

ARKANSAS DEPARTMENT OF TRANSPORTATION

LITTLE ROCK, ARKANSAS

October 18, 2018

ADMINISTRATIVE CIRCULAR NO. 2018-15

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 October 10, 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

October 10, 2018

Following is the record of proceedings of the Arkansas State Highway Commission in Little Rock, Arkansas, October 10, 2018. Members present were:

Dick Trammel, Chairman
Robert S. Moore, Jr., Member
Alec Farmer, Member

2018-095 IT IS ORDERED that a meeting of the Arkansas State Highway Commission be opened at 9:30 a.m., October 10, 2018.

2018-096 WHEREAS, the Purchasing Committee has awarded purchases on August 24 and 28, 2018, and September 13, 2018, in the amount of \$132,676.00, \$583,443.16 and \$73,635.00, respectively, totaling \$789,754.16, 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.

2018-097 WHEREAS, the Department's current Maintenance Management System is a legacy based system which has outlived its useful life; and

WHEREAS, the existing system has become increasingly difficult to integrate with newer technology and does not offer the functionality of more up-to-date solutions; and

WHEREAS, this has resulted in a system that has little more capability than to track activities and cost and is ineffective when used as a planning tool; and

2018-097 - Continued

WHEREAS, a modern Maintenance Management System is required to effectively plan maintenance activities, accurately predict financial needs and efficiently manage the Department's maintenance funding, operations and inventories.

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

2018-098

WHEREAS, the 91st General Assembly of the State of Arkansas enacted Act 705 during the 2017 Regular Session, which established the distribution of highway revenue interest income from the State Highway and Transportation Department Fund to create the Future Transportation Research Fund and the Transportation-Related Research Grant Program (TRRGP); and

WHEREAS, as required by Act 705, the rules for administering this program have been promulgated; and

WHEREAS, applications were solicited and received for this program from July 26, 2018 to August 24, 2018; and

WHEREAS, the Arkansas Department of Transportation has reviewed the applications submitted and developed funding recommendations.

NOW THEREFORE, the Director is authorized to enter into contracts with the project sponsor for implementation of the project included in the attached list.

2018-099

WHEREAS, IN CRAWFORD COUNTY, IN THE CITY OF MULBERRY, the Arkansas Game and Fish Commission discontinued supervision of the Vine Prairie (Ozark Reservoir) site; and

WHEREAS, Highway 917, Section 1, that links the Vine Prairie (Ozark Reservoir) site to U.S. Highway 64, is no longer needed for highway purposes; and

2018-099 - Continued

WHEREAS, the City of Mulberry has passed Resolution Number 2018-04 to assume ownership and associated management and maintenance of Highway 917, Section 1.

NOW THEREFORE, IT IS ORDERED that upon official notification by the Deputy Director and Chief Engineer, Highway 917, Section 1 is hereby removed from the State Highway System as shown on the attached sketch.

2018-100

WHEREAS, the Arkansas State Highway Commission will accept bids on the following projects at the October 24, 2018 letting; and

JOB NO.	DISTRICT	COUNTY	JOB NAME	ROUTE	APHN
110615	01	WOODRUFF	HWY. 33 STR. & APPRS. (S)	33	N
110646	01	MONROE	CYPRESS CREEK & CANAL STRS. & APPRS. (S)	241	N
110653	01	CRITTENDEN	HWY. 118/W. SERVICE RD./I-40 EB RAMPS SIGNAL & INTERS. IMPVTS. (WEST MEMPHIS) (S)	118	Y
BB0401	04	CRAWFORD & SEBASTIAN	OKLAHOMA STATE LINE – EAST (I-40 & I-540) (SEL. SECS.) (S)	I-40 & I-540	Y
050325	05	IZARD	LITTLE BRUSHY CREEK STR. & APPRS. (S)	223	N
061190	06	PULASKI	I-40 INTERCHANGE (MAUMELLE) (S)	I-40	Y
080494	08	CONWAY	I-40 – SOLGOHACHIA (SAFETY IMPVTS.) (S)	9	Y
100824	10	CRAIGHEAD	BNSF RAILROAD OVERPASS (HWY. 18) (JONESBORO) (S)	18	Y
100839	10	MISSISSIPPI	DITCH NO. 43 STR. & APPRS. (S)	181	N
012215	04 & 09	BENTON & WASHINGTON	ALMA – BELLA VISTA BYPASS (SIGNING) (S)	I-49	Y
GF0270	02	DESHA	MCCALLIE BOAT RAMPS AND PKG. LOT (MISSISSIPPI RIVER) (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 and all guests introduced themselves.

MOTION Commissioner Alec Farmer moved, Commissioner Robert Moore seconded and the motion passed to approve the Minutes from the previous Commission Meeting of August 29, 2018.

MOTION Commissioner Alec Farmer moved, Commissioner Robert Moore seconded and the motion passed to accept the Staff's recommendation for the proposed Appropriations and Operations Budget for the 2019-2021 Biennium and to authorize the budget request to be submitted to the Legislative Council and Joint Budget Committee on October 24, 2018 at 1:30 p.m. at the State Capitol, Big MAC Room A.

MOTION

The Commission approved Minute Order 2018-006 on February 6, 2018, authorizing the Department to issue a Request for Proposals for a Comprehensive Accounting Software System. Commissioner Robert Moore moved, Commissioner Alec Farmer seconded and the motion passed to accept the Staff's recommendation to enter into negotiations with CherryRoad/Oracle of Morris Plains, NJ to provide and implement a comprehensive accounting system for the Department.

MOTION

Commissioner Alec Farmer moved, Commissioner Robert Moore seconded and the motion passed to submit three applications for the Competitive Highway Bridge Program (CHBP) Discretionary Grants. They are as follows:

- Highways 24, 71 & 234 in Polk, Little River & Sevier Counties (Districts 3 & 4) - Includes 6 Bridges
- Highway 203 & 274 in Calhoun & Ouachita Counties (District 7) - Includes 3 Bridges
- Highways 77, 140, 158 & 181 in Mississippi County (District 10) - Includes 14 Bridges

OTHER DISCUSSION ITEMS

Patrick Patton, Chief Fiscal Officer, provided the August 2018 update on state highway revenue. Mr. Patton noted that state highway revenues to the Department from traditional sources are down a total of 1.0% (\$0.7 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 -2.4% (-\$1.7 million) below last year. Actual state revenue received is 1.5% (\$1.0 million) above projected (budgeted) revenue for this year.

In closing, Mr. Patton stated that August revenue from the 0.5% General Sales Tax for the Connecting Arkansas Program was 1.75% lower, (-\$293,365) than projected by the Department of Finance and Administration (DF&A) for the month. Year to date actual revenue is below projections by 0.46% (-\$152,875). Since inception, this revenue source is 0.58%, or \$5.1 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. However, Congress has not been able to pass a spending bill for Federal Fiscal Year 2019. They were able to avoid a shutdown by passing a Continuing Resolution, which President Trump signed on September 28, 2018. The Continuing Resolution will provide funding until December 7, 2018. If Congress fails to act by December 7, 2018, we will be facing another shutdown. 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 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 presented a summary of the apparent low bids and bidders from the September 12, 2018, Bid Letting.

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

Director Bennett displayed the 1st Place trophy that the Department won at the 2018 Southeastern Regional Equipment Operators ROADeo held in Rogers, AR. There were 10 States competing with 500 total attendees.

Director Bennett recognized Rusty Hubbard as having received the AASHTO 2018 National Faces of Transportation People's Choice Award for his photo of the Peel Ferry, which is the last working ferry system in Arkansas.


Director Bennett ended the meeting by recognizing Chairman Dick Trammel, who will be receiving the Lifetime Achievement Award presented by the Northwest Chapter of Fundraising Professionals. The award will be presented to Chairman Trammel at the Northwest Philanthropy Luncheon to be held on November 14 in Fayetteville.

Chairman Trammel was also recognized for his birthday which is October 11.

2018-101

IT IS ORDERED that a meeting of the Arkansas State Highway Commission be closed at 10:40 a.m., October 10, 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 October 10, 2018.


Lindy H. Williams
Commission Secretary