

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
MAG REGIONAL COUNCIL EXECUTIVE COMMITTEE

September 21, 2015

MAG Offices, Ironwood Room
302 N. 1st Avenue, Phoenix, Arizona

MEMBERS ATTENDING

Mayor W.J. “Jim” Lane, Scottsdale, Chair
Mayor Greg Stanton, Phoenix, Vice Chair
Mayor Jackie Meck, Buckeye, Treasurer

Mayor Gail Barney, Queen Creek
#Mayor Michael LeVault, Youngtown
Mayor Mark Mitchell, Tempe
Mayor Lana Mook, El Mirage

* Not present

Participated by video or telephone conference call

1. Call to Order

The Executive Committee meeting was called to order by Chair Lane at 12:00 p.m. Mayor LeVault participated by teleconference.

2. Pledge of Allegiance

3. Call to the Audience

Chair Lane stated according to the MAG public comment process, members of the audience who wish to speak are requested to fill out the public comment cards. He stated that there is a three-minute time limit. Public comment is provided at the beginning of the meeting for 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. Chair Lane noted no public comment cards had been received.

4. Approval of Executive Committee Consent Agenda

Chair Lane noted prior to action on the consent agenda, members of the audience are provided an opportunity to comment on consent items that are being presented for action. Following the comment period, committee members may request that an item be removed from the consent agenda.

Chair Lane requested a motion to approve the consent agenda. Mayor Meck moved to approve consent items #4A and #4B. Mayor Mitchell seconded the motion and the motion carried unanimously.

4A. Approval of the August 10, 2015 Executive Committee Meeting Minutes

The Regional Council Executive Committee, by consent, approved the August 10, 2015 Executive Committee meeting minutes.

4B. Amendment to the Fiscal Year 2016 MAG Unified Planning Work Program and Annual Budget to Add a New On-Call Consultant Project for the Traffic Signal Optimization Program

The Regional Council Executive Committee, by consent, approved to amend the FY 2016 MAG Unified Planning Work Program and Annual Budget to add the Traffic Signal Optimization Program Project using \$300,000 in contingency funds to carry out the FY 2016 Traffic Signal Optimization Program.

Since its inception in Fiscal Year (FY) 2004, the MAG Traffic Signal Optimization Program (TSOP) has successfully completed more than 100 projects that have helped improve traffic signal timing at more than 1,000 intersections across the region. At the time the FY MAG 2016 Unified Planning Work Program and Annual Budget (UPWP) was approved by the MAG Regional Council in May 2015, it was projected that the funds for the TSOP project in the FY 2015 UPWP would carry forward to the FY 2016 UPWP. However, during the spring of 2015, many TSOP projects were initiated and completed. An on-call consultant project is needed to continue to provide the ongoing technical assistance to local agencies during FY 2016. An amendment is needed to the FY 2016 MAG Unified Planning Work Program and Annual Budget to add a new on-call consultant project with a budget of \$300,000 in contingency funds. If the amendment is approved, it is anticipated that a list of TSOP projects will be generated through a call for projects and considered through the MAG committee process in the coming months. These projects will be assigned to qualified on-call consultants that have been approved through the MAG process and the projects would be carried out between January and June of 2016.

5. Request for Sponsorship for the ASU Morrison Institute for Public Policy State of Our State Event

Dennis Smith, MAG Executive Director, stated The Arizona State University Morrison Institute for Public Policy is hosting the State of Our State event on November 20, 2015. At this event, former MAG Secretary Jack DeBolske will be honored and presented with the Public Policy Legacy Award. The sponsorship levels include the Maroon sponsorship for \$1,500 that will provide one table of eight or the VIP Gold sponsorship that includes two tables of eight for \$5,000 and agency recognition at the event.

Mr. Smith stated in 1957, Jack DeBolske was the youngest Executive Director of the League of Arizona Cities and Towns and the youngest League Director in the United States. In 1967, he was instrumental in creating the Councils of Governments in Arizona and the Maricopa Association of Governments, which he led from 1967 to 1996. Mr. DeBolske also secured funding for the regional freeway system in 1985 by passage of a half-cent sales tax designated

for transportation – one of the first of its kind in the nation. His legacy runs deep in Arizona. Mr. Smith added if MAG does sponsor this event, who would we invite. He noted there are many past mayors in the valley, who have worked with Mr. DeBolske, as well as MAG staff.

Chair Lane asked if this event was a fund raiser for the Arizona State University Morrison Institute for Public Policy Morrison Institute. Mr. Smith stated federal money would not be used for this. Denise McClafferty, MAG Regional Program Manager, stated all funds would be deposited to the ASU Foundation for a New American University, a separate nonprofit organization that exists to support ASU. Mayor Lane noted this would then be a contribution to the university. Mr. Smith stated MAG likes to be transparent regarding these types of requests, as well as receive input for the level of sponsorship and who would be attending. Mayor Lane stated he would prefer to stay at the Maroon level.

Mayor Mitchell stated if we have the funds available, he supports sponsoring this event at the VIP Gold level. He added Mr. DeBolske really laid the foundation for municipalities across the state and this also shows our commitment with one of Economic Development Committee partners. Mayor Mitchell asked who MAG typically invites to this type of event. Mr. Smith stated perhaps people who chaired MAG Regional Council during Jack DeBolske's tenure, could be invited to attend the event. Mayor Lane stated for the record he supports honoring Mr. DeBolske and would recommend the Maroon sponsorship because this is a fund raiser that uses taxpayer money. Mayor Meck stated that he supports sponsoring the event at the VIP Gold level. He added that we need to honor Mr. DeBolske for what he has accomplished because he truly is a legacy.

6. Request for Sponsorship for the 11th Annual International State of the State Luncheon

Denise McClafferty, MAG Regional Program Manager, stated MAG has been requested to provide sponsorship for the 11th Annual International State of the State Luncheon (ISOS), a yearly event hosted by the Phoenix Committee on Foreign Relations. She added this year's ISOS discussion will feature Governor Doug Ducey on how Arizona is competing internationally - "*A Discussion with Governor Doug Ducey about Steering Arizona's Future in International Waters*". A \$1,000 sponsorship will provide a table of 10 at the ISOS luncheon. Ms. McClafferty stated in the past, MAG staff has reached out to the Executive Committee members first to see if they are interested in attending. If any seats remain, the invitation is then extended to the MAG Regional Council members.

Chair Lane asked if there were questions or comments from the committee. There were none.

7. Request for Sponsorship for the Arizona Mayors Trade and Protocol Mission to Mexico City

Denise McClafferty, MAG Regional Program Manager, stated on October 4-7, 2015, a delegation of elected officials and business leaders will travel to Mexico City as part of an Arizona Mayors Trade and Protocol Mission to promote regional cooperation and economic opportunity with one of our valued trading partners. She added MAG has been requested to

provide sponsorship of \$2,500 for a delegation reception in Mexico City titled: “*The Real Arizona: Advancing a Strong Partnership*”. Ms. McClafferty explained the reception will focus on promoting the real Arizona, the benefits and opportunities of doing business in Arizona and supports the focus of the MAG Economic Development Committee to work with other agencies to improve the economy and image of Arizona. Guests include high-level business leaders, community leaders and chambers in Mexico City. Ms. McClafferty stated Mayor Stanton, City of Phoenix, Mayor Wolcott, City of Surprise and Mayor Giles, City of Mesa will also be attending this event. She noted this sponsorship will not be used to subsidize the MAG elected officials' travel expenses.

Chair Lane asked if the Memorandum of Understanding that MAG has with the Arizona Commerce Authority is an annual contribution. Ms. McClafferty stated it was a one year commitment and staff is currently assessing the benefits and will put together a report as to how the office has helped our region. Chair Lane asked if there were any comments or questions from the committee. There were none.

8. Legislative Update

Nathan Pryor, MAG Government Relations Manager, provided an update on HB2617 and noted this issue has been reported to the Executive Committee since April 2015. Mr. Pryor discussed the possible ramifications to the diversion of Proposition 400 sales tax funds for transportation to the Arizona Department of Revenue (ADOR). Provisions in HB 2617 would direct \$2,582,396.84 per year from MAG and approximately \$498,892 per year from the Pima Association of Governments to fund ADOR operations.

Mr. Pryor stated on May 27, 2015, a working group met with the Governor’s staff to discuss possible accommodations to the provisions of HB 2617. This working group included Mayors Lane, City of Scottsdale, Mayor LeVault, Town of Youngtown and Mayor Mitchell, City of Tempe, and Maricopa County Supervisor Barney. Discussions included limiting the time frame for two years and work with the state in assisting through the structural deficit. On June 24, 2015, this item was presented to the MAG Regional Council and discussed a possible option of working with the state in reaching some form of accommodation to HB 2617.

Mr. Pryor reported that a number of Regional Council members expressed concern with transferring regional funding to the state as contrary to what the voters understood as to how Proposition 400 funds are to be spent and the working group was encouraged to have more discussion with governor's office. On August 3, 2015 the working group and Mayor Rothschild, City of Tucson, met with the Governor’s staff to continue these discussions. The same day, MAG received an invoice for \$2,582,396.84 dated July 31, 2015. Mayor Lane stated they are still waiting to hear if some form of accommodation will be proposed and he indicated that MAG is now faced with the decision on whether this money is paid or taken.

Chair Lane asked if there were questions or comments from the committee.

Mr. Pryor stated it was MAG's understanding that if there is no action taken there will be an automatic transfer to ADOR. He added the invoice has a due date of September 30, 2015.

Mayor Mitchell commented that in previous meetings, the Governor's office stated they would get back to MAG by the August 26, 2015 Regional Council meeting. Mr. Smith stated MAG staff was told they would be notified in September with a potential resolution, but as of today, have not heard anything. He added a decision has to be made in regards to payment of the invoice. Mayor Mitchell stated this situation is crucial and asked Mayor Lane if he would get in touch with the Governor's office. Mayor Lane stated that he would get in contact with the Governor's office regarding this issue. Mr. Smith stated in his opinion he thinks this would set a bad precedent if MAG willingly pays the invoice. He added if MAG does pay the invoice and a case needs to be made, it may weaken their position. Mayor Lane asked Fredda Bisman, MAG Legal Counsel, if this would in fact weaken or strengthen our position. Ms. Bisman stated she understands the Executive Director's strategy, and theoretically, MAG would be in a better position if they do not pay it, and it has to be taken.

Mayor Stanton asked what are the mechanics in terms of the funds being taken MAG. Mr. Smith indicated that these dollars do not reside at MAG, they are in the Regional Area Road Fund. According to the legislation, it will be taken off the top of the Regional Area Road Fund and transfer it to the Arizona Department of Revenue. Mayor Mitchell stated having been in these meetings, he was under the impression that these were good faith discussions with the Governor's office, and for the Governor's office to not get back to MAG is a real sense of concern and is not setting a good precedent of trying to work with their office. Mayor Lane agreed and added he would communicate this to their office. Mayor Stanton asked if this agenda item was scheduled for an Executive Session today.

Mr. Smith stated it was his understanding this was resolved at the August Executive Committee meeting where it was thought this was going to be worked out with the Governor's office. Mayor Lane added he also thought he would have heard something by now. After a lengthy discussion, the committee members concluded it is better for them to not willingly pay the invoice. Mayor Mitchell stated, with respect to MAG Regional Council members, he would feel better if this committee communicated this position to Regional Council members prior to the Regional Council meeting, which is the same day the payment due. Mr. Smith asked Ms. Bisman if it was still possible to file the necessary paperwork if that is the direction the committee wants to go. Ms. Bisman indicated the timing is very questionable, but with the committee's direction she would put the effort forward to file a temporary restraining order of the transfer.

Mayor Stanton asked if there is a way to document MAG's position, without going through litigation, stating this money is being taken against their will. Ms. Bisman stated she could draft a letter to the Governor's office and ADOR, discussing their position and concerns, and copy the Regional Council members. Mr. Smith agreed with Mayor Mitchell and suggested the Executive Committee have a telephone conference before the next Regional Council meeting. He explained this will give Chair Lane time to speak with the Governor's office and

allow staff to update Regional Council members of the current situation. Chair Lane stated he would like the opportunity to speak with the Governor's office and then have a telephonic Executive Committee meeting to provide an update. Chair Lane also agreed with Mayor Stanton's point to have a letter prepared and sent to the Governor's Office, with copies being sent to Regional Council members about the understandings coming away from the meetings with the Governor's office.

Chair Lane motioned to direct MAG staff to draft a letter to the Arizona Department of Revenue, which he will sign, indicating a protest of funds taken from the Regional Area Road Funds. The letter should state that MAG is looking forward to working with the Governor's office and Legislative leadership in finding a solution to the issues created by House Bill 2617. Mayor Stanton seconded the motion and the motion carried unanimously.

9. Executive Session to Discuss Potential Litigation

Mayor Mitchell moved that the Executive Committee go into Executive Session regarding agenda item #9. Mayor Meck seconded the motion and the motion carried unanimously. The meeting went into Executive Session at 12:41 p.m.

The Executive Committee reconvened regular session at 12:59 p.m.

10. Request for Future Agenda Items

Chair Lane asked if there were any requests for future agenda items. There were none.

11. Comments from the Committee

Chair Lane asked if there were any comments from the committee. There were none.

Adjournment

There being no further business, the Executive Committee adjourned at 1:00 p.m.

Chair

Secretary