

**MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
REGIONAL COUNCIL MEETING**

February 27, 2013
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Mayor Marie Lopez Rogers, Avondale, Chair
Vice Mayor Alex Finter for Mayor Scott Smith,
Mesa
Councilwoman Robin Barker, Apache Junction
* Mayor Jackie Meck, Buckeye
Mayor David Schwan, Carefree
* Councilman Dick Esser, Cave Creek
Mayor Jay Tibshraeny, Chandler
Mayor Lana Mook, El Mirage
* President Clinton Pattea, Fort McDowell
Yavapai Nation
Mayor Linda Kavanagh, Fountain Hills
* Mayor Ron Henry, Gila Bend
* Governor Gregory Mendoza, Gila River Indian
Community
Mayor John Lewis, Gilbert
Mayor Jerry Weiers, Glendale
Mayor Georgia Lord, Goodyear
* Mayor Yolanda Solarez, Guadalupe

* Mayor Thomas Schoaf, Litchfield Park
Supervisor Steve Chucri, Maricopa Co.
Mayor Scott LeMarr, Paradise Valley
Councilmember Cathy Carlat, Peoria
Councilmember Daniel Valenzuela for Mayor
Greg Stanton, Phoenix
Mayor Gail Barney, Queen Creek
* President Diane Enos, Salt River
Pima-Maricopa Indian Community
Mayor W. J. "Jim" Lane, Scottsdale
Mayor Sharon Wolcott, Surprise
Mayor Mark Mitchell, Tempe
* Mayor Adolfo Gamez, Tolleson
Mayor John Cook, Wickenburg
Mayor Michael LeVault, Youngtown
* Victor Flores, State Transportation Board
Joseph La Rue, State Transportation Board
* Roc Arnett, Citizens Transportation Oversight
Committee

* Those members neither present nor represented by proxy.

Attended by telephone conference call.

+ Attended by videoconference

1. Call to Order

The meeting of the MAG Regional Council was called to order by Chair Marie Lopez Rogers at 11:35 a.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Mayor David Schwan, Mayor Gail Barney, Mayor Scott LeMarr, and Vice Mayor Alex Finter, as proxy for Mayor Scott Smith, joined the meeting via teleconference.

Chair Rogers requested that members of the public who would like to comment fill out a blue public comment card for the Call to the Audience agenda item or a yellow public comment card for Consent Agenda items, or items on the agenda for action. Parking validation and transit tickets for those who used transit to attend the meeting were available from staff.

Chair Rogers introduced two new members of the MAG Regional Council, Supervisor Steve Chucri from Maricopa County and Councilmember Cathy Carlat from Peoria. They were presented with their Regional Council membership certificates.

Chair Rogers recognized Mayor Christian Price, of the City of Maricopa, who was present in the audience.

Chair Rogers noted that material for agenda items #8, #9, and #10 was at each place.

3. Call to the Audience

Chair Rogers noted that the Call to the Audience provides an opportunity to members of the audience who wish to speak on items not scheduled on the agenda that fall under the jurisdiction of MAG, or on items on the agenda for discussion but not for action. Citizens are requested to not exceed a three minute time period for their comments. A total of 15 minutes is provided for the Call to the Audience agenda item, unless the Regional Council requests an exception to this limit. Those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard.

Chair Rogers recognized public comment from Dianne Barker, who spoke of the historic moment at the Orpheum Theater on February 26, 2013, when the Phoenix City Council took action to change the city ordinance to protect classes of people from discrimination. Ms. Barker stated that she viewed opposition as more from a Biblical interpretation of feminine and masculine. She said that she felt this change in the Phoenix ordinance was good for the entire region and she also felt that freedom of speech should be supported. Ms. Barker stated that she hoped the government would set up a relief system for violations to correct mistakes, let people live freely, and use mediation for disputes. Chair Rogers thanked Ms. Barker for her comments.

4. Executive Director's Report

Dennis Smith, MAG Executive Director, reported on items of interest to the MAG region. Mr. Smith stated Sun Corridor Retreat is scheduled for March 6, 2013, from 10:00 a.m. to 2:00 p.m. at the Wild Horse Pass Hotel. He noted that implementation of the MAG Freight Transportation Framework Study will be featured and a panel will discuss what is needed to make business viable. He stated that Salt Lake City Mayor Ralph Becker and Chris Gutierrez from the Kansas City SmartPort, will speak at the event. Mr. Smith noted that more than 130 people have registered for the event.

Mr. Smith stated that the MAG Regional Council, Economic Development Committee and regional businesses have been invited to an economic forum in Nogales, Sonora, as a followup to the October 2012 event where Mexican businesses were invited to the forum held at the MAG office. He stated that the Nogales forum will be held March 22, 2013, and MAG is arranging for a bus for the one-day tour. Mr. Smith noted that MAG's Chair, Mayor Marie Lopez Rogers from Avondale, Mayor Rothschild from Tucson, Mayor Greg Stanton from Phoenix and Mayor Garino from Nogales, Arizona, will be speaking. He stated that a tour for local governments and a tour for business are planned. Mr. Smith added that attendance by business and elected officials is encouraged.

Mr. Smith stated that the 2013 Point-in-Time Homeless Count took place on January 30, 2013, between the hours of 5:00 a.m. to 9:00 a.m. He noted that more than 400 volunteers participated and he expressed appreciation to all of the municipalities involved. Mr. Smith stated that Phoenix Mayor Greg Stanton participated in the count. He explained that the U. S. Department of Housing and Urban development requires the data to apply for homeless assistance funding, and he added that the MAG region receives about \$20 million per year through this process.

Mr. Smith provided an update on the Regional Aging Services Network. He stated that round two of the City Leaders Institute on Aging in Place will focus on transportation needs. Mr. Smith stated that a website for older adults is under development and there is a call for stories, which are due March 8, 2013. He stated that profiles of people successfully aging in place will be featured in an outreach video.

Mr. Smith displayed a photograph of Chair Rogers appearing with First Lady Michelle Obama at the State of the Union address in Washington, D. C.

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

5. Approval of Consent Agenda

Chair Rogers noted that agenda items #5A, #5B, #5C, #5D, #5E, #5F, #5G, #5H, #5I, #5J, #5K, #5L, #5M, #5N, and #5O were on the Consent Agenda.

Chair Rogers recognized public comment from Ms. Barker, who commented on agenda item #5J. She expressed her support for congestion management and suggested that ITS funding might be utilized to improve communications in the event of an accident on the freeway. Ms. Barker expressed her support for the ITS improvements made by Los Angeles and Las Vegas. She stated that the communications are not working here, and she did not have proof of this other than what Joe Ryan says. Ms. Barker remarked that the accident rates are appalling and we need find relief rather than accepting it. Chair Rogers thanked Ms. Barker for her comments.

Chair Rogers asked members if they had questions or requests to hear a Consent Agenda item individually. None were noted.

Mayor LeVault moved approval of the Consent Agenda. Mayor Lewis seconded, and the motion passed unanimously.

5A. Approval of the January 30, 2013, Meeting Minutes

The MAG Regional Council, by consent, approved the January 30, 2013, meeting minutes.

5B. Arizona Department of Transportation Red Letter Process

In June of 1996, the MAG Regional Council approved the Arizona Department of Transportation (ADOT) Red Letter process, which requires MAG member agencies to notify ADOT of potential development activities in freeway alignments. Development activities include actions on plans, zoning and permits. ADOT has forwarded a list of notifications from July 1, 2012 to December 31, 2012. Of the 118 notices, no impact responses were received.

5C. FY 2014 MAG Human Services Coordination Transportation Plan Update

The MAG Regional Council, by consent, approved the Fiscal Year (FY) 2014 MAG Human Services Coordination Transportation Plan Update. On July 6, 2012, President Obama signed into law the Federal Transit Administration (FTA) Moving Ahead for Progress in the 21st Century Act (MAP-21). MAP-21 maintains the requirement established under SAFETEA-LU to develop locally coordinated human services-public transportation plans for projects funded under the revised titled Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program. As required, MAG has developed the human services coordination transportation plan. The FY 2014 MAG Human Services Coordination Transportation Plan Update strategies were recommended for approval by the MAG Human Services Technical Committee on January 10, 2013. The FY 2014 MAG Human Services Coordination Transportation Plan Update was recommended for approval by the MAG Human Services Coordinating Committee on January 30, 2013, and by the MAG Management Committee on February 13, 2013.

5D. Arterial Life Cycle Program Status Report - April 2012 Through November 2012

The Arterial Life Cycle Program Status Report provides detail about the status of projects, revenues, and other relevant program information for the period between April 2012 and November 2012. The April 2012 through November 2012 ALCP Status Report was provided to the Street Committee on December 11, 2012, to the Transportation Review Committee on January 24, 2013, and the Management Committee on February 13, 2013, for information and discussion.

5E. Project Changes - Amendment and Administrative Modification to the FY 2011-2015 MAG Transportation Improvement Program and the Regional Transportation Plan 2010 Update

The MAG Regional Council, by consent, approved the amendments and administrative modifications to the Fiscal Year (FY) 2011-2015 MAG Transportation Improvement Program, the 2012 Arterial Life Cycle Program, and as appropriate to the Regional Transportation Plan 2010 Update. The FY 2011-2015 MAG Transportation Improvement Program and Regional Transportation Plan 2010 Update were approved by the MAG Regional Council on July 28, 2010, and have been modified twenty-two times. Since then, there is a need to modify projects in the programs. A list of proposed administrative corrections and project changes in the Arterial Life Cycle Program, Highway, and Transit programs are

included. The project changes were recommended for approval by the Transportation Review Committee on January 24, 2013, and by the Management Committee on February 13, 2013.

5F. 2010 Census Boundary Smoothing Methodology

The MAG Regional Council, by consent, approved the attached map of the 2010 Census smoothed boundaries for the MAG urban areas. Federal Surface Transportation legislation - MAP-21 and its predecessors - allows the US Census-defined boundaries to be smoothed to address transportation needs. This smoothing does not affect funding apportioned and allocated to the region, but does affect where MAG Surface Transportation Program funds may be expended, reporting and programming requirements for federal funding, allocations of some types of Federal Transit Administration transit funding, and the application of certain standards for the development of some types of roadways. On January 24, 2013, the Transportation Review Committee recommended approval with corrections to include a commercial portion from Via Linda and 96th streets to be included in the urbanized area smoothed boundaries. The maps and listing reflect the addition. On February 13, 2013, the Management Committee recommended approval of the attached map.

5G. Revisions to the National Highway System and Principal Arterial Network in the MAG Region

The MAG Regional Council, by consent, approved the included map and listing of roadways to be included in the National Highway System for approval by the Federal Highway Administration and the Arizona Department of Transportation. MAP-21 mandated the expansion of the National Highway System (NHS) to include all locally owned, federally classified Principal Arterials. This expansion will impose significant federal requirements for these facilities without providing a reasonable expectation of increased federal funding. To address this issue, MAG prepared a proposal to revise the NHS system in the MAG area. This proposal will start from a base consisting of only roadways that were part of the NHS prior to the enactment of MAP-21. Minor modifications as identified in the enclosed materials reflecting four deletions and five additions as recommended by member agencies. This item was discussed at the Street Committee on November 13, 2012, and December 11, 2012. The map and listing of roadways were recommended for approval by the Transportation Review Committee on January 24, 2013, and by the Management Committee on February 13, 2013.

5H. FY 2013 Road Safety Assessments at Intersections

The MAG Regional Council, by consent, approved the list of 10 intersections for performing Road Safety Assessments utilizing MAG on-call consultants for a total cost of \$230,000. Each year more than 70,000 crashes occur on the local and arterial street system in the MAG region. About half of these crashes occur at intersections and result in a total of nearly 20,000 injuries and fatalities each year. The MAG Transportation Safety Committee has recommended Road Safety Assessments as a regional road safety initiative to help identify and address safety issues at high risk intersections. In response to a MAG call for projects announced in October 2012, a total of ten (10) RSA sites have been identified. The list of 10 intersections for the second cycle of RSAs to be performed was recommended by the Transportation Safety Committee on January 8, 2013, by the Transportation Review Committee on January 24, 2013, and by the Management Committee on February 13, 2013.

5I. Appointment of Councilmember Cathy Carlat, City of Peoria, to Serve as One of the Seven Largest Cities/Towns Elected Officials on the Transportation Policy Committee

The MAG Regional Council, by consent, appointed Councilmember Cathy Carlat, City of Peoria, as one of the seven largest cities/towns elected officials on the Transportation Policy Committee. The composition of the Transportation Policy Committee (TPC), established by the Regional Council on April 24, 2002, includes elected officials from the seven largest cities/towns, which includes the City of Peoria. The mayor of the City of Peoria, the current representative on the TPC, has notified MAG that he is requesting that Councilmember Cathy Carlat be appointed as the City of Peoria representative on the TPC. The appointment of Councilmember Cathy Carlat to the TPC by the Regional Council as one of the seven largest cities/towns elected officials was requested.

5J. Programming of Projects for Federal Congestion Mitigation and Air Quality Funding in the Draft FY 2014-2018 MAG Transportation Improvement Program

The MAG Regional Council, by consent, approved the list of Fiscal Year (FY) 2015 Congestion Mitigation and Air Quality funded projects to be added to the FY 2011-2015 MAG Transportation Improvement Program, and to add the lists of FY 2015, 2016, and 2017 projects to the Draft FY 2014-2018 MAG Transportation Improvement Program. The MAG Regional Transportation Plan (RTP) allocates MAG Federal Congestion Mitigation and Air Quality (CMAQ) funds for Intelligent Transportation Systems (ITS), Bicycle, Pedestrian, and Air Quality projects. Federal Highway Administration funding levels are still estimated and are subject to change based on the Federal Surface Transportation Authorization, apportionments, and regional distributions. The estimated total amount of CMAQ funding available for programming in FFY 2015 through 2017 for PM-10 Pave Unpaved Road projects is \$10.7 million; \$18.5 million is available for ITS projects; \$23.5 million is available for Bicycle and Pedestrian projects; and \$9.5 million is available for Air Quality/Travel Demand Management Programs. In developing a draft FY 2014-2018 Transportation Improvement Program, a Call for Projects was held on August 6, 2012, with CMAQ project applications turned in on September 19, 2012. Projects have been reviewed and ranked based on the Congestion Management Process, Air Quality scoring, and multiple modal committee evaluations and project reviews.

5K. 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 revisions to several projects for Chandler, Fort McDowell Yavapai Nation, Gilbert, Maricopa County, Mesa, Phoenix, and Scottsdale. 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 February 22, 2013.

5L. Social Services Block Grant Allocation Recommendations

The MAG Regional Council, by consent, approved forwarding the Social Services Block Grant (SSBG) allocation recommendations for FY 2014 to the Arizona Department of Economic Security. Through a partnership with the Arizona Department of Economic Security (DES), the MAG Human Services Coordinating Committee prioritizes services to receive funding with locally planned Social Services Block Grant (SSBG) dollars. Services funded by SSBG support assistance to the most vulnerable people in the region, including four target groups of Older Adults; People with Disabilities; People with Developmental Disabilities; and Adults, Families, and Children. Upon completion of research and a service ranking exercise, it is proposed to move \$75,039 to the highest priority services. The SSBG allocation recommendations were recommended for approval by the Human Services Technical Committee on January 10, 2013, by the Human Services Coordinating Committee on January 30, 2013, and by the Management Committee on February 13, 2013.

5M. Appointment of the MAG Economic Development Committee Maricopa County Member Position

The MAG Regional Council, by consent, appointed Supervisor Steve Chucuri as the Maricopa County representative on the MAG Economic Development Committee. On October 27, 2010, the MAG Regional Council approved the composition of the MAG Economic Development Committee (EDC). The composition includes 14 MAG member agency positions that have one-year terms with possible reappointment by recommendation of the Executive Committee and approval of the MAG Regional Council. On January 29, 2013, a letter was received from the Maricopa County Board of Supervisors Chairman recommending Supervisor Steve Chucuri serve as the Maricopa County representative on the EDC. On February 19, 2013, the Executive Committee recommended approval of Supervisor Steve Chucuri as the Maricopa County EDC representative.

5N. Appointment of the MAG Economic Development Committee West Valley Position

The MAG Regional Council, by consent, appointed Mayor Georgia Lord, City of Goodyear, to the MAG Economic Development Committee. The composition of the Economic Development Committee (EDC) was approved by the MAG Regional Council on October 27, 2010. On January 15, 2013, a West Valley seat on the EDC became vacant. Mayor Elaine Scruggs left elected office after 22 years of service in the City of Glendale. According to the MAG Committee Operating Policies and Procedures, the MAG Regional Council Executive Committee recommends to the Regional Council a new West Valley elected official to fill this seat. On January 17, 2013, a memorandum was sent to the MAG Regional Council, Management Committee and Intergovernmental Representatives soliciting interest for the West Valley seat. Two letters of interest were received; one from Mayor Georgia Lord, City of Goodyear, and a second from Councilmember Cathy Carlat, City of Peoria. Since that time, MAG staff received notification that the City of Peoria rescinded its letter of interest and is supporting Mayor Lord for the EDC West Valley seat. The City of Peoria expressed interest in serving in the future. On February 19, 2013, the MAG Executive Committee recommended Mayor Georgia Lord for the EDC West Valley member position.

50. Ratification of the Annual Performance Review and Compensation Benefits of the MAG Executive Director

The MAG Regional Council, by consent, ratified the action of the Executive Committee regarding compensation/benefits of the MAG Executive Director. In January 2003, the Regional Council approved an agreement to hire the current Executive Director. As part of this agreement, it was provided that the Executive Director would receive an annual performance review conducted by the Executive Committee. On November 28, 2012, an evaluation survey and Major Regional Goals and Results for FY 2012-2013 were sent to members of the Regional Council to receive their input on the review. On February 19, 2013, the MAG Regional Council Executive Committee discussed the performance of the Executive Director, and took action regarding the compensation/benefits of the Executive Director. The action of the Executive Committee is being presented to the Regional Council for ratification.

6. Metropolitan Planning Area Boundary Adjustment

Dennis Smith reported on adjustments that need to be made to the MAG planning area as a result of the 2010 Census. He said MAG has been working on this issue for a number of years. MAG is a council of governments, a metropolitan planning organization and a transportation management area. Mr. Smith explained that transportation management areas are more than 200,000 in population. They have more authority from the federal government, but also need to be certified that the federal regulations are being followed.

Mr. Smith stated that at MAG's 2004 certification, the federal representatives asked about the MAG urbanized area and if MAG had expanded its boundaries. At the 2009 certification, the federal representatives followed up on the 2004 request.

Mr. Smith stated that about one year after the 2010 Census, the Bureau of the Census sent out new urbanized areas. If an area is more than 50,000 in population, it is required to join a metropolitan planning organization (MPO) or create a new one. Mr. Smith noted that the City of Casa Grande now exceeds 50,000 and has decided that it is going to form its own MPO, which requires that it define its metropolitan planning area boundary.

Mr. Smith stated that the MAG urbanized area is going into Pinal County. MAG had a discussion with Federal Highway Administration, Arizona Department of Transportation, and the area's communities regarding the technical ramifications. Mr. Smith stated that some communities were indecisive about whether they would join the Casa Grande MPO or the MAG MPO.

Mr. Smith displayed the federal regulations that say that the existing urbanized area shall be part of MAG, the area expected to become urbanized within a 20-year period shall be a part of MAG, and those areas economically tied may become a part of MAG. He noted that the Federal Highway Administration indicated that the City of Maricopa is economically tied to MAG. Mr. Smith stated that a number of discussions on this took place at the Executive Committee and staff was invited to visit the City of Maricopa. Mr. Smith stated that the City of Maricopa passed a Resolution to join MAG.

Mr. Smith displayed a map of the urbanized area and the area expected to be urbanized by 2030. He pointed out how the MAG urbanized area is extending into the Santan Valley and Gold Canyon Ranch and even into Florence. Mr. Smith then displayed a map of traffic analysis zones. He stated that the MAG traffic analysis zone system includes all of Maricopa and Pinal counties in order to properly model regional projects.

Mr. Smith pointed out on a map the extensive travel that occurs between Maricopa and Pinal Counties and noted that in 2011, more than 285,000 vehicles crossed the boundary between Maricopa and Pinal Counties on the average weekday, which shows that Maricopa County is totally connected to Pinal County. He stated that there are a lot of rooftops in Pinal County but not a lot of businesses. Mr. Smith added that the Pinal County trip length is two times the national average (26 miles versus 13 miles). Mr. Smith noted that approximately 57 percent of commuter trips by Pinal County residents are to Maricopa County, and only four percent are to Tucson.

Mr. Smith stated that MAG has been doing a lot of studies with Pinal County, which also contributed financially. He said that the MAG region and Pinal County are connected economically, but not politically, and the Joint Planning Advisory Council was formed to understand needs and increase Arizona's global competitiveness.

Mr. Smith then showed a map of the air quality boundary. He noted that air quality is quite complicated. He stated that at the Executive Committee meeting, the question was asked if the boundary was moved into Pinal County, would a dirty monitor located next to the City of Maricopa impede MAG's ability to build transportation projects. Mr. Smith stated that the EPA Region IX has said it will not. Mr. Smith stated that MAG will do its own air quality plan per state statute, and he thought that the Arizona Department of Environmental Quality will do Pinal County's air quality plan. He added that whoever does the air quality plan sets the motor vehicle emission budget, which is very important.

Mr. Smith then displayed a map of the proposed boundary that was developed after discussion with Federal Highway Administration, City of Maricopa, Pinal County, and MAG. He noted that the dark brown area would be the new Casa Grande MPO and the putty color would be MAG.

Mr. Smith stated that Monday night, the Town of Florence, which abuts the Santan Valley, said that the Santan Valley is its future, and if Santan Valley went to MAG, Florence would also desire to go to MAG because it needs to be with the agency that plans for Santan Valley. Mr. Smith stated that if Florence is in MAG, it makes sense that Superstition Vistas would also be in MAG. He also noted that the Maricopa County portion of the Gila River Indian Community is in MAG, and GRIC transportation committee staff recommended to a higher GRIC committee that all of GRIC be in MAG.

Mr. Smith then reviewed the proposed changes to the MAG By-Laws that would be needed. He said that the Executive Committee formed a subcommittee to work on the changes. Mr. Smith stated that MAG has not been pushing for the changes in the MPA Boundary, because it is difficult politically, but it does need to establish the planning boundary. He also noted that the By-Laws changes also include six administrative changes not related to the boundary provisions, for example, the CTOC representative on the Regional Council currently votes only on highway issues according to the existing By-Laws, but

with the new law that provided for the Proposition 400 election, the CTOC representative votes on all transportation issues because Proposition 400 includes transit. Mr. Smith introduced Fredda Bisman, MAG's General Counsel, who was available to answer questions.

Mr. Smith pointed out on the proposed boundary map what they are calling the Pinal County area. He noted that continuous changing of the MAG By-Laws is not desired and the By-Laws changes say that any incorporated city (currently, the Town of Florence and the City of Maricopa), within that area could be members of MAG. Mr. Smith stated that the question is what will happen with the Santan Valley – will it incorporate or be annexed to a city.

Mr. Smith stated that the one question people had is what the new members in Pinal County within the new boundary would vote on at MAG. He explained that the half cent sales tax for transportation is restricted to Maricopa County per state law. Mr. Smith stated that tasks defined by Executive Orders (such as Section 208, Water Quality Management Planning) will remain with their respective councils of governments, while others (such as building codes or domestic violence) could be available for voting on by new members from Pinal County.

Mr. Smith stated that the Governor is expected to approve the Metropolitan Planning Area boundary for MAG by March 28. If the Governor changes the boundary, then an amendment to the MAG By-Laws would be needed and a 15-day written notice to members would be required. Mr. Smith stated that action by the Regional Council was needed to send out the written notice. If the Governor approves a new boundary, then this would be brought back to the Regional Council to approve the By-Laws amendment and memberships. Mr. Smith stated that new members would be included in the July dues and assessments of the new MAG budget.

Mr. Smith then displayed a potential timeline and noted that all of the actions are contingent upon the Governor's action. He said that Eric Anderson has done a lot of work on this issue. Mr. Smith advised that the boundary is needed for transportation planning purposes. Mr. Smith stated that there is competition for a limited amount of funds. He stated that the population of agencies in the brown areas would apply to the federal funds we receive. Mr. Smith stated that another question was regarding the State Transportation Board member who serves for Pinal County. He explained that this seat is a floating seat and is therefore not included in the MAG By-Laws. Mr. Smith stated that the Regional Council already includes two members from the State Transportation Board and they represent the state's interests.

Mr. Smith stated that the Regional Council is requested to approve sending out the 15 day written notice of the proposed By-Laws amendment. He advised that if the Governor acts on the boundary, the By-Laws amendment and memberships would come back before the Regional Council at a future meeting.

Chair Rogers thanked Mr. Smith for his report and asked members if they had questions.

Mayor Lewis stated that the City of Maricopa has been involved in the Greater Phoenix Economic Council and has been a great partner. He said that MAG needs a boundary for planning, but there are no boundaries to transportation in the eyes of the citizens who travel the roads. Mayor Lewis expressed

his support for the City of Maricopa and the Town of Florence. He said that they have been involved in regional planning and he felt this was a positive move and they would be good partners.

Mayor Lane asked for clarification of voting in regard to specific funding measures. Mr. Smith stated that voting on specific areas is addressed in the By-Laws. He added that this would probably not be a frequent occurrence. Mr. Smith stated that the \$6 billion Transportation Improvement Program (TIP) includes private, federal and state funds. He said that if they became members, the City of Maricopa, Town of Florence, and Pinal County would vote on the TIP, but would not vote on Proposition 400 sales tax funded projects. He added that only members within Maricopa County would vote on Proposition 400 sales tax funded projects.

Mayor Mitchell asked for clarification of voting when funding involves local matching dollars for federal funds. Mr. Smith replied that members outside of Maricopa County would sit on MAG committees and vote on projects that are federally funded, but would not vote on projects funded by the Maricopa County sales tax. Mr. Smith noted that there are already similar provisions in the MAG By-Laws, for example, the Citizens Transportation Oversight Committee member votes on transportation related items only.

Mayor Mitchell stated that one of the pros of including new members is that MAG grows stronger, but what message is being sent to the other MPOs when cities are defecting to MAG. He asked if growth would be inhibited. Mr. Smith replied that the law provides that the entire Metropolitan Statistical Area (i.e., MAG and Pinal) can be a part of MAG. He added that they are not trying to include all of Pinal County in MAG. Mr. Smith stated that the North Central Texas Council of Governments has more than 200 members. He said they have so many members they hold a congress of cities each year and then provide for a smaller Regional Council. Mr. Smith noted that Michael Gallis said in his presentation that if the Sun Corridor is not politically aligned, it will not be able to accomplish what Utah has accomplished. Mr. Smith noted the political alignment in New Mexico that allowed improvements at the Santa Teresa port of entry. He stated that partnerships are necessary to compete in a global economy. Mr. Smith stated that many elected officials will be attending the March 6 Sun Corridor Retreat. Included as speakers are the mayors of Casa and Florence, and Tucson. He remarked that the pro is cooperation among agencies can make things happen as they did in Utah, but the con is that there is greater competition for a limited amount of funds.

Mayor Wolcott asked for clarification about new member agencies being in competition for federal funds. She said if a project is strictly sales tax funded, agencies outside Maricopa County would not have a vote. However, what happens with a project that has dropped off due to a decrease in sales tax funds and an increase in the demand to replace the funds with federal funds. Mr. Smith stated that all members would have the right to vote on projects to be funded with federal funds. He added that he did not foresee that this would be a huge issue. Mr. Smith stated that his view was all for one and one for all, and as Mayor Lewis said, the citizens do not see boundaries when they are driving. Mr. Smith added that citizens outside of MAG are contributing to this region's economy.

Chair Rogers expressed that she understood the hesitancy due to projects dropping off in the past as a result of lower sales tax collections. There were struggles with funding but this is a new day and we

need to be regional and look beyond our own borders. We will do our due diligence but it should not stop us from moving forward with planning and what it means for the state. Chair Rogers expressed her hope that an example of cooperation to increase that conversation will spread beyond the region.

Mayor Tibshraeny asked for clarification on the Gila River Indian Community being partially in Maricopa County. Mr. Smith explained that when MAG was formed in 1967, MAG's boundaries were Maricopa County boundaries. In 1985, there was an investigation of MAG because of the location of the South Mountain Freeway. At that time it was noted that the Gila River Indian Community was not a member of MAG even though eligible, and it then joined MAG. Mr. Smith noted that only a portion of the Community is in the MAG region and its dues are based only on that portion in Maricopa County. He stated that if the Community would decide to include the entire Community in MAG, its dues would be based on the entire population of the Community.

Chair Rogers asked Mr. Smith the action that was being requested. Mr. Smith replied that the action requested was to direct staff to approve sending out the 15 day written notice of the proposed By-Laws amendment to member agencies. He noted that if the Governor acts on the boundary, the By-Laws amendment and memberships would come back before the Regional Council at a future meeting.

Mayor Lewis moved and Councilmember Barker seconded. With no further discussion, the vote on the motion passed unanimously.

7. Development of the FY 2014 MAG Unified Planning Work Program and Annual Budget

Rebecca Kimbrough, MAG Fiscal Services Manager, provided a report on the development of MAG's draft Unified Planning Work Program and Annual Budget for Fiscal Year 2014. She stated that the Work Program is developed each year in conjunction with member agency and public input. Ms. Kimbrough stated that new projects are presented in February and provide for an incremental review of key budget proposed projects.

Ms. Kimbrough stated that the draft Dues and Assessments were presented in January 2013. She explained that due to the economy, the rate for the draft Dues and Assessments was reduced to 50 percent of the FY 2009 amount. Ms. Kimbrough stated that expenses in excess of the Dues and Assessments have been paid out of MAG's fund balance. She stated that MAG staff is proposing that the draft Dues and Assessments be set at 75 percent of the FY 2009 Dues and Assessments amount for FY 2014. Ms. Kimbrough stated that the draft budget will be presented next month.

Ms. Kimbrough stated that the following documents were included in the agenda packet: the draft Dues and Assessments for FY 2014, the timeline for budget development, the invitation to the Budget Workshop, and the proposed new projects for FY 2014. She noted that the Intermodal Planning Group meeting has now been scheduled for April 3, 2013. Ms. Kimbrough stated that most of the newly proposed projects are for ongoing project work that MAG does each year. Ms. Kimbrough stated that this item was on the agenda for information and input on the development of the Work Program and Annual Budget.

Chair Rogers thanked Ms. Kimbrough for her report. No questions from the Council were noted.

8. Potential Impacts of the Budget Control Act of 2011- Sequestration

Lora Mwaniki-Lyman provided a presentation on sequestration and its potential economic impact on the economy of Arizona. She stated that sequestration is an automatic reduction in federal spending and deficit that was put in place by the Budget Control Act of 2011. Ms. Lyman reviewed key dates in sequestration and said that the sequestration amount is approximately \$85 billion.

Ms. Lyman stated that most of the affected agencies are planning to absorb most of the funding reductions through employee furloughs. However, the furloughs will not be fully implemented until April 1, as the agencies are required to give affected employees 30 days notice. Ms. Lyman stated that five days before the furloughs can be implemented, the government will run out of the authority to spend unless Congress authorizes a new Continuing Resolution by March 27.

Ms. Lyman stated that Arizona could lose close to 50,000 jobs as a result of sequestration. She stated that Arizona could potentially see the furloughs of 10,000 civilian defense employees with a \$52 million loss in payroll and an additional \$50 million reduction in funding for the Army and Air Force. The reduced funding would mean a reduction in funding for procurement and defense contracts and research and development.

Ms. Lyman stated that a study released by the Greater Phoenix Economic Council revealed that 24 percent of companies interviewed are expanding, 52 percent are stable and 26 percent are contracting with Tier 2 companies that rely on subcontracts from the bigger defense companies such as Raytheon and Boeing.

Ms. Lyman stated that sequestration would result in lost or reduced services to Arizona's most vulnerable. Arizona's K-12 would receive \$17.7 million less in funding while education for children with disabilities would see a loss of \$10 million in funding. Ms. Lyman stated that the Head Start Program would receive \$1 million less, and vaccination programs would see a reduction of \$176,000 in funding.

Ms. Lyman addressed the effects of sequestration on the City of Phoenix. Estimated funding reductions total \$13 million in human services, neighborhood services, housing, and community and economic development programs. These estimates could increase or decrease based on the actions by Congress this fiscal year. Ms. Lyman stated that the action or inaction of Congress and the President over the next three months will significantly affect whether sequestration happens or not, its magnitude and potential effect on Arizona's economy.

Chair Rogers thanked Ms. Lyman for her report and asked members if they had questions.

Mayor LeVault asked if the cuts were going to be to the amount spent last year or to the amount built in to programs that were going to be increased. Ms. Lyman replied that the sequestration cuts are based on budget amounts. She said she heard that some estimates say there will be approximately \$44 billion

in actual outlay reductions. Ms. Lyman stated that the George Mason University study looked at actual reductions.

Mayor LeVault asked for clarification between furloughs and layoffs. He said that he read the Department of Defense was going to furlough 400,000 people from five-day workweeks to four-day workweeks. Ms. Lyman stated that regular workers will be asked to take furlough days without pay, but will remain employed. She said that temporary workers have been laid off.

9. Update on the MAG 2012 Five Percent Plan for PM-10 and Exceptional Events Issues

Lindy Bauer, MAG Environmental Programs Director, provided an update on the MAG 2012 Five Percent Plan for PM-10 and exceptional events issues. Ms. Bauer stated that the new plan was submitted to the Environmental Protection Agency (EPA) by May 25 and employs existing measures from the 2007 plan. She stated that the plan is designed to reduce emissions by five percent per year until attainment is reached. Ms. Bauer noted that the plan also included one new measure: the general dust action permit.

Ms. Bauer stated that the focus of the new plan is high winds. She advised that there were no violations of the PM-10 standard during stagnant conditions since the last plan was submitted. Ms. Bauer noted that the last plan was withdrawn. She stated that the region needs three years (2010, 2011, 2012) of clean data at the monitors to demonstrate attainment of the standard.

Ms. Bauer then reviewed the timeline of the 2012 plan. On May 23, 2012, the MAG Regional Council adopted the plan; on May 25, 2012, MAG submitted the plan to ADEQ/EPA; on July 20, 2012, the EPA issued a completeness determination on the plan which stopped the 18 month and 24 month sanctions clocks; on September 6, 2012, EPA approved the first high wind exceptional event package for July 2-8, 2011 (the first ever approved by EPA). Ms. Bauer remarked on the extensive amount of work to prove that exceedances at the monitors were exceptional events caused by high winds and not manmade. Ms. Bauer stated that ADEQ obtained consultant assistance at an estimated cost of \$500,000 and all of the documentation is now at EPA. She noted that on January 28, 2013, ADEQ transmitted 10 packages of exceptional events to EPA; on February 13, 2013, ADEQ transmitted the remaining seven packages of exceptional events.

Ms. Bauer stated that EPA approval of the plan was required by February 14, 2013, to stop the imposition of a federal implementation plan, however, EPA has not taken action on the plan. On February 15, 2013, the Arizona Center for Law in the Public Interest filed a 60-day Notice of Intent to sue EPA for not taking action on the plan.

Ms. Bauer stated that issues with the EPA exceptional events process still exist. She noted that EPA has acknowledged that its rule is flawed. Ms. Bauer stated that while some improvements have been made, it is very resource-intensive and expensive to document exceptional events. She noted that it took a 200-page document to prove the July 5, 2011, haboob was not manmade. Ms. Bauer then showed a photograph of all 18 packages of documentation submitted to EPA – more than nine inches thick. She

also indicated that EPA Region IX staff had provided assistance in further streamlining the documentation for 17 of the packages.

Ms. Bauer then addressed next steps. She said that EPA needs to concur with the 17 packages of exceptional events documentation (EPA is currently reviewing the documentation and has assigned a staff person full-time for this task). Ms. Bauer stated that EPA needs to take approval action on the Five Percent Plan to avoid imposing a federal implementation plan. EPA could issue a clean data finding if the region has at least three years of clean data and has attained the standard. She said this is a key step to attainment. Ms. Bauer said that the EPA has said informally that the exceedances look like exceptional events. She also noted that the EPA intends to issue revised guidance for exceptional events.

Chair Rogers thanked Ms. Bauer for her report and asked if there were questions.

Mr. Smith stated that MAG has been working with EPA so that documenting exceptional events is not as resource intensive. He asked Ms. Bauer to describe plan B. Ms. Bauer replied that ADEQ has indicated these are exceptional events and this region should not be penalized. If EPA disapproves MAG's plan, MAG will work with its Washington special legal counsel on legislation that EPA is not allowed to disapprove or take any action against the plan when the state has determined that the standard would have been met except for exceptional events. Ms. Bauer stated that they hope they will not have to use plan B but cannot afford to be without plan B.

10. Legislative Update

Nathan Pryor, MAG Government Relations Manager, provided an update on legislative issues of interest. He noted that a summary of legislation was at each place.

Mr. Pryor stated that MAG was pleased to host the National League of Cities Arizona Leadership Forum on February 21, 2013. He stated that the forum was an opportunity to discuss issues related to growth. Mr. Pryor stated that approximately 30 local elected officials, state agency officials, and nonprofit leaders attended the forum. He said that a preliminary report from the League is anticipated in the next couple of weeks.

Mr. Pryor then reported on state legislative issues, beginning with House Bill (HB) 2005, which if enacted, would subject political subdivisions, such as MAG, to open meeting laws. Mr. Pryor stated that MAG complies with the Open Meeting Law although extra measures might need to be implemented in regard to archiving. He stated that HB 2005 has moved from the House to the Senate.

Mr. Pryor stated that if enacted, HB 2006 would prevent new employees of political subdivisions from joining the Arizona State Retirement System. He stated that HB 2006 was held in committee last week and he would continue to monitor it. Mr. Pryor expressed appreciation to member agencies who assisted in addressing this bill.

Chair Rogers thanked Mr. Pryor for his report. She expressed her appreciation to Mr. Smith and Mr. Pryor for all of their efforts in hosting the National League of Cities Arizona Leadership Forum.

Mr. Smith noted that attendees were impressed with the MAG meeting facility. He stated that this was the purpose when the floor was remodeled. Mr. Smith noted that upcoming events that MAG will be hosting include a forum for the Organization of Women in Transportation and Trade.

11. Request for Future Agenda Items

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

No requests were noted.

12. Comments from the Council

An opportunity was provided for Regional Council members to present a brief summary of current events. The Regional Council 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.

Chair Rogers invited everyone to attend the NASCAR race and events at Phoenix International Raceway.

Adjournment

There being no further business, the meeting adjourned at 12:50 p.m.

Chair

Secretary