

MINUTES OF THE
MAG MANAGEMENT COMMITTEE MEETING
January 16, 2013
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

David Cavazos, Phoenix, Chair	Christopher Brady, Mesa
Dr. Spencer Isom, El Mirage, Vice Chair	* Jim Bacon, Paradise Valley
# George Hoffman, Apache Junction	Carl Swenson, Peoria
Charlie McClendon, Avondale	# Wendy Kaserman for John Kross, Queen Creek
* Stephen Cleveland, Buckeye	* Bryan Meyers, Salt River Pima-Maricopa Indian Community
# Gary Neiss, Carefree	Dan Worth, Scottsdale
* Usama Abujbarah, Cave Creek	# Chris Hillman, Surprise
Rich Dlugas, Chandler	Charlie Meyer, Tempe
Alfonso Rodriguez for Phil Dorchester, Fort McDowell Yavapai Nation	Reyes Medrano, Tolleson
Ken Buchanan, Fountain Hills	Joshua Wright, Wickenburg
Rick Buss, Gila Bend	Lloyce Robinson, Youngtown
* David White, Gila River Indian Community	Floyd Roehrich for John Halikowski, ADOT
Patrick Banger, Gilbert	John Hauskins for Tom Manos, Maricopa County
Horatio Skeete, Glendale	JymeSue McLaren for Steve Banta, Valley Metro/RPTA
Jim Rumpeltes for Brian Dalke, Goodyear	
* Bill Hernandez, Guadalupe	
Darryl Crossman, Litchfield Park	

* Those members neither present nor represented by proxy.

Participated by telephone conference call. + Participated by videoconference call.

1. Call to Order

The meeting of the MAG Management Committee was called to order by Vice Chair Spencer Isom at 12:00 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Chris Hillman, George Hoffman, Gary Neiss, and Wendy Kaserman joined the meeting via teleconference.

Vice Chair Isom stated that revised materials for agenda items 5D, 5G and 9 were at each place.

Vice Chair Isom announced that public comment cards were available to members of the public who wish to comment. Parking validation for those who parked in the MAG parking garage 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

Vice Chair Isom 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. 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.

Vice Chair Isom recognized public comment from Dianne Barker, who wished everyone a successful 2013. She announced that she had moved downtown and would be closer to MAG. Ms. Barker stated that she read dialogue that said there were more highway deaths than gun deaths, and she felt there needed to be change in both areas. Ms. Barker noted that she had seen Dennis Smith at the light rail groundbreaking. She thanked MAG for the openness of its public involvement process, which was started under Dick Bowers. She expressed her hope that the city of Phoenix would adopt the same public involvement process. Vice Chair Isom thanked Ms. Barker for her comments.

Vice Chair Isom recognized public comment from John Rusinek, who stated that his problem with dust caused by his neighbors began in 2005. Mr. Rusinek stated that the neighbor laid down gravel, but it was the wrong sized rock to control dust. In addition, there is supposed to be a border to hold in the rocks, but they are spilling over into his property. Mr. Rusinek stated that his neighbors had received a variance of hardship seven days after the gravel was laid. He then read the ordinance for when a variance can be granted. Mr. Rusinek asked how there could be a hardship when his neighbor owns 17 rentals, has a Mercedes Benz, and drives the largest Toyota truck he has ever seen. He stated that the company who laid the gravel was not a registered contractor and applied an insufficient amount of dust suppressant. Mr. Rusinek said that the City of Phoenix has informed him that it is a civil matter. Vice Chair Isom thanked Mr. Rusinek for his comments.

4. Executive Director's Report

Dennis Smith, MAG Executive Director, reported on items of interest in the MAG region. Mr. Smith reported that the Thunderbird School of Global Management gave a presentation to the MAG Economic Development Committee on December 4, 2012. He noted that the event was for small- to medium-sized Sonora, Mexico, businesses, and was held in partnership with the Arizona-Mexico Commission, the Arizona Commerce Authority, and the Arizona Department of Transportation. Mr. Smith noted that 17 officials representing businesses from Sonora attended,

along with 100 other registrants. Mr. Smith noted that MAG's mayors have been invited to come for a visit to Nogales, and the visit is in the planning stages.

Mr. Smith stated that on January 30, 2013, MAG will host a meeting of the Intermountain West Transportation Management Agencies. Mr. Smith stated that on January 31, 2013, the National Association of Regional Councils will be hosting a regional roundtable at the MAG office about new federal transportation legislation, Moving Ahead for Progress in the 21st Century (MAP-21).

Mr. Smith stated that MAG was named a recipient of the Government Finance Officers Association Distinguished Budget Presentation Award for the 14th consecutive year. To receive this award, MAG had to satisfy nationally recognized guidelines for effective budget presentations.

Mr. Smith stated that he recently attended the groundbreaking for the Northwest Light Rail Extension in Phoenix, which extends the system 2.3 miles from Montebello Avenue to Dunlap Avenue. He added that the segment is anticipated to open in late 2015 or early 2016 and will serve 20,000 residents. Mr. Smith noted that Congressman Ed Pastor, who has been a champion of light rail, was at the groundbreaking.

Mr. Smith displayed maps of foreclosed and pending foreclosure residential properties as of December 2012. He noted that these properties total 16,233, compared to the 63,000 distressed properties in March 2010. Mr. Smith remarked that significant progress has been made. He noted that Arizona showed more improvement in its delinquency rate over the past year than any other state.

Mr. Smith announced that the meeting for the Working Group to discuss federal funding was going to be rescheduled to allow for greater participation.

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

5. Approval of Consent Agenda

Vice Chair Isom stated that agenda items #5A, #5B, #5C, #5D, #5E, #5F, #5G, #5H, #5I, and #5J were on the Consent Agenda.

Vice Chair Isom recognized public comment from Ms. Barker, who expressed support for Dr. Isom's comments at the last Management Committee meeting regarding the major amendment to the Regional Transportation Plan and the ALCP. Ms. Barker stated that as good as light rail is, she does not like the fact that it is at-grade because it interferes with traffic. She noted that there have been accidents for which light rail has not taken responsibility. Ms. Barker stated that light rail has benefits: it provides transit and is electric, for example. Ms. Barker stated that cities do not vote on major amendments but she thought they need to take more interest in the transfer of federal funds. She also noted a question by Scottsdale Mayor Lane asking if Mesa would be in competition for federal funds and apparently it will. Vice Chair Isom thanked Ms. Barker for her comments.

Vice Chair Isom asked members if they had questions or requests to hear a presentation on any of the Consent Agenda items. He asked if there were any requests to remove an item from the Consent Agenda. None were noted.

Mr. McClendon moved to recommend approval of consent agenda items #5A, #5B, #5C, #5D, #5E, #5F, #5G, #5H, #5I, and #5J. Mr. Buss seconded. Vice Chair Isom asked if there was any discussion of the motion. Being none, the vote on the motion passed unanimously.

5A. Approval of the November 7, 2012, Meeting Minutes

The MAG Management Committee, by consent, approved the November 7, 2012, meeting minutes.

5B. American Recovery and Reinvestment Act Project Completion in the MAG Region

The American Recovery and Reinvestment Act (ARRA) was passed by Congress and signed into law by President Obama in February 2009 to jump-start the economy and to create and save jobs. The Federal Highway Administration (FHWA) and Federal Transit Administration ARRA funding was programmed for projects in the MAG region. The deadline for completing the ARRA projects is fast approaching and the Arizona Department of Transportation has set dates for final expenditures and project closeouts. This item was to inform the Management Committee of upcoming deadlines. Any ARRA projects which have not yet been final vouchered must be paid out or reimbursed by the FHWA by September 2013. Contracts that need to be adjusted/shortened should be discussed and cleared with FHWA in advance.

5C. Proposed Major Amendment to the MAG Regional Transportation Plan to Add the Light Rail Transit Extension on Main Street: Mesa Drive to Gilbert Road

The MAG Management Committee, by consent, recommended approval of the proposed major amendment to the Regional Transportation Plan to add a 1.9 mile light rail transit extension on Main Street, from Mesa Drive to Gilbert Road and that the Regional Transportation Plan and the FY 2011-2015 MAG Transportation Improvement Program be amended subject to the necessary air quality conformity analysis. On October 24, 2012, the MAG Regional Council requested consultation on the proposed major amendment to the Regional Transportation Plan to add a 1.9 mile light rail transit (LRT) extension on Main Street, from Mesa Drive to Gilbert Road. Formal comment on the proposed major amendment is required from the State Transportation Board, the Regional Public Transportation Authority (RPTA), and the Maricopa County Board of Supervisors. Cities and towns, Native American Indian communities, and the Citizens Transportation Oversight Committee (CTOC) may also provide comments. On November 14, 2012, the Maricopa County Board of Supervisors recommended approval, on November 15, 2012, the Regional Public Transportation Authority recommended approval, and on November 16, 2012, the State Transportation Board recommended approval of the proposed major amendment.

5D. MAG Federally Funded Locally Sponsored Project Development Status Report and Project Changes

The MAG Management Committee, by consent, recommended approval of federal fund projects to be deferred, deleted, advanced, and changed, and of the necessary amendments and administrative modifications to the FY 2011-2015 MAG Transportation Improvement Program, and as appropriate, to the Regional Transportation Plan 2010 Update. The MAG Federal Fund Programming Guidelines & Procedures, approved by the MAG Regional Council on October 26, 2011, outlines the requirements for local agencies to submit status information on the development of their federally funded projects. The MAG Federally Funded Locally Sponsored Project Development Status Report (Status Report) focuses mainly on projects funded with Congestion Mitigation and Air Quality (CMAQ) funds that are programmed to obligate in federal fiscal year (FFY) 2013 and FFY 2014. The information collected in the Project Development Status workbook enables the completion of a financial analysis of the Transportation Improvement Program (TIP) and the calculation of available funding for closeout. The Status Report contains all information gathered for a Tier 1 evaluation. Tier 2 information is also included where project sponsors are requesting to advance projects from FFY 2014 to FFY 2013. This item was recommended for approval at the December 10, 2012, Street Committee and the December 13, 2012, Transportation Review Committee. Additionally, an integrity check was performed on the ALCP changes approved on September 26, 2012, and minor administrative corrections to the TIP are included in the project change sheet. Additional Arizona Department of Transportation and Transit project changes have been included in the change sheets.

5E. Recommendation of Projects for the FY 2013 Traffic Signal Optimization Program

The MAG Management Committee, by consent, recommended approval of the list of FY 2013 Traffic Signal Optimization Program projects. On October 25, 2012, MAG announced a request for new projects for the FY 2013 Traffic Signal Optimization Program (TSOP). The budget available for new TSOP projects is \$243,000. A total of eight project applications was received. On November 15, 2012, the MAG Intelligent Transportation Systems (ITS) Committee reviewed all applications and recommended all eight projects plus two additional before-and-after evaluation projects. The completion of these projects would lead to improved traffic operations in a number of arterial corridors and would directly impact operations at 176 traffic signals in eight affected jurisdictions. The total cost for these projects is estimated at \$243,000. All projects will be carried out using MAG on-call consultants. On December 13, 2012, the MAG Transportation Review Committee recommended approval of the proposed list of TSOP projects.

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 requested 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. 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 revisions to projects for Fountain Hills, Glendale, Goodyear, Mesa, Peoria, Phoenix, and Youngtown. 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 25, 2013.

5H. Status Update on the June 30, 2012 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, 2012

The MAG 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, 2012. 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, 2012. An unqualified audit opinion was issued on November 12, 2012, 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, 2012, CAFR to the GFOA awards program for review. If awarded the certificate for the June 30, 2012, CAFR, this would be the agency's 15th consecutive award.

5I. Discussion of the Development of the FY 2014 MAG Unified Planning Work Program and Annual Budget

Each year, the Unified Planning Work Program and Annual Budget is developed in conjunction with member agency and public input. The Work Program is reviewed each year by the federal agencies in the spring and approved by the Regional Council in May. This overview of MAG's draft Dues and Assessments and the proposed budget production timeline provides an opportunity for early input into the development of the Work Program and Budget. This item was on the

agenda for information and input on the development of the fiscal year (FY) 2014 MAG Unified Planning Work Program and Annual Budget.

5J. Draft MAG 208 Water Quality Management Plan Amendment for the Service Area Expansion of the Litchfield Park Service Company Doing Business As Liberty Utilities Palm Valley and Sarival Water Reclamation Facilities

The MAG Management Committee, by consent, recommended approval of the Draft MAG 208 Water Quality Management Plan Amendment for the Service Area Expansion of the Litchfield Park Service Company Doing Business As Liberty Utilities Palm Valley and Sarival Water Reclamation Facilities. The City of Glendale has requested that the MAG 208 Water Quality Management Plan be amended to allow subdivisions and facilities located within the Glendale Municipal Planning Area to be included in the service area for the Litchfield Park Service Company doing business as Liberty Utilities, formerly Liberty Water, Palm Valley and Sarival Water Reclamation Facilities. The facilities are located within the Goodyear Municipal Planning Area and are identified in the current MAG 208 Plan with reserve capacity to accommodate the sewer service needs of the expanded area. The project is within three miles of the City of Avondale, City of El Mirage, City of Goodyear, City of Litchfield Park, City of Peoria, City of Phoenix, Town of Youngtown, Luke Air Force Base, and unincorporated Maricopa County, and all have indicated no objections. A public hearing on the draft amendment was conducted on December 13, 2012. Following the hearing, the MAG Water Quality Advisory Committee unanimously recommended approval of the Draft 208 Plan Amendment.

6. Arizona Rooftop Solar Challenge

In December 2011, the Governor's Office of Energy Policy was awarded a grant of more than \$700,000 by the U. S. Department of Energy for Arizona's Rooftop Solar Challenge. This program will bolster Arizona's commitment to solar technology, allowing the creation of statewide, streamlined processes for permitting and interconnection of solar facilities at homes and businesses, with the ultimate goal of having statewide online permitting for solar equipment.

Vice Chair Isom called forward Blaine Miller from the Governor's Office of Energy Policy. He noted that Mr. Miller had given a presentation on Arizona's Rooftop Solar Challenge to the West Valley Managers.

Mr. Miller provided an update on the progress of the program and the program's next steps. He said that the grant for Arizona's Rooftop Solar Challenge was for one year. Mr. Miller stated that about 40 surveys on permitting processes have been returned from jurisdictions across the state and the results are being compiled by Arizona State University (ASU). He stated that the results of the surveys will be shared with jurisdictions to increase understanding of how these processes work in other communities and includes best practices.

Mr. Miller stated that a financial workshop is scheduled for February 6, 2013, at ASU and will provide information on agreements and leasing options for solar. He invited all communities to

participate in the workshop. Mr. Miller stated that plans are underway for a planning and zoning workshop where they will present best practices.

Vice Chair Isom thanked Mr. Miller for his report. No questions from the committee were noted.

7. Report on the Freight Transportation Framework

Tim Strow, MAG staff, provided a overview of the results of the Freight Transportation Framework Study. He stated that the study has been underway for about 18 months. It is managed by MAG through the Joint Planning Advisory Council (JPAC), which consists of members representing the Pima Association of Governments, Central Arizona Governments, and MAG. Mr. Strow offered to come out to jurisdictions and make presentations on the study. Mr. Strow stated this presentation would report on the framework findings, discussion of Sun Corridor supply chain opportunities, and recommendations.

Mr. Strow stated that the study began in 2010, when during a bad economic market, the JPAC wanted to explore diversifying economic development opportunities. He said that one of the hot topics of the day was inland ports (where all modes of transporting goods, such as trains, airports, and trucking terminals and distribution facilities, are co-located) and everyone wanted one.

Mr. Strow stated that they purchased significant commodity flow data that provided information about the types of goods shipped, the mode used to ship the goods, and the cost. He stated that the study included a survey of 2,500 shippers (approximately 4,500 individuals) throughout the United States, to help understand how businesses move their products, why they move their goods by certain modes, where they saw themselves located in the near future, and how the Sun Corridor could fit in their supply chain. Mr. Strow stated that one common perception was that Arizona was a pass-through state and there was a lack of understanding regarding the benefits of this region as part of the supply chain.

Mr. Strow stated that when the composition of Arizona exports was studied, it found that Mexico is Arizona's number one trading opportunity. Mr. Strow noted that California, Nevada, and Texas have been working on their trade plans for more than 20 years, and have been quite successful.

Mr. Strow stated that the goal of the Freight Transportation Framework Study is to identify and develop freight related economic development opportunities. Regionally, the objective is to stop looking at ourselves as a pass-through state, capitalize on a strategic position relative to goods movement and ultimately create a plan that will create jobs in the region.

Mr. Strow stated that one of the biggest hurdles was that Arizona is not on anyone's radar and we do not do enough self promotion. He added that most of the shippers they surveyed concentrated more on Southern California.

Mr. Strow stated that all three of the initial findings must work together or there is no opportunity. The first finding is that northbound and westbound commodity flows offer the greatest opportunity for the Sun Corridor. The second finding is that the Sun Corridor is an anchor market, due to its

population size. The third finding is near shoring, because it is more cost effective to do business in Mexico than Asia. Mr. Strow noted that Mexico is now the lowest cost producer of many goods and is also in the same time zone. He spoke of the companies who spoke about their relocations to Mexico at conferences hosted by Arizona State University.

Mr. Strow showed examples of supply chain roles and the steps for shipping goods from Asia, and goods being shipped from Mexico through Arizona to a hub in Tucson. Mr. Strow stated that they analyzed zip codes to identify the types of goods being shipped in the three counties. They then identified focus areas for freight development. He said that 16 areas in the Sun Corridor were included in the analysis, looking at such things as land use, education levels, freight forecasts, travel times, and real estate, and then focused in on four areas. These four emerging areas were at the junction of Interstate 8/Interstate 10, in the West Valley, at Phoenix-Mesa Gateway Airport, and at Tucson International Airport. Mr. Strow stated that each of the four was labeled with a typology and will be available on the BQAZ website later.

Mr. Strow then addressed the recommendations from the study: 1) Cooperate locally to position and market the Sun Corridor for freight development. He said that there are many different economic development groups and cities in competition with each other, but they are not competing using the same plan; 2) Establish a Sun Corridor Freight Development Zone with a special land use designation; 3) Implement strategic transportation improvements to support efficient freight distribution; 4) Assist municipal governments with related amendments to public policy; 5) If freight will be developed as an industry, prepare conceptual business plans for specific freight related opportunities.

Mr. Strow stated that topical White Papers are being developed and will be discussed at the March 6, 2013, JPAC Retreat. He noted that the White Papers will identify agencies who have been successful and could identify the agency that might promote this effort. Mr. Strow added that a freight study of Maricopa County will kick off in two months.

Vice Chair Isom thanked Mr. Strow for his presentation and asked members if they had questions.

Mr. Hauskins asked if the study would identify gaps in infrastructure. Mr. Strow stated that the shippers and carriers have identified Interstate 10. Whenever there is a dust storm and the road is shut down, the costs of the delay add up. Mr. Strow stated that California has the same issues with Interstate 5. He stated that Interstate 10 also needs more capacity. Mr. Strow stated that the ports of entry with Mexico could also use improvement to move goods quickly and efficiently. He added that everyone in the state of Arizona needs to support those projects.

Mr. Smith stated that those who went on the trip to the Utah Transit Authority saw what they accomplished with their rail system and the political alignment in their linear corridor. Mr. Smith stated that the Sun Corridor is our linear corridor all the way to Nogales. He spoke of getting political alignment, deciding on a tool, and everyone from Nogales to MAG goes to the Legislature as one voice. Mr. Smith stated that projects needing work include the interchange at Nogales and the Red Rock Yard in Pinal County, and there could be an opportunity at Phoenix-Mesa Gateway Airport. Mr. Smith urged working as a team, not as individuals. He remarked that

there is a lot of talent in Arizona, but teamwork has been lacking because of the reliance on the home building industry. Mr. Smith added that the comeback of home building could be a distraction from diversifying the economy. He stated that Mr. Strow will come and speak to groups and he encouraged participation at the upcoming retreat to discuss working together.

8. MAP-21 A Federal Highway Administration Program Overview and Estimated Funding Levels for the MAG Region

Vice Chair Isom turned over the gavel to Chair Cavazos.

Chair Cavazos called forward Teri Kennedy, MAG staff, who began with some background. On July 6, 2012, President Obama signed into law P.L. 112-141, the Moving Ahead for Progress in the 21st Century Act (MAP-21). She stated that MAP-21 restructures core highway formula programs, merges and consolidates Transit formula programs.

Ms. Kennedy stated that MAP-21 authorizes the Surface Transportation Program through Federal Fiscal Year 2014 and extends the Highway Trust Fund taxes and ensures two years of solvency for the Highway Trust Fund. She advised that there will be substantial programmatic changes, for example, earmarks and most discretionary programs will be eliminated.

Ms. Kennedy stated that MAP-21 now includes PM 2.5 compliance areas in the Congestion Mitigation and Air Quality Improvement Program, expands the Highway Safety Improvement Program (HSIP), railroad/highway grade crossings from HSIP, rolls back metropolitan planning funds to the 2009 level, and combines recreation trails, transportation enhancement, and Safe Routes to School funds and reduces their funding levels.

Ms. Kennedy stated that MAP-21 is a two-year bill to address a five-year project development process. She noted that MAG will work under the reasonable assumption that MAP-21 will be continued through extensions and continuing resolutions to program the FY 2014-18 TIP (currently in development) and the Regional Transportation Plan update. Ms. Kennedy stated that funding for some programs has been eliminated, combined, or reduced. She noted that MAG is working with ADOT and FHWA to implement new MAP-21 rules and guidance.

Ms. Kennedy explained that SAFETEA-LU apportionments were derived and distributed to each funding program, then divided by state. She said that under MAP-21 the apportionment is made to each state, then set asides made based on federal rules.

Ms. Kennedy stated that federal funding is flat from 2012 to 2013, with only a slight increase. She advised that Arizona receives only 1.89 percent of the entire distribution to the states. Ms. Kennedy stated that future funding to 2018 is projected to be flat as well. She stated that under MAP-21, Arizona will receive approximately 11 percent less of the funds that it received under SAFETEA-LU.

Ms. Kennedy stated that under MAP-21, the overall funding level for the statewide program is at the 2012 distribution level. She noted that there is more concentration on safety and performance.

Ms. Kennedy stated that three new eligible Metropolitan Planning Organizations are forming in Arizona (Sierra Vista, Lake Havasu City, and Casa Grande), and this will impact MAG's funding. Ms. Kennedy stated that \$481.7 million will be programmed in the FY 2014-2018 TIP, and no growth in federal funding during this period is projected.

Ms. Kennedy reported that the Transportation Alternatives program incorporates eligibilities from many current programs. She said that it includes most of the former Transportation Enhancement-eligible activities, such as the Safe Routes to Schools program and Recreational Trails program, and allows more local control for programming. Ms. Kennedy then gave an example of the Transportation Alternatives funding distribution.

Ms. Kennedy stated that staff is recommending a two-step approach for the Transportation Alternatives program: In the near term (FY 2013-14), they would evaluate current Transportation Enhancement and Safe Routes to School projects and develop scenarios to utilize Transportation Alternatives program funds. For the long term (FY 2015-18), they will develop program evaluation and performance criteria and schedule a call for projects in order to program the TIP.

Chair Cavazos thanked Ms. Kennedy for her report. No questions from the committee were noted.

9. Year End Closeout Report of Federal Fiscal Year 2012 Funds, and Evaluation of Federal Fiscal Year 2013 Funding Levels for Tier 3 Programming

Ms. Kennedy presented the year end closeout report of Federal Fiscal Year (FFY) 2012 funds and FFY 2013 funding levels for Tier 3 programming. She reported that more than \$42 million was available for programming, but after a call for projects, transfers to transit, and some project modifications, there is still a carry forward of \$16.5 million for FFY 2012.

Ms. Kennedy then addressed the funding levels for closeout of FY 2013. She said that a 94.6 percent rate is assumed on the regional allocations. Funding for the FHWA FFY 2013 budget, including FFY 2012 carry forward, is estimated at more than \$62.7 million in CMAQ and almost \$46 million in STP. Ms. Kennedy stated that for FFY 2013 approximately \$14.2 million is available for CMAQ funding but the STP funds are overprogrammed by approximately \$2 million. She added that for FFY 2014, both CMAQ and STP are overprogrammed.

Ms. Kennedy stated that they have requested that ADOT and FHWA allow up to \$8 million of CMAQ carry forward to address FY 2014. She noted that until obligation authority is announced and exact funding levels are known, STP programming will be addressed later in the year.

Ms. Kennedy presented Scenario One, which would fully fund all currently programmed projects in FY 2013 for ITS, bicycle and pedestrian, and paving projects in the TIP at the maximum CMAQ level, leaving \$6.3 million available to spend and \$7.8 million on the books. Ms. Kennedy stated that Scenario Two incorporates Scenario One and in addition, funds the design for FFY 2014 construction projects. She added that carry forward to FFY 2014 would be approximately \$6.6 million.

Ms. Kennedy added that transferring funds to transit for bus purchase and preventive maintenance was also an option and had been exercised in the past. She noted that rail is currently over-programmed under current projections. Ms. Kennedy stated that another option would be to review ALCP projects that could accept CMAQ for eligible activities. Ms. Kennedy concluded her presentation by stating the action recommended by the Transportation Review Committee: Recommend approval of Scenario Two for the Tier 3 closeout of Federal Fiscal Year (FFY) 2013 projects. Scenario Two funds all Congestion Mitigation and Air Quality (CMAQ) project phases that will obligate in FFY 2013 at the maximum federal share, up to 94.3 percent, of eligible project costs, and fund the design phases that can obligate by June 28, 2013, for currently programmed FFY 2014 CMAQ construction and procurement projects; and of the necessary amendments and administrative modifications to the FY 2011-2015 MAG Transportation Improvement Program, and as appropriate, to the Regional Transportation Plan 2010 Update.

Chair Cavazos thanked Ms. Kennedy for her presentation. No questions from the committee were noted.

Mr. Crossman moved to recommend approval, Mr. Brady seconded, and the motion passed unanimously.

10. Assignment of Designated Recipient for Federal Transit Administration Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program in the MAG Region

Ms. Kennedy stated that under MAP-21 legislation, urbanized areas of more than 200,000 in population in coordination with the State may determine which agency will be their Designated Recipient of Federal Transit Administration (FTA) Section 5310 program funding. She explained the process.

Ms. Kennedy stated that several agencies are eligible to accept the responsibilities of the Designated Recipient for the Phoenix-Mesa urbanized area, the top two candidates are the Arizona Department of Transportation (ADOT) and the City of Phoenix Transit Department. Ms. Kennedy stated that once the Regional Council takes action on a recommended agency, a letter of preference is sent to ADOT, which then forwards the letter to the Governor, who forwards it to the FTA. Once the Designated Recipient is finalized, it will implement the program and call for projects that will be awarded in Fall 2013.

Ms. Kennedy reported that the MAG Transportation Review Committee, the MAG Human Services Technical Committee, the MAG Ad Hoc Elderly & Persons with Disabilities Transportation Committee, and the MAG Transit Committee have recommended approval that the City of Phoenix Transit Department be the designated recipient. She noted that the recommendation of the MAG Management Committee will be provided to the MAG Human Services Coordinating Committee, who will make a recommendation to the MAG Regional Council on January 30, 2012.

Chair Cavazos thanked Ms. Kennedy for her report. No questions from the committee were noted.

Mr. Crossman moved to recommend approval that the City of Phoenix Transit Department assume the responsibility as the FTA Designated Recipient of Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program, beginning FFY 2013, for the Phoenix-Mesa urbanized area. Mr. Buss seconded, and the motion passed, with Mr. Roehrich abstaining.

11. Legislative Update

Nathan Pryor, MAG staff, provided an update on legislative issues of interest. He first addressed House Bill 2005, which makes political subdivision entities subject to the Open Meeting Law. Mr. Pryor noted that MAG already complies with open meeting laws, although extra measures might need to be implemented in regard to archiving if this legislation passes.

Mr. Pryor stated that House Bill 2006 would prohibit new employees of political subdivision entities from joining the Arizona State Retirement System. He noted that there are 15 entities, including MAG, that this bill would impact. Mr. Pryor stated that the ASRS staff projected that the total cost of contributions to ASRS will increase by approximately \$27.6 million over 30 years. This equates to a contribution effect from zero percent in 2013 to .03 percent in 2022, which will have to be borne by ASRS members.

Mr. Pryor noted that MAG is 99.995 percent public funded and its work is done in support of government and public programs.

Chair Cavazos thanked Mr. Pryor for his report. No questions from the committee were noted.

12. 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.

No requests were noted.

13. 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.

Vice Chair Isom announced the groundbreaking of the El Mirage Police Department facility will take place on Friday, January 25, 2013, at 10:00 a.m.

Mr. Crossman stated that he had attended the MAG ITS committee meeting in December. He said that there is a lot of talent in Arizona, as Mr. Smith said earlier, and especially with ITS. Mr. Crossman stated that he had enjoyed the meeting and MAG staff, Sarath Joshua, does a fine job staffing the committee. He stated that he was at the meeting because he was interested in

developing a regional traffic signal preemption program for use by public safety agencies. He noted that he had requested that the ITS Committee look into this.

Adjournment

There being no further business, the meeting was adjourned at 1:04 p.m.

Chair

Secretary