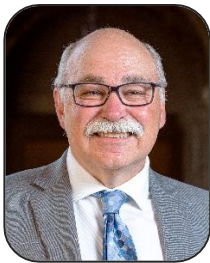


Townhall Q&A



A Message from Director Selmer

Thank you again for participating in the April townhall meetings. Over 70 questions were submitted, of which only a few were able to be addressed during one of the video sessions.

As indicated in the townhalls, the questions not answered would be compiled and answered in a follow-up document. Not every individual question is answered due to similarities to questions asked by others. Additionally, some questions are not easily answered within this format as they were broad and the responses would be worthy of their own reports.

Given these constraints, I still feel this document will provide useful information and hopefully address some of the fundamental concerns expressed. I also realize that this is not a “one time” effort, as continual dialogue is necessary and will occur in the future.

Compensation (Wages & Benefits)

The majority of questions asked were within this topic area. This is not a surprise to anyone given the current economic environment we find ourselves in. A sampling of the various questions included:

Wages

- Wages in comparison to other agencies (county and local) and private industry
- Cost-of-living increases not keeping pace with actual cost increases
- Possibility of longevity/tenure pay increases
- Negotiating salary increases upon promotion

Benefits

- Increasing state match on health insurance premiums
- Sick leave payment for unused balances
- Switching to a PTO (paid-time off) system vs. individual vacation and sick leave banks

First and foremost, I and the leadership are aware of the pressures many of you are facing, either personally or with respect to providing service with significant vacancies or unexperienced teammates. We have been working on this issue since I arrived at the Department in 2021. Several reports and meetings have been held with the Department of Administrative Services (DAS) and the Governor’s Office to inform them of these concerns.

In trying to address wages and benefits, the Department is one of many participants in the process. In actuality, we have some, but limited influence in changing wages or benefits. Every two years, this process starts with DAS meeting with all staff agencies, who have gathered information that includes salary, job classification, benefits and any changes desired. This information is presented and discussed with the Governor’s Office and a strategy/package is prepared to discuss with the Union. During this process, salary increases and benefit changes are negotiated for the next contract period. This process was developed to provide stability and transparency. It usually works well when the national financial climate is in a better position than it is today.

Later this fall, there is some expectation that the upcoming negotiations will consider the following factors:

- Inflation
- Salaries
- Labor shortages
- Retention
- And much more


As an agency, we have provided our input and our story. We will continually work to describe our circumstances.

Thank you,

John Selmer

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Recruitment & Retention

Q1 *What is NDOT's current hiring practice?*

A1 At NDOT, we have been a leading choice of employment among state agencies for many years. With the current hiring environment, we're working to keep pace with modern hiring practices while maintaining a fair and consistent system for all applicants. Some more modern enhancements include the use of modern selection systems to establish criteria and questions, eliminating unnecessary steps in the recruitment process, and speeding up offers of employment when able.

Please reach out to your HR Business Partner for any additional/more specific questions about hiring.

Q2 *Retention has become a large issue at NDOT with many younger employees leaving. What is NDOT doing to keep their current employees?*

Q2 The state strives to be an employer of choice by highlighting the many benefits that teammates of the State of Nebraska enjoy including health plans which cover almost 80% of the entire premium, generous leave policies, and an unheard of 156% match for retirement. We recently announced the newest update to the Employee Recognition Program while also using the recent engagement survey to evaluate the workplace for improvements.

Last year, we also announced hiring and retention bonuses for Auto/Diesel Mechanics, a position of high need across the agency. We aren't stopping there. We continue to look at data and research to evaluate what other positions may be eligible for additional retention incentives.

If you have suggestions or ideas, please contact your Division Head or District Engineer for thoughts and ideas.

FLEET

Q3 *What is the process for replacing aging and/or irreparable equipment in the NDOT fleet?*

A3 Our equipment budget is set by the Nebraska legislature every two years. The districts are allocated a portion of the budget based on lane miles and ADT and make the decisions on what equipment is replaced working with information from fleet management.

Q4 *Can equipment and trucks be moved from one district to another?*

A4 Each district receives the proceeds back into their budget allocation from the sale of used equipment. Another district can purchase a vehicle or piece of equipment being surplus, in which case the equipment will not be placed on the auction block.

Q5 *Does each district manage their fleets at their own discretion?*

A5 Each district manages their fleet in coordination and cooperation with Fleet Management.

OUTSOURCING

Q6 *Is the future plan to continue to engage with consultants to do highway projects, rather than NDOT doing this itself?*

A6 We have gone through much evolution since our inception in 1885 as the State Board of Irrigation.

Today, are a leaner, more modern DOT which maximizes the talent we have in-house with a balance of consultants to either assist with or complete work for highway projects. Consultants allow us to accelerate delivery, when necessary (and possible), especially when additional funding become available such as federal grants or passage of legislation. Consultants also allow us to ride the wave of available dollars while still maintaining a reliable timeline on other important projects to the people of the State of Nebraska.

Q7 *Is it an option to decrease outsourcing and increase NDOT's wages?*

A7 While on the surface this may appear to be a viable option, the end result would be greater pull on our teammates – restricting free time, increasing overtime, and creating workloads that would be beyond the capacity of the team. All this would likely significantly delay many critical projects across the State of Nebraska.


PROGRAM & PROJECT DELIVERY

Q8 *Has the process for project delivery impacted the quality of the plans?*

A8 The quality of the plans remains as expected for us. There is always room for improvement, which we strive for in all parts of our mission. This includes more accurate cost estimates, improved letting reliability for our partners, and closer collaboration with our contractor partners on their expectations for plans and construction specifications to reduce rework and improve the experience for all those involved.

Q9 *Will there be more ability to work on rural areas and not the big cities in the next five years?*

A9 The needs of the state are vast and changing. The bottom line is, yes. Few have many projects across the State, including rural areas. Some are currently under construction such as the Highway 83 Super-2 between North Platte and McCook, the Heartland Expressway in the panhandle, Highway 83 in Valentine, and many others. The I-80/I-76 Interchange in District 6 is now currently open to traffic.



All these represent significant investment in rural areas. As in any year, additional projects remain in design and are being readied for letting.

Q10 *Are change orders/plan revisions tracked, as well associated cost of these changes?*

A10 Being good stewards of the funds entrusted to us is core to the agency. Tracking a project from beginning to end is vital to how we build and maintain an asset. Change orders are tracked through the AASHTOWare software, which manages the life of a project once it's under construction. Additionally, plan revisions are tracked through the project until the As-Built is produced at the end.

Q11 *How is the inflation rate going to affect project delivery, highway maintenance, insurance, wages, or NDOT's day-to-day operations?*

A11 The current inflation rate is of great concern for people worldwide, and we are no different. The rise in inflation means reduced purchasing power for us in the context of all of the above. The fact that we do not carry debt service in the forms of bonds allows us to be better positioned to address these issues by granting us better flexibility with the funds we have to find ways to continue to accomplish our goals.

STRATEGIC PLAN

Q12 *What was the process to change the mission statement?*

A12 Representatives from diverse parts of the agency from HR to BTSD to the districts and Aeronautics were involved in the process to discern how to evaluate our mission statement. The changes made reflect a more people-focused approach to why we deliver our program – to contribute to the high quality of life in Nebraska.

The mission statement changes were also made with both NDOT teammates *and* the public in mind – it connects teammates to NDOT by serving as the guiding light for everything we do, and helps the public know that everything we do has people and their quality of life at the heart of it.

Q13 *Are the key outcomes finalized?*

A13 Yes, at this time they are. The key outcomes are meant to serve as the bar or marker for gut-checking that all big strategic work has us marching down a path toward achieving our mission. The leadership team will continuously evaluate our strategic plans, and as we go through the next five years, it's likely new key outcomes will be realized for 2027 and beyond.

Q14 *What are your top 5 priorities for NDOT?*

A14 The top focuses for NDOT are safety, project delivery, mobility, the four Cs (Communication, Collaboration, Cooperation and Coordation), and work force development.

Q15 *How does the 5-year plan address NDOT's retention issue, both to retirement and high compensation?*

A15 Our leadership will always prioritize addressing near-term needs, balanced with the work of the long-term goals. For example, there are ongoing, current efforts to address the pay gap NDOT experiences, and the five-year goals for the strategic focus area of "We Develop Our Workforce" are to ensure teammates experience a sense of growth and pride and to create an inclusive culture at NDOT. These two goals are meant to directly contribute to NDOT's retention, which ultimately leads to teammates sticking around with us until retirement.

Q16 *How will this new mission statement and strategic plan improve the state services to the aviation community?*

A16 The aviation community are customers of ours, as are rail, freight, motorists and transit. The current business plans do not directly refer to areas specific to aviation, but that does not mean that efforts are not occurring.

Bringing aviation into the agency allows us to take a much more holistic approach to multimodality of transportation and how we support those communities in Nebraska.

The end goal is to have NDOT in a position to develop and support the infrastructure of Nebraska for all those who need to use it from aviation to pedestrians.

Q17 *What is NDOT's plan and initiatives to make this the best place to work and will support be done for employee wellbeing?*

A17 We care about the teammates who call this place home and have evaluated what options are available to improve the workplace.


Many initiatives have been implemented in the last few years including an updated employee recognition program, incentives for auto/diesel mechanics, expanded remote work options, flexible scheduling, remodeling of spaces, upgrading phone lines, and updating training to provide more resources to supervisors and their teams. Additionally, we provide an Employee Assistance Program, and teammates are encouraged to use their generous leave time to their benefit.

Future work and plans for the strategic focus are of "Make this the most desirable Place to Work" will be shared with teammates in the near future.

WORK ENVIRONMENT

Q18 *What is the process/timeline for updating buildings (e.g., carpet, paint, etc.)?*

A18 The Operations Division maintains a schedule for remodels to office spaces in addition to capital facility projects for aging buildings in the districts. Some work



can be done in-house with NDOT resources while others require the work of outside contractors and consultants.

Contact your division/district leadership for more information on your specific work area.

Q19 *What other ideas have there been for thinking outside the box for improving NDOT workspaces?*

A19 As we continue to evaluate what the next evolution of the workplace looks like, suggestions such as bringing pets to work or onsite fitness equipment will be taken into account. While we can't guarantee such suggestions will be implemented, it's ideas like these that can help spur conversation and encourage dialogue to continue to think outside the box.

Q20 *Who makes the decisions on which teammates are provided the option of working from home?*

A20 Remote work has been an option at NDOT for years prior to the pandemic, and the rapid evolution of technology over the last couple years has allowed for a more seamless approach to remote work. Since May 2021, we have been operating in a permanent hybrid work environment in the form of remote work coupled with in-office work for teammates where such work is available. Additionally, other teammates have begun to work non-traditional work schedules such as four 10-hour days or four 9-hour days and one 4-hour day. This is at the discretion of each district engineer/division head. Supervisors and teammates are encouraged to regularly dialog on work schedules and available options as the workplace continues to evolve.

There are no current plans to discontinue this policy. In fact, some other State agencies, such as Department of Administrative Services, have reduced overall costs by having teammates 100% remote, allowing them to reduce the amount of rented space for offices.


Q21 *What is the consideration for "leveling the playing field" for NDOT teammates who must be in an NDOT office/shop/location five days per week, compared to other NDOT teammates who work from home part or all of the week?*

A21 As a dynamic workplace with a diverse set of jobs, responsibilities, and duties, balancing the need of the work with flexibility for teammates remains a challenge.

It is a reality that some positions will never be conducive to remote work. We remain committed to evaluating options for current teammates and those joining the NDOT family to provide the work environment expected as an employer of choice. We encourage district and division leadership, supervisors and teammates to have regular, open dialog on improvements or suggestions for the workplace.

Q22 *Can we start back up the cafeteria program for lunches (in the Central complex)?*

A22 While a popular perk, the vendors who supplied meals in the cafeteria must also be able to make their own profit. The numbers in the building currently don't



support opening the cafeteria on a regular and on-going basis. We continue to explore options for bringing food options into the building. One current consideration is allowing food trucks – stay tuned!

Q23 *Can break rooms in the Central complex have sinks added, so that personal dishes don't have to be washed in the bathrooms?*

A23 Sinks in the new break rooms in Central Complex will be addressed once the remodel is completed due to a funding threshold. If there are not enough funds left in the project for sinks, Facilities Maintenance will install.

Q24 *Can we get more picnic tables or seating outside buildings for breaks and lunches?*

A24 We continue to explore options to improve all campuses, both inside and out. One example of these improvements is an additional picnic table has been ordered and will be placed outside central complex on the North side of the 1500 building.

WORKFORCE

Q25 *If NDOT cannot fill maintenance and mechanic positions, how can we serve the public?*

A25 We are in a similar situation with all other employers across the State of Nebraska and the nation. Record low unemployment results in stiff competition across all lines. Regardless, we continue to work to fill critical positions while supporting districts in sharing of resources and finding new, efficient ways to perform the core function of our work. We continue to work on making NDOT wages competitive.

Q26 *What can be done to continue to improve new hire continuity?*

A26 Many efforts are in place right now to continue to recruit and keep teammates with NDOT. As an agency, we're doing things like rolling out a new On-Boarding program which provides more one-on-one attention. Additionally, HR continues to evaluate and make improvements in the overall hiring process to eliminate unnecessary steps for hiring managers as well as applicants. As individuals, teammates can share with their family and friends about how NDOT is an employer of choice.

Q27 *How can we enhance growth with new hires and develop better relationships with leadership?*

A27 Plans are in place to enhance our training program as well as the "Boss to Coach" initiative.