

Board Meeting
December 8, 2010
Director's Report

Thank you, General Manning and members of the Idaho Transportation Board.

Good morning.

Starting this month, my Director's report to the Board will be a little different. Our Executive Officers will have a greater role in presenting pertinent information to the Board. This is an important step as we move the entire organization forward in a coordinated and cohesive manner with the Board, the Director, and through the front lines of the organization. We cannot separate the policy level from the implementation level.

Last month, I stated that I would be providing three high level focus areas for the department to achieve in 2011. As we turn the calendar from 2010 to 2011, it is important to reflect on our performance this year and use

those measures to build on greater accomplishments for 2011. Specific measures will be provided for measuring progress. Every individual at ITD will be impacted. It is expected that each of these focus areas will be addressed in every employee's performance plan. The department will be measured on its success in achieving the initiatives outlined, and every employee at ITD will be measured as to how their individual performance contributes to the success of achieving these overall department initiatives.

When I took this position one year ago, I said that the first year would be about establishing credibility and that the second year was about building on that credibility and establishing accountability throughout the organization. Tying individual performance to overall department goals is the first step in that process. Having every employee at ITD focusing on the same common initiatives ensures that the entire department is heading in the same direction as together we move forward to make the Idaho Transportation Department the best in the country.

Later in this Director's report, Deputy Director Scott Stokes will introduce the ITD business model and accountability framework. This model will illustrate how these focus areas are directly related to the performance measures that the Transportation Board reviews every month. Scott will also review with the Board the annual accountability report. This report is now being distributed to our elected officials as part of the Legislative Outreach sessions. Finally, he will review the monthly performance measurement report and provide a preview of ITD's new performance measures dashboard.

Scott will be followed by Chief Human Resource Officer Mary Harker. She will describe how the three focus areas will be incorporated into every ITD employee's performance review. Mary will discuss how these reviews will be conducted at ITD in the future and how employees and supervisors will be held accountable for results.

The three focus areas that the entire organization will be working on in 2011 are best described by the acronym ACT. It is no accident that this implies action and a sense of urgency. ACT stands for Accountability, Customer Service and Team Work. Everything our organization does in 2011 should focus on improving in these three areas. Every employee will have at least one performance objective each in the area of accountability, customer service and teamwork in their employee performance plan. When the performance factors are being developed, the employee's supervisor will determine the specific objectives and how they will be measured, keeping in mind that the performance objectives must be linked to our department goals, the expected tangible results and the department's key vision elements as described in the ITD Business model and accountability framework. Performance factors must be measurable and feed the overall organizational performance measures.

I believe that the Board will concur with these initiatives and support the direction that the Department is headed.

On November 23rd, the Governor's Transportation Funding Task Force held its final meeting. The Task Force agreed that the unfunded need for transportation in Idaho is \$543 million annually. While the Task Force did not make any specific recommendations to bridge this gap in funding, they did provide a matrix of options that could be considered in the future. It is unlikely that these alternatives will be taken up during the 2011 legislative session.

It is also unclear what ITD's Federal funding will be in 2011. While there are a number of options on the table, we will have to see which direction the new Congress heads in before we are able to make decisions and plan our program. Deputy Director Stokes will provide some brief remarks on Federal funding later in this report, and Matt Moore will provide a more detailed update at the January Transportation Board Meeting.

Because of the funding uncertainties at the State and Federal levels, our program will have to be adjusted periodically. We need to be prepared for less transportation revenue, at least in the upcoming year; but at the same time, be prepared if new and additional revenue becomes available from Washington. I am not sure how you do that. It is like driving your car with one foot on the accelerator and the other on the brake at the same time. There are two gentlemen that understand how to maneuver through this maze of constantly changing funding and how to adjust the program during these changes. Chief Operations Officer Paul Steinman and Chief Engineer Tom Cole will describe program adjustments and priorities later in this Transportation Board agenda. Paul and Tom worked closely with the District Engineers to develop the funding and program strategy which will be presented.

As you can see, incoming revenues are a big part of the decision making process at ITD. As our revenues continue to decline, all ITD employees must

spend what dollars we have as wisely as they can, and be held accountable for how the dollars are spent. During his presentation tomorrow Gordon Wilmoth will provide his monthly financial update and report on how ITD will invest for performance.

I am now pleased to turn it over to Deputy Director Stokes to provide his update on the ITD Business Model and Accountability Framework, the monthly performance measure report and the annual accountability report.