

MINUTES OF THE
MAG MANAGEMENT COMMITTEE MEETING
April 11, 2012
MAG Office - Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

- Charlie Meyer, Tempe, Chair
 - * David Cavazos, Phoenix, Vice Chair
 - # George Hoffman, Apache Junction
 - Charlie McClendon, Avondale
 - * Stephen Cleveland, Buckeye
 - # Gary Neiss, Carefree
 - * Usama Abujbarah, Cave Creek
 - Rich Dlugas, Chandler
 - Dr. Spencer Isom, El Mirage
 - * Phil Dorchester, Fort McDowell
 - Yavapai Nation
 - Ken Buchanan, Fountain Hills
 - Rick Buss, Gila Bend
 - * David White, Gila River Indian Community
 - Marc Skocypec for Patrick Banger, Gilbert
 - Brent Stoddard for Ed Beasley, Glendale
 - Brian Dalke, Goodyear
 - * Bill Hernandez, Guadalupe
 - * Darryl Crossman, Litchfield Park
 - Christopher Brady, Mesa
 - Jim Bacon, Paradise Valley
 - Susan Thorpe for Carl Swenson, Peoria
 - John Kross, Queen Creek
 - * Bryan Meyers, Salt River Pima-Maricopa
Indian Community
 - David Richert, Scottsdale
 - Chris Hillman, Surprise
 - Reyes Medrano, Tolleson
 - Joshua Wright, Wickenburg
 - Loyce Robinson, Youngtown
 - Floyd Roehrich for John Halikowski, ADOT
 - John Hauskins for David Smith,
Maricopa County
 - Bryan Jungwirth for Steve Banta,
Valley Metro/RPTA
- * Those members neither present nor represented by proxy.
Participated by telephone conference call. + Participated by videoconference call.

1. Call to Order

The meeting was called to order by Chair Charlie Meyer at 12:00 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Chair Meyer welcomed Brian Dalke, the Acting City Manager for Goodyear, to the Management Committee. He noted that George Hoffman and Gary Neiss were participating in the meeting by teleconference.

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

3. Call to the Audience

Chair Meyer 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 Meyer 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. A total of 15 minutes will be provided for the Call to the Audience agenda item, unless the Committee requests an exception to this limit.

Chair Meyer recognized public comment from Dianne Barker, a resident of Phoenix. Ms. Barker remarked that multimodal feels good. She noted that the TPC is looking at multimodal options for the Broadway curve and I-10 but she did not see an item on the Management Committee agenda regarding this issue. Ms. Barker stated that there was a lot of testimony and opposition at the Transportation Policy Committee meetings regarding the South Mountain Freeway for various reasons, including cost, Native American interests, and transit interests. She stated that Congressman Ed Pastor assured her that the alternatives analysis for the corridor of light rail into South Phoenix would include various modes. Ms. Barker encouraged that the TPC convene a Town Hall type of meeting to get input from the community on how we can get around here, including an elevated, fast, bifueled, solar train.

Chair Meyer thanked Ms. Barker for her comments and noted that the Broadway curve and I-10 was on the agenda today and would be discussed under agenda item #7, Regional Freeway and Highway Life Cycle Program Update.

4. Executive Director's Report

Dennis Smith reported on items of interest in the MAG region. Mr. Smith expressed appreciation to those who submitted entries for the Desert Peaks Awards. Mr. Smith stated that 20 entries had been received for the categories of Public Partnership, Public Private Partnership, Professional Service, Regional Partnership, Regional Excellence, and the new category, Outstanding Economic Development Champion. He reported that the judging panel will select the award recipients in mid-April and the awards will be presented at the Desert Peaks Awards ceremony on June 27, 2012, at the Downtown Phoenix Sheraton, following the annual Regional Council meeting.

Mr. Smith stated that a resolution of support for Arizona's ports of entry resulted from discussions of the Joint Planning Advisory Council in response to the competitive trading disadvantage of Arizona with Texas. He noted that the resolution was adopted by the MAG Regional Council on March 28, 2012, the Central Arizona Association of Governments (CAAG), the Flagstaff Metropolitan Planning Organization (FMPO), the Pima Association of Governments (PAG), the SouthEastern Arizona Governments Organization (SEAGO), and Yuma Metropolitan Planning Organization (YMPO) Mr. Smith noted that adoption of the resolution by the Central Yavapai

Metropolitan Planning Organization (CYMPO), the Western Arizona Council of Governments (WACOG) and the Intertribal Council are pending.

Mr. Smith noted that the adoption of this resolution is timely, with the Executive Order issued on January 19, 2012, by President Obama to establish Visa and foreign visitor processing goals and the Task Force on Travel and Competitiveness. He stated that reports and materials developed by the Thunderbird School of Global Management will be posted on the MAG FTP site and he would be sending the link to members after the meeting. Mr. Smith displayed a graph that showed the a comparison between wages in China and Mexico and he noted that wages started out lower in China than in Mexico, but are increasing. Mr. Smith noted that the second graph showed that the manufacturing cost index for India and Mexico balance out as China's wages increase and other costs are added on.

Mr. Smith displayed a graph that showed the dollar amounts of imports from Mexico to Texas, California, and Arizona from 2004 to 2010. He noted that imports to Texas have risen sharply while imports to Arizona have remained virtually flat. Mr. Smith referenced a recent editorial in *The Arizona Republic* that Texas welcomes Mexican nationals.

Mr. Smith stated that the North American Center for Transborder Studies at Arizona State University did a study called *Realizing the Full Value of Crossborder Trade with Mexico*. He said that the study included the following key facts: (1) In 2010, Mexico invested an unprecedented five percent of its GDP in infrastructure. (2) In 2011, the World Bank ranked Mexico the easiest place in Latin America to do business. (3) Goldman Sachs research on the Next 11 Emerging Markets estimates the Mexican economy will become the world's fifth largest economy by 2050. (4) In 2010, the Mexican economy grew by 5.4 percent. (5) Mexico's official national unemployment rate is 5.4 percent. (6) Since NAFTA, exports to Mexico from the U.S. have increased by 220 percent. (7) Top U.S. states trading with Mexico: #1 - Texas, #2 - California, #3 - Michigan, #4 - Illinois and #5 - Arizona. Mr. Smith noted that Arizona used to be #4 and Illinois was #5. He remarked that having an economic development staff person fluent in Spanish provides an opportunity for a jurisdiction to work with Mexico. Mr. Smith added that Mexico has a group similar to GPEC and they have expressed they would like to come to an Economic Development Committee meeting and discuss economic development.

Mr. Smith noted that on March 28, the MAG Regional Council adopted a resolution supporting Arizona being designated as a national test range to integrate unmanned aircraft systems into the national airspace system. He reported that the resolution is in the process of being signed by Regional Council and Economic Development Committee members.

Mr. Smith said that the Peer Exchange on Transportation Planning by Metropolitan Planning Organizations for Megaregions is scheduled for May 9-10, 2012, at the MAG Office Meeting Center. He noted that federal agencies who will be attending include the U.S. Department of Transportation (DOT) Office of the Secretary, the U.S. DOT Volpe Center, the Federal Highway Administration (FHWA) Office of Planning, the Federal Transit Administration (FTA) Region IX, and the FHWA Arizona Division. Mr. Smith stated that peer regions scheduled to attend include Atlanta, San Diego, Buffalo, Colorado Springs, Delaware Valley, and Albuquerque, in addition to state, regional, and local agencies.

Mr. Smith then introduced a shortened version of the air quality video that had been requested by the Regional Council. He stated that the video will be sent to municipal cable channels. Mr. Smith stated that the video will help citizens understand about air quality improvement efforts in the region and that air quality has improved.

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

5. Approval of Consent Agenda

Chair Meyer stated that agenda items #5A, #5B, #5C, #5D, #5E, #5F, #5G, and #5H were on the Consent Agenda. No requests for public comment were received.

Mr. Bacon moved to recommend approval of #5A, #5B, #5C, #5D, #5E, #5F, #5G, and #5H. Mr. Wright seconded. Chair Meyer asked if there was any discussion of the motion. Being none, the vote on the motion passed unanimously.

5A. Approval of March 14, 2012, Meeting Minutes

The MAG Management Committee, by consent, approved the March 14, 2012, meeting minutes.

5B. Arterial Life Cycle Program Status Report

The Arterial Life Cycle Program (ALCP) Status Report provides an update on ALCP projects scheduled for work and/or reimbursement in the current fiscal year, program deadlines, revenues, and finances for the period between October 2011 and March 2012.

5C. Project Changes - Amendment and Administrative Modification to the FY 2011-2015 MAG Transportation Improvement Program

The MAG Management Committee, by consent, recommended approval of amendments and administrative modifications to the FY 2011-2015 MAG Transportation Improvement Program, the FY 2012 Arterial Life Cycle Program and to the Regional Transportation Plan 2010 Update, as appropriate. The Fiscal Year (FY) 2011-2015 Transportation Improvement Program (TIP) and Regional Transportation Plan 2010 Update, were approved by the MAG Regional Council on July 28, 2010 and have been modified 13 times with the last amendment approved by the Regional Council on March 28, 2012. Since then, there have been requests from Arizona Department of Transportation (ADOT), cities, and Maricopa County to modify projects in the program. The attachment listings in Table A (modifications to the TIP) and Table B (non-TIP) are for the FY 2012 Arterial Life Cycle Program (ALCP) that includes changes to the Northern Parkway project which Maricopa County is requesting to advance construct Phase II. All changes to Northern Parkway relate to an updated cost and work schedule. The fiscal balance for funds programmed for this project per year are maintained. These adjustments are necessary for the project to move forward. Table C in the attachment are project change requests from ADOT, Mesa, Phoenix, and Scottsdale which contain clerical and minor adjustments to financial information on several projects, one project deletion, one project split, one new design project, and two pavement preservation projects. Table D in the attachment are project change requests from ADOT that meet

the MAG Regional Freeway Program definition of Material Cost Changes. All of the projects to be added and modified may be categorized as exempt from conformity determinations and administrative modifications do not require a conformity determination.

5D. FY 2012 Section 5310 Elderly Individuals and Individuals with Disabilities Transportation Program Priority Listing of Applicants

The MAG Management Committee, by consent, recommended forwarding the priority listing of applicants for the FY 2012 FTA Elderly Individuals and Individuals with Disabilities Transportation Program to the Arizona Department of Transportation. The Federal Transit Administration (FTA) provides Section 5310, Elderly Individuals and Individuals with Disabilities Transportation Program funding, to the Arizona Department of Transportation (ADOT). These capital assistance awards support agencies and public bodies that provide transportation services for older adults and persons with a disability. The councils of governments, including MAG, prepare priority listings of applications for ADOT to be used when determining awards. Approximately \$3.9 million is available statewide for this year's projects. On March 21, 2012, the MAG Ad Hoc Elderly and Persons with Disabilities Transportation Committee recommended forwarding the priority listing of applicants for FY 2012 Section 5310 Elderly Individuals and Individuals with Disabilities Transportation Program to ADOT.

5E. Amendment to the FY 2012 MAG Unified Planning Work Program and Annual Budget to Accept \$250,000 of FHWA State Planning and Research Funds From the Pima Association of Governments for the Activity-Based Model Development Project and Amendment of the Corresponding Contract With Parsons Brinckerhoff, Inc.

The MAG Management Committee, by consent, recommended approval of an amendment to the FY 2012 MAG Unified Planning Work Program and Annual Budget to accept \$250,000 of FHWA State Planning and Research Funds from the Pima Association of Governments for the Activity-Based Model Development Project and amendment of the corresponding MAG contract with Parsons Brinckerhoff, Inc., to reflect additional scope and budget designated for the PAG portion of the model development and related improvements to the model. The FY 2012 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2011, includes the Activity-Based Model (ABM) Development Project - Phases 2 and 3. The ABM is a next generation regional travel demand forecasting model that will allow addressing of emerging planning needs. MAG and the Pima Association of Governments (PAG) have established a mutual agreement for Phases 2 and 3 of the ABM. This collaboration will allow MAG to increase dramatically the quality of travel demand forecasts along the I-10 corridor. The corresponding Memorandum of Agreement between MAG and PAG was executed by MAG on June 21, 2011. MAG and PAG resolved to collaborate on the development and implementation of the ABM and ensure that the work is completed in accordance with and subject to all provisions of the MAG contract with PB Americas, Inc. (currently Parsons Brinckerhoff, Inc.) and subsequent amendments. In accordance with the agreement, PAG has transferred \$250,000 of its Federal Highway Administration (FHWA) State Planning and Research (SPR) funds to MAG and proceeded with collaborative work on the project. An amendment to the contract was prepared in order to reflect additional scope and budget designated for the PAG portion of the model development and related improvements to the model.

5F. 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) and Regional Transportation Plan 2010 Update. The amendment and administrative modification involve several projects, including modifications to Maricopa County Northern Parkway projects in the Arterial Life Cycle Program, and revisions to several Arizona Department of Transportation 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 are requested by April 20, 2012.

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

A status report is being 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.

5H. Financial Auditor Selection for the Maricopa Association of Governments

The MAG Management Committee, by consent, recommended selecting CliftonLarsonAllen, LLP to perform the MAG annual financial audit for fiscal year 2012 with four one-year options to renew through 2016. The Maricopa Association of Governments requested proposals from qualified firms of certified public accountants to audit MAG's financial statements for five consecutive years beginning in fiscal year 2012. In response to the Request for Proposals released in February 2012, MAG received six proposals from qualified certified public accountant firms. A multi-agency proposal evaluation team reviewed the proposals and met on March 22, 2012. The proposal evaluation team recommended to MAG that CliftonLarsonAllen, LLP be selected to perform the financial audit at MAG for the period beginning FY 2012 with four one-year options to renew through FY 2016.

6. SR-202L/South Mountain Freeway Corridor Design Review

Bob Hazlett, MAG Senior Engineer, stated that the Arizona Department of Transportation (ADOT) has been planning the SR-202L/South Mountain Freeway corridor through the Environmental Impact Statement (EIS) and Location/Design Concept Report (L/DCR) process since 2001. He explained that as part of this process, ADOT has developed cost opinions of approximately \$2.4 billion for constructing the 22-mile freeway corridor. Mr. Hazlett stated that the current Regional Freeway and Highway Program estimate for the corridor is \$1.9 billion as approved by the Regional Council through the October 2009 rebalancing effort.

Mr. Hazlett stated that MAG engaged Burgess and Niple, Inc., to do an independent cost review of the SR-202L/South Mountain corridor to determine if the ADOT cost opinions were reasonable and whether savings could be realized through alternative designs to bring the estimate closer to the program amounts. He began his presentation by saying that when the rebalancing effort took place in 2009, there were \$6.6 billion in cost overruns due to increased right-of-way, construction material, and labor costs and the largest item, more than \$3.5 billion in scope growth, due to design decisions.

Mr. Hazlett reviewed how the cost estimates for the SR-202L/South Mountain Freeway have increased over time: In 2002, \$48.7 million per mile for a total estimated cost of \$1.1 billion; in 2006, \$78.7 million per mile for a total estimated cost of \$1.7 billion; in 2008, \$97.6 million per mile for a total estimated cost of \$2.1 billion; in 2010, \$100.3 million per mile for a total estimated cost of \$2.1 billion; in 2011, \$109.2 million per mile for a total estimated cost of \$2.4 billion. Mr. Hazlett remarked that even though the cost has doubled, this is not the most expensive freeway in the U. S., the Big Dig in Boston, Massachusetts, has that distinction.

Mr. Hazlett stated that the Burgess and Niple consultant team included staff with expertise from the California, Florida, Ohio, and Texas Departments of Transportation. He also noted that this team had minimal expertise with ADOT practices to prove a true independent review of the proposed freeway corridor design and costs.

Mr. Hazlett stated that the budget analysis showed that right-of-way accounts for approximately one-third of the project cost and raw construction costs represent about 38 percent of the project cost. He noted that about 40 percent of the right-of-way has been acquired already by ADOT.

Mr. Hazlett stated that one important thing is to take the cost opinions and apply for contingencies to account for unforeseen expenses. He said that ADOT is a conservative agency and wants to deliver the project successfully, so it used a combined design contingency of 75 percent at this level of design. Mr. Hazlett stated that the team thought this was too high because a typical contingency for new corridors around the country is in the range of 30 to 40 percent at this level of design.

Mr. Hazlett stated that the consultants looked at the design of the facility and compared it to other states and to the AASHTO Policy on Geometric Design, known as the Green Book. He said that these design guidelines range from the absolute minimum to meet safety standards, to desirable. Mr. Hazlett stated that ADOT's design standards are beyond the desirable range. He said that someone from the review team stated that public infrastructure projects should be in the Ford Taurus design range, but ADOT's design standards were in the Ferrari range. Mr. Hazlett stated that one of the recommendations of the analysis was to change the design approach to see if cost savings could be realized. He said that the design approach is optimized for functionality, safety, and cost.

Mr. Hazlett stated that safety would not be compromised at all. He stated that the alignment could be optimized by using broader horizontal and vertical geometric standards to not use as much land area, but still be safe for motorists and to coordinate with other disciplines, such as drainage, utilities, and right-of-way.

Mr. Hazlett stated that the consultants reviewed the design standards. He said that ADOT designs for high speeds on system interchanges, whereas other states and the AASHTO guidelines have lower design speeds to slow down traffic. Mr. Hazlett displayed an aerial photo of I-10 and 59th Avenue using a tighter ramp design that still conforms to the safety guidelines and leaves more land for development.

Mr. Hazlett then displayed possible design alternatives that could provide the most benefit for the money. He stated that the consultants identified approximately \$500 million to \$650 million that could be shaved from the budget. Mr. Hazlett stated that these cost savings have been provided to ADOT for review and they will get back to MAG.

Mr. Hazlett then reviewed the remaining steps of the draft environmental impact statement (EIS). He said that the draft EIS is in the final review stage and ADOT anticipates having it ready for a 90-day public review period by July, after which the comments will be incorporated and issues mitigated. Mr. Hazlett indicated that the final EIS will be produced around the end of the year and a record of decision anticipated in early 2013.

Chair Meyer thanked Mr. Hazlett for his presentation and asked members if they had questions.

Mr. Brady stated that he hoped this example of reexamining cost savings could become a pattern. He noted that with SR-24, they left \$100 million from the estimate on the table. Mr. Brady remarked that the longer we wait, the opportunity for lower construction costs and interest rates is being lost. He expressed appreciation for MAG taking the initiative to conduct this analysis and hoped that ADOT would continue the practice. Mr. Brady stated that cities take a budget and work into it and work hard to have contingencies that balance safety with practicality. He requested taking this philosophy and continue to apply it to all projects going forward.

Mr. Hazlett noted that ADOT has been very willing to look at optimizing corridors. He said that design philosophies differ from state to state and some of that goes back to standards and liabilities.

Mr. Roehrich stated that the ADOT process has always been to evaluate and look at the estimates. He said that as they go through the planning and development phases, they are constantly upgrading them. Mr. Roehrich stated that this is not the only independent review of the South Mountain Freeway that has been conducted, the Federal Highway Administration did one. Mr. Roehrich stated that ADOT will continue to take advantage of opportunities, as they do on all corridors. He noted that the estimate is an estimate, and ADOT will pay the cost at the time of the bid. Mr. Roehrich stated that ADOT strives to have the best estimates. He advised that regarding SR-24, a lot depends on the scope, which affects the estimation ability, and that is why it is important to review corridor studies over time.

Mr. Smith stated that what Mr. Brady is referencing is the philosophy to build to the budget. He commented that cities are not without blame. Mr. Smith stated that ADOT gets public input as part of the process to build a facility. ADOT tries to accommodate the cities, and that is how scope creep happens. Mr. Smith stated that what we are trying to say is you have \$1.9 billion and we

would like you to accommodate the cities, but you need to build to the budget or lower or we will not have enough money to build everything in the plan.

Mr. Bacon expressed agreement with Mr. Smith, but it is also about discussing what are adequate contingencies in calculating project costs. He said he would be interested to know if there are plans to evaluate project contingency amounts on major construction projects. Mr. Bacon added that the contingency amount sometimes dictates whether you can move forward on a project or not.

Mr. Hazlett stated that ADOT is continually reevaluating its processes. He said that large contingencies are also built in to right-of-way estimates and MAG is working with ADOT's Right-of-Way Group on that. Mr. Hazlett noted that the contingency amount is sometimes based on historical data. He stated that the Burgess and Niple study said that contingency at this level used by most of the departments of transportation is in the 40-50 percent range, not 75 percent.

Mr. Roehrich stated that ADOT continually reevaluates costs during all phases and look at the different components, such as right-of-way, utilities, and utility relocation. Mr. Roehrich stated that many times ADOT uses conservative numbers for the contingency but look to adjust that over time. He stated that bids can be higher or lower, and traditionally, they have been low. Mr. Roehrich stated that ADOT looks for independent review and continues to refine the cost.

Mr. McClendon asked when the decision would be made to begin construction. Mr. Hazlett replied that the decision by the Regional Council to build the freeway has been in place, but in terms of moving forward with the environmental impact statement and the record of decision, is expected in 2013.

7. Regional Freeway and Highway Life Cycle Program Update

Mr. Hazlett next reported on a new effort to balance the Regional Freeway and Highway Program Life Cycle Program, which is facing a deficit of approximately \$380 million. He noted that he would be presenting a lot of information today, including information on the Broadway curve and the Southeast Corridor Major Investment Study. Mr. Hazlett advised that in 2009, the Program was reviewed and the Regional Council approved the Tentative Scenario to balance an estimated \$6.6 billion shortfall due to cost overruns and revenue shortfalls. He displayed a map of the changes and deferrals in the 2009 Tentative Scenario freeway program balancing.

Mr. Hazlett stated that MAG and ADOT are presently identifying opportunities for cost savings, such as those on SR-24 and Loop 303, and looking at cash flow, costs, and timelines for major program items. He mentioned how MAG staff is evaluating four scenarios to balance the program and incorporate the reduced revenue estimates. Mr. Hazlett displayed a projected timeline for the Program's cash flow and he noted that there a severe negative balances in 2015 and 2016 where ADOT's bonding capacity has been negatively impacted as a result of lower gas tax and sales tax revenue estimates.

Mr. Hazlett noted that 12 rebalancing scenarios were produced by Roger Herzog, MAG staff, and four scenarios are being advanced as the best options for balancing the program. He advised that

the programs on US-60/Grand Avenue and the HOV lanes on SR-202L/Santan Freeway were kept intact. He stated that the regional freeway/highway program is a \$9.6 billion program and \$3.5 billion was obligated through December 2011.

Mr. Hazlett summarized the four scenarios: Scenario 8: Remove the general purpose lanes widening on Loop 101 and Loop 202; Scenario 10a: Reduce the program for Interstate 17 and Loop 303 from US-60 to I-17; Scenario 10b: Same as Scenario 10a, but swap Loop 303 segments; instead of the full segment from US-60 to I-17, bring back the deferred segment from I-10 to MC-85 due to potential economic development opportunities that the City of Goodyear has mentioned; Scenario 12: Vary start times for Loop 202/South Mountain and Interstate 10/Maricopa Freeway projects. He noted that due to the deficit these projects cannot be done simultaneously and must be done sequentially. Mr. Hazlett stated that the Loop 202/South Mountain Freeway has been in the plan longer and has been emphasized as a regional priority, but they wanted to see if there was any benefit to swapping the start times.

Mr. Hazlett discussed the impacts that each scenario would have on specific corridors. First, he addressed Interstate 17/Black Canyon Freeway from the I-10 split to SR-101L/Agua Fria-Pima Freeway. Mr. Hazlett stated that the EIS is underway and no project has been identified yet for this corridor, which includes adding lanes to the existing facility. He advised that the section at the Durango curve is nearing the end of its service life, and he added that these improvements could help with congestion at the I-10 tunnel and the mini-stack interchange. He stated that some of the scenarios include reducing the budget by \$300 million, which could be enabled by leveraging funding through the implementation of such options as managed lanes.

Mr. Hazlett then addressed Loop 303 with two scenarios. The first scenario, 10a, kept the current programming for full freeway construction of SR-303L from US-60 Grand Avenue to I-17. He indicated that a second scenario, 10b, was developed due to the possibility of economic development in the Goodyear area, where the segment from I-10 to MC-85 would be built. This segment has been deferred to the fifth phase of the RTP outside the Proposition 400 funding.

Mr. Smith stated that scenario 10b is due to the proposed Amazon distribution center and the end result of transportation planning should be economic development and if there is an opportunity, we should take a look at it.

Mr. Roehrich stated that the impact to I-10 could be lessened if the segment of Loop 303 south of I-10 was done now, rather than going back and doing a retrofit to the freeway.

Mr. Hazlett then spoke of I-10/Maricopa Freeway and said that approximately \$600 million is identified for improvements to this corridor. He noted that due to cash flow, the Loop 202/South Mountain and the I-10/Maricopa Freeway projects cannot be constructed simultaneously and must be done sequentially. Mr. Hazlett noted that they looked at swapping the start times between the two projects to see if there could be any savings.

Mr. Hazlett stated that the I-10 Corridor Study EIS has been underway since 2001 and ADOT is very close to going out for public comment. He said that 25 lanes were planned and so the City of Tempe asked if the freeway could get by with a narrower facility and more multimodal options.

In response, the Southeast Corridor Major Investment Study (MIS) was launched in June 2010. He stated that the study looked at the possibility of implementing managed lanes and a P3 opportunity. Mr. Hazlett stated that there are a lot of ideas for transit on this corridor and he suggested giving a report on the transit side only at a future meeting.

Mr. Hazlett then reported on the preliminary performance findings for I-10 based upon the proposed actions for the Southeast Corridor MIS. He said that the I-10 Corridor Study EIS between the I-10 split and US-60 identified 22 lanes and the Southeast Corridor MIS identified 16 lanes. Mr. Hazlett pointed out the interesting notion of getting the right traffic to the right lanes, and getting the HOV traffic to the HOV lanes. He noted that there are few Direct HOV (DHOV) ramps in the region's freeway system and vehicles traveling across the general purpose traffic to enter the HOV lanes can negatively impact traffic. Mr. Hazlett stated that staff looked at existing DHOV ramps and identified other opportunities for DHOVs, such as on I-90 in Bellevue, Washington. He explained how this helps transit traffic, as well as automobile traffic.

Mr. Hazlett then addressed performance statistics for the configuration of the I-10 Corridor Study EIS (general purpose and HOV lanes) and the Southeast Corridor MIS (general purpose, HOV lanes, and express lanes with a toll and without a toll) at the Salt River Bridge at afternoon peak travel. He noted that the average miles per hour speeds are projected higher with the Southeast Corridor MIS options. Mr. Hazlett stated that the performance statistics for I-10 west of SR-143 at evening travel peak showed the same thing, that even though there were fewer lanes, the traffic would move faster in the MIS options because the right traffic was in the right lanes. Mr. Hazlett also reviewed the performance statistics for I-10 south of Baseline Road and north of Chandler Boulevard.

Mr. Hazlett stated that staff feels they have come up with a good alternative and ADOT will be looking at the alternative, which needs to be fatal flaw testing. He said there are concerns for locating DHOVs at SR-143 due to a Maricopa County operated cemetery there and whether sufficient space exists. Mr. Hazlett stated that the managed lanes concept appears potentially promising and has been passed along to ADOT and it may be incorporated into the EIS.

Mr. Smith stated that right now, the concept with the EIS is to not turn traffic to SR-51 to the mini-stack, which already has congestion issues, but take traffic to the Durango curve.

Mr. Hazlett, in discussing other major items to the 2012 rebalancing, stated that they tested removing the general purpose lanes on Loop 101/Pima Freeway from I-17 to SR-202L/Red Mountain Freeway, but found it was a disbenefit to the region. He noted that they did the same testing with the Price Freeway and the Red Mountain Freeway, and got the same result.

Mr. Hazlett referenced the cost savings on SR-24 previously mentioned by Mr. Brady and he said that these savings will be added to the program. He displayed a summary of major items in each scenario and noted that although some additional testing is needed, staff wanted the Management Committee to know about the options. Mr. Hazlett stated that a report is being draft and presented to the MAG committees for recommendations. He added that actions on the scenarios influence the I-10 and Loop 303 construction.

Chair Meyer thanked Mr. Hazlett for an excellent presentation. He asked members if they had questions.

Mr. McClendon stated that he appreciated that they were looking at alternatives other than adding lanes because it seems ultimately there would be a limit to the number of lanes. He noted how the DHOV ramp from southbound Loop 101 to I-10 in the West Valley was cut and they see the effects on their traffic congestion every day.

Chair Meyer stated that it is technically possible to have 25 lanes at the Broadway curve, but the concept stretches the limits of understanding to travel through areas like that. He expressed appreciation for the cooperation between ADOT and MAG to work on this.

8. Update on the 3-1-1 Business Plan Committee

Chair Meyer stated that approximately one year ago, Tempe requested the assistance of MAG regarding 3-1-1, and even though MAG had no stake in the issue, Dennis Smith pulled together a group of staff from the City of Tempe, the City of Phoenix, and Maricopa County to look at options. Chair Meyer stated that the Management Committee then formed the 3-1-1 Business Plan Committee. He expressed his appreciation to Mr. Smith and the Management Committee for this and to the 3-1-1 Business Plan Committee for developing some recommendations that offer flexibility. Chair Meyer stated that the City of Tempe, in order to improve service to its customers, would like to integrate mobile apps into its customer management system, along with its website and dial up phones, and 3-1-1 is a part of that.

Audrey Skidmore, MAG Information Technology Manager, provided an overview of 3-1-1 and the formation, composition and goals of the 3-1-1 Business Plan Committee. Ms. Skidmore stated that on July 13, 2011, the MAG Management Committee voted to form a 3-1-1 Business Plan Committee to discuss potential system types and funding options for a regional implementation of 3-1-1. She explained that 3-1-1 is a number reserved by the FCC for non-emergency and municipal services.

Ms. Skidmore noted that the interests of the 9-1-1 community were included in the 3-1-1 Business Plan Committee and she added that nine members of the 3-1-1 Business Plan Committee were in attendance at the Management Committee meeting to hear the discussion. She stated that the committee was tasked with evaluating system types, funding options, and whether to recommend proceeding with regional implementation. She added that the committee was directed to provide a report to the Management Committee in a timely manner.

Ms. Skidmore stated that the committee has learned about 3-1-1 and focused on five models, including the interactive voice response model suggested by the City of Tempe. She explained that a caller to an interactive voice response system would select an agency and the system would transfer the call. Ms. Skidmore emphasized that agencies would not be required to participate in any regional 3-1-1 system.

Ms. Skidmore stated that a task force then worked on developing cost estimates, which were included in the agenda packet. She advised that in developing the cost estimates, assumptions

needed to be made regarding call volumes and the call volumes they used were high. Ms. Skidmore noted that these are regional costs. She advised that they were unable to estimate per agency costs or cost savings because these costs would depend on how an agency handled the calls.

Ms. Skidmore then addressed some of the main findings of the committee. She stated that most systems are not created to save money but are created for customer service. She noted that this is the consensus of the experts they have contacted. Ms. Skidmore added that ICMA is very interested in 3-1-1 and has indicated they would like MAG to participate in a discussion of the MAG's process at the annual conference. She stated that Montgomery County, Maryland, tracked its savings and found they saved \$10 million per year due to the implementation of 3-1-1.

Ms. Skidmore stated that this region is unique. She explained that there were no examples of so many agencies pursuing 3-1-1 cooperatively, especially as a distributed system. Ms. Skidmore stated that due to this region's geography, there could be significant issues if agencies implemented their own individual systems.

Ms. Skidmore stated that the committee found that 3-1-1 increases call volume, perhaps as much as 50 percent, because 3-1-1 is an easily remembered number. She added that most calls are informational and do not require extensive resolution.

Ms. Skidmore stated that successful systems are multiplatform and driven at the executive level from the top down. Ms. Skidmore then turned over the presentation to Jane Morris, City of Phoenix, Chair of the 3-1-1 Business Plan Committee.

Ms. Morris displayed a graphic she put together called, "Whose Job Is it Anyway?" It illustrated a hypothetical street corner and the 12 different city telephone numbers a citizen would need to know to have problems on that street corner resolved by the appropriate department.

Ms. Morris stated that the 3-1-1 Business Plan Committee conducted two straw polls of the membership – one early in the process and one at its last meeting – to determine where the group felt they were going in terms of models. She stated that the majority favored Model One and felt that implementing a 3-1-1 system was something that should be done, but they indicated a difference of opinion on how to implement it.

Ms. Morris stated that a lot of work would need to be done to implement a 3-1-1 system. She stated that the City of Tempe is spot-on with the knowledge base it has developed. Ms. Morris stated that agencies would need to be ready to implement 3-1-1; it is not just about answering the phone. She paraphrased the New York City 3-1-1 tagline: Call 9-1-1 for a burning building, but 3-1-1 for a burning question. Ms. Morris stated that telephone books are not to be found any more, and if you did find one, the number of blue government pages can be daunting. She added that the City of Phoenix itself has more than 700 telephone numbers listed in the blue pages.

Ms. Morris stated that to draw an analogy, this project is at the 15 percent design level. She noted that additional work is needed to flesh out a design for a 3-1-1 system. Ms. Morris stated that she thought the committee should proceed with its work. She stated that the committee was requesting

guidance from the Management Committee on whether they continue to move forward, addressing the philosophical issues, and how much weight should be given to cost.

Chair Meyer thanked Ms. Skidmore and Ms. Morris for their reports. He noted that Ms. Morris reported that she recommended moving forward relative to Model One, which was the option most supported in the straw polls. Ms. Morris replied that was correct; Model One provides the most flexibility and allows agencies to opt out. She added that Model One also offers the option for smaller agencies to partner together on a call center. Ms. Morris stated there are a variety of options in Model One that could be at the discretion of the agencies.

Chair Meyer stated that it was his impression that Model One was similar to a starter system and there was an option to grow it or keep it at the same level. Ms. Morris replied that was correct. She added that 3-1-1 is likely require multi-year project. She said that Tempe's experience is a great benefit to the region. Ms. Morris stated that a system could start small and then build with experience. She stated that if the Management Committee supported it, the committee could go back and develop cost information.

Mr. Smith asked Ms. Skidmore to explain what would happen to a resident's call if their city did not participate. Ms. Skidmore stated that she thought this would be developed a part of a recommendation that would be brought back to the Management Committee. She noted that this was a concern raised at the committee meetings.

Chair Meyer noted that callers could be referred to a list of numbers for agencies not participating or nothing could happen is also an option. Ms. Skidmore replied that the process would need to be worked out to everyone's satisfaction. Chair Meyer asked if there was a feasible way to opt out. Ms. Skidmore replied yes.

Mr. Kross expressed appreciation for the efforts on this project. He urged caution with respect to cost. Mr. Kross stated that the Town of Queen Creek has invested a lot of money in internal initiatives and feel they have addressed the customer service issue. He stated that as the process continued, he wanted to ensure that other options are available.

Chair Meyer stated that he thought an evaluation of cost effectiveness needed to be done next. He added that he had seen a cost per call of twelve-hundredths of a cent per call. Ms. Skidmore replied that there is a cost of twelve-hundredths of a cent per call if the call is routed through CenturyLink, due to the tariff. She added that none of the other providers charge a fee per call and mobile phones account for 70 percent of calls.

Chair Meyer stated that there would be some fixed costs for an interactive voice recognition system and a process for apportioning the costs to those participating.

Chair Meyer asked if there was support for moving forward to evaluate the costs, cost effectiveness, and timelines, etc. of Model One. He asked if there were any objections to moving ahead with an analysis of Model One.

Mr. Kross asked for clarification that Model One included the option to decline participation. Ms. Skidmore replied that was correct, and she added that any of the options allowed agencies to decline participation.

Chair Meyer, noting no objections from the Management Committee, said that the 3-1-1 Business Plan Committee was being asked to continue to move forward with an evaluation of the cost and cost effectiveness of Model One and bring the information back to the Management Committee at its earliest convenience.

9. Development of the Draft FY 2013 MAG Unified Planning Work Program and Annual Budget

Becky Kimbrough, MAG Fiscal Services Manager, reported on the development of the fiscal year (FY) 2013 MAG Work Program. She said that the draft Work Program is presented first in January with segments added incrementally each month through May when it is presented for final adoption. Ms. Kimbrough noted that the budget item was on the Management Committee agenda for information, discussion, and input.

Ms. Kimbrough stated that proposed new projects were first presented in February and the proposed project list was in the March draft budget. She noted that since the March meeting revisions have been made to projects. Ms. Kimbrough stated that one project titled "Cave Creek/Carefree Transportation Framework Study" was added. She explained that the towns of Cave Creek and Carefree have requested assistance in developing a transportation framework plan for the two communities that will enhance their connection along Cave Creek Road. Ms. Kimbrough stated that each of the communities is providing \$5,000 and Maricopa County is providing \$25,000 to the total project cost of \$250,000.

Ms. Kimbrough stated that a revision to the Maricopa County Trip Reduction Program has been proposed. She explained that the Trip Reduction program is overseen by the County and has been an ongoing program funded by both the Arizona Department of Environmental Quality and MAG for several years. Ms. Kimbrough stated that MAG has contributed \$910,000 to this program since FY 2000. MAG has recently participated in discussions with Maricopa County regarding this funding amount due to county overhead costs that have increased. Ms. Kimbrough stated that the county is projecting a shortfall in funding unless the amount increases to cover overhead, which amounts to \$52,347.

Ms. Kimbrough stated that the County also requested one-time funding support for computer equipment replacement for FY 2013 of \$20,305. MAG also discussed the possibility of the County collecting data on skill sets from employers in the region when the County does the employer trip reduction survey. She explained that skill set data required by employers would assist the region in evaluating the skill set gaps. Ms. Kimbrough stated that this survey work would cost an estimated \$7,358. She advised that these amounts are still under discussion and a final amount will be presented later.

Ms. Kimbrough stated that the Intermodal Planning Group meeting, at which the draft FY 2013 MAG budget was reviewed by the Federal Highway Administration and the Federal Transit Administration, was held March 27, 2012. She said that presentations were given by the Arizona

Department of Transportation MAG, the City of Phoenix, Valley Metro, and METRO. Ms. Kimbrough stated that comments among the group on the elements of the Work Program were positive. She noted that any formal comments from this meeting will be brought to the Management Committee.

Ms. Kimbrough stated that four new staff positions are requested for FY 2013. The first is an Administrative Assistant. She noted that this position was hired in August 2011 using an unfilled vacancy to assist with the Regional Council Executive Committee, the Economic Development Committee meetings, and Special Event Planning for the Economic Development Committee. Ms. Kimbrough stated that the vacancy used by this position now needs to be recruited and it is necessary to create the Administrative Assistant position to free up an existing vacant position.

Ms. Kimbrough stated that the second position is a Transportation Planner I/II, which will augment the existing planning staff within the Transportation Division. Ms. Kimbrough stated that additional assistance is needed for transportation projects including the development of the Freight Plan, the Managed Lane Feasibility Study, the Transportation and Land Use Integration Study, the development of project status report cards, improved and enhanced performance measurement data collection, tracking and reporting, among others.

Ms. Kimbrough stated that the third position is an Application Developer II, to assist in the development of internal applications and databases. She indicated that hiring this position is more cost effective and timely than using consultant resources. Ms. Kimbrough said that there is currently a backlog of projects and the number of projects are anticipated to continue to grow. Some of the projects that need support include Transportation Modeling System Mapping Enhancements, SharePoint improvements, MAG website search improvements, MAG mail list maintenance and improvements, and AZSMART support.

Ms. Kimbrough stated that the fourth position is for a Contract Specialist I/II to assist with proposals and contract agreements which have doubled over the past four years. There is no depth for this position within the MAG organization and with one staff member supporting all of the administration of agreements at MAG, a second position is necessary to ensure proper administration and ongoing support in the area of proposals and contracts.

Ms. Kimbrough stated that the draft Dues and Assessments were first presented in January. She said that the MAG Dues and Assessments were first reduced by 50 percent in FY 2010 as a result of economic conditions and was in place in FY 2011 and FY 2012. Ms. Kimbrough stated that staff is recommending to continue to maintain the 50 percent overall reduction.

Ms. Kimbrough stated that MAG is proposing a budgeted salary increase for FY 2013. She reported that MAG proposed a salary increase for staff in FY 2011 based on the results of an independent compensation study performed in the spring of 2010 by Public Sector Personnel Consultants. Since that time, there have been no adjustments made to staff compensation. Ms. Kimbrough stated that MAG has been reviewing selected salaries using the JIMS system. Of 43 positions at MAG that have been reviewed, about half of the MAG positions, the salary ranges are on average about 14 percent below similar positions found in the JIMS system. MAG is recommending that a proposed five percent increase be included for FY 2013 budgeted salaries

and that any increases to individual MAG salaries be performance based. She said that with no increases provided since FY 2011, this equates to a 2.5 percent average increase per year. MAG staff receive an annual performance evaluation each June and, based on performance, may receive a salary increase. This total proposed increase would not exceed a budgeted amount of \$334,361. Ms. Kimbrough indicated that of this amount, a salary savings of approximately \$260,000 is estimated for FY 2011. She added that in FY 2011 this salary savings is about 83.5 percent of the proposed salary increase amount.

Chair Meyer thanked Ms. Kimbrough for her presentation and asked members if they had any questions. No questions from the committee were noted.

10. Request for Future Agenda Items

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 requests for future agenda items were noted.

11. Comments from the Committee

An opportunity will be 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.

Mr. Hauskins stated that Maricopa County has a Smart Drive Corridor on Daisy Mountain Road. He extended an invitation to everyone to a press conference and demonstration on April 26, 2012.

Adjournment

There being no further business, Mr. Wright moved, Mr. Buss seconded, and the meeting was adjourned at 1:40 p.m.

Chair

Secretary