

Director's Board Report

January 2015

Thank you Chairman Whitehead. Good morning members of the Idaho Transportation Board. It is a new year, and I am pleased to present my first board report for 2015.

My report today will be abbreviated, to give more time for the chief officers and chief deputy. Also, I will be speaking extensively, with the board present, to the Joint Germane Committee at 1:30 p.m. this afternoon.

This is a busy time of the year for everyone in the department.

In mid-December we conducted a legislative-outreach tour throughout the state to meet with legislators.

We listened to their thoughts and concerns about Idaho's transportation system, and answered their questions about projects, performance measures, employee development and retention, and transportation funding.

The tour was extremely successful, and the district engineers did a great job of answering questions and showing the exciting things happening in their areas of the state.

We held two Direct-to-the-Director meetings in December. All districts and all areas of the department were represented on the teams.

On January 9th we held two organizational and mission awareness training session here in headquarters.

We will hold two more sessions on January 23rd.

These training sessions are important, but our employees do not limit themselves to just the training we provide here at ITD.

Many seek out further professional training that will make them better at what they do.

For instance, Sandra Healy in the Office of Internal Review was featured in the December 2014 edition of the Association of Government Accountants, or AGA, Newsletter.

Sandra serves on the Board for the Idaho Centennial AGA Chapter.

In the article Sandra says: "I enjoy learning about the different sections that I audit and getting out to the districts to meet my coworkers. Auditing is a challenging and interesting career and I am always learning and bringing new ideas back to my office, especially after attending an AGA conference or luncheon. My boss introduced me to AGA when I started working in the Office of Internal Review. I have attended luncheons, audio conferences and the

Professional Development Conferences ever since. My boss has been very supportive of training and professional development. I decided to study for the CGFM, earning that certification in 2012.”

End Quote

Having our employees featured in a national publication shows the caliber of people who work at ITD.

Here is a letter regarding training that I received from Mart Earl, who works in District 3's materials section. He writes:

“Director Ness: I had the opportunity to attend one of the Transportation Technical career path meetings. And all I can say is WOW.

What a great deal, not only for the employees but in the ability of the department to recruit and retain their employees.

This is definitely forward thinking and will be another positive step in making this the best transportation department in the country. My hats off to all those who worked long and hard on the process.”

End Quote.

It seems the year has barely started, and yet we are already receiving words of praise for the department.

Here is a letter we received from the City of Victor. It states:

“The City of Victor would like to express its appreciation for the work that was completed on the Main Street Traffic Light. The ITD staff at District 6 was very professional, cooperative, and accommodating throughout the project.

Starting with the design team we would specifically like to thank David Alvarez and Mike McKee. As a community we requested several changes that the ITD design team took in stride and the resulting design turned out phenomenal.

Ben Burk did a great job with the traffic light design as well as aiding the City with permitting other projects. During the construction of the project Matt Davison and John Cleveland were very professional with the public and helped to facilitate open communication regarding any concerns that surfaced.

Throughout all of the changes requested by the community Karen Hiatt helped to facilitate and direct several meetings with the City of Victor to sort out the issues and requests.

We would especially like to express our appreciation for a concerted effort to collaborate with the City throughout the project. Working together helped the overall project to run smoother and helped to

eliminate apprehension from the public. We look forward to collaborating with you on future projects.”

The letter was signed by the Mayor and four City Councilmen. As you can tell, they are quite impressed with our district six employees. They are doing great work, as are our employees across the state.

Lonnie Orr, Mayor of the City Oldtown, sent a letter praising District One staff for responding quickly to a railroad bridge issue. He wrote:

“The citizens of Oldtown and the surrounding area, the Oldtown City Council, and I would like to take this opportunity to express our appreciation for your efforts to obtain lighting on the railroad bridge here in Oldtown.

“Since the project has been finished, the City has received many positive comments on the improvements and on the enhancement of safety for the traveling public.

“We are especially thankful for the timeliness of your response to our request, since we are now in the darkest part of the winter season.

“It is always a benefit to the public when public agencies are able to cooperate on this type of project.

Again, thank you.

Sincerely, Lonnie Orr, Mayor”

End Quote.

The hard work and professionalism of ITD's employees have regained the approval the public.

The department has increased its service levels and its accountability. And we are making wise investment choices.

ITD will not be the reason for legislators to vote no on a revenue increase.

Here is a video showing what legislators are saying about the issue.

(Play Bedke video here)

Governor Otter discussed transportation revenue and ITD in his State of the State address on Monday. His comments were highly complimentary. Here is what he said.

(Play video here)

It will be an exciting afternoon, and I look forward to showing the house and senate members the great things we have done at ITD over the last year, and our focus areas for 2015.

I will now introduce Chief Operations Officer Jim Carpenter, who will give a report on the progression of the horizontal career path at ITD.

Mr. Chairman and members of the board, this concludes my Director's report for January. I now stand for questions

Director's Board Report

February 2015

Thank you Chairman Whitehead. Good morning members of the Idaho Transportation Board.

The Legislative Session is well underway and just about everywhere I go, I hear discussions about increasing transportation revenue.

On February 10th I attended the Idaho Farm Bureau's Annual Meeting. At their leadership conference lunch, I presented a general overview of the state's infrastructure needs, and shared many of the efficiency improvements we have made at ITD that are allowing us to invest more money in highway projects.

Senate President Pro-Tem Brent Hill and House Speaker Scott Bedke also made presentations.

The people attending this event were senior management, county farm bureau presidents, other county farm bureau leaders, and their state board of directors.

On the 13th Jim Carpenter, Dave Jones, District 1 Engineer Damon Allen, District 2 Engineer Dave Kuisti, and I attended the Associated General Contractors' forum in District 1.

This provided an excellent opportunity for senior ITD management to meet with contractors and discuss topics that are important to the contracting industry.

Karen Merrick and her staff attended the forum as well, providing hands-on training in the use of Site Manager Software, which is designed by AASHTO to assist in the administration and management of construction projects from start to finish.

Two more AGC forums are scheduled, one in District 6 on February 20 and one in District 3 on the 27th.

On Monday, President's Day, I presented the Governor's Budget Recommendation for Fiscal Year 2016 to the Joint Finance and Transportation Committee.

My presentation covered four topics.

- **My philosophy on state government**
- **The Governor's \$555.5 million budget recommendation**
- **The department's accomplishments in 2014**
- **And our focus areas for 2015.**

The philosophy I shared with the JFAC members is that government agencies need to change, and that they need to serve the citizens. Not serve themselves.

I believe our Fiscal Year 2016 budget recommendation reflects my philosophy of better serving the citizens, not ourselves.

The budget recommendation includes reducing ITD's Full-Time Position Count by an additional 28 positions.

We will use the savings to reinvest in our employees and pilot new efficiencies to increase performance.

At the January board meeting, you heard Chief Operations Officer Jim Carpenter and Chief Human Resource Office Brenda Williams describe the Horizontal Progression program we want to implement for our Transportation Technicians, who make up **1/3** of our workforce.

The **28-position** reduction in our Fiscal Year 2016 budget recommendation will provide savings, and we will use those savings to fund this program.

We are doing this because transportation Technician pay is **16 percent** below surrounding states, and **21 percent** below Idaho counties. We want to pilot a program to reward employees as they increase their skills and abilities.

Paying them based on their skill levels will keep us from losing them to higher-paying agencies, and will encourage them to continue improving their job skills.

My presentation to JFAC also included a discussion of the steady decrease in the percentage of state funding for the department.

I closed my presentation by sharing with them the bottom line. Which is that Modern, well-maintained roads and bridges save lives, improve mobility, and attract new businesses.

And that the internal changes we have made at ITD — including realignment and changing our work culture — have placed us in an excellent position to address the state's infrastructure needs.

I explained to them that in 2015, ITD will deliver the construction program ahead of schedule, and will have an additional one years worth of projects on the shelf and ready to go in the event of a revenue increase.

The JFAC presentation received excellent media coverage, highlighting three main points.

One, that it's been nearly 20 years since the state increased transportation funding.

Two, that Idaho's roads and bridges are aging.

And three, that a revenue increase will improve the state's economy and quality of life.

The decision is now in the hands of the Idaho Legislature. The department is doing its part, and will not be the reason for any legislator to vote no.

The budget presentation to JFAC ended mid morning, and by early afternoon that same day, several bills

were already being introduced, including the Omnibus bill introduced by Joe Palmer, chairman of the House Transportation and Defense Committee.

Here is a video showing Chairman Palmer introducing the bill.

(VIDEO SHOWS HERE)

ITD continues to improve its services and develop pioneering innovations that receive national recognition.

As an example of that, we have recently taken yet another step toward becoming the best transportation department in the country.

One of our engineers co-authored a research paper on best practices for managing intersections.

Dan Harelson was District 5's traffic engineer when he co-wrote the paper with two civil engineering professors at Boise State University.

I am pleased to report their paper has been accepted for presentation at the Transportation Research Boards 11th International Conference.

This is a high honor.

The international conference is only conducted once every four years, and having a paper accepted for presentation there is an amazing accomplishment

that shows the quality and professionalism of the people who work for ITD.

Our employees are truly some of the best in the nation, and I would like to take this moment to congratulate Dan Harelson in District 5 for his achievement and his commitment to excellence.

He, and others like him, are continuing to make ITD shine amongst the other DOTs.

While on the subject of District 5, Dan and his fellow employees don't limit their amazing accomplishments to the transportation system.

On January 28, District 5 was presented with yet another award.

But this time it was not for an outstanding bridge design, or for research that can improve intersection management in the United States and other countries.

This time, they received an award for something a little closer to the heart.

The outstanding results of their 2014 United Way charitable giving campaign.

District 5 had set a goal of raising \$2,500 in 2014. However, due to their overwhelming generosity and sense of community, they beat their goal by an amazing 175 percent.

Which is why District 5 received a special “Going the Distance” award in recognition of an incredible outpouring of support, and for improving the lives of their fellow citizens in Idaho.

For all of you in District 5, thank you for your heartfelt support for your fellow Idahoans . . . and congratulations on a job well done!

I will now introduce Chief Deputy Scott Stokes, for his presentation.

Mr. Chairman and members of the board, this concludes my Director’s report for February. I now stand for questions

Director's Board Report

March 2015

Thank you Vice Chairman Coleman. Good morning members of the Idaho Transportation Board.

As you can see on television and in newspapers across the state, the news media is busy covering the Idaho legislature's efforts to increase transportation funding.

Many proposals have been brought forth, and many ideas are being discussed.

We do not yet know if the legislature will be successful in negotiating a bill to address the state's \$262 million transportation-funding shortfall.

They are working hard to resolve the issue, and it looks like they may be getting closer to a solution that provides additional revenue for transportation.

Governmental Affairs Manager Mollie McCarty and her staff, with the help of several key personnel from around the department, are doing a great job fielding questions and providing data and analysis on many legislative questions and proposals.

She will provide you with details on the latest funding proposals in a few minutes.

Transportation funding is also a major topic in Washington D.C.

In late February I attended a legislative briefing with Senator Jim Risch, Senator Mike Crapo, Representative Mike Simpson, and Representative Raul Labrador.

They are keenly aware of how important transportation is to a rural state like Idaho, and will work hard to represent our state when Congress begins addressing the topic of federal transportation funding in late spring.

On March 3rd I met with the new director at the Idaho Department of Corrections, Kevin Kempf.

Governor Otter had suggested that he meet with me to discuss some of the ways we have improved ITD's operations and effectiveness.

Director Kempf had heard good things about ITD's highly successful and award-winning realignment, and asked if I could share my thoughts on how a similar realignment might benefit the Department of Corrections.

Director Kempf was eager to hear about the many things we had done to improve the organizational structure at ITD, and I think I can safely say he came away from the meeting with some great ideas for ways to streamline and improve the operations of his own department.

One week later, Director Kempf issued a press release announcing a sweeping reorganization of the Idaho Department of Corrections. Many of the actions he is taking there mirror what we did at ITD.

On March 6th, the Joint Finance and Appropriations Committee set ITD's budget for Fiscal Year 2016.

JFAC approved funding for a three-percent increase in employee compensation and adjusted other items in the budget to put an additional \$611,000 in contract construction during Fiscal Year 2016.

JFAC set the department's program funding at \$555.5 million.

Chief Administrative Officer Char McArthur will provide more detail on the FY16 budget and the appropriation bill in her report.

The three-percent increase in employee compensation for our staff is well deserved. Our employees continue to do excellent work, and the public is continuing to notice them and send us letters of commendation and approval.

Here is a letter I received from Larry Ware in Twin Falls. He wrote:

“Dear Director Ness,

This is to congratulate you on the excellent administration of the Idaho DMV. As a retired administrator of a division of Los Angeles Department of Parks and Recreation, I realize class when I see it.

The young lady who helped me title and license my newly purchased 1968 Chevrolet C10 truck was professional. . . yet very pleasant in the jungle-like environment at a local office.

*I believe it was Brad Hunt that called me to verify my special license from Boise. The license read **WARES78**.*

He was sharp enough to notice that it was going on a 1968 truck and called me to check.

*I told him it was supposed to read **WARES68** as he had noticed. I thanked him as I would have been quite disappointed.*

*Both of these people deserve a ‘**well done**’ as they are a credit to the State of Idaho and by their representation show that their leader is an excellent administrator who inspires the ‘**troops**’ to excel.*

I was truly impressed and had to send you a note to let you know.”

End quote.

Not all of the letters we receive are thanks for a job well done or atta-boys for employees who do exceptional things.

Sometimes we receive letters telling us how we can improve what we do or how we do it, and sometimes they even tell us how we could save money.

Here is an example from a thoughtful young lady in Boise.

She wrote:

“Dear Idaho Transportation Department.

*Recently I have been driving (WELL, MY PARENTS HAVE)
on your many roads, up to McCall and Bogus Basin Ski
Resort. And I have an idea.*

*I get so very sick, like throwing up, because your roads are
windey. (spelling)*

*You could instead create tunnels through mountains that
would include less windy turns. (pause for effect)*

This would also make less cost because you would not have to take as many “Windy Roads Ahead” signs up.

Personally, I think this would be better for the motion-sick community.

— *Sincerely, Lilly Wilson, age 11”*

End Quote. **(Fill in with a funny comment here. . .)**

District 6 Engineer Kimbol Allen recently received a letter from Idaho State Police officer Chris Weadick, commending the actions of two District 6 employees, Fred Tucker and Lynn Horrocks. He wrote:

“Hello Kimbol,

The details on this email are a little sketchy, but hopefully I can give you enough information so you can follow-up and give the right people credit for their actions.

Fred Tucker (and another ITD employee) found a ladies wallet in the roadway today and there was money blowing around on the ground.

Apparently the owner had put her wallet on her car and drove off where it eventually fell on the ground. This was turned over to ISP and we were able to call the owner and eventually send it to her via UPS.

There was about \$400 in cash inside the wallet and about another \$100 that was unable to be recovered from blowing away.

I wanted to pass on an atta-boy to your employees who found the wallet and took the time to collect the money on the ground and ensure it was returned to the owner.

It's these type of actions from our state employees that builds the confidence with the public that we pride ourselves on trying to do the right thing on a daily basis.

Hopefully you can follow-up and find out more details so everyone involved can get due-credit."

End Quote.

The actions of Fred and Lynn on that windy day exemplify the professionalism of District 6, and of the entire department, and I would like to take this moment to thank them for their actions, and to let them know that the Idaho State Police appreciate them as well.

We have another employee who hails from eastern Idaho that I would like to mention today, Lotwick Reese. Last month, he completed his 50th year of state service. Lotwick was 18 years old and living in Bear Lake Valley when he began working as a rear chain man on a survey crew for what was then known as the **Idaho Highway Department**.

Back then, gas cost 19 cents per gallon and the department paid Lotwick an amazing \$1.30 per hour.

That first year, he bought a new station wagon for \$2,800.

After five years of working with resident engineers, design engineers, and district engineers, Lotwick decided it was time to become an engineer himself. He attended Brigham Young University while working part time as a draftsman and designer.

After earning a Bachelor of Science degree and graduating with honors in the hydraulic program, he went to work for the federal Highway Administration for several years, then returned to ITD as a hydraulic engineer, where he is still working today.

And Lotwick is good at what he does.

In 2007 he received the **Outstanding Civil Engineering Achievement Award** from the American Society of Civil Engineers for his work restoring historic fish passages for Yellowstone Cutthroat Trout in eastern Idaho.

In 2012, he was awarded the **Mark Miles National Hydraulic Engineer Award** at the National Hydraulic Engineering Conference in Nashville.

Only one other person has been honored with this prestigious award.

What I did not mention in my comments about Lotwick's long and award-winning career is that he was turned down when he first applied for a job at the department.

But we had a good reason for turning him down. . . he was still in high school at the time.

Donald Cox, the resident engineer, told him he was too young, and needed to wait until he was 18 years old.

Lucky for us, his 18th birthday was only a week later, and his high-school principal gave him special permission to work part time.

50 years later, Lotwick is still doing great work for the department, and I would like to close my report by reading a short quote from him in the Transporter.

“It has been a great blessing for me to have found a profession, a science, and a never-ending study — the field of hydraulic engineering — that I have loved and had the privilege to be part of through most of my adult life.

And as I have said many times, it has been more than a job; it has been a passion for me.”

End quote.

Lotwick, would you please stand up and let us give you a round of applause? 50 years of state service is an amazing

accomplishment, and we thank you for your service, and your ongoing commitment to excellence.

(wait for applause to die down. . .)

Mr. Chairman and members of the board, on that high note, I conclude my Director's report for March, and will now introduce Chief Deputy Scott Stokes, for his presentation.

Director's Board Report

April 2015

Thank you Mr. Chairman. Good morning members of the Idaho Transportation Board.

I know you were all watching this year's legislative session closely and working with your legislators as they addressed the problem of how to fund Idaho's \$262 million transportation funding shortfall.

It was a long session, and there were many twists and turns, but in the end, the House and Senate passed a bill that increases transportation funding.

The revenue increase they passed is a good start, but it did not happen by accident, there were many steps along the way.

Let me take you back a few years, and set the stage for where we are today.

First, the Idaho Legislature challenged ITD to improve our operations and our effectiveness, and we listened.

The Transportation Board challenged ITD to make positive changes, and we listened.

The governor's office worked closely with ITD offering support and guidance, and we listened.

And the public challenged ITD to prove that any additional revenue will be spent wisely on our aging roads and bridges.

We listened.

We made sweeping changes, and the results are in.

Confidence in ITD has never been greater.

ITD's innovations are being recognized nationally, and copied by other transportation departments seeking to improve the economies of their own states.

We reduced the size of our workforce while at the same time improving services to the public.

And the citizens of Idaho showed confidence that investing in the maintenance of our roads and bridges is vital to Idaho's future.

The additional funding you as board members supported and the legislature provided is important to every person in Idaho.

The legislature did not fully close the funding shortfall, and the Surplus Eliminator they included in the funding bill has a sunset clause that ends the program in two years.

The Legislature knows they will have to return then to finish addressing the lack of funding for Idaho's roads and bridges.

The additional revenue they provided this year is not an ending point.

It is a good start toward addressing the funding shortfall, but it is just a beginning.

It is also a strong validation of the Idaho Legislature's trust in ITD.

That trust was evident in the letter of transmittal Governor Otter sent to the Secretary of State, advising that he had signed House Bill 312 into law, and that there had been a quote, "**sea change**," end quote, regarding the legislature's perception of the transportation funding shortfall.

Governor Otter wrote the following, and I quote:

“This time the debate was neither about the need nor ITD's ability to do its job professionally.

Those questions have been resolved with the work of the Transportation Board and Director Ness, continuing public education, and a more open, transparent , and streamlined ITD.

No, this time the debate was all about how best and most equitably to apportion the costs associated with maintaining and improving our corridors of commerce.”

End quote.

This new revenue is a good start. This is an exciting time for Idaho and for the department, and I look forward to breaking ground on the projects this new revenue will allow us to advance.

It is now even more important for ITD to continue looking for ways to enhance our innovation and our effectiveness.

We will continue finding new and better ways to manage and operate Idaho's transportation System.

We will continue improving ITD's working relationship with the Idaho Legislature.

And we will continue striving to become the best transportation department in the country.

For everyone in Idaho who will benefit from better roads and bridges, I thank the Idaho Legislature for providing this much-needed transportation funding.

I thank the Governor and his team for tirelessly working with our department.

I thank our employees for improving the services they provide to the public, and the many innovations they have provided that help us stretch our dollars and increase our effectiveness.

And I thank the Idaho Transportation Board for setting the vision, and for believing in the work we do at ITD and how it impacts every person who lives in, works in—or visits our great state.

We also have some good news for our employees, as the legislature passed a three-percent increase in employee compensation, which we announced with the following video.

[\(Play video here\)](#)

Last week, I received a letter of appreciation from Kirby Orme, who lives in the path of the Highway 16 extension near the Boise River. He wrote, and I quote:

“Dear Mr. Ness

I had property in the path of Highway 16 extension across the Boise river. Although I am not a fan of the road, I feel I need to acknowledge the excellent people working for the ITD.

Tim Long met with me regarding acquisition of property. If he were sent to the Middle East they could finally negotiate a peace between Israel and Palestine.

Daris Bruce, Region 1 Engineer, and Doug Camenisch (Kam en ish) from Parametrix worked to help us make our irrigation and drainage systems work after the changes from highway construction. They were professional, courteous and honest. They met with us several times, listened to our concerns and were patient.

They were willing to keep working with us until we got the best possible drainage system established. Jim (and I apologize for not knowing his last name) was invaluable as he inspected the work and offered several suggestions as he worked with us and Daris.

Having the road come where it did changed a quiet, wonderful spot. I realize it was going to happen somewhere.

I do appreciate the people from ITD who worked with us. It is a difficult job and I think they did what they needed to do and at the same time were mindful of our needs.

End Quote.

(Will place any additional attachments, videos, etc. here. . .)

Mr. Chairman and members of the board, on that high note, I conclude my Director's report for March, and will now introduce Chief Deputy Scott Stokes, for his presentation.

Director's Board Report

May 2015

Thank you Mr. Chairman. Good morning members of the Idaho Transportation Board.

On May 11, I received a letter from U.S. Secretary of Transportation Anthony Fox, regarding the expiration of MAP-21, the current federal transportation funding Act, and warning of a possible shutdown of the Federal Highway Administration.

Two days ago, on May 19, the U.S. House of Representatives passed a two-month extension of the surface transportation program by an overwhelming margin.

The bill now goes to the U.S. Senate for a vote.

If the bill is approved by the Senate, the President has indicated he will sign it into law.

Additional general-fund monies will have to be transferred to the Highway Trust Fund to assure sufficient funding through the end of July.

The house has also marked up an appropriations bill setting a flat budget for highway and transit programs for Federal Fiscal Year 2016, beginning October first.

The U.S. Senate has also announced that they are going to work on a multi-year highway reauthorization bill beginning in June.

We cannot predict the future, but to date, the department has never experienced a long-term shutdown of the FHWA.

The short-term shutdowns we have experienced did not affect our ability to manage cash flow for construction contracts.

If there is an unexpected long-term shutdown of the FHWA, we would work with the board to minimize the impact on our contractors and on the traveling public.

Because of ongoing uncertainty in federal highway funding, we continue to take a cautious approach, and manage the construction program conservatively.

With the exception of projects that have been awarded contracts based on future federal obligation authority, we do not obligate federal funds beyond the limits of a partial-year allotment.

If a shutdown did happen, we would not anticipate suspending project advertisements, bids, or contract payments.

Our goal would be to minimize any effect a federal shutdown might have on the Idaho economy and the public.

If the Federal Highway Administration does shut down, we will be as transparent as possible, communicating any financial challenges as they occur.

Communication is at the core of our relations with the Governor's Office, the Idaho Legislature, the media, our partners in industry, and the public.

Much of that communication is developed in ITD's Office of Communications. We are used to them doing quality work, but they outdid themselves this past year.

The Office of Communications earned 12 awards from the Idaho Press Club in April.

Six of the 12 were for first-place awards for feature writing, internal newsletter, public-service campaign, general-purpose website, special-purpose-website, and online video program.

Earning 12 awards in one year is a record for the Office of Communications, but success is not uncommon for them.

They have earned an amazing 42 Idaho Press Club awards in the last five years. They are the voice of the department, and they are amazingly good at what they do.

Whether it's a public-service video message designed to save lives, or a fun but important news story about the interactions between motorists and moose, the Office of Communications is sure to create a winning message.

They work hard to promote the department's many initiatives and programs. They are a great asset, and I hope you will make use of their talents whenever you need to communicate your message to the media, the legislature, or the public.

I would like to show you one of their recent projects, a public-service announcement to raise awareness of safety in construction zones, urging motorists to leave early, slow down, and pay attention.

It was filmed at the I-84 Broadway Interchange, and will begin playing as a pre-movie advertisement Memorial Day weekend at theaters across the Treasure Valley. It will be shown in Treasure Valley theaters throughout the summer as construction on I-84 in Boise and Meridian continues.

The people in the PSA are all District 3 employees and their children and grandchildren.

Please play the video . . .

(video plays here)

The Office of Communications is also helping us promote WASHTO 2015, which is coming to Boise in July.

Between 400 and 500 transportation professionals from the 18 western states will be converging on the City of Trees for their annual conference.

Idaho gets to host the conference once every 18 years, and this is our time to shine. The conference theme is **Moving at the Speed of Business.**

We developed that theme to match what we do here at ITD. We want to share our focus on improving the state's economy with transportation professionals from other states so that they too can learn how to select projects that enhance economic opportunity.

We know it works here in Idaho. Think of what Idaho's economy could become if all 18 western states shared that same commitment to economic improvement.

As a region, we could become an economic engine with amazing potential. Just as Idaho's state and local systems are interconnected and interdependent, so too are the economies and transportation systems of the 18 western states.

Most of the conference events will be held at the Boise Centre on the Grove, but we also have events scheduled on BSU's famous Blue Turf and at the Stueckle Sky Center. This is a major event and economic boost for Boise, and we are proud to bring WASHTO to Idaho.

It is going to be a great conference, and I hope all of the board members are able to attend. Mark your calendars for July 19th through the 22nd.

In my monthly board reports during the last five years, I have shared many letters of appreciation and thanks for the great work our employees do around the state.

But I think this might be the first time I have shared a letter commending the quality of one of our publications, the Idaho Driver's Manual.

Last week Teri Jo Gaylin in Driver Services received a call from Larry Brandes.

Larry is a Certification Specialist, Commercial Driver's License Instructor, and staff driver for the State of Michigan. He told Teri Jo that Idaho's Driver manual is the best he's ever seen.

Michigan is just starting to build their first diverging-diamond interchanges, and Larry was reviewing other state's driver's manuals to see how they addressed the issue of driving on the new interchanges, like the one we recently built in Pocatello that earned WASHTO's America's Transportation Award in 2014.

He was so excited when he came across Idaho's manual on the Internet and saw the detail we provide on the diverging diamond interchange design. He wanted to know if he could purchase a printed copy of the Idaho Driver's Manual.

He kept saying great things about the manual, and wanted to let Driver Services know that Idaho's illustration of the diverging-diamond interchange is outstanding.

Idaho has the best DMV in the country, and has for a long time. Their customer service is second to none, and the quality their driver's manual is reflection of their work culture and amazing work ethic.

DMV asked me to give special thanks to District 5 engineers Corey Krantz and Greydon Wright, for providing the information and illustration for the diverging-diamond Interchange that they used in the manual.

Cooperation like this between the Division of Highways and the Division of Motor Vehicles is an example of the constructive culture at ITD, and how it produces results that are noticed far beyond the borders of our state.

Speaking of our state, I think we have all heard the Idaho motto, which is the Latin phrase “Esto Perpetua.”

It means **“Let it be perpetual.”**

The motto appears on the state quarter, the State Seal, and Idaho's state flag.

'Esto Perpetua' is also the name of a prestigious award that will be presented this year by the Idaho State Historical Society to nine individuals and two organizations.

They are being honored for outstanding accomplishments in preserving and promoting Idaho's heritage at the Historical Society's annual awards celebration on Tuesday, June 2nd.

The Esto Perpetua Awards honor individuals or groups for professional accomplishments, public service, volunteerism, and philanthropy related to preservation of Idaho's heritage.

One of the nine individuals being honored this year is Dan Everhart, who works in the Environmental Section here at headquarters.

Dan is being awarded for his outstanding professional and personal dedication to preserving Idaho's unique architectural history, and for the innovative programs he has created to share that history with the public.

Dan has personally led the charge to preserve historic buildings in Boise, Rexburg, and Sandpoint. He was also instrumental in the creation of several Preservation Idaho Programs including, ArchWalks, Heritage Homes Tours, Modern Masters, and WalkAbout Boise.

If like me, you enjoy seeing well-preserved, historic buildings as you travel through Idaho, we now know who to thank.

If you are interested in attending the awards ceremony, it will be held in Boise at the old penitentiary on Tuesday, June 2nd at 5:30 p.m.

Tickets are \$20 and you will need to make reservations by Monday, May 25th.

This is a prestigious honor, and we are lucky to have talented personnel like Dan Everhart working for us. His passion for preserving Idaho's unique historical architecture is a blessing to us all.

Dan is in the headquarters auditorium listening in to this presentation. Please join me in applauding his commitment to preserving the history of our great state, and for the upcoming Esto Perpetua Award he will receive from the Idaho Historical Society. It is truly well deserved!

I also have some good news to share about someone here in District 5.

Each year, WASHTO selects one deserving college or University student in Idaho who is seeking education and career opportunities in a transportation-related field, and provides that student with a \$1,000 scholarship.

This year, they selected Denice Wright to receive WASHTO's 2015 academic scholarship.

Denice is a senior at Idaho State University. She is studying Civil Engineering, and also working as an intern here in District 5.

Congratulations Denice. We wish you luck as you finish your studies in Civil Engineering. We might even know a place where you can put your degree to work when you graduate.

Mr. Chairman and members of the board, that concludes my Director's report for May.

I will now introduce Chief Deputy Scott Stokes, for his presentation.

Director's Board Report

June 2015

Thank you Chairman Whitehead. Good morning members of the Idaho Transportation Board.

We are only weeks away from the 2015 WASHTO Conference in Boise. The theme is “**Transportation Moving at the Speed of Business.**”

So far we have registered more than 300 attendees, and have signed up more than 60 sponsors.

The success in attracting this many attendees and sponsors has allowed us to raise the bar on activities, media training, and high-quality keynote speakers.

The next few weeks will be busy as we make the final preparations for the conference, and I hope to see each of you there.

This is a major event for the department, and a major boost for Idaho's economy.

Also boosting Idaho's economy is construction taking place throughout the state. You have probably noticed a few orange barrels on the roads in your districts, which means the construction season is now well underway all across the state.

The media is showing a lot of interest in the new transportation revenue provided by the Idaho Legislature, and in the projects we will be able to advance.

The newspapers and television stations have featured many stories highlighting the revenue and the projects we are funding across the state.

The 27 projects approved for advancement by the Idaho Transportation Board last month will allow the Division of Highways to schedule much-needed pavement-restoration and bridge-preservation projects in each of the six districts.

The quick action taken by the board will invest nearly \$47 million in road and bridge projects that are in immediate need of repair.

In addition to media interest in the projects you selected for advancement, we are also receiving appreciative comments about current projects from the public and from public officials.

Rhonda Haber, from the Idaho Department of Corrections sent us a note saying, and I quote:

“Regarding the work done recently on the Orchard Street bridge, over I-84. I just wanted to give kudos to the team that worked on that project. I work at Orchard and Irving, and my morning commute is Chinden to Orchard.

That project was one of the smoothest road projects I have ever witnessed. Not once did I ever feel any frustration coming to or leaving work. The traffic flowed smoothly and even backed up quite a bit at times, but it was handled perfectly. Great job!”

End Quote.

Valley County Commissioner Gordon Cruickshank (crook shank) wrote a letter stating:

“I just wanted to send a thank you for finally seeing the improvements to Goose Creek Grade north of McCall.

Hopefully this will take the pressure off 53-foot trailers using Highway 55. When talking to truckers they are looking for any way to lessen their costs.

Quite often I have heard they take the risk of a ticket over additional costs to use Highway 95 when headed east from north Idaho. Even with the ticket they feel they are money ahead by time and cost.

Additionally the safety of the motorist will be improved.

The work on the North Cascade Bridge is progressing well and I have not heard any complaints from folks, as they realize the results after seeing the South Bridge replaced.

The future work on the Smith's Ferry section is also great to see coming into play.

Happy to see all our comments are being listened to by the ITD Board.

Thank you for all you do to represent us.”

End Quote.

The Goose Creek Grade project he mentions will remove trees and clear rocks and boulders, which will allow us to widen the shoulders and improve several curves on that narrow, twisty section of Highway 55 between McCall and New Meadows.

We are also repaving the highway to improve safety and visibility.

When rock blasting is occurring during the work week, the highway will be closed for up to two hours at a time. No work will be scheduled from Fridays at noon until 7 a.m. Monday mornings to allow weekend traffic to flow smoothly.

The contractor is Knife River, and they expect to complete the \$3.1 million project in October.

Here at headquarters, we completed a major project last week that resulted in a well-earned celebration.

Chief Deputy Scott Stokes and Chief Administrative Officer Char McArthur hosted the event to celebrate the official implementation and public launch of the DMV Cash Drawer System.

The Cash Drawer is a new system that processes payment transactions by phone for DMV customers.

To commemorate the completion of a long and complicated process to develop and deploy the system, Scott and Char ordered a dozen pizzas and invited 30 team members to gather in the auditorium to relax and celebrate a job well done.

The new system improves service to our customers across the state, and improves processing accuracy and accounting for DMV.

Accurate accounting and auditing procedures are a vital part of ITD's business operations.

I would like to read to you a portion of a letter we received from Judy Shock, President of the Idaho Chapter of the **Association of Government Accountants**, or AGA.

She sent us a letter praising Sandra Healy, who recently received the AGA's National Top Sponsor Award.

Let me quote a part of her letter:

"I want to take this opportunity to thank you for allowing Sandra Healy to volunteer as Membership Chair throughout this fiscal year.

I want to congratulate her again for the exemplary work in developing a solid membership plan for the Chapter and receiving the TOP SPONSOR award!

You are very lucky to have an employee such as Sandra! Because of her support and contribution, our Chapter will receive the AGA Platinum Award for this fiscal year!

This award is given by the National AGA office. There are over 100 Chapters in the world, and only a few Chapters receive this award.

Thank you again for allowing Sandra be a part of our local Chapter!"

End Quote

Sandra works in Internal Review as a principle auditor.

Thank you, and congratulations on the AGA award Sandra.

I am pleased to say that I have two more national awards to tell you about.

The first AAMVA award was for a partnership between ITD and law enforcement.

Ed Pemble, ITD's Driver Services Manager, nominated Boise Police Officer Germaine Galloway for the AAMVA **Fraud Prevention and Detection Award**. Officer Galloway is a nationally recognized

expert in fake identification prevention, education, and enforcement.

He has developed a fake ID training and information program that is used throughout the country.

Because of the training and education developed by Officer Galloway, Idaho retailers are confiscating approximately 1,600 fake IDs a year.

Officer Galloway's research included meetings and interviews with officials from ITD, the Idaho State Police, Alcohol Beverage Control, the Idaho State Liquor Division, and officials from other states.

His research is helping businesses and law enforcement agencies remove counterfeit documents

from the street, reducing underage alcohol use, and teaching retailers how to identify fake IDs.

Officer Galloway's program for retail establishments in Idaho teaches simple and practical ways to identify fake IDs.

He also established a law enforcement officer education program and spearheaded the creation of a Boise city law for which simple possession of a fraudulent ID constitutes a violation as well as a fine.

Officer Galloway works closely with ITD, as we are the agency that issues Idaho Driver's Licenses and ID cards.

His dedication and efforts to educate businesses and law enforcement officials on how to identify fake IDs are so outstanding and successful that AAMVA awarded him with the **2015 Fraud Prevention and Detection Award.**

I thank Ed Pemble for nominating Officer Galloway for the award, and I thank Officer Galloway for his successful efforts to remove more than 1,600 fake IDs from the streets of Idaho annually.

We are proud to have him as a partner, and proud to see a fellow Idahoan win such a prestigious national award.

The second award honored the Division of Motor Vehicles, the Office of Communications, and the Office of Highway Safety.

In a nationwide, annual competition hosted by the American Association of Motor Vehicle Administrators, otherwise known as AAMVA, Idaho brought home two of the top honors.

ITD received the Public Affairs and Community Education Award for a statewide safety campaign called **Choose to Drink? Choose your ride.**

ITD posted the message prominently on billboards along Idaho roads and highways from Thanksgiving through New Year's Day, when families are gathered

and more individuals may be drinking at holiday celebrations.

In addition to the billboards, the campaign also used the artwork on the department's website, Facebook, and Twitter, in the news media, online, and through mobile web ads.

The straightforward message, "**Choose to drink? Choose your ride,**" educates and reminds Idaho citizens that as responsible drivers, they have choices on how the evening's transportation options unfold.

The campaign reinforces the message with two options if you decide to drink.

They can either take a cab ride home, or deal with the risks and consequences of being arrested for driving under the influence.

ITD launched the award-winning campaign just before Thanksgiving, and continued it throughout the holiday season.

Here is a short video showing the billboard that won the 2015 AAMAVA award, and some of the media attention it gained.

This was a highly successful campaign. It helped contribute to the third lowest number of annual traffic fatalities in Idaho history.

Campaigns like this may appear simple, but it is the straightforward safety messages that people remember. And those are the messages that save lives.

Please play the video.

(video plays here)

I will now introduce Chief Deputy Scott Stokes, for his presentation.

Mr. Chairman and members of the board, this concludes my Director's report for June. I now stand for questions.

Director's Board Report

August 2015

Thank you Chairman Whitehead. Good morning members of the Idaho Transportation Board.

I would like to begin my August director's report with some exciting news. The Spalding Bridge project in Lewiston was just honored with the AASHTO President's Transportation Award for the Environment.

The award will be presented at AASHTO's annual meeting in Chicago on Sept. 27.

This project saved a critical 1,200-foot bridge over the pristine Clearwater River, while also enhancing

habitat for threatened fish species such as bull trout, Snake River Basin steelhead, and Snake River fall Chinook salmon, in addition to other rare species such as Westslope Cutthroat trout.

The Spalding Bridge Project has now been recognized for an AASHTO Innovation Initiative, an AASHTO President's Award for Environment, and an award from the Washington State Associated General Contractors.

This is the fifth time ITD has won an AASHTO President's award in the last six years. It shows that ITD is on the right path, and that we are leading the way in excellence and outstanding project design.

In our drive to become the best, it is not always the large events, accomplishments, or even national awards that show our progress.

Sometimes it is the small events or actions that over time, show how far we have come as an organization, and how our improved service ethic positively affects the public.

Here is a letter we received from one of our customers in North Idaho named Arielle Horan (AREE-ELL HOR-RAN). The letter states:

“I wanted to submit a very heartfelt thank you to the gentleman who helped me change a flat tire today on I-90, eastbound between mile markers 19 and 18, around 1:00 PM.

I did not get his name, but he was extremely kind and understanding, and helped me get back on the road when my insurance company's roadside assistance was being less than helpful.

I was on a busy stretch, and intimidated by the traffic, as well as the prospect of changing my flat, driver's side tire on a hill next to traffic.

I frequently drive this stretch between Coeur d'Alene and Kellogg. and am so grateful for the assistance provided by ITD.

If there is any way you can help me identify this gentleman, I would greatly appreciate it so I can send

a token of my appreciation, or if I can just send in a card and it can get passed to the right person maybe?

*I am genuinely humbled by this kindness and am very, **VERY** thankful for the rescue!”*

End Quote

The person she was writing about is Dick Standish, who works on the Coeur d’Alene South and East crew in District One.

Some of our customers send their thank-you messages by e-mail or mail, others, such as the person you are about to hear, contact us by phone.

His name is Ben, and here is the message he left:

(Play sound file here)

Helping Ben replace a lost driver's license may seem like a small, unimportant event for employees in the Division of Motor Vehicles, but for the person they help, it is a matter of great importance.

The fact that our DMV employees choose to do it quickly and efficiently—with a smile on their face—is a testament to the department's customer-service ethic, and to the leadership of Alan Frew, their Division Administrator.

Customer service is one of the department's major focus areas, and so is safety. I would like to show you

a video of some safety-awareness activities at Jerome High School.

Their school placed in the top ten nationally in the **Seat Belts Save** challenge, a nationwide competition led by the National Organizations for Youth Safety and sponsored by the National Road Safety Foundation and the National Highway Traffic Safety Administration.

During the challenge, Jerome High School increased its seat belt use rate from 62% to 78%.

This was a fun and successful event designed to get young high-school-aged drivers thinking about driver safety and wearing seat belts. It was also designed to reduce barriers between young people and law-

enforcement officers, which as you are about to see, worked out extremely well.

Please play the video . . .

(show video here <https://youtu.be/GA6GS8GDI6E>)

In a normal year, I give the board my fiscal –year report in July.

This year however, the July board meeting was scheduled the day after WASHTO 2015 concluded, so we moved the fiscal year report to the August meeting.

In past years, Chief Deputy Scott Stokes and I gave the board a fiscal-year update, and shared with you the department's plans for the upcoming year.

This year, you have heard reports every month from the Executive team, highlighting the department's accomplishments as they occurred.

So, rather than go over past accomplishments that you have already heard about, Chief Deputy Stokes is going to report on the plans we have for the upcoming year in safety, mobility, economic opportunity, and the departments succession plan.

I will now introduce Chief Deputy Scott Stokes, for his presentation.

Mr. Chairman and members of the board, this concludes my Director's report for August. I now stand for questions.

Director's Board Report

November 2015

Good morning members of the Idaho Transportation Board.

This month's Directors report will cover two topics.

First, I will provide a review of the previous five-year plan.

And second, I will lay out a new plan that will direct the department's efforts for the next five years.

When I interviewed for the director position in 2009, ITD was under a dark cloud.

I laid out an ambitious five-year plan for the department, with specific goals for each year, to change how the department operated and was viewed.

A plan that would restore ITD's credibility and make ITD a better workplace for our employees.

Ultimately, that five-year plan would lead to a long-overdue and much-needed revenue increase for transportation in Idaho.

It was designed to build a foundation of achievement and excellence at ITD.

That plan has now been achieved. It's goals accomplished.

It is now time to reflect on those goals, and use our accomplishments as a foundation for the next five-year plan.

In year one, the goal was to build the department's credibility and instill a culture of accountability. During the first month of that year, I introduced myself to the department.

In the first three months, I introduced my style of leadership, and established a vision for the department—**to be the best transportation department in the country.**

It is a bold vision, and by every measure, we are now well on our way to achieving it.

We then set the long-range direction for the department by developing a new strategic plan.

It is the roadmap to achieving our vision of becoming the best transportation department in the country.

It sets our path, and assures that all employees and the department are moving in the right direction.

It ties ITD's goals to the Governor's plans for Idaho.

The strategic plan monitors where we are, and where we are going.

And it shows how far we have to travel to reach our destination— to achieve our mission.

Here is how we made sure our strategic plan will get us there.

First, we redefined our mission:

Your Safety. Your Mobility. Your Economic Opportunity.

We chose the word “YOUR” for a reason.

The plan focuses on improving services to the public, the users of the transportation system.

We are improving **THEIR** safety, **THEIR** mobility, and **THEIR** economic opportunity.

The strategic plan contains three clear goals that cascade down to every level of ITD.

Those goals are to:

- Provide the safest transportation system possible.
- Provide a mobility-focused transportation system that drives economic opportunity.
- And to become the best organization by continually developing employees and implementing innovative business practices.

We made sure all employees could find themselves in the strategic plan, and we developed performance

measures that hold them accountable for achieving the department's goals.

In year two, we realigned the department.

I had spent a good portion of the previous year traveling around the state listening to what the employees had to say about ITD, and its direction.

I made myself available to all 1,800 employees, and it soon became clear that they wanted to change.

They felt their hands were tied, and that the many layers of bureaucracy were keeping them from doing their jobs as well as possible, and slowing down needed improvements.

They told me about having to report to multiple masters, and being told how to do their jobs—instead of being asked how they could do their jobs better.

And they said their ideas were not being heard.

As I listened, it became clear the department had too many layers of management and needed to be realigned.

Those layers slowed the department down. They kept it from being as effective as it could be.

Those who wanted to solve problems or develop creative solutions had to wait as decisions ran a bureaucratic obstacle course.

Too many approval steps were required to render quick and effective decisions.

We resolved these issues by reducing the layers of management from nine layers to five.

We also increased the span of control for supervisors.

Previously, they oversaw an average of three people.

Now they supervise eight to ten.

No one lost their jobs or pay as a result of realignment.

Our new structure created a vibrant agency that is more effective and more accountable.

We improved communication within ITD, and credibility outside the department.

And we put decision making closer to where the work is being done.

The realignment was so effective and innovative that it won the AASHTO President's Award for Administration.

In year three, we focused on improving employee compensation, because to **BE** the best transportation department in the country, we will **HAVE** to have the best employees.

The previous year's realignment had generated millions of dollars in salary savings. We invested some of those savings in road and bridge projects, and invested the remaining savings to fund salary increases in future years.

We gave raises when many state agencies in Idaho were furloughing their employees.

These salary increases were vital to accomplishing the department's goals.

To do so, we need to attract the best people to come to work for ITD. And we need to reward the great employees we already have.

That is becoming increasingly more important, because we are in the process of losing up to 50 percent of our workforce to retirement.

The people retiring will take with them decades of experience and knowledge that will be difficult to replace.

We need to replace them with talented people, and we need to pay them for their skills.

That is why we provided the first raises ITD employees had seen in five years.

The increases reduced turnover costs and rewarded employees for their increased efficiency and hard work.

We have continued to provide salary increases every year thereafter, and in addition, we received approval to implement Horizontal Career Paths.

This is an important program, because when we reduced the layers of management from nine layers to five, we eliminated many opportunities for promotion.

Horizontal Career Paths is a performance-based system that allows us to reward employees based on their level of skill and the technical knowledge they acquire over time.

Other states are now looking at ITD's Horizontal Career Paths program as a model for their own agencies.

Our ability to increase pay levels was the direct result of first improving our accountability and credibility, and then increasing our efficiency.

Our employees' hard work and dedication created savings that made these pay raises possible.

In year four, we focused on employee development and succession planning.

Our future workforce will look different than it does today.

It will have fewer people, but they will be highly skilled.

We will compensate these employees for those skills, and provide training for the skills they must learn on the job.

We also created an extensive employee-development program that provides courses to develop basic leadership skills.

The courses are required prior to promotion to any front-line manager position.

Employees are told why they are attending the training, what they are expected to learn, and how their new skills can be used on a day-to-day basis.

And they learn how to translate what they learn in the classroom into higher performance in the workplace.

Employees develop individual improvement plans and supervisors hold them accountable for using the new skills.

The employee-development program is one piece of the succession plan, which has four parts.

- Workforce Planning
- Compensation
- Training and mentoring
- And recruiting

We are continuing to find ways to attract and retain the best employees.

We are recruiting at colleges, job fairs, and trade shows.

We are making jobs at ITD more interesting and fulfilling, and we have found ways to compensate employees for improving their skills and abilities.

The employees we attract and hire in the next few years will be the foundation of a new ITD.

An ITD prepared to meet the challenges of the next 25 years. I will speak more about this later in my board report.

In year five, we began the push to achieve a revenue increase for the state's transportation infrastructure.

This is where the foundation we had built of increased credibility and accountability really began to pay off.

Because of the major improvements we have made at every level of the department, ITD was no longer a reason for anyone to vote against increasing revenue for roads and bridges.

ITD had earned the trust of the public, the media, the Governor, and the Idaho Legislature.

There were many questions during the legislative session about how to increase transportation revenue.

But no one was questioning whether ITD would invest the money wisely and effectively.

It was a long and difficult process, but when the dust cleared and the legislative session was over, the state of Idaho had increased transportation funding for the first time in nearly 20 years.

This new funding provided by increases in fuel taxes and registration fees will provide approximately \$58 million per year of ongoing funding for the State Highway System.

The new revenue can only be used for road and bridge maintenance, and it requires an annual report.

We prepared for the revenue increase ahead of time and had projects ready to go, allowing ITD to put the new money to work almost immediately.

In April of this year, the board approved the advancement of 27 of those projects.

The legislature also created a Strategic Initiatives Program that will receive 50 percent of the General Fund Surplus for two years.

The surplus at the end of Fiscal Year 2015 was \$54.1 million.

We will not know the amount of the 2016 surplus until the fiscal year ends.

The revenue increases are a good start.

They get us about one third of the way to resolving Idaho's \$262 million annual transportation revenue shortfall for road and bridge maintenance.

The revenue increase was a major accomplishment for the department, and marks the successful end of the five-year plan I set for the department in 2010.

It is now time to begin the next five-year plan, and I thank the Idaho Transportation Board for its input and guidance as we were developing it.

The next five years provide us with a unique opportunity to build a legacy for how ITD will operate during the next 25 years .

As with the first five-year plan, we have set several important goals. They are the key to continuing to improve our performance.

This plan is about setting the direction and the organizational structure for the next 25 to 30 years.

We can do this because of the wave of retirements we are experiencing, losing 50 percent of our workforce in a five-year period.

And we can do it by being strategic in how we fill these positions———or in how we identify positions that we choose not to fill.

It is giving us a once-in-a-lifetime opportunity to determine our future.

Those who are near retirement can leave a legacy by helping set ITD's direction for the next 25 to 30 years.

Those who are new to the department can help set their direction by having a say in how ITD will operate for the rest of their careers.

This truly is a once-in-a-lifetime opportunity for all involved, including each of you on the board.

To do it well, we need to look at the big picture, understand what the state's future transportation needs are, understand what the department's future needs are, and we need to set strong goals to assure success.

Our first goal is to move forward and build on our success by continuing to make ITD's work culture more constructive.

Fostering a constructive culture sets the table for everything we will do during the next five years.

Allowing employees to be innovative is the most effective way to deliver results to the users of our system.

One example is our Horizontal Career Paths pilot program for our transportation technicians.

We must build on this success by continuing to develop horizontal career paths across our organization.

The pilot program allowed maintenance workers—our front line employees—to decide how to best accomplish their work.

We tied their compensation directly to their results, which are greatly improved.

During the next year we plan to add one or two additional job classifications to the pilot program.

Developing a successful Horizontal Career Paths program is one step in many that we will take to build a more constructive culture at ITD.

It takes six to ten years to set culture in place, and we are now midway through our culture change fully taking hold at ITD.

We are already seeing performance improvements, and cannot afford to stop thinking constructively.

We conducted the first two-year survey of ITD's culture in 2014 and it showed improvements.

The survey also showed that our employees are more satisfied and more secure.

Our employees are delivering for the citizens of Idaho, and achieving greater recognition for ITD.

These improvements are allowing us to deliver better results, products, and services to the citizens of Idaho.

We will conduct another survey in 2016 and are hoping for even more improvements.

Our second goal is to take the innovative spirit of our 1,700 employees to an even higher level. This is about moving the dials on our performance measures.

Innovation is the most constructive way to change and improve. It allows employees to be creative and develop processes and procedures that save time, improve services, and save money.

We cannot afford to reject ideas or slow the development of improvements in the way people work.

We need to fully develop our constructive culture, and empower employees to look for potential improvements in all they do.

That includes everything from basic—yet effective—process improvements to the most creative ideas.

During the first 18-months of Innovate ITD, we have created more than \$700,000 in cost savings.

These are the types of money-saving improvements we cannot afford to stifle.

They are the result of employees being able to make quick, well-thought-out decisions on their own.

Continuing to drive this innovative culture delivers results, allows our employees to work closer as a team, and develops more pride in their work.

The biggest winners are the users of the system.

But we owe those users more than just an innovative culture that saves money and works more efficiently.

We must also assure that we can adapt to current challenges and plan ahead to address their future transportation needs.

Which brings us to the **third goal**, which is to establish the 20/20 vision and develop a strong succession plan.

It is no secret that we expect to lose about half of our current workforce in a five-year period, and we are now in that process.

Now is the time to decide how best to fill the impending vacancies and develop a plan for the next quarter century.

Transportation departments have operated the same way since our highway system was built under President Eisenhower in the 1950s.

A new generation took over in the 1980s, but the ways of operating and staffing transportation departments remained the same.

I was part of that group that came in 1980 and when I first started in the transportation industry, it was very common to see seven people on a survey crew. Now we need only one or two people because of computer advances.

The same is true with drawing plans for roads and bridges. CADD software has reduced the number of people required to develop a project.

Technology is constantly improving, and we must stay up to date with those changes if we are to be a successful and effective department.

In the past few years, we have significantly improved the technology in our snowplows.

Inside, they look like an airplane cockpit.

And they have iPads equipped with latest weather forecasting software.

We must give the newest generation of workers the tools they need to be effective on the job. As we've seen, these tools allow them to be more innovative and efficient.

Speaking of the new generation, we need to make sure we design a work environment that best meets their needs as well.

The new generation is just as happy working with one of these rather than a computer,

(hold up cell phone)

... and many would rather work as a team around a table with a room full of co-workers than in the traditional office environment.

They will want and expect the scheduling flexibility to meet the demands of raising a family in the ever-changing 21st century world.

If we are going to build a legacy, we must be ready to attract, retain, and equip future staff with all the tools needed to do their jobs.

Our goal with the 20/20 vision is to design our future work plan to meet the changing technology and social needs of the next 25 years, and attract and retain the best employees.

The final two goals of the five-year plan are both tied to funding.

At the state level, we need to stabilize our funding and invest it wisely for maximum return on investment.

During the legislative session last year and during our current legislative outreach, we have heard from state lawmakers that they have complete confidence in the transportation department.

They have seen us take this first round of new money and in less than six months start constructing the first of the 27 projects.

We must continue to build on their confidence and show that we are investing the new revenue wisely.

We must clearly show that the projects funded by the new revenue are selected and prioritized base on their return on investment, defined in three ways.

One—Safety. Meaning the greatest reduction in fatalities and serious injuries.

Two—mobility. This means more predictable travel and shipping times.

And three—providing economic growth and opportunity for Idaho.

We must also leverage our effectiveness into a complete funding package that fully addresses the transportation revenue shortfall.

We look forward to working with all of you on the Idaho Transportation Board in doing just that.

We need your help and input on this goal to make sure Idahoans fund this department to the appropriate level to meet their future transportation needs.

The last goal of the new five-year plan is also tied to funding, at the federal level.

We will work with the federal government to address funding for rural states like Idaho.

We will work through AASHTO and our congressional delegation to ensure we maintain our share of federal revenue.

And we will work with other western states through WASHTO.

While this is very preliminary, so far, it looks like we will maintain our current level of funding, and may see increases for inflation in the new federal transportation bill.

We need to make sure the new bill includes a hedge for future inflation, and a mechanism for growth.

We also will work to reduce federal regulation and increase the flexibility for using federal funding.

We have built a strong foundation, and have tremendous momentum.

We must now build on our successes———and the lessons we've learned from the first five years.

Moving forward, we cannot change course.

Now is not the time to sit back and relax.

We must continue to improve and succeed over the next five years.

I recently listened to Stephen Covey speaking at the WASHTO emerging leader's conference. He is the son of the famous writer of the same name, who wrote "**The 7 Habits of Highly Effective People**," which has sold more than 25 million copies in 40 languages throughout the world.

He spoke about the "**Cost of Trust**." He said that when people trust each other they work together.

There is an economic reason and business case for building trust, because the lack of it delays decision making.

Those who lack trust in their teammates do not produce the best decisions, which costs organizations money.

A work place that lacks trust is one that lacks confidence and effectiveness.

By implementing a constructive culture that empowers employees, we have re-instilled confidence and trust in our employees, and we have regained the confidence of our legislature and the public.

We have given the employees their jobs back, allowing them to make decisions closer to where the work is done.

This is making ITD an employer of choice, where people want to work.

Those who are at ITD know that they work for a highly successful organization. One that is constantly improving.

They know they are valued employees who can make a difference in the future of their state, and improve the lives of every Idahoan.

We look forward to working with the Idaho Transportation Board to take ITD's success story, and the effectiveness of our employees, to another level ————not just for the next five years, but the next 25 years.

The goals I have shared with you this morning are the ones that will build a lasting legacy for Idaho and will lead us toward becoming the best transportation department in the country.

Mr. Chairman and members of the board, this concludes my Director's report for November.

I now stand for questions.

Director's Board Report December 2015

At the end of each year, I have the privilege of presenting the highlights of the previous 12 months. And I am pleased to report we are growing ever closer to our goal of becoming the best transportation department in the country.

2015 began with a strong push for a revenue increase to address the \$262 million annual shortfall needed just to keep the existing system in the condition it is in today.

The improvements we have made at ITD over the past six years were important to the debate, because ITD's performance was no longer a reason for legislators to vote no on a revenue increase.

Here is a video showing what legislators were saying about the issue.

(Pause while Bedke video plays)

(Brian begins speaking, then play video in background)

The revenue debate was a hot topic right up to the last day of the legislative session, but when the final gavel fell, ITD received the first revenue increase in nearly 20 years, and the largest revenue increase in the history of the department.

The increase was a good start, and gets us about a third of the way toward the goal of \$262 million.

The new legislation provided ITD with an ongoing \$58 million per year from increases in fuel taxes and vehicle registration fees.

(Show project photos——auto timed 1:05)

We had 27 projects ready to bid shortly after the Governor signed the bills into law, and many of those projects began construction this summer.

On screen you can now see of some of those projects.

They were funded by increases in fuel taxes and registration fees.

Thanks to the advance work done by our district employees, 12 of these projects have already broken ground or are completed. The remaining 15 will be done in 2016.

There are few agencies in the nation that could have had this many projects ready to go in such a short time, and I am proud of our employees for making this possible. They did an outstanding job.

The 2015 Legislature also provided one half of the General Fund surplus at the end of fiscal years 2015 and 2016. This money will be placed in the new Strategic Initiative Program Fund, and can only be used for maintenance projects, which must compete for funding based on their return on investment.

Today you will select the projects to be funded by the \$54 million placed in the Strategic Initiative Program Fund in July.

Each of the six districts submitted a list of potential projects to compete for the funding.

Forty met the department's return-on-investment criteria, and they represent more than \$104 million in construction costs.

The revenue increase was an exciting way to start the year, but it was just the beginning of our accomplishments in 2015.

[\(Start Cascade Bridge Video...\)](#)

We completed several other important construction projects this year, including the new bridge on the north side of Cascade.

The video you see on screen was filmed during one of the year's first snow storms, but the snow in the air does not hide the quality of a well-designed, modern bridge.

It is stronger, wider, and far more able to meet current transportation needs than the old, outdated bridge it replaced, and it will serve those who drive Idaho 55 for many decades in the future.

New bridges like this have extremely low maintenance costs compared to bridges that were built more than 50 years ago. As bridges age, their maintenance costs increase rapidly.

(Show Enterprise Bridge Photo)

Here is a photo of a bridge we are replacing with the new revenue this year. It is the Enterprize Bridge on U.S. 26, near Ririe, **(RYE REE)** which is under construction right now.

It was built in 1931, and as you can see, was in extremely poor condition. This bridge passed its design life of 50 years in 1981. That was 34 years ago. Since then, weather and age continued to take their toll, day after day, year after year.

But thanks to the 2015 revenue increase, the residents of Ririe will soon have a new bridge over the Enterprize Canal.

(Meridian Interchange Video)

Another project I would like to bring your attention to is on I-84. I am pleased to report the orange barrels are now gone from all lanes of I-84 at the Meridian Interchange, which is the largest interchange in the state and Idaho's final GARVEE project.

As you can see on screen, traffic on I-84 is now flowing smoothly and uninterrupted in both directions.

Some work is still being done on Meridian Road, but the removal of the orange barrels from the traffic lanes in both directions of I-84 marks the final stages of Idaho's extremely successful GARVEE program.

(GARVEE photos——auto timed 60 seconds)

Over the course of the program, ITD's GARVEE team invested \$857 million into modernizing and improving Idaho's most important transportation corridors.

From North to south, the GARVEE projects have improved mobility, created jobs, and saved lives across the state.

High-priority projects such as Garwood to Sagle and Worley to Setters on U.S. 95, I-84 Caldwell to Meridian, and U.S. 30 McCammon to Soda Springs could not have been funded through the state's traditional pay-as-you-go approach.

The GARVEE program allowed ITD to build large, vitally needed projects now, rather than wait 20 to 30 years for adequate funding.

The GARVEE Transportation Program was the largest infrastructure program of any kind in Idaho history.

ITD delivered it safely, on-time, and under budget.

It has been an amazing success by every measure.

And the department was able to complete these much-needed projects while continuing to keep the regular construction program going throughout the entire state.

Comparing the 36-month data on the GARVEE corridors before and after construction shows an **89 percent** decrease in fatalities, and a **32 percent** decrease in serious injuries.

The reaction from citizens continues to be overwhelmingly positive, and I am pleased to say the program is now substantially complete.

The GARVEE Program transformed Idaho's most important transportation corridors, improved safety, reduced congestion, and won national awards for excellence.

(Show logo...)

When we begin designing a new project, we do not purposely try to design infrastructure that wins awards, we design it to meet current and future traffic demands.

Often the unique innovations our employees develop during a project earn the attention of other states and national organizations. And sometimes that attention results in awards for excellence. In 2015, several of our projects were awarded for excellence. Here are a few examples.

[\(high-speed Lardo Bridge video\)](#)

The Lardo Bridge Project in District 3 was honored with the “**Excellence in Concrete**” award by the

Intermountain Chapter of the American Concrete Institute.

This is high-speed video showing the new Bridge as it was being slid into place over the Payette River.

The design-build project used the “lateral-slide” construction method, which reduced the number of days Highway 55 was closed to just 35 rather than eight to 12 months.

This was greatly appreciated by local residents and businesses.

As you may remember, one of the unique methods employed in this project was the use of Dawn Dish Soap to help slide the bridge 70 feet into place.

Being able to build the new bridge next to the old Lardo bridge while it was still in operation lessened the impact to the travelling public for the majority of the project's duration.

(Lewiston Hill video...)

Another project I would like to highlight is the Lewiston Hill Project in District 2.

Two weeks ago, it received the **Quality of Pavement Award** from the **National Asphalt Pavement Association**, known as NAPA.

You can imagine the size and quality of projects District 2 was competing against for the nation's top pavement award, but the excellence of this project,

and the smoothness of the asphalt, could not be denied.

Here is what Joe Schacher (**SHACK ER**), District 2's Resident Engineer, had to say about the project:

(Pause for Joe Schacher Video...)

(Start photos as Brian begins to speak...)

U.S. 95 carries 10,000 vehicles per day on Lewiston Hill. Construction on the \$11.5 million resurfacing project began in mid-May and ended in early September.

The project used 112,000 tons of Superpave Hot-Mix Asphalt. To minimize the impact to drivers, the

contractor used a six-day workweek, Monday through Saturday, 20 hours per day, to complete the project 18 days early.

(Logo...)

This must have been District 2's year to be in the limelight.

Not only did they win a national award for the Lewiston Hill Project———their Spalding Bridge project on the Clearwater River won the AASHTO **President's Award for Environment.**

(Spalding video—auto timed 90 seconds, photos at end)

The award was presented to **Sue Sullivan** from our Environmental Section and **Shawn Smith**, District 2's Senior Environmental Planner at AASHTO's annual meeting in Chicago on Sept. 27.

This was an important project that saved a critical 1,200-foot bridge over the pristine Clearwater River, while also enhancing habitat for bull trout, steelhead, salmon, and cutthroat trout.

The Clearwater River is one of the most scenic rivers in the United States and is rich in history. The Middle Fork of the Clearwater River was one of the first rivers designated under the U.S. Wild and Scenic Rivers Act.

Anglers and paddlers travel from all over the world to experience the Clearwater's thriving fisheries, thrilling whitewater, and spectacular scenery.

The water moves too fast for divers to be deployed, so District 2 developed unique solutions involving GoPro cameras, time-lapse photos, and aerial monitoring from a drone to ensure proper placement of A-JACKS mats.

A-JACKS is an articulated riprap technology that provides armoring protection for bridge foundations and piers.

Crews placed nearly 400 concrete A-Jacks mats, weighing 2,700 pounds each, on the riverbed to provide armor against erosion.

This project was time-critical because the bridge, built in 1962, was rated among the top 10 most scour-critical bridges in the state. The A-JACKS technology helped ITD complete the project ahead of schedule and under budget.

ITD coordinated with the Nez Perce Tribe's fisheries and water resources regulators and employment rights office, in addition to the Idaho Department of Fish and Game. Half of the crew working on the project were Nez Perce Tribal members.

The Spalding Bridge Project has now been recognized for an AASHTO Innovation Initiative, an AASHTO President's Award for Environment, **AND** an award

from the Inland Northwest Associated General Contractors.

The Spalding Bridge project earned the fifth AASHTO President's Award ITD has won in the past six years.

(Innovation video...)

So far, in 2015, ITD has won 53 regional and national awards for excellence and innovation. That is an amazing accomplishment, and shows that ITD is on the right path.

We are leading the way in excellence and outstanding project design, which is why many of our innovations are being used as models for other states.

These award-winning and money-saving innovations come directly from our employees. They are the ones who continually step up to the plate and hit home runs again and again.

They too are achieving recognition. And it is well deserved.

(start employee photos here . . .)

Tri Buu (**TREE BOO**) earned the prestigious **Mr. Northwest Geotech Award** for contributions to the Geotechnical industry.

ITD's Principal Auditor **Sandra Healey** was named the Association of Government Accountant's National Recruiter of the Year.

Two Driver Services employees, **Chris Kiyoshi (KEE YOSHEE)** and **Santiago Palomera (PALO MERRA)**, became members of the AASHTO committees for vehicles and law enforcement.

Matt Beckstead from the Preston Maintenance Shed won second place in the loader event from among 55 competitors at the Western Snow and Ice Conference and National Truck Roadeo in Colorado. This is the second year Matt has competed.

(Photo of Mark...)

Mark Hall in the Office of Communication won the 2015 national photography competition hosted by AASHTO.

His winning photo was of former ITD Project Manager Jayme Coonce overseeing the installation of girders on an I-84 overpass at night. Here is what Mark had to say about the photo.

(Pause for Mark Hall Video...)

(Then Logo)

Mark Hall works in the Office of Communication, and has a new boss. Earlier this year we hired Vincent Trimboli as Public Relations Manager. Vince has brought a lot of talent and energy to the organization, and is known to be an impeccable dresser.

(Photo of Vince)

(Photo of Dan Harelson)

District 5's **Dan Harelson** wrote a paper on low volume roads that earned him the opportunity to give a presentation from the lectern at the Transportation Research Board International Conference in Pittsburgh. He wrote about an ITD system that has reduced crashes by approximately 35 percent in nine years at 1,100 intersections in District 5.

Long-time employee **Trish Whitney**, who has worked for ITD since 1974, was recognized by the American Red Cross as a **2016 Hometown Hero** for her exceptional volunteer service.

(photo...)

An Idaho Statesman article about Trish wrote the following:

“Trish has been a blood donor coordinator for the past 15 years and stands out for her enthusiasm and her continuous efforts and ability to recruit donors. Her commitment to our cause is infectious, and helps keep everyone motivated, including Red Cross staff.

“Trish conducts 12 blood drives every year and would like to ramp up to 15. It is the hard work and commitment of volunteers like Trish that are at the very heart of our organization’s success.”

End Quote.

(Teamwork photo. . .)

Teamwork is an important part of ITD's work culture. It allows our employees to combine their talents to achieve far more than they could individually.

One example of a team project is the DMV Cash Drawer System.

(Show DMV web pages – Auto timed. . .)

A software-development team led by Deputy Director Scott Stokes and Chief Administrative Officer Char McArthur completed work on the cash drawer project as part of DMV's modernization efforts.

The Cash Drawer System allows DMV employees to process credit card transactions by phone.

The system is a huge success. It is a milestone in the first phase of developing software to replace DMV's reliance on the mainframe computer.

The new system expedites DMV transactions by enabling employees to instantly approve credit card payments.

The old system required customers to make several phone calls to DMV and wait two or more days for payment verification.

The new system allowed more staff to be trained and authorized to take payments, which reduced customer wait time for credentials even further.

The employee team that developed the Cash Drawer System improved service to our customers across the state, made payments far more convenient, and improved processing accuracy and accounting for DMV.

(Show Logo...)

Major customer-service improvements like this and the awards and accolades earned by our employees in 2015 show the quality and excellence our employees bring to work every day.

They are outstanding people at work **AND** in their communities.

They make ITD proud.

They make the entire state a better place to live, and I am honored to be associated with them.

So, with an excellent staff filled with award-winning and dedicated people, we occasionally like to show off a bit by hosting national conferences.

These conferences bring large groups of experts to Idaho from all across the country to participate in national discussions about how to improve transportation and economic vitality in our states and regions.

Large national conferences also provide a platform to showcase everything Idaho has to offer. And they pump money directly into Idaho's economy.

(Show NASA0 photos here. . .)

This year, the Division of Aeronautics hosted the 84th National Association of State Aviation Officials, or NASAO, national conference in September.

The NASAO Annual Convention and Tradeshow provided an opportunity for aeronautics professionals to travel to Boise to gain valuable insight into issues affecting their industry.

It allowed them to meet and interact with professionals from state aviation departments, the Federal Aviation Administration, and aviation businesses. With attendees from across the aviation industry and 360 panel discussions, this was truly a world-class conference and trade show.

[\(WASHTO video here...\)](#)

In July ITD hosted the 2015 WASHTO Conference in Boise. The theme was “**Transportation Moving at the Speed of Business.**”

We had more than 400 attendees, and a record-setting number of sponsors.

The success in attracting this many attendees and sponsors allowed us to raise the bar on activities, media training, and high-quality keynote speakers. The final afternoon and evening events were held on the blue turf and in the Stueckle Sky Center at Boise State, with entrepreneur and former Washington Redskins quarterback Joe Theisman as guest speaker.

The WASHTO Conference was a major event for the department, and provided a large boost for Idaho’s

economy. We filled nearly every hotel room in downtown Boise, and showed the attendees what makes Idaho such a great destination for business and recreation.

[\(Show Logo...\)](#)

The success of the NASAO Conference and the 2015 WASHTO Conference was made possible by ITD's employees who volunteered their time and skills to produce two outstanding national events.

Our Innovate ITD Program is also made possible by our employees.

[\(Show Innovate Web Page...\)](#)

During Fiscal Year 2015, they generated 124 ideas and implemented 70 innovations——saving an estimated \$385,000 and 12,300 work hours.

So far in Fiscal Year 2016, employee-generated innovations have saved more than \$327,000, and we have seen a marked acceleration in ideas generated and submitted for implementation.

That is a total of 114 innovations and more than \$700,000 saved in the program's short history.

Here is a news story from KIVI, Channel 6.

(Pause while Channel 6 video plays)

(Then show logo. . .)

Allowing employees to be innovative lets them find ways to deliver better results to the users of our system——the citizens and businesses of Idaho.

To promote even more innovation and higher performance, we implemented a horizontal career paths program that links pay levels to actual job performance.

Horizontal career paths allow ITD to pay transportation technicians according to their skills and performance. They are one third of our workforce.

(video of snowplowing)

The innovation program and horizontal career paths help our employees to become more successful, but the biggest winners are the users of the system. However, we owe them more than just an innovative culture that saves money and works more efficiently.

We must also assure that we can adapt to current challenges and plan ahead to address the future transportation needs of all Idahoans.

And we must address the fact that 50 percent of our workforce is approaching retirement age.

Now is the perfect time for us to determine how best to fill or not fill the impending vacancies. It is also an ideal time to develop a staffing plan for the next quarter century.

Our new five-year direction will help us replace the people who are retiring with highly skilled employees who can not only take their place, but can help incorporate new technology that will allow ITD to meet Idaho's transportation needs for the next 25 years.

Through our strategic focus on employee development and innovation, we will provide a higher level of service with fewer but more highly skilled employees.

I discussed the 2015 increase in state revenue a few minutes ago, and now I would like to cover the basics of the new federal funding Act the president signed into law on December 4th.

(Show FAST LOGO)

It is interesting to note that like a matching set of book ends, we began the year with good news about an increase in state funding, and we end the year with good news about federal funding.

The Fixing America's Surface Transportation Act, otherwise known as FAST, is a five-year bill that expires in the year 2020.

ITD can now safely engage in long-term planning, rather than planning based on short-term extensions of the previous bill.

After an initial five-percent bump, the FAST Act increases most of Idaho's highway, transit, and safety

funding near the standard two-percent annual inflation rate estimate through 2020.

The previous bill authorization, MAP-21, had cut Idaho's federal funding to Idaho by approximately \$20 million per year.

The bill also includes a block-grant program that increases flexibility in how the funds can be used.

FAST streamlines environmental review and permitting processes.

It also increases public transportation funding, expands public-private investment and partnerships, and allows more state control in safety programs.

ITD worked closely with other rural states and WASHTO prior to passage of the new act to successfully address the needs of rural western states, increase flexibility, and include an adjustment for inflation.

The new surface transportation act is a good bill that provides fiscal stability for Idaho's federal funding and improves our ability to plan for the future.

And it is the longest-term federal funding bill in 17 years.

Given the inability of Congress to develop any kind of a long-term reauthorization bill during the past 10 years, passage of this bill is a watershed moment for

the country, and almost like an early Christmas present for the states.

(Show logo...)

Mr. Chairman, the highlights of 2015 that I have shared with you this morning, and the exciting new strategic direction we have set for the next five-years show that ITD is on the right course.

We are achieving great results. We are strategically investing taxpayer dollars into projects that provide the best return on the dollar, and we are leading the way for other state transportation departments in innovation and excellence.

This concludes my Director's report for December, and my review of the highlights of 2015.

It has been an amazing year, and I look forward to working with you in 2016 to make ITD the best transportation department in the country.