

June 7, 2016

TO: Members of the MAG Regional Council Executive Committee

FROM: Mayor W.J. "Jim" Lane, City of Scottsdale, Chair

SUBJECT: MEETING NOTIFICATION AND TRANSMITTAL OF TENTATIVE AGENDA FOR
THE MAG REGIONAL COUNCIL EXECUTIVE COMMITTEE

Monday, June 13, 2016 - 12:00 p.m.
MAG Office, Suite 200 - Ironwood Room
302 North 1st Avenue, Phoenix

A meeting of the MAG Regional Council Executive Committee has been scheduled for the time and place noted above. Members of the Committee may attend the meeting either in person or by telephone or video conference.

Please park in the garage under the building. Bring your ticket to the meeting, parking will be validated. For those using transit, the Regional Public Transportation Authority will provide transit tickets for your trip. For those using bicycles, please lock your bicycle in the bike rack in the garage.

Pursuant to Title II of the Americans with Disabilities Act (ADA), MAG does not discriminate on the basis of disability in admissions to or participation in its public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting Denise McClafferty at the MAG office. Requests should be made as early as possible to allow time to arrange the accommodation.

If you have any questions regarding the Executive Committee agenda items, please contact Dennis Smith, MAG Executive Director, or Denise McClafferty, MAG Regional Program Manager, at (602) 254-6300.

MAG EXECUTIVE COMMITTEE
TENTATIVE AGENDA
June 13, 2016

COMMITTEE ACTION REQUESTED

1. Call to Order

The meeting of the Executive Committee will be called to order.

Pledge of Allegiance

2. Call to the Audience

An opportunity will be provided to members of the public to address the Executive Committee on items not scheduled on the agenda THAT FALL UNDER THE JURISDICTION OF MAG, or on items on the agenda for discussion but not for action. Members of the public will be requested not to exceed a three-minute time period for their comments. A total of 15 minutes will be provided for the Call to the Audience agenda item, unless the Executive Committee requests an exception to this limit. Please note that those wishing to comment on action agenda items will be given an opportunity at the time the item is heard.

2. Information and discussion.

ITEMS PROPOSED FOR CONSENT*
BY THE EXECUTIVE COMMITTEE

*3A. Approval of the May 16, 2016 Executive Committee Meeting Minutes

*3B. Amendments to the FY 2017 Unified Planning Work Program and Annual Budget and to the FY 2016 Cost Risk Analysis for the MAG Regional Freeway and Highway Program On-Call

The Fiscal Year (FY) 2016 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council on May 27, 2015, included funding for the FY 2016 Cost Risk Analysis for the MAG Regional Freeway and Highway Program On-Call. The purpose of the FY 2016 Cost Risk Analysis is to refine the project costs and schedules for the MAG Regional Freeway and Highway Program at MAG. Funding

3A. Approval of the May 16, 2016 Executive Committee meeting minutes.

3B. Approval of the amendments to the FY 2017 MAG Unified Planning Work Program and Annual Budget to accept funding, and to the FY 2016 Cost Risk Analysis for the MAG Regional Freeway and Highway Program On-Call to include additional task orders to continue the scope of work and to increase the On-Call budget by \$380,000 to be funded from the MAG Regional Freeway and Highway Program.

for this amendment is being provided through ADOT from the consulting budget for the MAG Regional Freeway and Highway Program. Amendments are needed to the FY 2017 MAG Unified Planning Work Program and Annual Budget to accept funding, and to the FY 2016 Cost Risk Analysis for the MAG Regional Freeway and Highway Program On-Call to include additional task orders to continue the scope of work, and to increase the On-Call budget by \$380,000 to be funded from the MAG Regional Freeway and Highway Program. This item is on the June 8, 2016 Management Committee agenda for recommended approval. Please refer to the enclosed material.

*3C. Consultant Selection for Domestic Violence Risk Assessment

The fiscal year (FY) 2016 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2015, included STOP Violence against Women grant funding in the amount of \$108,000 from the Governor's Office on Children Youth and Families to support the MAG Protocol Evaluation Project. The grant funding includes \$25,000 for a project consultant to conduct a risk assessment of current methods of domestic violence responses and interventions. The consultant project was added to the FY2016 MAG Unified Planning Work Program and Annual Budget in February, 2016. A request for consultant assistance was issued on March 3, 2016 and no submissions were received. A second request was issued on March 28, 2016, and MAG received two proposals from teams led by Jill Messing, MSW, PhD, and HDR Engineering Inc. A multi-agency evaluation team met on May 5, 2016 to evaluate the proposals, and unanimously recommended to MAG the selection of Jill Messing, MSW, PhD. Staff worked with the MAG Regional Domestic Violence Council regarding this project.

3C. Approval to select Jill Messing, MSW, PhD to conduct the Domestic Violence Risk Assessment for an amount not to exceed \$25,000.

ITEMS TO BE HEARD
BY THE EXECUTIVE COMMITTEE4. Update on Consultant Services for the Statewide
Tourism and Shopping Initiative

On May 16, 2016, the Executive Committee was provided an update from Capitol Strategies on the expansion of the border card crossing zone, including submitting for consideration the proposed language and relevant supplemental information to the Department of Homeland Security and to key members of Congress. At this meeting, the Executive Committee approved extending the contract for Capitol Strategies for an additional \$16,000. Since that time, Capitol Strategies, represented by former Congressman Jim Kolbe and Steven Bloch, have been reaching out to members of the Arizona congressional delegation, federal agencies and other organizations. As a result of their efforts, MAG received a letter of support for the Shopping and Tourism Initiative from Glenn Hamer, President and CEO of the Arizona Chamber of Commerce and Industry. Representatives from Capitol Strategies will provide an update to the Executive Committee on their efforts. Please refer to the enclosed material.

5. Update on Ari-Son Megaregion Initiative

In 2014, the Economic Development Committee efforts led to MAG coordinating an Ari-Son Megaregion initiative. The purpose of this initiative is to provide a statewide organizing framework for regions in Arizona and regions of Sonora to engage with one another. It also serves as a regional bloc to interface with other levels of government on a binational level and compete in the global economy. Due to the local and state elections in Sonora, Mexico, work on the Ari-Son Megaregion was put on hold. Since the Sonoran local elected officials are now in office, MAG has reached out to their staff to begin discussions on the Ari-Son Megaregion. In addition, staff attended

4. Information and discussion.

5. Information, discussion and input.

the Borderlands Trade Conference in Tucson, which provided an opportunity to engage with Sonoran elected officials and their staff and introduce them to the Ari-Son Megaregion initiative.

Each year, the League of Arizona Cities and Towns holds an Annual Conference. As part of this conference, affiliate groups meet regarding their organizational activities. MAG contacted the League of Arizona Cities and Towns to explore the possibility for the Ari-Son Megaregion to meet during the League Conference. This would provide an opportunity to grow this initiative and share local government best practices between the two regions. Staff will provide an update on the Ari-Son Megaregion and the possibility of working annually through the League.

6. Update on Legal Claims Related to 9-1-1 System

The National Association of the Deaf and a number of other plaintiffs have submitted a suit against the State of Arizona, Maricopa County, the Maricopa Association of Governments and the City of Surprise on issues related to 9-1-1 communications. An overview of the nature of the suit will be provided to members of the Executive Committee.

The Executive Committee may vote to recess the meeting and go into executive session to discuss legal matters relating to the 9-1-1 legal claims. The authority for such an executive session is A.R.S. § 38-431.03(A)(3) and (4).

7. Possible Action on Legal Claims Related to 9-1-1 System

The Executive Committee may reconvene the regular meeting to take action regarding the legal claims related to 9-1-1 system.

6. Information, discussion and possible action to recess the meeting to conduct an executive session to discuss legal matters related to MAG. A.R.S. 38-431.03(A)(3) and (4).

7. Information, discussion and possible action regarding legal claims related to 9-1-1 system.

8. Request for Future Agenda Items

Topics or issues of interest that the Executive Committee would like to have considered for discussion at a future meeting will be requested.

9. Comments from the Committee

An opportunity will be provided for the Executive Committee members to present a brief summary of current events. The Executive 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.

Adjournment

8. Information.

9. Information.

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
MAG REGIONAL COUNCIL EXECUTIVE COMMITTEE
May 16, 2016
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 Mitchell participated by teleconference.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

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 asked to remove agenda item #4C, Consultant Selection for a Study to Develop a Systems (SM&O) Management and Operations Plan for the MAG Planning Area, from the

consent agenda.

4C. Consultant Selection for a Study to Develop a Systems Management and Operations Plan for the MAG Planning Area

MAG Senior ITS and Safety Projects Manager Sarath Joshua told the committee that the item was recommended by the MAG ITS Committee to develop a SM&O Plan for the region. Mr. Joshua said that SM&O refers to one of the federally required planning factors that ensures the planning process addresses the safe, efficient and reliable operation of the transportation system.

Mr. Joshua stated at the national level, many transportation agencies have shifted their focus from building more capacity to an increased focus on improving the management and operation of the system. He said the Arizona Department of Transportation (ADOT), among many other DOTs, has followed this trend by reorganizing and creating a new Transportation System Management and Operations Division to provide more focus and resources for SM&O. He commented the focus of the study is to develop priorities for the region, where infrastructure should be built out and where to make improvements in operations. Mr. Joshua stated that since 1998, the region has been investing most of its money in infrastructure, but with the exception of a few projects, has not spent a lot of money on the operations side.

Mr. Joshua explained this project will go beyond looking at just infrastructure in priority corridors but also what may need to be done in terms of improving operations. He said that a fundamental premise for this new approach is that, in addition to making investments in essential ITS infrastructure, funding is also needed to provide support to critical operations. Mr. Joshua stated the value of the investments to support critical operations was recently demonstrated for the pilot project to co-locate Department of Public Safety (DPS) troopers at the ADOT Traffic Operations Center, which had a benefit-to-cost ratio of 368 to one.

Chair Lane asked Mr. Joshua if this was a replacement or a supplement to a contract agreement we have had in the past. Mr. Joshua answered that this is a brand new study. Chair Lane said the region has probably looked at the interplay between its freeway systems, arterial highways and other aspects of the transportation system before, but it was more for engineering design. Mr. Joshua said we had previously looked at what was necessary to bring about coordination and efforts launched through the recommendations of the ITS Committee on what needs to happen, but there has never been any specific resources identified for the operations side of ITS, only the infrastructure side.

Mr. Joshua stated DOTs are looking to develop staff to address operations. He said for a metropolitan planning organization (MPO), this is a brand new concept. Mr. Joshua commented that MAG is taking the lead in this area, as no other MPO has done this. He said that MAG has the experience in the region to get this done. Mr. Joshua stated the plan is preparation for the future and that building alone will not bring about improvements to the transportation system the Valley needs to thrive. He said MAG heard continuously from local

agencies that when it comes to large transportation systems, they do not have the resources to address operations. Mr. Joshua stated an example of this is when the I-10 Freeway is shut down due to a major crash that occurs in the early hours of the morning, ADOT and DPS are the only agencies that are able to address the incident. He commented the City of Phoenix does not have staff available to coordinate assistance. Mr. Joshua said this plan will bring about recommendations for the region to be able to provide resources for critical facilities.

Chair Lane said it sounds like the region could potentially provide some facilities, but there will also be coordination between some of the agencies. Mr. Joshua stated as part of the study, there is going to be a recommendation on monitoring system performance and reporting back to MAG as to how the investment in this new plan has resulted in improved performance. Chair Lane said he understood the return on this new element would be better and greater efficiency in the operation of our transportation system. Mr. Joshua stated the amount of investment in this plan required to bring about significant benefit, is relatively small in comparison to infrastructure costs. He said infrastructure costs are typically in the millions of dollars, but in terms of improving operations, the cost is only in the hundreds of thousands of dollars. Chair Lane thanked Mr. Joshua for his explanation of the request.

Mayor Meck made a motion to approve consent agenda items #4A, #4B, #4C and #4D. Mayor Barney seconded the motion and the motion carried unanimously.

4A. Approval of the April 18, 2016 Executive Committee Meeting Minutes

The Regional Council Executive Committee, by consent, approved the April 18, 2016 Executive Committee meeting minutes.

4B. Consultant Selection for MAG FY 2016 Interstate 10/Papago Freeway Tunnel Traffic Operations Study

The Executive Committee, by consent, approved the consultant selection of Burgess and Niple, Inc. to conduct the Interstate 10/Papago Freeway Tunnel Traffic Operations Study for an amount not to exceed \$75,000. The MAG Fiscal Year (FY) 2016 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2015, includes \$75,000 to conduct the MAG FY 2016 Interstate 10/Papago Freeway Tunnel Traffic Operations Study. A Request for Proposals was issued to interested consultants on February 16, 2016, with a submittal deadline of March 30, 2016. MAG received two proposals from teams led by Michael Baker International, Inc. and Burgess and Niple, Inc. After scoring the proposals, a multi-agency evaluation team met on April 20, 2016, and recommended to MAG the selection of Burgess & Niple, Inc. to conduct the Interstate 10/Papago Freeway Tunnel Traffic Operations Study. The selection of Burgess & Niple, Inc., was recommended for approval on April 28, 2016, by the MAG Transportation Review Committee.

4C. Consultant Selection for a Study to Develop a Systems Management and Operations Plan for the MAG Planning Area

The Executive Committee, by consent, approved the selection of the firm Kimley-Horn and Associates to conduct a study to develop a Systems Management and Operations Plan for the MAG region for an amount not to exceed \$300,000. The MAG Fiscal Year (FY) 2016 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2015, includes \$300,000 for a study to develop a Systems Management and Operations Plan for the MAG planning area. The scope of work for this 16-month study was developed with input from the MAG Intelligent Transportation Systems (ITS) Committee and later refined by a nine-member study panel. It is anticipated that work on this project would begin in August 2016. A Request for Proposals was issued on March 11, 2016, and three proposals were received on April 8, 2016. The study panel reviewed the proposals and on April 25, 2016, recommended to MAG the selection of the firm Kimley-Horn and Associates for conducting the study. On May 4, 2016, the MAG ITS Committee recommended approval of the selection of Kimley-Horn and Associates.

4D. Request for Professional Services for MAG Website Redesign

The Executive Committee, by consent, approved the acquisition of professional services from Integrated Web Strategy (IWS), LLC, to provide research and strategic planning for the redesign of the MAG website, for an amount not to exceed \$10,000. The Maricopa Association of Governments created its current website eight years ago. Since that time, the content management system used by the site has become outdated. The technology needs to be updated in order to support mobile applications and optimize usability. Updating the MAG website is identified as an objective in the FY 2016 MAG Unified Planning Work Program and Annual Budget. Funding is available in the FY 2016 line item budget for professional services in the Information Technology Division for consulting services. At the April 18, 2016, MAG Regional Council Executive Committee meeting, staff noted that the website redesign is planned to be launched as part of MAG's 50th Golden Anniversary Celebration on April 12, 2017. In order to initiate the MAG website update, MAG is proposing to use Integrated Web Strategy (IWS), LLC, which is a website contractor approved under state procurement. IWS would conduct research, perform a thorough content audit, conduct stakeholder interviews and focus groups, and develop a strategic plan to guide the design and development of the new website. The services would be provided at a cost not to exceed \$10,000.

5. Update on Consultant Services for the Statewide Tourism and Shopping Initiative

Chair Lane requested MAG Executive Director Dennis Smith to introduce the topic, and welcomed Capitol Strategies, represented by former Congressman Jim Kolbe and Steven Bloch, to discuss the Statewide Tourism and Shopping Initiative. Mr. Smith said planning for the initiative to extend the border crossing area from 75 miles outside the border to the entire state of Arizona began more than two years ago and has gone through several chairs of the Regional Council. He stated that MAG has received commitments from across the state to support the Border Crossing Card Initiative, and said most of the regional planning

organizations and the intertribal councils are working together to achieve this goal. Mr. Smith noted the University of Arizona previously conducted a study of the annual impact of extending the zone, and found the benefit to the state would conservatively be 181 million dollars a year.

Mr. Smith said MAG turned to those that know Washington D.C., and last February, MAG hired Capitol Strategies to determine if this was a viable initiative. He stated Congressman Kolbe was the Congressman who initiated the original extension of the Arizona Border Crossing Card area from 25 miles to 75 miles north of the border. Mr. Smith noted Congressman Kolbe and Mr. Bloch have been talking to congressional leaders and administration officials and are here to update the committee on the progress of the initiative. Mr. Smith said the contract with Capitol Strategies will end tomorrow unless the committee grants additional funding for the project. He explained the original contract was for \$8,000 a month, and MAG would like to extend it for one or two months or in lieu of that, \$8,000 or \$16,000.

Congressman Kolbe told the Committee he has long been a supporter of this issue and of increased trade, commerce and interaction with Mexico. He recalled that 15 years ago, as a member of Congress, he initiated the original extension of the border crossing area. Congressman Kolbe said that in the last year, New Mexico increased its Border Crossing Card area from 25 to 55 miles to include Las Cruces. He stated in both cases, the increases were done with no opposition and no negative comments submitted in the federal register. Congressman Kolbe said initially, he thought there may be a way to get the initiative passed legislatively, but the Customs and Border Protection Agency told him the way to go about the change is through the rule making process, as that is how it was successfully done previously in both Arizona and New Mexico. Congressman Kolbe said the congressional delegation initiates a rule to make this happen and puts it out for public comment, and if there is no opposition to the initiative, it goes forward. He commented the political environment surrounding the issue of immigration is different today than it has been in past years.

Congressman Kolbe stated he began talking to the congressional delegation after he realized the initiative would probably have to be passed through a rule making process. He said he met with Customs and Border Protection (CBP) general counsel and others, and learned the key to the effort would be securing congressional delegation support. Congressman Kolbe stated a letter, supported by a broad section of members of the delegation, is an important step to get the initiative passed. He commented Capitol Strategies found there is support for this effort among members of the delegation. Congressman Kolbe said on the merits of the initiative, the staff and members understand its value for Phoenix and the rest of the state. He noted southern Arizona supports this effort because it will bring more people across the border.

Congressman Kolbe said people coming into the U.S. with the Border Crossing Card are the most vetted group of visa holders from Mexico. He stated unlike other visas that are vetted at the border, the Border Crossing Card is vetted in advance of a trip, at an embassy or

consulate. Congressman Kolbe said the card is good only for land crossing and is good for a stay of 30 days in the U.S. He noted the percentage of cardholders who overstay is less than one percent, and far less than other visa holders. Congressman Kolbe explained the cardholders are people who have strong economic ties in Mexico who come to Arizona to shop at malls and stay at resorts, among other activities. He believes the extension would be a win-win for the state. Congressman Kolbe said if Arizona were to extend this initiative to the whole state, it would lead to an estimated 181 million dollars of additional commerce for Arizona every year.

Congressman Kolbe said that some members of the delegation expressed concern because of the political climate surrounding immigration, and said it is very important that the initiative be a bipartisan effort. He commented if the CBP determines the card will have little to no fiscal impact to the budget, as they did in 1999 in Arizona and 2015 in New Mexico, the rule change can be done very quickly, because it will not require going out for a long period of public comments. Congressman Kolbe said the reason CBP is inclined to support this effort is because they will save money processing visitors at the border. He explained that currently, if someone with the border crossing card wants to travel to Phoenix, they would have to stop at the border and go through the process of obtaining an I-94 visa. Congressman Kolbe said that requires more paperwork and more processing time for the CBP. He stated additionally, the vetting process of the I-94 is significantly less than the border crossing card.

Congressman Kolbe said an option MAG has is to get a letter of support from members of the delegation who support the effort and submit it as quickly as possible. He stated a second option would be to wait until after the primary election when some lawmakers may be less nervous to sign onto this initiative, or wait until after the general election in November. Congressman Kolbe noted the last option, if it is found there is no bipartisan support for the initiative, is to shelve the plan. He stated there is support for the effort and Capitol Strategies will continue to develop support amongst the delegation to get the CBP to move forward and pass the initiative.

Chair Lane said Congressman Kolbe mentioned overstays are minimal, and asked what the enforcement is if overstay occurs. Congressman Kolbe answered there is no checkpoint after 75 miles, so there is nothing to keep someone who has a card from venturing to Phoenix. He explained the reason cardholders do not break the rules is if they are caught, they lose their card privileges for ten years. Congressman Kolbe stated that is a chance cardholders do not want to take. He reiterated that without the card extension, the greater Phoenix area is missing out on the commerce these visitors would bring.

Chair Lane said there are two issues mentioned, overstay of the time and the extension of travel a visitor might take. He said he understood from what Congressman Kolbe just mentioned, visitors stay in the travel zone and do not overstay the visit. Mr. Bloch said overstays are well below one percent, and overstays are not a problem with this visa. Congressman Kolbe reiterated that visitors with this card have economic ties to Mexico and

want to return. Mr. Bloch said card applicants must demonstrate their ties to Mexico in order to obtain the card.

Chair Lane said the MAG Regional Council has been talking about the advantages of economic development with Mexico and encouraging commerce in Arizona. He wondered if there is a way to measure how much actual commerce has occurred, or if it is just a matter of the number of visas. Mr. Bloch said it would be based on the number of visas. He said he was not sure there is a way to separate spending from the different types of visas from Mexico. Congressman Kolbe commented research shows that when an extension occurred in New Mexico, it resulted in a substantial increase in commerce.

Chair Lane said Capitol Strategies talked about the differences between getting the initiative passed through rules or legislation. He said Congressman Kolbe mentioned no fiscal impact and he assumed that meant cost to the budget. Congressman Kolbe stated that was correct. He said in 1999 and in 2015 it was determined there was no cost to the budget and would actually save a great deal of money. Congressman Kolbe said officials know that cardholders who want to travel beyond the 75 miles to Phoenix must stop at the border and go into secondary to fill out the form for an I-94 visa. He noted with the extension of the Border Crossing Card zone, that process would not be necessary.

Chair Lane invited Arizona Chamber of Commerce and Industries President and CEO Glenn Hamer and Polsinelli Shareholder Michael Patterson to join the discussion. Mr. Hamer said the Arizona Chamber of Commerce believes the initiative is an extremely important effort. He stated if Arizona is able to pass the initiative, it will allow our friends from Mexico who have gone through a very vigorous vetting process to enjoy all of the state. Mr. Hamer said in addition to the support of the Arizona Chamber of Commerce, this initiative has widespread support amongst the Phoenix major metropolitan chamber organizations. He stated Arizona has accomplished this same type of initiative in the past, thanks to Congressman Kolbe's work. Mr. Hamer commented if the state goes forward to support and get the initiative done, it will result in more economic opportunity for all of Arizona. He said he appreciates the leadership role MAG has taken in this effort, and would appreciate the continued efforts for the greater good and economic health of the state.

Mr. Patterson stated he is speaking for himself and not his firm, and he is a big advocate of Arizona's relationship to Mexico and believes this is a winning initiative. He thanked Congressman Kolbe for his past efforts with the initiative, and MAG for taking a leadership role in this effort. Mr. Patterson said this initiative is a way for Arizona to get ahead of other border states. He explained that Maricopa County and Northern Arizona would be hurt if this initiative is not passed. Mr. Patterson said it was generous of MAG to consider the whole state in the initiative, and include some of our major tourists attractions like the Grand Canyon and Sedona. He noted our partners in southern Arizona are in favor of this initiative and believe it will increase revenue for the entire state. Mr. Patterson said this is the best vetted group of visa holders and he sees no reason we should not get every dollar they are willing to spend in Arizona. He stated it is shown that there are not overstays in this program, but an increase in

other types of business and joint ventures across the border. Mr. Patterson said this initiative helps with all the things Arizona is trying to accomplish with the right kind of partners in Mexico and the right kind of exposure to our state as a brand.

Mr. Hamer said this initiative did not happen by itself and MAG leadership has done a smart thing in having Capitol Strategies assist with this effort. He stated it has helped galvanize the business community as well as the congressional delegation. Chair Lane thanked Mr. Hamer and Mr. Patterson for their comments.

Mayor LeVault asked Mr. Smith to give the committee a rundown of the different MPOs, COGs and tribal councils that are on board with the initiative. Mr. Smith said every Council of Governments in Arizona supports the effort with the exception of the Northern Arizona Council of Governments (NACOG) in Flagstaff, but said the initiative has the support of the Flagstaff Metropolitan Planning Organization. He noted the only area of the state MAG has not heard from one way or another is Prescott. Mr. Smith said through MAG Government Relations Manager Nathan Pryor, MAG knows it has the support of the Inter Tribal Council of Arizona. He stated MAG got compliments on its approach to getting this initiative passed from Washington D.C. officials who commented that MAG took an organic approach from the bottom up, and not through a congressional delegation or law change. Mr. Smith explained that it was a unique approach so if congressional support fails, MAG still has the opportunity to submit the initiative through the administration. He commented with a couple more months to work on this through Capitol Strategies, it allows MAG to see if the effort will work. Mr. Smith said it is great to get the support of the business community. He stated he knows these issues can sometimes get conflated with illegal immigration, but that is not what this initiative is, but rather an economic opportunity for the state.

Mayor LeVault commented he is in favor of a secure border, but said part of the way we achieve a secure border is by having policies that are thorough and do a good job of vetting those visitors that we want in Arizona, like middle-class Mexicans that want to come here and spend money. He talked about how this is low hanging fruit and he knows that a vibrant, diversified, thriving economy will help our state with the problems it faces. Mayor LeVault said Arizona suffered a wound to its brand recently. He recalled when we had a reporter visit from the Financial Times, he was shocked to find that we were working on strengthening ties with Mexico and putting this type of proposal forward. Mayor LeVault noted the reporter came here and talked to a number of people in the state and recognized what is being said outside of Arizona was not always true. He recalled when a MAG group met with foreign counsel representatives recently, the topic of Arizona's brand was brought up several times. He said aside from the fact that this initiative makes good economic sense, it has very little risk and also helps us improve the state's branding issue.

Chair Lane asked what the status of the initiative was currently and what needs to be done to get it passed. Congressman Kolbe said he would make a quick analysis one way or the other. Chair Lane questioned if the two month extension would be made on the basis of taking the initiative through regulatory change rather than legislation. Congressman Kolbe said yes and

the word he got from general counsel and staff at the CBP is that they would love to see the initiative. He said there is strong support for the idea of getting it done through the rule making process. Mr. Bloch said the ideal way to get the initiative passed is top down from the delegation. He stated the bottom up approach is also crucial to getting the delegation motivated to want to get this passed. He said Capitol Strategies looked at getting the initiative passed from the legislative side, but there will be very little that passes this year and few vehicles to do it legislatively. Mr. Bloch stated MAG could still pursue a legislative route, but he is confident in recommending rule making as the way to proceed.

Chair Lane stated he shares Mayor LeVault's comments when it comes to economic development and encouragement of a better relationship with Mexico. He said one of the only exports Arizona is doing well right now is tourism. Chair Lane commented his concern is bipartisan support going forward. He said the appearance that MAG is circumventing the legislative process through regulatory agencies may not be seen favorably. Congressman Kolbe said he concurred with the Chair and believes this initiative has to have neutrality from delegation members who do not want to sign onto it and no open opposition. Mr. Bloch said it is important to distinguish executive action from the formal rule making process. He explained that the rule making process has notice and an opportunity to be heard, whereas executive action is done with a single signature.

Mr. Bloch stated this initiative would lead to a competitive advantage for Arizona. He said something Capitol Strategies heard a lot in Washington D.C. is that our state is in a pitched battle with the other three border states for Mexican business. Mr. Bloch said he sees competition in transportation and agriculture among other areas. He stated Mexico created a superhighway through Sinaloa for quicker access to Texas. Mr. Bloch said Texas only has a 25 mile border zone limit, as does California. He noted Arizona is up to 75, and we would be further ahead of the other states by extending that to the entire state.

Mr. Smith said he spoke to Capitol Strategies ahead of the meeting to work out how the contract would proceed, and suggests the language be information, discussion and approval to increase the contract for Capitol Strategies for an additional amount of \$16,000. He stated the contract could go for more than two months depending on how Capitol Strategy charges the agency, and said MAG has the ability to administratively increase time amounts on contracts without executive committee action.

Mayor Barney asked what the best way is to go about getting our congressional delegation on board. He asked if there should be a letter signed by MAG or individual communities, or if entities should send separate letters. Mr. Bloch said at the right time, it is essential to have local and statewide support from key stakeholder groups such as MAG, tribal groups, chambers and others. He noted he should know within days precisely when that time will be. Mr. Bloch said in regards to the contract extension, the contract will end on the day the initiative is done or if Capitol Strategies determines it will not pass. Mayor Meck added the initiative is critical and good for the state and thanked the work of Capitol Strategies to get it passed.

Chair Lane made a motion to approve increasing the contract for Capitol Strategies for an additional amount of \$16,000. Mayor Meck seconded the motion and the motion passed unanimously.

6. Approval of the Draft FY 2017 MAG Unified Planning Work Program and Annual Budget and the Member Dues and Assessments

MAG Fiscal Services Manager Rebecca Kimbrough said she began presenting budget information to the committee in January with dues and assessments, in February with new projects, in March with the 60 percent draft, and in April with positions and salary increases. She stated this month, MAG is asking for recommendation for approval of the FY2017 budget.

Mr. Kimbrough said there was a print out of a slide presentation at each member's place. She explained the second slide is a snapshot of the overall proposed budget with a comparison to the current year's budget for both revenues and expenditures. Ms. Kimbrough stated this information is in the Summary budget document: "MAG Programs In Brief." She said on the revenue side, the largest decrease is in federal funding and this is mainly due to the Congestion Mitigation and Air Quality Improvement Program (CMAQ) funding that we received during this year through the Transportation Improvement Program (TIP). Ms. Kimbrough stated this funding went to street sweepers. She commented the largest increase of revenue is the Regional Sales Tax funding, and that is budgeted for regional transportation-related project work for FY 2017.

Ms. Kimbrough stated budgeted expenditures are shown by division in the lower half of the chart. She said the Transportation division shows the largest dollar decrease in the comparison budget. Mr. Kimbrough explained this is due to projects that were budgeted for in FY 2016 that have ended or are near completion in the new draft budget. She said for example, the largest project decrease is for the I-10/I-17 Corridor Master Plan project, referred to as the "SPINE", that has a small amount of carry forward for FY 2017, compared to the large amount of work that was completed in FY 2016. Ms. Kimbrough stated the largest dollar increase is in the Information Services Division, and this is due to the addition of a new project for Economic and Geospatial Data and Services Consultant Support On-Call proposed work for FY 2017. She said overall, the proposed budget for FY 2017 shows a decrease of just over eight percent or about \$2.7 million dollars.

Ms. Kimbrough said the last slide presents a budget comparison of Personnel and Overhead items. She explained as MAG reports on a governmental basis, the emphasis in the budget is on the expenditure side as it is with our members.

Ms. Kimbrough said the largest dollar increase is for salaries and the net increase for the salary budget. She stated the budgeted salary increase includes the proposed three percent performance evaluation not to exceed \$250,000, as well as three new positions. Ms.

Kimbrough commented as part of the request for a new position, the vetting process at MAG determines if interns are still required. She said this year, MAG took three full-time intern positions out of the proposed budget. Ms. Kimbrough stated three full-time positions are requested in order to ensure the continuity of the work in the affected divisions. She said the proposed salary budget is much lower than the total of the increases proposed. Ms. Kimbrough stated after relinquishing three interns and due to staff turnover, the net budgeted increase is just over \$57,000.

Ms. Kimbrough explained the largest budgeted decrease is in the personnel benefits line. She said the main reason for this decrease is due to budgeted health care expenses. Ms. Kimbrough stated in preparing the FY 2016 budget, at the time it was anticipated that health care costs would increase and the amount of the increase was uncertain. She said MAG was able to negotiate the same rates for FY 2016, and this stable rate is anticipated to continue in FY 2017. Ms. Kimbrough commented the benefits line item has been reduced for FY 2017, and there is a net dollar decrease in personnel benefits of \$162,486. She stated for FY 2017, these changes lower the budgeted personnel costs by \$105,220. Ms. Kimbrough said other than these two items, there are small differences in the comparison of the line item budget with an overall increase of less than one percent. She stated overall, there is a decrease in the proposed FY 2017 budget from our current year budget of 8.1 percent, including carryforward project estimates.

Ms. Kimbrough noted MAG submits its Work Program each year to the Government Finance Officer's Association for the Distinguished Budget Presentation Award. She said MAG received this award for the 17th consecutive year for the FY 2016 Work Program and said the approved work program for FY 2017 will be submitted for the 18th consecutive year.

Mr. Smith noted that at the last Regional Council meeting, MAG received questions about personnel expenses, mostly coming from Mayor Tom Schoaf of Litchfield Park. He said he took staff to Litchfield Park to discuss the reasoning for the three positions and believes Mayor Schoaf was satisfied with the explanations given. Mr. Smith stated that as a result of that meeting, MAG staff included the justifications in the packet that went out to committee members.

Mayor LeVault asked Ms. Kimbrough where MAG projects it will come in this fiscal year in terms of personnel expenditures versus what was budgeted. Ms. Kimbrough stated that MAG has experienced some turnover this year, and so looking at the amount of personnel costs versus the budget believes it will come in anywhere between \$500,000 to \$600,000 thousand less than what was budgeted.

Mayor Barney moved to approve the resolution adopting the Draft FY 2017 MAG Unified Planning Work Program and Annual Budget and the member dues and assessments. Mayor LeVault seconded the motion and the motion carried unanimously.

7. Legislative Update

Chair Lane noted there was no legislative update for today's meeting.

8. Request for Future Agenda Items

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

9. 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 12:56 p.m.

Chair

Secretary

MARICOPA ASSOCIATION OF GOVERNMENTS

INFORMATION SUMMARY... for your review

DATE:

June 7, 2016

SUBJECT:

Amendments to the FY 2017 Unified Planning Work Program and Annual Budget and to the FY 2016 Cost Risk Analysis for the MAG Regional Freeway and Highway Program On-Call

SUMMARY:

The fiscal year (FY) 2016 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council on May 27, 2015, included \$200,000 for the FY 2016 Cost Risk Analysis for the MAG Regional Freeway and Highway Program On-Call. In order to continue the intent of this program, which is to enable MAG staff to augment existing resources by utilizing a pool of qualified consultants to provide services in the specialized area of expertise Cost Risk Analysis, additional funds will be needed for the on-call budget. The purpose of the FY 2016 Cost Risk Analysis is to refine the project costs for the MAG Regional Freeway and Highway Program at MAG. The process uses state-of-the-art engineering and planning tools to analyze project costs. Amendments are needed to the FY 2017 MAG Unified Planning Work Program and Annual Budget to accept funding, and to the FY 2016 Cost Risk Analysis for the MAG Regional Freeway and Highway Program On-Call to include additional task orders to continue the scope of work, and to increase the On-Call budget by \$380,000 to be funded from the MAG Regional Freeway and Highway Program.

The 2016 Cost Risk Analysis helps to facilitate Arizona Department of Transportation (ADOT) teams and MAG staff in the analysis of the costs and schedules for projects in the Regional Freeway and Highway Program. This process is intended to provide a format for a detailed analysis by subject matter experts during workshops in an effort to provide the highest level of confidence to program projects more accurately.

Funding for this amendment is being provided through ADOT from the consulting budget for the Regional Freeway and Highway Program. In the past, MAG funded this activity from available planning funds rather than the freeway program. Since all of the projects being analyzed in the Cost Risk Analysis program are freeway projects, it is appropriate for regional freeway program funds be used to continue this activity.

PUBLIC INPUT:

No public input has been received.

PROS AND CONS:

PROS: The FY 2016 Cost Risk Analysis for the MAG Regional Freeway and Highway Program On-Call will continue to enable MAG to deliver information, data, and projects within a relatively short timeframe. The program has achieved outstanding success in refining project costs and schedules to ensure efficient and timely delivery of the projects. The on-call nature of the program affords the opportunity to engage a qualified consultant in a matter of weeks with a task order versus a considerably longer conventional procurement

process that is followed for much larger project engagements. This program also increases the MAG Transportation Division's capabilities to provide rapid and strategic responses to critical issues.

CONS: None.

TECHNICAL AND POLICY IMPLICATIONS:

TECHNICAL: The added capabilities of the FY 2016 Cost Risk Analysis for the MAG Regional Freeway and Highway Program ensure that MAG receives information to move forward the initiatives of the overall transportation planning program. Data received from the task orders will be used in current and future projects. This program is implemented in a manner that is consistent with the other current on-call consultant services programs that are presently being administered at MAG.

POLICY: Timely regional transportation planning and analyses provide policy makers with accurate information to make decisions.

ACTION NEEDED:

Approval of the amendments to the FY 2017 MAG Unified Planning Work Program and Annual Budget to accept funding, and to the FY 2016 Cost Risk Analysis for the MAG Regional Freeway and Highway Program On-Call to include additional task orders to continue the scope of work and to increase the On-Call budget by \$380,000 to be funded from the MAG Regional Freeway and Highway Program.

PRIOR COMMITTEE ACTIONS:

This item was on the June 8, 2016, MAG Management Committee agenda for recommended approval.

CONTACT PERSON:

Chaun Hill, MAG Senior Engineer, 602-254-6300.



ARIZONA CHAMBER
OF COMMERCE & INDUSTRY

June 3, 2016

Mayor Jim Lane
Chairman
Maricopa Association of Governments
302 North 1st Avenue
Suite 300
Phoenix, Arizona 85003

Mayor Michael LeVault
Chairman
Economic Development Committee
Maricopa Association of Governments
302 North 1st Avenue
Suite 300
Phoenix, Arizona 85003

Dear Mayor Lane and Mayor LeVault:

By way of this letter, the Arizona Chamber of Commerce and Industry reiterates its strong support of efforts by the Maricopa Association of Governments and stakeholders across Arizona to encourage the Department of Homeland Security to expand statewide the zone in which Mexican nationals in possession of a valid Border Crossing Card (BCC) may travel without requiring additional documentation or fees.

Under current law, Mexican nationals with a valid BCC entering Arizona at certain land border ports can travel only as far north as Tucson before being required to secure Form I-94 and pay an extra fee. Travelers who have valid BCCs, however, have already been vetted at a U.S. consulate in Mexico, still undergo inspection at the port of entry and, if the inspecting officer desires, can still be referred for more involved secondary screening or even be denied entry.

Crossing the border with proper documentation with the intent to travel to places like Phoenix or Flagstaff should be a more seamless process. Filling out paperwork with travelers who want to visit the Grand Canyon or go shopping in Scottsdale is not a good use of limited Customs and Border Protection personnel resources. We would all be better served by CBP officers spending more time inspecting travelers and freight we have less information about.

Arizona's travel zone has been expanded once before in 1999 and New Mexico's travel zone was expanded in 2013, in each case without compromising our security or our economic interests. In fact, in Arizona, Mexican visitors are estimated to spend an average of \$7 million each day in our state, a figure that is only poised to grow.

Continued

Page 2

Mayor Jim Lane and Mayor Michael LeVault

It's time to open up the whole state to Mexican tourism. The Chamber stands with MAG and the broader business community in these ongoing efforts to expand cross-border travel between Mexico and Arizona.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn Hamer". The signature is stylized and somewhat cursive, with a large initial "G" and "H".

Glenn Hamer
President and CEO