

ARKANSAS DEPARTMENT OF TRANSPORTATION

LITTLE ROCK, ARKANSAS

July 24, 2018

ADMINISTRATIVE CIRCULAR NO. 2018-11

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 July 11, 2018.

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

July 11, 2018

Following is the record of proceedings of the Arkansas State Highway Commission in Little Rock, Arkansas, July 11, 2018. Members present were:

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

2018-056 IT IS ORDERED that a meeting of the Arkansas State Highway Commission be opened at 9:30 a.m., July 11, 2018.

2018-057 WHEREAS, the Purchasing Committee has awarded purchases on June 18 and 25, 2018, in the amount of \$4,904,398.94 and \$492,828.03, respectively, totaling \$5,397,226.97, 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.

2018-058 WHEREAS, the Great Arkansas Cleanup is an important anti-litter program, which improves the scenic beauty and appearance of the State's highways; and

WHEREAS, the Arkansas Department of Transportation spends approximately \$5 million annually to remove litter from the State Highway System; and

WHEREAS, the Department's previous contributions to the Keep Arkansas Beautiful Foundation have been helpful in continuing the Great Arkansas Cleanup.

2018-058 - Continued

NOW THEREFORE, the Director is authorized to make a contribution of \$25,000 this year to the Keep Arkansas Beautiful Foundation for use in conducting the Great Arkansas Cleanup Campaign.

2018-059

WHEREAS, the Highway System in Arkansas facilitates safe mobility, economic development, and tourism enhancement throughout the State; and

WHEREAS, public information and education activities play an important role in providing the citizens of our State with pertinent information relative to the issues facing the Commission and Department; and

WHEREAS, the Arkansas Good Roads Foundation serves as an effective group to provide this information and education to transportation stakeholders, elected officials, and the public.

NOW THEREFORE, the Director is authorized to make a contribution of \$30,000 to the Arkansas Good Roads Foundation for its public information and education activities for State Fiscal Year 2019.

2018-060

WHEREAS, the National Academies 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 and 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

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 highway 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 the TRB Fiscal Year 2019.

FURTHERMORE, the TRB will celebrate 100 years in Calendar Year 2020 and the state transportation departments have been asked to provide monetary support for the TRB Centennial Anniversary Program, which will include publication of a book documenting TRB's first 100 years and the extraordinary impacts and value of promoting innovations through research.

NOW THEREFORE, the Director is authorized to also participate in the TRB Centennial Anniversary Program and make a one time contribution of \$10,000 to the TRB Century Patron Program.

WHEREAS, the National Center for Asphalt Technologies (NCAT) facilitates high-value pavement research that addresses national needs using full-scale pavement testing facilities; and

WHEREAS, NCAT operates a 1.7-mile test track to conduct research on experimental asphalt pavements; and

WHEREAS, the Federal Highway Administration has created a pooled fund study to provide a mechanism for state transportation departments to participate in NCAT research; and

2018-061 - Continued

WHEREAS, this research will be used to develop and enhance Arkansas Department of Transportation contract specifications; and

WHEREAS, the University of Arkansas at Fayetteville has expressed interest in partnering with the Department by providing funding for the study.

NOW THEREFORE, the Director is authorized to participate in this pooled fund study and to enter into the necessary partnering agreements.

2018-062

WHEREAS, it is necessary for the Department to conduct various planning studies in order to provide critical information to decision makers for developing, operating, and managing the transportation system; and

WHEREAS, the Department currently has on-call contracts that have been found to be an effective method of providing additional expertise and capacity to Department staff; and

WHEREAS, the current on-call contracts expire in December 2018.

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 planning services as needs are identified.

2018-063

WHEREAS, the Military Order of the Purple Heart has developed a national program for the designation of a continuous network of major highways as the "National Purple Heart Trail"; and

WHEREAS, the Highway Commission believes that such designation is appropriate to honor and give tribute to those who have been awarded the Purple Heart Medal; and

WHEREAS, a request from the Arkansas Department of the Military Order of the Purple Heart has been made to designate Interstate 49 from Louisiana to Texarkana, Interstate 55 from Tennessee to Missouri and Interstate 540 from Oklahoma to Interstate 40 as part of the “National Purple Heart Trail”.

NOW THEREFORE, the Highway Commission hereby designates Interstate 49 from Louisiana to Texarkana, Interstate 55 from Tennessee to Missouri and Interstate 540 from Oklahoma to Interstate 40 as a part of the “National Purple Heart Trail”.

FURTHERMORE, the Director is authorized to install appropriate roadside signs noting such designation at strategic locations along these routes.

WHEREAS, Act 1085 of 2017 authorizes the issuance of a special permit to allow agricultural trucks carrying agronomic or horticultural products to have a total gross weight of up to one hundred thousand (100,000) pounds, under certain circumstances; and

WHEREAS, Act 1085 of 2017 directs the Arkansas State Highway and Transportation Department (now Arkansas Department of Transportation), in coordination with the Arkansas Agriculture Department, to promulgate rules necessary to implement the permit issuance, including without limitation, the criteria required to qualify for the issuance of the special permit; and

WHEREAS, a coordinated effort has resulted in the development of an amendment to the Permit Rules for the Movement of Oversize and Overweight Vehicles on the State Highway System with the addition of Rule 19 – Permits for Overweight Vehicles Carrying Agronomic or Horticultural Products.

NOW THEREFORE, Rule 19 – Permits for Overweight Vehicles Carrying Agronomic or Horticultural Products is adopted, and the Permit Rules for the Movement of Oversize and Overweight Vehicles On

2018-064 - Continued

the State Highway System, as authorized by A.C.A. § 27-35-210, and adopted, published and amended under direction of Commission Minute Order 2014-125, are hereby amended to attach and incorporate Rule 19.

FURTHERMORE, the Director is authorized to promulgate the amended Permit Rules for the Movement of Oversize and Overweight Vehicles on the State Highway System in accordance with the Administrative Procedures Act for submission to the Administrative Rules and Regulations Subcommittee of the Arkansas Legislative Council for its review and approval.

2018-065

WHEREAS, Act 1085 of 2017 authorizes the issuance of a special permit to allow agricultural trucks carrying agronomic or horticultural products to have a total gross weight of up to one hundred thousand (100,000) pounds, under certain circumstances; and

WHEREAS, Act 1085 of 2017 directs the Arkansas State Highway and Transportation Department (now Arkansas Department of Transportation), in coordination with the Arkansas Agriculture Department, to promulgate rules necessary to implement the permit issuance, including without limitation, the criteria required to qualify for the issuance of the special permit; and

WHEREAS, a coordinated effort has resulted in the development of an amendment to the Permit Rules for the Movement of Oversize and Overweight Vehicles On the State Highway System with the addition of Rule 19 – Permits for Overweight Vehicles Carrying Agronomic or Horticultural Products; and

WHEREAS, this Commission has been made aware that the harvest season for Arkansas' farmers is set to begin on or about September 1, and pursuing standard notice and publication requirements of the Administrative Procedures Act will prevent these rules from being adopted in time for the harvest, resulting in increased costs to the farmer and consumer; and

WHEREAS, this Commission finds that an emergency exists that warrants adoption of these rules upon less than thirty (30) days' notice in accord with A.C.A. § 25-15-204(c)(1).

NOW THEREFORE, Rule 19 – Permits for Overweight Vehicles Carrying Agronomic or Horticultural Products is adopted, and the Permit Rules for the Movement of Oversize and Overweight Vehicles On the State Highway System, as authorized by A.C.A. § 27-35-210, and adopted, published and amended under direction of Commission Minute Order 2014-125, are hereby amended to attach and incorporate Rule 19.

FURTHERMORE, the Director is authorized to submit the amended Permit Rules for the Movement of Oversize and Overweight Vehicles on the State Highway System to the Executive Committee of the Arkansas Legislative Council for its review and approval. The rules so approved will be in effect for 120 days from the date of approval, in accord with A.C.A. § 25-15-204(c)(3).

2018-066

WHEREAS, the Arkansas State Highway Commission (Commission) acquired property known as Tract No. 10R, Job No. 100307, from Cameron-Broadaway, LLP, an Arkansas Limited Liability Partnership, by Warranty Deed dated January 12, 2010, and filed of record on January 12, 2010, in Book 2018, Page 8271 in the Circuit Clerk's office for Mississippi County, Arkansas; and

WHEREAS, Asphalt Producers, LLC, an Arkansas Limited Liability Company, by and through its President, John Broadaway, has requested to purchase Tract No. 10R, which the District Engineer for District 10 has determined is not now, nor in the foreseeable future will be, needed for highway purposes; and

WHEREAS, this tract was acquired as surplus by the Commission and is exempt from reacquisition by the former owner under Ark. Code Ann. § 27-67-322. Mr. Broadaway offered to purchase Tract No. 10R for TWENTY-EIGHT THOUSAND AND NO/100 DOLLARS (\$28,000.00); and

WHEREAS, the Commission acquired Tract No. 10R for FORTY-ONE THOUSAND NINE HUNDRED AND NO/100 DOLLARS (\$41,900.00), which is more particularly described as follows:

Part of the Southwest Quarter of the Southwest Quarter of Section 11, Township 14 North, Range 9 East, Mississippi County, Arkansas, more particularly described as follows:

Commencing at a 2 ½ inch brass cap being used as the common corner of Sections 10, 11, 14 and 15; thence North 01° 13' 44" West along the West line of the Southwest Quarter of the Southwest Quarter of Section 11 a distance of 926.47 feet to a point on the Northerly right of way line of Arkansas State Highway 18 as established by AHTD Job 10303; thence North 87° 02' 26" East along said right of way line a distance of 276.34 feet to a point; thence North 01° 13' 44" West a distance of 95.08 feet to a point on the Northerly right of way line of Arkansas State Highway 18 as established by ATHD Job 100307 for the POINT OF BEGINNING; thence continue North 01° 13' 44" West a distance of 271.98 feet to a point; thence North 88° 22' 34" East a distance of 684.84 feet to a point; thence South 53° 22' 14" West a distance of 273.33 feet to a point; thence South 21° 33' 06" West a distance of 121.40 feet to a point on the Northerly right of way line of Arkansas State Highway 18 as established by AHTD Job 100307; thence South 87° 52' 58" West along said right of way line a distance of 415.07 feet to the point of beginning and containing 3.20 acres more or less as shown on plans prepared by the AHTD referenced as Job 100307.

NOW THEREFORE, the above-described property is declared surplus and upon receipt and consideration of the sum of TWENTY-EIGHT THOUSAND AND NO/100 DOLLARS (\$28,000.00) from John Broadaway, 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 property to Asphalt Producers, LLC; 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 Mississippi 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.

2018-067

WHEREAS, IN INDEPENDENCE COUNTY, it has been determined that safety improvements to the Highway 233/Missouri & Northern Arkansas Railroad crossing, Department of Transportation No. 437727B, in the City of Moorefield are warranted; and

WHEREAS, the recommended work includes an upgrade of the existing flashing lights, installation of gates, and the installation of a traffic signal at the intersection of Highway 233 and Highway 69; and

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

NOW THEREFORE, the Director is authorized to proceed with improvements at this location as funds become available subject to the following conditions:

- Maintenance of the signals and surfaces shall be performed by the Railroad Company at no additional cost to the State.
- All required Right of Way shall be furnished at no cost to the State.

2018-068

WHEREAS, IN PULASKI COUNTY, the Cities of Little Rock and North Little Rock have requested to partner with the Department on Job CA0602, I-530 – Highway 67 (Widening & Reconstruction)(I-30 & I-40)(F); and

WHEREAS, the Cities have requested an opportunity to include elements considered important to each City in the Project's Request for Proposals from Design-Build teams; and

WHEREAS, the Cities have agreed to enter into an agreement to define these elements and establish the level of funding to be provided by each City; and

WHEREAS, the Department agrees to include the contents of the agreement in the Project's Request for Proposals.

2018-068 - Continued

NOW THEREFORE, the Director is authorized to enter into the necessary agreements with the Cities of Little Rock and North Little Rock and to include these elements in the Project's Request for Proposals upon receipt of a resolution from each City.

2018-069

WHEREAS, IN SCOTT COUNTY, IN THE CITY OF WALDRON, Highway 71 is a partially controlled access facility; and

WHEREAS, the City has expressed interest in partnering with the Department to obtain a new access break on Highway 71 between Highway 80 and 2nd Street; and

WHEREAS, the new break in access will enhance economic development within the City of Waldron; and

WHEREAS, the City has agreed to accept ownership of the portion of Highway 80, Section 0 from Highway 71 to Highway 71B upon completion of improvements to Highway 71 and Highway 80; and

WHEREAS, the Department has agreed to make improvements to Highway 71 to accommodate the break in access and to provide a pavement preservation treatment to the portion of Highway 80 to be transferred to the City.

NOW THEREFORE, the Director is authorized to enter into the necessary agreements with the City of Waldron and to proceed with surveys, plans and construction for these improvements as funds become available.

FURTHERMORE, upon completion of these improvements and official notification by the Deputy Director and Chief Engineer, the portion of Highway 80, Section 0 from Highway 71 to Highway 71B will be removed from the State Highway System as shown on the attached sketch.

2018-070

WHEREAS, IN SEBASTIAN COUNTY, Minute Order No. 2007-047 adopted the Greenwood Bypass Study and Minute Order No. 2018-046 adopted the Greenwood Bypass Study Update to be used as planning guides for future improvements in the area; and

WHEREAS, the City of Greenwood has expressed interest in partnering with the Department to construct a bypass; and

WHEREAS, completion of an environmental study that will identify the preferred alternative and cost would facilitate future partnering discussions with the City.

NOW THEREFORE, the Director is authorized to proceed with an environmental study of a Greenwood Bypass as funds become available.

2018-071

WHEREAS, IN UNION COUNTY, IN THE CITY OF EL DORADO, Commission Minute Order 2017-120 authorized the Department to partner with the City to improve Highway 82B between Highway 82 and Highway 167 in exchange for the City providing additional funding for the project and accepting ownership of this section of Highway 82B upon completion of the project; and

WHEREAS, the City now requests that the utilities on Highway 82B between South Washington Avenue and South College Avenue be relocated underground; and

WHEREAS, the City has also requested drainage and sidewalk improvements on Highway 167B between Highway 82B and Highway 167; and

WHEREAS, the City has adopted Resolution 1498 agreeing to assume ownership of Highway 167B between Highway 82B and Highway 167 upon completion of these improvements.

NOW THEREFORE, the Director is authorized to enter into the necessary partnering agreements with the City and to proceed with these improvements as funds become available.

2018-071 - Continued

FURTHERMORE, upon completion of these improvements and 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 167, Section 1B, between Highway 82B and Highway 167, is to be removed from the State Highway System.

2018-072

WHEREAS, the Quorum Court of Clark County, by Resolution 2017-05, has requested that the new bridge over the Ouachita River on Highway 7/51 be designated as the “Veterans Memorial Bridge”; 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 on each end of the Bridge, as requested by the County, in accordance with Commission Policy.

2018-073

WHEREAS, the Arkansas State Highway Commission will accept bids on the following projects at the July 25, 2018 letting; and

JOB NO.	DISTRICT	COUNTY	JOB NAME	ROUTE	APHN
R40104	04	SCOTT	OKLAHOMA STATE LINE – HON (S)	28	N
061448	06	PULASKI	PULASKI CO. AREA 1 HEADQUARTERS/R.E. OFFICE 61 (S)	70	Y
061561	06	SALINE	HWY. 5 – PERRY CO. LINE (SAFETY IMPVTS.) (SEL. SECS.) (S)	9	N
070444	07	COLUMBIA	HWYS. 82B & 371 (SEL. SECS.) (MAGNOLIA) (S)	82B & 371	Y
080547	08	POPE	DOVER – NORTH (S)	27	N
BB0903	09	BENTON	HWY. 71B INTCHNG. IMPVTS. (S)	I-49	Y
C01007	02	ARKANSAS	DEWITT OVERLAY & SURFACING (SEL. SECS.) (S)	- - -	-

2018-073 - Continued

JOB NO.	DISTRICT	COUNTY	JOB NAME	ROUTE	APHN
C05003	09	BOONE	BERGMAN MAIN ST. WIDENING AND OVERLAY (S)	---	-
C08003	09	CARROLL	EUREKA SPRINGS OVERLAY NO. 2 (SEL. SECS.) (S)	---	-
C21005	02	DESHA	MCGEHEE OVERLAY & REHAB. (SEL. SECS.) (S)	---	-
C38009	10	LAWRENCE	HOXIE OVERLAY (SEL. SECS.) (S)	---	-
C42005	04	LOGAN	MORRISON BLUFF SURFACING & OVERLAY (SEL. SECS.) (S)	---	-
C46002	03	MILLER	TEXARKANA E. 19TH & GRIM STS. OVERLAY (SEL. SECS.) (S)	---	-
C57004	04	POLK	GRANNIS OVERLAY (SEL. SECS.) (S)	---	-
C62007	06	SALINE	SHANNON HILLS OVERLAY NO. 2 (SEL. SECS.) (S)	---	-
SA0140	02	ARKANSAS	CO. RD. 82 OVERLAY (SEL. SEC.) (S)	---	-
SA0444	09	BENTON	HWY. 59 – CO. RD. 516 (OVERLAY) (S)	---	-
SA0764	07	CALHOUN	CALHOUN CO. OVERLAY (SEL. SECS.) (S)	---	-
SA1555	08	CONWAY	HWY. 92 – WEST (SURFACING) (S)	---	-
SA1662	10	CRAIGHEAD	CO. RD. 37 – HWY. 463 (SURFACING) (S)	---	-
SA1840	01	CRITTENDEN	COUNTY ROAD 6 OVERLAY (SEL. SEC.) (S)	---	-
SA1937	01	CROSS	HWY. 350 – EAST (OVERLAY) (S)	---	-
SA2135	02	DESHA	DESHA COUNTY SURFACING NO. 14 (SEL. SECS.) (S)	---	-
SA2247	02	DREW	CO. RD. 92 – CO. RD. 99 (OVERLAY) (S)	---	-
SA3237	05	INDEPENDENCE	INDEPENDENCE CO. OVERLAY NO. 3 (SEL. SECS.) (S)	---	-
SA3545	02	JEFFERSON	CO. RD. 52 – PINE BLUFF CITY LIMITS (OVERLAY) (S)	---	-
SA4648	03	MILLER	MILLER COUNTY RESEAL NO. 16 (SEL. SECS.) (S)	---	-
SA5860	08	POPE	POPE CO. OVERLAY NO. 3 (SEL. SECS.) (S)	---	-
SA6255	06	SALINE	CO. RD. 29 – SOUTH (OVERLAY) (S)	---	-
SA6644	03	SEVIER	LOCKESBURG CITY LIMITS – HWY. 70 (RESEAL) (S)	---	-

2018-073 - Continued

JOB NO.	DISTRICT	COUNTY	JOB NAME	ROUTE	APHN
SA6865	01	ST. FRANCIS	ST. FRANCIS CO. OVERLAY (SEL. SECS.) (S)	---	-
SA6943	05	STONE	CO. RD. 87 OVERLAY (SEL. SEC.) (S)	---	-
SA7038	07	UNION	HWY. 167 – EAST (SURFACING) (S)	---	-
SA7393	05	WHITE	WHITE CO. 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 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 Dick Trammel opened the meeting by welcoming everyone in attendance. He complimented Commissioner Alec Farmer for his recent article in Talk Business regarding highway funding.

Danny Keene, Division Head, Equipment and Procurement, reminded everyone about the 2018 Southeast Regional Roadeo to be held in Rogers, AR, on September 4-6.

Director Bennett introduced Mark Camp as the new Director of the Keep Arkansas Beautiful Commission. Mr. Camp succeeds Robert Phelps, who retired July 1. Mr. Camp made a presentation on the "2017 Great Arkansas Cleanup" and on the litter control activities of KArB. He requested that the Highway Commission consider a contribution to the "2018 Great Arkansas Cleanup" as has been provided in past years. The Commission adopted a Minute Order authorizing a contribution of \$25,000 to the Keep Arkansas Beautiful Foundation for use in conducting the Great Arkansas Cleanup Campaign.

Director Bennett recognized D. B. Hill, who was recently featured in an article titled "D. B. & The Devil" in the Arkansas Highways Magazine. D. B. Hill recognized Joe Quinn who has been named Executive Director of the Arkansas Good Roads Foundation in Little Rock.

MOTION

Vice Chairman Tom Schueck moved, Commissioner Robert Moore seconded and the motion passed to approve the Minutes from the previous Commission Meeting of June 6, 2018.

OTHER DISCUSSION ITEMS

Patrick Patton, the Department's new Chief Fiscal Officer, provided the May 2018 update on state highway revenue. Mr. Patton noted that state highway revenues to the Department from traditional sources are up a total of 2.1% (\$7.8 million) in the State Fiscal Year (SFY) 2018 compared to the same period for SFY 2017. Revenue from the Natural Gas Severance Tax is lower this year compared to last year, resulting in total revenues available being 1.7% (\$6.2 million) above last year. Actual state revenue received is 2.7% (\$9.9 million) above projected (budgeted) revenue for this year.

Discussion Item - Continued

In closing, Mr. Patton stated that May revenue from the 0.5% General Sales Tax for the Connecting Arkansas Program was 2.39% higher, (\$353,289) than projected by the Department of Finance and Administration (DF&A) for the month. Year to date actual revenue is below projections by 1.26% (\$2.1 million). Since inception, this revenue source is 0.60%, or \$5.0 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 2018 and 2019. On March 22, 2018 Congress passed a spending bill that provides funding at full levels of the Fixing America's Surface Transportation Act for Federal Fiscal Year 2018. 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 40% reduction in the Federal-aid Highway Program.

In closing, Director Bennett stated that not only are there questions regarding future Federal-aid funding, but the source(s) of dependable long-term State revenue to provide the match for Federal-aid funds beyond 2018 and the additional State revenue needed to adequately maintain and improve Arkansas' transportation system have not been identified.

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

Discussion Item - Continued

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 presented a summary of the apparent low bids and bidders from the June 13, 2018, Bid Letting.

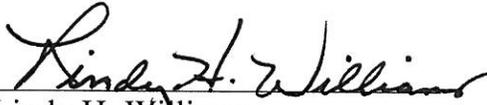
Director Bennett gave a report on Managing the Decline of the Highway System. He stated that much effort has been directed toward identifying the amount of funding needed to maintain the transportation system in the State. However a dedicated source for these funds has not been established. Therefore, if no additional funds are identified, a process should be developed to manage the decline

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

2018-074

IT IS ORDERED that a meeting of the Arkansas State Highway Commission be closed at 11:45 p.m., July 11, 2018.

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 July 11, 2018.


Lindy H. Williams
Commission Secretary