

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
REGIONAL COUNCIL EXECUTIVE COMMITTEE MEETING
April 21, 2003
MAG Offices
302 North 1st Avenue, Phoenix, Arizona

MEMBERS ATTENDING

Mayor Wendy Feldman-Kerr Queen Creek, Chairman	* Mayor John Keegan, Peoria
* Mayor Joan Shafer Surprise, Vice Chairman	# Mayor Mary Manross, Scottsdale
Mayor Keno Hawker, Mesa	* Mayor Skip Rimsza, Phoenix
	Mayor Woody Thomas, Litchfield Park

* Not present

Participated by videoconference or telephone conference call

1. Call to Order

The Executive Committee meeting was called to order by Chairman Wendy Feldman-Kerr at 12:25 p.m.

It was proposed that Agenda Items #2 Approval of the January 17, 2003 Executive Committee Meeting Minutes; #5 Regional Transportation Plan - Phase II Contract Amendment; #8 Amendment to the Contract with Shannon Executive Search; and #9 MAG and United Way Database Partnership be placed on consent. Mayor Hawker requested that agenda item #8 Amendment to the Contract with Shannon Executive Search be heard and suggested that agenda item #3 Input on the Draft Regional Annual Report Table of Contents also be placed on consent. The Executive Committee agreed.

Mayor Hawker moved to approve that agenda items #2 Approval of the January 17, 2003 Executive Committee Meeting Minutes; #3 Input on the Draft Regional Annual Report Table of Contents; #5 Regional Transportation Plan - Phase II Contract Amendment; and #9 MAG and United Way Database Partnership be placed on consent. Mayor Thomas seconded, and the motion carried unanimously.

2. Approval of the January 17, 2003 Executive Committee Meeting Minutes

The Executive Committee, by consent, approved the minutes of the January 17, 2003 meeting.

3. Input on the Draft Regional Annual Report Table of Contents

On December 11, 2002, the Regional Council approved the development of an annual report. This project was approved with an 18-month evaluation period. Staff indicated that the draft table of

contents for the annual report would be developed and brought to the Executive Committee before proceeding with the report. A draft table of contents has been developed with assistance from the Planners Stakeholders Group and the Intergovernmental Representatives. This item was on the agenda for information, discussion and input.

5. Regional Transportation Plan - Phase II Contract Amendment

The Executive Committee, by consent, approved to increase the contract with HDR Engineering, Inc. for the Regional Transportation Plan - Phase II, from \$499,917 to an amount not to exceed \$559,917. The MAG Unified Planning Work Program includes a total of \$750,000 for consultant services for Phase II of the MAG Regional Transportation Plan (RTP). On October 30, 2002, the Regional Council approved contracting with HDR Engineering, Inc. for an amount not to exceed \$500,000, to assist in the development of the RTP. At that time, it was noted that a portion of the \$250,000 balance might be required later, depending on possible study scope revisions. Certain revisions are now being proposed for the scope that would result in an increase of \$60,000 in the total amount of the contract with HDR. The increased contract amount is needed to cover additional public attitude surveying (\$45,000), and a project video (\$15,000). At its April 9, 2003 meeting, the Management Committee recommended approval to increase the contract with HDR Engineering for the Regional Transportation Plan - Phase II from \$499,917 to an amount not to exceed \$559,917. This item is on the April 16, 2003 Transportation Policy Committee (TPC) agenda. An update was provided on the action taken by the TPC. The Executive Committee, by consent, approved to increase the contract with HDR Engineering, Inc. for the Regional Transportation Plan - Phase II, from \$499,917 to an amount not to exceed \$559,917.

9. MAG and United Way Database Partnership

MAG, in partnership with the Valley of the Sun United Way and The Arizona Republic, has been working on a data publication that could be used by non-profit and MAG member agencies in displaying information from the 2000 Census and other local socioeconomic data. Staff provided an update on this collaboration and a potential joint launch of the project between the two agencies in August 2003. This item was on the agenda for information, discussion and possible action.

6. Update on the Development of the FY 2004 Unified Planning Work Program and Annual Budget

Dennis Smith stated that at the Management Committee meeting on April 9, 2003, two proposed consultant projects were further reviewed. These projects included the update of the Pedestrian Area Policies and Design Guidelines and the Arterial Street Bottleneck Analysis. He noted that the Management Committee recommended that the Bottleneck Study be two phases. Phase I would be oriented toward identifying bottlenecks and Phase II would be oriented toward identifying solutions. Mr. Smith stated that the Management Committee recommended that Phase II of the project would not be conducted without approval of the Management Committee.

Mayor Hawker moved to approve accepting the Management Committee's recommendation regarding the Pedestrian Area Policies and Design Guidelines (\$80,000) and the Arterial Street Study (\$400,000). Mayor Thomas seconded, and the motion carried unanimously.

Becky Kimbrough discussed the final development of the Work Program and Annual Budget in preparation for approval at the May Regional Council meeting. Ms. Kimbrough stated that there are additional monies following the 2003 Budget Amendment and several ways to program these monies. She noted that ADOT allocated additional PL funds of \$502,227 (from \$2,165,903 to \$2,668.130). These funds can be added to the \$1.4 STP funds needed for the FY 2004 budget, it can replace part of the contingency that was going to be funded by two telecom projects, or it can be added for additional contingency. Ms. Kimbrough noted that if we add this to the existing contingency, our contingency is about 8.9 percent of the budget. She stated that it was recommended last year that we keep a contingency of between 5 and 10 percent. Mr. Smith noted that this is the first year that we used the new census numbers. Mayor Thomas expressed concern regarding MAG and its influence as a federal agency on telecommuting. Mr. Smith stated that is why we were recommending the conversion of the FY 2004 additional sites projects.

Mayor Hawker requested more information regarding STP funds. Mr. Smith stated that we can dip into this additional money and add it to the \$1.4 million in STP funds already in the budget. Mayor Hawker asked that if we put this money in contingency now, can we take it out later? Mr. Smith stated that if a study or project needs to be done then we can use the contingency money. Mayor Hawker recommended adding the additional PL money to contingency for flexibility.

Mr. Smith discussed other budget issues. He noted that there was review and discussion regarding the MAG Organizational Chart and the hierarchy at MAG. Mr. Smith noted that he is recommending two positions in the Assistant Directors capacity; one in the transportation division and one in the air quality division. Chairman Feldman-Kerr asked if there was any opposition to this recommendation and there was none.

8. Amendment to the Contract with Shannon Executive Search

Ms. Kimbrough stated that the Executive Committee approved a contract with Shannon Executive Search (CPS) for a professional fee of \$18,000 and expenses of \$6,999. She explained that professional services did not exceed the project amount of \$18,000. However, the expenses did exceed the estimated amount of \$6,999 by \$2,211.17, which brings the total expenses to \$9,210.17. Ms. Kimbrough noted that Terry Ellis, City Manager of Peoria, spoke with Mr. John Shannon, who explained that the additional cost of reimbursable expenses was due to higher than expected advertising fees. She stated that Mr. Ellis recommends that CPS be reimbursed for the out-of-pocket expenses that exceeded the original estimates. Mayor Hawker noted that on page two of the contract it states that “in no event shall the amount paid to the consultant exceed \$24,999.” He stated that doing business as a consultant, if a contract comes in more, or less, that is just the nature of the business. Mayor Hawker asked why the dollar amount changed by \$150.00 from the last agenda. Ms. Kimbrough explained that was due to a final invoice for CPS, which included costs from the Hyatt Regency. Mayor Manross stated that she was under the impression that the overage was due to advertising costs. She asked if CPS discussed these costs with Terry Ellis prior to billing. Ms. Kimbrough noted that Mr. Ellis signed off on all invoices. Mr. Smith stated that he played a hands-off role in this process. He noted that both Mr. Ellis’ office and the MAG office were keeping track of the invoices. During a bereavement leave of the MAG staff member, an

invoice was missed. Mr. Smith noted that CPS did a great job and that MAG would like to continue a relationship with CPS.

Mayor Manross noted it is very unusual for a consultant to come in after the fact. Mayor Hawker pointed out that CPS did not even need to do the second search. Chairman Feldman-Kerr asked Fredda Bisman, MAG's legal counsel, if the Committee missed anything. Ms. Bisman stated that the Committee did not miss anything and raised valid points. Ms. Kimbrough noted that MAG has not paid the last invoice of \$2,628.40, which is the candidate travel expenses. She stated that CPS picked up these expenses and then billed MAG. Mayor Manross stated that in her city those costs would have come directly to the city.

Chairman Feldman-Kerr discussed the implications of standing by the terms of the contract versus paying CPS the amount they exceeded the contract. Mayor Hawker stated that he believes we should stand by the contract terms. Chairman Feldman-Kerr stated that she would feel more comfortable if there was a discussion with Terry Ellis. The Committee agreed.

7. MAG Employee Retirement Plan Options

Mr. Smith stated that when the MAG staff was combined into one agency in 1996, it was necessary to create a retirement plan. The choice was to join the International City/County Management Association (ICMA) Retirement Corporation program with a 10 percent contribution paid by MAG. Mr. Smith stated that MAG has been exploring the possible advantages of joining the Arizona State Retirement System (ASRS) defined benefit plan, which is used by many cities/town, counties and school districts. He noted that Ms. Kimbrough came from the ASRS, which appears to provide better benefits. Mr. Smith stated that we will keep the 10 percent cost provided by employee and employer. That would mean a one time salary adjustment for all employees adding the amount over the required ASRS 5.7 percent contribution to the employee's salary.

Ms. Kimbrough stated that MAG has assumed a 5 percent increase in the budget for salaries. In addition, MAG has budgeted 10 percent in FY 2004 for ICMA retirement contributions. She explained that we would apply the difference between the budgeted contribution rate of 10 percent and the 5.7 percent employer contribution rate required by the ASRS (4.3 percent) uniformly to employees' salaries for FY 2004. The employees would also begin to contribute 5.7 percent. She noted that this one-time additional amount added to employees' salary would help ease the burden of the additional deduction of the retirement contribution from the employees' pay during the first year. Mr. Smith noted that the next step is to meet with ASRS and employees.

Mayor Thomas asked if employees would have a choice. Mr. Smith noted that all eligible employees will be required to join ASRS. He stated that we will be keeping ICMA for those who are not eligible for ASRS. Chairman Feldman-Kerr asked for an explanation of the different investments. Ms. Kimbrough stated that the ICMA 401a is a deferred contribution where the employee chooses the investment allocation in mutual funds. She noted that over the last two years this plan has seen a loss. Ms. Kimbrough stated that the ASRS is a defined benefit based on the number of years of service. The ASRS is less risky and also has options for benefits that ICMA

does not have. Mr. Smith noted that another advantage is that the ASRS offers you a choice of post-retirement health care.

Mayor Thomas confirmed that he understood that this would be exposed to the employees to get their input. Mayor Hawker asked why employees would want to switch to the ASRS when they could potentially yield more profit through ICMA's investments. Mr. Smith replies that most employees would be through their retirement in seven years. Ms. Kimbrough noted that the ASRS was based on an eight percent average return. Mayor Manross asked that if the Executive Committee agrees to go forward today, then MAG will go to staff to see if there is any resistance. Chairman Feldman-Kerr commented that what MAG spends for ICMA will just be reallocated to ASRS. Ms. Kimbrough stated that if MAG should go with the ASRS, it will be a decrease. What MAG saves will be redirected to the one-time salary increase adjustment. She noted that MAG will also budget for future increases in retirement. Ms. Kimbrough also explained that employees will be vested in the employer contributions in five years, and 100 percent vested after 10 years. Mr. Smith noted that MAG will need to change ICMA vesting to 100 percent after one year to make this happen. Mayor Hawker suggested that MAG move forward and do the numbers for each employee. The Committee agreed.

4. Draft Process for Compiling Information on Regionally Significant Development Projects

Jack Tomasik explained that the Regional Council approved an 18-month evaluation period for compiling information on Regionally Significant Development Projects. He noted that the direction for the Regional Council was that "MAG staff, with input from member agency staff, would balance information on the regional benefits and regional infrastructure costs of significant development projects, and review the results with member agency staff. This would involve MAG using the regional transportation model to provide information regarding the impact of the proposed development on regional transportation infrastructure. If requested by the member agency, a written report would be developed. "Member agencies could use the information in their consideration of the proposed project." Mr. Tomasik noted that the Planners Stakeholders Group (PSG) went beyond the direction of the Regional Council and recommended the inclusion of (1) additional land uses and (2) types of information to be compiled. Therefore, two options have been presented: Option 1 is from the Regional Council direction, and Option 2 is from the PSG additions.

Mr. Tomasik stated that the threshold criteria are tied to sizes that would result in 15,000 average daily trips, which is equivalent of one lane's capacity on an arterial. He noted that with Option 1, MAG staff will compile information on development proposals that require member agency Council action and that involve a public hearing. Mr. Tomasik stated that MAG staff will not compile information on projects to be developed on appropriately zoned areas. The rationale for this is that member agencies can only issue a building permit on appropriately zoned land.

Mr. Tomasik stated that the PSG recommended a second option to consider airport expansion, landfills, power plants, and power lines that have significant regional impacts. Mayor Hawker asked what was the transportation impact significance of power lines. Mr. Tomasik noted there was none-that there only could be impact on adjoining land uses. Mayor Hawker asked how MAG

would gather this information. Mr. Tomasik replied that it would be difficult. Mr. Tomasik stated that under Option 2, MAG would prepare, only at the request of member agencies, information that could be useful for a local jurisdiction, such as economic/demographic impacts, school facilities impacts, and local fiscal impacts. Mayor Thomas stated it sounded like MAG would be providing information that would be more useful to non-MAG member agencies. He noted that he is concerned about cumulative impacts. Mr. Tomasik stated that would come through the Regional Annual Report. Mayor Hawker asked what would happen if MAG gets flooded with work. Mr. Tomasik stated that we would have the ability to draw on consultants. Mayor Hawker expressed concern that the threshold sizes in Option 1 are too low, and that resources may not be sufficient. He also asked what happens after the 18-month period. Mr. Tomasik stated that we would come back to the Regional Council to see if they wish to continue.

Mayor Hawker stated that the intent is to understand the regional transportation impacts of large projects regardless of whether a zoning change would be required or not. Mr. Smith stated that the focus is on residential development, which is already zoned. He noted that we are trying to get ahead of the requests. Mayor Hawker stated that zoning is already in place, and what about the developments that cross jurisdictions or developments that affect neighboring jurisdictions. Mr. Tomasik suggested that we could adjust the threshold sizes for projects that would be the equivalent of one freeway lane's capacity. Mayor Hawker said that those projects would be more appropriate and more likely impact the system. Mr. Smith suggested that we take this back to the PSG and take another look. The Executive Committee agreed.

10. Update on MAG Town Hall on Transportation

Tom Remes stated that MAG held its First Annual Regional Town Hall on March 28 at the Black Canyon Conference Center. He noted that there were 100 "regional visionaries" as well as observers, facilitators, technical advisors and staff. An issue paper was mailed out to the participants prior to the event. Mr. Remes stated that Chairman Feldman-Kerr gave the welcoming remarks, followed by Mayor Elaine Scruggs. Eric Anderson provided the participants with an overview of the Regional Transportation Plan. Mr. Remes noted that Kathryn Lincoln, President of the Lincoln Foundation, was the luncheon speaker. Ms. Lincoln gave an overview of a newly released film "Making Sense of Place: Phoenix the Urban Desert." Mr. Remes reviewed the discussion questions for the day and key issues that came from these questions. He noted that land use and environmental issues were popular topics for the next Town Hall. Mr. Remes stated that a full report on the outcomes will be available in a few weeks.

Mr. Smith stated that the big picture goes back to the governance process and how to establish more outreach. He noted that the Northeast Valley was not represented very well. The focus was on leadership groups from each of the member agencies. He also stated that all the direct costs were covered by sponsorship donations. Mr. Smith stated that it was a great event. Chairman Feldman-Kerr thanked the staff and agreed that it was an excellent event.

11. Legislative Update

_____ Mr. Smith stated that on April 15, HB 2292 passed the Senate by a vote of 27-2 with all the amendments that MAG wanted. He acknowledged the assistance of Representative Gary Pierce, the intergovernmental representatives and the business coalition. Mr. Smith noted that out of 114 total votes cast on the bill, only two were no votes. He stated that HB 2292 now goes back to the House for concurrence. Mr. Smith noted that an amendment on usage by hybrid vehicles on HOV lanes was added, and there is a potential issue with FHWA on this. Mr. Smith also noted that the November 2004 election mandate was stripped from the bill and we now have the option for selecting a date in 2004.

7. Adjournment

There being no further business, the meeting was adjourned at 1:35 p.m.

Chairman

Secretary