

ARKANSAS DEPARTMENT OF TRANSPORTATION

LITTLE ROCK, ARKANSAS

May 9, 2019

ADMINISTRATIVE CIRCULAR NO. 2019-05

TO: ALL DIVISION HEADS AND DISTRICT ENGINEERS

We are transmitting herewith for your information and records a copy of the Minutes of the Commission Meeting in Little Rock, AR on May 1, 2019.

After making a careful review of these proceedings, please take appropriate action through designated lines of authority to forward the carrying out of any orders applying to your respective divisions and districts.



Scott E. Bennett  
Director

c: Commission

MINUTES OF THE MEETING  
OF THE  
ARKANSAS STATE HIGHWAY COMMISSION

May 1, 2019

Following is the record of proceedings of the Arkansas State Highway Commission in Little Rock, Arkansas, May 1, 2019. Members present were:

Thomas B. Schueck, Chairman  
Robert S. Moore, Jr., Vice Chairman  
Alec Farmer, Member  
Philip Taldo, Member  
Keith Gibson, Member

2019-040                   IT IS ORDERED that a meeting of the Arkansas State Highway Commission be opened at 9:30 a.m., May 1, 2019.

2019-041                   WHEREAS, the Purchasing Committee has awarded purchases on March 4 and 27, 2019, and April 5, 2019, in the amount of \$1,148,936.04, \$477,087.01 and \$744,325.60, respectively, totaling \$2,370,348.65, and supply and service contracts, in accordance with authority previously conveyed, all of which have been documented by official minutes which are of record in the files of the Commission and Equipment and Procurement Division.

NOW THEREFORE, IT IS ORDERED that the action of the Purchasing Committee be ratified and confirmed in all particulars.

2019-042                   WHEREAS, the Federal Highway Administration sponsors the National Summer Transportation Institute, a program to encourage secondary school students to pursue transportation careers; and

WHEREAS, increasing awareness about transportation related careers is important to the transportation industry; and

2019-042 - Continued

WHEREAS, the Federal Highway Administration has encouraged state transportation departments to continue this 100% federally funded program; and

WHEREAS, in accordance with the Federal Highway Administration's guidelines for selecting a host site, the Department issued a Request for Proposals; and

WHEREAS, the University of Arkansas at Little Rock has submitted a proposal that meets the scope of the program and is within the projected budget allowance provided by the Federal Highway Administration.

NOW THEREFORE, the Director is authorized to enter into an agreement with the University of Arkansas at Little Rock to host the 2019 National Summer Transportation Institute.

2019-043

WHEREAS, the National Academy of Sciences, Engineering and Medicine Transportation Research Board (TRB) provides leadership in transportation innovation and progress through research and information exchange, conducted within a setting that is objective, interdisciplinary, and multimodal; and

WHEREAS, the TRB offers opportunities for information exchange on current transportation research and practice, management of cooperative research and other research programs, analyses of national transportation policy issues, guidance on federal and other research programs, and publications and access to research information from around the world; and

WHEREAS, all states provide financial support for TRB's Core Program activities that are designed to support dialogue and information exchange among researchers, practicing transportation professionals, and others concerned with transportation; and

WHEREAS, the Department's participation rate has been approved by the TRB Executive Committee; and

2019-043 - Continued

WHEREAS, the Federal Highway Administration has created a pooled fund study to provide a mechanism for state transportation departments to support the TRB's Core Program activities; and

WHEREAS, the TRB's Core Program activities are regarded as highly beneficial to the Department in order to exchange ideas, information, and best practices with other agencies.

NOW THEREFORE, the Director is authorized to participate in this pooled fund effort and to enter into such agreements as necessary to fulfill the Department's commitment to this important program for TRB Fiscal Year 2020.

2019-044

WHEREAS, the Department collects and stores pavement condition data and right of way imagery to evaluate the performance of roadway sections, provide a visual record of roadway attributes, and comply with the Federal Highway Administration's requirements contained in the Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21) Act and continued in the Fixing America's Surface Transportation (FAST) Act using an instrumented van called the Automatic Road Analyzer (ARAN); and

WHEREAS, the data requirements contained in the MAP-21 Act and continued in the FAST Act for the Highway Performance Monitoring System and the Transportation Asset Management Plan require the inclusion of the International Roughness Index, three-dimensional cracking, rutting, faulting, and additional geometric data at an increased frequency; and

WHEREAS, the existing ARAN has been in service since 2008 and is reaching the end of its useful life; and

WHEREAS, finding replacement parts to make necessary repairs is becoming increasingly difficult because the existing equipment and electronic components have become antiquated; and

2019-044 - Continued

WHEREAS, technologies exist for data collection and evaluation systems that have proven automated pavement distress identification capabilities, provide multiple high-resolution digital cameras for right of way imagery, and are capable of accurate geometric and location data.

NOW THEREFORE, the Director is authorized to request proposals from qualified firms to provide two new systems designed and manufactured for the purpose of pavement distress identification and evaluation, including all ancillary hardware and computer software to make the system completely functional and enter into any necessary contracts and agreements as funds become available.

2019-045

WHEREAS, the Fixing America's Surface Transportation Act continues the Moving Ahead for Progress in the 21<sup>st</sup> Century Act requirement that each state invest resources in projects that collectively will make progress toward national performance goals; and

WHEREAS, the collection of accurate pavement, bridge and other transportation-related asset condition data is necessary for better decision making based upon quality information and well defined objectives to make progress toward these goals; and

WHEREAS, on-call contract services have proven beneficial by providing innovative asset condition data collection techniques and supplementing in-house capabilities, allowing the Department's field personnel to perform other critical tasks.

NOW THEREFORE, the Director is authorized to request proposals, select consulting firms, and enter into any necessary contracts and agreements with firms for on-call pavement, bridge and other transportation-related asset condition data collection as needs are identified for calendar years 2020 through 2022.

2019-046

WHEREAS, the collection of accurate traffic information is necessary for planning, designing, and maintaining highways; and

2019-046 - Continued

WHEREAS, the Department has entered into contracts to provide necessary traffic data since 2002; and

WHEREAS, work performed under these contracts has proven beneficial by providing innovative data collection techniques and supplementing in-house capabilities, allowing the Department's field personnel to perform other critical tasks; and

WHEREAS, the current contract is set to expire on December 31, 2019.

NOW THEREFORE, the Director is authorized to request proposals, select consulting firms, and enter into any necessary contracts and agreements with firms for on-call traffic data collection services as needs are identified for calendar years 2020 through 2022.

2019-047

WHEREAS, the Arkansas State Highway Commission (Commission) acquired property known as Tract No. 6, Job No. 8564, from William S. Newton, lawful age and unmarried; James E. Newton and Martha S. Newton, husband and wife (the "Newtons"), by Warranty Deed dated September 19, 1972, and filed of record on October 20, 1972, as Record Book 11-T, Page 254, in the Circuit Clerk's office for Pope County, Arkansas; and

WHEREAS, the Commission acquired property known as Tract No. 4, Job No. 8564, from Roy B. Johnston and Minnie Johnston, husband and wife (the "Johnstons"), by Warranty Deed dated September 19, 1972, and filed of record on October 20, 1972, as Record Book 11-T, Page 242, in the Circuit Clerk's office for Pope County, Arkansas; and

WHEREAS, Kevin Smoke of Russellville, Arkansas has requested to purchase Tract Nos. 6 and 4, Job No. 8564, now being parts of Tract Nos. 1 and 2, respectively, which the District Engineer for District 8 has determined is not now, nor in the foreseeable future will be, needed for highway purposes; and

WHEREAS, the heirs of the Newtons and Johnstons have executed waivers of their right to reacquire. Mr. Smoke offered to purchase both tracts for ONE THOUSAND ONE HUNDRED AND NO/100 DOLLARS (\$1,100.00), representing the Fair Market Value by three Commission appraisers.

WHEREAS, the Commission acquired Tract No. 6 for THREE HUNDRED FIFTY AND NO/100 DOLLARS (\$350.00), which the tract, being a part of Tract No. 1, is more particularly described as follows:

TRACT 1 DESCRIPTION: A part of the SE1/4 SE1/4, of Section 20, T-7-N, R-20-W, in the City of Russellville, in Pope County, Arkansas, being more particularly described as follows and as shown on this survey plat (surveyed by Cornerstone Land Surveying on 8-9-2018, for Kevin Smoke, Job# R18-236):

Commencing at a state monument for the SE corner of said SE1/4 SE1/4, thence N 87°28'11" W 309.41 feet to the true point of beginning, thence N 87°28'11" W 22.86 feet to a point, thence N 11°04'09" E 137.77 feet to a point, thence S 87°58'48" E 9.05 feet to a found "t" post, thence S 05°19'08" W 136.49 feet to the point of beginning, containing 0.05 acre more or less, subject to any easements or rights of way of record.

WHEREAS, the Commission acquired Tract No. 4 for SEVEN HUNDRED FIFTY AND NO/100 DOLLARS (\$750.00), which the tract, being a part of Tract No. 2, is more particularly described as follows:

TRACT 2 DESCRIPTION: A part of the NE1/4 NE1/4, of Section 29, T-7-N, R-20-W, in the City of Russellville, in Pope County, Arkansas, being more particularly described as follows and as shown on this survey plat (surveyed by Cornerstone Land Surveying on 8-9-2018, for Kevin Smoke, Job# R18-236):

Commencing at a state monument for the NE corner of said NE1/4 NE1/4, thence N 87°28'11" W 309.41 feet to the true point of beginning, thence N 87°28'11" W 22.86 feet to a point, thence S 11°04'09" W 422.53 feet to a

2019-047 - Continued

point, thence S 88°08'31" E 5.28 feet to a found "t" post, thence N 16°49'47" E 247.03 feet to a point, thence N 11°04'07" E 100.00 feet to a point, thence N 05°45'53" E 75.77 feet to a set iron pin, thence N 05°19'08" E 3.87 feet to the point of beginning, containing 0.22 acre more or less, subject to any easements or rights of way of record.

NOW THEREFORE, the above-described properties are declared surplus and upon receipt and consideration of the sum of ONE THOUSAND ONE HUNDRED AND NO/100 DOLLARS (\$1,100.00) from Kevin Smoke, the Chairman of the Commission is authorized and directed to execute a Quitclaim Deed conveying the right, title, interest or equity of the above-described properties to Hardrock Construction, Inc., an Arkansas corporation; and hereby releasing the same from the State Highway System, that the Right of Way Division is directed and authorized to record a copy of this Minute Order and the Quitclaim Deed in the records of Pope County, Arkansas; and, if necessary, the right of way shall be remonumented to reflect the boundaries designated herein. Any Federal-Aid funds from this disposal shall be credited to Federal-Aid funds or otherwise credited as permitted by Federal Law.

2019-048

WHEREAS, the Arkansas State Highway Commission (Commission) acquired property known as the Old Garland County Area Maintenance Headquarters, Job No. 6503, from Lewis Archer Cooper and Rose W. Cooper, husband and wife, by Warranty Deed dated February 23, 1962, filed for record on February 23, 1962, in the Circuit Clerk's office of Garland County, Arkansas, in Deed Record Book 512, Page 600; and

WHEREAS, the property was acquired by the Commission for the sum of THREE THOUSAND AND NO/100 DOLLARS (\$3,000.00) and is more particularly described as follows:

A part of the Southeast Quarter, Northwest Quarter of Section 34, Township 2 South, Range 19 West, Garland County, Arkansas. More particular described as follows:

Commence at the Southeast corner of said Southeast Quarter of the Northwest Quarter; thence North 1100.00 feet, to the South side of the New Highway 70 Right of Way; thence South 88° 39' West 14.00 feet along said

Highway Right of Way to place of beginning; thence South 88° 39' West 210.22 feet along said highway right of way; thence South 415.10 feet; thence East 210.00 feet; thence North 420.00 feet parallel with the East line of said property to the place of beginning. Containing 2.0 acres, more or less.

WHEREAS, Steve Fischer was the winning bidder for the sum of SEVENTY THOUSAND AND NO/100 DOLLARS (\$70,000.00), which was determined by coin flip on April 3, 2019, for the Old Garland County Area Maintenance Headquarters. The property was purchased as a capital asset and is not subject to re-acquisition by a prior owner pursuant to Ark. Code Ann. § 27-67-322. Three (3) qualified appraisers have opined that the current fair market value of the Maintenance Headquarters is SIXTY-NINE THOUSAND SEVEN HUNDRED AND NO/100 DOLLARS (\$69,700.00); and the District Engineer for District Six has determined that the former Maintenance Headquarters is not now, nor in the foreseeable future will be, needed for highway purposes.

NOW THEREFORE, the above-described property is declared surplus; upon receipt of the consideration of SEVENTY THOUSAND AND NO/100 DOLLARS (\$70,000.00), the Chairman of the Commission is authorized and directed to execute a Quitclaim Deed conveying said property to Steve Fischer; this Minute Order along with a copy of the deed shall be recorded in Garland County, Arkansas and, if necessary, the right of way shall be remonumented. Any Federal-Aid funds from this disposal shall be credited to Federal-Aid funds.

2019-049

WHEREAS, IN BENTON COUNTY, Minute Order 2016-008 authorized a study to determine the need for and feasibility of improvements to Highway 72 between Bentonville and Pea Ridge; and

WHEREAS, the Highway 72 Improvement Study has been prepared and has identified a feasible improvement alternative to enhance safety and traffic flow.

NOW THEREFORE, this study is adopted for use as a planning guide for future improvement in the area.

WHEREAS, IN CRAIGHEAD, CRITTENDEN, CROSS, MONROE, POINSETT, ST. FRANCIS, AND WOODRUFF COUNTIES, U.S. Highway 63 is currently routed between Jonesboro, Arkansas and Brinkley, Arkansas by Interstates 40, 55 and 555; and

WHEREAS, one of the purposes of the U.S. Numbered Highway System is to facilitate travel over the shortest route possible; and

WHEREAS, a shorter route exists between Jonesboro, Arkansas and Brinkley, Arkansas along existing U.S. Highway 49.

NOW THEREFORE, IT IS ORDERED that upon official notification by the Deputy Director and Chief Engineer, the following changes are hereby made to the State Highway System as shown on the attached sketches.

- The designation of U.S. Highway 63 will be eliminated from the junction of U.S. Highway 49 in the City of Brinkley, Arkansas running concurrently with Interstates 40, 55, and 555 to the junction of U.S. Highway 49 in the City of Jonesboro, Arkansas (See Attachment 1).
- The designation of U.S. Highway 63 will be relocated to run concurrently with U.S. Highway 49 from Interstate 40 in the City of Brinkley, Arkansas to Interstate 555 in the City of Jonesboro, Arkansas (See Attachment 1).
- U.S. Highway 63 Business, Section 7B in Jonesboro will be redesignated as State Highway 463, Section 1 (See Attachment 2).
- U.S. Highway 63 Business, Section 8B in Marked Tree will be redesignated as State Highway 75, Section 5 from the junction of Interstate 555 northeast to the junction of State Highway 140, Section 1 and State Highway 149, Section 6 from the junction of State Highway 140, Section 1 southeast to the junction of Interstate 555 (See Attachment 3).

2019-051

WHEREAS, Minute Order 2018-080 authorized the Director to submit Arkansas' Statewide Transportation Improvement Program for Federal Fiscal Years 2019-2022 (STIP) to the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) for approval; and

WHEREAS, the FHWA and FTA have both approved the STIP; and

WHEREAS, Job 090489, Highway 65 Bypass (Harrison) P.E. was included in the approved STIP for \$3,000,000 for project development; and

WHEREAS, local officials have stated that a potential bypass should be considered a lower priority than any proposed improvements on existing Highway 65 since deficiencies along this route should be addressed as completely as possible prior to continuing forward with plans for a bypass.

NOW THEREFORE, the Director is authorized to repurpose these funds from Job 090489, Highway 65 Bypass (Harrison) P.E. to improvements on existing Highway 65.

2019-052

WHEREAS, the Quorum Court of Johnson County, by Resolution 314, has requested that the portion of Highway 359 between County Road 1780 and County Road 1790, be designated as the “Deputy Sonny Smith Memorial Highway”; and

WHEREAS, the Arkansas Highway Commission has adopted guidelines for the installation of commemorative signs by Minute Order 2014-023 and the County’s request meets these guidelines.

NOW THEREFORE, the Director is authorized to permit the installation of signs in each direction, as requested by the County, in accordance with Commission Policy.

2019-053

WHEREAS, the Quorum Court of Searcy County, by Resolution 2019-05, has requested that the portion of Highway 27 South between Cotton Hollow and Halsted Creek, be designated as the “Kirk Watts Memorial Highway”; and

2019-053 - Continued

WHEREAS, the Arkansas Highway Commission has adopted guidelines for the installation of commemorative signs by Minute Order 2014-023 and the County's request meets these guidelines.

NOW THEREFORE, the Director is authorized to permit the installation of signs in each direction, as requested by the County, in accordance with Commission Policy.

2019-054 WHEREAS, the Arkansas State Highway Commission will accept bids on the following projects at the May 15, 2019 letting; and

JOB NO.	DISTRICT	COUNTY	JOB NAME	ROUTE	APHN
110653	01	CRITTENDEN	HWY. 118/W. SERVICE RD./I-40 EB RAMPS SIGNAL & INTERS. IMPVTS. (WEST MEMPHIS) (S)	118	Y
020619	02	DESHA	ARKANSAS CITY – HWY. 1 (S)	4	N
020623	02	DESHA	MCGEHEE – KELSO (S)	1	N
040774	04	WASHINGTON	BENTON CO. LINE – BUTTERFIELD COACH RD. (S)	412 & 412Y	Y
050367	05	INDEPENDENCE	OAK BLUFF RD. – HWY. 122 (S)	25	Y
070449	07	OUACHITA	TWO BAYOU – OUACHITA RIVER (CAMDEN) (S)	79 & 79B	Y
070486	07	COLUMBIA	LNW RAILROAD – COLUMBIA ST. (MAGNOLIA) (S)	371	Y
070487	07	UNION	JUNCTION CITY – NORTH (S)	167	Y
080505	08	FAULKNER	GREENBRIER CREEK STR. & APPRS. (S)	225	N
080506	08	POPE	CROOKED BRANCH STR. & APPRS. (S)	7	Y
090561	09	BENTON	HWY. 12 – I-49 (BENTONVILLE) (S)	71B	Y
100907	10	LAWRENCE	HWY. 34 – RANDOLPH CO. LINE (S)	67	Y
012329	VAR	VARIOUS	GLENWOOD – HWY. 227 (S)	70	Y
C04012	09	BENTON	CAVE SPRINGS OVERLAY (SEL. SECS.) (S)	---	-
C08006	09	CARROLL	BERRYVILLE FREEMAN AVE. EXTENSION (S)	---	-
C18010	01	CRITTENDEN	CRAWFORDSVILLE & EDMONDSON OVERLAY (SEL. SECS.) (S)	---	-

2019-054 - Continued

JOB NO.	DISTRICT	COUNTY	JOB NAME	ROUTE	APHN
C18011	01	CRITTENDEN	ANTHONYVILLE OVERLAY & SURF. (SEL. SECS.) (S)	---	-
C33006	05	IZARD	CALICO ROCK OVERLAY (SEL. SECS.) (S)	---	-
C46002	03	MILLER	TEXARKANA E. 19TH & GRIM STS. OVERLAY (SEL. SECS.) (S)	---	-
C56005	10	POINSETT	HARRISBURG & MARKED TREE OVERLAY (SEL. SECS.) (S)	---	-
C73008	05	WHITE	BEEBE, HIGGINSON & MCRAE OVERLAY (SEL. SECS.) (S)	---	-
SA0246	02	ASHLEY	HWY. 133 – HWY. 189 (RESEAL) (S)	---	-
SA0650	07	BRADLEY	HWY. 160 – CO. RD. 1 (LEVEL & RESEAL) (S)	---	-
SA0855	09	CARROLL	CARROLL CO. LEVEL & RESEAL NO. 3 (S)	---	-
SA1062	07	CLARK	CO. RD. 3 LEVELING & RESEAL (S)	---	-
SA2748	02	GRANT	GRANT CO. RESEAL NO. 6 (S)	---	-
SA3051	06	HOT SPRING	HWY. 270 – CO. RD. 74 (OVERLAY) (S)	---	-
SA3346	05	IZARD	COUNTY ROAD 3 SURFACING (S)	---	-
SA3347	05	IZARD	COUNTY ROADS 9 & 112 RESEAL (S)	---	-
SA3651	08	JOHNSON	JOHNSON COUNTY SURFACING NO. 4 (S)	---	-
SA4045	02	LINCOLN	LINCOLN COUNTY (LEVEL & RESEAL) (S)	---	-
SA4138	03	LITTLE RIVER	LITTLE RIVER COUNTY OVERLAY NO. 3 (S)	---	-
SA4278	04	LOGAN	LOGAN COUNTY LEVELING & RESEAL NO. 2 (S)	---	-
SA5861	08	POPE	POPE CO. OVERLAY NO. 4 (S)	---	-
SA6142	10	RANDOLPH	RANDOLPH CO. OVERLAY NO. 8 (S)	---	-
SA7632	01	LEE & PHILLIPS	LEE & PHILLIPS COUNTY SURFACING (S)	---	-

WHEREAS, a thorough bid review and analysis is undertaken by the Department to ensure that only those projects are awarded which are judged to be in the best interests of the State; and

WHEREAS, the right is retained to reject any or all proposals, to waive technicalities, or to advertise for new proposals, also as judged to be in the best public interests of the State; and

WHEREAS, the Commission desires to expedite work on these important projects; and

WHEREAS, in accordance with Amendment 42 of the Arkansas Constitution, Section 6, as well as other laws of this State, the Commission has the authority to delegate certain powers to the Director of Highways and Transportation.

NOW THEREFORE, upon the contractors furnishing the necessary performance and payment bonds and submitting all additional information required for the above mentioned projects, the Director is hereby authorized to enter into contracts and supplemental agreements for any projects deemed to be in the best interests of the State.

FURTHERMORE, the Director is authorized to reject any or all proposals, to waive technicalities, and/or to advertise for new proposals whenever deemed to be in the best interests of the State.

Chairman Schueck started the agenda by recognizing Director Bennett for having received the 2019 Distinguished Alumni Award from the University of Arkansas College of Engineering. Recipients have achieved distinction in their fields and have provided outstanding leadership and service to the College of Engineering, and to the organizations and communities to which these distinguished alumni belong. Director Bennett is the first person from the ARDOT to receive this award and the Young Alumni Award, which he received in 2005.

Director Bennett recognized Trinity Smith, Division Head for the Roadway Design Division, for having been inducted into the Arkansas Academy of Civil Engineering.

Director Bennett recognized Greg Nation, Section Head for the Public Transportation Section, as having been appointed to the Board for the South West Transit Association (SWTA).

Director Bennett welcomed Rex Vines as the Department's new Assistant Chief Engineer for Operations.

MOTION Commissioner Alec Farmer moved, Vice Chairman Robert Moore seconded and the motion passed to approve the Minutes from the previous Commission Meeting of March 13, 2019.

MOTION The Commission approved Minute Order 2018-114 on November 14, 2018 authorizing the Department to advertise for qualified firms to inspect the upper truss members of the Interstate 40 Mississippi River Bridge. Commissioner Alec Farmer moved, Commissioner Philip Taldo seconded and the motion passed to accept the Staff's recommendation to enter into negotiations with Michael Baker International, Inc., Little Rock, AR to conduct a hands-on inspection of the Interstate 40 Mississippi River Bridge.

MOTION Commissioner Philip Taldo moved, Commissioner Alec Farmer seconded and the following Resolution was passed:

WHEREAS, Act 416 and House Joint Resolution 1018, together known as the Governor's highway funding plan, are significant pieces of legislation, not only for the Commission and ARDOT, but for our transportation stakeholders and, most importantly, the traveling public and citizens of Arkansas; and,

WHEREAS, Director Bennett and the ARDOT staff has cooperated in an open and transparent manner in coordinating and sharing pertinent information with the Governor's office, the General Assembly and the public through specific requests and presentations, as well as through the quarterly Highway Commission Review and Advisory Subcommittee Legislative meetings and regular Highway Commission meetings; and,

WHEREAS, the General Assembly also adopted legislation establishing an initial audit and subsequent annual audits to review ARDOT processes and procedures to review efficiencies and compliance with state purchasing requirements;

NOW THEREFORE BE IT RESOLVED by the Arkansas State Highway Commission at its May 1, 2019, meeting that:

## MOTION - Continued

The Commission commends Director Scott Bennett and the ARDOT staff's involvement during the session and Director Bennett's leadership in the months leading up to the session which were critical to the passage of the Governor's highway funding plan during the recently completed regular session of the Arkansas General Assembly; and

The Commission wholeheartedly supports the participation of Director Bennett and the ARDOT staff in working with the Legislative Council's audit consultant to ensure to the public that the ARDOT staff has been and will continue to be good stewards of the taxpayers' dollars; and

The Commission welcomes this audit and future annual audits as opportunities to bolster the public's confidence in ARDOT's processes and procedures, and to improve our processes and procedures if needed.

### OTHER DISCUSSION ITEMS

Patrick Patton, Chief Fiscal Officer, provided the March 2019 update on state highway revenue. Mr. Patton noted that state highway revenues to the Department from traditional sources are up a total of 1.7% (\$5.0 million) in the State Fiscal Year (SFY) 2019 compared to the same period for SFY 2018. Revenue from the Natural Gas Severance Tax is lower this year compared to last year, resulting in total revenues available being 2.7% (\$8.4 million) above last year. Actual state revenue received is 3.1% (\$9.6 million) above projected (budgeted) revenue for this year.

In closing, Mr. Patton stated that March revenue from the 0.5% General Sales Tax for the Connecting Arkansas Program was 1.09% lower, (-\$178,466) than projected by the Department of Finance and Administration (DF&A) for the month. Year to date actual revenue is below projections by 1.93% (-\$2,844,017). Since inception, this revenue source is 0.78%, or \$7.8 million, under DF&A's projections.

Director Bennett provided the latest information on the Federal highway and transit funding issues. Director Bennett noted that the passage of the FAST Act, passed in December 2015, provided increased funding over its five-year term. On February 9, 2018 Congress passed a budget for Federal Fiscal Years 2019. After nearly five months of short-term extensions and the longest government shutdown in U.S. history, Congress passed and the President signed the final seven Federal Fiscal Year 2019 spending bills. This provides full funding for the FAST Act until September 30, 2019. Long-term funding for the Highway Trust Fund continues to be an issue. President Trump has stated that beginning in Federal Fiscal Year 2021, funding should be limited to revenue that is deposited into the Highway Trust fund. This would result in a 50% reduction in the Federal-aid Highway Program.

In closing, Director Bennett stated that during the 92nd General Assembly, two highway-funding measures were passed as part of the Governor's Highway Funding Package. Act 416 is estimated to provide \$95 million annually to the Department to be used for system preservation. House Joint Resolution 1018 refers a proposed constitutional amendment to be considered by the voters of Arkansas. If passed, the ½-cent sales tax is estimated to provide an additional \$205 million annually to the Department. This revenue, in conjunction with Act 1 of 2016, will provide adequate State revenue that can be used to provide the match for Federal-aid and maintain and improve Arkansas' transportation system.

Director Bennett gave an update on the status of the 2011 Interstate Rehabilitation Program (IRP) and Connecting Arkansas Program (CAP). The 2011 Interstate Rehabilitation Program was approved by Arkansas voters in November 2011. Under this program, the Commission has the authority to issue up to \$575 million in GARVEE bonds for Interstate rehabilitation. Three series of bonds have been issued. The first was sold in September 2012 at a par value of \$197 million (true interest cost of 1.6%) with a premium of \$33 million (total of \$230 million available for construction). The second was sold in October 2013 at a par value of \$172 million (true interest cost of 2.2%) with a premium of \$29 million (total of \$201 million available for construction). The third was sold in November 2014 at a par value of \$206 million (true interest cost of 2.1%) with a premium of \$37 million (total of \$243 million available for construction).

Discussion Item - Continued

The Connecting Arkansas Program was approved by Arkansas voters in November 2012. Under this program, the Commission has the authority to issue up to \$1.3 billion in revenue bonds for four-lane highway construction. The first series of bonds was sold in September 2013 at a par value of \$469 million (true interest cost of 3.1%) with a premium of \$25 million (total of \$494 million available for construction). No other bond sales under this program are expected.

Director Bennett briefed the Commissioners on the 92<sup>nd</sup> General Assembly of the Legislature that convened Monday, January 14, 2019 and effectively ended Wednesday, April 24, when they adjourned Sine Die. The staff discussed the Department's legislative package, highway funding, and notable legislation that will have an impact on the Department.

Director Bennett presented a list of upcoming meetings and events that the Commissioners and Director will be attending.

Director Bennett recognized Commissioner Farmer for being inducted into the Arkansas Association of Conservation Districts Hall of Fame. The Arkansas Association of Conservation Districts Hall of Fame recognizes individuals that have made unusual and extraordinary contributions to soil and water conservation in Arkansas and preserves the unique history of achievements of the leaders of the conservation movement in Arkansas.

Director Bennett gave a report on the Fall Equipment Auction and the Supplemental Spring Auction. The total amount to ARDOT was \$1,440,516.16. This amount is the largest in Department history.

2019-055

IT IS ORDERED that a meeting of the Arkansas State Highway Commission be closed at 11:45 p.m., May 1, 2019.

I hereby certify that the above and foregoing is a true record of the proceedings taken by the Arkansas Highway Commission at its meeting on May 1, 2019.

  
Lindy H. Williams  
Commission Secretary