

An adjourned meeting of the Board of Supervisors of Albemarle County, Virginia, was held on December 2, 2008, beginning at 1:30 p.m. in the Auditorium of the Virginia Department of Transportation, Culpeper District Headquarters, Culpeper, Virginia. The meeting was adjourned from November 25, 2008.

The purpose of the meeting was for VDOT Commissioner David S. Ekern to meet with local partners to discuss the agency's Blueprint for the Future, a planning initiative that he and his executive staff have developed in response to recent future revenue projections. Last month the Secretary of Transportation announced to the Commonwealth Transportation Board that State and Federal transportation revenues are projected to decline by \$2.1 billion to \$2.6 billion over the next six years. Anticipating a significant reduction in VDOT's program, Commissioner Ekern assembled his executive team and communicated an initial blueprint meant to outline the core services and structure for the VDOT of the Future. The Commissioner and his executive team have continued to develop this Blueprint and anticipate implementing many of the recommendations in the near future.

PRESENT: Ms. Ann H. Mallek, Mr. Dennis S. Rooker and Ms. Sally H. Thomas.

ABSENT: Mr. Kenneth C. Boyd, Mr. Lindsay G. Dorrier, Jr., and Mr. David Slutzky.

Agenda item No. 1. Call to Order. The meeting was called to order at 1:40 p.m., by Mr. Ekern, Commissioner, Virginia Department of Transportation.

Commissioner Stern provided the following presentation for discussion. Approximately 34 people were present and participated in the discussion with Commissioner Stern.

A Blueprint- VDOT Response to a Declining Economy:

THE FUTURE FOR VDOT

- ***Focused*** -mission of maintenance, operations and emergency response
- ***Scaled Services*** -first priority to the highway network that serves 85% of users and where the majority of crashes occur
- ***A Business*** -that integrates and streamlines partnerships and does not replicate every function and service throughout VDOT's organization
- ***Driven by*** rapid deployment of research, technology, and training to ensure best and consistent practices and services
- ***Recognizes*** that construction funding will be focused on safety, reconstruction and bridge replacement with major new construction being episodic
- ***An Agency*** that will be smaller, providing its services differently and proportioned differently.

**ESTIMATED REVENUE REDUCTIONS
 (VDOT PROGRAMS)**

	<u>State Revenue</u>	<u>Federal Revenue</u>	<u>Total</u>
	(MILLIONS)	(MILLIONS)	(MILLIONS)
FY 2009	\$227	\$0	\$227
FY 2010	\$258	\$93-\$216	\$351-\$474
FY 2011	\$240	\$105-\$216	\$345-\$456
FY 2012	\$229	\$117-\$217	\$346-\$563
FY 2013	\$232	\$130-\$218	\$362-\$450
FY 2014	\$195	\$143-\$219	\$338-\$414
	\$1,382	\$588- \$1,086	\$1,970-\$2,468
(1) FY 2011-2014 Based on AASHTO federal revenue reduction scenario			

BLUEPRINT FOR RESPONSE

1. Organization/Staffing Changes
2. Services and Program Changes
3. CTB Program Changes

PRIORITIES DRIVING THE BLUEPRINT

- Maintaining emergency response capability
- Prioritizing services from centerline to the right of way edge
- Preserving and repairing system before expanding
- Maximizing use of federal funding
- Reshaping the agency to maintain core competency
- Eliminating or consolidating redundant functions
- Finishing projects under way
- Planning for new major construction to become episodic
- Adjusting project mix to reflect CTB priorities

ORGANIZATIONAL STREAMLINING

REDUCED

- Residencies by approximately 30%
 - Purpose/Form/Function/Location/Staffing will change
- Central Office Divisions by approximately 30%
- Equipment Repair Facilities by approximately 40%
- TOCs/TEOC from 6 to 5
 - Traffic Engineering Services
 - System Technology (signals etc management)
 - Emergency Operations/CADD/Call Centers –operational 24/7/365
 - Primary customer service contact point

SHARED SERVICES COMMON TO THE AGENCY

- Service Centers for Administration/Procurement
- Design-Materials Testing-Right of Way

REDUCED LAYERS OF SUPERVISION

REDUCED STAFFING

- **Pay Increases Delayed (per Governor’s action)**
 - From November 2008 to July 2009
- **Eliminating Vacancies**
 - Classified Vacancies 1,000
 - Wage and Temporary Vacancies 800
- **Staffing Target Levels:**
 - Classified Staff from 8,400 to 7,500
 - Wage and Temporary Employees from 1,200 to 500
 - Field/CO Senior Management reduced by 20%
- **Central Office Target:** from 1,300 to 1,000

REDUCED SERVICES/PROGRAMS

- **SERVICE LEVELS AND CONTRACT SPENDING(Approx. 70% of services are contracted today)**
 - Services provided through contract spending.
 - Evaluate all existing contracts for delay, renegotiation, or cancellation
 - Evaluate scope of maintenance contracts for renegotiation
 - Evaluate all services provided by the Department to ensure consistency throughout the Commonwealth
 - Snow and Ice levels of service
 - Roadside maintenance standards
 - Striping/Signing/Roadway Lighting
 - Evaluate services including ferries and rest areas for reduction/elimination or provided through self-sustaining fees
 - All evaluations based on performance measures and metrics
- **EMERGENCY RESERVES**
 - Major Infrastructure Failure reserve reduced by 20%
- **EVALUATE INTERAGENCY TRANSFER PAYMENTS**
 - Locality Maintenance Payments
 - VITA
 - DMV

CTB PROGRAM CHANGES

- Response will be developed and directed through six-year program update process
- Reductions from formula and designated distributions are anticipated
- Increased federal funds to maintenance projects
- May reduce or eliminate smaller programs
- This review will take place during November/December

ESTIMATED REDUCTIONS BASED ON CURRENT BLUEPRINT							
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	Total
Staffing	\$58	\$87	\$116	\$116	\$116	\$116	\$609
Services/Programs	\$75	\$100	\$100	\$100	\$100	\$100	\$575
CTB Program [^]	\$94	\$195	\$220	\$191	\$210	\$199	\$1,109
Total Reduction	\$227	\$382	\$436	\$407	\$436	\$415	\$2,293

[^] Construction reductions are driven by federal revenue reductions and state construction funds

BLUEPRINT FORWARD STEPS

- **VDOT Staff to Detail/Implement the BLUEPRINT**
 - FINANCE TEAM
 - CTB PROGRAM UPDATE
 - COMMUNICATIONS TEAM
 - STAFFING AND ORGANIZATION
 - District/Field Team
 - Central Office Team
 - Business Services Team
 - PEOPLE TRANSITIONS AND OPTIONS TEAM
- **Engaging Industry leaders to find savings**
- **Possible Legislation**
 - Federal and State
- **Implementing a system of regular reporting**
 - to Governor, General Assembly, CTB, employees and customers

BOTTOMLINE

- VDOT will be a smaller agency with a different look
- Safety will still be the first priority across the Commonwealth
- Services throughout the Commonwealth will be reduced
- Probability is system conditions will NOT be as good as they are today

FINAL THOUGHTS

- The BLUEPRINT will change as we move forward
- 60 days to develop the BLUEPRINT and begin Implementation
- IMPLEMENTATION COMPLETED IN 24 MONTHS
- No function or SERVICE is off the table
- A Business Plan approach driven by our mission and values

Following the presentation and discussion with the audience, the meeting was adjourned at 3:00 p.m.

Chairman

Approved by Board

Date: 01/07/2009

Initials: EWJ
