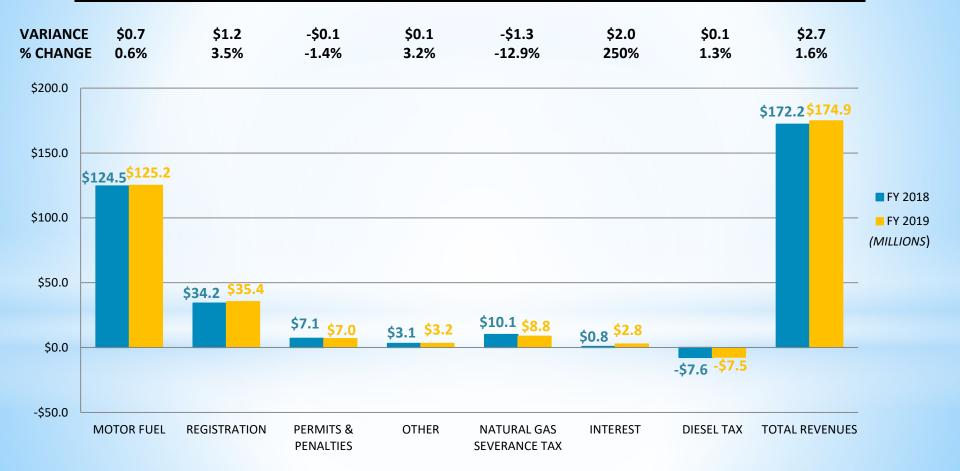
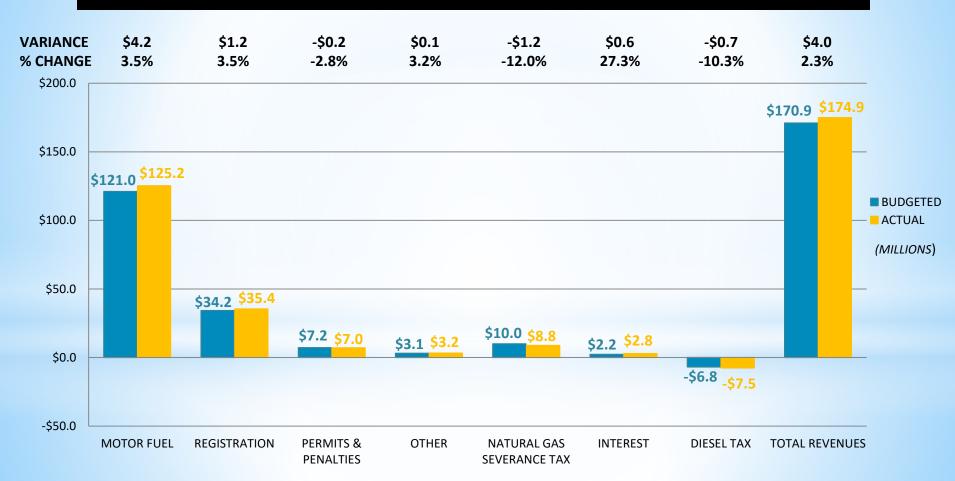


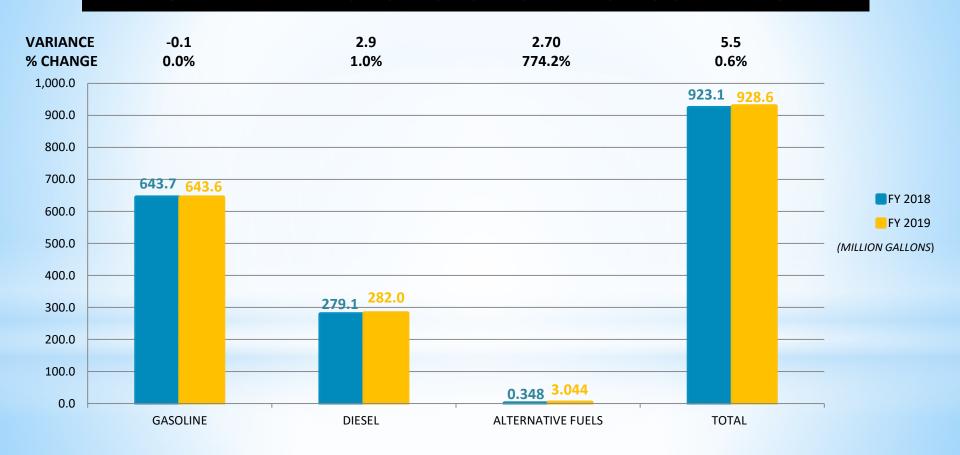
NOVEMBER 2018-2019 REVENUE



FY 2019 BUDGETED VS. ACTUAL - NOVEMBER



NOVEMBER 2018-2019 FUEL CONSUMPTION





Arkansas Fuel Consumption Rolling 12-month Comparison

Fuel	Previous 12 Months (millions)	Current 12 Months (millions)	Variance
Gasoline	1,505,070,473	1,496,231,113	-0.59%
Diesel	661,161,525	672,335,695	1.69%
Alternative	855,605	5,391,676	530.16%
Total	2,167,087,603	2,173,958,484	0.32%

State Fiscal Year 2019 Sales Tax

Mon	Projected Net	Actual Receipts	Variance	Monthly Variance	Annual Variance
Jul	16,170,000	16,310,940	140,940	0.87%	0.87%
Aug	16,800,000	16,506,635	(293,365)	-1.75%	-0.46%
Sept	16,800,000	16,374,358	(425,653)	-2.53%	-1.16%
Oct	16,590,000	15,656,851	(933,149)	-5.62%	-2.28%
Nov	15,680,000	16,042,508	362,508	2.31%	-1.40%
Dec					
Jan					
Feb					
Mar					
Apr					
May					
Jun					
Total	82,040,000	80,890,841	(1,149,159)		

Half-Cent Sales Tax Projected vs Actual

Projected Net	Actual Receipts	Variance	Percent Variance
\$932,333,640	\$926,238,867	\$(6,094,773)	-0.65%



Status of Federal Highway and Transit Funding Issues

Federal Highway Funding Issues

Federal Government In Partial Shutdown

Shutdown Began on December 22nd

Does Not Impact Projects Under Construction

Could Delay Future Projects







Federal Highway Funding Issues

- Congressional Call For Study Of Interstates
- Annual Investment Of \$57 Billion
 - ✓ Pavement Restoration \$29 Billion
 - ✓ Capacity Expansion \$22 Billion
 - ✓ Bridges \$ 4 Billion
 - ✓ Operation Measures \$ 2 Billion
- ✓ Increase in Federal Fuel Tax
- ✓ Change Over To Tolling and Vehicle Miles Traveled Fees
- ✓ Lift Ban On Tolling Existing General Purpose Interstates



Neil Pedersen
Executive Director
National Academies of Sciences,
Engineering, and Medicine's
Transportation Research Board

Better Utilizing Investments to Leverage Development Grants

- <u>BUILD</u> Replaces <u>TIGER</u>
- \$1.5 Billion Available for Federal Fiscal Year 2018
- Timeline
 - ✓ Applications were Due on July 19, 2018
 - ✓ US DOT was Required to Award Funds by December 18, 2018.

Focus Areas

- ✓ Generate New Non-Federal Revenue
- ✓ Address Unmet Needs of Rural Areas
- ✓ Support Economic Competitiveness
- ✓ Use of Innovative Approaches



Submitted BUILD Grant Projects

Highway 83 Spur to Highway 278 Connector



Interstate 40/Highway 59 Interchange



Hot Springs Bypass Extension









NWARPC BUILD Grant Application

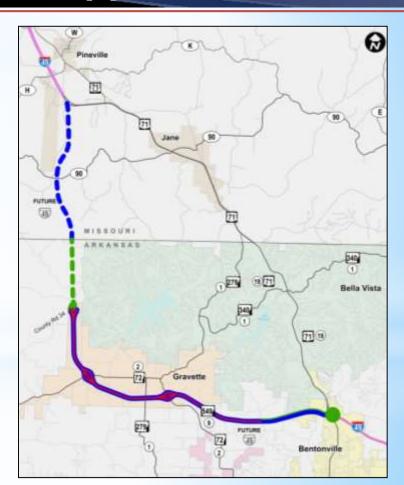
Interstate 49

Missouri – Arkansas Connector

(Bella Vista Bypass)







Bella Vista Bypass Update



Infrastructure For Rebuilding America (INFRA) Grants

Key Objectives

- ✓ Support Economic Vitality
- ✓ Leverage Federal Funding
- ✓ Use Innovative Approaches
- ✓ Hold Grants Recipients Accountable
- Applications Due March 4, 2019
- Limit of Three Applications
- Available Amounts



U.S. Department

of Transportation

INFRA Grants Applications







INFRA Grants Applications

Evaluation of Potential INFRA Projects

Project	U.S. Highway 67 Corridor Improvements	I-40/Hwy. 59 Interchange	I-555/Hwy. 49/Hwy. 1 Operational Improvements
Route	Hwy. 67 (Future I-57)	I-40/Hwy. 59	I-555/Hwy. 49/Hwy. 1
County	Lonoke	Crawford	Craighead
Type Work	Major Widening & Reconstruction	Interchange Improvements	Interchange Improvements and Widening
Total Cost	\$273 Million	\$10 Million	\$14 Million
INFRA Funds	\$50 Million	\$6 Million	\$8 Million
Large or Small Project	Large	Small	Small
Rural or Urban Project	Urban	Rural	Rural
Support for National or Regional Economic Vitality			
Leveraging of Federal Funds			
Potential for Innovation	0	<u> </u>	<u> </u>
Performance and Accountability			
Project Readiness			

Agenda Item 5

2011 Interstate Rehabilitation Program and Connecting Arkansas Program



INTERSTATE REHABILITATION PROGRAM







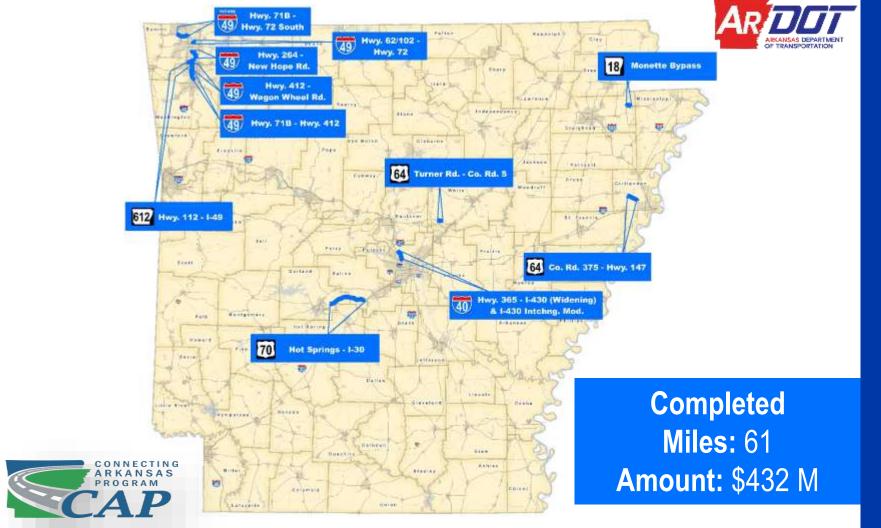


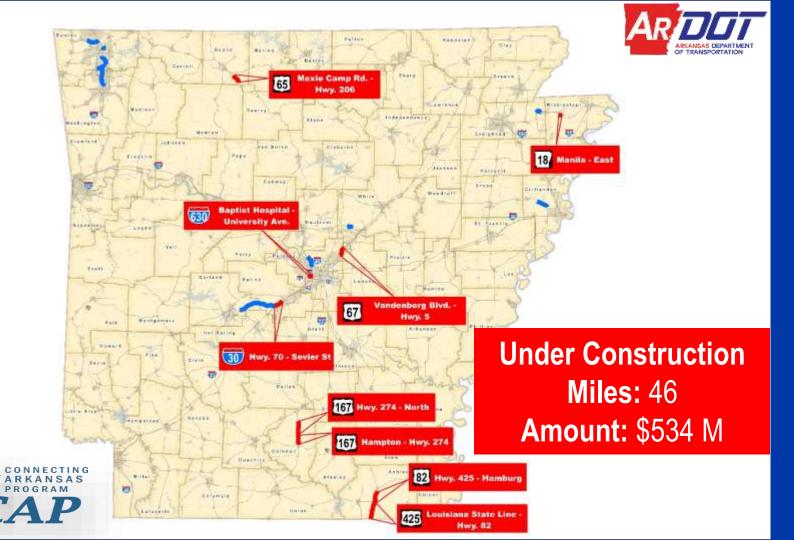




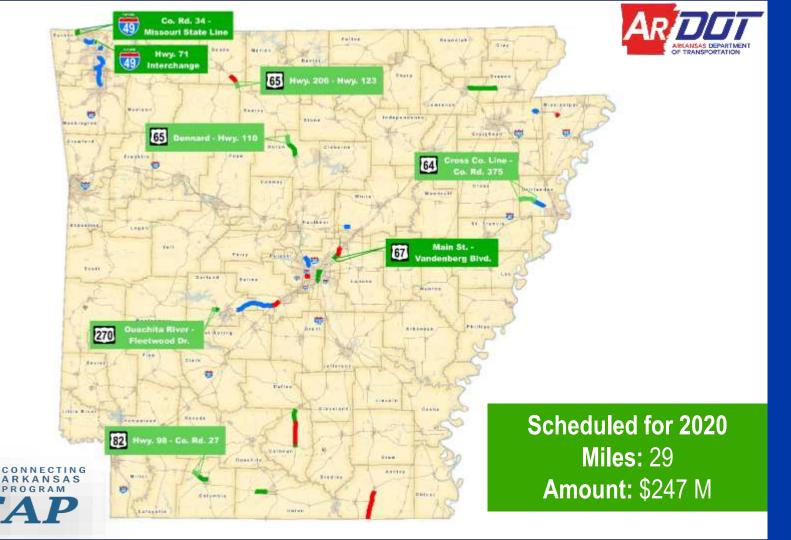


Connecting Arkansas Program







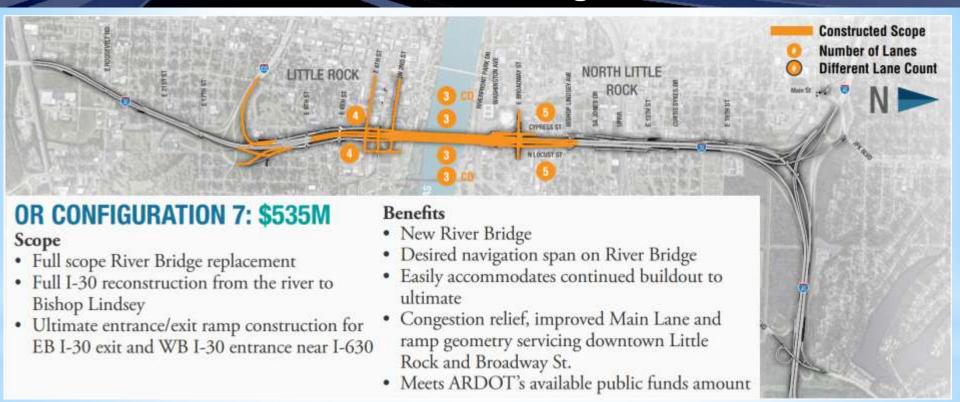


Agenda Item 6

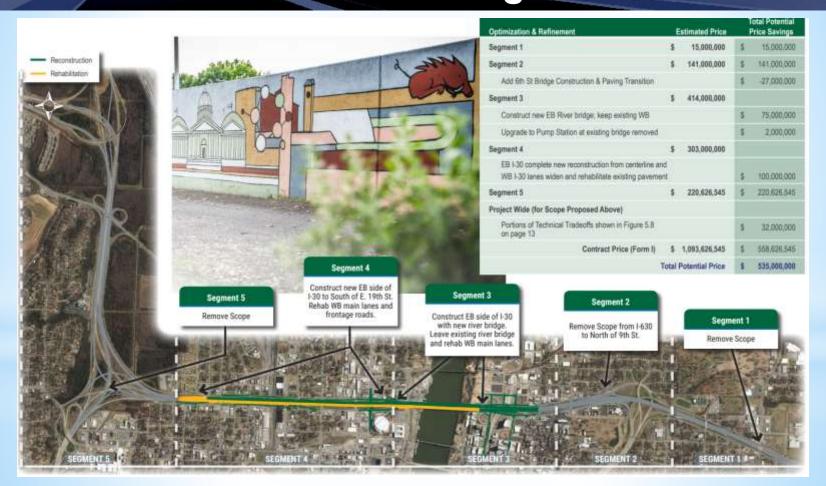
Selection of Design-Build Team for

30 Crossing

30 Crossing



30 Crossing





Arkansas State Highway Employees Retirement System (ASHERS)

Key Legislation

Board of Trustees Fiduciary Responsibility		§24-5-104	
Contribution Rates Employee 6% / Employer 12.9%		§24-5-108 & 109	
DROP – Tier 1	5 years	§24-5-202	
DROP – Tier 2	Until Age 65	§24-5-202	
COLA	Inflation based on December CPI-W	§24-5-119	

Key Expenses of ASHERS

Money Manager Fees:	Investment Type(s):	Amount:
CastleArk Management	Stock Equities & Fixed Income	\$8,350,000
Garcia-Hamilton & Associates	Fixed Income (Emerging Manager)	100,000
Meridian Investment Advisors	Fixed Income	150,000
	Total	\$8,600,000
Actuarial Services:	Service Type:	Amount:
Osborn, Carreiro & Associates, Inc.	Annual Valuations & Experience Studies	\$64,000
	Cost Studies & Special Projects	\$240 per hour
Custodial Bank	Service Type:	Amount:
Northern Trust Bank	Custodial Services	\$60,000

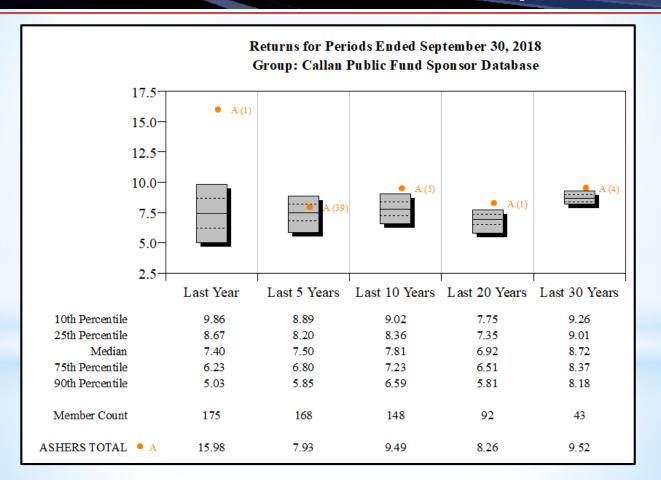
ASHERS Net Assets

CASH	\$128,262,195
STOCKS	\$1,079,100,694
CORPORATE BONDS	\$224,781,812
GOVERNMENT BONDS	\$63,209,387
ACCOUNTS RECEIVABLE	\$2,113,373
PREPAID EXPENSES	\$6,262,500
ACCOUNTS PAYABLE	(\$2,140,184)
NET ASSETS	\$1,501,589,777

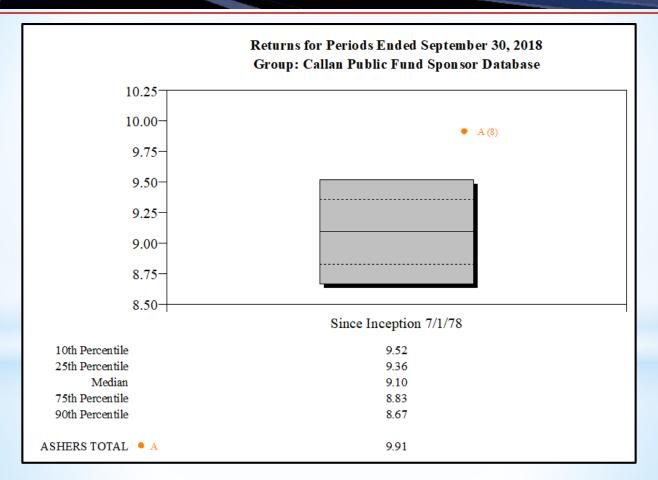
Rolling 10 Year – ASHERS Historical Rate of Return



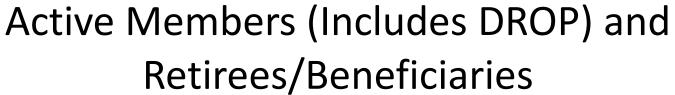
ASHERS Performance vs Peers – September 30, 2018

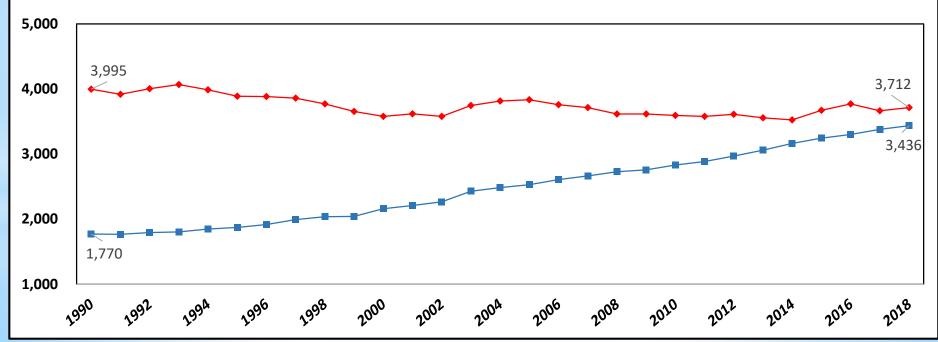


ASHERS Performance vs Peers – Since Inception

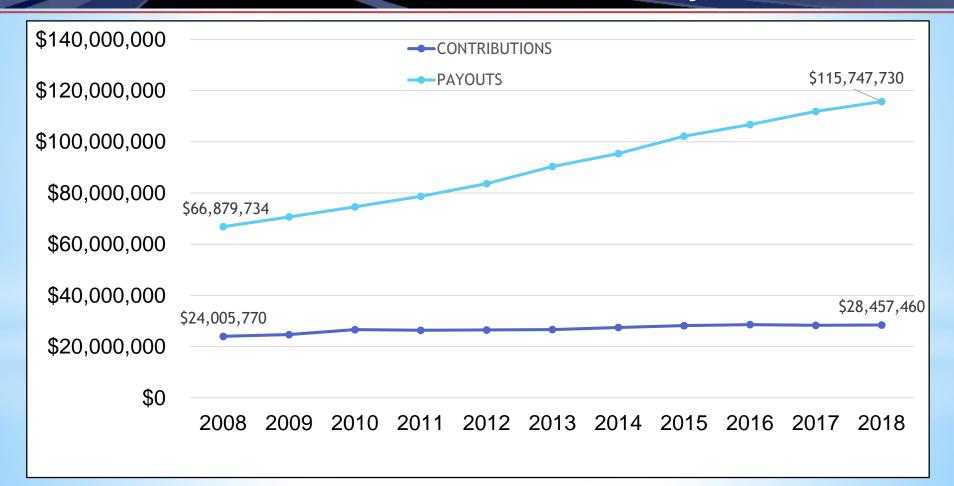


ASHERS Participants





ASHERS Contributions vs Payouts



ASHERS vs Other Arkansas System Rates

FY2	STATE OF ARKANSAS 2019 RETIREMENT CONTRIBUTION RAT	ΓES
System	Employee	Employer
APERS	5.00	15.32
ASPRS1	-	22.00
AJRS ²	Tier 1 - 5.00 Tier 2 - 6.00	12.00
ATRS*	6.00	14.00
ASHERS	6.00	12.90

*Arkansas 1	eachers Retirement System for r	next 4 years
FY2020	6.25	14.25
FY2021	6.50	14.50
FY2022	6.75	14.75
FY2023	7.00	15.00

¹ASPRS also receives approximately \$8-9 million, annually from court cost and traffic tickets.

² AJRS receives approximately \$5 million, annually from the Constitutional and Fiscal Agencies Fund, as well as an additional \$0.6 million in Court fees. Tier 1 employee contribution 6% until 20 years of service. Tier 2 employee contribution 5% for 25 years and nothing thereafter.

ASHERS Actions

Actions Taken

- DROP Interest rate reduced from 8% to 6%
- Annual COLA Reduced from a compound 3% to a compound percentage based on CPI-W and capped at 3%
- Interest Paid Refund of Contributions for non-vested members reduced from 5% to 3%

Recommended Legislation for 2019 Session

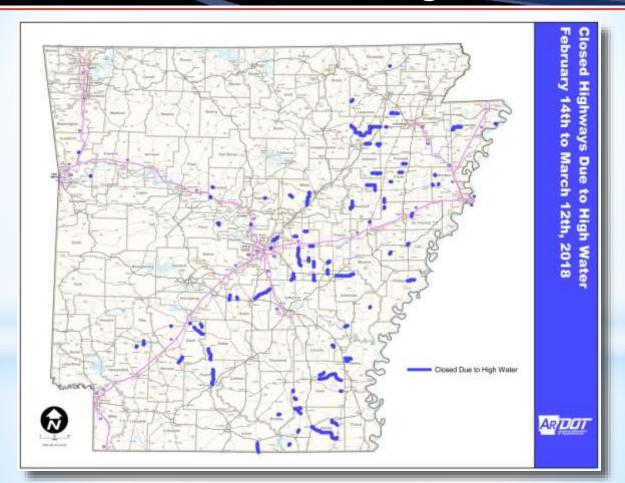
- Increase Employer Contribution Rate to 14.9% (Cost to ARDOT \$4.6 million)
- Increase Employee Contribution Rate
 - 6.5% in Fiscal Year 2019
 - 7.0% in Fiscal Year 2020
- Remove the Health Care Offset from inclusion in benefit total used to calculate the COLA



2018 Flooding



2018 Flooding



New Traffic Management Center Opens



Future Interstate 57





First Construction Manager / General Contractor Project

Highway 10

Pleasant Ridge Road to Pleasant Valley Drive

- First Construction Manager / General Contractor Project
- Firms Selected:
 - ✓ Kiewit Infrastructure South Company CMGC Services
 - ✓ Innovative Contracting and Engineering Independent Cost Engineering Services
 - ✓ Garver Engineer's Estimator Services



Department Staff Changes

Jay Thompson

Chief of Highway Police

Patrick Patton

- Chief Fiscal Officer

Jennifer Williams

Right of Way Division Head

Leslie Coddington

Chief Auditor

Charles Brown

Computer Services Division Head

Bryan Freeling

State Aid Division Head

2018 Partnering Commitments

Route	County	Partner	Commitment		
51	Clark	City of Arkadelphia	Provide up to \$8 million for the Arkadelphia Bypass and assume ownership of a portion of Highway 51		
71 ^B	Benton	City of Bentonville	Assume ownership of a portion of Highway 71B		
65 ⁸	Faulkner	City of Conway	Provide \$88,000 for a study to improve Highway 65B (Dave Ward Drive)		
167 ⁸	Union	City of El Dorado	Assume ownership of Highway 167B		
412	Greene	Greene County	Assume ownership of bypassed portions of Highway 412 and Highway 228		
89	Faulkner	City of Mayflower & Faulkner County	Provide \$12 million for the new location connection of Hwy. 89 and assume ownership of bypassed Hwy. 89		
83	Drew	City of Monticello & Drew County	Provide \$4.9 million and assume ownership of portions of Hwy. 83 and Hwy. 83 Spur		
7	Pope	City of Russellville & Arkansas Tech University	Provide project development funds, some of the needed right of way and assume ownership of a portion of Hwy. 326		
40 59	Crawford	City of Van Buren	Provide up to \$3 million		
191	Crittenden	City of West Memphis	Assume ownership of Highway 191		

2018 Partnering Offers Pending

Route	County	Partner	Offer		
641	Crawford	City of Alma	Assume ownership of a portion of Highway 64B		
321	Lonoke	City of Cabot	Assume ownership of a portion of Highway 367		
651	Faulkner	City of Conway	Widening of Harkrider Street – Provide \$3.5 million and reduce utility relocation cost		
65₽	Faulkner	City of Conway	Improvements to Dave Ward Drive – Provide \$3.5 million		
112 71 ⁸	Washington	City of Fayetteville	Provide \$350,000 and assume ownership of a portion of Hwy. 71B		
270	Garland	Garland County & City of Hot Springs	City and County have expressed interest in partnering on improvements to Hot Springs Bypass interchanges		
10 10°	Sebastian	City of Greenwood	City has expressed interest in partnering on proposed Greenwood Bypass		
65	Boone	City of Harrison	Provide \$2.5 million		
381	Lonoke	Lonoke County	Assume ownership of a portion of Highway 381		

Projects Let in 2018

Type Projects	Number of Projects	Award Amount
CAP	5	\$ 374,988,009
IRP	4	\$ 122,316,735
Regular Federal-aid	120	\$ 330,287,971
State Aid	74	\$ 28,128,544
City Aid	65	\$ 22,457,661
Total	268	\$ 878,178,920

Top Ten Projects Let in 2018

Route	County	Job Name	Contractor	Award Amount	Program
30	Saline	Hwy. 70 - Sevier St. (Widening)	Johnson Brothers	\$ 187,339,930	CAP
630	Pulaski	Baptist Hospital - University Ave. (Widening)	Manhattan Road & Bridge	\$ 87,384,772	CAP
40 540	Crawford & Sebastian	Oklahoma State Line - East (I-40 & I-540)	APAC-Central	\$ 53,245,517	IRP
425	Ashley & Morehouse, LA	Louisiana State Line - Hwy. 82 (Widening)	Diamond B Construction	\$ 44,594,956	CAP
30	Clark, Hempstead, & Nevada	Hwy. 299 - Gurdon Rest Area	Redstone Construction Group	\$ 39,017,513	IRP
167	Calhoun	Hwy. 274 - North (Widening)	D & J Construction	\$ 28,964,147	CAP
49	Benton	Hwy. 71B Interchange Improvements	APAC-Central	\$ 26,897,563	IRP
82	Ashley	Hwy. 425 - Hamburg (Widening)	JB James Construction	\$ 26,704,205	CAP
18	Craighead	BNSF Railroad Overpass (Hwy. 18) (Jonesboro)	Capital Paving and Construction	\$ 25,182,889	Regular Federal-aid
67	Jackson & White	Bald Knob - Newport	Chester Bross Construction	\$ 18,692,510	Regular Federal-aid



Ribbon Cutting

Springdale Bypass Future 412



Springdale Northern Bypass









Connecting Arkansas

Program

Highway 70

Hot Springs to I-30



U.S. Highway 64 Ribbon Cutting



Northwest Philanthropy Luncheon















2018 AASHTO Civil Rights Training Symposium

Excellence in Program Administration Award

Joanna McFadden EEO/DBE Section Head







ACEC Arkansas



From Left: Derek Stroot, Jeff Upton, Jeremy Evans, TJ Pulley, Brian Johnson, Johnny Jason, Scott Bennett w/ Trophy, Stephen Norris, Keith Carpenter, David Pruitt, Eugene Farrell, Chad Foster, Blake Angel





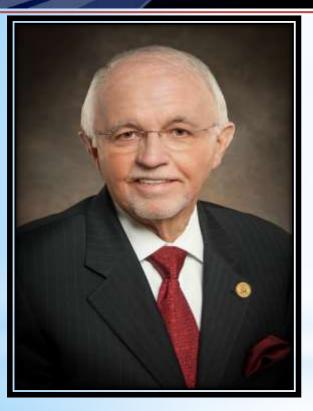


AASHTO People's Choice Award ARDOT's Photographer – Rusty Hubbard

A Look Ahead to 2019



Looking Ahead to 2019



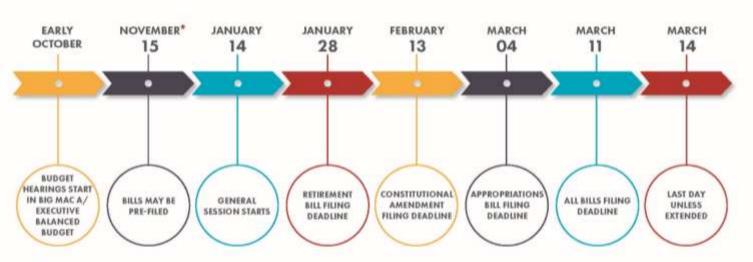


Dick Trammel

Keith Gibson

2019 General Legislative Session

2019 GENERAL SESSION IMPORTANT DATES



^{*}THE DIRECTOR OF DFA IS REQUIRED TO PROPOSE A BALANCED BUDGET AND REVENUE FORECAST NO LATER THAN 60 DAYS BEFORE THE START OF THE SESSION.

2019 General Legislative Session

Possible Legislation

- Scenic Highway: Bella Vista Bypass
- Enhanced Distracted Driving
- School Site Selection Analysis
- Timely Movement of Utilities



2019 General Legislative Session

Possible Legislation

Construction Manager/General Contractor

- Short Term Activity Authorizations (STAA)
- Railroad Cooperation



2019 General Legislative Session

Possible Legislation

- Hourly Fee Awards
- Last Offer Fee Award
- Percentage Required



2019 General Legislative Session

Possible Legislation

- Discovery in Litigation
- Protecting Property Owners
- Exemption of Appraisals



Major Projects Estimated to be Completed in 2019

Route	County	Job Name	Award Amount	Program
40	Prairie	White River Str. & Apprs.	\$ 100,559,843	IRP
67	Lonoke & Pulaski	Vandenberg Blvd Hwy. 5 (Widening)	\$ 79,264,377	CAP
530	Jefferson	Hwy. 65B - Hwy. 65	\$ 67,232,300	IRP
18	Mississippi	Manila - East (Widening)	\$ 35,471,090	CAP
367	Jackson	White River Str. & Apprs. (Newport)	\$ 31,361,490	Regular Federal-aid
65	Van Buren	Bee Branch - North	\$ 30,870,727	Regular Federal-aid
167	Calhoun & Union	Ouachita River Str. & Apprs.	\$ 29,442,371	Regular Federal-aid
49	Benton	Hwy. 62/102 Intchng. Impvts. & 8th Street Widening (Bentonville)	\$ 28,808,497	Regular Federal-aid
40	St. Francis	Fishing Lake Str. & Apprs.	\$ 26,710,418	IRP
65	Boone	Maxie Camp Rd Hwy. 206 (Widening)	\$ 22,942,316	CAP

Projects Scheduled to be Let in 2019



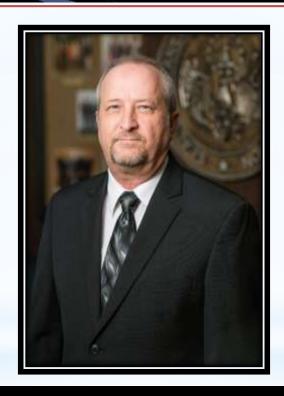
Type Projects	Number of Projects	Projected Amount	
CAP	8	\$ 8	817,772,639
IRP	1	\$	19,300,000
STIP	119	\$ 4	496,415,336
Total	128	\$ 1,	333,487,975



Ten Largest Projects Scheduled to be Let in 2019

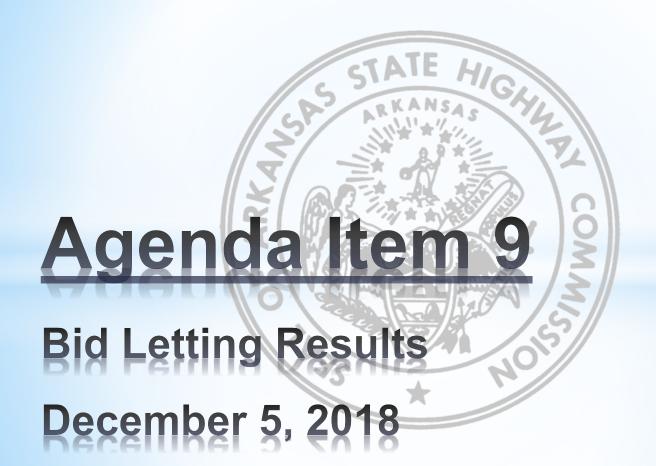
Route	County	Job Name	Cost Estimate	Program
30 40	Pulaski	I-530 - Hwy. 67 (Widening & Reconstruction) (I-30 & I-40)	\$600 – 700 Million	CAP
412	Greene & Lawrence	Hwy. 67 - Hwy. 141 (Widening)	\$50 – 75 Million	CAP
7	Garland	Hwy. 70 East - Hwy. 7 North	\$50 – 75 Million	Regular Federal-aid
65	Van Buren	Hwy. 110 - Clinton (Widening)	\$30 – 40 Million	CAP
555	Craighead	Hwy. 63B - Hwy. 18	\$30 – 40 Million	Regular Federal-aid
82	Columbia	Co. Rd. 27 - Hwy. 79 (Widening)	\$20 – 30 Million	CAP
82	Union	Airport Dr Hwy. 82B (Widening)	\$20 – 30 Million	CAP
167	Calhoun	Hwy. 79 - South (Widening)	\$20 – 30 Million	CAP
49	Washington	Hwy. 16/112 Spur Interchange Improvements.	\$15 – 20 Million	IRP
49	Greene	Co. Rd. 845 - Hwy. 135 (Paragould)	\$15 – 20 Million	Regular Federal-aid

Department Staff Changes in 2019



Tony Sullivan
Assistant Chief Engineer - Operations





Summary of the December 5th Bid Letting

Type Projects	Number of Projects	Award Amount
State	8	\$ 223,292,407
Total	8	\$ 223,292,407



Details of the December 5th Bid Letting

Route	County	Job Name	Contractor	Award Amount
75	Cross	Drainage Ditch Str. & Apprs.	Phillips Hardy	\$ 998,121
364	Cross	Hwy. 364 Str. & Apprs.	Kesser International	\$ 499,564
38	Crittenden	Hwy. 70 – Southland Dr. (West Memphis)	Kiewit Infrastructure South	\$ 11,347,361
11 ^s	Lincoln	Clear Creek Str. & Apprs.	1911 Construction	\$ 788,822
138	Drew	Ables Creek Str. & Apprs.	Simco	\$ 3,204,170
67	Jackson & White	Bald Knob – Newport	Chester Bross Construction	\$ 18,692,510

Details of the December 5th Bid Letting

Route	County	Job Name	Contractor	Award Amount
30	Saline	Hwy. 70 – Sevier St. (Widening)	Johnson Brothers	\$187,339,930
172	Calhoun	Hurricane Creek Str. & Apprs.	All Bids Rejected	
40	Faulkner	Siebenmorgen Rd. – Mill St. Noise Barrier Wall (I-40) (Conway)	All Bids Rejected	
155	Perry	Ditch at L.M. 4.30 Str. & Apprs.	Hardrock Construction	\$ 421,929



January 13-17

TRB Annual Meeting | Director Bennett

Washington, D.C.

January 22

State Chamber Legislative Reception | Director Bennett

4:30 p.m. | State Chamber

January 23

AGC Annual Luncheon | Director Bennett

12:00 p.m. | North Little Rock

February 6

Texarkana Days | Lorie Tudor

1:15 p.m. | Old Supreme Court Room

February 6-8

SASHTO Winter Board of Director's Retreat | Director Bennett Atlanta, GA

February 26-28

AASHTO Washington Briefing | Director Bennett Washington, D.C.

March 13

Arkansas Highway Commission Meeting

March 22

<u>Arkansas Highway Police Graduation | Director Bennett & Commission</u> 1:00 p.m. | Camp Robinson, NLR



Other Business and Discussion

Proceeds from 2018 Fall Equipment Auction

272	Equipment Units Sold
87	Equipment Implements Sold
65	Miscellaneous Minor Equipment Sold
181	Lots of Miscellaneous Items Sold
605	Total Units/Lots Sold

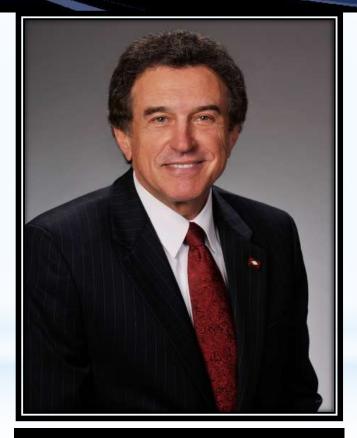


\$1,289,939.00 (77,396.34) Gross Proceeds
Auctioneer's Commission (6%)

\$1,212,542.66

Net Proceeds to the Department

Arkansas Tourism Hall of Fame



Robert S. Moore, Jr.

Commissioner Tom Schueck – Man of Steel



