

6 p.m., Thursday October 24, 2024
State Highway Commission Meeting Minutes

On Thursday, October 24, 2024, the Nebraska State Highway Commission convened at Grand Island City Hall located at 100 E First St. in Grand Island, Nebraska. The agenda, a recording of meeting, attendance sheets, and handouts relevant to the business of this meeting are a part of the permanent minutes of record and are on file at NDOT Central Headquarters. The Nebraska Open Meetings Act (Statutes 84-1407 to 84-1414) was posted in the meeting room.

MEETING NOTICE

- Notice of the regularly scheduled meeting, including the time, location, and agenda, was advertised on the Department of Transportation and the State of Nebraska's websites no less than ten days prior to the meeting.
- The agenda was emailed or mailed to commission members, NDOT staff, and interested persons no less than ten days prior to the meeting.
- A media release was emailed to all statewide outlets on October 18, 2024.
- The meeting agenda was kept current and available to the public in the Communication Division of the Nebraska Department of Transportation, 1500 Nebraska Parkway, Lincoln, Nebraska. No changes were made to the agenda within 48 hours prior to commencement.
- Copies of the meeting agenda were posted and available to the public at the entrance to the meeting room.

COMMISSIONERS PRESENT

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|---------------------------------|----------------------|
| • Commissioner Richard Meginnis | District 1 |
| • Commissioner Heath Mello | District 2 via Webex |
| • Commissioner David Copple | District 3 |
| • Commissioner James H. Kindig | District 4 |
| • Commissioner Doug Leafgreen | District 5 |
| • Commissioner Jim Hawks | District 6 |
| • Commissioner Greg Wolford | District 7 |
| • Commissioner Vacant | District 8 |
| • Director, Vicki Kramer | Ex Officio via Webex |

Amanda Callaway, NDOT External Affairs Manager, was recording. A transcript of the meeting is available upon request. Nebraska State Highway Commission meetings are conducted in compliance with the statutes of the Nebraska Open Meetings Act.

CALL TO ORDER

- Commissioner Hawks called the meeting to order at 6 p.m.
- The chair requested an attendance roll call. A quorum was present.

MINUTES

- Approval of August 23, 2024, meeting minutes
 - Motion for approval made by Copple; Meginnis seconded.
 - Motion carried by rollcall vote, 6-0.

INTRODUCTIONS/ANNOUNCEMENTS

- None

MEETING BUSINESS

- Commissioner Welcome –
Jim Kindig, District 4 Commissioner
 - Roads bring success, opportunity, and safety. District 4 has 17 counties and 3 of the largest cities in the state.
 - Grand Island is the 4th largest, with a lot of things going on:
 - Hwy 30 W rebuild, safety is the forefront of this project.
 - Camp Augustine was purchased by the city for recreation.
 - Building of the new casino in Fonner Park
 - Prairie Commons development area
 - Development of the Good Life projects area
 - In Kearney, 5th largest city in the State of Nebraska:
 - Building in of new 209,000 square foot sports complex
 - New medical education building and joint venture with UNMC and UNK
 - Younes Hospitality Center
 - A lot of new residential and businesses
 - Hastings, 8th largest city in the State of Nebraska:
 - Heartwell Renewables – joint venture between Love’s and Cargill
 - Western Reserve, going to double size.
 - Theater District
 - Old K-Mart building being renovated.
 - Hastings College is building new dorm.
 - Many housing developments popping up.
 - Casualties in Nebraska is unbearable this year, over 20% increase this year. National average is down 3.2% this year, the nation is down but Nebraska is trending up. Buckle up and pay attention while driving. It would be great if NDOT and the Commissioners would get behind going 30 days with no casualties. We need to get the word out. This past week had 2 or 3 young drivers get in head on collisions.
- Deputy Director’s Remarks
Khalil Jaber, NDOT Deputy Director of Engineering
 - Commissioner Kindig pointed out safety and the agency is taking it very seriously. Collaborating with the Governor’s office to create a safety legislation package. Aiming toward zero deaths.
 - Bonding will be a huge effort for the state so NDOT can go after the projects that we’ve been talking about for a very long time.
 - Was optimistic that NDOT would get full year of appropriation but received a stopgap – a continuous resolution until December 2024. This impacts NDOT’s planning and project delivery. Making tough decisions on what projects can go forward and what ones cannot because of funding.

- Appointment of Highway Commission Secretary
Jim Hawks, District 6 Commissioner and Chairman
 - **Deputy Jaber:** introduced Amanda Callaway, Highway External Affairs Manager as Highway Commission Secretary
 - Motion for approval made by Copple; Wolford seconded.
 - Motion carried by rollcall vote, 7-0.

- Election of Vice Chair
Jim Hawks, District 6 Commissioner and Chairman
 - Election of Commissioner Leafgreen as vice chair until the end of 2024
 - Motion for approval made by Wolford; Meginnis seconded.
 - Motion carried by rollcall vote, 7-0.

- Pavement Optimization Program Presentation
Eric Klein, District 4 Construction Engineer
 - A lot of questions regarding how NDOT makes decisions to fix certain roads this presentation goes over one of the calculations. Easy for us to estimate by looking but need to plan years down the road. Materials and Research Division helped create Pavement Optimization Program (POP).
 - Materials and Research Division has a van that drives every highway in the state every year, which takes pictures and uses sensors that tracks cracks, rutting, etc. and puts into NDOT system.
 - Uses Nebraska Serviceability Index which uses cracking data, pavement data, age of the roadway to calculate – ideally want state average to be in mid-80s. POP uses:
 - Use Present Serviceability Index, compares to other roads.
 - Use maintenance cost to determine.
 - Track the average daily traffic and truck average daily traffic.
 - Track crashes on road.
 - Tracks what the road is composed of
 - Can track the oldest roads in District.
 - Oldest in District 4 –
 - North Loup has concrete that's 88 years old.
 - Hubbell has asphalt that's 50 years old, which is very good.
 - Can track how many trucks are using roads.
 - Most in District 4 –
 - Most on interstate, increases the more you go west.
 - 4-lane Expressways
 - Can do lifecycle cost analysis, can put in how much money they will have and can track future pavement conditions with that dollar amount.
 - Predicts pavement deterioration, selects future projects, evaluates future pavement conditions.
 - Materials and Research Division puts together a candidate list and sends them out to districts. Tracks what districts have already programmed for the future. Still use eyes and ears to determine when a project will be a candidate in short term for repair.

- District 4 Program Presentation
Wes Wahlgren, District 4 Engineer
 - Having issues with seatbelt and phone usage in our state, seatbelts can increase your chance of survival by 50%. There's a lot of phone use, distracted driving serious issue. Had an employee killed a year ago, believe there was 2 killed last year.
 - Build Nebraska Act Projects (Capital Improvement)
 - US-6, Hastings SE
 - East end of the current 50 lane section on J Street to Showboat Rd.
 - US-30, US-281 West – Currently building.

- From west end of the current 4-lane section west of US-281 in Grand Island to just west of Monitor Rd.
- US-81, York to Columbus
 - From north end of the York Bypass 4 lane to the 4 lanes south of Columbus.
 - Earliest start depending on funding would be 2029.
- Planning Process
 - Each district is allocated budget based on its 20-year needs and the amount of funding available. The district engineer selects the projects. Some of the tools used are:
 - Pavement Management System (Nebraska Serviceability Index and International Roughness Index)
 - Bridge Management System
 - Traffic Counts
 - Crash Reports
 - Public Input
- Going over Program Book LINK
 - Selected FY25 Projects
 - S-1C, Hastings Reg Center Spur Bridge
 - N-2, Hazard East
 - US-6, Grafton Area
 - US-6, In Fairmont and East
 - N-11, S JCT. N-58 to N-92
 - US-30, US30/University Dr. – partnership between City of Kearney, University of Nebraska - Kearney, State of Nebraska
 - US-30, Kearney East
 - N-39, Genoa Area
 - N-41, Clay Center East
 - N-74, Ong Spur to US-81
 - N-74, Strang Spur East
 - I-80, Hampton to York
 - US-81, Stromsburg North
 - Selected FY26 Projects
 - N-4, Davenport East
 - US-30, Chapman West
 - US-30, Central City East
 - I-80, Odessa to Kearney EB
 - I-80 Giltner to Hampton
 - US-183, Elm Creek to Miller
 - US-281, In Red Cloud

PUBLIC INPUT

- Acceptance of letter sent to the Commission from Mrs. Sharon Noyd.
- No public comment made online or in-person.

MEETING BUSINESS CONTINUED

- Highway 275 Express Way Bonding Presentation and Documents
 - **Lyn Heaton, Chief of Staff/Director of Innovative Financing**
 - Introduction of Scott Keene of Piper Sandler, Financial Advisor and Greg Dietrich of Kutak Rock, Bond Counsel
 - Review of information provided at the August 23, 2024, meeting.
 - The project will be to complete the Highway 275 Expressway Corridor
 - Resolution to Approve Issuance of Bonds (draft)
 - Still in draft form, would be approved at December meeting.

- Document takes the official action of issuance of bond.
 - Parameters that must be met – approve the maximum amount of bonds, maximum principal amount of bonds, maximum principal rate, maximum maturity, and the actual project.
 - Makes determinations – bonds will not go beyond the latest maturity, not being issued on latest date.
 - Authorize the sale of the bonds either through competitive sale or negotiated sale (would have to hire an underwriter), the plan is to do a competitive sale.
 - Approves execution of indenture and several other documents.
 - Delegates the signing authority to the Director, Deputy Director, Director of Innovative Finance.
- Bond Indenture of Trust (draft)
 - An agreement between the issuer and the trustee, the trustee will act as the fiduciary on behalf of the bond holder.
 - Describes the authorization of the bonds, authorizes additional bonds and refunding bonds. The commission can issue additional bonds, up to \$450 million maximum after approval of additional issuance with another resolution.
 - Sets up a bond fund, would be what the trustee must pay annually or semi-annually.
 - Construction account, where proceeds of bonds will go, which is held by the treasurer and will be drawn upon to pay for the project.
 - Describes how funds can be invested, process about release from bond, process on event of default.
- Appointment of Trustee
 - The reason it's being voted on now, is so that Union Bank can have a say in the indenture.
- Questions:
 - **Copple:** Are these tax free at the state level and the federal level?
 - **Keene:** At the federal level, yes, they are tax free. If it is a Nebraska based firm, they will be state tax exempt but if it is an out of state firm, they will not be exempt from state taxes.
 - **Copple:** Who is the person or entity to purchase these bonds? Is it only to institutions or general public?
 - **Keene:** At this point, envisioning an electronic auction process to determine the winning bidder of the bonds. Several firms will come together to create a syndicate and bid the bond together. Expectation is that there will be several different bidders from different firms. Depends on who the winning syndicate is and how many sales representatives they have in the state. Their job is when the auction closes, if winning bidder, bulk of bonds will go to institutional investors, there will be money managers who represent individual investors and will have bonds in their portfolios. There will likely be a lot of retail investors.
 - **Dietrich:** If there is a competitive auction it will only be underwriters.
 - **Copple:** I can envision someone coming up to us that's interested in purchasing some of these bonds. Who do they contact?
 - **Keene:** They should talk with their broker; they can reach out to the winning bidder or members of the syndicate on the day of sale.
 - **Dietrich:** These bonds are not being structured so they can only be invested by an institution, they can be invested by a mom and pop. There is a minimum of \$5,000.
 - **Leafgreen:** What is the timeline for everything?

- **Keene:** Have bond rating when the commission meets in December, then going to competitive sale in middle of January, assembling bond issue in early February, all funds would be delivered to NDOT on the settlement date – targeting for first week of February, then dollars are free to be invested and spent as needed on construction projects.
 - **Wolford:** When we approve indenture, there will be several blanks because you don't know exact amount or interest rate at that point, shouldn't resolution include "up to \$200 million"?
 - **Heaton:** It will be there in the resolution in section 1, not to exceed \$200 million, that can be changed.
 - **Keene:** The resolution itself, all the blanks and bracketed items will be completed when we come in December. There will be some blanks because we won't have the numbers until after the sale.
 - **Wolford:** Are you confident that \$200 million will do it? If we came back in next July, and we're short and we can't build the last two miles, what will happen?
 - **Jaber:** The \$200 million is in draft form. NDOT received favorable bids today, under what the NDOT engineering estimate was, it's looking good. NDOT team will be evaluating this and look at what the corridor looks like.
 - **Heaton:** If in some event it wasn't enough, that additional bonds language would allow NDOT to come back to the Commission to ask for additional issuance of bonds.
 - **Keene:** The commission would have the ability to spend its own capital dollars and reimburse itself if it chose to do that for a subsequent bond issue.
 - **Wolford:** When does the department think they'll have this entire corridor bid?
 - **Jaber:** At this point, two of the segments are currently being prepared, one segment is not as far advanced, NDOT believes in late 26' will have last segment of Hwy 275 bid.
 - **Wolford:** So, when they issue bonds, you'll have money in the bank in investment accounts, when you bid the last segment.
 - **Jaber:** The debate now is do we go after the entire piece and have the amount available for the entire corridor or do we do two releases.
- **Vote on Appointment of Union Bank and Trust as Bond Trustee**
 - Commissioner Meginnis announced that he would abstain from the vote due to a potential conflict of interest. As such Commissioner Meginnis declared for the record and asked that the record reflect that he is abstaining, not participating in, and not voting on the identified item or any of the matters set forth therein or related thereto.
 - **Copple:** This is in my district; the Department is currently finishing Hwy 275 just west of Hooper and west of West Point.
 - Norfolk is the primary economic engine of northeast Nebraska. It has Tyson Foods, Nucor Steel, Norfolk Iron and Metal has corporate headquarters, grocery warehouse facility – AWG, new soybean crush plant located to the north of town. All these businesses share that this is an important project and important goal to get this done. In an economic impact study, there is a projection that the completion would have about a \$1.2 billion impact from 2015 to 2032. Statistics show that Hwy 275 has almost 5 times the average of primary metal production in state, manufacturing employees more than average in the state.
 - People in the district refer to an inadequate transportation infrastructure for northeast Nebraska – impedes local steelmakers, manufacturers, meat processors, livestock producers, farmers, and small businesses from

accessing major markets across the state. Hear constantly that finishing the Hwy 275 corridor would enhance the economic, employment, service healthcare, and educational connections for surrounding regions, they strongly request and encourage that the commission takes action.

- Was chairman at the time when this came before the Legislature, testified in support of the bill that would have enabled bonding. On behalf of the district and as a commissioner, strongly support the approval of bonding. Looking forward to bonding being used for other projects that have been promised by the Legislature.
- **Hawks:** Understand when you talk about this being talked about for decades, sat on multiple study groups and bonding is always brought up to keep up with some of these projects that were promised years ago. Commend the Legislature for listening and the Commission for moving forward with the bonding project.
- Appointment of Union Bank and Trust as Bond Trustee
 - Motion for approval made by Wolford; Leafgreen seconded.
 - Motion carried by rollcall vote, 6-0, Meginnis abstained.

PUBLIC INPUT

- No public input

REMARKS FROM THE CHAIR

- No remarks from the chair.

PUBLIC MEETINGS CALENDAR

- The next scheduled Highway Commission Meeting is December 24, 2024, at 8:30 a.m. at NDOT Headquarters located at 1500 Nebraska Parkway in Lincoln, Nebraska

ADJOURNMENT

- The chair adjourned the meeting at 7:27 p.m.