $64 billion transportation infrastructure challenge.

Mr. Embry also stated that according to the KBT Update dated September 12, 2008, the sixth attempt in the Senate to meet the shortfall in the Highway Account of the Highway Trust Fund was
successful. The Senate, Wednesday night, by voice vote approved the transfer of $8.017 billion from the General Fund to the Highway Trust Fund, restoring the amount transferred to the General Fund in a 1998 budget deal. The October 1 effective date of the bill was amended to September 10 allowing funds to be used in FY 08 to avoid work stoppage in a number of states.

Thanks to the partial index of the motor fuels user fee, Road Fund revenue in FY 08 came in at $1,262.8 million, an increase of 3 percent over FY 07, and slightly over the $1,261.9 million budgeted in the 2006 session. Tammy S. Branham has been named executive director of KYTC’s Office of Budget and Fiscal Management. Also, The Alliance for Improving America’s Infrastructure has called on Senators Barack Obama and John McCain and Members of Congress to support a new economic stimulus package to provide funding for the country’s crumbling highways, bridges and transportation systems. The Alliance, sponsored by the National Association of Manufacturers, says potentially some 750,000 jobs could be created throughout the country within 90 days.

REGIONAL MOBILITY COUNCIL UPDATE

Stacey Burton gave an overview and update on the Regional Mobility Council. Mrs. Burton spoke to the Regional Transportation Council members about the members that served on the Regional Mobility Council.

Mr. Beecher Hudson also spoke to the Council regarding members joining the already formed Regional Mobility Council to assess the needs of the individuals residing in Trimble, Henry, Spencer, and Shelby counties.

Mr. Embry will be sending out a memo to local elected officials regarding the next meeting of the Regional Mobility Council on October 20, 2008 at 3:00 pm at TARC.

OTHER BUSINESS

Mr. Embry asked the council to review and approve the Regional Transportation Council Bylaws and the regional goals and objectives of the council. Judge Randy Stevens made a motion to approve the bylaws and goals and objectives. Rusty Newton seconded the motion, and it carried with a unanimous voice vote.

The next Regional Transportation Council meeting will be held on November 25, 2008 at the Louisville Marriott East at 10:00 a.m.

ADJOURNMENT

With there being no further business, Mayor Tom Hardesty made a motion to adjourn the meeting. Judge Randy Stevens seconded the motion and it carried with a unanimous voice vote.

MEMBERS ATTENDING

Honorable John Logan Brent
Honorable Randy Stevens
Rusty Newton
Tom Hardesty
Carl Henry
Ryan Libke

REPRESENTING

Henry County Judge/Executive
Trimble County Judge/Executive
Bagdad Fire Department
Mayor of Shelbyville
Shelby Co Road Supervisor
Triple S Planning Commission
OTHERS ATTENDING
Tom Hall       KYTC District 5
Michael Malham       LTADD
Bob Miller       City of Jeffersonville
Michael Firkins       Triple S. Planning Commission
Beecher Hudson       Louisville Wheels
Jack Scriber       KIPDA, Executive Director
Stacey Burton       KIPDA
Harold Tull       KIPDA
Randall Embry       KIPDA
Toni Martin       KIPDA
AASHTO Calls for Major Reforms, More Adequate Funding

The American Association of State Highway and Transportation Officials has called for major reforms and increased federal funding for the nation’s transportation programs as Congress considers authorization legislation. The current surface legislation expires September 30, 2009.

AASHTO’s comprehensive package of recommendations urges that the federal program go "back to basics" by focusing on areas of national interest – preservation and renewal, interstate commerce, safety, congestion, system reliability, and enhanced environment and quality of life.

Increased federal funding would be coupled with national performance standards established to achieve the national goals. States would self-define targets that would deliver accountability for the investment of federal funds.

Among the goals called for in AASHTO's new transportation agenda are:

- Increasing funding for congestion relief projects and metro areas;
- Improving highway connections and transit access for rural America;
- Doubling transit ridership to 20 billion by 2030, and 50 billion by 2050;
- Trimming 6-12 months from project delivery time by expanding state environmental responsibilities and integrating planning;
- Dedicating federal funding for a fast and reliable intercity passenger rail network;
- Reducing highway traffic fatalities by half in two decades; and
- Moving as swiftly as practical from current funding methods to a distance-based user fee.

Reform proposals

The AASHTO recommendations call for:

- Streamlining of the current number of federal programs and concentrating 90 percent of federal dollars on "core programs" distributed to the states.
- The match for the Interstate program should be 90% federal for all system capacity as well as preservation purposes; the match for the NHS should be increased to 85%. (The current match is 90% for IM, 80% for NHS.)
- Special consideration should be given to important but costly projects that have regional or national benefits to ensure that projects of this type can be funded.
- Continue funding programs for the non-NHS Federal-aid highways, bridges, and Federal Lands.
- Allow commercialization of rest areas on the Interstate System, and expand the flexibility allowed for tolling on the Interstate System.
- Capping earmarks at no more than five percent of the federal program.
- Creating a new "operations" program to fund low-cost, rapid deployment projects to reduce delay and improve reliability of the system.
• Providing dedicated federal funding for a national intercity passenger rail system including high speed rail corridors, regional corridors, and long distance service.
• Maintaining at least the historic federal share (45 percent) of total capital investment in the highway and transit portions of the national surface transportation system.

$545 Billion Six-Year Multi-modal Program Needed
Emphasizing the need to employ every kind of transportation to meet future demands, AASHTO calls for an overall $545 billion investment for six years, 2010 through 2015, for highways, transit, freight movement, and intercity passenger rail. The five-year, SAFETEA-LU legislation provided $286.4 billion in guaranteed funding for federal surface transportation programs. AASHTO’s new proposal includes:
• $375 billion for highways, ramping to $75 billion by 2015. (Current five-year program totals $199.5 billion -- $39.9 billion annual average.)
• $93 billion for transit, ramping to $18.5 billion by 2015. (Current five-year program totals $52.6 billion.)
• $42 billion for freight improvements (from sources outside the Highway Trust Fund), and
• $35 billion dedicated funding for intercity passenger rail.

The proposal identifies a number of possible funding options for consideration by Congress including:
• Indexing existing and new Highway Trust Fund sources of revenue beginning in 2010
• Increasing the gas tax by 10 cents and diesel tax by 13 cents per gallon
• Adjusting the tax rate on alternative fuels proportionate to increases in gas and diesel taxes
• Issuing tax credit bonds to fund surface transportation programs
• Reinstating collection of interest on Highway Trust Fund balances
• Increasing General Fund transfers for transit, and providing General Fund support for intercity passenger rail and highways
• Allocating portions of any carbon tax or cap-and-trade auction proceeds that is reflective of transportation’s impact on greenhouse gas emissions
• Dedicating a share of customs revenues for transportation purposes
• Enacting a bill-of-lading charge for all highway and rail freight, to be dedicated for freight infrastructure improvements
• Enacting container fees in support of freight needs
• Creating a dedicated source of revenue outside the Highway Trust Fund to support a freight program including investments in national and regional corridors
• Creating a dedicated revenue source for intercity passenger rail
• Enacting fees based on annual highway miles traveled

The policy positions approved by the AASHTO Board of Directors are available online at http://www.transportation.org/?siteid=98.

House Continues Push for Stimulus that Would Include Infrastructure
House Democrats are actively pursuing enactment of another stimulus package that will include investment in infrastructure. Some observers think the action could be taken after the election next month.
Yesterday, House Speaker Nancy Pelosi said she had spoken with President Bush, “and we agreed to strive to find bipartisan agreement on an economic recovery package. Now we must find what is both fiscally responsible and politically possible, and the House-passed legislation is a strong starting point, which the Senate could pass next month and send to the President.”

Pelosi’s reference was to HR 7110, a $60.7 billion bill passed by the House in September that included $12.8 billion for highways and bridges, $4.6 billion for transit, $500 million for Amtrak and $600 million for the Airport Improvement Program.

Kentucky’s estimated transportation and “infrastructure” share of the House bill totals $316.6 million including highways, $199.4 million; transit capital, $26.2 million; transit energy, $9.2 million; and wastewater programs, $81.7 million.

Prior to the House passing its bill, the Senate fell eight votes short of proceeding to consideration of its version of a $56.2 billion economic stimulus bill that would have provided $10.75 billion for transportation infrastructure. In addition to funds for transportation, the stimulus bills would have extended unemployment benefits, increased funding for food stamps, and provided funding for states’ Medicaid costs and local sewer system improvements. [http://www.kbttnet.org/uploads/TransportationNews2008_10_07.doc](http://www.kbttnet.org/uploads/TransportationNews2008_10_07.doc).

Earlier this month, Pelosi asked the chairs of relevant committees to schedule hearings on “a fiscally responsible recovery package to get our economy moving again.” The House Transportation and Infrastructure Committee will have a hearing tomorrow billed as “Investing in Infrastructure: The Road to Recovery.” Last week, Federal Reserve Chairman Ben Bernanke testified before the House Budget committee, giving his support for economic recovery legislation.

In her statement yesterday, Pelosi noted that conditions have worsened both in the U.S. and in the global economy since the House passed its economic recovery plan in September. Referring to a conference call House Democratic leaders held earlier in the day with economists, Pelosi said, “Leading economists told us again today that we must pass an economic recovery package soon to give another boost to the economy, create jobs, and lessen the length and severity of a recession. If we don’t, the economy will only get worse.”

An AASHTO survey earlier this year identified more than 3,000 highway projects totaling approximately $18 billion that could be out to bid and under contract within 30-90 days from enactment of federal economic stimulus legislation. KYTC indicated in the survey it could put $200 million to work immediately.

**Kentucky Unemployment 9th Highest in Nation**

Kentucky’s seasonally adjusted preliminary unemployment rate for September rose to 7.1 percent from 6.8 percent in August. Nationally, nonfarm payroll employment declined by 159,000 in September, the highest level in over five years, and the ninth consecutive month of declines, as job losses mounted in the weakening economy. Nationally, employment continued to fall in construction, manufacturing, retail trade, and tourism.

The latest state statistics show Kentucky’s unemployment rate of 7.1 percent, the 9th highest in the nation, up from the 11th place in August. The 10 states with the highest unemployment rates were:
Mark your calendar and save the date!

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Vision, Opportunity, Transportation

Wednesday - Friday, January 21-23, 2009 -- Capital Plaza Hotel
and Frankfort Convention Center
Key sponsorships are available for this high-profile event
Stimulus of at Least $60 Billion with Infrastructure Appears Certain

A stimulus package that will include major funding for infrastructure appears to be a certainty. The only question is when and exactly how much. President-Elect Obama and House Speaker Nancy Pelosi, on Friday, in response to the October jobs report, both called for a quick enactment of a stimulus bill to create jobs.

The Department of Labor’s employment report for October shows a loss of another 240,000 jobs, bringing the total number of jobs lost this year to 1.2 million, and a 14-year high jobless rate of 6.5 percent.

Speaking at a late afternoon news conference on Friday, Obama stressed the importance of a stimulus package that would create jobs. In response to a question about the difficulty of getting a House-proposed stimulus package through the lame-duck session, Obama said, “I want to see a stimulus package sooner rather than later. If it does not get done in the lame duck session, it will be the first thing I get done when I’m President of the United States.”

Pelosi said, “Today's announcement that America has lost more than 1 million jobs this year underscores what working families already know: the Congress and the Bush Administration must take swift action to boost the economy, create jobs and help struggling Americans.

“The House has already passed strong economic recovery and job creation legislation in September. Today’s economic news should send a clear signal to Republicans in the Senate and to President Bush that they must join us in an effort leading economists agree is critical.”

Pelosi’s reference was to HR 7110, a $60.7 billion bill passed by the House in September that included $12.8 billion for highways and bridges, $4.6 billion for transit, $500 million for Amtrak and $600 million for the Airport Improvement Program. A significantly larger infrastructure package is being pushed by House Transportation and Infrastructure Committee Chairman James Oberstar (D-MN) and a number of other leaders.

The U. S. Conference of Mayors has called for a plan that would include $89.98 billion for infrastructure spending, including $32 billion for highways, $9 billion for transit, and $1.5 billion for airports (AIP).

Kentucky’s estimated transportation and “infrastructure” share of the House bill totals $316.6 million including highways, $199.4 million; transit capital, $26.2 million; transit energy, $9.2 million; and wastewater programs, $81.7 million.

If the mayors’ highway infrastructure request of $32 billion were enacted and apportioned based on Kentucky’s normal share for all categories (assuming apportionment of all funds -- rather than some earmarks), Kentucky’s apportionment would be some $551 million. Using the STP apportionment factor requested in the mayors’ plan, Kentucky would receive some $510 million.
Kentucky Ready to Put Funds to Work

KYTC State Highway Engineer Mike Hancock told KBT, “The Cabinet does not expect to be in danger of turning back any stimulus money that might be dedicated to our portion of the nation’s highway system.” He said the “Cabinet is preparing a number of eligible projects (bridges, reconstruction, and major improvements) for federal funding within a Congressionally-authorized stimulus program. We should be able to accommodate up to $500 million of stimulus money using projects that are already on the shelf and projects scheduled to be let by next July.”

Oberstar Says Committee Readying Infrastructure Stimulus

On Wednesday before the election, the House Transportation and Infrastructure Committee held a hearing billed as “Investing in Infrastructure: the Road to Recovery.” During the four and one-half hour session, officials from industries and associations representing highways, bridges, public transportation, rail, aviation, ports, waterways, and wastewater treatment facilities testified about how infrastructure investment contributes to job creation and economic recovery.

Committee Chairman Oberstar, at the conclusion of the hearing, said, “We’re going to now fashion these recommendations into a larger legislative initiative, and we’ll have it ready for the House to consider when we convene Nov. 17th, after the election.”

Louisville Mayor Jerry Abramson presented the U. S. Conference of Mayors’ “Main Street Stimulus Plan” to the committee. Said Abramson, “Everyone . . . clearly understands the nation’s economic crisis that our country is going through. I can tell you on main street and in the cities and counties throughout this country we are feeling it and feeling it directly. The unemployment rate is rising . . . . Families in our hometowns are losing their savings, retirement nest eggs are being literally evaporated -- they’re losing homes, sales are down, businesses are going through difficulties they haven't gone through in a generation.

“We are not asking for a bailout, we are not asking for a rescue, but we're asking for an investment that immediately will create real jobs, and I emphasize that immediately will create real jobs. . . . The metropolitan communities . . . are truly the economic engines of this country. And if we're going to move this country out into a nationwide recovery, I would submit to you the economic engines are going to have to lead the way. . . . Now more than ever a partnership between Washington and the local communities must be reestablished, and we feel like the mayors' main street stimulus package is the first step in that direction. The mayors' stimulus plan will improve the country's infrastructure that is literally falling apart, will deliver real jobs immediately, and will help small businesses on main street be able to energize and create local jobs themselves.

Abramson said over $250 million in Louisville alone is ready to go in 90 to 120 days. The mayors’ plan calls for $89.98 billion for infrastructure spending, including $32 billion for highways, $9 billion for transit, and $1.5 billion for airports (AIP). The mayors’ plan proposes the Surface Transportation category of spending for highway funding. STP may be used for any activity (project) on any road system above the ”minor collector” functional class. STP typically designates amounts to urbanized areas.

Other parts of the plan call for $1.250 billion for AMTRAK, $18.75 billion water and sewer infrastructure, $7.5 billion to repair and modernize schools, $2.5 billion to repair public housing, $2.48 billion for public safety jobs and technology, $10 billion for community development infrastructure, and $5 billion for energy infrastructure and green jobs.
John D. Porcari, secretary of the Maryland Department of Transportation, testified on behalf of the American Association of State Highway and Transportation Officials, recommending two tiers of stimulus projects including quick turn-around projects such as bridge re-decking and pavement resurfacing for which bids could be awarded within 120 days. A second tier would include funding for more complex, larger projects that are ready to go but may need up to 6 months to award bids and then begin construction.

Porcari also recommended:
• Temporary suspension of the 20 percent state matching requirement on federal highway funds;
• Apportioning funds to states using the obligation authority formula, but applying a “category neutral” approach; and
• Elimination of the $8.5 billion rescission of contract authority required in SAFETEA-LU which is problematic for most states.

The proposed economic stimulus to create jobs through infrastructure spending could help pull Kentucky out of its financial decline. For highway expenditures alone, based on USDOT projections for job creation, $200 million invested in Kentucky’s highways would result in some 5,700 jobs and $500 million would generate more than 14,000 jobs.

The White House continues to maintain funding for infrastructure is not an appropriate response for the unemployment problem.

Projected General Fund Shortfall $300 Million, Road Fund $71 Million
Gov. Steve Beshear, last month, announced internal economic estimates project a revenue shortfall of nearly $294 million in the General Fund in the fiscal year that ends June 30, 2009. That shortfall represents 3.3 percent of expected budget revenues. Revenues for the state Road Fund are projected to be nearly $71 million less than expected, a 5.3 percent shortfall.

“This is a serious shortfall,” Beshear said, “and it will require action. But, considering the extreme volatility of our economy, that action must be neither rushed nor rash. We are going to act decisively, but in a measured and strategic way.”

To that end, Beshear outlined a three-point action plan that his administration will undertake over the next several weeks, including:
• Asking the Consensus Forecasting Group to formalize the revenue projections for the current fiscal year, which ends June 30, 2009.
• After the forecasting group finalizes projections, formulating a plan to address the shortfall, which will include spending cuts and may include revenue measures.
• Meeting with Kentuckians, interest groups and legislators across the state to discuss the depths of the financial problem and his plan to address it.

“Families across Kentucky are making their budgets as lean as possible,” Gov. Beshear said. “They are eating in instead of eating out, lowering the thermostat, combining trips to save fuel and even putting off visits to the doctor.

“In state government, we must do likewise. We must intensify efforts to find cost-efficiencies in state spending,” a hallmark of the Beshear administration since taking office last December.
Those efficiency measures already enacted include an executive branch that is the smallest in 20 years. There are 4,000 fewer full-time executive branch employees than five years ago and almost 2,000 fewer than last December. In fact, Beshear said that, as of last month, his administration had more than 460 fewer non-merit employees than his predecessor.

In addition, most state agencies reduced spending by 3 percent in the last fiscal year and many faced additional cuts this year, including up to 12 percent in initial reductions and an additional 4.5 percent required to meet legislative mandates.

Please return this form to: KENTUCKIANS FOR BETTER TRANSPORTATION, 10332 Bluegrass Pkwy., Louisville, KY 40299 Phone (502)-491-5600 Fax (502)-491-5603 E-mail: jackkbt@msn.com

Kentucky Transportation Conference Registration
January 21-23, 2009 ♦ Capital Plaza Hotel ♦ 405 Wilkinson Blvd., Frankfort, KY

Conference registration limited to first 400 persons.

Name__________________________________________
Company_________________________________________
Address__________________________________________
City____________________State_______Zip____________
Email:___________________________________________
Phone (______)_________________________________
Others attending:__________________________________

Room reservations should be made directly with the Capital Plaza Hotel, 502-227-5100. Mention you are attending the conference to get the $81 single or double rate.
Room cut-off date is Wednesday, 01/05/09.

Registration refundable if requested by Thursday, January 15, 2009

Complete Registration
Non-KBT members, $200 per person _____ x $200=$________
Includes all general sessions, 2 lunches, 2 receptions, dinner, and breaks.

Complete Registration
KBT members, $180 per person _____ x $180=$________
Includes all general sessions, 2 lunches, 2 receptions, dinner, and breaks.

Part Registration:
Spouse reception/dinner_____ x $35=$________

_____ Number VegetarianTOTAL $______

( ) Check enclosed ( ) Bill me
Please make check payable to Kentuckians for Better Transportation