As 2004 comes to a close, I look back on the milestones of this administration. I am proud to say because of you, we have successfully achieved the goals we set for ourselves. Certainly, you are to be praised for your dedication to this cabinet and providing such excellent service to the people of the Commonwealth.

This year's accomplishments have not only been positive for the cabinet but also for Kentucky taxpayers. Through your efforts and positive changes in the cabinet, we have saved $74.5 million this year. But how did we do this?

Due to a cutback in overtime, out of state travel and delays in replacing some positions, we were able to save a huge sum of money. At the end of fiscal year 2004, we realized a savings of $23 million. The cutbacks I previously mentioned were responsible for half of those savings. Our concentration on efficiency led to this achievement.

In June, I mentioned how the cabinet was improving the process of change orders to highway contracts. For starters, the position of Commissioner of Highways was re-established to regain tighter control over the change order process. Now, Commissioner of Highways Marc Williams is the only person who has final sign-off authority on any change order request. The Commissioner will only approve a change order request if both construction and design engineering personnel are in full agreement the change is needed.

This year, we were able to save a substantial amount of the taxpayers' money - $51.5 million - due to modifications in the change order process. Between July 1, 2003 and December 7, 2003, the cabinet incurred $66.8 million in change orders out of $247 million in new highway contracts. The cabinet reduced change orders during the first five-months of fiscal year 2005 to $15.3 million out of $272 million in new highway contracts. When we compared the first part of fiscal year 2004 to fiscal year 2005, we realized a decrease of $51.5 million in expenditures on change orders.

Other sound practices have been implemented to improve the way we do business. All highway projects are advertised 21 days in advance of the bid deadline to encourage competition among contractors. Also, we revised the engineer’s estimate process based on production cost versus historical cost, again keeping with our goal of becoming more efficient while increasing competition. Finally, we continue to maintain a close coordination with the Kentucky contracting industry as we work to provide the best highway system at the best price. Undoubtedly, these better business practices will give us better value for the money spent.

Other highlights of 2004 come to mind such as positive changes to the KYTC's organizational structure. Through Governor Fletcher’s reorganization of the Transportation Cabinet, we established the Department of Aviation, formerly the Division of Aeronautics, and the Department for Intergovernmental Programs, a newly-created department that deals specifically with Rural Secondary Road funds and Transportation Enhancement grants.

A high point of this administration that is very important to me is the development of the Highway Safety Management Executive Committee, one voice behind Kentucky's highway safety initiatives. In September, Governor Fletcher and I announced the formation of the committee. The group is charged with finding ways to reduce the number of fatal collisions and help provide a safe and reliable transportation system for all Kentuckians.

Without a doubt, you should be pleased with these accomplishments. Thank you for your commitment to this cabinet, as you strive to provide the best highways to the people of Kentucky. I wish you a holiday and a new year full of happiness. I look forward to working with you in 2005.

Clay Bailey
At the start of a new administration, Secretary Clay Bailey and Deputy Secretary Dick Murgatroyd teamed up to lead the Transportation Cabinet.

Governor Fletcher signed a proclamation declaring February 8-14, 2004 Child Passenger Safety Week in Kentucky. Secretary Bailey joined the Governor in an effort to urge Kentuckians to properly restrain child passengers in motor vehicles.

Frankfort transportation employees moved into their new home, the Kentucky Transportation Cabinet Office Building, in January and February.

Transportation—it keeps our economy moving was the theme of the 2004 Kentucky transportation conference held in January. The conference had the largest amount of participants in its 26-year history; more than 400 were in attendance. Governor Fletcher told the crowd that airport, road, bridge and other infrastructure improvements would be possible with a modernized tax structure and more efficient state government.
The cabinet was recognized by FHWA for its efforts in protecting an endangered mussel habitat in the Rockcastle River in Laurel and Rockcastle Counties during a bridge construction project. Throughout the project, steps were taken to preserve the stream channel and prevent silt from floating over the mussel beds.

On February 16, the Driver Licensing Division launched a new service allowing drivers to enroll or reschedule state traffic school and pay their fee with a debit/credit card over the Internet. The Web site address is http://sts.ky.gov.

The National Asphalt Pavement Association awarded the 2003 Quality in Construction Award to District 4 and Scotty’s Contracting for their work on the Western Kentucky Parkway in Grayson County. District 7 also received the award for their work on Harrodsburg Road and I-64.

Early this year, the Draft Environmental Impact Statement (DEIS) for the I-69 extension between Henderson, Kentucky and Evansville, Indiana was approved by FHWA. The DEIS identifies the preferred alternative route between the two cities. The total length of the route is approximately 30 miles and is estimated to cost approximately $652 million to construct. The route includes a new Ohio River bridge connecting Henderson to Evansville.

The National Work Zone Memorial wall was on display at the central office building in March honoring those who lost their lives in roadway work zones. Kentucky residents, some of whom were KYTC employees, are listed on the wall—Franklin Chandler, Donald Lee Henderson, Patrick Howard, James Lunsford, Arnold Mason, James Edward Noel, James H. O’Bryan, David L. Prater, Luke C. Richardson, John Simpson, Ricky Swartz and William W. Willison.

District 8 received the 2003 Kentucky Ready Mix Concrete Association award for the Cumberland River bridge and the Pitman Creek bridge over Lake Cumberland in Pulaski County.
Marc Williams, the cabinet’s new Commissioner of Highways, assumed his duties on March 8.

Governor Fletcher and Secretary Bailey officially dedicated the new central office building in Frankfort in March.

Twenty-two KYTC employees volunteered to answer phones for Kentucky Educational Television’s (KET) annual fund-raising drive. The KYTC team raised $30,470 for a great cause.

In April, KYTC spread the word throughout Kentucky to Put the Brakes on Work Zone Accidents. Several of the districts held press conferences and events promoting work zone safety awareness. In 2003, there were nine work zone fatalities. One of those 9 was one of District 6’s very own, Frank Chandler. Frank was hit by a car in August 2003 while flagging. His wife Nancy Chandler spoke of her experience at the District 6 press conference.

The cabinet’s Division of Employee Recruitment and Development was awarded the American Association of State Highway and Transportation Officials (AASHTO) Standing Committee on Quality 2004 Exemplary Partner Award. The division was recognized for its efforts in developing the time management program.
This past spring, 20,000 decals promoting 5-1-1 were sent to gas stations statewide and placed on gas pumps. The purpose of the promotional tool is to let the public know that by calling 5-1-1, they can get information on construction zones, accidents and weather-related road conditions.

Ground was broken for a west runway extension at Louisville’s airport which will allow airlines to fly non-stop with larger loads to farther destinations.

The project will provide Louisville’s air carriers with the same competitive advantage as other similar airports, such as Memphis. United Parcel Service (UPS) has a 4 million square foot facility near Louisville’s airport. The improved runway will allow UPS to fly non-stop to Asia.

The runway, which will be extended from 10,000 to 12,000 feet, will cost an estimated $20 million and will be completed in late 2007.

District 11 employees solved a spillway problem in Laurel County’s Woods Creek Lake on I-75. The screening device that was keeping floating debris away from the spillway was broken. The employees created a new device for under $500. Estimates from the central office indicated that the repair cost could have gone as high as $20,000 for an outside company to make the improvements. The employees completed the repairs in three days.

Thanks to all the KYTC employees who participated in the Adopt-A-Highway annual cleanups. Your support of this program and of Kentucky’s environment is an inspiration!

The US Fish and Wildlife Service proposed a rule to remove Eggert’s sunflower from the Federal List of Endangered and Threatened Species in April. They directly credited KYTC for its efforts in the recovery of the Eggert’s sunflower. KYTC now has a management plan that conserves the ecosystem of the Eggert’s sunflower in Hart County.
Bluegrass musicians Ray Goins and Curley Ray Cline, both from Pike County, were honored with ‘Bluegrass Music Home Place’ road signs made by the cabinet.

One of the exciting aspects of the new central office building is the new and improved One-Stop Shop located on the second floor. The general public can do most all vehicle-related business transactions at this one location. This is the first time that all of these services have been located in one convenient area.

On October 7, the One-Stop Shop served its 20,000th customer.

Sadly, 2003 was the deadliest year on our roadways in more than 25 years, with 931 killed in crashes. In May of this year memorial services were held around the state to honor those individuals. The services were held near Memorial Day to remember those loved ones and to encourage safe driving.

KYTC won an Engineering Excellence Award from the American Council of Engineering Companies for the 2002 Kentucky Statewide Rail Plan. The plan was prepared through a joint effort between Wilbur Smith & Associates and the Division of Multimodal Programs.

Several KYTC employees graduated from the Community Transportation Innovation Academy. Over the course, the group learned what all is involved in producing successful projects within the cabinet such as demographics, public involvement and planning.
In May, a series of storms ripped through the Commonwealth. As a result, homes and roads were damaged from the flooding waters and gusting winds. But thanks to the hard working highway crews, the state’s roads were not out of order for long.

The cabinet announced two design consulting contracts for the Ohio River Bridges project in June. Qk4, Inc. and H.W. Lochner, Inc. were chosen to provide engineering and design services.

District 5 broke ground on a project to widen Westport Road from Herr Lane to I-264 in Louisville. The contract was awarded to MAC Construction at a cost of $5.5 million.

The Browning McKinneyburg bridge project began this year. Judy Construction Company won the contract with a bid of $4.5 million to build the bridge and approaches over the Licking River in Pendleton County. The project is expected to be completed in November 2005.

The Daniel Carter Beard Bridge painting project was completed in August. The project, which began in August of 2003, cost $3.7 million.

Kentucky’s smiley face license plate won the 2004 Best License Plate award from the Automobile License Plate Collectors Association, the largest license plate collectors association in the world.

The old steel bridge over the Licking River in Pendleton County was built in 1928.
The Richmond Road widening project in Lexington was completed in June. Enhancements to the road included widening from four to six lanes, video detection systems at major intersections, and bike lanes. The project cost $6 million and was completed a month ahead of schedule.

The Division of Aeronautics was elevated to the Department of Aviation this year.

KYTC and TRI-MARC were recognized with an award from the American Council for Technology for the Auto Incident Recording System. This technology was used at a high-accident intersection in Louisville to record accidents. As a result, minor engineering and signage changes were made to the intersection and the accident rate dropped by 50 percent.

Highway District 12 and project contractor Mountain Enterprises received the Quality in Construction Award from the National Asphalt Pavement Association for the rehabilitation of US 23 in Johnson County.

The KEEN 2003-04 School Year Awards

- District 5 received the “Outstanding Achievement in Reaching Students” award for reaching 2,714 students.
- The Central Office received the “Most Improved From the Previous School Year” award.
- Steve Farmer, District 7, received “The Most Outstanding Presenter” award.
- District 7 received the award for “Contacting the Highest Percentage of Counties and for Performing the Most Presentations During the School Year.”
- District 11 accepted the award for “Most Improved District from the Previous School Year.”
- Stuart Goodpaster received “The Outstanding Dedication and Commitment as Statewide KEEN Coordinator” award.
Secretary Bailey joined District 5 employees, neighborhood and business leaders and elected officials to officially open the Dumesnil Street ramp of the Shawnee Expressway in Louisville. The community-driven rehabilitation project on the Shawnee Expressway began in March 2003 and officially ended in August. This $66 million job was the largest single-contract rehabilitation project in Kentucky’s history.

The Division of Planning completed a massive revision of the electronic transportation base map for Kentucky, making significant improvements in accuracy and completeness of the cabinet’s map coverage. This project was recognized by the National Association of Development Organizations.

A historic highway marker dedicated to the Prestonsburg Toll Bridge and the C & O Railway was erected in Floyd County in July.

The KYTC booth at the 2004 Kentucky State Fair provided a great opportunity to “show off” some of our programs, distribute state maps, give free vision exams and of course, play engineering games. Thanks to the dozens of employees who worked.

More than one million people have dialed 5-1-1 since the service launched in November 2002.

Roy Mundy joined the cabinet as Commissioner of the Department of Vehicle Regulation.

Paul Steely was appointed as Commissioner for the Department of Aviation.
Ground was broken in Pulaski County in August for a section of I-66, an important east-west connector for southern Kentucky. The contract, which was let in August, for a new interchange at US 27 and the Northern Bypass in Somerset, includes upgrading US 27 to a 4-lane facility for 4 1/2 miles. The Northern Bypass will connect the Cumberland Parkway to KY 80 and serve as an important link to the I-66 system if the interstate is developed across the state.

Bill Nighbert was appointed to serve as Commissioner for the Department of Intergovernmental Programs.

Over the past 20 years, state crews from District 4 had never completed such a big slide job as they did this summer. The slide was located on KY 210 in Larue County and measured approximately 50 feet deep and 100 feet wide. A job that cost the state $165,000 also saved the state at least that much or more. It took the crews less than two weeks to repair the site.

Folks from the Right of Way and Accounts Divisions were acknowledged by Federal Highway Administration (FHWA) with the FHWA Partnership in Excellence Award. FHWA partnered with these divisions and together found some projects that had been inactive for over a year. They closed 80% of the inactive projects and recovered over $15 million in outstanding balances.

A groundbreaking was held in September for Ken Bale Boulevard in Bowling Green. The one-mile boulevard will cost $1.4 million to construct and should be completed in 2005.

KYTC was recognized at the American Road and Transportation Builders Association 2004 Globe Awards for the Paris Pike project.
Recently the interchange at the Leitchfield exit off of the Wendell Ford Parkway was completed. The $5.6 million project called for redesigning the existing cloverleaf interchange to a diamond interchange.

The Simon Kenton Bridge in Maysville reopened to traffic after reconstruction was completed in September. The project to reconstruct the bridge began in March 2003 and cost $5.7 million.

Kentucky’s new brand, Unbridled Spirit, was unveiled in late November.

In October, KYTC launched a pilot program that provides courtesy van routes in Districts 5 and 11 to assist stranded motorists and keep the highways open. The Safety Assistance for Freeway Emergencies (SAFE) patrol vans are operating on I-64 between Frankfort and Shelbyville and on I-75 in Laurel County Monday through Friday 5 AM to 9 PM. After a few months, the program will be evaluated and hopefully expanded to other areas.

A new section of US 421 in Harlan County opened to traffic in September after being under construction for more than two years. Two additional sections are currently under construction and expect to be completed by Spring 2005. The total project cost is $15 million.

These four District 12 men rescued a child from a Chevron station near Pikeville after his mother accidentally drove off and left him behind. Rich stayed with the boy while the other three sped after the mother to inform her of what had happened. After catching up with the mother, she followed the men back to the gas station where she was reunited with her son.
Jim W. Simpson, engineering technician in the Division of Maintenance, traveled to Perm, Russia this summer where he conducted a bridge rehabilitation workshop for Perm engineers. The mission was part of the Kentucky/Perm Technology Exchange Program in which the cabinet is involved.

New “move over” signs will soon be seen along Kentucky’s major highways to remind motorists that by state law, they are to yield or slow down for stopped emergency vehicles. Plans call for 100 signs to be placed on Kentucky’s major roadways by next spring.

While inspecting the Brent Spence Bridge in Northern Kentucky, KYTC employees rescued a kitten that was stranded on a catwalk underneath the bridge. The kitten was adopted by Brian Huber, Kenton County state maintenance operator.

In October, motorists began driving on a new improved section of US 42 in Northern Kentucky. Construction on the new roadway began October 2002 and cost $9.3 million to complete.

Secretary Bailey, Commissioner of Highways Marc Williams and District 5 CDE Barry Sanders displayed the colors (beige, green and chestnut brown) that will be used on the John F. Kennedy Bridge in Louisville by painting a ceremonial beam. The contract to paint the bridge was awarded to Atlantic Painting Company in June and the project should be complete by 2006.

The 10th Street Bridge in Newport reopened for traffic this fall. The $3.9 million project began in August 2003.
A new concept was introduced earlier this year by having one CDE oversee the work in Districts 1 and 2 and the same for Districts 10 and 11. The “shared” chiefs split their time between the two districts. Also, new CDEs were appointed to some of the districts.