

MINUTES OF THE
MAG MANAGEMENT COMMITTEE MEETING
January 12, 2011
MAG Office Building - Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Carl Swenson, Peoria, Chair	Bill Hernandez, Guadalupe
Jeff Kulaga for Charlie Meyer, Tempe	Darryl Crossman, Litchfield Park
# George Hoffman, Apache Junction	Christopher Brady, Mesa
Charlie McClendon, Avondale	* Jim Bacon, Paradise Valley
Stephen Cleveland, Buckeye	Karen Peters for David Cavazos, Phoenix
Gary Neiss, Carefree	John Kross, Queen Creek
Wayne Anderson for Usama Abujbarah, Cave Creek	* Bryan Meyers, Salt River Pima-Maricopa Indian Community
Rich Dlugas, Chandler	David Richert, Scottsdale
Spencer Isom, El Mirage	Michael Celaya for Mark Coronado, Surprise
Alfonso Rodriguez for Phil Dorchester, Fort McDowell Yavapai Nation	* Reyes Medrano, Tolleson
Julie Ghetti for Rick Davis, Fountain Hills	# Gary Edwards, Wickenburg
Rick Buss, Gila Bend	Lloyce Robinson, Youngtown
* David White, Gila River Indian Community	Steve Hull for John Halikowski, ADOT
Michelle Gramley for Collin DeWitt, Gilbert	Kenny Harris for David Smith, Maricopa Co.
Ed Beasley, Glendale	Bryan Jungwirth for David Boggs, Valley Metro/RPTA
John Fischbach, Goodyear	

* 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 Chair Carl Swenson at 12:00 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Chair Swenson noted that George Hoffman and Gary Edwards were participating in the meeting via teleconference.

Chair Swenson congratulated Spencer Isom on being named City Manager of the City of El Mirage.

Chair Swenson announced that public comment cards were available to members of the public who wish to comment. He noted that parking garage validation and transit tickets were available from Valley Metro/RPTA for those using transit to come to the meeting.

3. Call to the Audience

Chair Swenson 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. Chair Swenson 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.

Chair Swenson noted that no comment cards had been submitted.

4. Executive Director's Report

Dennis Smith, MAG Executive Director, reported on items of interest in the MAG region. He noted that the state results for the 2010 Census had been received and show that Arizona's population is 6,392,017. Mr. Smith remarked that Arizona is the second fastest growing state. He added that four of the fastest growing states, Arizona, Nevada, Idaho and Utah, are in the Western region, and going north from Arizona is a natural corridor for a freight rail corridor. Mr. Smith noted that Arizona gained one Congressional seat due to the population increase. He stated that the member agency draft MAG Dues and Assessments are based on population and will be recalculated based on the city and county numbers that the Census Bureau will provide in March 2011.

Mr. Smith reported on pending and foreclosed homes in the region through June 2010. He displayed a map prepared by the MAG Information Services Division that showed 18,543 foreclosed residential properties and 39,148 properties pending foreclosure, a total of 57,731 properties. Mr. Smith advised that this represents a decrease of 1,418 units from the last reported total of 59,149. He noted that the banks reportedly are holding back properties from the foreclosure process, and the number could be artificially low at this point.

Mr. Smith played a clip of the MAG air quality video, "Dust Off Your Air Quality IQ." He noted that the video had been distributed to municipal access channels and additional copies are available if requested. Mr. Smith recognized the efforts of MAG Communications Division Manager Kelly Taft and her staff, along with MAG Associate Gary Stafford, for their work on the videos. He noted that Mr. Stafford has won numerous Emmys for his work. Mr. Smith informed members that staff will accept invitations to show the video at community events.

Chair Swenson thanked Mr. Smith for his report. No questions for Mr. Smith were noted.

5. Approval of Consent Agenda

Chair Swenson stated that agenda items #5A, #5B, #5C, #5D, #5E, #5F, #5G, #5H, #5I, #5J, #5K, and #5L were on the Consent Agenda. He reviewed the public comment guidelines for the Consent Agenda. Chair Swenson noted that no public comment cards had been received.

Chair Swenson asked if any member of the Committee had questions or a request to have a presentation on any Consent Agenda item. None were noted.

Mr. Crossman moved to recommend approval of #5A, #5B, #5C, #5D, #5E, #5F, #5G, #5H, #5I, #5J, #5K, and #5L. Mr. Brady seconded, and the motion passed unanimously.

5A. Approval of November 10, 2010, Meeting Minutes

The Management Committee, by consent, approved the November 10, 2010, meeting minutes.

5B. FY 2011 MAG Highway Safety Improvement Program Projects

The Management Committee, by consent, recommended approval of the list of safety improvement projects as the MAG recommendation to the Arizona Department of Transportation for federal Highway Safety Improvement Program funds for fiscal year 2011. Starting in fiscal year (FY) 2010, MAG has begun receiving a total of \$1 million per year in federal Highway Safety Improvement Program (HSIP) funds from the Arizona Department of Transportation (ADOT), to be allocated toward projects and studies that would lead to road safety improvements in the region. Based on a prior MAG action, \$200,000 of the HSIP allocation for FY 2011 has been set aside for conducting Road Safety Assessments at high crash risk intersections. The balance of \$800,000 needs to be programmed for safety projects that can be obligated by May 1, 2011, which is the deadline established by ADOT. A call for projects was announced by MAG on October 14, 2010, to identify a list of candidate road safety improvement projects to be recommended to ADOT. On November 23, 2010, the Transportation Safety Committee reviewed the applications and recommended a list of projects and the funding amounts. The total of all requests slightly exceeded the \$800,000 available and is expected to be approved by ADOT.

5C. Loop 303/Northern Parkway Interim Connection

The Management Committee, by consent, recommended that the Northern Parkway/L303 interim connection be included in the L303 construction budget at a cost of \$2.5 million. The Northern Parkway project is part of the Proposition 400 Arterial Life Cycle Program and is a joint project with Maricopa County, Glendale, Peoria, and El Mirage. The connection of Northern Parkway with Loop 303 (L303) is important to provide a seamless connection between the two facilities. The common practice is that the costs of the connection are included in the budget for the facility that is connecting to the mainline of the freeway facility. Due to the lack of adequate funding for the ultimate design for the Northern Parkway/L303 interchange, an interim design has been developed that provides a reasonable, seamless connection between the two facilities. The estimated cost to construct the interim connection is \$2.5 million. In order to construct the connection in a cost effective way, the project will be included in the construction package for L303 that will be advertised in 2011. Due to the recent favorable construction bid experience, the Northern Parkway team has asked that the cost of the interim connection be covered under the L303 budget as long as the construction bids are lower than the program estimates.

5D. Programming of Pave Unpaved Road Projects for MAG Federal Congestion Mitigation and Air Quality Improvement Funding in the FY 2011-2015 MAG Transportation Improvement Program

The Management Committee, by consent, recommended a list of pave unpaved road projects to be funded with MAG Federal Congestion Mitigation and Air Quality Improvement (CMAQ) funds, and that the identified work phases and costs from the project application are added to the FY 2011-2015 MAG Transportation Improvement Program. The MAG Regional Transportation Plan (RTP) allocates CMAQ funds to specific modes, and, in some cases, identifies specific projects for the funds. Currently, the FY 2011-2015 MAG TIP identifies \$4,898,000 in CMAQ funding for the pave unpaved road program in FY 2014. MAG relied on its competitive application process to program these funds. Applications were made available in August 2010 with a due date of September 16, 2010. There were 15 complete project applications submitted on time, and 14 were deemed eligible for federal funding. The projects went through a two-tiered Street Committee review process starting in October that resulted in project rankings by the Air Quality Technical Advisory Committee in November 2010.

5E. Approval of the Procurement of the IHS Global Insight TRANSEARCH Database and the North American Truck Load Rate Index by Trans-Research International for Use in the MAG Freight Transportation Framework Study and the MAG Regional Transportation Demand Model

The Management Committee, by consent, recommended approval of the sole source procurement of the IHS Global Insight TRANSEARCH Database and the North American Truck Load Rate Index by Trans-Research International for use in the MAG Freight Transportation Framework Study and the MAG Regional Transportation Demand Model for an estimated cost of \$180,000. The Fiscal Year (FY) 2011 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2010, includes \$200,000 for the purchase of freight data to support the MAG Freight Transportation Framework Study and the MAG Regional Transportation Demand Model. Due to the specialized commodity flow data needed for the Freight Framework Study a competitive selection is not available for the purchase of such data. MAG has negotiated a sole source procurement with IHS Global Insight Consulting Company for a custom TRANSEARCH commercial database and with Trans-Research International for the North American Truck Load Rate Index, for an estimated cost of \$180,000.

5F. Status of Remaining MAG Approved PM-10 Certified Street Sweeper Projects That Have Not Requested Reimbursement

A status report was provided on the remaining PM-10 certified street sweeper projects that have received approval, but have not requested reimbursement. To assist MAG in reducing the amount of obligated federal funds carried forward in the MAG Unified Planning Work Program and Annual Budget, MAG is requesting that street sweepers be purchased and reimbursement be requested by the agency within one year plus ten calendar days from the date of the MAG authorization letter.

5G. Recommendation of Prioritized List of Proposed PM-10 Certified Street Sweeper Projects for FY 2011 CMAQ Funding

The Management Committee, by consent, recommended approval of a prioritized list of proposed PM-10 Certified Street Sweeper Projects for FY 2011 Congestion Mitigation and Air Quality

Improvement (CMAQ) funding. The FY 2011 MAG Unified Planning Work Program and Annual Budget and the FY 2011-2015 MAG Transportation Improvement Program contain \$900,000 in FY 2011 CMAQ funding to encourage the purchase and utilization of PM-10 Certified Street Sweepers. An additional \$367,855 in CMAQ is available from sweeper projects that have been requested to be deleted and from savings on sweepers that have cost less than anticipated, for a total amount of \$1,267,855. All of the seven sweeper projects for FY 2011 may be funded with the \$1,267,855 in available CMAQ. On November 30, 2010, the MAG Air Quality Technical Advisory Committee (AQTAC) recommended a prioritized list of proposed PM-10 Certified Street Sweeper Projects for FY 2011 CMAQ funding. Prior to the AQTAC recommendation, the MAG Street Committee reviewed the proposed street sweeper applications on October 12, 2010, in accordance with the MAG Federal Fund Programming Principles.

5H. New Finding of Conformity for the FY 2011-2015 MAG Transportation Improvement Program and Regional Transportation Plan 2010 Update, As Amended

The Management Committee, by consent, recommended approval of the new Finding of Conformity for the FY 2011-2015 MAG Transportation Improvement Program and Regional Transportation Plan 2010 Update, as amended. On July 28, 2010, the MAG Regional Council approved a Finding of Conformity for the FY 2011-2015 MAG Transportation Improvement Program (TIP) and MAG Regional Transportation Plan (RTP) 2010 Update. Since that time, an amendment has been proposed that includes new projects and project modifications from the Arizona Department of Transportation, Avondale, Buckeye, Chandler, Gila Bend, Gilbert, Maricopa County, Mesa, Peoria, Phoenix, Queen Creek, Scottsdale, Surprise, and Valley Metro Rail. MAG has conducted a regional emissions analysis for the proposed amendment and the results of the regional emissions analysis, when considered together with the TIP and RTP as a whole, indicate that the transportation projects will not contribute to violations of federal air quality standards. On December 10, 2010, a 30-day public review period began on the conformity assessment and amendment. Comments were requested by January 10, 2011.

5I. Conformity Consultation

The Maricopa Association of Governments is conducting consultation on a conformity assessment for an amendment and administrative modification to the FY 2011-2015 MAG Transportation Improvement Program (TIP). The amendment and administrative modification involve several projects, including several Highway Safety Improvement Program funded projects and PM-10 paving unpaved road projects. The amendment includes projects that may be categorized as exempt from conformity determinations. The administrative modification includes minor project revisions that do not require a conformity determination. Comments were requested by January 10, 2011.

5J. Status Update on the June 30, 2010 Single Audit and Management Letter Comments, MAG's Comprehensive Annual Financial Report and OMB Circular A-133 Reports (i.e., "Single Audit") for the Fiscal Year Ended June 30, 2010

The Management Committee, by consent, recommended acceptance of the audit opinion issued on the MAG Comprehensive Annual Financial Report and Single Audit Report for the year ended June 30, 2010. The accounting firm of LarsonAllen, LLP has completed the audit of MAG's

Comprehensive Annual Financial Report (CAFR) and Single Audit for the fiscal year ended June 30, 2010. An unqualified audit opinion was issued on November 22, 2010 on the financial statements of governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information. The independent auditors' report on compliance with the requirements applicable to major federal award programs, expressed an unqualified opinion on the Single Audit. The Single Audit report indicated there were no reportable conditions in MAG's internal control over financial reporting considered to be material weaknesses, no instances of noncompliance considered to be material and no questioned costs. The Single Audit report had no new or repeat findings. The CAFR financial statements and related footnotes were prepared in accordance with the Government Finance Officers Association's (GFOA) standards for the Certificate of Achievement for Excellence in Financial Reporting awards program. Management intends to submit the June 30, 2010 CAFR to the GFOA awards program for review. If awarded the certificate for the June 30, 2010 CAFR, this would be MAG's 13th consecutive award.

5K. Approval to Join the Strategic-Alliance-Volume-Expenditures Cooperative Purchasing Group

The Management Committee, by consent, recommended approval for MAG to join the Strategic-Alliance-Volume-Expenditures (S.A.V.E.) cooperative purchasing group. The Maricopa Association of Governments is requesting a recommendation of approval to join the S.A.V.E. cooperative purchasing group in order to take advantage of any opportunities for cost savings on purchases and sharing of information on purchases. Regular membership can be in the name of the state, county, city, town, school, special district group, or political subdivision as prescribed by the by-laws of the S.A.V.E. organization. A provision is also included in the by-laws for associate membership and MAG would be considered eligible for participation in S.A.V.E. as an associate member. Associate members do not possess any rights in relation to voting and could only attend S.A.V.E. meetings by invitation of the Board of Directors. Currently there are no annual dues for membership in S.A.V.E. and in order to join, the by-laws of S.A.V.E. require only the approval of the applicant's governing body. Upon approval, the signature page of the S.A.V.E. agreement between MAG and S.A.V.E. must be filed with the Secretary of State.

5L. Sun Corridor Consortium Update

In August 2010, MAG submitted an application for the Sustainable Communities Regional Planning Grant Program on behalf of the Sun Corridor Consortium. The purpose of the program is to better coordinate planning for transportation, housing, and economic development. In September 2010, an update was provided about the projects proposed in the application. In October 2010, the U.S. Department of Housing and Urban Development (HUD) released the list of awardees, which did not include the Sun Corridor Consortium. In November 2010, HUD provided feedback on the Consortium's application. A stakeholders group is scheduled for January 2011 to review the feedback and to plan next steps to enhance the sustainability of the region.

6. Project Changes – Amendment and Administrative Modification to the FY 2011-2015 MAG Transportation Improvement Program, and as Appropriate, to the Regional Transportation Plan 2010 Update

Eileen Yazzie, MAG Transportation Program Manager, reported on requested project changes to the Fiscal Year (FY) 2011-2015 Transportation Improvement Program (TIP). She stated that in October and November 2010, in anticipation of action by the Environmental Protection Agency (EPA) on January 28, 2011, member agencies were requested to ensure that their projects were included in the FY 2011-2015 TIP. Ms. Yazzie noted that a 23-page attachment of project changes that have been requested by member agencies was included in the agenda packet. She noted the Transportation Review Committee (TRC) previously made a unanimous recommendation for approval of project changes.

Ms. Yazzie explained that years 2014 and 2015 project changes are not included in the TIP amendment because it was decided that by 2013, it would be known if MAG will be heading in a good direction or a bad direction as a result of the EPA's action. In a good direction, work would be taking place on a new TIP; in a bad direction, work would be unable to proceed on constructing projects. Ms. Yazzie commented that is the reason for focusing more on the immediate needs in years 2011, 2012, and 2013.

Ms. Yazzie stated that her presentation would report on the agenda items related to the TIP changes, a summary of projects recommended by TRC, and a summary of projects that are being heard for the first time by the Management Committee.

Ms. Yazzie stated that related agenda items include #5B, FY 2011 MAG Highway Safety Improvement Program Projects and #5D, Programming Pave Unpaved Road Projects. She explained that the projects in these agenda items come through a different programming process and this is the reason they are being heard for the first time as TIP project changes. Ms. Yazzie stated that other related agenda items include #5H, New Finding of Conformity and #5I, Conformity Consultation, which are the air quality components that accompany the project changes.

Ms. Yazzie then provided a summary of the project changes recommended for approval by the TRC. She said that 16 agencies submitted approximately 250 project changes. Ms. Yazzie stated that 162 project changes were related to costs, scopes, schedules, and new projects for highways, roads, bicycle and pedestrian, and ITS. She noted that 84 were transit projects with changes related to the federal finance process and locations and scopes. Ms. Yazzie noted that the federal finance process requires that project changes be included in an approved TIP. She advised that the majority of these transit projects are in the approved FY 2008-2012 TIP, and because the grants have not been drawn the projects need to be amended into the FY 2011-2015 TIP.

Ms. Yazzie then addressed the project changes being heard for the first time by the Management Committee. She said that 45 are highway project changes, of which 23 are the technical details related to the Safety and Paving projects in the separate agenda items she referenced earlier, and 22 are new projects and scope changes. Ms. Yazzie reported that there are 15 transit project changes, which are related to finance. She concluded her presentation by saying that all of the

project change requests do not affect conformity, which was addressed under a separate agenda item.

Chair Swenson thanked Ms. Yazzie for her report and asked members if they had questions. None were noted.

Mr. Kross moved to recommend approval of amendments and administrative modifications to the FY 2011-2015 MAG TIP, and as appropriate, to the RTP 2010 Update dependent on a new finding of conformity. Mr. Crossman seconded, and the motion passed unanimously.

7. Air Quality Report

Lindy Bauer, MAG Environmental Director, reported that on September 9, 2010, the Environmental Protection Agency (EPA) published a notice to propose partial approval and disapproval of the MAG 2007 Five Percent Plan for PM-10. She advised that if EPA finalizes the partial disapproval on January 28, 2011, a conformity freeze would occur in approximately 30 days. Ms. Bauer stated that this means that only projects in the first four years of the MAG Transportation Improvement Program (TIP) and Regional Transportation Plan could proceed. Ms. Bauer explained that if the problem is not corrected within 18 months, tighter controls on major industries would be imposed, and if the problem is still not corrected within 24 months of the disapproval, the MAG region could face the loss of federal highway funds and imposition of a federal implementation plan.

Ms. Bauer stated that MAG staff have been working very closely with EPA, the Arizona Department of Environmental Quality, and the Maricopa County Air Quality Department. She said that technical questions have been submitted to EPA to address approvability issues with the Plan. Ms. Bauer reported that EPA has answered some of the questions and indicated EPA will be more free to answer questions later. Ms. Bauer stated that staff submitted some vacant land documentation to EPA, which it requested, in November 2010 and conducted industry outreach meetings. She added that ADEQ hosted a meeting December 21, 2010.

Ms. Bauer stated that Representative Reeve, Chair of the Environment Committee, will have a bill ready in case legislation becomes necessary. Ms. Bauer noted that there have been no violations at the monitors in 2010. She stated that there was one exceedance on October 15, 2010, at the Greenwood monitor, but since the monitor has not had enough exceedances, it will not count as a violation against the region.

Chair Swanson thanked Ms. Bauer for her report. He asked the next steps. Ms. Bauer replied that staff will report on issues and status of the Plan to the MAG Regional Council Executive Committee on January 18, 2011. Chair Swanson expressed appreciation to Ms. Bauer for her reports.

8. Discussion of the Development of the FY 2012 MAG Unified Planning Work Program and Annual Budget

Rebecca Kimbrough, MAG Fiscal Services Manager, reported on the development of the FY 2012 MAG Unified Planning Work Program and Annual Budget. She noted that the draft budget

presentation begins early in the year in order that all of the budget information can be brought forward incrementally through May, when the budget is presented for approval.

Ms. Kimbrough stated that this month the draft Dues and Assessments for FY 2012 are presented. She noted that the population totals currently being used to calculate the Dues and Assessments are a placeholder for the final 2010 Census population numbers which are expected by March 2011. Ms. Kimbrough explained that the draft Dues and Assessments will be updated when the 2010 Census population totals are finalized.

Ms. Kimbrough stated that the draft timeline for presentation and production of the draft MAG budget was also included in the agenda material. She added that the early presentation of draft budget materials, including new projects in February and the 80 percent complete budget in March, is to allow sufficient time for review by the member agencies. Ms. Kimbrough stated that the draft budget will be brought through the committee process for approval in May 2011.

Chair Swenson thanked Ms. Kimbrough for her report. No questions from the Committee were noted.

9. Request for Future Agenda Items

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

Mr. Harris asked about having a status report on the air quality situation. Mr. Smith replied that staff would be able to provide a complete report at the February meeting, after the Executive Committee meeting and the January 28, 2011, EPA deadline.

10. 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.

Adjournment

The meeting was adjourned at 12:25 p.m.

Chair

Secretary