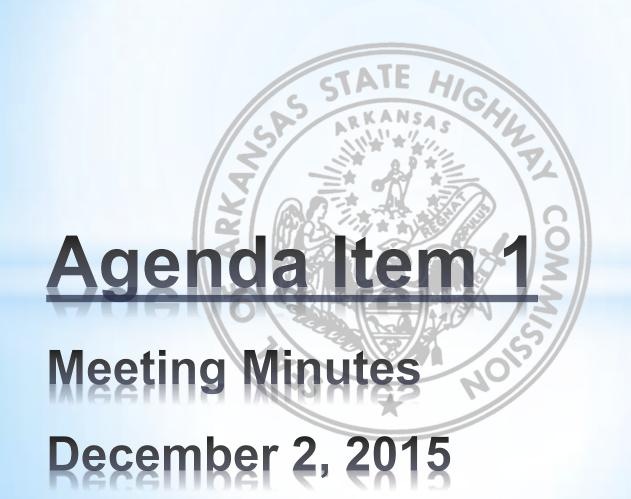
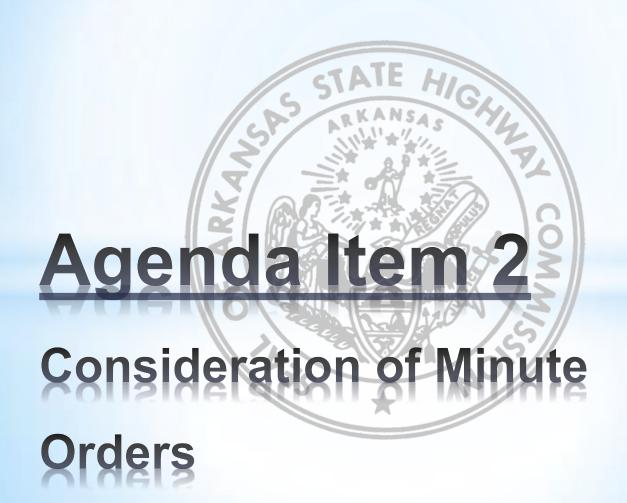
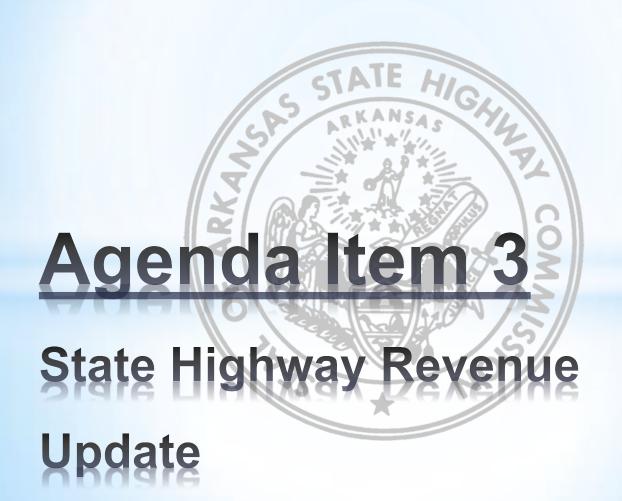
Arkansas State Highway Commission Meeting

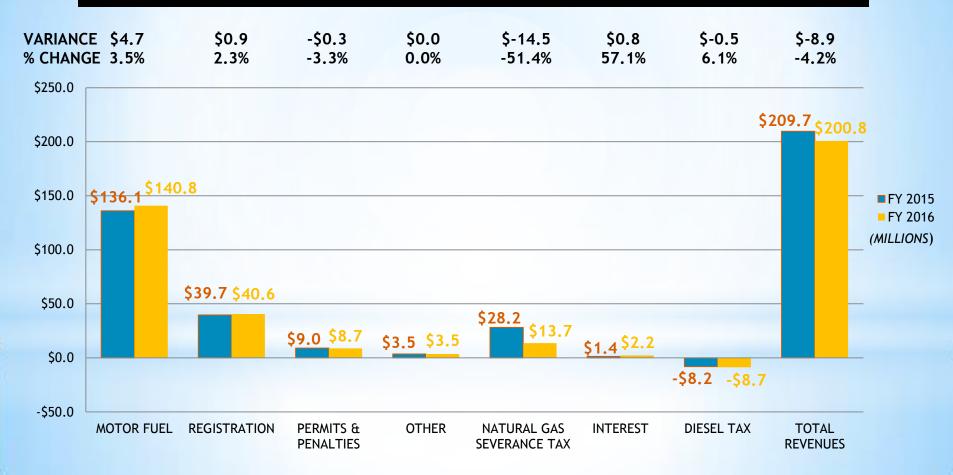
Wednesday, January 20, 2016



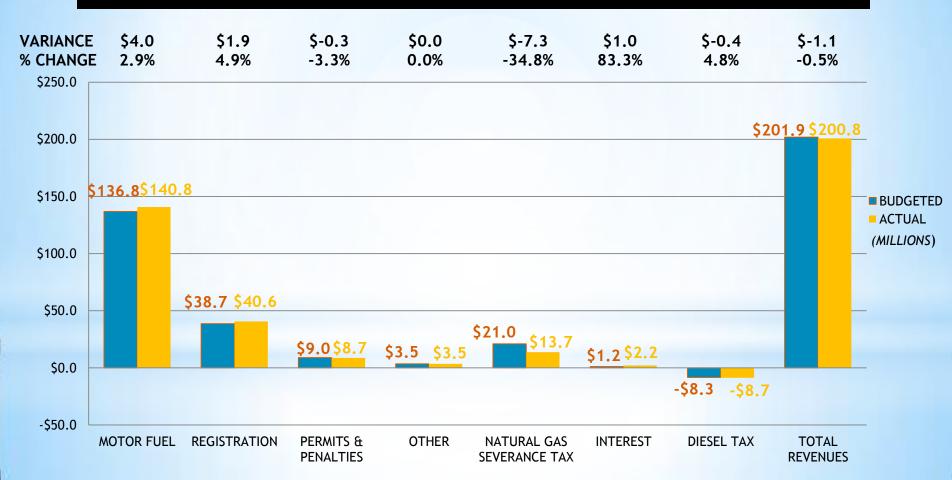




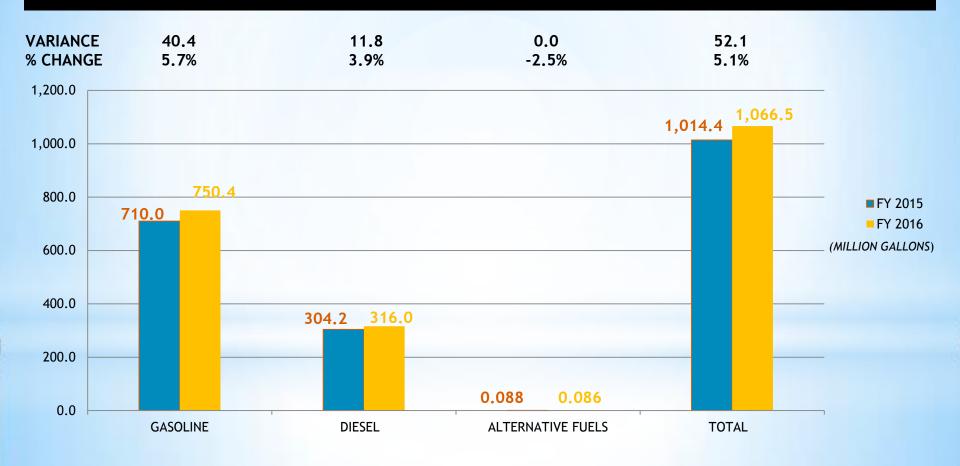
DECEMBER 2015 vs DECEMBER 2016 REVENUE



FY 2016 BUDGETED VS. ACTUAL - DECEMBER



DECEMBER 2015 vs DECEMBER 2016 FUEL CONSUMPTION





Arkansas Fuel Consumption Rolling 12-month Comparison

| Fuel | Previous 12 Months (millions) | Current 12 Months (millions) | Variance | |
|-------------|--|---------------------------------------|----------|--|
| Gasoline | 1,387,306,926 | 1,444,578,648 | 4.13% | |
| Diesel | 601,570,298 | 611,856,920 | 1.71% | |
| Alternative | 1,004,946 | 1,027,213 | 2.22% | |
| Total | 1,989,882,170 | 2,057,462,781 | 3.40% | |

State Fiscal Year 2016 Sales Tax

| Mon | Projected Net | Actual Receipts | Variance | Monthly Variance | Annual Variance |
|-------|------------------|--------------------|-----------|---------------------|--------------------|
| Jul | 13,930,000 | 14,527,703 | 597,703 | 4.29% | 4.29% |
| Aug | 14,280,000 | 14,887,997 | 607,997 | 4.26% | 4.27% |
| Sept | 14,140,000 | 14,949,174 | 809,174 | 5.72% | 4.76% |
| Oct | 14,140,000 | 14,272,040 | 132,040 | 0.93% | 3.80% |
| Nov | 13,720,000 | 14,012,894 | 292,894 | 2.13% | 3.48% |
| Dec | 14,210,000 | 13,906,523 | (303,477) | -2.14% | 2.53% |
| Jan | 15,050,000 | | | | |
| Feb | 13,300,000 | | | | |
| Mar | 14,140,000 | | | | |
| Apr | 14,490,000 | | | | |
| May | 13,930,000 | | | | |
| Jun | 14,350,000 | | | | |
| Total | 169,680,000 | 86,556,331 | 2,136,331 | | |

Half-Cent Sales Tax Projected vs Actual

| | Projected Net | Actual Receipts | Variance | Percent Variance |
|------|------------------|--------------------|-----------|---------------------|
| Ser. | \$402,920,000 | \$403,258,387 | \$338,387 | 0.08% |



Status of Federal Highway and Transit Funding Issues

Fixing America's Surface Transportation (FAST) Act

- Authorizes 5 Years of Funding
 - Federal Fiscal Years (FFYs) 2016-2020

\$225.2 Billion for Highway Investment

- Over 5 Years:
 - \$20.2 Billion Increase from FFY 2015
 - \$250 Million Increase for Arkansas

Fixing America's Surface Transportation (FAST) Act

National Freight Program

 Nationally Significant Freight and Highway Projects Program

Future Interstate System



Funding Challenges

- Additional State Highway Funds Needed to Match Federal Highway Funds
 - ✓ Typically 80% Federal 20% State Funds
 - ✓ Use or Lose



STATE FISCAL YEARS 2016-2020 ESTIMATED STATE HIGHWAY REVENUE ANALYSIS x \$1,000,000

| | 2016 | 2017 | 2018 | 2019 | 2020 | AVG |
|---|----------|-----------|-----------|-----------|-----------|----------|
| Sources and Revenues: | | | | | | |
| Motor Fuels and Registration Fees | \$ 356.4 | \$ 358.2 | \$ 360.0 | \$ 361.8 | \$ 363.6 | |
| 4¢ Diesel Tax - Committed to the Interstate Rehab. Program (IRP) | \$ 16.5 | \$ 16.5 | \$ 16.5 | \$ 16.5 | \$ 16.5 | |
| Natural Gas Severance Tax | \$ 29.0 | \$ 29.7 | \$ 30.4 | \$ 31.2 | \$ 32.0 | |
| TOTAL | \$ 401.9 | \$ 404.4 | \$ 406.9 | \$ 409.5 | \$ 412.1 | \$ 407.0 |
| Less Fixed Expenditures: | | | | | | |
| Maintenance | \$ 221.8 | \$ 222.9 | \$ 224.0 | \$ 225.1 | \$ 226.3 | |
| Administration | \$ 21.8 | \$ 21.9 | \$ 22.0 | \$ 22.1 | \$ 22.2 | |
| Operations | \$ 26.2 | \$ 26.4 | \$ 26.5 | \$ 26.6 | \$ 26.8 | |
| Budgeted Construction w/o Right of Way | \$ 44.9 | \$ 45.1 | \$ 45.4 | \$ 45.6 | \$ 45.8 | |
| IRP Debt Service | \$ 16.5 | \$ 16.5 | \$ 16.5 | \$ 16.5 | \$ 16.5 | |
| TOTAL | _ | \$ 332.8 | \$ 334.4 | \$ 336.0 | \$ 337.6 | \$ 334.5 |
| | | | | | | |
| Total State Highway Funds Available for Highway Construction Program | > /II h | \$ 71.6 | \$ 72.5 | \$ 73.5 | \$ 74.5 | \$ 72.5 |
| | | | | | | |
| Less Required State Highway Matching Funds for Federal Highway Funds | | \$ 119.4 | \$ 121.9 | \$ 124.8 | \$ 127.8 | \$ 122.1 |
| | | | | | | |
| Shortfall in State Highway Matching Funds Needed for Federal Highway Funds | | (\$ 47.8) | (\$ 49.4) | (\$ 51.3) | (\$ 53.3) | (\$49.6) |

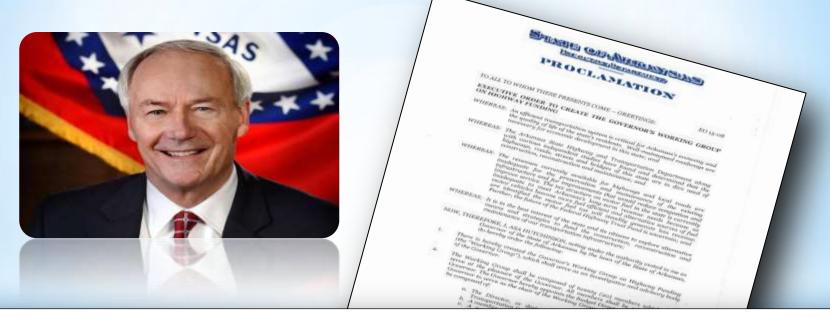
Funding Challenges

- Additional State Highway Funds Needed to Match Federal Highway Funds
 - ✓ Typically 80% Federal Hwy. Funds are Matched by 20% State Hwy. Funds
 - ✓ Use or Lose
- Reduction in Annual State Highway Revenue Available to Match Federal Highway Funds
 - ✓ Arkansas State Aid City Street Program
 \$ 14 M
 - ✓ Increased Maintenance Budget \$ 18 M
 - ✓ Declining Natural Gas Severance Tax Revenue
 \$ 11 M

Total Annual Reduction

\$ 43 M

Agenda Ite Governor's Working Group on **Highway Funding Update**



"An efficient transportation system is critical for Arkansas' economy and the quality of life of the state's residents."

| <u>GUALS</u> | | | | | |
|--|--------------------------|-----------------------------------|---|--|--|
| Needs | Net to AHTD (x \$1 M) | Cumulative Amount (x \$1 M) | Benefits | | |
| Immediate/Short-Term (within 2 years) | \$110 | \$110 | Critical NeedsMatch Federal Highway FundsOverlays | | |
| Mid-Term (within 3-5 years) | \$140 | \$250 | Enhanced Maintenance Program ✓ Pavement Restoration of 50% of the State Highway System every 15-20 years | | |
| Long-Term (within 6-10 years) | \$150 | \$400 | Enhanced Economic Development Program | | |
| Ultimate(10+ Years) | • \$1.68 Billion | | Economic Development Projects Completed I-49, I-69 Four-lane Grid System State of Good Repair for Bridges and Pavement | | |

AHTD Equipment Fleet - Average Age 8 Years

All AHTD Facilities Modernized





Highway Funding Option Presented by Governor Hutchinson 2016 Special Section

Rainy Day Fund

General Revenue

General Revenue

State Central Services

Surplus

\$20.0

\$ 1.5

\$ 5.4

\$46.9

\$46.9

\$ 8.0

\$ 2.7

\$ 5.4

\$16.1

\$48.0

\$64.1

\$15.0

\$ 2.7

\$ 5.4

\$23.1

\$48.0

\$71.1

Estimate based on 10-Year Average

\$20.0

\$ 2.7

\$ 5.4

\$28.1

\$48.0

\$76.1

2020

(x \$1M)

\$25.0

\$ 2.7

\$ 5.4

\$33.1

\$48.0

\$81.1

| | 20 to Special Session | | | | | |
|---------------------------------|-----------------------|------------------|------------------|------------------|------------------|--|
| ltem | Source | 2016 (x \$1M) | 2017 (x \$1M) | 2018 (x \$1M) | 2019 (x \$1M) | |
| Transfer 2015 Unobligated Funds | Surplus | \$20.0 | | | | |

Total

Total

Transfer from Governor

Redirect Diesel Tax

Transfer Sales Tax New & Used Vehicles

Eliminate Deduction - Temporary ½ cent Sales Tax

Allocate 25% of General Improvement Funding

Agenda Item 5

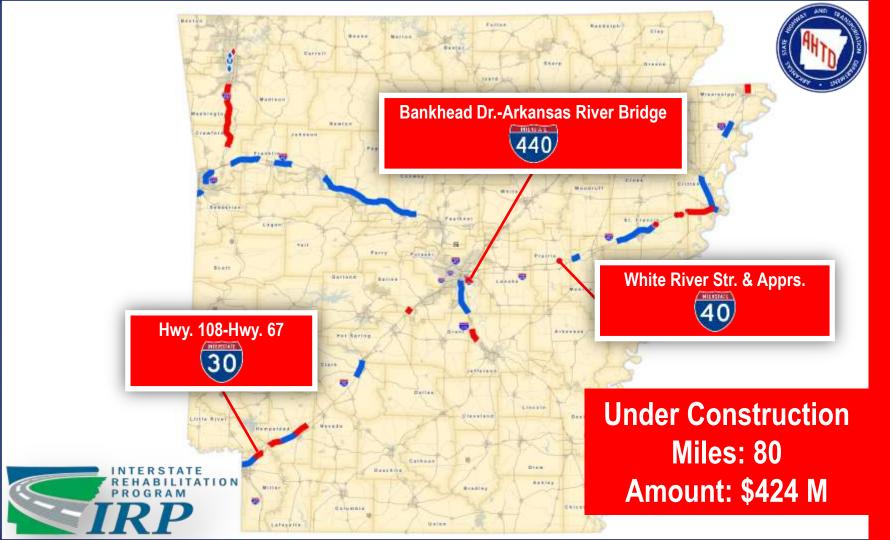
2011 Interstate Rehabilitation Program and Connecting Arkansas Program



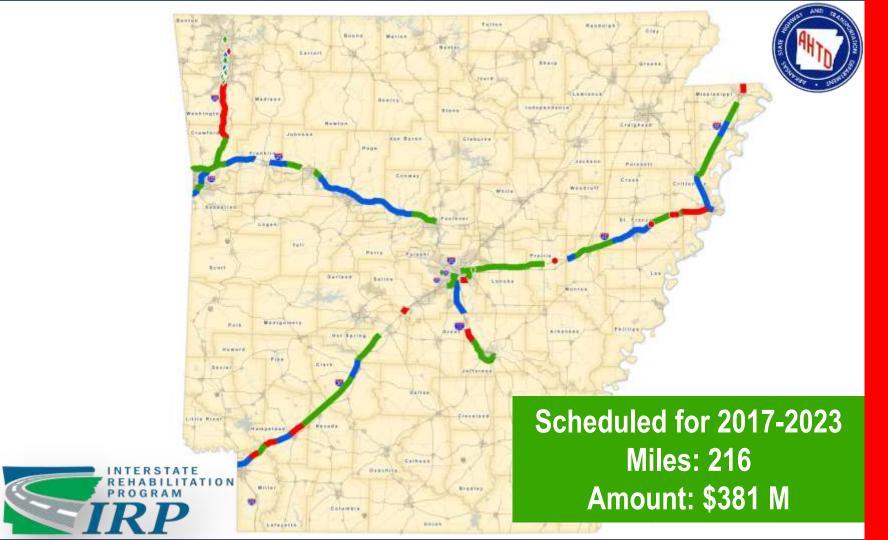
REHABILITATION PROGRAM



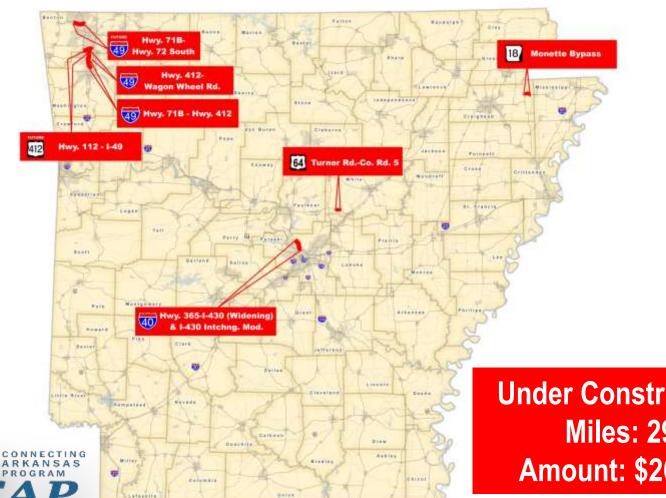












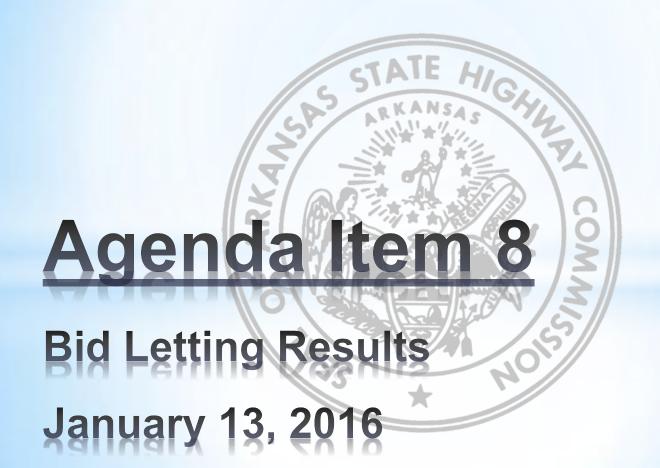
Under Construction Miles: 29

Amount: \$263 M









Summary of the January 13th Bid Letting

| Type Projects | Number of Projects | Bid Amount |
|---------------|--------------------|----------------|
| State | 18 | 229,320,337.41 |
| City | 4 3,288,97 | |
| County | 3 | 2,925,743.68 |
| Total | 25 | 235,535,053.81 |



Details of the January 13th Bid Letting Projects

| Route | County | Job Name | Contractor | Bid Amount |
|-------|-------------------|---------------------------------------|---------------------------------------|---------------|
| 1 | Lee & Phillips | Walnut Corner-Cypress Corner | Chancellor Brothers, LLC | 24,599,486.31 |
| 261 | St. Francis | L'Anguille River Relief Str. & Apprs. | Central Arkansas Contractors, Inc. | 1,608,717.84 |
| 54 | Lincoln | Wells Bayou Str. & Apprs. | All Bids Rejected | |
| 270 | Grant | Big Creek Str. & Apprs. | Mehaffy Const. Company, Inc. | 1,991,772.00 |
| 30 | Miller | Hwy. 108-Hwy. 67 | Interstate Highway Construction, Inc. | 17,249,668.66 |

Details of the January 13th Bid Letting Projects

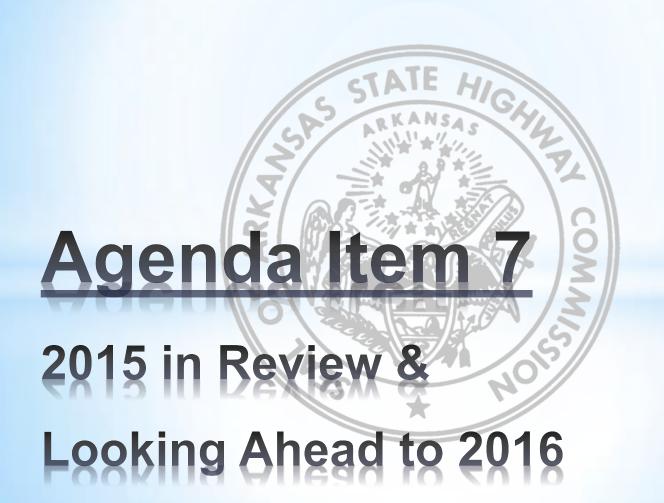
| Route | County | Job Name | Contractor | Bid Amount |
|-------|------------|--|---|---------------|
| 64 | White | Turner Road-County Road 5 (Widening) | Bobby Kennedy Construction Company | 8,024,792.14 |
| 40 | Prairie | White River Str. & Apprs. | Johnson Bros. Corp. A Southland Company | 77,659,482.80 |
| 440 | Pulaski | Bankhead Drive-Arkansas River Bridge | Kiewit Infrastructure South Company | 33,796,319.60 |
| 67 | Hot Spring | UPRR & Pine Street Str. & Apprs. (Donaldson) | Robertson Contractors, Inc. | 7,045,842.59 |
| 183 | Saline | Bauxite & Northern Railroad Spur Str. & Apprs. | Kiewit Infrastructure South Company | 3,433,678.77 |

Details of the January 13th Bid Letting Projects

| Route | County | Job Name | Contractor | Bid Amount |
|---------|------------------------|---|----------------------------------|--------------|
| 40 | Prairie | Arkansas Tourist Information Center (White River) | Crow Paving, Inc. | 4,826,679.88 |
| 79 | Columbia & Ouachita | Magnolia-Camden (Passing Lanes) | Jet Asphalt & Rock Company, Inc. | 9,425,439.00 |
| 64 | Pope | White Oak Creek Str. & Apprs. | Beverly's Construction | 1,080,470.91 |
| 216 | Perry | Coffee Creek Str. & Apprs. | Ford Engineering, Inc. | 1,465,887.17 |
| 658 286 | Faulkner | I-40-Thomas G. Wilson Drive (Conway) | Rogers Group, Inc. | 9,440,079.38 |

Details of the January 13th Bid Letting Projects

| Route | County | Job Name | Contractor | Bid Amount |
|---------|---------------------|--|-----------------------------|---------------|
| VARIOUS | Various | District Nine Bridge Painting | Gulf Coast Contracting, LLC | 1,580,994.44 |
| 77 140 | Mississippi | Left Hand Chute of Little River Strs. & Apprs. | Robertson Contractors, Inc. | 4,705,005.48 |
| | Craighead | Parker Road Extension (Jonesboro) | Dumey Contracting, Inc. | 1,470,947.19 |
| 64 | Faulkner & White | Vilonia Bypass-East | Rogers Group, Inc. | 21,386,020.44 |

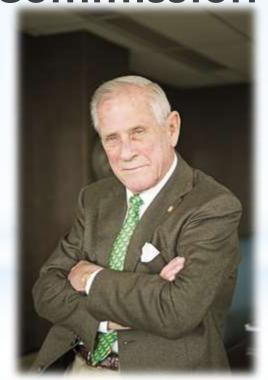


PEOPLE



Highway Commission Changes









Highway Commission Changes









Department Staff Changes

Randy Ort

Assistant Chief - Administration

David Henning

Staff Construction Engineer

Mike Boyd

– Chief Fiscal Officer

Deric Wyatt

District 2 Engineer

Ben Browning

Design/Build Project Director

Jared Wiley

Program Management Engineer

STATE LEGISLATION



90th General Assembly

Property Transfer Law

✓ PASSED: Act 378 of 2015

Garnishment of Tax Refunds

✓ PASSED: Act 531 of 2015

Airport Highway Additions

✓ PASSED: Act 590 of 2015

Oversize/Overweight

✓ PASSED: Act 594 of 2015



90th General Assembly

Design-Build/Design-Build-Finance and Public-Private Partnerships

✓ PASSED: Act 704 of 2015

License Plate Scanners

✓ PASSED: Act 849 of 2015

Good Neighbor Policy

✓ PASSED: Act 963 of 2015

Attorneys' Fees for Eminent Domain

✓ PASSED: Act 1101 of 2015



90th General Assembly

Road User Revenue Distribution

✓ Withdrawn

Vehicle Miles Traveled Tax

✓ Withdrawn

Internet Sales Tax

✓ Not Run

Alternative Fuel Tax

✓ FAILED: Failed on House Floor

Registration Fee for All-Electric Vehicles

✓ Withdrawn

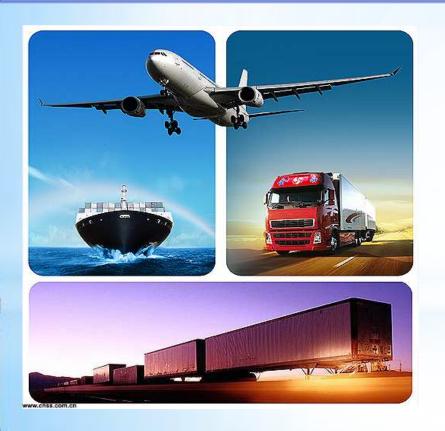


Looking Ahead to 2016





2015 in Review and Looking Ahead to 2016



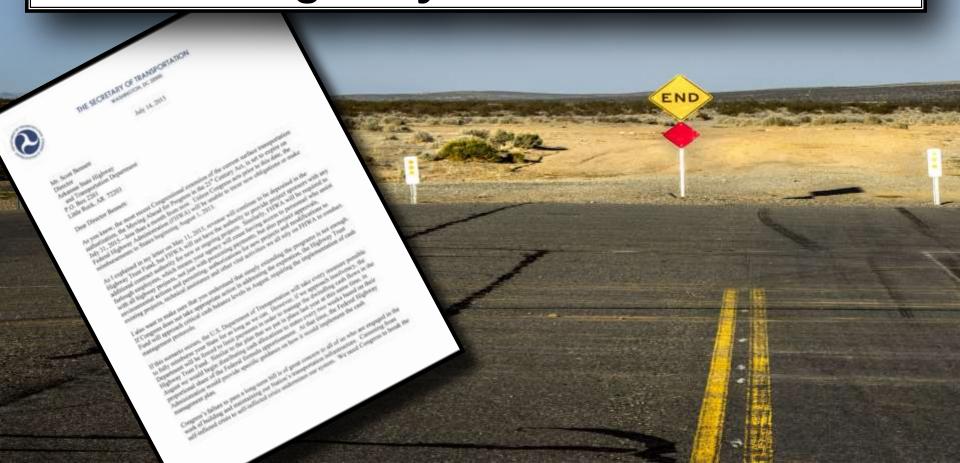
Legislative Task Force on Intermodal **Transportation** and Commerce

FUNDING





Highway Trust Fund



2015

75 Projects Removed \$335 million



POTENTIAL RISK

FFY 2015 120 Projects \$490 Million

FFY 2016 130 Projects \$520 Million



2015 in Review / Looking Ahead to 2016

Funding Challenges

FAST Act

Federal



Governor's Working Group on Highway Funding

State

INNOVATION



✓ e-Construction

- Every Day Counts (EDC) Initiative
- Paperless
- Contractors, Suppliers and Department Personnel
- Electronic Signatures
- Digital Management



e-Construction





- January 2015
 All Electronic Bidding
 - April 2015
 Electronic Contract
 Proposals

e-Construction

It is agreed and understood between the parties hereto that the Contractor agrees to accept and the Commission agrees to pay for the work at the prices stipulated in the Contract Schedule of Prices, such payment to be in lawful money of the United States, and the payment shall be made at the time and in the manner set forth in the Specifications.

WITNESS OUR HANDS, this date

FEB 2 2 2012

CONTRACTOR

CRANFORD CONSTRUCTION CO.

7000

PRINTED NAME: Store Evan Ford (Must Be Legible)

ARKANSAS STATE HIGHWAY COMMISSION

TOTAL:

Director of Highways and Transportation



Doc Express Document Signing History

| Date | Electronically Signed By |
|------------|---|
| 09/17/2015 | Robert Jones M & T PAVING & CONSTRUCTION CO. INC. (SIGNED BY CONTRACTOR) |
| 09/17/2015 | Twandria Campbell Arkansas State Highway and Transportation Department (REVIEWED BY PROGRAM MANAGEMENT) |
| 09/17/2015 | Emanuel Banks Arkansas State Highway and Transportation Department (SIGNED BY DEPUTY DIRECTOR AND CHIEF ENGINEER) |
| 09/18/2015 | Lorie H. Tudor Arkansas State Highway and Transportation Department (SIGNED BY DEPUTY DIRECTOR AND CHIEF OPERATING OFFICER) |
| 09/18/2015 | Scott Bennett Arkansas State Highway and Transportation Department (SIGNED BY DIRECTOR) |



Looking Ahead to 2016

e-Construction

Estimate Vouchers

Change Orders

OPERATIONS



✓ Major Weather Events

Winter Storm 2014

ArkansasOnline Beebe critical of highway response to winter

- * March 2-3, 2014
- * March 5, 2014
- * March 11, 2014







NEEDS ASSESSMENT

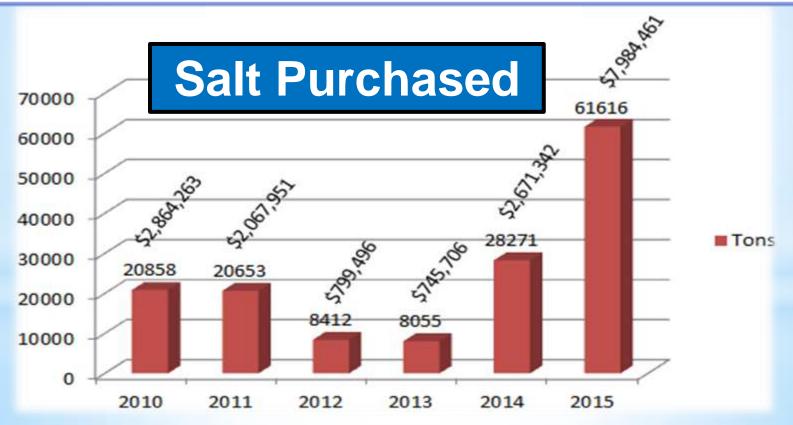
- Equipment, Manpower, Material & Facility Needs
- ✓ Increased Budget for Maintenance







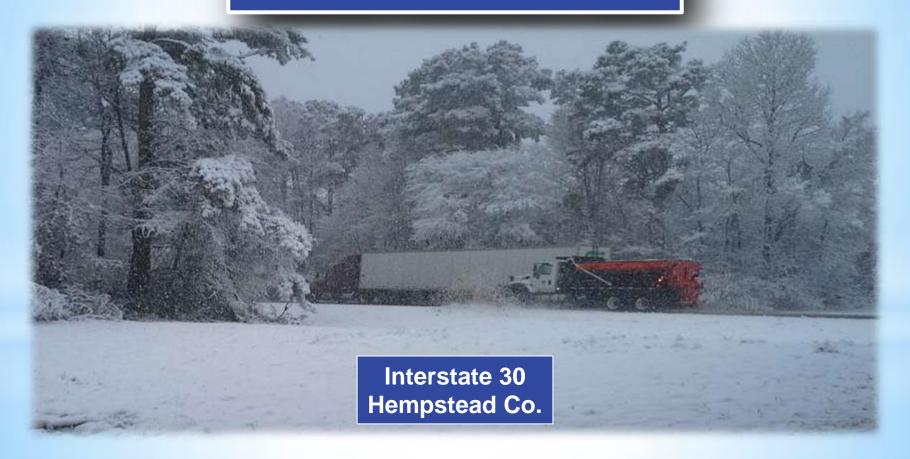


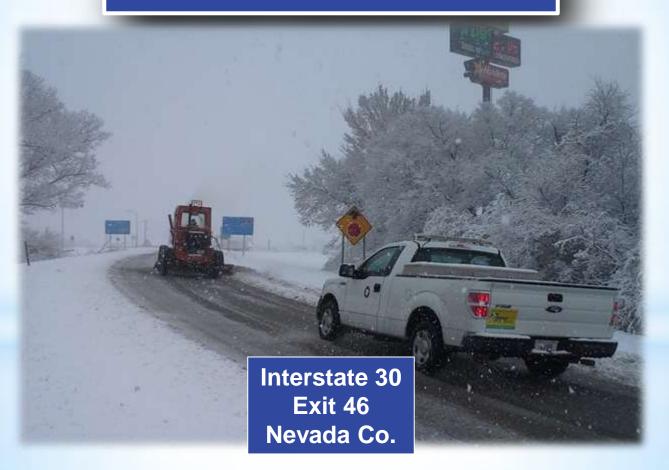


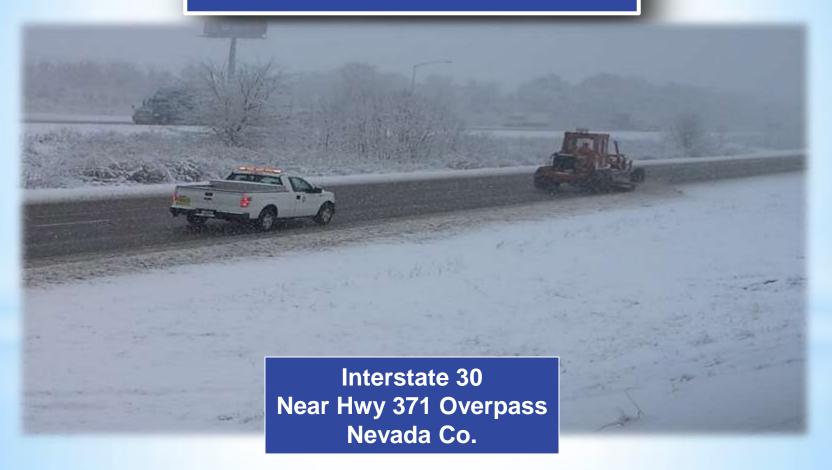


- ✓ Major Weather Events
 - Winter Storm 2015









Highway Pre-treatment





✓ Major Weather Events

- Winter Storm 2015
- Spring Floods 2015









✓ Major Weather Events

- Winter Storm 2015
- Spring Floods 2015
- Winter Floods 2015



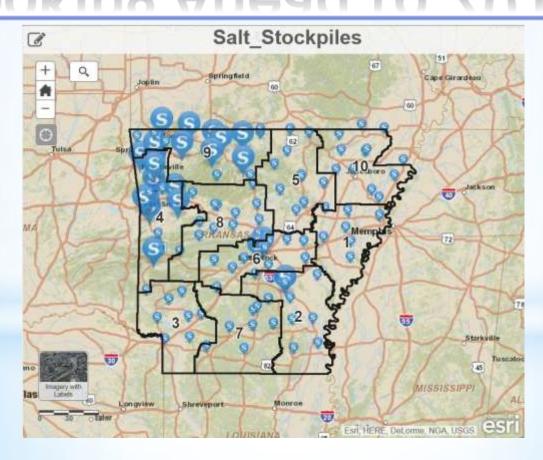




✓ Winter Weather Preparations

- 31,900 tons of Salt Storage Capacity
- \$7.3 Million Materials Stockpiled
- 52 Belly Plow Trucks in Equipment Fleet
- 2,271 Maintenance Employees





CONSTRUCTION



Connecting Arkansas Program

| Route | County | Job Name | Amount | |
|-------|------------|---|--------|------------|
| 49 | Washington | Hwy. 71B-Hwy. 412 (Widening) (S) | \$ | 28,288,806 |
| 49 | Washington | Hwy. 412-Wagon Wheel Rd. (Widening) (S) | \$ | 21,649,341 |
| 18 | Craighead | Monette Bypass (S) | \$ | 13,719,431 |



Interstate Rehabilitation Program

| Route | County | Job Name | Amount | |
|------------|------------|---------------------------|--------|------------|
| 40 | Crittenden | Shearerville-Hwy. 77 (S) | \$ | 38,530,762 |
| 30 | Miller | Red River-East & West (F) | \$ | 37,192,629 |
| 530 | Jefferson | Jefferson-Hwy. 104 (F) | \$ | 28,187,928 |



Federal-aid Program

| Route | County | Job Name | Amount |
|--------|---------|---|------------------|
| 30 430 | Pulaski | I-30/I-430 Interchange Impvt. (L.R.) (Ph. II) (S) | \$ 24,369,948 |
| 167 | Union | El Dorado-Hwy. 335 (S) | \$ 21,195,751 |
| 13 | White | Hwy. 16-Hwy. 67 (S) | \$ 16,284,376 |



Connecting Arkansas Program

| Route | County | Job Name | Amount |
|-------|-------------|--------------------------------------|--------------------|
| 18 | Mississippi | Manila-East (Widening) (S) | \$ 30 - 50 Million |
| 49 | Benton | Hwy. 264-New Hope Rd. (Widening) (S) | \$ 30 - 50 Million |
| 64 | Crittenden | Co. Rd. 375-Hwy. 147 (Widening) (S) | \$ 10 - 20 Million |



Interstate Rehabilitation Program

| Route | County | Job Name | Amount |
|-------|------------|--|--------------------|
| 49 | Washington | Porter RdHwy. 112/71B Wid.& Intchng. Impvts. | \$ 50 - 75 Million |
| 30 | Miller | Hwy. 67-West of Red River (S) | \$ 20 - 30 Million |
| 440 | Pulaski | Ark. River Bridge-I-40 (S) | \$ 20 - 30 Million |



Federal-aid Program

| Route | County | Job Name | Amount |
|-------|---------|---------------------------|--------------------|
| New | White | Hwy. 36-Hwy. 16 (S) | \$ 10 - 20 Million |
| 167 | Calhoun | Bangs Slough-Hampton (S) | \$ 30 - 50 Million |
| 412 | Greene | Hwy. 412 West-Hwy. 49 (S) | \$10 - 20 Million |

PLANNING FOR THE FUTURE







DRAFT

Statewide Transportation Improvement Program for Federal Fiscal Years 2016-2020 (STIP)

- Federal Fiscal Years 2016-2020
- Current STIP Schedule
 - ✓ January 2016 Proposed Projects to MPOs
 - ✓ Spring 2016 Receive MPOs Transportation Improvement Programs (TIPs)
 - ✓ Spring 2016 Release STIP for Public Comment Period
 - Mid-2016 Submit to Federal Highway Administration (FHWA) and Federal Transit Administration (FTA)
 - ✓ Summer 2016 Approval from FHWA and FTA

ACCOMPLISHMENTS



- ✓ Work Began January 30, 2015
- √ 810 Calendar Days
- ✓ Bridge Scheduled to be Closed from May to November 2016 (Subject to Change)
- ✓ Estimated Completion Date Early 2017



Future Interstate 49 Fort Chaffee







✓ Future Interstate 49 - Fort Chaffee

✓ Big Rock
Interchange









- ✓ Future Interstate 49 Fort Chaffee
- ✓ Big Rock Interchange
- ✓ Springdale Bypass





2015 in Review and Looking Ahead to 2016









Arkansas
Commercial Truck
Safety and Education
Program



TransportationAlternativesProgram



AWARDS RECEIVED



✓ Awards

- Big Rock Interchange
- Don Tyson Parkway Interchange
- State-aid City Street Program
- Highway 71 in Sevier County
- Highway 412 in Huntsville



✓ Awards

- IDriveArkansas
- Arkansas Highways Magazine
- SASHTO Annual Report
- Interstate Safety



January 21

AETN "Arkansans Ask" | Director Bennett

7:00 p.m. | Conway, Ark.

January 27

Association of General Contractors | Director Bennett

12:00 p.m. | Little Rock, Ark.

February 11

AR County Judges Association | Director Bennett 9:00 a.m. | North Little Rock, Ark.

February 19

Bentonville Chamber of Commerce | Director Bennett 8:00 a.m. | Bentonville, Ark.

Rogers-Lowell Chamber of Commerce | Director Bennett 12:00 p.m. | Rogers, Ark.

February 23-26

AASHTO Legislative Briefing | Director Bennett 8:00 a.m. | Washington D.C.



Other Business and Discussion

Arkansas State Highway Commission Meeting

Wednesday, January 20, 2016