

EXHIBIT B

MINUTES SENATE INTERIM COMMITTEE ON TRANSPORTATION, TECHNOLOGY AND LEGISLATIVE AFFAIRS HOUSE INTERIM COMMITTEE ON PUBLIC TRANSPORTATION February 25, 2014

The Senate Committee on Transportation, Technology and Legislative Affairs and the House Committee on Public Transportation met upon adjournment, Tuesday, February 25, 2014, in Room B, MAC, in Little Rock, Arkansas.

Committee members in attendance: *Senators* Bill Sample, Chair; Linda Chesterfield, Jimmy Hickey and David Wyatt; *Representatives* Jonathan Barnett, Chair; Walls McCrary, Vice Chair; Scott Baltz, Jim Dotson, Dan M. Douglas, Joe Farrer, David Fielding, Fonda Hawthorne, Mary P. “Prissy” Hickerson, David Hillman, Mike Holcomb, Patti Julian, John Miller, John Payton, Terry Rice, Warwick Sabin and David Whitaker

Other legislators in attendance: Senator Robert Thompson and Representative John Hutchison

Representative Barnett called the meeting to order.

Consideration to Approve Minutes of October 24, 2013 [Exhibit C]

Upon motion of Senator Sample and a second by Representative Rice, the minutes were approved.

Consideration to Approve Minutes of November 21 & 22, 2013 [Exhibits D-1 & D-2]

Upon motion of Senator Sample and a second by Representative Fielding, the minutes were approved.

Investing in Infrastructure Improvements: A Progress Report [Handout 1]

Scott Bennett, Director, Arkansas Highway and Transportation Department (AHTD), introduced Randy Ort and Danny Strassley with AHTD’s Public Information Office. Mr. Bennett proceeded with a PowerPoint presentation titled the “The I-Plan”, which is designed to keep Arkansans informed on the progress of one of the most ambitious periods of highway construction in the history of Arkansas. Mr. Bennett reviewed the Interstate Rehabilitation Program (IRP), advising that \$1.2 billion would be available to rehabilitate or reconstruct 458.29 miles of interstate highways, with 75 projects beginning in 2013 and continuing through to 2026. He then discussed the Connecting Arkansas Program (CAP), for which \$1.8 billion would be available during the 10 years the temporary sales tax increase is in place, with 181.36 miles and 31 projects planned to begin, continue, or complete the widening of identified highway corridors to four or more travel lanes.

Mr. Bennett then discussed the *IDriveArkansas.com* website that provides travel related information in addition to information regarding the status of IRP and CAP construction programs. *IDriveArkansas.com* is real time information based off cell phone signals. He added that Twitter provides the most accurate and up-to-date information on accidents and possible road closures.

Mr. Bennett clarified the reference on page 10 (I-30 Cross Street-Dennison Street) as part of the IRP Plan to rehabilitate the lanes from I-30 onto I-630 by Children’s Hospital where there is a wave in the pavement. He also advised that a job would be underway in the next year or so to add additional lanes to the exit ramp by the new Bass Pro Shop near I-430 and I-30 interchange.

State Aid Street Fund Update [Handouts 2, 3 & 4]

Don Zimmerman, Executive Director, Arkansas Municipal League, and Mayor Mike Gaskill, City of Paragould, provided an update of the State Aid City Street Program and a copy of the “*Procedures for Development of State Aid Construction Projects for Cities*”. He provided a copy of “*State Aid Street Projects Received since October 1, 2013*” and “*State Aid Street Projects Funded*” (Exhibits 3 & 4). Mr. Zimmerman discussed the Municipal League’s supportive role in disseminating notification of program availability to cities across the state. He noted that this program was part of Issue #1 that dedicated 1¢ of the existing gas tax to fund the street aid program as a grant program for all municipalities of the state. Approximately \$20

million annually goes into this program, which funded 75 projects the first year and will fund 97 projects in 2014. While all cities benefit, small cities benefit more as they did not have the revenues to do major infrastructure type improvements. There is a backlog of applicants with approximately 50 on the waiting list. The State Aid Street Committee, a nine-member panel of mayors, established selection criteria.

Mayor Gaskill advised they are currently looking at overlay projects through 2015 and then their focus will shift to design projects in 2016. Mayor Gaskill advised that to date 172 contracts have been awarded as follows:

61 awards - under 750 (277 towns)	47 awards - 2,500-25,000 (89 towns)
59 awards - 750-2,500 (116 towns)	5 awards - above 25,000 (19 towns)

Mayor Gaskill explained that the majority of projects are overlay. Awards are on a first come, first serve basis and considered in accordance with established standards. A project not awarded has to be resubmitted the following year. If more are received than can be awarded, the committee will retain them for the next meeting. Applications may be submitted to repeat a project previously awarded.

County Turnback Update

Chris Villines, Executive Director, Association of Arkansas Counties, provided an update on county turnback. He discussed their focus on expanding repair programs across the state and the ability to move quicker on some overlays that have benefited citizens in the more rural parts of Arkansas. Mr. Villines advised that 63 counties will receive \$200,000 - \$600,000 a year in additional money for their road programs. Data is being compiled to determine actual benefits. He added that this will be a big help over the long haul for county government with 70,000 miles of counties roads.

Blue Ribbon Committee on Highway Finance, Remaining Recommendations and Options [Handout 5]

Craig Douglass, Coordinator, Move Arkansas Forward Committee, gave a brief overview of the Blue Ribbon Committee's recommendations and work that has been done over the past several years. He addressed contributing factors to the systematic flaw in highway funding and congressional bi-partisan efforts to increase infrastructure and the recognition of the economic impact of infrastructure spending. The Move Arkansas Forward Committee, formed to promote the Blue Ribbon recommendations, continues to recognize that job creation and economic development can be directly impacted most effectively by investment in transportation infrastructure. The "Move Arkansas Forward" handout addresses the Blue Ribbon Committee's funding recommendations. The three remaining recommendations are mentioned as options for future consideration, primarily in the upcoming 2015 legislative session. The road user revenue approach recommendation has been adopted by the Move Arkansas Forward Committee as a long-term solution to highway funding. This would be a 10-year transfer into the highway fund from the general revenues. The strategy adopted by the Blue Ribbon Committee and Move Arkansas Forward was passage of the 10-year ½-cent sales tax and legislative approval of the road user revenue bill. When the ½-cent sales tax ended, the phased in transfer of those revenues would then be in place to provide needed long-term revenue for the department, cities and counties. That would be the priority because it does not raise taxes.

Other Business

Representative Barnett recognized former Speaker of the House and Highway Commissioner Robert Moore. Representative Barnett announced the Intermodal Transportation and Commerce Task Force will meet March 13, 2014, at 10:00 a.m., in Room B, MAC.

Next Meeting

The next meeting will be Wednesday, March 12, 2014, at 1:30 p.m., in Room B, MAC.

There being no further business, the meeting adjourned at 3:15 p.m.