



## Executive Director's Report

*You can only win with aces.* That expression came to my mind following our May Regional Council meeting, as the Council heard staff presentations on a number of significant agenda items that exemplified the high caliber of staff work needed at MAG. Due to the complexity of the work we do, highly skilled employees are essential, and it is only through the unfailing support of the MAG Regional Council that we are able attract and retain the exceptional staff that we have.

This Regional Council commitment was reflected in the approval of the FY 2013 Unified Work Program and Annual Budget. The work program is a federally required document, and is prepared to the highest standards by our Fiscal Services division and has consistently (every year for the past 14 years) received the Distinguished Budget Presentation Award by the Government Finance Officers Association. The award is given to a select few.

Also on the agenda was the MAG 2012 Five Percent Plan for PM-10. Developing a new plan has been a challenging process for our Environmental Programs division. It took great staff effort to complete this plan quickly to allow for the EPA to arrive at a completeness finding in time to avoid sanctions taking effect. MAG is fortunate to have some of the most highly skilled environmental staff in the United States to produce this type of document in a timely manner.

A third major item on the agenda was the rebalancing of the Regional Freeway and Highway Program, in which \$390 million needed to be cut from the program. Transportation staff provided a number of possible scenarios to achieve the reduction that included cost/benefit analyses that enabled the Regional Council to make an informed, unanimous decision based on clear data.

Finally, we saw the most recent efforts of our Communications division, with the airing of a lifestyle video demonstrating the diversity of our beautiful state. The video is available on GreaterPhoenixRising.com, a web portal developed as a joint partnership between MAG and the Greater Phoenix Economic Council to encourage business development in the region.

The above are just a few of the many accomplishments of the MAG staff. Thanks to the support of our member agencies, we have some of the best and brightest talent available. We do not take this for granted and remain grateful to the Regional Council for helping us aspire to—and achieve—the best for this region.

**For more information, please contact Dennis Smith, MAG Executive Director, (602) 254-6300.**

## Meeting Report for Wednesday, May 23, 2012

### Action Items



#### Rebalancing of the Regional Freeway and Highway Program

The Regional Council unanimously approved a scenario for balancing the Regional Freeway and Highway Program Life Cycle Program, which is facing a \$390 million deficit. Arizona law requires a budget process that ensures that the estimated cost of the freeway program does not exceed the total amount of revenues estimated to be available. MAG has the ultimate responsibility for determining the priorities and the funding amounts for the Program.

In 2009, the Life Cycle Program was reviewed and the Regional Council approved a scenario to balance an estimated \$6.6 billion deficit due to revenue shortfalls. According to estimates by MAG and the Arizona Department of Transportation (ADOT), the faltering economy and lower-than-expected sales tax and gas tax revenues continue to affect the program, which is expected to see its most severe negative balances in 2015 and 2016. This is due to ADOT's reduced bonding capacity that is a result of the lower revenues.

To address the \$390 million shortfall, MAG recommended a scenario that balances the program by repositioning projects to improve cash flow, transfers funding in the Loop 303 corridor by returning a previously unfunded segment to the program, removes \$300 million from the budget in the Interstate 17 (Black Canyon Freeway) corridor, and encourages ADOT to focus on cost-effective solutions that will provide opportunities to return projects to the program in the future. The Regional Council included in its adoption the ability to bring Loop 303 projects back into the program as funding permits.

**For more information, please contact Bob Hazlett, MAG Senior Engineering Project Manager, (602) 254-6300.**

#### Five Percent Plan for PM-10

The Regional Council voted unanimously to adopt the MAG 2012 Five Percent Plan for PM-10 for the Maricopa County Nonattainment Area. PM-10 refers to particulate matter that is 10 microns in diameter or less, such as coarse particles of dust. The plan outlines how the region will reduce PM-10 emissions by five percent each year until federal standards are met.

The plan addresses technical issues faced by the prior 2007 Five Percent Plan that had threatened the plan's approval. That plan was voluntarily withdrawn in 2010 to allow for technical modifications and to take advantage of new paved road dust factors issued by the Environmental Protection Agency (EPA). The plan contains a

wide variety of existing control measures and projects that have been implemented to reduce PM-10, as well as a new measure designed to reduce PM-10 during high risk conditions such as high winds. Although the 2007 plan was withdrawn to include new information, a wide range of control measures in the plan continue to be implemented and are included as part of the new plan. The plan demonstrates that the measures will reduce emissions by five percent per year and demonstrates attainment of the standard as early as this year, 2012. Measures in the plan include PM-10 certified street sweepers; paving and stabilizing unpaved roads, alleys and shoulders; reduced speed limits, and highways that are overlaid with rubberized asphalt.

**For more information, please contact Lindy Bauer, Environmental Programs Director, (602) 254-6300.**

### **Regional Council Adopts FY 2013 Budget**

The Regional Council approved a resolution to adopt the Fiscal Year (FY) 2013 MAG Unified Planning Work Program and Annual Budget and the member dues and assessments. The draft work program is presented incrementally beginning in January to allow for questions, input and a thorough review by MAG agencies.

Staff reported that MAG is proposing to keep a 50 percent overall reduction of member dues. There is an overall decrease to the proposed FY 2013 budget from the current year budget of 13.2 percent (not including carryforward consultant estimates). The largest dollar decrease is in budgeted capital costs due to the completion in 2012 of the remodel of the MAG office space. The next largest decrease is in new project consultants. Including carryforward consultant budgeted amounts, there is an overall decrease in the FY 2013 budget of 12.04 percent.

**For more information, please contact Rebecca Kimbrough, MAG Fiscal Services Manager, (602) 254-6300.**

### **Next Meeting**

The next meeting of the MAG Regional Council will be the Annual Meeting followed by the Desert Peaks Awards Program at a different time and place. The meeting will be held Wednesday, June 27, 2012 at 5:00 p.m. at the Downtown Sheraton Hotel, 340 N. 3rd Street, Phoenix. Agenda items are expected to include election of officers for the Regional Council Executive Committee and appointment of the member agency Transportation Policy Committee members and officers; as well as an update on the Municipal Aging Services Project toolkit. Additional agenda items are pending.