

# MVP for Transportation MPO Policy Board Meeting

## Representatives:

Bob Charles – Knik Tribe (**Secretary**)  
Edna DeVries, Mayor - MSB  
Glenda Ledford, Mayor – City of Wasilla (**Chair**)  
Brian Winnestaffer - Chickaloon Native Village  
Mike Brown - MSB  
Sean Holland - DOT&PF (**Treasurer**)  
Steve Carrington, Mayor – City of Palmer (**Vice Chair**)



## Microsoft Teams meeting

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Meeting ID: 268 385 333 252

Passcode: J9XJ2q8R

Or call in (audio only)

+1 605-937-6140 (U.S. Sioux Falls)

(844) 594-6237 (toll-free)

Phone Conference ID: 589 044 473#

## Agenda

**Wednesday, February 26<sup>th</sup>, 2025**

**1:30-3:00pm**

## Meeting Location

Musk Ox Farm

12850 E Archie Road, Palmer Alaska 99645

Hayloft / Classroom

1. Meeting called to order
2. Consent Agenda (**Action Item**)
  - a. Approval of the February 26<sup>th</sup>, 2025, Agenda
  - b. Approval of the January 22<sup>nd</sup>, 2025, Minutes
3. Committee/Working Group Reports (Including the Chair's Report)
  - i. Staff Report
    - Schedule of Topics
4. Voices of the Visitors (Non-Action Items)
5. Action Items
6. Old Business
  - a. Metropolitan Transportation Plan Contract Update
7. New Business
  - a. STIP (Statewide Transportation Improvement Plan) Amendment #2 Update  
<https://dot.alaska.gov/stwdplng/cip/stip/>
8. Executive Session
  - a. MSB Grant Agreement Draft Review and Discussion
9. Other Issues
  - a. Transit Update from MSB Planning
  - b. March Meeting Reschedule
10. Informational Items
  - a. Peer Exchange Overview and Action Items Review
  - b. MPO Quarterly Meeting and Peer Exchange Follow-up March 3<sup>rd</sup> and 4<sup>th</sup> in Fairbanks, Alaska

## MVP for Transportation MPO Policy Board Meeting

- c. Anchorage Daily News Article – Alaska contractors of ‘alarming’ outlook for 2025 road construction season
- d. Commissioner’s Office Letter to FAST Planning – Index of Authorities Governing National Highway System Facilities in the Metropolitan Planning Area
- e. Indirect Cost Rate DRAFT approval
- f. Senate Transportation Committee Meeting Presentation February 27<sup>th</sup> @1pm.

11. Policy Board Comments

12. Adjournment

Next Scheduled MPO Policy Board Meeting – **March 26<sup>th</sup>**, from 1:30pm-3:00 p.m. to be held at the Musk Ox Farm and via Microsoft TEAMS.

# MVP for Transportation MPO Policy Board Meeting

## **Representatives:**

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## **Minutes**

**Wednesday, January 22<sup>nd</sup>, 2025**

**1:30-3:00pm**

## **Meeting Location**

Musk Ox Farm

12850 E Archie Road, Palmer Alaska 99645

Hayloft / Classroom

### **1. Meeting called to order**

Meeting called to order at 1:30pm

#### **Members Present:**

Brian Winnestaffer – Chickaloon Native Village  
Sean Holland – Alaska DOT&PF  
Edna DeVries, Mayor – MSB  
Steve Carrington, Mayor – City of Palmer  
Bob Charles – Knik Tribe  
Mike Brown, Borough Manager – MSB  
Erich Schaal (Proxy for Mayor Glenda Ledford, City of Wasilla)

#### **Members Absent:**

Glenda Ledford, Mayor – City of Wasilla

#### **Guests:**

Kim Sollien, MVP MPO Coordinator  
Elise Blocker, RESPEC  
Donna Gardino, Gardino Consulting Services  
Adam Bradway, Alaska DOT&PF  
Clint Adler, Alaska DOT&PF  
Megan Flory, RESPEC

### **2. Consent Agenda (Action Item)**

- a. Approval of the January 22<sup>nd</sup>, 2025, Agenda
- b. Approval of the December 17<sup>th</sup>, 2024, Minutes

*Motion to approve the consent agenda (Charles), seconded. Approved.*

### **3. Committee/Working Group Reports (Including the Chair's Report)**

- a. **Staff Report**

## MVP for Transportation MPO Policy Board Meeting

Kim Sollien provided a staff report. Tomorrow is the House Transportation Committee meeting at 1pm. MPOs are the focus. FAST and AMATS are presenting and will cover MPOs and STIP development and what has happened over the last year and a half with the STIP and the MPOs' involvement. The annual report has been submitted to Alaska DOT&PF and it was approved and sent to FHWA. In process of finalizing first quarterly report of all activities and expenditures that have occurred since October 1. For the executive session at the top of the agenda, Policy Board members will enter another meeting for a short time and then come back to this meeting.

- i. Schedule of Topics

#### 4. Voices of the Visitors (Non-Action Items)

None

#### 5. Executive Session

##### a. Executive Director Hire Letter

*Motion to authorize Mayor Glenda Ledford to sign the Executive Director Hire Letter on behalf of the Policy Board (**Brown**), seconded.*

*Motion approved unanimously.*

#### 6. Action Items

##### a. Tech Wise Systems IT proposal (Action Item)

Kim Sollien provided an explanation of the services that TechWise would provide and the transfer. Sole Source Memo is in the meeting packet on Page 20-21. Kim provided the justification. Two quotes are in the packet, one for Kim's workstation and setup, the other for two staff members.

**Winnestaffer:** If we approve this, how often are we going to revisit this?

**Kim Sollien:** We could do it annually, I wouldn't suspect we would do that, unless there was a problem.

**Mike Brown:** Having a term contract is helpful. Agree with service but cost is also a component.

*Motion to approve the sole source for a three-year term (**Brown**), seconded.*

*Motion approved unanimously.*

##### b. MVP Bank Account

- i. Corporate Resolution to open an account with MVFCU (**Action Item**)
- ii. Authorize Check Signers (**Action Item**)
- iii. Naming Kim Sollien as the account manager with signing authority (**Action Item**)

**Kim Sollien:** These documents are part of a packet required by the bank

**Carrington:** Is the intent that there are two signers.

**Sollien:** Yes.

*Motion to approve the corporate resolution to open an account with MVFCU (**Winnestaffer**), seconded.*

*Motion approved unanimously.*

## MVP for Transportation MPO Policy Board Meeting

*Motion to authorize check signers: MVP Board Chair: Glenda Ledford; MVP Board Vice Chair: Steve Carrington; MVP Board Secretary: Nicholas (Bob) R. Charles Jr. (Winnestaffer), seconded.  
Motion approved unanimously.*

*Motion to name Kim Sollien as the account manager with signing authority for fiscal policies under \$5,000 (Winnestaffer), seconded.  
Motion approved unanimously.*

### c. **Ashburn and Mason**

**Kim Sollien:** Provided a staff report. Legal services were requested several meetings ago. The proposal is in the meeting packet. They have waived their retainer. Mike Schechter has MPO and land use experience.

*Motion to sign the attorney fee agreement with Ashburn and Mason with Kim Sollien's name on the contract (Winnestaffer). Seconded.  
Motion approved unanimously.*

## 7. Old Business

### a. **STIP Amendment # 2 Update**

**Adam Bradway:** Draft version has been provided to FHWA prior to public review. It is being reviewed now. MPOs have requested review prior to public review. MVP will be given a letter for the STIP from the commissioner's office. It's close.

### b. **Metropolitan Transportation Plan Update**

**Kim Sollien:** Still in negotiations. RESPEC won the proposal. Hoping to have a new fee proposal by the end of the week.

## 8. New Business

### a. **Vensure Employment Services Proposal: waiting for a quote**

- i. Payroll and Payroll Taxes
- ii. Supplemental health insurance including vision, dental and Aflac
- iii. Workers Comp Insurance
- iv. A la cart services life insurance, legal support, identity theft insurance, mental health counseling etc.

**Kim Sollien:** It has been a longer process than expected. Venture is a payroll services and HR company based in Seattle that has the suite of support services plus the supplemental buy-ins that staff might want. To manage our payroll and manage the taxes, it will be about \$1500 per staff member. Staff will pay individually if they choose the other ala carte options. Kim talked to another payroll service provider that only provided payroll services. More information will be provided next month.

**Mike Brown:** Agrees with Kim on the difficulty of finding these services. We want to try and keep the money in state, so we should evaluate in the future to see how we could support local businesses with this.

### b. **Office Space – Sublet Agreement from RESPEC Eng. Palmer office**

**Kim Sollien:** RESPEC has a suite available to sublet. Colin Faye is the Palmer office manager and provided a lease agreement. Kim reviewed and edited the 1<sup>st</sup> round

## MVP for Transportation MPO Policy Board Meeting

agreement, and sent it back to Colin. She has not heard back yet. Kim did research on real estate, and could not find the right place for the price. This will likely be under \$1000/month.

**Mike Brown:** Want to be mindful of the optics moving forward that there won't be preferential treatment of the consultant.

- c. **Diamond Legacy Insurance Broker, we are waiting on quotes for:**
  - i. Directors Insurance
  - ii. General Liability Insurance
  - iii. Commercial Auto Insurance
  - iv. Personal Property

**Kim Sollien:** Reached out to several local brokers in Alaska, and couldn't get connected to agents willing to help. Diamond Legacy is out of state. We are waiting for the Directors' Insurance and will have more quotes available next month to review so the Board can make those decisions soon.

- d. **Job Description Review**
  - i. Transportation Planner
  - ii. Office / Communications Manager

**Kim Sollien:** Job description is in the packet. She would like to advertise for 30 days February 1<sup>st</sup>. Comments appreciated by January 31<sup>st</sup>. Kim will send the documents to the Board for comments.

- e. **Association of Metropolitan Planning Organizations (AMPO) Membership**

**Kim Sollien:** Kim has a meeting with AMPO. They will be advertising positions on their website. Good source of MPO information. They received notice that some IJJA has been paused with new administration specific to EVs. AMPO is focused on MPO information and support. Kim recommends MVP become a member. A full packet for approval will be provided next month. Currently getting notifications through FAST.

### 9. Other Issues

- a. **MVP Request: a letter from Alaska DOT&PF granting MVP permission to apply the Safe Harbor Indirect cost rate to direct costs.**

**Kim Sollien:** Our funding is reimbursable, so we submit staff hours and apply an indirect cost rate for overhead. FHWA has an allowance for contractors for allowable indirect rate. We need to get a letter from DOT&PF Internal Review granting MVP permission to use that indirect cost rate. If costs are higher, MVP can negotiate a higher rate after one year. Policy Board will be getting budget reports.

- b. **Conflict of Interest Form**

**Kim Sollien:** This document needs to be updated annually. Outlines the conflict of interest policy for MVP. By signing it, you're saying that you understand what conflicts of interest are, and that you're going to recuse yourself if there is a conflict. All Policy Board members will need to sign by next month.

### 10. Informational Items

- a. **MPO Peer Review January 28th-30th, 2025, Location: Hilton Garden Inn, 4555 Union Square Dr, Anchorage, AK 99503**

## MVP for Transportation MPO Policy Board Meeting

**Kim Sollien:** This is facilitated by FHWA. Kim will do a presentation as will FAST and AMATS.

**b. Mat-Su Transportation Fair January 30th, 2025 3:00 PM and 7:00 PM Location: Alaska State Fairgrounds, Raven Hall, 12878 E Rebarck Ave, Palmer**

**Kim Sollien:** MVP has swag and will be there to engage with the public.

**c. Grant Agreement between – MVP and Matanuska-Susitna Borough**

**Kim Sollien:** Kim sent a draft MOA from MVP to MSB to create a more formal relationship so MVP could access MPO funding that was given to MSB. MSB attorneys worked it over and turned it into a grant agreement. Kim and Donna reviewed. Kim will have new MPO attorneys Ashburn & Mason review. MSB needs the agreement back to bring to the Assembly.

**d. Foraker Group Accounting Support, QuickBooks, and adding detail to the annual budget as quotes come in**

**Kim Sollien:** Now that we are getting costs for IT, office space, staff, and other things, Kim is able to build out our budget more robustly. Foraker suggested that MPO purchase QuickBooks now. Kim is waiting for her MVP email to come through before moving forward with this.

**e. MSB Comprehensive Safety Action Plan (CSAP) Public Comment Period**

**Kim Sollien:** Recommends the Policy Board review and provide comment, as many of the projects are within the MPA.

**f. Transit Roundtable Update**

**Kim Sollien:** Canceled but will be rescheduled.

**g. Membership Fee Update**

**Kim Sollien:** Gathering checks

### 11. Policy Board Comments

**Sean Holland:** Appreciates Kim doing such a good job.

**Steve Carrington:** Good job, Kim.

### 12. Adjournment

Meeting adjourned at 2:50 pm.

Next Scheduled MPO Policy Board Meeting – **February 26<sup>th</sup>**, from 1:30pm-3:00pm to be held at the Musk Ox Farm and via Microsoft TEAMS.



# Staff Report February 2025

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## **FFY25/26 UPWP Tasks**

### **TASK 100 A UPWP**

#### **Task 100 B Metropolitan Transportation Plan**

- Met with Adam Bradway to discuss the MTP contract cost proposal that RESPEC updated to meet our cost expectations

#### **TIP Scoring Criteria**

##### **Complete Streets Policy**

#### **Task 100 C TransCad Modeling**

#### **TASK 100 D Household Travel Survey**

- Met with Adam Bradway to talk about the scope of work and RFP for the Household travel survey

#### **TASK 100 E Transportation Improvement Program**

#### **TASK 100 F Update and Implementation of the Public Participation Plan and Title VI Plan**

#### **TASK 100 G Support Services**

##### **Budget Management**

##### **Meetings**

- Met with the Project Team weekly to prep for the TC and PB meetings and develop packet materials
- Met with FAST, AMATS and ADOT MPO coordinators to discuss action items from the Peer Exchange and talk about the March Quarterly meeting in Fairbanks
- Met with Deb Stockbrook, Internal Revenue Chief, and Tracie Paladijczuk with ADOT&PF to go over MVP's organizational formation history so they could draft the letter allowing us to use the Federal IDCR.
- Met with ADOT&PF to go over their new Functional Classification matrix. MVP does not have an ArcGIS account yet, so ADOT&PF will need to be more hands-on with reviewing the list of roads that are proposing to be reclassified.
- Met with Alex Strawn to discuss MPO rules and regulations and funding categories
- Attended the ADOT&PF Tribal Transportation Monthly meeting





## Staff Report February 2025

- Attended FAST Plannings Policy Board meeting to listen to the discussion about the Commissioners letter asserting ADOT's authority and the need to update the Operating Agreement
- Hosted the First Transit Roundtable for Providers, MSB, and ADOT&PF staff

### Staffing

- Advertised staff positions with Foraker Group
- Sent Jackson Fox, the MVP Director hire letter and asked to discuss my transition timeline.
- Requested FAST Policy Board consider extending our fiscal sponsorship for an additional month. Our agreement ends in April, and we may need until May to get everything transitioned.
- Scheduled an interview for the Office and Communications Manager

### Office Management

- Set up a billing account with Tech Wise to begin the IT transfer and file migration
- ADOT&PF approved Indirect Cost Rate
- the IT transfer has begun
- Set up website security program cloudflare
- Worked with a health insurance broker to initiate quotes for health benefits.
- Opened a bank account with MVFCU
- After waiting nearly three months for a quote on insurance from a broker called Integra Insurance Brokers in Wasilla, they are working on a quote for us.
- Met with FAST planning to discuss my transition from a FAST employee to an MVP employee

### Correspondence

### Nonprofit Filings and reports

### Organizational Documents

### Agency Relationships

- Organized notes/action steps from the Peer Exchange to present to the TC and PB
- Developed a powerpoint for the Senate Transportation Committee about STIP coordination

### Contract Management

- Met with Mike Schecter of Ashburn and Mason to go over his comments on the MSB grant agreement.

### Requests from the Policy Board and Technical Committee directed to staff



# Staff Report February 2025

**Strategic Planning**

**Short-Range and Tactical Planning**

**Long-Range Planning**

**Funding / Budget**

**Training**

## **TASK 200 A MSB Public Transit Planning Support**

- Hosted Transit Roundtable
- Met with MSB Planners to discuss the need for an additional 90 extension for the Transit Program development and to brainstorm options. I suggested the MSB could offer VT a grant to cover service for 90 days while MSB staff work on the program and contractor selection, assuming the Assembly approves a funding match.
- Shared MVP's approved program of projects to use in their FTA grant application for 5307 funding.

## **TASK 200 B Transit Development Plan**

## **TASK 300 A MVP Sign Management Plan**

## **TASK 300 B MVP Advanced Project Definition**

## **TASK 300 C MVP Streetlight and Intersection Management Plan**

## **TASK 300 D Pavement Asset Management Plan**

## MVP MPO Meeting Schedule Topics

### May 2024

- Articles of Incorporation Restated PB approved and signed
- STIP Program of Projects Work Session
- Ready to receive Federal Operation Funding – Spring 2024
- Recommend the updated Title VI plan for Public Comment
- Approve Metropolitan Transportation Plan scope of work
- Elect TC officers

### June 2024

- TC Recommend and PB Approval of MVP program of projects STIP amendment for funding in FF24 and FFY25
- Review and Approve 3C's comments memo
- Review and Approve Proxy Voting change to the bylaws
- Recommend FY25 & FY26 UPWP for 30-day public comment June 19 to July 19
- Review and Adopt PM program policy for the P&P

### July 2024

- 2<sup>nd</sup> Review Fiscal Policy
- 2<sup>nd</sup> Review social media Policy
- Review Bylaw changes
  - Proxy voting
  - Open Meetings Act
- Draft SS-4 to IRS for EIN
  - Conflict of interest
  - Officers & election minutes
  - Whistleblower Policy
- AOI resubmission
- STIP Amendment Update
- Program of Projects Update move everything to FFY2025
- Update the FFY25/26 UPWP
- Review FY 25 & 26 PL award letter, make necessary amendments to the budget

### August 2024

- ADOT request match Funds from MSB for the MTP and PL funding
- Review and Adopt Fiscal Policy
- Review and Adopt Social Media Policy
- Review and Approve Updated Bylaws
- Review and Adopt Whistleblower Policy
- Review and Adopt Conflict of interest Certification form

MVP TC & PB meeting topics  
schedule November 2024

- Review and Approve Title VI plan
- Review and Approve FFY 25 and 26 UPWP, send to DOT to forward to FHWA for approval
- Review and Approve Fiscal Policy

**September 2024**

- Review and Adopt Annual Budget
- Review Match requirements
- Secure Foraker CPA for Accounting support
- Research Health Plans
- Research payroll services
- Research liability insurance
- Update website with approved MVP organizational documents

**October 2024**

- MSB CAMP presentation Julie Spackman
- Finalize scope for Metropolitan Transportation Plan
- Call ADOT about the status of the MVP improvement program Scope, Schedule, and Budget Plus for project state and ask for match and maintenance agreements (create a presentation of the projects)
- Review and Submit SS-4 to IRS for EIN and submit with
  - Three-year annual budget
  - Officers' information and elections memo
  - Conflict of Interest policy
- IRS Letter received-

**November 2024**

- Review and Approve Personnel and Administrative Policies
- Send scope of work, schedule and estimate request to ADOT for Pavement, Streetlight, Intersection and Sign management plans
- Share Membership fee Invoice with TC and PB Members
- Complete descriptions for MVP staff positions Office and Communicaitons Manager, Transportation Planning Manager, Transit Planning Manager and GIS/Data Analyst (contractor)
- Attend ADOT Federal Funding Overview Work Session
- Draft and Submit final report for the FFY 2024 UPWP
- Update Proxy Voting Policy in the Bylaws
- Review and Approve Personnel Policies
- Review and Approve Records Retention, Public Records Request and Website Policy

**December 2024**

- Submit Final FFY24 UPWP Annual Report
- Hire Executive Director

MVP TC & PB meeting topics  
schedule November 2024

- Secure Accounting Consultant
- 
- Join TechSoup for discount computer software Quickbooks and Adobe Pro
- Finalize TC and PB meeting Calendar
- Rent Meeting Space for the next 6 months
- Send Invoices to PB members for Membership Fees

**January 2025**

- Hire Executive Director
- Secure Legal Support
- Secure IT support
- FFY25-26 UPWP Q1 report Submitted
- Transportation Alternatives Program manual presentation
- Policy Board adopts Corporate Resolution to open a bank account

**February 2025**

- Report management for the UPWP, Title VI, Staff, Finance, Minutes, Public Notices
- Review and Approve Grant agreement between MVP and the MSB for Alaska DOT&PF's membership fees and other MVP startup costs
- STIP amendment #2 review
- Secure Payroll, workers comp, and employee benefit management services
- Secure Insurances
  - Directors
  - General Liability
  - Commercial Auto
  - Personal Property for office equipment
- Begin Update to the Public Participation Plan & Title VI related to MTP development
- Secure MTP consultant
- Apply for State and City Business Licenses
- Check in with ADOT Civil Rights Office to discuss title VI training and reporting
- Secure Letter from ADOT&PF on the Indirect Cost Rate Agreement
- Open Bank account with \$1
- Advertise for Office / Communications Manager and Transportation Planner Positions

**March 2025**

- CRP plan review the was developed outside of consultation with the MPOs/ MVP priorities
- CMAQ funding review
- TIP Funding Policy to Technical Committee and Policy Board
- Grandfather agreements with ADOT&PF

MVP TC & PB meeting topics  
schedule November 2024

- Review and Approve the ADOT performance-based approaches criteria to incorporate into our planning as required in 23 CFR 450.306(d). ADOT&PF will provide the MOU to MVP about the targets that we can accept or choose to adopt our own.
- Review Recommend the Public Participation Plan Update for Public Comment 45-day
- Begin MTP, Household Survey, and Travel Model

**April 2025**

- Draft scope of services for the Audit and 990 filing

**May 2025**

**June 2025**

**July 2025**

**August 2025**

**September 2025**

**October 2025**

**November 2025**

**December 2025**

- Travel Demand Model

**January 2026**

- Performance measures

**July 2026**

- MTP and Complete Streets Completion

**October 2026**

- TIP Completion

**December 2026**

- New MPOs should have a formally adopted MTP and TIP by **December 29, 2026**



**Alaska Department of Transportation and Public Facilities**

**Peer Exchange**

Dates: Tuesday, January 28- Thursday, January 30, 2025

Location: Hilton Garden Inn, 4555 Union Square Dr, Anchorage, AK 99503

Overview: The peer exchange will focus on State Transportation Improvement Plan (STIP) management and coordination between State DOTs and Metropolitan Planning Organizations (MPOs). The Alaska DOT & PF will host the event, with Alaska’s three MPOs (AMATS, FAST and MVP) presenting. The peer presenters will represent the Minnesota DOT, North Dakota DOT, Fargo-Moorhead Metropolitan COG, and the St. Cloud APO.

**Agenda**

Day 1 – MPO

<b>Time (AKST)</b>	<b>Topic</b>	<b>Speaker(s)</b>
8:30 – 9:00 AM	<b>Registration and Check In</b>	
9:00 – 9:30 AM	<b>Welcome and Introduction</b> <ul style="list-style-type: none"> <li>FHWA introduces the TPCB program and Peer Exchange</li> <li>AK DOT &amp; PF leadership provides welcome comments</li> <li>USDOT Volpe provides logistics and housekeeping information</li> </ul>	<ul style="list-style-type: none"> <li>Ryan Anderson, Commissioner, Alaska DOT &amp; PF</li> <li>Michael Barry, Transportation Specialist, USDOT FHWA</li> <li>Nicole Cacozza, Policy Analyst, USDOT Volpe</li> </ul>
9:30 – 10:00 AM	<b>MPO Overview</b> <ul style="list-style-type: none"> <li>USDOT provides a high-level review of the roles of the MPO and State DOT in the planning and production of the TIP and STIP</li> </ul>	<ul style="list-style-type: none"> <li>Marie Heidemann, Planning and Program Development Team Leader, USDOT FHWA, Alaska Division Office</li> </ul>
10:00 – 10:15 AM	<i>Break</i>	
10:15 – 11:45 AM	<b>AK MPO Introduction and Overview</b> <ul style="list-style-type: none"> <li>Provide context and perspective from Alaska MPOs</li> <li>Highlight topics of interest for discussion</li> </ul>	<ul style="list-style-type: none"> <li>Jackson Fox, Executive Director FAST</li> <li>Aaron Jongenelen Executive Director, AMATS</li> <li>Kim Sollien, Coordinator, MVP</li> </ul>
11:45 AM – 12:45 PM	<i>Lunch</i>	
12:45 – 1:45 PM	<b>MPO Peer Presentation 1</b> <ul style="list-style-type: none"> <li>Peer Presentation (50 minutes)</li> <li>Q&amp;A (10 minutes)</li> </ul>	<ul style="list-style-type: none"> <li>Ben Griffith, Executive Director, Fargo-Moorhead COG</li> </ul>
1:45 – 2:45 PM	<b>MPO Peer Presentation 2</b> <ul style="list-style-type: none"> <li>Peer Presentation (50 minutes)</li> <li>Q&amp;A (10 minutes)</li> </ul>	<ul style="list-style-type: none"> <li>Vicki Johnson, Senior Transportation Planner, St. Cloud APO</li> </ul>
2:45 – 3:00 PM	<i>Break</i>	

3:00 – 3:45 PM	<b>Group Discussion and Brainstorming</b> <ul style="list-style-type: none"> <li>Whole-group discussion for MPO peer representatives and event attendees reflect on the day’s learning, including specific examples from presenters</li> </ul>	<ul style="list-style-type: none"> <li>Facilitator: Michael Barry, USDOT FHWA</li> <li>Co-Facilitator: Marie Heidemann, USDOT FHWA-AK</li> </ul>
3:45 – 4:15 PM	<b>Develop Action Items</b> <ul style="list-style-type: none"> <li>MPO groups identify forward-looking goals to keep in mind over Day 2 and discuss again on Day 3</li> </ul>	<ul style="list-style-type: none"> <li>Facilitator: Michael Barry, USDOT FHWA</li> </ul>
4:15 – 4:30 PM	<b>Wrap up Day 1</b>	<ul style="list-style-type: none"> <li>Michael Barry, USDOT FHWA</li> </ul>

Day 2 – State DOT

<b>Time (AKST)</b>	<b>Topic</b>	<b>Speaker(s)</b>
9:00 – 9:20 AM	<b>Welcome and Day 1 Recap</b>	
9:20 – 10:50 AM	<b>AK DOT&amp;PF – Overview Presentation</b> <ul style="list-style-type: none"> <li>Provide context and perspective from Alaska’s DOT</li> <li>Highlight topics of interest for discussion</li> </ul>	<ul style="list-style-type: none"> <li>Lauren Little, Chief Engineer, Alaska DOT &amp; PF</li> </ul>
10:50 – 11:00 AM	<i>Break</i>	
11:00 AM – 12:00 PM	<b>DOT Peer Presentation 1</b> <ul style="list-style-type: none"> <li>Peer Presentation (50 minutes)</li> <li>Q&amp;A (10 minutes)</li> </ul>	<ul style="list-style-type: none"> <li>Wayne Zacher, Urban Engineer, North Dakota DOT</li> </ul>
12:00 – 1:00 PM	<i>Lunch</i>	
1:00 – 2:00 PM	<b>DOT Peer Presentation 2</b> <ul style="list-style-type: none"> <li>Peer Presentation (50 minutes)</li> <li>Q&amp;A (10 minutes)</li> </ul>	<ul style="list-style-type: none"> <li>Trang Chu, Director of Capital Planning and Programming, Minnesota DOT</li> </ul>
2:00 – 2:15 PM	<i>Break</i>	
2:00 – 3:45 PM	<b>Group Discussions</b> <ul style="list-style-type: none"> <li>Whole-group discussion for DOT peer representatives and event attendees reflect on the day’s learning, including specific examples from presenters</li> </ul>	<ul style="list-style-type: none"> <li>Facilitator: Michael Barry, USDOT FHWA</li> <li>Co-Facilitator: Marie Heidemann, USDOT FHWA-AK</li> </ul>
3:45 – 4:15 PM	<b>Develop Action Items</b> <ul style="list-style-type: none"> <li>Alaska DOT&amp;PF generates forward looking ideas/goals to discuss on Day 3</li> </ul>	<ul style="list-style-type: none"> <li>Facilitator: Michael Barry, USDOT FHWA</li> </ul>
4:15 – 4:30 PM	<b>Wrap up Day 2</b>	<ul style="list-style-type: none"> <li>Michael Barry, USDOT FHWA</li> </ul>

Day 3 – Next Steps and Action Plan

<b>Time (AKST)</b>	<b>Topic</b>	<b>Speaker(s)</b>
8:30 – 8:45 AM	<b>Welcome and Day 2 Recap</b>	



8:45 – 9:45 AM	<b>Part One</b> <ul style="list-style-type: none"> <li>All presenters and participants share key takeaways from the previous days' discussions</li> </ul>	<ul style="list-style-type: none"> <li>Facilitator: Michael Barry, USDOT FHWA</li> </ul>
9:45 – 10:00 AM	Break	
10:00 – 11:00 AM	<b>Part Two</b> <ul style="list-style-type: none"> <li>Review learning on TIP and STIP coordination</li> </ul>	<ul style="list-style-type: none"> <li>Facilitator: Marie Heidemann, USDOT FHWA-AK</li> <li>Co-Facilitator: Michael Barry, USDOT FHWA</li> </ul>
11:00 AM – 12:00 PM	<b>Part Three</b> <ul style="list-style-type: none"> <li>Discuss the previous days' Action Items and plan how to execute on them</li> </ul>	<ul style="list-style-type: none"> <li>Facilitator: Michael Barry, USDOT FHWA</li> <li>Co-Facilitator: Marie Heidemann, USDOT FHWA-AK</li> </ul>
12:00 – 12:15 PM	<b>Recap and Concluding remarks</b>	<ul style="list-style-type: none"> <li>Michael Barry, USDOT FHWA</li> </ul>

ID	Action Item	Point of Contact	POC Action	Timeline
1	Follow Up Meeting	All Attendees	Attend a follow up meeting - potentially aligned with MPO quarterly meeting	3 months (Late April)
2	Convey the message to the people not in the room	Lauren Little	Update the AK DOT&PF Commissioner, Deputy Commissioner and CFO	
		Aaron Jongenelen	Update the AMATS PC and TAC	
		Kim Sollien (with Donna)	Update MVP	
3	Not refer to the public with the term "special interest group"	All Attendees	Update terminology	
4	Find a path for sub recipients or LPA-lite agreements	Luke Bowlan	Exploring LPA-lite with MatSu and Anchorage	
		Brandon Irvine	Research standard practices and what other states are doing to enable AK DOT & PF to create a documented process/set of expectations	
		Emily Hayes	Share other FHWA structures and procedures to assist in creating documented process	
5	Create a schedule/align schedules	Lauren Little/AK DOT&PF	Present a proposed schedule for the next STIP cycle and amendment cycle at the next MPO quarterly meeting	MPO quarterly meeting. Goal of FHWA approving all amendments by May
6	Create a way to let planners/MPOs see amendments before they go to the public	MPO Coordinators, James Starzek, Randi Bailey, Adam Bradway	Schedule a sitdown meeting with AK DOT&PF and MPOs on boundary amendments	
		Lauren Little	Direct central office/pre-con engineers to sit down with the MPO coordinators prior to the work session to talk through amendment changes in addition to the PDP printouts	
		Lauren Little	Direct the AK DOT&PF field office and pre-con engineering office to inform FAST about projects that impact the PM2.5 non-attainment area	
7	Find an interim solution until the "ideal state" schedule is created	Lauren Little	Discuss the need for interim solution/improving the flow of communication with the Commissioner and Deputy Commissioner	Scheduled check in meeting
8	Documentation of roles and responsibilities	Lauren Little	Share the AK DOT& PF matrix once it is approved by the House Transportation Committee	
9	Providing structure for project delivery/standards group	Lauren Little	Provide PCNs and Standards Group for when to update their estimates, when those estimates will flow into the STIP, and how to do their PDP updates	
10	Format for the TIP	Lauren Little	Provide Kim and MVP input on the data and columns needed from the TIP to update the STIP	
		Kim Sollien	Create a TIP format to flow into the STIP without having to be redone	
11	Training	MPO Coordinators, James Starzek, Randi Bailey, Adam Bradway	Further define specifics for a training to the DOT staff, with MPO staff participation, on process and the roles and responsibilities for the DOT staff.	
		MPO Staff	Train their elected officials and policy board members on "who we are/what we do" for the STIP/TIP process	
12	Make sure the first year of the STIP is firm	AK DOT& PF Pre-con engineers, project managers, directors	Deliver set projects from STIP	
			<i>Discussed but not assigned: Explore more out-year planning (e.g. CHIP) to comfortably advance projects to year one</i>	
			<i>Discussed but not assigned: Check all projects in the first year of the STIP for compliance with required NEPA actions</i>	

			<i>Discussed but not assigned: Coordinate the existing project readiness checklist (or other project) with MPOs</i>	
13	Minimize STIP changes after public notification/comment period	Lauren Little	Direct relevant engineers and project managers to communicate more with FHWA and MPOs as needed about what projects are changing in the STIP and why	
		Sandra Garcia-Aline and FHWA	Share trends in STIP amendments with AK DOT & PF	
14	Constant Communication Strategies	MPO Executive Directors, Aaron Jongenelen, Jackson Fox, Kim Sollien	Propose the communication strategy to their policy boards and AK DOT & PF	
15	Project Delivery speed up	AK DOT & PF	<i>Discussed but not assigned: Policies for IDIQs are already in place at FHWA level, needed at state level</i>	
16	Share information on MnDOT LPA certification	Vicki Johnson	Contact MnDOT state aid office and circulate answer	

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Alaska News

# Alaska contractors warn of 'alarming' outlook for 2025 road construction season

By Sean Maguire

Published: February 6, 2025



JUNEAU – Alaska contractors warned of an “alarming” outlook for the 2025 road construction season in [a sharply worded letter](#) sent last week to Gov. Mike Dunleavy.

The summer construction season typically provides a major boost to the state’s economy. But Alaska contractors, engineers and unions say they’re worried that another lean year will see hundreds of jobs lost and critical projects delayed.

The Alaska Department of Transportation and Public Facilities advertises and awards state projects. The department said it is [anticipating](#) a “strong” \$900 million construction year.

But officials also acknowledge the department is facing myriad challenges to deliver projects. Those include rising costs due to inflation, difficulties in securing American-made materials required under [federal law](#) and delays in getting federal grants.

State transportation officials say they are trying to address those issues.

Construction industry groups say they recognize some of the challenges cited by the state. But they’re questioning the state transportation department’s forecast for road construction projects.

Associated General Contractors of Alaska – the industry’s largest trade association – worked with McKinley Research Group to develop its [own construction forecast](#) based on the past 15 years of spending. They projected a roughly \$600 million road construction season this year.

Alicia Amberg, executive director of AGC of Alaska, told state legislators Tuesday that contractors who work in state road construction are reporting a 50% to 90% decline in their portfolios. She said companies are shedding workers due to a continued drop in projects out to bid.

”We feel like we have to be the canary in the coal mine,” she said.

AGC of Alaska and the American Council of Engineering Companies of Alaska wrote to Dunleavy last week, warning of an “alarming and unprecedented” situation facing the road construction sector.

Both groups urged the governor to take immediate action, including by submitting a supplemental capital budget to the Legislature. They want lawmakers to draw \$300 million from the state treasury to “salvage” the 2025 road construction season.

The governor’s office did not respond to a series of questions sent by the Daily News about last week’s letter.

Alaska construction industry veterans say the timing of the road construction shortfall is strange. Billions of federal dollars were expected to come to Alaska from the \$1.2 trillion infrastructure bill that Congress approved in 2021. But projects are not being delivered.

”It’s really disappointing because a lot of Alaska’s future and economy depends on a good transportation system,” said former state Transportation Commissioner John MacKinnon, who [served nearly three years](#) in the Dunleavy administration.

“We should have so much work going on right now that we can’t handle it,” he said in an interview last month. “But that’s not happening.”

## **Project delivery challenges**

Nikiski Republican Sen. Jesse Bjorkman, chair of the Senate Transportation Committee, wrote to state Transportation Commissioner Ryan Anderson, relaying concerns he had heard about the summer construction season.

Anderson sent a detailed [six-page letter](#) on Feb. 3 in response.

“Data and technical analyses indicate that the 2025 construction program is poised to deliver significant infrastructure improvements across Alaska,” he said.

Anderson acknowledged contractor payments are set to be down \$259 million this federal fiscal year from the previous one. But he said the department has faced numerous challenges to deliver projects.

Those include: rising material and labor costs reducing the number of projects that can be implemented; federal grant funding getting released late in the season; supply chain constraints to secure American-made materials; and delays acquiring right-of-ways on federal easements, he said.

State transportation officials provided [a detailed response](#) Wednesday to questions from the Daily News about the upcoming construction season.

Spokesperson Shannon McCarthy said the department has “clear, real-time” information on projects and how they can be accelerated. She was not “familiar

with the forecasting methods” used by AGC of Alaska, and reiterated the state’s \$900 million forecast for construction awards this year.

Amberg, in a Tuesday presentation to the Senate and House transportation committees, sounded doubtful.



Representatives of Associated General Contractors of Alaska warned legislators Tuesday of what they said was an "alarming" outlook for the 2025 road construction season. Left to right: Jeff Miller, co-chair of AGC of Alaska’s DOT steering committee, Alicia Amberg, executive director of AGC of Alaska, and Marcus Trivette, co-chair of AGC of Alaska’s DOT steering committee. (Sean Maguire / ADN)

“We see a lot of numbers, and we’re having a lot of communication with the department,” she said. “But what we know are our numbers and the real impacts that we’re seeing.”

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Amberg described a “multitude of issues” that have led to the gloomy outlook for the 2025 road construction season.

Associated General Contractors have 89 chapters across the U.S., but Amberg said the situation facing Alaska’s road construction sector is “unprecedented.”

“We are not hearing that other states are having similar challenges,” she said.

One factor unique to Alaska is that the state’s four-year transportation plan was initially rejected last year by federal highway administrators.

The State Transportation Improvement Plan, or STIP, is Alaska’s funding plan for roads, highways, bridges and state ferries. A STIP is required to receive billions of dollars in federal funding for hundreds of projects through 2027.

Alaska’s multibillion-dollar transportation plan should have been approved by October 2023. After numerous warnings, federal highway administrators first rejected the plan, and then it was only partially approved in March.

Federal and state transportation officials have said they are working together to resolve the remaining issues with the transportation plan.

McCarthy said the partially approved STIP is having “no impact” on the 2025 construction season.

Marcus Trivette, co-chair of the DOT steering committee for the AGC of Alaska, said there have been STIP-related impacts.

“Last year, we were assured time and time again that the state’s plan would ultimately be approved and there would be no negative impact on the surface transportation program — even as we witnessed dropping levels of projects on the street,” he said to legislators Tuesday.

AGC of Alaska said in Tuesday’s committee hearing that appropriated federal funding dropped by \$200 million last fiscal year, partly due to STIP delays. Aviation project spending is also expected to be down this year, they said.

Trivette said “robust” construction activities are currently occurring on the North Slope. Contractors are expecting job growth in the construction industry overall. But they say that is not the case for state road and highway projects — notably in Anchorage and Fairbanks.

“There’s not a lot of big highway jobs. A lot of this is small stuff — roundabouts, some non-motorized paths, some resurfacing work,” said Jackson Fox, executive director of FAST Planning, Fairbanks’ local transportation planning organization, in a Jan. 13 interview.

## **Call to action**

Transportation Commissioner Anderson [said](#) that the department is acting to address the construction industry's concerns for the 2025 season.

Those actions include: “securing additional contractor support” and “realigning internal staffing priorities” to deliver projects this year; breaking up large projects so smaller contractors can bid on them; and creating a “dedicated agile project management office,” Anderson said in his [Feb. 3 letter](#) to Sen. Bjorkman.

Amberg said Tuesday that AGC of Alaska was still reviewing the commissioner's letter, which she also received.

Alaska contractors and engineers, meanwhile, [urged](#) Gov. Dunleavy in their Jan. 27 letter to enact a series of “actionable steps to prevent future declines in construction programs.”

Those steps include providing additional resources and oversight for the state transportation department, and for the the Legislature to appropriate \$300 million in state dollars to fund projects and “salvage” the 2025 road construction season.

Contractors and engineers in the letter [warned](#) that a shortage of projects “could force long-established contractors to contemplate closing their businesses.”

Alaska labor unions echoed those concerns, and expressed confusion about the shortfall of road projects amid high levels of federal infrastructure funding.

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Operating Engineers, Local 302 — the largest union for Alaskans working on highway, bridges and airport projects — represents 3,000 Alaska members.

“We were told we were literally going to need every man, woman and child,” said Jason Alward, vice president of the union, in a Jan. 14 interview.

He said that the union graduated a record number of apprentices over the past three years — around 100 each year. But in 2024, they largely weren’t needed.

“We were barely able to keep our apprentices working. And so this year, we’ve dialed our numbers back drastically,” he said.

Fairbanks Democratic Rep. Ashley Carrick, co-chair of the House Transportation Committee, said it’s unlikely that the Legislature could fund \$300 million in road construction projects this year due to [the state’s strained finances.](#)

Carrick was frustrated Wednesday about the ongoing STIP delays and the construction groups’ outlook for the season ahead.

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“Unfortunately, I’m not surprised at this point, but I am very disappointed hearing how this administration has dropped the ball on critical federal dollars – and that we will not be prepared and shovel-ready for this year’s construction season,” she said.



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February 11, 2025

Jerry Cleworth  
Policy Board Chair, FAST Planning  
100 Cushman Street, Suite 105  
Fairbanks, AK 99701

RE: Index of Authorities Governing National Highway System Facilities in the Metropolitan Planning Area

Dear Chair Cleworth:

Pursuant to your request at the December 18, 2024, FAST Planning Policy Board meeting, we are providing the attached summary of legal authorities governing National Highway System (NHS) facilities within the Metropolitan Planning Area (MPA). This index includes controlling state and federal requirements and is intended to serve as a readily accessible reference to facilitate discussions among the Policy Board, the Technical Committee, and the public. The index is expandable, so please advise if any additional topics related to Metropolitan Planning Organization (MPO)-State coordination should be included.

The legal authorities governing the inclusion of NHS projects in planning documents, as well as the selection or rejection of NHS projects within the MPA, are the primary focus of this summary. From the State's perspective, a key source of friction and delay in the planning process is the MPO's assertion of authority over the inclusion of NHS projects in planning documents. NHS projects are per se regionally significant under federal law and, as such, must be incorporated into the MPO's Transportation Improvement Program (TIP) and the Statewide Transportation Improvement Program (STIP) in accordance with governing federal regulations. While both the State and the MPO have a duty to cooperate in the development of the TIP and STIP, federal law mandates that this cooperation be directed toward ensuring the inclusion of the State's selected NHS projects in these planning documents, rather than their exclusion.

Additionally, federal regulations do not limit the definition of "regionally significant" projects to NHS facilities. As such, MPO projects may also benefit from this classification. The governing regulations further establish that the State selects all NHS projects for inclusion in the TIP and STIP in coordination with the MPO. The State has consistently considered the MPO responsible for the selection of non-NHS projects for inclusion in the TIP and, subsequently, the STIP, in coordination with the State. However, under 23 U.S.C. § 134(k)(5) and 23 C.F.R. § 450.332(b), federal law directs that, in metropolitan areas with populations under 200,000, the State, in cooperation with the MPO, shall select highway projects.

Under 23 C.F.R. § 450.104, an MPO serving an urbanized area with a population of 200,000 or more is designated as a Transportation Management Area (TMA) and is subject to additional federal planning and programming requirements. AMATS qualifies as a TMA, whereas FAST, with a population under 50,000, remains a non-TMA MPO. Historically, the State has not distinguished between AMATS as a TMA and FAST as a smaller MPO in terms of project selection authority for NHS projects.

Given the challenges that have recently emerged in project selection and planning, the Policy Board may find it beneficial to explore opportunities to enhance regulatory clarity, project efficiency, and technical support. Federal law allows flexibility in how State-MPO coordination is structured, and there may be ways to refine this process to ensure greater alignment with state and federal requirements while continuing to support regional transportation priorities. A more clearly defined role for DOT&PF in technical planning and programming could help streamline coordination and improve long-term planning outcomes. If the Policy Board sees value in strengthening technical programming partnerships, DOT&PF remains committed to providing expertise and support in a way that best serves the region's needs while respecting the autonomy of the Policy Board.

The MPO's assertion of authority to include or exclude projects from the TIP within the MPA has disrupted what was previously a cooperative highway planning process and is impeding the State's project delivery. To restore clarity regarding decision-making authority over NHS routes within the MPA, the State requires an update to the operating agreement. Federal regulations mandate such an update when there is a substantial change in decision-making authority or responsibility. The State considers the MPO's continuing assertion of authority over NHS routes within the MPA to constitute a "substantial change," necessitating a process to establish and document the procedures governing these newly claimed authorities.

The attached index also summarizes legal processes under state and federal law that permit member municipalities to assume responsibility for portions of the NHS or specific components of project development, delivery, or maintenance. DOT&PF can collaborate with the MPO and member municipalities to transfer such authorities and obligations or to relinquish, modify, or review NHS routes within the MPA. The Alaska Department of Transportation and Public Facilities (DOT&PF) can collaborate with the MPO and member municipalities to transfer such authorities and obligations or to relinquish, modify, or review NHS routes within the MPA. However, any such changes must be mutually agreed upon and formally documented to delineate responsibilities for specific transportation facilities and the corresponding planning processes.

FAST Planning's proposed MPA boundary expansion includes a portion of the Richardson Highway, and the FAST Planning Executive Director continues to claim authority to include or exclude any highway project within the MPA. Until the MPO and its members establish a common understanding of planning responsibilities for the NHS and complete the transfer of any NHS authorities in alignment with that understanding, DOT&PF cannot recommend the Governor's approval of an expanded MPA that includes additional NHS miles. We acknowledge that the Technical Committee, on December 4, 2024, voted to recommend that the Policy Committee table indefinitely the proposed revisions to the operating agreement. However, a substantial change in decision-making authority or responsibility necessitates documentation in an updated operating agreement. Any proposal to indefinitely defer discussion of the MPO's newly asserted authorities or to disregard procedural requirements arising from those assertions is non-cooperative and contradicts applicable statutory and regulatory requirements. To ensure compliance, the State and all public transportation providers must cooperatively determine their mutual responsibilities in administering the metropolitan transportation planning process.

We look forward to continuing to work with you to enhance communication and cooperation among all entities engaged in delivering this critical surface transportation planning process.

Sincerely,

  
Katherine Keith, PMP, PMI-ACP  
Northern Region Director (Acting)  
Deputy Commissioner

Incl.: Index of Authorities.pdf

Cc: AMATS Policy Committee, Chair, Sean Holland, [sean.holland@alaska.gov](mailto:sean.holland@alaska.gov), MVP Policy Board Chair, Mayor Glenda Ledford, [gledford@ci.wasilla.ak.us](mailto:gledford@ci.wasilla.ak.us), DOT&PF MPO Coordinators: Randi Bailey, [randi.bailey@alaska.gov](mailto:randi.bailey@alaska.gov), Adam Bradway, [adam.bradway@alaska.gov](mailto:adam.bradway@alaska.gov), James Starzec, [james.starzec@alaska.gov](mailto:james.starzec@alaska.gov)

## INDEX OF AUTHORITIES REGARDING NHS FACILITIES WITHIN MPAs

Under State law, the State of Alaska is mandated to maintain full responsibility and authority over the State highway system. The State of Alaska, through DOT&PF, is similarly obligated to plan, construct, and maintain the network of highways linking the cities and communities in the various regions of the State. The highway system linking the various regions of State of Alaska has been designated as part of the National Highway System.

1. State must construct and maintain state highway system – [AS 19.10.030](#)
2. DOT&PF obligated to plan construct and maintain the regional NHS – [AS 19.05.125](#)
3. Alaska’s regional routes have been designated part of NHS – [23 USC 103\(b\)](#) and [Maps](#)

State and Federal laws and regulations mandate a collaborative approach to transportation planning within metropolitan areas. However, these laws and regulations do not grant a Metropolitan Planning Organization power or authority to veto or “de-select” the State’s selected NHS projects that are located within a municipal planning area; nor do these laws and regulations grant the State the power to veto or “de-select” the MPO’s non-NHS projects located within the municipal planning area.

4. MPO selects non-NHS projects in the MPA – [23 USC 134\(k\)\(5\)\(A\)](#)
5. State selects NHS projects in the MPA – [23 USC 134\(k\)\(5\)\(B\)](#)
6. TIP shall contain “All regionally significant projects” – [23 CFR 450.326\(f\)](#)
7. STIP shall contain “All regionally significant projects” – [23 CFR 450.218\(h\)](#)
8. The State’s NHS projects are “regionally significant projects” – [23 CFR 450.104](#)

Re-designation of a MPO, including updates to its operating agreement, is required when there is a substantial change in decision-making authority or responsibility. The MPO’s assertion of selection or “de-selection” authority over NHS projects located in the MPA is a substantial change in decision-making authority. The extent of the MPO’s new change in decision-making authority or responsibility over NHS projects or routes, and the procedures to implement any new authority and responsibility must be documented in writing.

9. Operating agreement must be amended with substantial change in decision-making authority – [23 CFR 450.310\(j\)](#)
10. Periodic review of operating agreement required – [23 CFR 450.314\(b\)](#)
11. Division of responsibility over NHS projects located in the MPA must be in writing – [23 CFR 450.314\(a\)](#)



State law authorizes DOT&PF to delegate planning authority over NHS projects located in the MPA, and Federal law even authorizes the State to propose modifications of the NHS, although both actions must be done by cooperative agreement between the MPO and the State.

12. Municipality may request planning authority for NHS corridors within the MPA– [AS 19.20.015](#)
13. State can delegate NHS planning authority to municipality – [AS 19.15.030](#).
14. State can propose any modification to the NHS, in cooperation with local and regional officials. [23 USC 103\(b\)\(3\)](#).

The MPO's metropolitan transportation plan, from which it selects its projects for inclusion into the TIP, is required to include "major roadways" and smaller transportation facilities to function as an integrated metropolitan transportation system. State and Federal laws and regulations do not contemplate NHS projects, and similar corridor projects that connect rural and urban areas, as the type of transportation facilities for which the MPOs have primary decision making responsibilities.

15. MPO's MTP identifies facilities that function as an integrated metro system that serves regional transportation functions. [23 USC 134\(i\)\(2\)\(A\)](#):
16. MPO's MTP shall include facilities that function as an integrated metro system that serves regional transportation functions. [23 CFR 450.324\(f\)](#):
17. Municipality shall ensure proper integration of State highway connections in municipal highway plan – [AS 19.20.080](#)

1. [AS 19.10.030](#). The department is responsible for the construction and maintenance of the state highway system. [\(Return\)](#)

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2. [AS 19.05.125](#). The purpose of AS 19.05 - AS 19.25 is to establish a highway **department capable of carrying out a highway planning, construction, and maintenance program that will provide** a common defense to the United States and the state, **a network of highways linking together cities and communities throughout the state** (thereby contributing to the development of commerce and industry in the state, and aiding the extraction and utilization of its resources), and otherwise improve the economic and general welfare of the people of the state. [\(Return\)](#)

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3. [23 USC 103\(b\)](#) National Highway System.--(1) Description.--The National Highway System consists of the highway routes and connections to transportation facilities that shall-(A) serve major population centers, international border crossings, ports, airports, public transportation facilities, and other intermodal transportation facilities and other major travel destinations; (B) meet national defense requirements; and (C) serve interstate and interregional travel and commerce.[\(Return\)](#)

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4. [23 USC 134\(k\)\(5\)](#) "Selection of Projects. (A) In general.--**All Federally funded projects** carried out within the boundaries of a metropolitan planning area serving a transportation management area under this title (**excluding projects carried out on the National Highway System**) or under chapter 53 of title 49 **shall be selected for implementation from the approved TIP by the metropolitan planning organization** designated for the area in consultation with the State and any affected public transportation operator." [\(Return\)](#)

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5. [23 USC 134\(k\)\(5\)\(B\)](#): "**National Highway System projects**.--Projects carried out within the boundaries of a metropolitan planning area serving a transportation management area on the National Highway System **shall be selected for implementation from the approved TIP by the State** in cooperation with the metropolitan planning organization designated for the area." [\(Return\)](#)

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6. [23 CFR 450.326\(f\)](#) "**The TIP shall contain all regionally significant projects** requiring an action by the FHWA or the FTA whether or not the projects are to be funded under title 23 U.S.C. Chapters 1 and 2 or title 49 U.S.C. Chapter 53 (e.g., addition of an interchange to the Interstate System with State, local, and/or private funds and congressionally designated projects not funded under 23 U.S.C. or 49 U.S.C. Chapter

53). For public information and conformity purposes, the TIP shall include all regionally significant projects proposed to be funded with Federal funds other than those administered by the FHWA or the FTA, as well as all regionally significant projects to be funded with non- Federal funds.” [\(Return\)](#)

7. [23 CFR 450.218\(h\)](#): “**The STIP shall contain all regionally significant projects** requiring an action by the FHWA or the FTA whether or not the projects are to be funded with 23 U.S.C. Chapters 1 and 2 or title 49 U.S.C. Chapter 53 funds (e.g., addition of an interchange to the Interstate System with State, local, and/or private funds, and congressionally designated projects not funded under title 23 U.S.C. or title 49 U.S.C. Chapter 53). For informational and conformity purposes, the STIP shall include (if appropriate and included in any TIPs) all regionally significant projects proposed to be funded with Federal funds other than those administered by the FHWA or the FTA, as well as all regionally significant projects to be funded with non-Federal funds.” [\(Return\)](#)
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8. [23 CFR 450.104](#): “**Regionally significant project means a transportation project** (other than projects that may be grouped in the TIP and/or STIP or exempt projects as defined in EPA's transportation conformity regulations ([40 CFR part 93, subpart A](#))) **that is on a facility that serves regional transportation needs** (such as access to and from the area outside the region; major activity centers in the region; major planned developments such as new retail malls, sports complexes, or employment centers; or transportation terminals) and would normally be included in the modeling of the metropolitan area's transportation network. At a minimum, this includes all principal arterial highways and all fixed guideway transit facilities that offer an alternative to regional highway travel.” [\(Return\)](#)
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9. [23 CFR 450.310\(j\)](#): “**Redesignation of an MPO** (in accordance with the provisions of this section) **is required** whenever the existing MPO proposes to make: ... (2) A substantial change in the decisionmaking authority or responsibility of the MPO, or in decisionmaking procedures established under MPO by-laws.” [\(Return\)](#)
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10. [23 CFR 450.314\(b\)](#): “The MPO, the State(s), and the providers of public transportation should periodically review and update the agreement, as appropriate, to reflect effective changes.” [\(Return\)](#)
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11. [23 CFR 450.314\(a\)](#). The MPO, the State(s), and the providers of public transportation **shall cooperatively determine their mutual responsibilities** in carrying out the metropolitan transportation planning process. These responsibilities shall be **clearly identified in written agreements** among the MPO, the State(s), and the providers of public transportation serving the MPA. [...] [\(Return\)](#)

12. [AS 19.20.015](#). Local control of state transportation corridors. **(a) A municipality, by resolution of its governing body, may request of the department the assumption of the department's responsibilities relating to planning of transportation corridors that are to be located within the boundaries or operating area of the municipality.** ... The parties may by mutual agreement provide for joint or cooperative assumption of responsibilities by the department and the municipality. [\(Return\)](#)

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13. [AS 19.15.030](#). Participation by municipality in federal highway construction. When a federal-aid highway is routed through a municipality, it may participate in the financing, planning, construction, acquisition of right-of-way, and maintenance of the highway **in the manner and proportion the department determines is reasonable and proper.** [\(Return\)](#)

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14. [23 USC 103\(b\)\(3\)](#). Modifications to NHS.—(A )In general.—The Secretary may make any modification to the National Highway System, including any modification consisting of a connector to a major intermodal terminal or the withdrawal of a road from that system, that is proposed by a State if the Secretary determines that the modification—

- (i) meets the criteria established for the National Highway System under this title after the date of enactment of the MAP–21; and
- (ii) (I) enhances the national transportation characteristics of the National Highway System; or
- (II) in the case of the withdrawal of a road, is reasonable and appropriate.

(B) Cooperation.—(i) In general.— In proposing a modification under this paragraph, a State shall cooperate with local and regional officials. (ii) Urbanized areas.— In an urbanized area, the local officials shall act through the metropolitan planning organization designated for the area under section 134. [\(Return\)](#)

15. [23 USC 134\(i\)\(2\)\(A\)](#) "Identification of transportation facilities [for the MTP].- (i) In general.-An identification of **transportation facilities** (including major roadways, public transportation facilities, intercity bus facilities, multimodal and intermodal facilities, nonmotorized transportation facilities, and intermodal connectors) **that should function as an integrated metropolitan transportation system**, giving emphasis to those facilities that serve important national and regional transportation functions." [\(Return\)](#)

16. [23 CFR 450.324\(f\)](#): “**The metropolitan transportation plan shall, at a minimum, include:** ... (2) Existing and proposed **transportation facilities** (including major roadways, public transportation facilities, intercity bus facilities, multimodal and intermodal facilities, nonmotorized transportation facilities (e.g., pedestrian walkways and bicycle facilities), and intermodal connectors) **that should function as an integrated metropolitan transportation system**, giving emphasis to those facilities that serve important national and regional transportation functions over the period of the transportation plan.” [\(Return\)](#)

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17. [AS 19.20.080](#). A municipality of over 5,000 population, according to the latest available census, together with the department, shall develop and adopt a master highway plan, which **shall insure the proper location and integration of the Alaska highway connections in the municipality**. In selecting and designating the master highway plan, they shall take into account the important principal streets that connect residential areas with business areas and the streets that carry important rural traffic into and across the municipality, in order to ensure a system of highways upon which traffic can be controlled and protected in a manner to provide safe and efficient movement of traffic in the municipality. [\(Return\)](#)

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**CERTIFICATION OF INDIRECT COSTS**

Firm Name: \_\_\_\_\_

Safe Harbor Rate: \_\_\_\_\_

Fiscal Period Covered: \_\_\_\_\_ to \_\_\_\_\_

I, the undersigned, certify that I have reviewed the proposal to establish the Safe Harbor rate.

The firm is electing to use the Safe Harbor Indirect Cost rate established (above) and to the best of my knowledge and belief:

- 1.) All known material transactions or events that have occurred affecting the firm’s ownership and organization has been disclosed.
- 2.) The firm has not had a FAR compliant indirect cost rate previously accepted by any other state agency.
- 3.) The firm agrees to be compliant with the cost principles of the Federal Acquisition Regulations (FAR) of title 48, Code of Federal Regulations (CFR), part 31, with specific consideration to the following:
  - *This includes establishing an accounting system which separates indirect costs and direct costs; separates allowable and unallowable costs; and a compliant job cost system.*
  - *A timekeeping system which includes the Internal Controls described in chapter 6 of the AASHTO Uniform Audit & Accounting Guide.*

\*Signature: \_\_\_\_\_

\*Name of Certifying Official (Print): \_\_\_\_\_

\*Title: \_\_\_\_\_

Date of Certification (mm/dd/yyyy): \_\_\_\_\_

\*Note: This form is to be completed by an individual executive or financial officer of the company at a level no lower than a Vice President or Chief Financial Officer who has the authority to represent the financial information utilized to establish the indirect cost rate proposal submitted in conjunction with the contract.

# MEMORANDUM

# State of Alaska

Department of Transportation & Public Facilities  
Office of Internal Review

**To:** Adam Bradway, AICP  
Transportation Planner  
Central Region Planning

**Date:** February 13, 2025

**From:** Deb Stockburger  
Chief of Internal Review

**Telephone No:** (907) 269-0719

**Subject:** Special Audit Transmittal  
of MatSu Valley Planning  
for Transportation  
Audit Number 25-SA-03

We have conducted a limited special audit of MatSu Valley Planning for Transportation (MVP) to establish an indirect cost rate. This audit is required pursuant to the provision in section 5(A)15 of the Memorandum of Understanding between the Matanuska-Susitna Borough (MSB), City of Wasilla, City of Palmer, Knik Tribe and Chickaloon Native Village and the State of Alaska, Department of Transportation & Public Facilities (DOT&PF). MVP is a brand-new non-profit organization established by the IRS October 16, 2024, and as such has no financial information to provide a proposed indirect cost rate.

Consulting firms providing services under a contract funded by a federal grant are required by regulation (as specified in 2 CFR 200) to account for and bill costs in accordance with the Federal Cost Principles of 48 CFR 31. In efforts to comply with the Federal Cost Principles, firms that provide services on federal-aid projects are required to develop indirect cost rates in accordance with the Federal Cost Principles on an annual basis. New or start-up firms generally do not have a contract-related cost history to use as a base for development of an indirect cost rate. To help alleviate and remove potential barriers, a Safe Harbor Rate, a national indirect cost rate, was established at 115.0% as of October 1, 2024. MVP requested the Safe Harbor Rate and agreed to its use as MVP does not have a relevant contract cost history.

The Safe Harbor Rate of 115%, as a percentage of direct labor dollars, is to be utilized as a fixed IDCRC for DOT&PF contract pricing purposes, statewide, from October 1, 2024, through September 30, 2025. Effective October 1, 2025 this rate will become provisional until a new a new audit is performed. The expectation will be for MVP to establish a cost history for the development of an indirect cost rate in accordance with the Federal Cost Principles based on actual costs.

In-house equipment and other related costs, i.e., xerox, courier services and vehicle usage are recovered through the IDCRC; therefore, no separate reimbursable rates should be negotiated for those items. Separate rates for such items would be allowable only if FAST is specifically authorized to purchase them from outside third parties. Any other direct non-salary costs (if allowed) should be reimbursed at cost; no indirect mark-up is allowable per 48 CFR, Federal Acquisition Regulations.

A schedule of MVP's actual wage rates by employee, as of February 10, 2025, has been provided to Central Region Contracting and is available upon request by project managers for use in negotiating and evaluating contracts with MVP.

We wish to thank MVP and DOT&PF employees for their cooperation and assistance. Should you have any questions, or require additional information, please contact us; otherwise, no response on your part is necessary to this memorandum.

DRS:tlp

cc: Sharon Smith, P.E., Chief of Contracts, Central Region  
John Fulton, PSA Unit Supervisor, Central Region  
Ben White, Transportation Planner 3, Central Region Planning

DRAFT