MoDOT/Industry COVID-19 Weekly Meeting Minutes

June 10, 2020

Action Items from May 27, 2020 Meeting:

1. Traffic data compared to same time period as 2019 – The latest comparison will be added to the minutes for passenger and commercial vehicles.

Agenda Items:

**Shared Work Program** – The economic conditions we have experienced over the last 10 weeks has resulted in over $45 million in reduced revenue to date. There is a lag in the reporting and we have not yet seen the impacts for April but could see a revenue shortage of $100 million. MoDOT has taken the following actions thus far:
   - Reduced discretionary spending
   - Reviewing hiring and promotions
   - Delayed, not cancelled, $360 million in contract lettings.

MoDOT will be taking the additional measures starting June 15:
   - **Personnel Savings**
     - Implementing a 10% pay reduction for the Director and Deputy Director
     - Implementing a 5% pay reduction for the Senior Management Team
     - Remaining workforce can choose
       - 5% pay reduction and full-time employment
       - OR a one-day per week furlough (20% pay reduction), but this will include unemployment compensation provided through the CARES ACT and the possibility of partial unemployment compensation through the State of Missouri.

   - Work products and staff availability will be impacted for the 12-week period beginning June 15 until the end of August. MoDOT is working with the Resident Engineers to minimize these disruptions in inspection services. Contractor payments will continue.

   - These measures are expected to save $17 - $20 million in Missouri road fund dollars and the CARES ACT unemployment is expected to supplement the payment reduction to MoDOT staff.

**Need for greater communication on project scheduling** - This is being discussed with the Resident Engineers to try and minimize impacts to the contractors.

**Contract status** –
   - MoDOT has $1.8 billion under contract with over $1 billion in remaining work to complete. Contractors are $93 million ahead in contractor payments as compared to the same time in 2019.
   - Districts are working on their letting priorities and MoDOT expects to publish a new letting schedule in mid-July as this funding level unfolds.
**Federal funding** – The Federal Trust Fund has experienced a 79% reduction in receipts for May of 2020 as compared to May of 2019. This could lead to a depletion of the fund in approximately 22 months.

**Director's update** – There was a concern expressed from industry that legislators may not be fully aware of the financial impact to the trust fund and its potential impact to Missouri transportation.

**Roundtable discussion:** MAPA requested “talking points” to share with contractors concerning the “Shared Work Program” and construction inspection services. They are attached in the minutes.

The next meeting will be on June 17, 2020 at 1:00.