

MGEC Meet and Confer

April 12, 2010

Present: Andrew Eller, Dana Wheeler (co-chair), Eric Davis, John Siekmeier, Julie Skallman, Karin van Dyck (co-chair), Keith Shannon (for Bernie Arseneau), Linda Heath, Marilyn Jordahl Larson, Michael Barnes, Mohammad Dehdashti, Pam Tschida, Peter Buchen, Theresa Johnson, Tim Henkel

Absent: Bernie Arseneau, Jodi Mathiason, Khani Sahebjam, Mary Skarda, Mary Stohr, Sue Brenner, Sue Mulvihill, Tom Sorel

Guests: Ginny Crowson, Nick Thompson, Scott Peterson, Tom Halverson

Agenda Item	Discussion / Information	Action / Information	Responsible Person(s)	Follow-up / Due Date
<p>Partnering for the Future of Transportation (Mn/DOT Plan, TAA Report, ACEC Workshop) - Division Directors</p>	<p>Dana asked how MGEC can partner more effectively with Mn/DOT. He noted that according to TAA information, projects completed in-house are less expensive 1% of the time. Projects contracted out are more economically feasible 99% of the time. MGEC does not believe this to be true. The question was posed, "Is Mn/DOT really staffed at the right level?" Pam noted that Sue Mulvihill had a small group meeting, including Betsy Parker, on TAA. Dana conceded that, at times, it is most efficient to hire outside the agency in order to utilize specific expertise. John asked if there is a ballpark figure Mn/DOT uses when deciding to hire externally or to use internal resources. He added that the new employee additive number doesn't seem reasonable when you count it as a new hire for every project.</p> <p>Dana inquired if the ACEC workshop from March 2010 would be repeated. Michael Barnes stated a survey was put together, interviews were conducted, and the March workshop was implemented. The last workshop of this type was 9 years ago. Michael suggested ACEC workshops could occur every five years (or more often). ACEC conferences could be on an annual basis and plans are currently underway for one to be held next year.</p>	<p>Take information regarding this discussion to Sue Mulvihill for her response.</p>	<p>Pam Tschida</p>	<p>Provide update at next MGEC Meet & Confer in July</p>

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<p>Partnering for the Future of Transportation [continued] - Division Directors</p>	<p>John Siekmeier stated he's been made aware that some employees feel "left out" since this workshop was held to thank consultants for their work. A transportation conference was held in the past and this conference no longer happens. He asked, "Are there any plans to bring this back?" Michael responded there are a number of opportunities aimed at employees, including events in functional areas and annual office events. Ginny Crowson noted that there has been thought given to resurrecting the transportation conference. She added this year's ACEC workshop was meant to be a mix of employees and consultants.</p> <p>Julie suggested the agency "dip deeper" into the employee pool and send staff who don't usually get to attend conferences. Michael asked, "What meetings are being held now and how could they be enhanced for MGEC members?" "What are some issues/difficulties that employees encounter when they want to attend conferences?" Julie noted the agendas and focus of meetings may need to be changed and geared toward different groups of employees. She added that smaller groups are easier to plan for rather than holding one huge conference for thousands of employees.</p>			
<p>Transportation Strategic Management and Operations Advisory Task Force Report (January 23, 2009) - Ginny Crowson</p>	<p>Ginny distributed a copy of a letter, dated February 18, 2010, from Commissioner Sorel to the three creators of the Task Force - Clay Parker, Adam Duininck, and David Olson. The letter described Mn/DOT's progress with the three recommendations made by the Task Force: 1) A better process for continuous quality improvement, including the development of strategic plan objectives and performance management and measurement; 2) Best practices for business operations, which involves continued effort in cost management / cost estimating and using peer reviews; 3) Resource allocation for the construction program. The Task Force didn't feel they had enough time to make more specific recommendations. The final report can be found at: www.dot.state.mn.us/updates/transportationtaskforce.html</p>	<p style="text-align: center;">Information</p>		

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<p>Transportation Strategic Management and Operations Advisory Task Force Report (January 23, 2009) [continued] - Ginny Crowson</p>	<p>Ginny also distributed "Overview: Resource Allocation and Organizational Structure Peer Review" (April 2010). This document explains that Mn/DOT is working with the American Society of Civil Engineers to conduct a peer review in response to recommendations made by the Transportation Strategic Management and Operations Advisory Task Force. Ginny noted the peer review will also look at six different DOTs around the country. Peer review preparations are currently underway. During the week of May 17th, an on-site assessment will be conducted and will involve interviews of key staff and external partners. The emphasis is on the construction side of Mn/DOT (highway programs) but not to the exclusion of the Modal Office. Materials, Traffic, Maintenance, and Bridge Offices will be brought into the interview process. Results from the peer review will be combined with work already being done by Investment Management and the Operations Division.</p>			
<p>Legislative Status and Mn/DOT's position on HF605, HF1531, HF2807, and HF3606 - Scott Peterson</p>	<p>Scott provided summaries on the following House bills: HF605 - Overview: Requires a debt management policy, amends transportation planning requirements, establishes a controller position and requires reporting concerning bridge inspection quality assurance and Mn/DOT's management changes since the I-35W bridge collapse. The House is meeting on this bill April 13th and Senate action is pending.</p> <p>HF1531 - Rights of classified employees and whistleblower protection. Scott stated this bill is not getting much traction. HF2807 - Last year's omnibus bill - Provisions include prohibiting certain acts at rest stops; establishing memorial highways; making changes to traffic regulations at intersections; modifying towing authority; amending Mn/DOT mission and goals; adding requirements concerning driving if you've had DWI (car starter); modifying membership on a commuter rail committee; regulating certain carriers who transport rail passengers; and modifying a loan program for land acquisition. HF3606 - Scott has not followed this bill closely, but knows it's not getting much traction either.</p>	<p style="text-align: center;">Information</p>		

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<p>Budget Update - Tom Halverson</p>	<p>Tom Halverson provided a copy of a PowerPoint presentation related to budget issues (attached). He stated Mn/DOT came out favorably during this legislative session. On March 29th, Governor Pawlenty and the conference committee reached agreement on HF1671; trunk highway fund (state road construction) was increased by \$112M in 2011.</p> <p>\$5M is appropriated to the new emergency relief account; the state hazardous materials carrier registration program was repealed; and the Greater Minnesota Transit general fund appropriation was reduced by \$1.7M in 2011 and by \$0.9M in FY2012 and FY2013.</p> <p><u>Gas Tax - Feb 2010 vs. Nov 2009:</u> Consumption is expected to be stabilized between FY2009-FY2013. Consumer trends point toward the purchase of more fuel efficient vehicles. Revenues remain flat (-0.14%) and reflect tax rate increase. The forecasts for FY2010-2011 and for FY2012-2013 remain unchanged.</p> <p><u>MVST (total revenue performance) - Feb 2010 vs. Nov 2009 - FY2010 up</u> \$23M with 47.5% allocated in HUTD; FY2011 up \$41.3M with 54.5% allocated to HUTD; FY2012-2013 - planning estimate up \$125.4M with 60% allocated to HUTD. Global Insight (GII) expects growth in unit car sales for FY2011 through FY2013. New car sales for FY2010 are down from FY2009.</p> <p><u>Registration Tax - Feb 2010 vs. Nov 2009 - FY2010-2011 -Tab fees</u> projected to increase \$7.8M; FY2012-2013 - estimated increase of \$2.4M; new car sales trend slightly above November 2009 forecast. Actual unit sales below FY2009 levels. Data sources include actual collection, recent fleet composition updates, and GII national trends.</p>	<p>Information</p>		

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Budget Update [continued] - Tom Halverson	<p><u>Trunk Highway Fund - Feb 2010 vs. Nov 2009</u> - State revenue for FY2010-2011 is expected to increase \$22.3M (HUTD transfer increase of \$24.9M; investment income decrease of \$2.6M); debt service changes very small; fund balance performance at end of FY2013 planning estimate includes a balance of \$281.2M and an increase of \$76M; Legislative changes will be incorporated at the end of session update.</p> <p>Dana asked if estimates and forecasts in past years have proven to be accurate. Tom stated they are not always reliable indicators. Tom said it is expected there will be a large fund balance at the end of FY2013. John asked, "What is the possible spillover from the State of Minnesota into Mn/DOT related to other departments taking huge hits to their personnel budgets?" Julie responded that this question couldn't adequately be answered at this time as it will depend on the next administration. Eric added that all state agencies must comply with the governor's orders for budget cuts and it could be a flat percentage for all agencies.</p>			
Innovative Culture Survey (December 2009) - Nick Thompson	<p>Nick Thompson stated Mn/DOT's Strategic Vision promotes a culture of innovation. Approximately 25 Mn/DOT employees were interviewed and a report of the results completed. Nick referenced the article cited by MGEC - "The Four Currents of a Culture of Innovation": top down; bottom up; outside in; and inside out. Mn/DOT embraces the top down approach but has also incorporated the bottom up culture as evidenced by the E-Jam survey. There are currently three staff working on and trying to implement some of the ideas submitted by employees during the E-Jam project.</p>	Information		

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<p>Innovative Culture Survey (December 2009) [continued]- Nick Thompson</p>	<p>Nick also talked about "Destination Innovation" which makes \$30M available for ideas submitted by employees and implemented by the agency. The Stewardship Council receives the initial information. Peter asked, "Does innovation need to be "new?" Nick responded that ideas might entail an improvement to something that already exists, could be tried on a larger scale, etc., but the ideas do not necessarily need to be new.</p> <p>Nick added that many ideas are being implemented and, if identified, employees who submitted the suggestions were interviewed. Dana suggested employees be given credit (reward?) for implemented ideas. This information could then be passed along to all staff and union representatives (as appropriate). Nick requested feedback be sent to him regarding innovative culture survey items.</p>			
<p>Contracting Guidance in Minnesota - Division Directors</p>	<p>John Siekmeier referenced the article "Updated Contracting Guidance Focuses on Building Oversight Capacity" from the Office of Management and Budget in Washington D.C. (October 27, 2009). He asked if Federal guidelines regarding government contracting were flowing down from the Federal level into Mn/DOT. Julie stated Mn/DOT Division Directors are meeting on a regular basis regarding outsourcing and money issues. Julie added that meetings with the FHWA will probably be resurrected.</p>	<p>At the next Division Directors meeting, discuss resurrecting Mn/DOT and FHWA regular meetings</p>	<p>Pam Tschida will bring up this issue at the April 13th Division Directors meeting</p>	<p>Provide an update at next MGEC Meet & Confer in July</p>

**Next Meeting Date: July 12, 2010
Meeting Time / Location: 2:00 - 3:30 p.m. / Conf Rm CO G22**