

MINUTES OF THE  
MAG MANAGEMENT COMMITTEE MEETING  
May 11, 2005  
MAG Office Building - Saguaro Room  
Phoenix, Arizona

MEMBERS ATTENDING

Mike Hutchinson, Mesa, Chair	Darryl Crossman, Litchfield Park
Ed Beasley, Glendale, Vice Chair	Tom Martinsen, Paradise Valley
* George Hoffman, Apache Junction	Prisila Ferreira for Terry Ellis, Peoria
Charlie McClendon, Avondale	Frank Fairbanks, Phoenix
* Carroll Reynolds, Buckeye	# Cynthia Seelhammer, Queen Creek
* Jon Pearson, Carefree	* Bryan Meyers, Salt River
* Usama Abujbarah, Cave Creek	Pima-Maricopa Indian Community
Patrice Kraus for Mark Pentz, Chandler	Steve Olson for Jan Dolan, Scottsdale
B.J. Cornwall, El Mirage	Kathy Rice for Jim Rumpeltes, Surprise
Norm Phillips for Orlando Moreno,	Jeff Kulaga for Will Manley, Tempe
Fort McDowell Yavapai Nation	Reyes Medrano for Ralph Velez, Tolleson
# Tim Pickering, Fountain Hills	Shane Dille, Wickenburg
+ Lynn Farmer, Gila Bend	Mark Fooks, Youngtown
* Urban Giff, Gila River Indian Community	Dale Buskirk for Victor Mendez, ADOT
George Pettit, Gilbert	Mike Sabatini for David Smith,
Stephen Cleveland, Goodyear	Maricopa County
Mark Johnson, Guadalupe	David Boggs, Valley Metro/RPTA

- \* Those members neither present nor represented by proxy.
- # Participated by telephone conference call.
- + Participated by videoconference call.

1. Call to Order

The meeting was called to order by Chairman Mike Hutchinson at 12:05 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Chairman Hutchinson announced that Cynthia Seelhammer and Tim Pickering were attending the meeting via teleconference and Lynn Farmer was attending via videoconference.

Chairman Hutchinson welcomed David Boggs, the new Executive Director for RPTA, to the Management Committee.

Chairman Hutchinson stated that transit tickets were available from Valley Metro/RPTA for those using transit to come to the meeting. Parking validation was available from MAG staff for those who parked in the parking garage.

Chairman Hutchinson stated that materials were at each place: for agenda items #5D, the Homeless Continuum of Care recommendation on the rankings; for agenda item #6, a revised summary transmittal reflecting the recommendation of the Air Quality Technical Advisory Committee to approve the new finding of conformity; for agenda item #9, a revised Programs in Brief; for agenda item #11, a revised legislative bill summary.

3. Call to the Audience

Chairman Hutchinson stated that Call to the Audience provides an opportunity to the public to address the Management Committee on items that are not on the agenda that are within the jurisdiction of MAG, or non-action agenda items that are on the agenda for discussion or information only. Chairman Hutchinson noted that those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard. Public comments have a three minute time limit and there is a timer to help the public with their presentations. Chairman Hutchinson stated that for members of the audience who wish to speak, comment cards were available from the staff.

Chairman Hutchinson recognized public comment from Blue Crowley, who commented that the Call to the Audience instructions should say that this period is also for non-action items to let the feds know how the MAG process is conducted. Mr. Crowley stated that MAG is supposed to be proactive. He also said that MAG's bosses are dedicated citizens, but MAG and RPTA did not have quorums at the April public hearing. ADOT and CTOC were there. Mr. Crowley requested that he be counted this time in the census survey because he has not been counted in the last two censuses. He commented on how much money is received per resident, so it is important to be counted. Mr. Crowley stated that pedestrian, bicycle, and transit should be included when street projects are built, upgraded or maintained, which will be less expensive. Chairman Hutchinson thanked Mr. Crowley for his comments.

4. Executive Director's Report

Dennis Smith reported on Transportation Reauthorization. He said that the Senate voted 76-72 to waive the Budget Act and allow more than \$11 billion in additional spending to be added to the surface transportation reauthorization. Mr. Smith noted that this puts the Senate bill at more than \$295 billion, which is more than a 40 percent increase over TEA 21. Mr. Smith stated that Senator McCain and Senator Kyl both voted no. He said that the extension expires May 31, 2005, if reauthorization is not approved.

Mr. Smith stated that the Department of Economic Security (DES) has directly requested population estimate information from member agencies. He stated that this information is already provided to DES through the MAG Population Technical Advisory Committee.

Mr. Smith stated that the ribbon cutting ceremony for the new Park and Ride lot in Gilbert took place that morning. Mr. Smith commented that the ceremony was attended by Gilbert Mayor Steve Berman, George Pettit, and Tami Ryall, Gilbert Deputy Manager, who has been working on this project since 1997. Mr. Pettit stated that the park and ride project is a part of Gilbert's heritage district redevelopment program. He said that many of the historic features of the site, including the railroad depot and the water tower, were incorporated into the design.

Mr. Smith introduced a new MAG employee, Eileen O'Connell, who will be working on the arterial program in the Transportation Division. Ms. O'Connell's past work experience includes the Arizona Office of Tourism, HighGround, and in Congress as an intern.

Chairman Hutchinson thanked Mr. Smith for his report. No questions from the Committee were noted.

Jim Rumpeltes introduced the newly appointed Deputy City Manager for the City of Surprise, Phil Testa, who previously served as the city's Community Development Director.

5. Approval of Consent Agenda

Chairman Hutchinson stated that public comment would be heard before action was taken on the consent items. Each speaker is provided with a total of three minutes to comment on the consent agenda. After hearing public comments, any member of the Committee can request that an item be removed from the consent agenda and considered individually. Chairman Hutchinson stated that agenda items #5A through #5E were on the consent agenda.

Chairman Hutchinson recognized public comment from Mr. Crowley, who stated that roads incorporating accommodations for pedestrian, bicycle, and transit should be built right the first time. For agenda item #5C, Mr. Crowley urged that consideration be given to planning for elderly mobility when projects are designed. He said that he could not find \$1.2 million in transit stations in the TIP. Mr. Crowley stated that he wanted a tunnel at I-17 and the Grand Canal, not a three-story structure over a double-decked I-17. He also mentioned that a tunnel would be one-third the cost of a bridge. Mr. Crowley stated that there are concerns for crime at tunnels, but statistics do not back this up. Chairman Hutchinson thanked Mr. Crowley for his comments.

Chairman Hutchinson asked members if there was discussion on any of the consent agenda items. No requests were noted to hear an item individually.

Mr. Dille moved to recommend approval of consent agenda items #5A, #5B, #5C, #5D, and #5E. Mr. Boggs seconded, and the motion carried unanimously.

5A. Approval of April 13, 2005 Meeting Minutes

The Management Committee, by consent, approved the April 13, 2005 meeting minutes.

5B. Approval of the Enhanced MAG Pedestrian Policies and Design Guidelines

The Management Committee, by consent, recommended approval of the enhanced *MAG Pedestrian Policies and Design Guidelines*. The *MAG Pedestrian Policies and Design Guidelines* is a comprehensive manual of pedestrian policies and facility design that creates a regional standard that is used by community groups, planner and design professionals, and urban design students. Since the creation of the *Guidelines* in 1995, many changes have occurred that have prompted the need to enhance the document to incorporate safety, elderly mobility, American with Disabilities Act guidelines, summaries of recent pedestrian projects and their economic impact, lessons learned through the MAG Pedestrian Design Assistance Program, and

consideration of the *MAG Pedestrian Plan 2000*. The MAG Pedestrian Working Group recommended approval.

5C. Project Approval for the MAG Pedestrian Design Assistance Program

The Management Committee, by consent, recommended approval to select the City of Scottsdale - Enhancing Pedestrian Mobility in Downtown Scottsdale (\$70,000); City of Phoenix - Roosevelt Row Pedestrian Connection (\$70,000); City of El Mirage - Cactus Road Sidewalk Project (\$20,000); City of Avondale - Littleton School Sidewalk Connection (\$12,270); and the City of Mesa - North/South Pedestrian Connection (\$30,000) to receive the pedestrian design assistance and seek an additional \$2,270 in the FFY 2005 Interim Year End Closeout process. The FY 2005 Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council, includes \$200,000 of Congestion Mitigation and Air Quality (CMAQ) funding for the Pedestrian Design Assistance Program. On April 19, 2005, the MAG Pedestrian Working Group recommended that the following projects receive funding: 1) City of Scottsdale - Enhancing Pedestrian Mobility in Downtown Scottsdale (\$70,000); 2) City of Phoenix - Roosevelt Row Pedestrian Connection (\$70,000); 3) City of El Mirage - Cactus Road Sidewalk Project (\$20,000); 4) City of Avondale - Littleton School Sidewalk Connection (\$12,270); 5) City of Mesa - North/South Pedestrian Connection (\$30,000). The total cost of the projects exceeds \$200,000 by \$2,270 which will be requested in the FFY 2005 Interim Year End Closeout process.

5D. Department of Housing and Urban Development Stuart B. McKinney Continuum of Care Consolidated Application Process for Maricopa County

On December 18, 1999, the Regional Council approved MAG becoming the responsible entity for a year-round planning process for federal funds for homeless programs. This includes the submittal of the Department of Housing and Urban Development Stuart B. McKinney Continuum of Care Consolidated Application for Maricopa County. The Continuum of Care grant supports permanent and transitional housing services. It is anticipated that the region could receive up to \$20 million in 2005. Last year, the region received \$19.3 million. This item was on the agenda for possible comment.

5E. Preparations for Conducting the 2005 Census Survey

Since the April 13, 2005 Management Committee meeting, MAG staff has been working with member agencies on providing address lists and lists of outdoor locations. An update on address lists, outdoor locations, the Census questionnaire print test and cognitive testing, the 2005 National Census Test and recruitment are summarized. Address Lists: MAG and the Census Bureau have been researching methods to reduce a potential cost increase. One method to reduce costs is for member agencies to provide the Census Bureau with address lists. To date, thirteen member agencies have indicated that they will be able to provide an address file and twelve member agencies have indicated that they will not. MAG staff is continuing to collaborate with member agencies to obtain address lists. Seven complete address lists have been submitted to the Census Bureau and staff are performing quality assurance and quality control on the lists. Outdoor Locations: The Census Bureau's definition of an outdoor location is a geographically identifiable area that is open to the elements where there is evidence that people might be living without paying to stay there. Examples of outdoor locations are street

corners, under bridges, by river beds, in woods, parks and alleys. The Census Bureau has requested our help in providing an initial list of outdoor locations that will be used to conduct the full count of population living in outdoor locations in September 2005. To assist MAG member agencies in identifying outdoor locations in their jurisdiction, MAG staff sent to each member agency a preliminary list of the agency's outdoor locations. It was requested that any updates or corrections be forwarded to MAG no later than May 13, 2005. Print Test: The Census Bureau is planning to test the printing, addressing, folding, and stuffing into envelopes the mail materials for the 2005 Census Survey. The purpose of the print test is to ensure the letters, forms and labels are of acceptable quality to be used for production. MAG will receive copies of the print test materials (including the letter from the agency's Regional Council member to accompany the questionnaire) in time for all materials to be reviewed by the Census Survey Oversight Subcommittee members at the May 17, 2005 meeting. Cognitive Testing: The purpose of conducting cognitive testing is to ensure the 2005 Census Survey questionnaire will be understood and filled out accurately by the recipients. A report detailing the results of cognitive testing of the questionnaire and the letter accompanying the questionnaire was reviewed and forwarded to the Census Bureau. The Census Bureau agreed with all substantial recommendations in the cognitive testing report. 2005 National Census Test: The 2005 National Census Test (NCT) is a survey of a test questionnaire for the 2010 Census. The 2005 NCT will be conducted in a similar manner and at the same time as the MAG 2005 Census Survey. Thirteen member agencies sent letters to the Census Bureau expressing concern about the timing of the 2005 NCT, possible confusion that Maricopa County residents could face, negative effect on response rates and quality of the census survey. The Census Bureau sent a response to these letters stating that they are unable to delay the 2005 NCT because the schedule for this test is driven by other critical surveys in their preparation for the 2010 Census. They are unable to exempt Maricopa County from the 2005 NCT as it would reduce the quality of their test results, particularly with respect to the Hispanic population. The Census Bureau added that it is highly unlikely that the same household will receive both surveys. Recruitment: To date, the Census Bureau has interviewed 4,500 workers for the 2005 Census Survey. Selection of address listers and crew leaders was made in April and work begins in May. Pay will start at \$11.50 per hour plus mileage reimbursement. The jobs are part-time and have flexible hours. The recruitment phone number is (602) 256-3225.

6. New Finding of Conformity for the Amended FY 2004-2007 MAG Transportation Improvement Program and Regional Transportation Plan

Cathy Arthur addressed the Committee on the 2005 MAG Conformity Analysis for the Amended FY 2004-2007 MAG Transportation Improvement Program (TIP) and Regional Transportation Plan (RTP). She explained that the Clean Air Act requires transportation plans, programs and projects to conform to the purpose of the air quality plans. Ms. Arthur stated that the air quality plans set the budgets for motor vehicle emissions and ensure that transportation activities do not cause violations of the air quality standards. She noted that the conformity analysis concludes that the amended TIP and RTP as a whole meet all applicable federal conformity requirements and are in conformance with applicable air quality plans. She stated that the 2005 Conformity Analysis for the new eight-hour ozone standard must be completed by June 15, 2005 in order to avoid a conformity lapse. Ms. Arthur stated that the requested amendment to the TIP for the new Maricopa County and Apache Junction projects was included in the conformity analysis. She added that the analysis also addresses carbon monoxide, one-

hour ozone, and PM-10. Ms. Arthur advised that the conformity analysis for the 2006-2010 TIP and the Regional Transportation Plan is also in process. She then went on to describe the results for the conformity budget tests. Ms. Arthur reviewed the conformity schedule and explained that in order to meet the June 15 deadline, the MAG Executive Committee would be considering approval of the new finding of conformity on May 16, and the Regional Council would consider ratification of the action by the Executive Committee on May 25. Chairman Hutchinson thanked Ms. Arthur for her report. No questions from the Committee were noted. Mr. Smith announced that Ms. Arthur had recently been promoted to Air Quality Modeling Program Manager. He said that the current program manager will be leaving MAG and Ms. Arthur will fill the position.

Chairman Hutchinson recognized public comment from Mr. Crowley, who stated that \$810,000 is included in years 2008 and 2009 for bus stop improvements. He said that he commented last month on the \$25 million for light rail stations—but he was wrong because the amount is \$44 million for 26 light rail stops. Mr. Crowley stated that light rail improvements are in the TIP but bus stop improvements are not. He commented that the I-10 express terminal is still not finished. Mr. Crowley said that he has been talking conformity and continuity for a while. Chairman Hutchinson thanked Mr. Crowley for his comments.

Mr. Cleveland moved to recommend approval of the new Finding of Conformity for the amended FY 2004-2007 MAG Transportation Improvement Program and Regional Transportation Plan. Mr. McClendon seconded, and the motion carried unanimously.

7. Amendment to the FY 2004-2007 MAG Transportation Improvement Program for Maricopa County and Apache Junction Highway Projects

Paul Ward stated that on November 25, 2003, the FY 2004-2007 TIP and the Regional Transportation Plan were approved by the MAG Regional Council. He stated that federal regulations require that MAG develop long-term and short-term transportation plans. Mr. Ward reviewed the requirements for amendments to the TIP. He said that since the approval of the TIP and RTP, Maricopa County has notified MAG of five new roads that are being constructed in the Peoria Avenue/Citrus Road/Perryville Road and Cotton Lane to Estrella Parkway areas and a project on Ironwood Road in Apache Junction in the MAG modeling area for which a TIP amendment is needed. Mr. Ward explained that the projects are included in the RTP base case. He advised that the Transportation Review Committee, Management Committee, Transportation Policy Committee and Regional Council recommended and approved that an air quality conformity analysis be conducted, followed by opportunities for public input at committee meetings and at a public hearing. Mr. Ward added that the air quality conformity analysis will be completed after Regional Council action later this month. Mr. Ward stated that the MAG Executive Committee may take action on May 16, 2005 and ratification of the Executive Committee action will be considered at the Transportation Policy Committee and Regional Council meetings. Mr. Ward said that approval will be requested from the Governor's designee. The air quality conformity analysis then will be sent to the Federal authorities for review. He noted that an amendment to the State TIP will not be requested because it is not necessary. Chairman Hutchinson thanked Mr. Ward for his presentation.

Chairman Hutchinson recognized public comment from Mr. Crowley, who commented on the money being allocated to light rail stops. He said that the last time there was public comment

on this item was in November 2004. Mr. Crowley stated that pedestrian, bicycle, and transit should be included when street projects are built, upgraded or maintained. He said to do the roads right the first time and make them intermodal. Mr. Crowley pointed out that the amount of maintenance on roads decreases when bike lanes are included because there is less deterioration. He said that this is his money and he did not want to see it wasted. Chairman Hutchinson thanked Mr. Crowley for his comments.

Mr. Pettit moved to recommend approval of an Amendment to the FY 2004-2007 MAG Transportation Improvement Program to add five new privately and locally funded Maricopa County projects and one privately funded widening project in Apache Junction, contingent upon a finding of conformity. Mr. Cleveland seconded, and the motion carried unanimously.

8. Interim Draft of the Arterial Life Cycle Program Policies and Procedures

Eric Anderson updated the Committee on the draft policies and procedures being discussed by the Transportation Policy Committee. Mr. Anderson stated that two overall goals were defined in developing the policies: to maintain the fiscal balance of the arterial street program by ensuring that project costs do not exceed available revenues; and to deliver all of the Proposition 400 projects in an efficient and cost effective manner.

Mr. Anderson stated that at the April 20, 2005 meeting, the TPC discussed four draft policies. For the Reimbursement Amount for Advanced Projects policy, the reimbursement would be treated as any other project and includes an inflation allowance added each year. For the Program Adjustments for Revenue Shortfalls policy, projects would be delayed in order and all projects would remain in the program, even if it is beyond the end of the tax. Mr. Anderson noted that projects could be funded with ongoing funds, for instance, federal funds. If additional revenues become available, projects could be moved back into the program. He noted that this preserves the priorities of Proposition 400.

Mr. Anderson stated that for the Program Adjustments for Surplus Program Funds policy, existing projects would be advanced in order with new projects added to the end of the program. For the use of Surplus Project Funds policy, realized by cost savings or through developer or other funding sources, another RTP arterial project in the jurisdiction could be augmented up to the 70 percent regional share. If there is no other project, then a new project in the jurisdiction could be added at the end of the program. He noted that this is consistent with finishing Proposition 400 projects. Mr. Anderson stated that the Policies and Procedures document has been reorganized and simplified and will be discussed at a workshop for member agency staff on May 13. He said that the TPC will further discuss the policies and procedures with partial adoption in May and final action is anticipated in June. Chairman Hutchinson thanked Mr. Anderson for his report.

Mr. Cleveland asked if there were any discussion items that were counterintuitive to supporting the integrity of the plan? For instance, if a city advances a project and then receives inflation for the future, could that create shortfalls? Mr. Anderson replied that the reimbursement would use the same inflation rate applied to other projects in the program. He noted that the Consumer Price Index would be used to determine the inflation rate. Mr. Anderson explained that having the project completed sooner is an incentive for cities and in many cases, the cost increases may

exceed the inflation factor, anyway. Mr. Cleveland asked if some examples could be provided to illustrate the scenarios.

The presentation given to the TPC at the April 20, 2005 meeting was displayed. Mr. Anderson then went on to explain Options A, B, and C for an example project on the reimbursement amount for advanced projects. He said that the example project cost \$10 million in 2002 dollars, is scheduled for construction in 2016 and is being advanced to 2005. He said that the \$10 million project includes \$7 million in regional funds and \$3 million in local funds.

Mr. Anderson explained that the Life Cycle budget, to be issued this summer, would show the year each project will be funded and the amount of each project adjusted for inflation from 2002 to 2005 dollars. He said that under the adjustment to 2005 dollars, the regional share of the example project cost would be approximately \$7.57 million.

Mr. Anderson stated that including the reimbursement for inflation and assuming the inflation rate of three percent for ten years, the regional share of \$7.57 million would grow to \$10.49 million. That would be the amount reimbursed to the city in 2016 dollars.

Mr. Anderson stated that Option A has no allowances for future inflation or interest costs for advanced projects. Using the example, the amount reimbursed to the advancing city with Option A in 2016 would be \$7.57 million, the amount listed in the 2005 Life Cycle Program. Mr. Anderson stated that under Option A, a city would have less incentive for early implementation of projects. He added that the incentive would be the benefit of having the project completed. Mr. Anderson stated that under Option A, the difference between the \$7.57 million and \$10.49 million would accrue to the program.

Mr. Anderson stated that Option B includes an allowance for inflation, but no interest cost. He said that under Option B, the amount reimbursed to a city in 2016 for advancing a project to 2005 would be \$10.49 million, which is the amount listed in the 2005 Life Cycle Program plus inflation for the next ten years. Mr. Anderson stated that Option B provides an incentive for early implementation and there would be no net fiscal impact to the program. He added that the reimbursement would be the same amount as if the project had not been advanced. Mr. Anderson noted that with Option B, the program would benefit \$3 million and there is less incentive for cities.

Mr. Anderson stated that Option C includes an allowance for inflation and interest costs. He said that under the example, the amount reimbursed to a city in 2016 for advancing a project to 2005 would be the amount listed in the 2005 Life Cycle Program, plus inflation from 2006 to 2015, plus interest costs of financing for advancement. Mr. Anderson stated that Option C provides more incentive for early implementation and has a net negative fiscal impact on the program. Mr. Anderson stated that under the example project, the amount reimbursed to the advancing city would be \$13.82 million.

9. Draft FY 2006 MAG Unified Planning Work Program and Annual Budget

Becky Kimbrough reported on the FY 2006 MAG Unified Planning Work Program and Annual Budget. She noted that a revised "Programs in Brief" was at each place. Ms. Kimbrough reviewed changes that have taken place since the agenda was mailed. She said that the Shared

Use Facility Design Assistance project in the amount of \$200,000 was taken out of the recommended projects for FY 2006. Ms. Kimbrough advised that the scope for the Emergency Transportation Operations Plan project has been modified and staff will conduct an inventory of regionwide emergency plans that are in place or are projected prior to beginning work on this project. She added that the project was budgeted at \$150,000 and has been moved to contingency. Recommendations on this project will be presented to the Management Committee and the Regional Council before the project proceeds. Ms. Kimbrough stated that the Regional Transportation Plan Project Development project for light rail in the amount of \$507,000 has been included as a pass through. She said that this project will not impact the budget because it was traded with another project. She advised that the FY 2006 budget shows a decrease of approximately seven percent from the FY 2005 budget. Chairman Hutchinson thanked Ms. Kimbrough for her presentation.

Chairman Hutchinson recognized public comment from Mr. Crowley, who asked if the truck travel survey will address what will be happening with the CANAMEX Corridor. He commented that Mexican trucks will be using the CANAMEX Corridor and wondered if staff would be working on a baseline for pollutants. Mr. Crowley commented that he had a problem that only \$5,000 out of \$2 million was going for pedestrian projects. Mr. Crowley stated that the Deck Park terminal has sat unfinished since 1992 and TEA-21 guidelines say that a project must be completed. He added that after Proposition 200 was passed, it still was not finished and now more money is being requested from MAG to finish it. Mr. Crowley stated that the problem is that ADOT does not have a timeline for completion and it will not be completed unless feet are put to the fire. He stated that a gestalt outlook is needed, do it correctly, and do unified, multimodal work. Chairman Hutchinson thanked Mr. Crowley for his comments.

Ms. Ferreira moved to recommend approval of the resolution adopting the Draft FY 2006 MAG Unified Planning Work Program and Annual Budget and the member dues and assessments. Mr. Kulaga seconded, and the motion carried unanimously.

Mr. Smith expressed appreciation for the input received from member agency staff and commended the Fiscal Services staff on the development of the Work Program and budget.

10. Management Committee Nomination Process

Mr. Smith stated that in May 2002, the Management Committee approved having the outgoing Chair of the Management Committee be responsible for working with members to nominate a manager for the Vice Chair position, and the current Vice Chair would be nominated for the position of Chair. At the meeting, it was acknowledged that the tradition was for officers to serve two one-year terms, and that the positions rotate to achieve geographic balance. In June 2004, the Chair and Vice Chair of the Committee were elected. This June, both officers will have served a one year term. In June, the election of officers will be held. Mr. Smith stated that according to the nomination process, the past Chair of the Management Committee, Terry Ellis, would be making a recommendation to the committee for the Chair and Vice Chair positions.

11. Legislative Update

Tom Remes provided an update on legislation to date. He stated that the Legislature hopes to sine die this week. Mr. Remes stated that HB 2123, the HELP loan bill, was signed by the

Governor and is now in Chapter Law. He said that it appears that HB 2781, the temporary gas tax rebate, will not move forward. Mr. Remes stated that HB 2499, the municipal tax incentives prohibition, which is similar to SB 1201, includes a conditional enactment clause that states that the legislation will become effective August 1, 2006 unless MAG develops a plan to address the issue of offering tax incentives to businesses. Mr. Remes added that it appears that approximately \$100 million in HURF funds will be diverted to the Department of Public Safety (DPS) this year. Chairman Hutchinson thanked Mr. Remes for his report and expressed his appreciation to him for keeping the Committee updated throughout the Legislative session.

Mr. Smith stated that local governments need to be united in the next session because the region cannot afford to lose HURF funds for other purposes. He stated that lane miles have increased only 10 percent, however, more than \$800 million has been diverted to DPS over the past five years.

Mr. Dille asked what percent of total HURF funds was being diverted to DPS. Mr. Anderson stated that this year, approximately \$100 million will be diverted out of \$1.2 billion, about eight percent. He added that traditionally, the amount was about \$25 million per year. Mr. Anderson stated that \$867 million in HURF funds have been diverted from 2001 to 2005. Mr. Anderson stated that reductions in the Vehicle License Tax (VLT) rate were passed by the Legislature in 1999 and 2000. He added that there was an agreement to hold harmless the VLT, which lasted for one year. Mr. Anderson stated that the loss of VLT through reductions totals about \$300 to \$400 million. He stated that in FY 2005, the Legislature took \$118 million from the ADOT Highway Fund to put into the general fund. Mr. Anderson remarked that there was a bill to restore the funds, but the bill did not pass. Mr. Anderson stated that additionally, a bill passed this session to increase the amount by another \$3 million for DPS pay parity.

12. Comments from the Committee

An opportunity was provided for Management Committee members to present a brief summary of current events. The Management Committee is not allowed to propose, discuss, deliberate or take action at the meeting on any matter in the summary, unless the specific matter is properly noticed for legal action.

No comments from the Committee were noted.

There being no further business, the meeting adjourned at 1:03 p.m.

---

Chairman

---

Secretary