

ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT  
LITTLE ROCK, ARKANSAS

September 16, 2015

ADMINISTRATIVE CIRCULAR NO. 2015-13

TO: ALL DIVISION HEADS AND DISTRICT ENGINEERS

We are transmitting herewith for your information and records a copy of the Minutes of the Commission Meetings in Little Rock, AR on September 2, 2015.

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 of Highways  
and Transportation

c: Commission

MINUTES OF THE MEETING  
OF THE  
ARKANSAS STATE HIGHWAY COMMISSION

September 2, 2015

Following is the record of proceedings of the Arkansas State Highway Commission in Little Rock, Arkansas, September 2, 2015. Members present were:

Dick Trammel, Chairman  
Thomas B. Schueck, Vice Chairman  
Robert S. Moore, Jr., Member  
Frank D. Scott, Jr., Member  
Alec Farmer, Member

2015-080                   IT IS ORDERED that a meeting of the Arkansas State Highway Commission be opened at 10:00 a.m., September 2, 2015.

2015-081                   WHEREAS, the Purchasing Committee has awarded purchases on July 28, 2015, and August 10 and 21, 2015, in the amount of \$970,152.60, \$108,670.50 and \$467,500.00, respectively, totaling \$1,546,323.10, 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.

2015-082                   WHEREAS, the Arkansas State Highway and Transportation Department does not have a mechanism to raise an employee's salary in his/her current position in exchange for good performance; and

WHEREAS, merit payments are awarded to employees when the supervisor completes a narrative explaining why the employee is worthy of a merit payment; and

2015-082 - Continued

WHEREAS, merit payments in recent years have been one-time bonus payments which do not increase an employee's salary; and

WHEREAS, the majority of Department employees remain at or near the base salary in their current grade (also known as compression); and

WHEREAS, new employees are hired at or near the same salary as long-term employees; and

WHEREAS, this system of compensation does not adequately promote and improve employee effectiveness; and

WHEREAS, the Department's staff has evaluated the benefits of an automated Performance Management System and found that it would be highly beneficial to the Department.

NOW THEREFORE, the Director is authorized to solicit and evaluate proposals for the development and implementation of a Performance Management System.

2015-083

WHEREAS, the Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21) mandates new requirements for bridge management; and

WHEREAS, these requirements dictate the need to establish targets for the condition of the bridge inventory and develop performance measures to assess progress toward achieving the established targets; and

WHEREAS, software is available that will enable the Department to predict the future condition of the bridge inventory based on different funding scenarios, priorities, and project selections; and

WHEREAS, the Department currently uses asset management software for pavement management; and

WHEREAS, this software can be configured to also meet bridge management needs.

2015-083 - Continued

NOW THEREFORE, the Director is authorized to acquire the necessary services with the current software vendor to configure the existing system to include bridge management capabilities in order to fulfill the requirements of MAP-21.

2015-084                    WHEREAS, IN BENTON COUNTY, Job 090065, Avoca – North Garfield (S) is nearing completion; and

WHEREAS, the construction bypassed a portion of Highway 62, Section 2; and

WHEREAS, the National Park Service has requested a portion of the bypassed segment of Highway 62 within the boundary of the Pea Ridge National Military Park to remain in place for use at the park.

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 sketch.

- The portion of Highway 62, Section 2 bypassed by Job 090065 is hereby removed from the State Highway System.
- The newly constructed portion of roadway built by Job 090065 is hereby added to the State Highway System as a part of Highway 62, Section 2.

2015-085                    WHEREAS, IN CLARK COUNTY, Job 070240, Ouachita River Strs. & Apprs. (Arkadelphia) calls for the removal of Bridge 01412, commonly known as the Ouachita River Bridge on Highway 51; and

WHEREAS, the Mayor of Arkadelphia has requested that the Department transfer ownership of Bridge 01412 to the City of Arkadelphia for pedestrian and bicycle transportation use; and

2015-085 - Continued

WHEREAS, the City of Arkadelphia has agreed to adopt a release and transfer of title holding the Arkansas Highway Commission and its officers and employees harmless from any action of any kind; to prohibit vehicular traffic on the bridge in perpetuity; and to assume responsibility for maintenance and inspection of the bridge.

NOW THEREFORE, LET IT BE RESOLVED, that the Director is authorized to execute a release and transfer of title for the Ouachita River Bridge that will go into effect upon completion of Job 070240.

2015-086

WHEREAS, the Highway 67 Corridor is an important regional connector between Little Rock and St. Louis, Missouri; and

WHEREAS, Minute Order 2012-025 authorized a study to re-evaluate the long term improvement needs for the Highway 67 Corridor from Walnut Ridge to the Missouri State Line; and

WHEREAS, the Highway 67 Improvement Study has been prepared and has identified feasible alternatives to accommodate current and future traffic through this corridor.

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

2015-087

WHEREAS, the Highway 82 Corridor is an important east-west arterial across southern Arkansas; and

WHEREAS, Minute Order 2009-112 authorized a study to determine the need for and feasibility of improvements on Highway 82; and

WHEREAS, the Highway 82 Corridor Study has been prepared and has identified several feasible improvement alternatives to enhance safety, facilitate traffic flow, and preserve infrastructure.

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

2015-088

WHEREAS, IN CHICOT COUNTY, a crash analysis of the Highway 65 and 35 intersection has been completed; and

WHEREAS, the Arkansas' Strategic Highway Safety Plan (2013) identified intersection crashes as a primary safety emphasis area; and

WHEREAS, the analysis determined that the realignment of Highway 35 and Highway 65 would enhance safety at this intersection; and

WHEREAS, these improvements are eligible for Federal-aid Safety funds.

NOW THEREFORE, the Director is authorized to proceed with surveys, plans and construction of this safety project at the location shown on the attached map as funds become available.

2015-089

WHEREAS, the Arkansas State Highway Commission received bids on the following projects at the September 1, 2015 letting; and

JOB NO.	DISTRICT	COUNTY	JOB NAME	ROUTE	APHN
BB0112	01	ST. FRANCIS	FISHING LAKE STR. & APPRS. (S)	40	Y
061440	06	HOT SPRING & GARLAND	SYCAMORE DR.-HWY. 290 (SAFETY IMPVTS.) (S)	7	Y
CA1101	04 & 09	WASHINGTON & BENTON	HWY. 412-WAGON WHEEL RD. (WIDENING) (S)	49	Y
C01005	02	ARKANSAS	GILLETT OVERLAY (SEL. SECS.) (S)	---	-
C18005	01	CRITTENDEN	EDMONDSON OVERLAY (SEL. SECS.) (S)	---	-
C27002	02	GRANT	SHERIDAN SURFACING (SEL. SECS.) (S)	---	-
C34003	05	JACKSON	BEEDEVILLE SURFACING (SEL. SECS.) (S)	---	-
C65005	04	SEBASTIAN	MANSFIELD OVERLAY (SEL. SECS.) (S)	---	-
SA0761	07	CALHOUN	HWY. 278-SOUTH (OVERLAY) (SEL. SECS.) (S)	---	-
SA0939	02	CHICOT	HWY. 160-NORTH (BASE) (S)	---	-
SA2368	08	FAULKNER	HWY. 286-HWY. 107 (OTTO RD.) (OVERLAY) (S)	---	-
SA3850	10	LAWRENCE	CO. RD. 30 OVERLAY (SEL. SEC.) (S)	---	-

2015-089 - Continued

JOB NO.	DISTRICT	COUNTY	JOB NAME	ROUTE	APHN
SA4544	09	MARION	MARION COUNTY SURFACING NO. 3 (SEL. SECS.) (S)	---	-
SA6546	04	SEBASTIAN	SEBASTIAN COUNTY OVERLAY (SEL. SECS.) (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 Arkansas Constitution, Amendment 42, 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. Further, 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.

Commission Chairman Dick Trammel opened the meeting by congratulating Rita Looney, Chief Legal Counsel, for the recent article in the July issue of the Arkansas Highways Magazine highlighting her competitive swimming.

Chairman Trammel congratulated Commissioner Frank D. Scott, Jr. for his recent article in Talk Business.

Chairman Trammel recognized the Highway Commission and Director Bennett for the \$3 million that was awarded recently to the University of Central Arkansas for an endowed faculty position that will focus on the trucking industry.

MOTION                      Commission Chairman Dick Trammel brought up the previous Commission Minutes of July 22, 2015. Commissioner Alec Farmer moved, Commissioner Frank D. Scott, Jr. seconded and the motion passed to approve these previous Minutes.

MOTION                      Director Bennett presented information on the Interstate 30 Design Build Project. Commissioner Frank D. Scott, Jr. moved, Vice Chairman Tom B. Schueck seconded and the motion passed to direct the staff to begin the process of seeking letters of interest for a Financial Advisor to help assist in the development of the 30 Crossing Project.

MOTION                      By motion on July 22, 2015, the Commission authorized the Department to advertise for an auctioneer service to conduct a public auction(s) of used and surplus equipment with the primary FY2016 sale to be conducted near the end of October 2015, and the subsequent secondary sale(s) to be conducted as necessary. Vice Chairman Tom B. Schueck moved, Commissioner Alec Farmer seconded and the motion passed to accept the Staff's recommendation to enter into negotiations with Blackmon Auctions, Inc., of Little Rock, Arkansas, to provide auctioneer services for the Department for Fiscal Year 2016, with the option to renew the agreement annually for an additional six years.

MOTION                      By motion on July 22, 2015, the Commission authorized the Department to advertise for an Aircraft Management Services provider to oversee the maintenance and utilization of the Department's two aircraft. The selected provider would replace Harrell Clendenin, an individual certified pilot who has been performing these duties and is retiring. Vice Chairman Tom B. Schueck moved, Commissioner Alec Farmer seconded and the motion passed to enter into negotiations with Central Flying Service, Inc., of Little Rock, Arkansas, pending insurance coverage questions, to provide Aircraft Management Services for the Department for a one-year period, with the option to renew the agreement annually for an additional six years.



## OTHER DISCUSSION ITEMS

Mike Boyd, Chief Fiscal Officer, provided the July 2015 update on state highway revenue. Mr. Boyd noted that state highway revenues to the Department from most traditional sources are up a total of \$0.6 million in the State Fiscal Year (SFY) 2016 compared to the same period for SFY 2015. With the revenue from the Natural Gas Severance Tax coming in lower for this year compared to last year, total revenues available are \$2.7 million lower for this year. Actual state revenue received is \$0.9 million lower compared to projected (budgeted) revenue for this year.

In closing, Mr. Boyd stated that July revenue from the 0.5% General Sales Tax for the Connecting Arkansas Program was 4.3% higher, (\$597,700) than projected by the Department of Finance and Administration (DF&A). This revenue source has come in under DF&A's projections for fifteen of the twenty-five months since the tax went into effect, and is cumulatively 0.36%, or \$1.2 million, under DF&A's projections to date.

Director Bennett provided the latest information on the Federal highway and transit funding issues. Director Bennett noted that on July 31, 2015, President Obama signed into law the Surface Transportation and Veterans Health Care Choice Improvement Act of 2015. This legislation extends MAP-21 from July 31, 2015 until October 29, 2015. It extends the authority to expend funds from the Highway Trust Fund, and the authorization to obligate funds for programs administered by the Federal-Aid Highway Administration, the Federal Transit Administration, the National Highway Traffic Safety Administration, and the Federal Motor Carrier Safety Administration.

This is the 34<sup>th</sup> stopgap surface transportation measure passed by Congress in the last decade.

The legislation also transfers \$8.1 billion from the General Fund to the Highway Trust Fund. This transfer is projected to keep the Federal Highway Administration from having to implement cash management procedures until the spring of 2016. Because of this infusion of funds, a majority of the projects pulled from previous lettings can be let to contract in October and December. Director Bennett presented a list of the projects to be reinstated in October and December.

Director Bennett reported on a recent grant received of Federal Lands Access Program Funds to complete improvements on Highway 220 to Devil's Den State Park.

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).

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 gave an update on the Governor's Working Group on Highway Funding. On April 23, 2015, Governor Asa Hutchinson issued an executive order to create the Governor's Working Group on Highway Funding. This group will serve as an investigative and advisory body of the Governor and will explore alternative means and strategies to fund the construction, reconstruction and maintenance of Arkansas' transportation system. On May 6, the Governor named the members of the group. Three meetings have been held to date on May 24, July 23, and August 20.

The Department is now holding the Bid Letting the day before the Commission Meeting. Director Bennett presented a summary of the apparent low bids and bidders from the September 1, 2015 Bid Letting.

Director Bennett gave a presentation on the development and implementation of a Performance Management System. The Commission passed a Minute Order authorizing the Director to solicit and evaluate proposals.

Director Bennett provided a list of upcoming meetings and events, including the State Highway 13 Extension (Honey Hill Road) dedication in Searcy and the Highway 63 Bridge over Black River dedication in Black Rock, which will both be held in the month of October, with the dates to be determined.

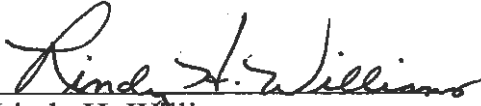
Director Bennett reported that the Department has received two SASHTO Awards: Best Use of Innovation for the Don Tyson Parkway Interchange and Quality of Life/Community Development for the State Aid Street Program.

Director Bennett congratulated and presented Lorie Tudor, Deputy Director and Chief Operating Officer with her 30 year pin.

2015-090

IT IS ORDERED that a meeting of the Arkansas State Highway Commission be closed at 12:00 p.m., September 2, 2015.

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 September 2, 2015.

  
Lindy H. Williams  
Commission Secretary