

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

September 30, 2015  
MAG Office  
Phoenix, Arizona

MEMBERS ATTENDING

Mayor W.J. “Jim” Lane, Scottsdale, Chair	Mayor Christian Price, City of Maricopa
* Mayor Greg Stanton, Phoenix, Vice Chair	Supervisor Denny Barney, Maricopa County
* Vice Mayor Robin Barker, Apache Junction	Mayor John Giles, Mesa
Mayor Kenneth Weise, Avondale	* Mayor Michael Collins, Paradise Valley
Mayor Jackie Meck, Buckeye	Mayor Cathy Carlat, Peoria
* Councilmember Mike Farrar, Carefree	Supervisor Todd House, Pinal County
Councilmember Dick Esser, Cave Creek	Mayor Gail Barney, Queen Creek
Mayor Jay Tibshraeny, Chandler	* President Delbert Ray, Salt River
Mayor Lana Mook, El Mirage	Pima-Maricopa Indian Community
* Mayor Tom Rankin, Florence	* Mayor Sharon Wolcott, Surprise
* President Ruben Balderas, Fort McDowell Yavapai Nation	Mayor Mark Mitchell, Tempe
Mayor Linda Kavanagh, Fountain Hills	* Mayor Adolfo Gamez, Tolleson
* Mayor Chuck Turner, Gila Bend	* Mayor John Cook, Wickenburg
* Governor Stephen Roe Lewis, Gila River Indian Community	Mayor Michael LeVault, Youngtown
Mayor John Lewis, Gilbert	# Mr. Roc Arnett, Citizens Transportation Oversight Committee
Mayor Jerry Weiers, Glendale	Mr. Joseph La Rue, State Transportation Board
Mayor Georgia Lord, Goodyear	* Councilmember Jack Sellers, State Transportation Board
# Mayor Rebecca Jimenez, Guadalupe	
Mayor Thomas Schoaf, Litchfield Park	

\* 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 W.J. “Jim” Lane, Scottsdale, at 11:32 a.m.

A short video explaining public input opportunities at MAG committee meetings was played.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Mayor Rebecca Jimenez and Mr. Roc Arnett joined the meeting by teleconference.

Chair Lane noted that at each member's place and on the tables on each side of the room were a letter from Mr. René Guillen of the Governor's Office for agenda item #11 (previously transmitted) and a calendar of activities for Domestic Violence Awareness Month for agenda item #9.

3. Call to the Audience

Chair Lane recognized public comment from Ms. Dianne Barker, of Phoenix District 7, who expressed her support for multimodal transportation. She stated that she values participation and appreciated the public input video. Ms. Barker stated that she tries to observe rules and when she doesn't, it is not intentional, such as performing gymnastics at meetings. She noted that multimodal transportation is fun -- it gets your heart going and you meet people. Ms. Barker spoke of an event in downtown Phoenix each Monday that includes music, a trip to the YMCA, raffles, food, t-shirts, etc. She stated that walking provides an isotonic and isometric workout. Chair Lane thanked Ms. Barker for her comments.

4. Executive Director's Report

Mr. Dennis Smith, MAG Executive Director, reported on items of interest to the MAG region. Mr. Smith stated that MAG was awarded a Strategic Highway Research Program (SHRP2) grant to develop a GIS common operating vision/platform in the Intermountain West region. Mr. Smith reported that staff from 14 different agencies in the Intermountain West region attended a meeting in Denver on the SHRP2 grant.

Mr. Smith stated that the Phoenix Chapter of the Public Relations Society of America (PRSA) awarded Kelly Taft, MAG Communications Manager, the Percy Award, which is its highest award earned by a professional who has demonstrated excellence in the practice of public relations. Ms. Taft was applauded. Mr. Smith stated that Mr. Patrick Banger, Gilbert Town Manager, had received the Phoenix Award, which recognizes a CEO, business leader or community leader who has elevated the best practices of public relations. Mr. Banger was applauded.

Mr. Smith noted that September 9, 2015, marked the 30th anniversary of the 9-1-1 system in the MAG region. He introduced Ms. Liz Graeber, Administrator of the MAG 9-1-1 system, who was a 9-1-1 operator on the day 9-1-1 was rolled out. Mr. Smith stated that when MAG began the effort to implement 9-1-1, the telephone company advised that 9-1-1 would be impossible to bring about because of growth in the MAG region, however, member agencies got together on a MAG committee and were successful in the effort to bring 9-1-1 to the Valley. He stated that the MAG 9-1-1 system was one of the most advanced systems in the United States when it rolled out in 1985. Mr. Smith noted the contributions of Mr. Jim Wortham and Mr. Tom Sawyer of the City of Phoenix to the implementation of the system. He added that Mr. Wortham is a technical genius who still works with 9-1-1, assisting rural counties in his retirement. Mr. Smith stated that many of the public safety departments of member

agencies brought their public safety vehicles to the press conference and received significant exposure from the media. He noted funding issues associated with the state 9-1-1 fund. Mr. Smith stated that when the state had budget problems, they saw the fund for 9-1-1 and swept it. Mr. Smith stated that significant changes in technology have occurred since 1985 and today is a different world. Mr. Smith urged protecting the 9-1-1 fund to ensure that lives are saved.

Mr. Smith stated that U.S. Department of Transportation and Mayor Greg Stanton hosted the Beyond Traffic Forum on September 21, 2015. Mr. Smith stated that former Arizona Department of Transportation Director and current Deputy Secretary of the U.S. Department of Transportation, Mr. Victor Mendez, spoke at the forum. He noted that Mayor Stanton, Mayor Christian Price, and Mayor Sharon Wolcott were panelists. Mr. Smith stated that MAG provided contact information for the invitation list. He noted that more than 160 people attended. Mr. Smith extended his appreciation to MAG staff, Kelly Taft and Nathan Pryor for their assistance.

Mr. Smith noted that Ms. Amy St. Peter had been named MAG Assistant Director. He added that Ms. St. Peter previously had been MAG Human Services Manager.

Chair Lane remarked that the press conference for the 30th Anniversary of Maricopa Region 9-1-1 was an impressive event. He stated that it illustrated the importance of 9-1-1 and how it has added to the quality of life in the region. Chair Lane thanked everyone who participated in and attended the event.

Mr. Smith remarked how having 9-1-1 has saved lives and Reverse 9-1-1 adds another layer of safety for the region's residents. He stated that Maricopa Region 9-1-1 provides seamless service to the public.

#### 5. Approval of Consent Agenda

Chair Lane noted that agenda items #5A, #5B, #5C, and #5D were on the Consent Agenda.

Chair Lane recognized public comment from Ms. Dianne Barker, who expanded on her comments in the minutes regarding the Proposition 104 after-party. She stated that a significant number of automobiles were parked at the event and she had a conversation with one of the attendees who said he could have walked to the party, but drove instead. Ms. Barker stated that she is not Catholic but agreed with Pope Francis's message about climate change. She stated that everyone needs to take care of the environment, not only for themselves, but for all of America, and she urged using multimodal transportation. Ms. Barker then spoke of taking money from the Native Americans at the 16th Street and Indian School location. She said that the \$3 million in CMAQ will probably be given to light rail, as usual. Chair Lane thanked Ms. Barker.

Chair Lane asked members if they had questions or requests to hear a presentation on any of the Consent Agenda items. None were noted.

Mayor Gail Barney moved to approve Consent Agenda items #5A, #5B, #5C, and #5D. Mayor Jackie Meck seconded, and the motion passed unanimously.

5A. Approval of the August 26, 2015, Meeting Minutes

The MAG Regional Council, by consent, approved the August 26, 2015, meeting minutes.

5B. MAG Pedestrian and Bicycle Facilities Design Assistance Program

The MAG Regional Council, by consent, approved funding the seven top ranked projects for the Design Assistance Program. The Fiscal Year (FY) 2016 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2015, includes \$400,000 for the Pedestrian and Bicycle Design Assistance Program. The Design Assistance Program allows MAG member agencies to apply for funding for the preliminary design portion of a bicycle or pedestrian project. Thirteen project applications were submitted by member agencies for the program. On July 21, 2015, the MAG Bicycle and Pedestrian Committee reviewed and ranked applications, and voted to recommend approval of the seven top ranked projects for the Design Assistance Program. These seven top ranked projects for the Design Assistance Program were recommended for approval on August 27, 2015, by the MAG Transportation Review Committee and on September 9, 2015, by the MAG Management Committee.

5C. MAG Valley Path Brand & Wayfinding Guidelines

The MAG Regional Council, by consent, accepted the MAG Valley Path Brand & Wayfinding Signage Guidelines final report. The FY 2014 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2013, included \$75,000 to develop an off-street bicycle network wayfinding guide and brand name. The Valley Path Brand & Wayfinding Signage Guidelines project, completed in May 2015, includes brand standards, wayfinding tools, wayfinding guidelines, and an implementation approach. The Valley Path Brand & Wayfinding Signage Guidelines final report was recommended for acceptance on May 26, 2015, by the MAG Bicycle and Pedestrian Committee, on August 27, 2015, by the MAG Transportation Review Committee, and on September 9, 2015, by the MAG Management Committee.

5D. MAG FY 2017 PSAP Annual Element/Funding Request and FY 2017-2021 Equipment Program

The MAG Regional Council, by consent, approved the MAG FY 2017 PSAP Annual Element/Funding Request and FY 2017-2021 Equipment Program. Each year, the MAG Public Safety Answering Point (PSAP) Managers submit inventory and upgrade requests that are used to develop a five-year equipment program that forecasts future 9-1-1 equipment needs of the region and enables MAG to provide estimates of future funding needs to the Arizona Department of Administration (ADOA). The ADOA Order of Adoption stipulates allowable funding under the Emergency Telecommunications Services Revolving Fund. The MAG FY 2017 PSAP Annual Element/Funding Request and FY 2017-2021 Equipment Program were recommended for approval on August 13, 2015, by the MAG PSAP Managers Group, on September 1, 2015, by the MAG 9-1-1 Oversight Team, and on September 9, 2015, by the MAG Management Committee.

6. Request for Second Deferral of the City of Phoenix Multiuse Path Project at Indian School Road and the Grand Canal

Ms. Teri Kennedy, MAG staff, stated that the City of Phoenix has requested to defer its Fiscal Year (FY) 2015 multiuse path construction project on the Grand Canal near Indian School Road and 16th Street. She noted that this project was previously deferred from FY 2014 to FY 2015 and is identified in the FY 2014-2018 MAG Transportation Improvement Program (TIP) as PHX14-101. Ms. Kennedy stated that the MAG Federal Programming Guidelines require approval through the MAG Committee process for a second deferral of a project. To receive a second deferral, the project sponsor must demonstrate that the cause of the project deferral was beyond the control of the project sponsor, identify the problem causing the delay, continue to provide financial and staff commitment to the project, and has a plan and schedule for addressing the problem and completing the project. Ms. Kennedy introduced Mr. Tony Humphrey from the City of Phoenix.

Mr. Humphrey, the engineering supervisor for design and construction management for the City of Phoenix, presented the second deferral request of PHX14-101 by the City of Phoenix. He stated that he would discuss the importance of the project, what occurred, and the City's plans to move forward.

Mr. Humphrey stated that this project is important for connectivity and the safety of pedestrians and bicyclists between the Uptown Grand Canal trail and the crossing at 16th Street and Indian School Road. He displayed a map of the project area, which includes Longview Park, Community Center and Elementary School, Madison Park and Middle School, Phoenix Advantage Charter School, a Goodwill center, a convenience store, and the Phoenix Indian Medical Center, which is a part of the Bureau of Indian Affairs.

Mr. Humphrey described the project scope, which includes an eight- to ten-foot wide multiuse path with a four-foot buffer on the north side of Indian School Road. He pointed out the area of right-of-way that is required to be obtained from the Phoenix Indian Medical Center. Mr. Humphrey stated that the Phoenix Indian Medical Center is in support of the project however, the entity does not have a set of processes and procedures for allowing the City to utilize their land for this purpose, which resulted in a delay.

Mr. Humphrey stated that moving forward, they will continue to meet with stakeholders to meet the new timeline. He indicated that they anticipate continuing efforts to acquire right-of-way with an anticipated completion date in March 2017 and a contract award in September 2017.

Mr. Humphrey noted that the project has sufficient funding and staff resources, and support from the Mayor and Council, the neighborhood, and the Phoenix Indian Medical Center. He added that the project will provide greater connectivity and safety for walking and bicycling along the corridor. Mr. Humphrey stated that the City of Phoenix is requesting a two-year deferral.

Chair Lane thanked Ms. Kennedy and Mr. Humphrey for their reports. He asked if there would be consequences to other member agencies' projects if this project is deferred for two years. Ms. Kennedy replied that at the end of the federal fiscal year they look at Obligation Authority and MAG has fully committed funding for its 2015 Obligation Authority. She indicated that the City of Phoenix consulted

MAG early in the process and MAG was able to find other projects that could advance and use the funds. Ms. Kennedy stated that MAG has been working diligently to address its carry forward funding and for the third year in a row, MAG has zero carry forward and utilized its Obligation Authority, so no funds were at risk. She added that there are no negative consequences to other projects if this deferral moves forward.

With no further questions, Mayor Cathy Carlata moved approval of a second deferral by the City of Phoenix from FY 2015 to FY 2017, for the multi use path project at Indian School Road and the Grand Canal, TIP listing PHX14-101. Councilmember Dick Esser seconded, and the motion passed unanimously.

7. Resolution of Structural Issues With Using Special Census Numbers to Distribute State Shared Revenues

Mr. Dennis Smith stated that state legislation to include revenue sharing was defeated in 1972 by three votes. The next year, an initiative that included revenue sharing was successful with the voters, and he acknowledged the efforts of former Glendale Mayor Max Klass, who was the President of the League of Arizona Cities and Towns, and former Phoenix Mayor John Driggs on this initiative. Mr. Smith noted that in state statute, the distribution of revenue sharing funds is based on the population of the decennial or mid-decade census.

Mr. Smith reported that a mid-decade census was conducted by Maricopa County in 1975, by MAG in 1985 (at a cost of \$3 million), and by MAG in 1995 (at a cost of \$9 million and 5,000 enumerators hired). Mr. Smith stated that when a 2005 mid-decade census was discussed by the Management Committee, they thought it too costly for the return on the investment and went with a census survey instead. He noted that the cost of the door-to-door census was estimated at \$31 million, due to the high cost to hire enumerators, and the cost to do a survey was estimated at \$8 million, some of which could be paid with federal funds.

Mr. Smith stated that then the Recession happened. He noted that there was a meeting to discuss a 2015 mid-decade census, and the Census Bureau said there would be no more census surveys. If an area does not do a mid-decade census, it must continue to use its decennial census numbers. Mr. Smith noted that a door-to-door census for the region for 2015 was estimated to cost \$65 million-\$70 million and would require approximately 35,000 enumerators. He remarked that due to the high cost, a mid-decade census as a region did not make sense.

Mr. Smith stated that some communities have emerged from the Recession earlier than others. Some communities need infrastructure to accommodate growth. Mr. Smith stated that the process begun in the 1970s with good intentions no longer worked. He stated that seven municipalities in the MAG region decided to proceed with a mid-decade census, and he added that the Town of Prescott Valley originally was interested in conducting a census, but decided to not participate. Mr. Smith stated that some of the municipalities looked toward fixing this at the Legislature by having an annual estimate, which would help avoid the fiscal cliff every five years.

Mr. Smith stated that a group of city managers started negotiations to find a solution. He noted that seven municipalities have expended funds. Through negotiations, these cities said if they could get half of the funds back, they would join with the others in the legislative session to have the annual estimate for everyone. Mr. Smith stated that MAG was asked if federal funds could be used and they found a solution for a one-time fix. He noted that just that morning, staff saw a first draft of research requested by the League of Arizona Cities and Towns that was done by the University of Arizona regarding using estimates to distribute state shared revenues.

Mr. Anubhav Bagley, MAG staff, stated that annually, state shared revenue is approximately \$1.5 billion-\$1.6 billion and is shared based on the decennial or mid-decade census count. Mr. Bagley stated that other options to use for state shared revenue are the annual population estimates done by the Census Bureau, but they lag by one year, and the population estimates produced annually by the State Demographer's Office at the Arizona Department of Administration. Mr. Bagley explained that the State Demographer's Office hosts the Council for Technical Solutions that includes participation by the state's metropolitan planning organizations to develop the annual population estimates.

Mr. Bagley noted that each of these options have pros and cons, notably the vacancy rates. He said that housing completion data are collected quarterly and they have good information on that, but they do not have good information on vacancy rates. Is a housing unit occupied? If so, is it occupied seasonally? Mr. Bagley noted that state shared revenue is for full time residents only.

Mr. Bagley stated that discussions have taken place with the League of Arizona Cities and Towns and the University of Arizona to evaluate the options. He noted that the University of Arizona completed the evaluation requested by the League and MAG staff is reviewing the report.

Mr. Bagley stated that a mid-decade census count would cost a lot of money. He noted that the growth rates in the MAG region are much lower than in the past and not much higher than the current state average. As a result, it is not a good return on an investment of \$65 million-\$70 million.

Ms. Teri Kennedy then explained the methodology for cost sharing that was developed. She stated that a group at MAG worked on identifying a solution. Ms. Kennedy noted that an amount of approximately \$8.139 million in Federal Highway Administration funds has been identified to be available over a five-year period for a special projects fund and tracked through a Transportation Improvement Program listing. She noted that MAG needs to utilize its Obligation Authority. Ms. Kennedy stated that the funding for the solution would be made available through the Obligation Authority for 2013 and 2014 that became available through cost savings, etc., which allowed several projects to advance, leaving programming gaps in the future.

Mr. Smith stated that the Federal Highway Administration put pressure on ADOT to close out its projects. He explained that this resulted in a large amount of funds that ADOT gave to MAG with instructions to spend the funds soon. Mr. Smith stated that in order to do that, projects ready to go were advanced, creating funding in outer years, estimated at \$8.1 million at this time.

Ms. Kennedy stated that in utilizing the \$8.139 million, they need to adhere to Federal Highway Administration regulations, state statutes, and MAG programming guidelines. She noted that three options were developed.

Option One: Fund design phase and ADOT review fees for existing projects. Ms. Kennedy noted that normally, an agency has to fund the design. Although funding design is legal, at MAG agencies need to fund design in order to make funding go farther.

Option Two: Fund design phase and ADOT review fees for future projects to be selected from the August 2015 call for projects. Ms. Kennedy said that Regional Council approval is anticipated in January or February 2016. She added that if design is funded with federal funds and the project does not move forward, the funds would need to be repaid.

Option Three: Fund projects from the approved prioritized list that are unfunded or Arterial Life Cycle Program projects.

Option Four: Fund a transportation study.

Ms. Kennedy stated that the projects would be included in the TIP. She noted that TIP changes would be required and brought back to the Regional Council for approval. Ms. Kennedy stated that this is a unique, one-time situation and they hope to provide a solution to the fiscal cliff every five to ten years.

Mr. Smith noted that the solution has been cleared through Federal Highway Administration.

Chair Lane thanked staff for the report and asked members if they had questions.

Mayor John Lewis expressed his appreciation. He stated that Mr. Smith did an excellent job summarizing the issue. He remarked that discussion of state-shared revenue can be very emotional. Mayor Lewis expressed his appreciation to Mayor Mark Mitchell for his patience during tough discussions at the League. Mayor Lewis remarked that the city managers had the opportunity to sit down and discuss options. He said this is about everyone working together and finding a solution that does not impact other projects. Mayor Lewis stated that this took a lot of time and effort and the end result is a positive display of creative, collaborative leadership.

Mr. Smith acknowledged the contributions of Mr. John Bullen, MAG staff, who assisted Ms. Kennedy on developing solutions. He remarked that this solution represents one-tenth of one percent of the funding the five-year MAG TIP, and it is a small amount to maintain peace and cooperation in the region.

Chair Lane stated that he was one who had the greatest concern of the use of MAG's collective resources to repay seven cities in their effort to recoup something they decided was necessary to enhance their revenue sharing and that it was worth the expenditure of their time and resources. He said that he favored continuing regional cooperation, however, he had a few questions. Chair Lane stated that he was more convinced to go a different way following Mr. Smith's report on the history and that this is a shift to a better policy. He stated that Mr. Bagley indicated there were a number of different options

for which mechanism to utilize going forward. Chair Lane said that he thought more analysis would be needed going forward. Chair Lane asked for clarification of the return on investment based on the growth rate.

Mr. Bagley stated that the cost in 2011 to pursue a mid-decade census was estimated at \$65 million-\$70 million. Looking at the growth rates for 2014, the region could gain \$3 million-\$3.5 million per year for the next six years, or \$20 million total. Mr. Bagley stated that the return on the investment would be negative for spending \$65 million-\$70 million to gain \$20 million. He stated that the greatest discussion is on the estimates, such as which estimates to use. He said that the state estimates are produced on an annual basis and MAG has a role in developing the state estimates, however, there is still the question of the vacancy rates. Mr. Bagley advised that any solution needs to be done statewide. He stated that there is no cost to the region for a census estimate because it is produced on an annual basis, anyway. Mr. Bagley stated that either option is preferable to spending a lot of money to do a mid-decade census. Either a census estimate or a state demographer's estimate comes down to growth rates and ratios for each jurisdiction in the state. He said that the best part of the solution is that the growth rate is applied on an annual basis so there is not a fiscal cliff every few years.

Chair Lane stated that the fiscal cliff comes at a time when adjustments are needed due to the estimates. He asked if a change in state statute would be required to use either of these estimate mechanisms. Mr. Bagley replied that a change to state statute would be required because it currently allows for only a mid-decade census. He stated that the League is currently pursuing this.

Chair Lane noted that using the state estimates and census estimates are more cost effective than conducting a mid-decade census. Mr. Bagley replied that was correct. He noted that the estimates from the Census Bureau are produced on an annual basis. Mr. Bagley added that MAG could review and comment on these data. He stated that there are a state law and an Executive Order to produce annual population estimates and projections every three to four years. There are really no costs to local agencies to use these data, but there could be if enhancements are made to the methods.

Chair Lane remarked that he was counting on the estimates being more scientific and they would not require a significant adjustment. He remarked that it appeared there are excess or available funds that MAG has the authority to use. He asked if the funding for this solution would be at the expense of another project.

Ms. Kennedy replied that MAG programs its federally-funded projects based on the best estimate available. She noted that sometimes the project bid comes in lower than the estimate, which results in excess funding being returned to be reprogrammed. Ms. Kennedy added that this occurs on a regular basis. She noted that closeout does not identify funds until the project is completed.

Chair Lane asked if the excess funds would go back for other projects to use. With the shortfall in transportation funding there are certainly projects that could use the funds. Chair Lane noted that this is somewhat a unique situation, and asked if MAG will be doing this again. Mr. Smith replied that he did not anticipate this occurring again.

Chair Lane stated that he was probably the one most concerned about this and he wanted to ensure MAG was doing the right thing regarding the allocation of funds. He noted that the history has been helpful for him and having a return on investment with a mechanism that makes sense is a positive step. Chair Lane stated that he had additional small questions, but they could be answered at a later time.

Mayor Mark Mitchell expressed his appreciation to Mr. Smith and the city managers group who worked on this solution. Mayor Mitchell commented that at the start of the Regional Council meeting, it was noted that regional cooperation was needed to implement 9-1-1 in the MAG region. By working together, member agencies can move forward on many things. Mayor Mitchell expressed that he fully supported the proposed solution. He indicated that he looked forward to a resolution at the legislature and under the leadership of Chair Lane.

Chair Lane stated that in a sense of fairness and good policy, he will support the proposed solution, but he remained concerned with the mechanism used going forward. Chair Lane called for a motion.

Mayor Cathy Carlat moved approval of establishing a special projects fund at MAG to reimburse the seven cities in the MAG region that contracted to conduct a special census in 2015 for 50 percent of their special census costs, estimated at \$8,139,341, spread over approximately a five-year period. Mayor John Lewis seconded. With no further discussion, the vote on the motion passed unanimously.

8. Update on the ADOT Passenger Rail Study: Tucson to Phoenix

Mr. Marc Pearsall, MAG staff, noted that three and one-half years ago, ADOT was charged with looking at the marketability, ridership, alignment, route, technology and the cost of implementing passenger rail service between Tucson and Phoenix. He stated that intercity passenger rail service between Phoenix and Tucson existed from 1880 to 1996. Mr. Pearsall noted that as recently as 1965, 10 passenger trains per day traveled between Phoenix and Tucson, when both were much smaller communities. He added that Phoenix is the largest metropolitan area in North America without passenger train service and Phoenix and Tucson are the 12th to 14th busiest travel pair. Mr. Pearsall indicated that a major weather event or accident can result in huge traffic backups on Interstate 10, which is the main route between Phoenix and Tucson.

Mr. Carlos Lopez, ADOT staff, continued the presentation. He first expressed his appreciation to the MAG member agencies for the participation and input. Mr. Lopez stated that study is conducting a Tier One Environmental Impact Statement (EIS). He said that the purpose of the EIS is to analyze large expansive areas between Phoenix and Tucson and to serve as a decision document to identify a broad corridor there. Mr. Lopez stated that no funding for implementation of passenger rail design or construction has been identified. Mr. Lopez stated that the next step is the Tier Two EIS, which would identify specific station locations, rail alignments, and connections.

Mr. Lopez stated that one of the main reasons to conduct the study was due to anticipated population growth in the next 20 years from approximately five million people to approximately 7.5 million people in Maricopa, Pinal, and Pima counties. He noted that employment is also anticipated to grow similarly, which will yield a higher travel demand. Mr. Lopez stated that one of the purposes of this study is to develop a multimodal transportation system in the 120-mile distance between Phoenix and Tucson. He

noted that currently, Interstate 10 is the only high capacity transportation facility linking Phoenix and Tucson. Mr. Lopez stated that previous studies, such as the Building a Quality Arizona Transportation Framework and the State Rail Plan, have identified the need for transportation alternatives, especially in the Sun Corridor. He stated that one of the main products was a state rail plan identifying a vision for passenger rail in the state.

Mr. Lopez presented final corridor alternatives as determined in the study. He pointed out on a map the brown line near Tucson, which follows Interstate 10; the green line, which heads north along Interstate 10; the yellow line, which follows existing rail right-of-way owned by Union Pacific from Eloy to Phoenix; the orange line, which follows a north/south corridor in Pinal County and links to US-60, Loop 101 and Loop 202 in the Valley.

Mr. Lopez stated that the vision is to connect passenger rail to the West Valley, such as Buckeye and Surprise, using existing rail corridors. The passenger rail system could operate at speeds up to 125 miles per hour providing service between Tucson and Phoenix, as well as local trips.

Mr. Lopez review the ridership and travel times forecasts. He said that the annual ridership forecast for 2035 shows that the yellow route has an advantage of approximately 20,000 riders per day. Mr. Lopez displayed commuter (local trips) travel times and intercity (long distance trips) travel times. He noted that intercity routes have the advantage of shorter travel times between Phoenix and Tucson.

Mr. Lopez stated that cost is another element of the study, and he noted that no funding has been identified. He said that the study indicated that the yellow alternative is the most cost effective of the alternatives at \$4 billion to \$5 billion (\$40 million per mile). Mr. Lopez noted that the cost estimate includes right-of-way, construction, equipment, and facilities.

Mr. Lopez stated that public outreach is a key component of the study, and approximately 10,000 surveys were completed that showed strong support for passenger rail. They received significant public input from college campuses, festivals, and events. He stated that the yellow alternative was identified by the public as the preferred alternative between Phoenix and Tucson. Mr. Lopez stated that strong support was shown for linking activity centers and effective travel times.

Mr. Lopez stated that the green alternative would require additional right-of-way in major sections of Interstate 10. He noted that this right-of-way would impact environmentally and culturally sensitive areas and additionally, had the lowest ridership projections. Mr. Lopez stated that as a result, the green alternative has been removed from consideration.

Mr. Lopez stated that the yellow alternative and orange alternative were analyzed under the criteria of community acceptance, financial feasibility, mobility, and operation, the yellow alternative had the advantage with highest ridership, the lowest cost and strongest public preference. Based on the results, they are recommending advancing the yellow alternative for further study. Mr. Lopez stated that the broad environmental assessment was not able to make a decision in some areas. In Tempe, there are two routes recommended to move forward. Mr. Lopez stated that there are two options in Pinal County recommended to be advanced for further study.

Mr. Lopez stated that the preferred alternative will be determined at the completion of the Tier One process at the end of this year. He said that they have scheduled public hearings on the Tier One environmental effort. Mr. Lopez stated that they held public hearings on September 15 in Phoenix, September 16 in Tucson, and September 17 in Coolidge, and the public comment period ends October 30. Mr. Lopez stated that the study and service development plan are anticipated to be completed by the end of 2015. He noted that since there is no funding, there will be no schedule for design or construction.

Chair Lane thanked Mr. Pearsall and Mr. Lopez for their reports and asked members if they had questions.

Mayor Kenneth Weise asked about public-private partnerships in this corridor. He indicated he was unsure whether being the 12th and 14th busiest travel pair would be enough to get public-private funding. Mr. Lopez replied that any and all funding opportunities are being considered. He added that one of the main themes they hear in discussion with local agencies is developing a business case for a public-private partnership.

Mayor Christian Price commented that public outreach is important. He noted that 10,000 surveys are a significant number, but not a huge number in comparison to the six million total residents in the state. Mayor Price stated that opportunities exist for influencing survey results. He asked when the surveys were collected. He also asked if he could get a copy of the presentation.

Mr. Lopez noted that his presentation was posted on the Regional Council page on the MAG website and staff would forward the link to members. Mr. Lopez stated that the goal was to blend stakeholder input with the technical analysis. He indicated that the public input process consisted of public input, local and regional agency input, and a technical analysis. He stated that for the public input element they reached out to as many residents in the 120-mile study area as possible through events where large numbers of people gather (such as festivals or fairs) and public hearings. Mr. Lopez stated that the main themes they heard were to connect major activity centers, such as downtown centers and airports, and have reliable travel times.

Mayor John Lewis stated that he and Mayor Gail Barney attended the public hearing on September 15. He noted that they heard a lot of comments regarding the West Valley. Mayor Lewis noted that a couple of prongs make sense in the West Valley, but they were not investigated. Mayor Lewis indicated that he and Mayor Barney spoke as advocates for the Yellow Line, due to connections, ridership, cost, and public support. He stated that there is no funding, but connections and a plan to get to Phoenix-Mesa Gateway Airport are an absolute must to be a part of the Tier Two discussion.

Mayor Gail Barney expressed his appreciation to ADOT for this study. He remarked that it is difficult to perceive the amount of work that goes into a study that takes three years. Mayor Barney stated that the study team came to the Town of Queen Creek and to Phoenix-Mesa Gateway Airport several times in order to gather all opinions.

Chair Lane asked for clarification if semi-high speed hard rail was the technology being considered. Mr. Lopez replied yes. Chair Lane remarked that using the existing right-of-way could help contain costs.

Chair Lane stated that this was presented to MAG as commuter rail last year and both the Regional Council and Management Committee were generally concerned with commuter rail, in particular, the lack of funding. Chair Lane stated that a very valid consideration is having a cost-effective technology that could be supported by a public-private partnership that would provide an avenue for funding. He remarked that the outlook for funding is bleak and he was concerned for funding, maintenance costs and recovery of operating costs. Chair Lane expressed that he has been concerned for a long while that old technology would be implemented, particularly while many places around the world are investigating high speed lines that are elevated. He noted that one of the reasons is due to safety concerns. Chair Lane expressed his appreciation for all of the hard work on this study.

11. House Bill 2617 Update

Due to the length of the meeting and quorum concerns, this agenda item was taken out of order.

Chair Lane stated that MAG has been meeting with the Governor's Office regarding House Bill (HB) 2617, which allocates approximately \$2.5 million of Proposition 400 funds to fund the Arizona Department of Revenue (ADOR). He noted that these funds would otherwise go to projects in the MAG region.

Mr. René Guillen, the Governor's Policy Advisor for Government and Transportation, first discussed the Highway User Revenue Fund (HURF) problem. Mr. Guillen stated that funding diverted to the Department of Public Safety (DPS) includes approximately \$90 million from HURF and an additional \$30 million from the state general fund. Mr. Guillen stated that he has a ten-year background with Arizona issues, having worked with the League and at the Capitol. He stated that the HURF revenue rises and falls due to economic conditions. Mr. Guillen stated that the HURF problem needs to be solved in its entirety, which means finding a solution for funding DPS.

Mr. Guillen then described three solutions for funding DPS, which in turn would relieve pressure on HURF. He stated that DPS is one of the most underfunded Public Safety Personnel Retirement System (PSPRS) funds in the state. Mr. Guillen stated that last fiscal year, the state had to pay \$32 million in unfunded pension liability to PSPRS. Paying off the unfunded liabilities relieves the need for funding by HURF. He stated that the \$32 million in pension savings will not be realized for 22 years and the question becomes how to accelerate that schedule. Mr. Guillen stated that the Town of Paradise Valley became the first municipality to explore full annual pension contributions on July 1 of each year, instead of incrementally. He said that the PSPRS can earn a better rate than municipalities. Mr. Guillen stated that the approximately 18 local governments that have implemented this policy have saved \$50 million in one year. He stated that he is waiting to hear what could be saved if this was implemented for DPS. Mr. Guillen stated that he was also working on a cash flow proposal.

Mr. Guillen stated that the vehicle registration fee included in the Governor's budget was not enacted. He said it would provide relief to DPS. Mr. Guillen noted that \$15 would provide a total of \$30 million and \$16 would provide a total of \$41 million.

Mr. Guillen stated that the fee for operating an unregistered vehicles is \$8 for the first month and \$4 for each subsequent month. He said that a \$10 per month fee will generate approximately \$17 million. Mr.

Guillen stated that this is not raising fees, but charging a penalty. If a person does not want to pay the penalty, that person needs only to register their vehicle when required. Mr. Guillen stated that \$10 per month equates to only \$120 per year. Mr. Guillen stated there is not an incentive to comply with the law and register a vehicle if there is an \$8/\$4 fee structure. He said that this policy has not been discussed for a long time.

Mr. Guillen stated that the HURF piece gets you \$91 million but there is still the \$30 million general fund amount. You shift that to the local agencies through the HURF fund and in exchange, the ADOR fee is eliminated. He explained that we are going from \$21 million to \$30 million. Because you are restoring \$120 million, the net effect of absorbing the \$30 million from the general fund is a net gain to local governments. Mr. Guillen stated that currently, the impact of transfers on local governments is \$45 million in HURF and \$21 million for ADOR -- \$66 million total.

Mr. Guillen stated that if the HURF restoration he proposed is enacted, at day one the impact would be \$46 million total. The overall impact is reduced \$20 million. Mr. Guillen stated that the amount is only \$20 million due to the unfunded liability of DPS. The start date is less than the end date. Mr. Guillen stated that at the end when the unfunded pension liabilities of \$32 million are paid off, there would be a reduction of \$36 million in impact to local government. Mr. Guillen stated that he did not have the end date from PSPRS and was waiting for that information about how many years that would take.

Mr. Guillen stated that through this program would be a restoration to the state highway fund of \$45 million, part of which would be the Main Street Revitalization Program, a grant program recognizing the fact that many main streets in both urban and rural communities are state highways. Mr. Guillen stated that there is a vested interest in focusing funds on infrastructure that will result in economic impact.

Mr. Guillen stated that this is part of a larger conversation about transportation infrastructure in Arizona into the future. He indicated that vehicle registration fees have not been discussed for a long time, and Arizona's \$8 fee is the lowest in the nation. Mr. Guillen indicated he thought there was an opportunity there. He stated that there also could be greater utilization of public-private partnerships. Mr. Guillen stated that a discussion of financing models is needed. He remarked that companies will not invest unless they have confidence that they will receive a profit on their investment and they need to see dedicated revenue at the state or local level.

Mr. Guillen stated that the Governor's Office has a desire to work together with public and private sector partners to develop solutions. He added that he felt a coalition was needed to effect change in state infrastructure financing and he welcomed any suggestions.

Mr. Dennis Smith stated that if MAG can work with the Governor's Office and legislative leadership next session on fee adjustments, there would be less of a hit on HURF, and ADOR fees could be eliminated in one year. Mr. Smith stated that state highway funds go to ADOT and one-half of HURF goes to ADOT and the other one-half to cities, towns and counties in the HURF formula. Mr. Smith stated that 60 percent of travel in the MAG region is on arterial streets. Letting everyone share in the end product could induce greater participation. Mr. Smith stated that this is a great step forward to get

a team together, go to the Legislature, and discuss the fees. Mr. Smith suggested that another opportunity is adding a credit card user fee to purchases on Service Arizona.

Chair Lane stated that this is a plan fleshed out to some degree, but the real essence is the elimination in state statute of the \$2.5 million in a maximum of two years, or even sooner. He stated that Mr. Guillen put together an innovative proposal on increasing fees that has been vetted somewhat, both by stakeholders in the private sector and the public sector. Chair Lane stated that the proposal has been accepted so far. He said that these penalty fees go a long way to increasing the HURF distribution and cuts the ADOR allocation. Chair Lane expressed that he thought these efforts were positive and given the progress made, he thought concerns and input could be communicated to the Governor's Office without calling an Executive Session at this Regional Council meeting. Chair Lane noted that the entire program was not being presented today, only direction on eliminating the ADOR cost allocation within a limited time period. He expressed that he thought the results of discussions have been very positive.

Mayor Kenneth Weise asked for clarification if the increase of the \$8/\$4 to \$10 rate would result in a \$200 registration increasing to \$208 if tags are expired. Mr. Guillen replied yes. Mayor Weise stated that it is not less expensive to register a vehicle that way because a driver could still be issued a ticket and pay a fine. He expressed that he was tired of HURF transfers; just when a city balances a budget, the state comes after cities' money when it has a budget crisis. Mayor Weise expressed that he would support a solution if it solved the HURF problem, to ensure HURF is left alone when the economy is good or when it is bad. He said he would be a mayor for about another month if he went to his residents when the economy is bad and informed them their sales and property taxes and fees will increase. Mayor Weise expressed his appreciation for Mr. Guillen's letter and for communication with the Governor's Office, but we need to be more forthcoming about the \$10.

Mr. Guillen thanked Mayor Weise for the feedback. He said he did not have oversight of DPS, but the best solution to preserve HURF is to find a permanent funding strategy for DPS. Mr. Guillen stated that this will be a multi year process and discussion could include what other states have done. Mr. Guillen stated that the Arizona Department of Game and Fish is off the general fund and is not affected by state budget cuts.

Mayor Christian Price asked the status of the Proposition 400 funds designated by HB 2617 to be transferred to ADOR. Mr. Smith replied that the state is taking the funds today from the Regional Area Road Fund. He noted a suggested motion was displayed on-screen:

“Send a letter to the Director of the Arizona Department of Revenue on behalf of the MAG Regional Council expressing its objection to voter-approved Proposition 400 transportation funding being taken to support the Arizona Department of Revenue operations, and also conveying to the Governor's Office and legislative leadership MAG's goal to work cooperatively to resolve the funding issue.”

Supervisor Denny moved the motion as shown on-screen. Mayor Mark Mitchell seconded.

Chair Lane called for discussion of the motion.

Mayor Linda Kavanagh mentioned that there are numerous private offices that provide Department of Motor Vehicle services and wondered if privatization had been discussed as an option. She noted that privatization perhaps could save money. Mayor Kavanagh said that these facilities are located across the Valley and are open more days and longer hours than the Department of Motor Vehicles.

Mr. Guillen stated that they have looked at third party providers for Department of Motor Vehicle services. He noted that both the Governor and Director Halikowski are interested in hearing about efforts to privatize and getting a better product at a lower price. Mr. Guillen stated that they have a growing third party system and have had conversations with private companies about opportunities for improvement.

Mayor Mark Mitchell expressed his appreciation to Mr. Guillen for coming to the Regional Council meeting and for his letter to MAG. He asked the next steps.

Chair Lane stated that the idea is to put this in the structure with the input MAG has given and continue outreach to ensure that MAG, the Governor's Office, and the private sector stakeholders find agreement on this. He asked Mr. Guillen to address his commitment.

Mr. Guillen stated that he will meet with MAG to discuss some of these concepts.

Mr. Smith stated that the team would reassemble and meet with legislative leadership.

Mayor Mitchell expressed his hope to work on a solution for this upcoming legislative session.

Chair Lane stated that realistically, there are a lot of significant issues anticipated at the upcoming session and he had concerns about making this a high priority.

Mayor Tom Schoaf asked for clarification that the concept of the motion was to send a letter. Chair Lane noted yes. Mayor Schoaf if there would be another assessment in one year.

Chair Lane noted that another assessment is anticipated if we are unable to put something together for the current session. He said they will be working with the Governor's Office as quickly as possible. Realistically, where is this in the priority order and they want to ensure there is a cutoff date, which might be two years, but could be this year. Chair Lane remarked that this will not happen without the Governor's Office, the Legislature, and the private sector in agreement with MAG. He indicated that Mr. Guillen is about two-thirds of the way there. This is all part of a funding mechanism for transportation on a statewide level. Chair Lane stated that the requested motion is to say that MAG has an objection to the funding mechanism and MAG's goal to work cooperatively to resolve the funding issue.

With no further discussion, the vote on the motion passed, with Mayor Jay Tibshraeny voting no.

## 9. Regional Response to Domestic Violence

Ms. Brande Mead, MAG staff, stated that October is Domestic Violence Awareness Month. She thanked the Regional Council for their support. Ms. Mead stated that a calendar of events was at each place.

She stated that one of the events is a press conference at 10:00 a.m. on October 16, 2015, and she would be communicating details to the Regional Council. Ms. Mead stated that a resolution supporting October is Domestic Violence Awareness Month had been prepared. A group photograph of Regional Council members was taken with the signed resolution.

10. Legislative Update

No report.

12. Possible Action on the Legislative Update

This item was not considered.

13. 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 will be requested.

No requests were noted.

14. Comments from the Council

An opportunity will be 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.

No comments were noted.

Adjournment

There being no further business, the meeting adjourned at 1:30 p.m.

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Chair

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Secretary