

# Arkansas State Highway Commission Meeting

August 2, 2023

# O1 Meeting Minutes June 21, 2023

# Consideration of Minute Orders

# 03 Updates

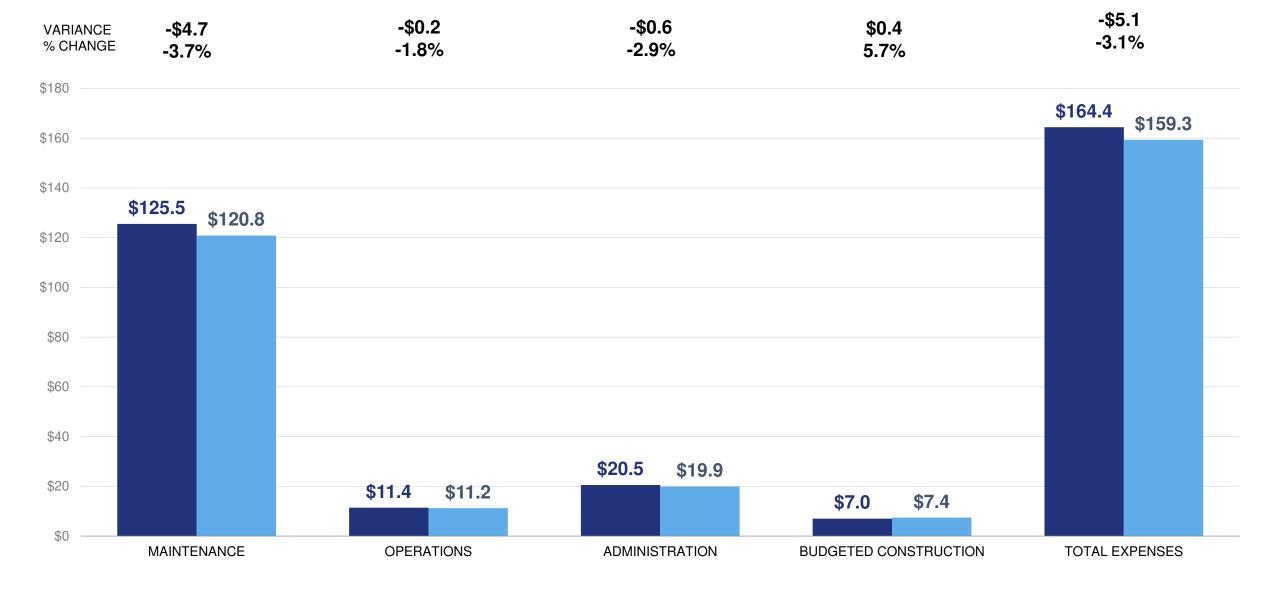
# State Highway Financial Report Patrick Patton, CPA

Chief Fiscal Officer

#### SFY 2023 BUDGETED VS. ACTUAL EXPENSES

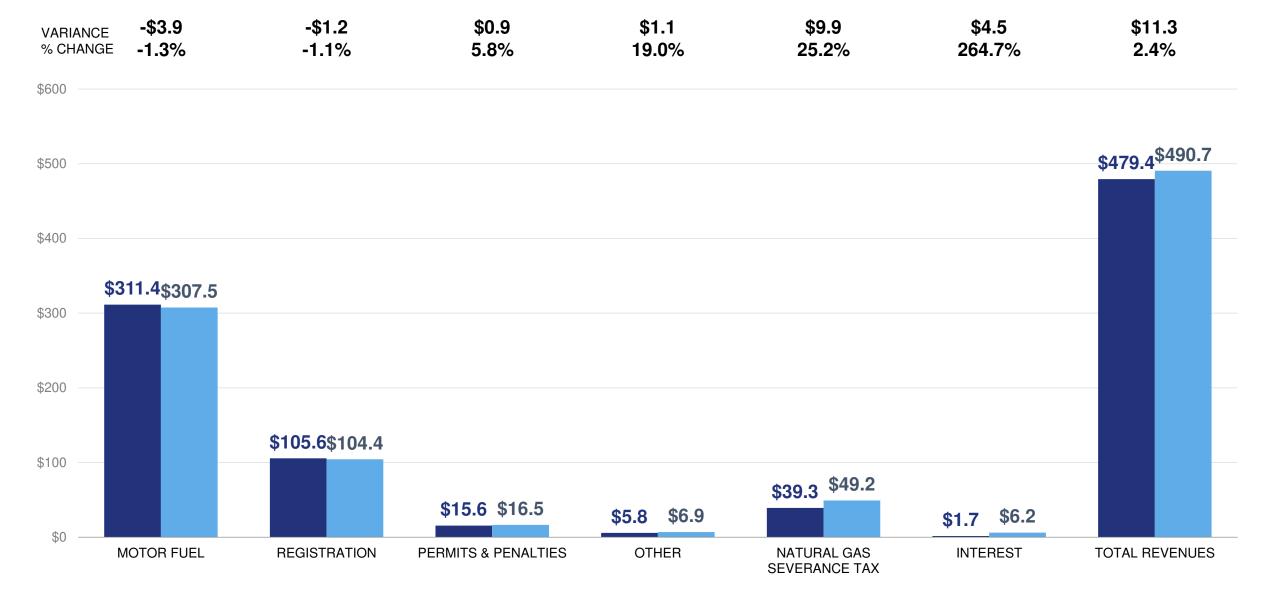
#### ■BUDGETED ■ACTUAL (MILLIONS)

#### State Fiscal Year 2023



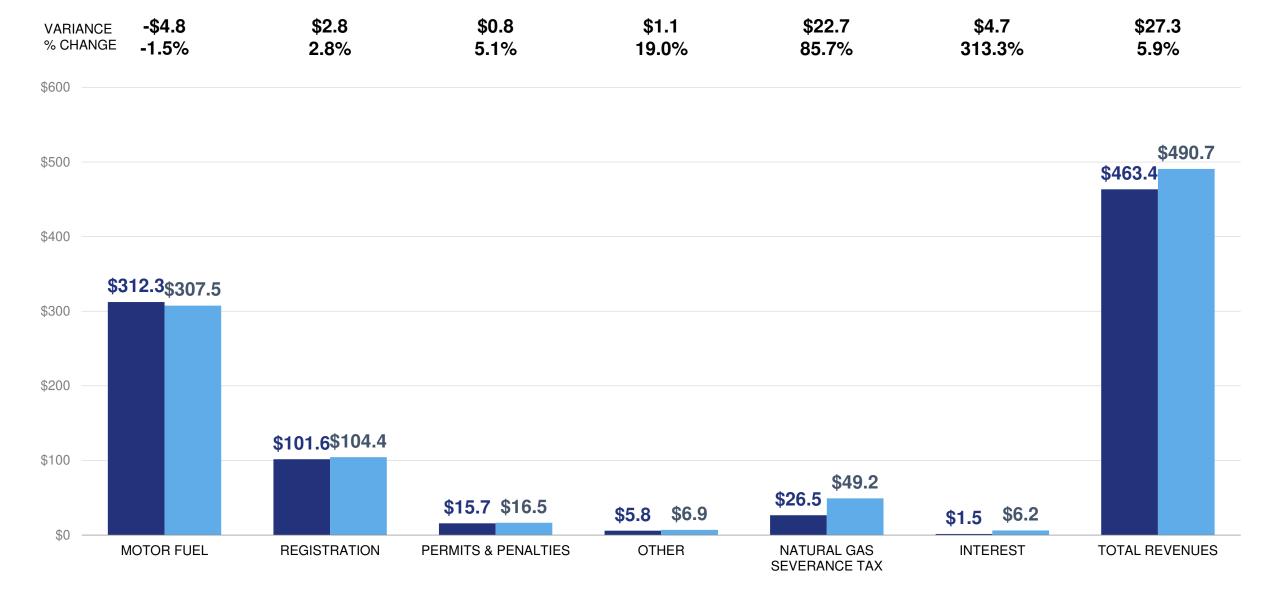
#### SFY 2022 vs. SFY 2023 ACTUAL REVENUE

■FY 2022 ■FY 2023 (MILLIONS)



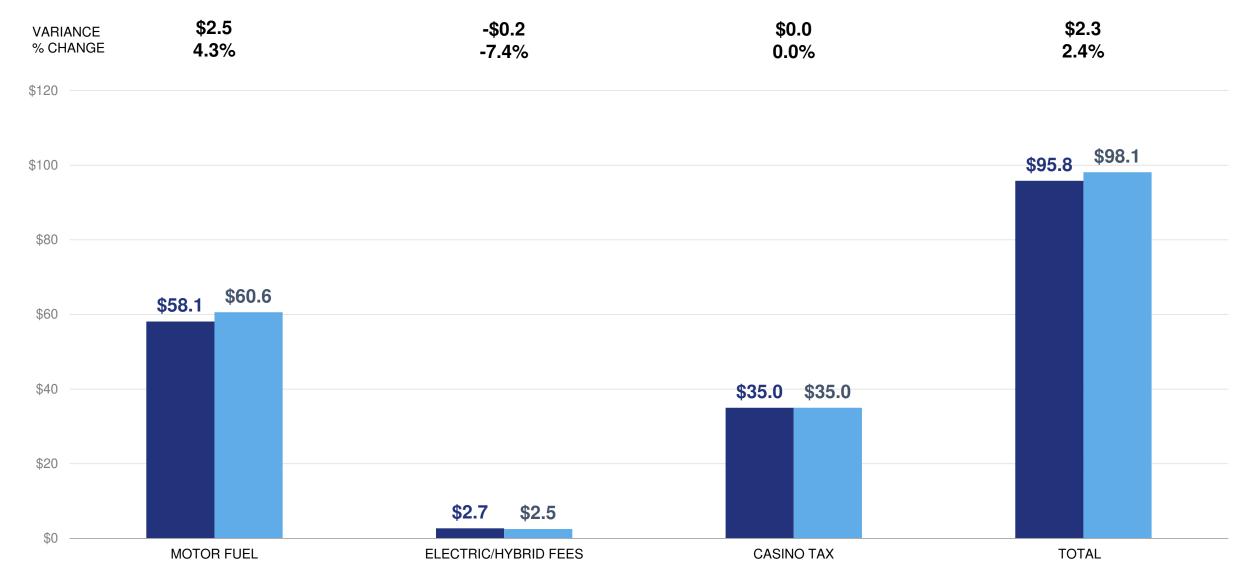
#### SFY 2023 BUDGETED VS. ACTUAL REVENUE

■BUDGETED ■ACTUAL (MILLIONS)



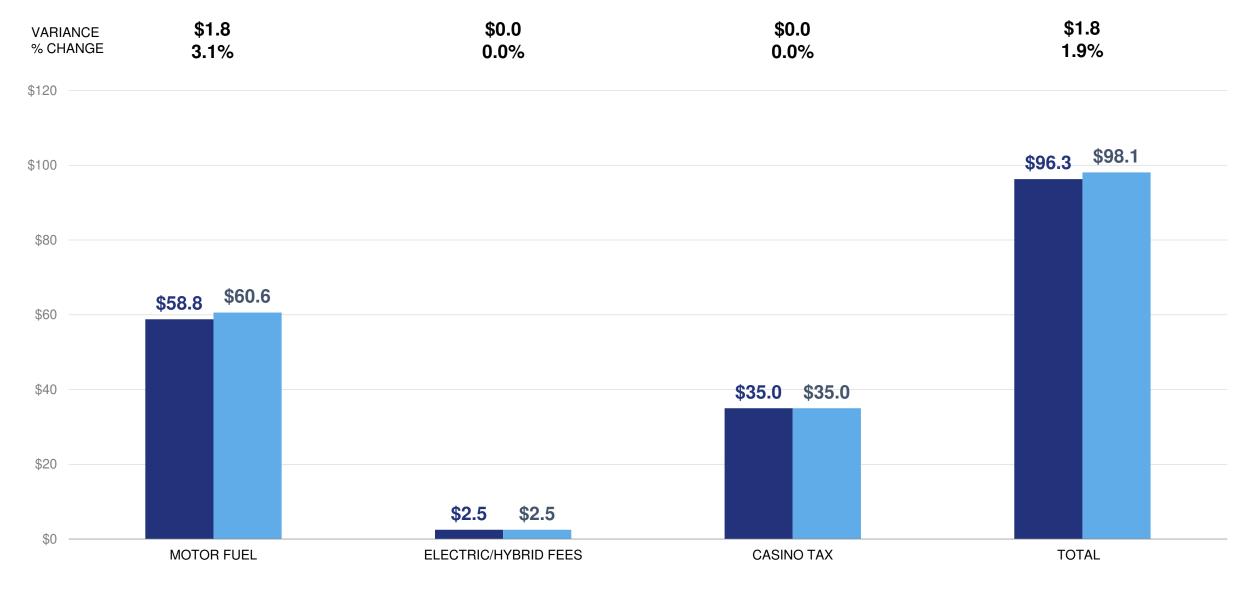
#### SFY 2022 vs. SFY 2023 ACT 416 ACTUAL REVENUE

■FY 2022 ■FY 2023 (MILLIONS)



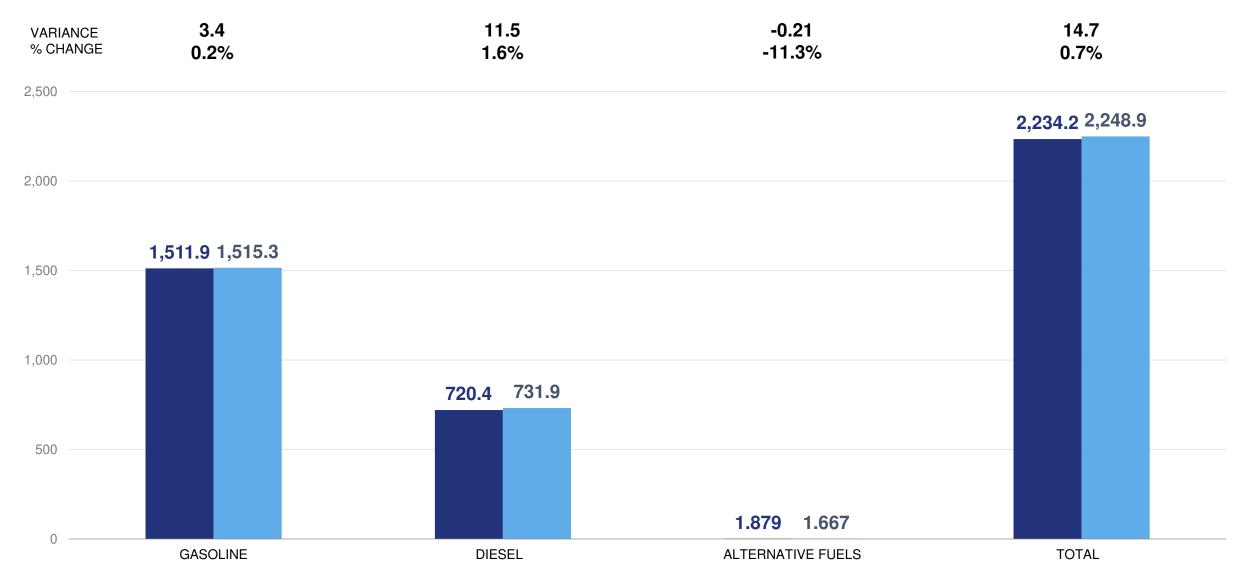


■BUDGET ■ACTUAL (MILLIONS)



#### SFY 2022 vs. SFY 2023 FUEL CONSUMPTION

#### ■FY 2022 ■FY 2023 (MILLION GALLONS)





### Arkansas Fuel Consumption

**ROLLING 12-MONTH COMPARISON** 

	Previous 12 Months (gallons)	Current 12 Months (gallons)	Variance
Gasoline	1,511,780,204	1,515,374,282	0.24%
Diesel	720,501,437	731,908,970	1.58%
Alternative	1,879,327	1,666,566	-11.32%
Total	2,234,160,968	2,248,949,818	0.66%

#### **STATE FISCAL YEAR**

#### 2023 Sales Tax

	Projected Net	Actual Receipts	Variance	Monthly Variance	Actual Variance
Jul	20,160,000	22,003,743	1,843,743	9.15%	9.15%
Aug	20,720,000	23,216,299	2,496,299	12.05%	10.62%
Sept	20,370,000	23,399,767	3,029,767	14.87%	12.03%
Oct	19,810,000	23,096,241	3,286,241	16.59%	13.15%
Nov	19,390,000	21,763,471	2,373,471	12.24%	12.97%
Dec	20,930,000	23,242,097	2,312,097	11.05%	12.64%
Jan	20,580,000	23,653,316	3,073,316	14.93%	12.97%
Feb	18,690,000	20,849,139	2,159,139	11.55%	12.81%
Mar	20,020,000	22,923,343	2,903,343	14.50%	12.99%
Apr	20,090,000	22,971,153	2,881,153	14.34%	13.13%
May	19,740,000	23,155,311	3,415,311	17.30%	13.50%
Jun	20,720,000	24,477,464	3,757,464	18.13%	13.90%
Total	241,220,000	274,751,344	33,531,344		



#### Half-Cent Sales Tax

**Projected vs. Actual Since Inception** 

Projected Net	Actual Receipts	Variance	Percent Variance
\$1,941,138,512	\$2,013,350,486	\$72,211,974	3.72%

# Federal Highway and Transit Issues Jared Wiley, P.E. Chief Engineer – Preconstruction

### Federal Highway Funding Discrepancy

- \$3.5 Billion Discrepancy
- Discovered in 2018

#### **UPDATE**

- Source of \$2.5 Billion Identified
- Accounting Error in 2005
- Funding Available to States





#### Arkansas Impacts

- \$67.5 Million Impacted
- 5% (\$3.3 Million) Available this Fiscal Year

#### **UPDATE**

- Now 70% (\$47.2 Million) Available this Fiscal Year
- No Funding Lapse this Year

#### Next Steps

- Coordination with AASHTO and FHWA
- USDOT/FHWA Task Force researching the remaining \$1 Billion discrepancy
- ARDOT will continue to monitor the situation



#### 2023 RAISE Grant Award

## Highway 5

Highway 183 to the Pulaski County Line Saline County



### 2023 MPDG Recommended Project

Future I-49
Highway 22 to I-40
Sebastian and
Crawford Counties



#### **Project Outcome Criteria**



Safety



Economic Impacts, Freight Movement and Job Creation



Equity, Multimodal, and Quality of Life



State of Good Repair



Climate Change, Resiliency, and the Environment



Innovation

# Federal and State Legislative Update

Kevin Thornton, P.E.

Chief - Administration

### 2024 Appropriations

Current Federal Fiscal Year ends September 30

House and Senate have both passed their Appropriations bill out of Committee

**Differences Remain** 





# Community Project Funding Passed Out of Committee for FFY 2024

	FFY 2024		
Project	Senator or Congressman	Amount (x \$1 Million)	
Future Interstate 49	Boozman	\$ 67.0	
Future Interstate 57	Crawford	\$ 6.0	
US Highway 412	Crawford/Womack	\$ 8.0	
US Highway 82	Westerman	\$ 5.0	
Highway 10 – Greenwood Bypass	Womack	\$ 5.0	
	Totals	\$ 91.0	

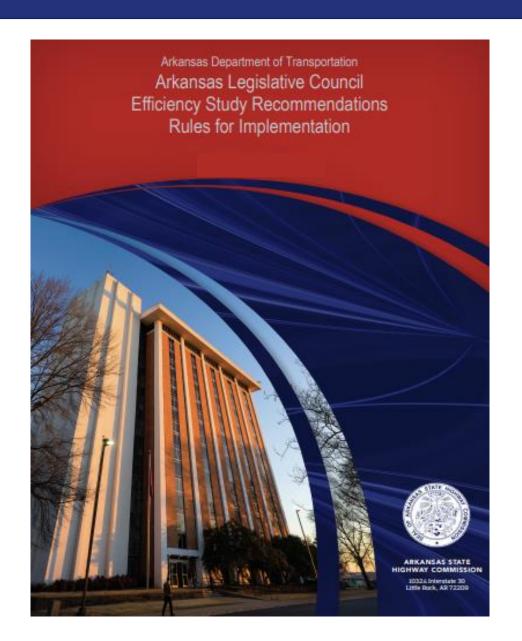
## Efficiency Review Implementation

## **Crystal Woods**

**Assistant Chief - Administration** 

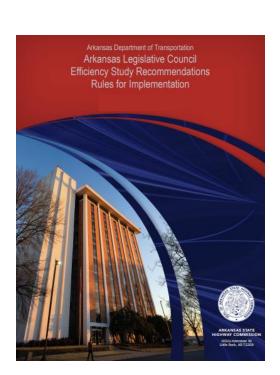
#### Arkansas Legislative Council Efficiency Study





#### **Annual Review and Efficiency Study**

- The Annual Report from OIA is due October 1, 2023
- Report will Contain Review of:
  - ✓ Implementation of the Efficiency Review Recommendations
  - ✓ Selected Internal Controls of the Department
- Draft Report Expected to be Submitted to ARDOT



# Bid Letting Update Keli Wylie, P.E.

Assistant Chief Engineer – Program Delivery

#### **Bid Letting Update – Letting Results**

#### June 28, 2023 Bid Letting

Type Projects	Number of Projects	Award Amount
State	5	\$ 70.2 Million
County	4	\$ 1.8 Million
City		
Total	9	\$ 72.0 Million

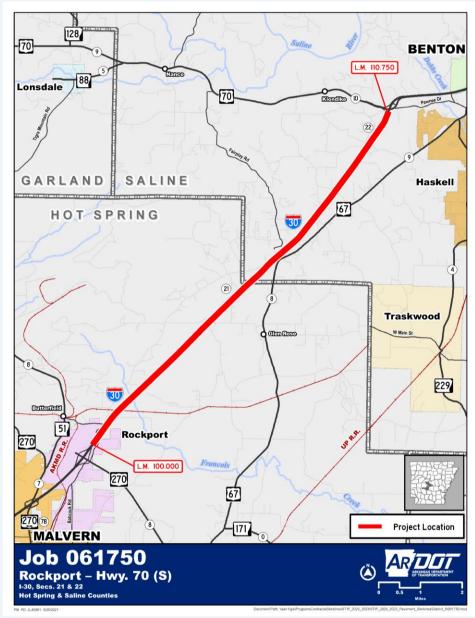
#### Hwy. 64 – Hwy. 331

- Pavement Preservation
- 20 Miles
- \$43 Million
- Blackstone Construction, LLC
- Estimated Completion: Mid-2025





#### Rockport – Hwy. 70



- Pavement Repairs
- 11 Miles
- \$19 Million
- Emery Sapp & Sons, Inc.
- Estimated Completion: Late 2024



#### **Blytheville – Missouri State Line**

- Pavement Preservation
- 8 Miles
- \$5 Million
- Delta Asphalt of Ark., Inc.
- Estimated Completion: Late 2023





#### Randolph Co. Line – Delaplaine

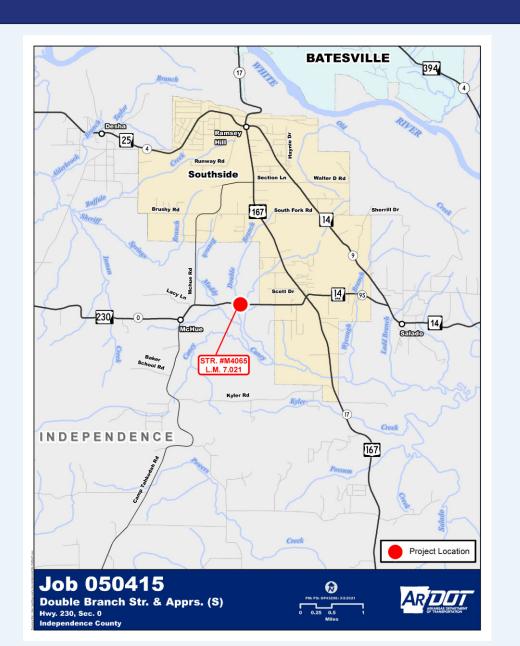


- Pavement Preservation
- 5 Miles
- \$2 Million
- Atlas Asphalt, Inc.
- Estimated Completion: Late 2023



#### Double Branch Str. & Apprs.

- Bridge Replacement
- \$1 Million
- Kesser International, Inc.
- Estimated Completion: Mid-2025



# Recent Department Activities









## Engineering Intern Orientation









# SASHTO SCHOLARSHIP DRAWING

- More than 100 Applicants
- 30 Winners
- \$500 Scholarship per Student

# Good Roads Policy Event











# Central Arkansas

"TIP OF THE CAP"







# **04 Internal Audit - 2024 Audit Plan Maggie Garrett, CPA, CIA**

**Chief Auditor** 



# INTERNAL AUDIT CHARTER



# 2024 ANNUAL AUDIT PLAN

# Internal Audit Division

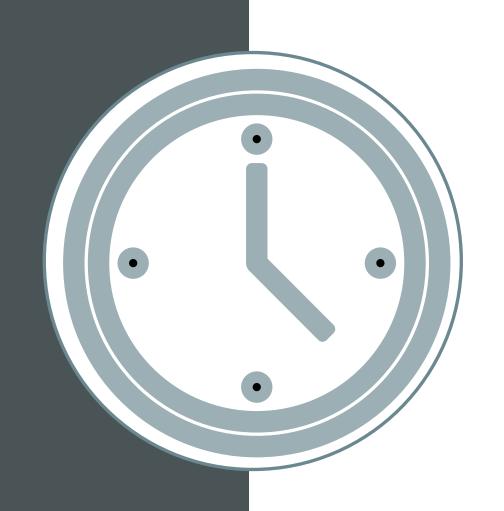
Maggie Garrett, CPA, CIA

ARDOT Chief Auditor

**Purpose:** The purpose of the Internal Audit Division is to provide independent, objective assurance and consulting services designed to add value and improve operations. The Internal Audit Division supports the Department in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

• **Mission:** The mission of the Internal Audit Division is to earn and preserve the trust of Arkansans by promoting accountability, integrity, and efficiency in the operation of the Department.





July 1, 2023 – June 30, 2024

# **AUDIT PLAN**

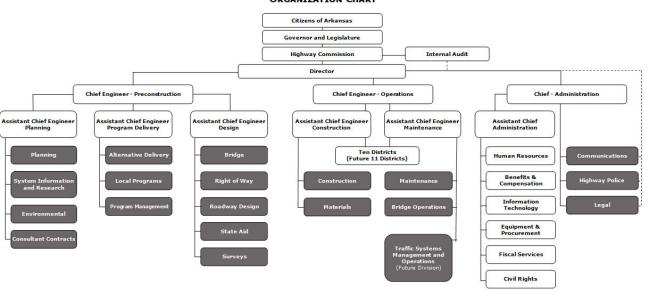
- Risk-Based
- Consulting
- Mandatory
- Quality Assurance
- Other
- Resources

# RISK-BASED

- Motor Fuel Tax Discrepancy Reviews
- Operational Divisions Audits (60)
- Districts and RE Offices Audits (41)
- Administration Division Audits (22)

# OPERATIONAL DIVISIONS

### ARKANSAS DEPARTMENT OF TRANSPORTATION ORGANIZATION CHART



**Last Audit Date** 

Change Risk
Compliance Risk
Financial Risk
Health & Safety Risk
Operational Risk
Reporting Risk



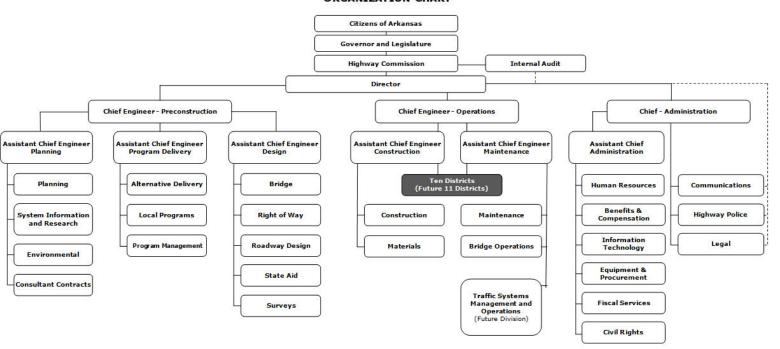
Asset Management Section System Information and Research Division

 Construction Payments and Audits Section-Construction Division

 Structural Inventory and Rating Section-Bridge Division

# DISTRICTS & RE OFFICES

# ARKANSAS DEPARTMENT OF TRANSPORTATION ORGANIZATION CHART



# **Last Audit Date**



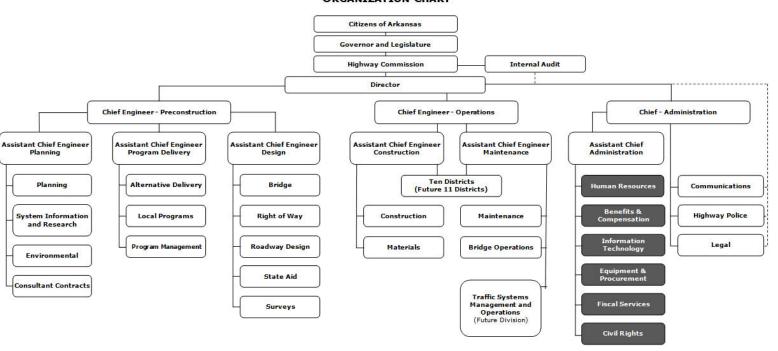
District 7

• District 3

• District 9

# ADMINISTRATION DIVISIONS

# ARKANSAS DEPARTMENT OF TRANSPORTATION ORGANIZATION CHART



# Likelihood of Occurrence

Complexity of the Related Process
Regulation Standards
Compensation Standards and Practices

# Potential Impact Effect

Public Trust
Number of Groups of Citizens
Number of Department Employees
Compliance
Internal and External Reporting



Traffic Incident Management Program

Preventative Maintenance Program

Request For Proposal (RFP) Process

# **CONSULTING**

Accounting Manual

Control Self-Assessment

# **MANDATORY**

 International Fuel Tax Agreement (IFTA) Audits

Indirect Cost Rate (ICR) Reviews

# **QUALITY ASSURANCE**

Internal

External – Fall 2024

# **OTHER**

- Investigations
- Continuous Auditing Projects
- Follow-up Audits
- Rollover Projects
- Unplanned Management Requests

# **RESOURCES**







**Facilities** 



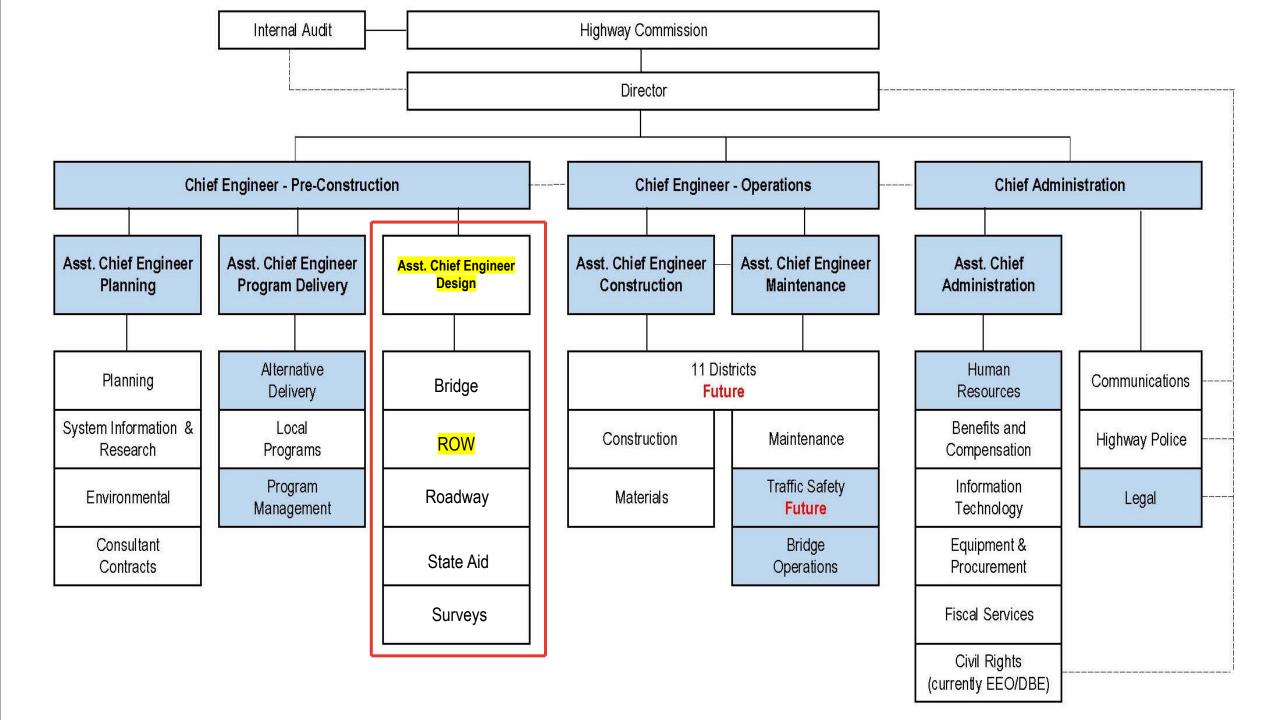
Information Technology

# 2024 ANNUAL AUDIT PLAN

Questions and Approval

# **O5 Around the Department Kevin White, P.E.**

Division Head - Right of Way

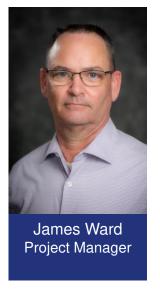


# RIGHT OF WAY DIVISION LEADERSHIP

























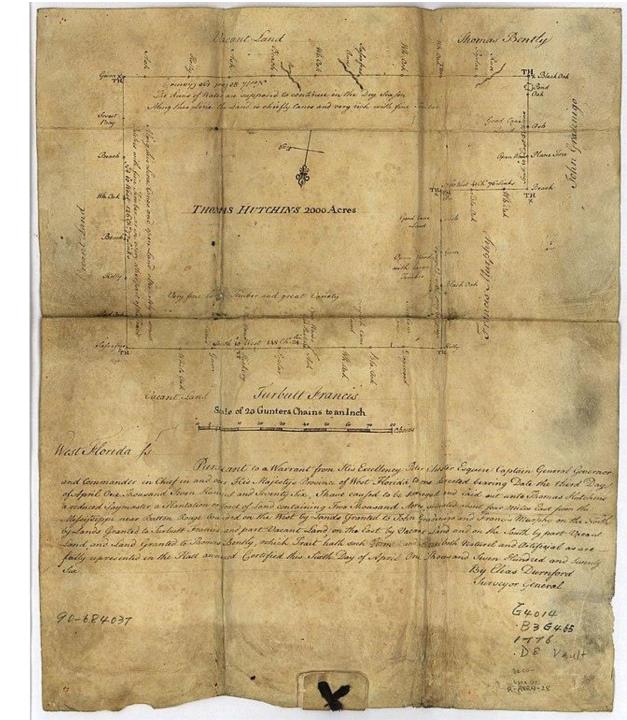
# **AUTHORITY TO ACT**

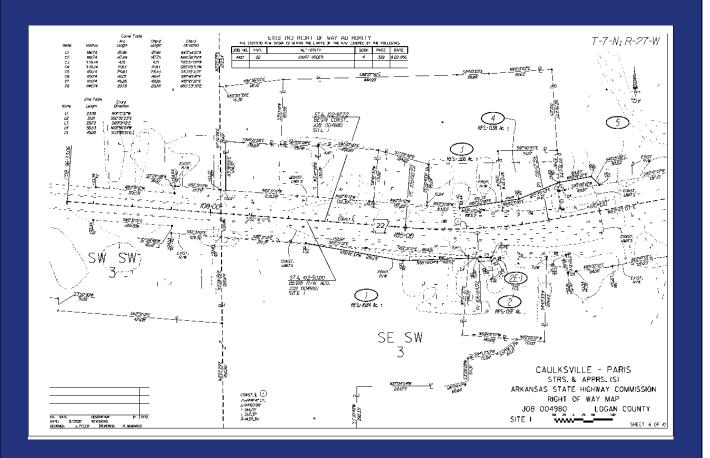
Federal and State Law

- U.S. Constitution
- Uniform Relocation Act
- Arkansas Constitution
- Arkansas Property Owner's Bill of Rights

# **ADMINISTRATIVE**

- Chain of Title Search
- Title Review
- Administrative Functions
- Closing Real Estate Transactions





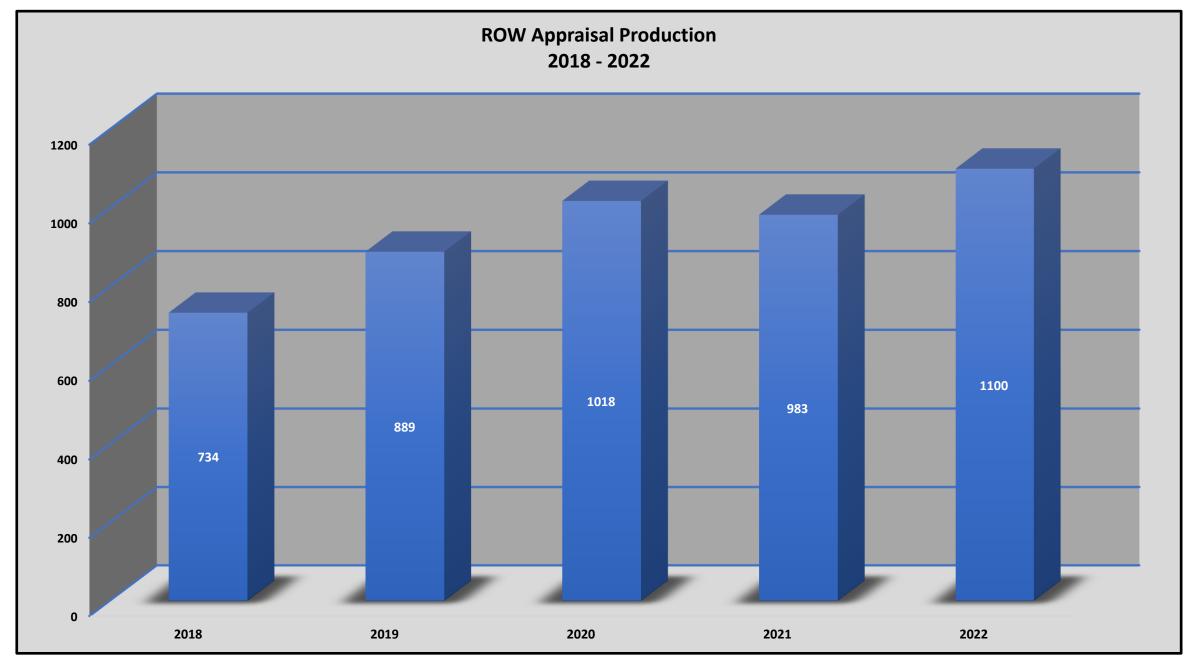
# RIGHT OF WAY ENGINEERING

- Prepare Right of Way Plans and Legal Descriptions
- Right of Way Records
- Fee Title Right of Way
- Court Order Right of Way

# **APPRAISAL**

- All Properties to be Acquired are Given a Valuation
- Just Compensation
- Appraisal Review



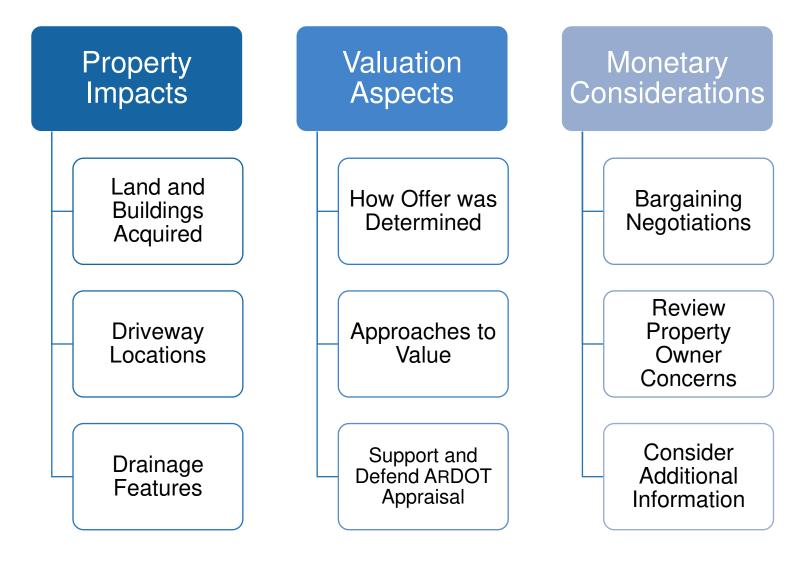


<sup>\*</sup>The percent change year over year is as follows:

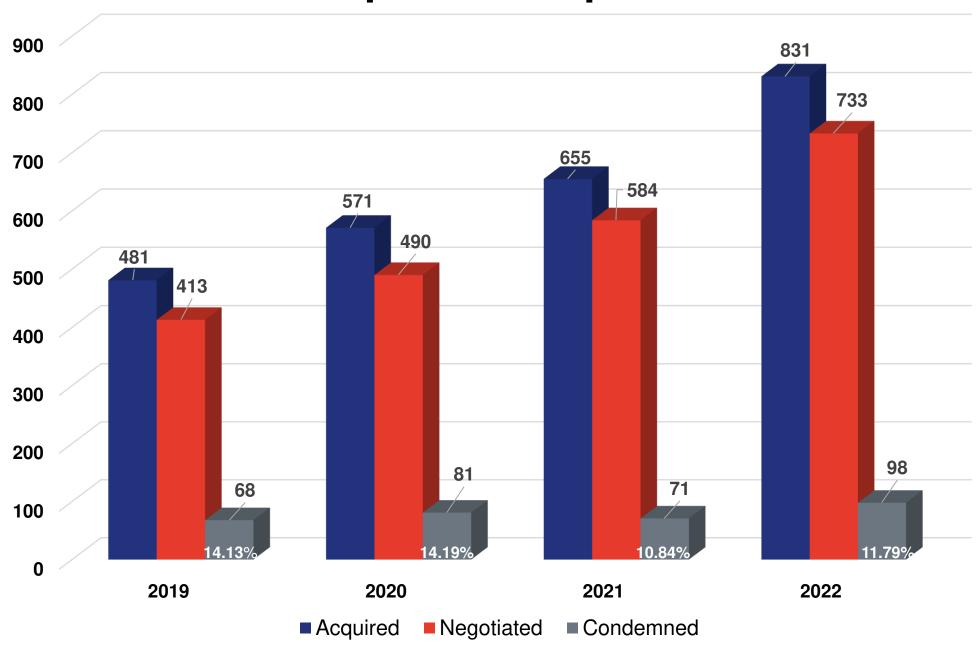
2018 to 2019: 21.1% 2019 to 2020: 14.5% 2020 to 2021: -3.4% 2021 to 2022: 11.9%

# **ACQUISITION**

Acquisition Agents Discuss and Negotiate with Property Owners



# **Properties Acquired**





# RELOCATION

- Personal, Professional, and Financial Assistance to Families and Businesses
- Ensure Comparable Replacement Housing
- Assistance Locating Replacement Property and Financing

# **UTILITIES**

- Utility Relocation and Reimbursement
- Design Coordination to Minimize Utility Impacts during Design
- Coordinate Work with Resident Engineer during Construction

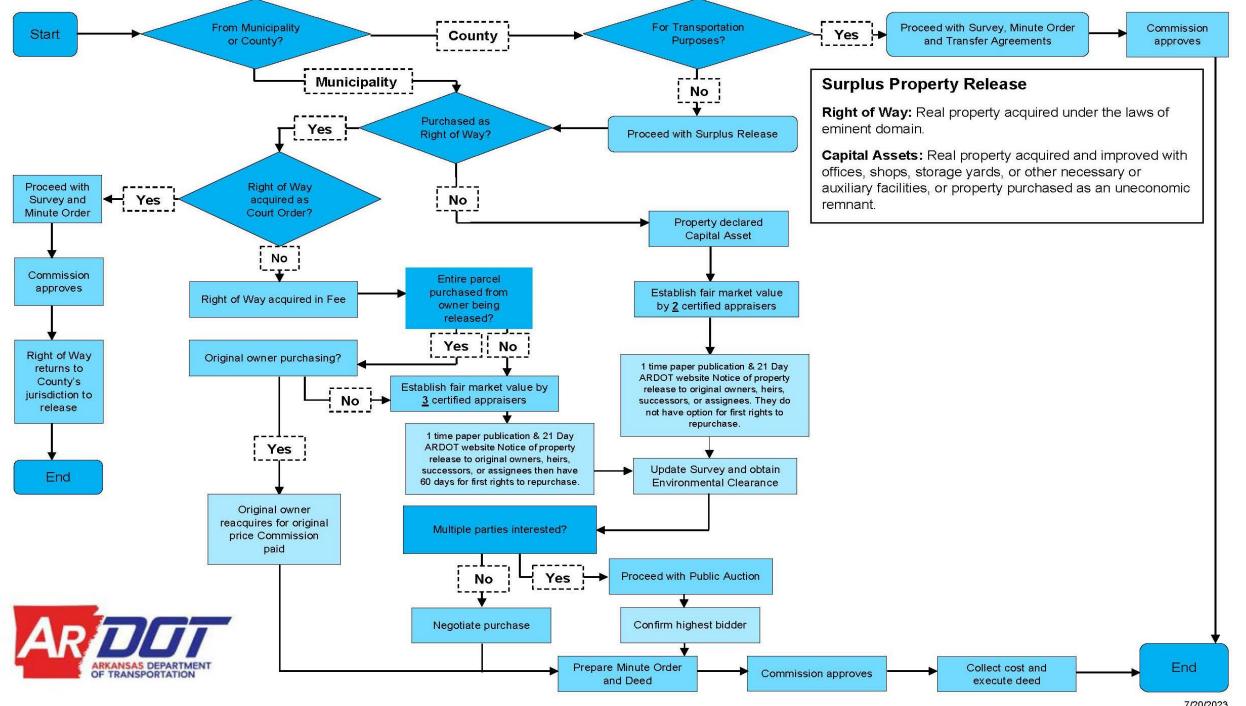




# **ADMINISTRATIVE**

**Property Management** 

- Remove Buildings and Improvements from the Right of Way
- Inventory, Manage, and Maintain Surplus Properties Acquired
- Coordinate Surplus Property Sales



# BEAUTIFICATION

- Scenic Byways
- Tourist Oriented Directional Signage
- Logos
- Billboards
- Junk Yards
- Illegal Signs





# 06 Upcoming Events

## **AUGUST 5**

Pea Ridge National Military Park Grand Re-Opening & Ribbon Cutting

Vice Chairman Taldo 8 a.m. | Garfield, AR

## **AUGUST 23**

**Arkansas Concrete Pavement Conference** 

Director Tudor 8 a.m. | Hot Springs, AR

# **UPCOMING**

# **Events**

**AUGUST 5-9** 

**SASHTO Annual Meeting** 

Director Tudor & Staff Mobile, AL

### **AUGUST 23**

Learn+Earn

Vice Chairman Taldo 12 p.m. | Bentonville, AR

### **AUGUST 16**

**Bid Letting** 

### **AUGUST 24**

**Highway Commission Review and Advisory Subcommittee (HCRAS)** 

Director Tudor 2:30 p.m. | State Capitol, MAC Room B, Little Rock, AR

## **SEPTEMBER 4**

**Labor Day Holiday** 

**SEPTEMBER 20** 

**Bid Letting** 

## **UPCOMING**

# **Events**

**SEPTEMBER 6-8** 

**County Judges' Association of Arkansas Conference** 

Director Tudor Benton, AR **SEPTEMBER 26-29** 

**Congressional Delegation Visits** 

Commissioners & Director Tudor Washington, D.C.

**SEPTEMBER 12** 

P.E. Board Meeting

Director Tudor 10 a.m. | Little Rock, AR OCTOBER 12

**Good Roads Executive Board Meeting** 

Chairman Farmer 10:30 a.m. | Little Rock, AR

### **OCTOBER 24**

**Hot Springs Bypass Extension Ribbon Cutting & Commissioners Appreciation Luncheon** 

Commissioners & Director Tudor 11 a.m. | Hot Springs, AR

## **UPCOMING**

# **Events**

### **OCTOBER 25**

**Arkansas Highway Commission Meeting** 

Commissioners & Director Tudor 10 a.m. | Little Rock, AR

# 07

# Other Business and Discussion



# Arkansas State Highway Commission Meeting

August 2, 2023