

Mayor Lana Mook joined the meeting by teleconference.

3. Call to the Audience

Chair Lane recognized public comment from Mr. John Rusinek, who spoke of problems with a gravel driveway. He said that three different alternatives to dustproof the driveway were used and all were done wrong. Mr. Rusinek stated that three inches of gravel have been installed on the driveway, but the company said it cannot be laid more than 1.5 inches thick. Mr. Rusinek stated that it took seven years for the driveway to be deemed non-dustproofed, but all of the dustproofing alternatives have been done wrong. Chair Lane thanked Mr. Rusinek.

Chair Lane recognized public comment from Ms. Dianne Barker, who said that she was happy to be at the meeting. Ms. Barker recounted her visit to her mother, who lives in California. She said that she traveled via airplane, trains, and buses to Simi Valley, and she added that she wished she had her bicycle to ride. Ms. Barker said that she walked around Beverly Hills looking for a bus stop and finally went into a hotel to ask and the staff looked up the information for her. Ms. Barker stated that the rapid bus was the best. She was able to ride at no charge using her Amtrak ticket. Ms. Barker remarked that by doing things like this, she traveled for only \$100. She reported the good customer service she received and added that more customer service is needed. Chair Lane thanked Ms. Barker.

4. Executive Director's Report

Mr. Dennis Smith, MAG Executive Director, reported on items of interest to the MAG region. Mr. Smith stated that oral arguments on the South Mountain Freeway were heard May 11, 2016. Parties to the lawsuit may hear the disposition of the case by the end of June 2016. Mr. Smith stated that this is one of the largest construction projects in the history of Arizona.

Mr. Smith reported that Arizona State University has been awarded a grant totaling \$18.5 million over five years from the National Science Foundation for an engineering research center. He stated that two years ago, Arizona State University was unsuccessful in applying for a grant of more than \$100 million because it was noted that it was the only project with no local support. As a result, MAG developed a University Research Memorandum of Understanding, which was approved by the MAG Regional Council in September 2013. Mr. Smith stated that in making the award, the National Science Foundation noted that the site visit by Mayor John Lewis and Mayor Michael LeVault was critical in making their decision because it showed local support.

Mr. Smith stated that the Federal Highway Administration (FHWA) as the Lead Agency and the Arizona Department of Transportation (ADOT) issued a formal announcement to advise the public of that a Tier One Environmental Impact Statement will be conducted on the corridor for Interstate 11. Mr. Smith noted that the corridor is between Wickenburg and Nogales, and he added that the study is anticipated to take approximately three years.

Mr. Smith announced that RSVPs to the June 22, 2016, Desert Peaks Awards are requested by June 9, 2016. He stated that the Regional Council meeting will begin at 5:00 p.m. and networking begins at 5:30 p.m., with the Desert Peaks Awards program at 6:00 p.m. Mr. Smith noted that the event will be held at the Phoenix Airport Marriott. Chair Lane thanked Mr. Smith for his report.

5. Approval of Consent Agenda

Chair Lane noted that agenda items #5A, #5B, #5C, #5D, #5E, #5F, and #5G were on the Consent Agenda. He noted that for agenda item 5B, an updated project changes sheet for Table B was at each place. The request to defer project PVY16-401 was withdrawn and the project will proceed as scheduled.

Chair Lane asked if members had questions or requests for a presentation on any of the Consent Agenda items.

None were noted.

Chair Lane recognized public comment from Ms. Dianne Barker, who said that people ask her why she is so involved in the community. She indicated that she would rather be dancing than doing this. Ms. Barker stated that her mother and sister have asthma. Ms. Barker stated that she used to work in the Real Estate field in Florida. She noted that when she moved here, she choked on the pollution at Priest and Broadway. Ms. Barker commented that this region has high ozone, but people hire attorneys and lobbyists to go to Washington, D.C. Ms. Barker stated that we need to do voluntary compliance to clean up our air. She noted that Phoenix Councilmember Kate Gallegos has remarked that mothers in her district complain that their children have asthma. Ms. Barker stated that transportation plans need to address cleaning up the air. She commented on the letter MAG sent to the Governor regarding economic development and transportation goals. Ms. Barker stated that people are backing the T250. She said that T250 plans need to fit in the region. She said that there should not be at-grade light rail if it impedes traffic. Ms. Barker's time expired. Chair Lane thanked Ms. Barker.

Chair Lane recognized public comment from Mr. John Rusinek, who read ordinances that say dust stabilizing methods need to be used on ground over which there are ingress and egress. Mr. Rusinek remarked that the ordinances are in place to ensure clean air standards are achieved. He noted the ordinance applies to areas of 3,000 feet and this lot is more than that – it is 6,000 feet. Mr. Rusinek stated that nobody cares or will talk to him about his problem. He stated that Ms. Barker is right – we need to do something about cleaning up the air. Mr. Rusinek stated that he has been working on this problem for seven years, and he added that he has not heard from the County since December. Chair Lane thanked Mr. Rusinek.

Vice Chair Greg Stanton moved to approve the Consent Agenda items #5A, #5B, #5C, #5D, #5E, #5F, and #5G. Mayor Michael LeVault seconded, and the motion passed unanimously.

5A. Approval of the April 27, 2016, Meeting Minutes

The MAG Regional Council, by consent, approved the April 27, 2016, meeting minutes.

5B. Project Changes - Amendment and Administrative Modification to the FY 2014-2018 MAG Transportation Improvement Program, and as Appropriate, to the 2035 Regional Transportation Plan

The MAG Regional Council, by consent, approved amendments and administrative modifications to the FY 2014-2018 MAG Transportation Improvement Program and as appropriate, to the 2035 Regional Transportation Plan. The Fiscal Year (FY) 2014-2018 Transportation Improvement Program (TIP) and

2035 Regional Transportation Plan were approved by the MAG Regional Council on January 29, 2014, with the last modification approved on April 27, 2016. Since then, additional project changes and additions to the TIP have been requested by member agencies. The requested project changes were recommended for approval on April 28, 2016, by the MAG Transportation Review Committee and on May 11, 2016, by the MAG Management Committee. Since these actions were taken, Table B was revised to reflect that the request to defer project PVY16-401 was withdrawn. The project will proceed as scheduled.

5C. Arterial Life Cycle Program Fiscal Year 2016 Closeout Process

The MAG Regional Council, by consent, approved the proposed Fiscal Year 2016 closeout list and necessary amendments and administrative modifications to the FY 2014-2018 MAG Transportation Improvement Program, the FY 2016 Arterial Life Cycle Program, and as appropriate, to the 2035 Regional Transportation Plan. The Arterial Life Cycle Program (ALCP) Policies and Procedures establish an annual closeout process to advance reimbursements programmed with federal funds and the half-cent sales tax allocated to arterial roads, known as the Regional Area Road Fund (RARF). MAG staff has performed an analysis on the ALCP revenues and expenditures and determined that closeout funds are available in Fiscal Year (FY) 2016. A call-for-applications was issued to the ALCP Working Group in mid-March and five applications were received: two for RARF closeout and three for federal fund closeout. The proposed closeout list was recommended for approval on April 28, 2016, by the MAG Transportation Review Committee and on May 11, 2016, by the MAG Management Committee.

5D. FTA Transit-Oriented Development Planning Pilot Program Grant Submission

The MAG Regional Council, by consent, approved supporting the City of Phoenix application for a Transit-Oriented Development Planning Pilot Program Grant. On April 14, 2016, a Notice of Funding Opportunity was released by the Federal Transit Administration announcing the availability of \$20.49 million to fund local communities to integrate land use and transportation planning with a transit capital investment that is seeking or has recently received funding through the Capital Investment Grants Program. Applicants can seek awards between \$250,000 and \$2 million with a minimum 20 percent local match. The City of Phoenix, in partnership with Valley Metro, proposes seeking \$2 million in grant funding for the South Central Light Rail Transit Extension. On May 17, 2016, the MAG Transit Committee recommended approval of supporting the City of Phoenix's Transit-Oriented Development Planning Pilot Program grant application.

5E. Federal Highway Administration and Federal Transit Administration Funding Projections for the MAG Region

On December 4, 2015, President Obama signed the Fixing America's Surface Transportation Act (FAST Act) reauthorizing surface transportation programs through Fiscal Year (FY) 2020. Based on the FAST Act, regional projections of federal funds have been updated for use in preparing the Draft Fiscal Year (FY) 2017-2021 MAG Transportation Improvement Program. MAG, in coordination with the Arizona Department of Transportation's Financial Management Services, updated Federal Highway Administration (FHWA) projections. MAG, in coordination with Valley Metro/Regional Public Transportation Authority and the City of Phoenix as Designated Recipient/Direct Recipient of Federal

Transit Administration (FTA) programs, updated the FTA projections. This agenda item is to provide information on the development of the projections based on the FAST Act, federal and state guidance information, and historical projections. This item was on the agenda for information and discussion.

5F. FY 2016 MAG Mid-Phase Public Input Opportunity

MAG has conducted a public involvement process on transportation plans and programs for the Mid-Phase public input opportunity. Included in this process were small group presentations, a public hearing, e-mail, telephone and website correspondence. As part of MAG's adopted four phase public involvement process, the Mid-Phase allows for input on draft programs and plans prior to action. A compilation of this input is distributed in the form of a Mid-Phase Input Opportunity Report. This item was on the May 11, 2016, MAG Management Committee agenda. Comments received after the phase ended are additionally included as an addendum to the report. This item was on the agenda for information and discussion.

5G. Conformity Consultation

The Maricopa Association of Governments is conducting consultation on a conformity assessment for an amendment and administrative modification to the FY 2014-2018 MAG Transportation Improvement Program and 2035 Regional Transportation Plan. The amendment and administrative modification involve several projects, including Arterial Life Cycle Program projects. The amendment includes projects that may be categorized as exempt from conformity determinations. The administrative modification includes minor project revisions that do not require a conformity determination. This item was on the agenda for consultation.

6. Approval of the Draft FY 2017 MAG Unified Planning Work Program and Annual Budget and the Member Dues and Assessments

Ms. Becky Kimbrough, MAG staff, reported on the Draft FY 2017 MAG Unified Planning Work Program and Annual Budget and the member dues and assessments, which was on the agenda for action. She noted that approval of the final draft and was being requested.

Ms. Kimbrough stated that the draft work program was presented incrementally from January through April. In January, the draft dues and assessments were presented. In February, the draft projects were presented. In March, the first draft of the work program was presented using funding estimates based on MAG's indirect rate.

Ms. Kimbrough stated that from February through April, MAG produces the line item budget. In April they present detailed information on recommended performance increases, any request for a position and any other changes. Ms. Kimbrough reported that in response to a question regarding new positions at the April Regional Council meeting, additional information on these positions was included in the agenda packet.

Ms. Kimbrough displayed a slide of the overall proposed budget with a comparison to the current year's budget for both revenues and expenditures. She noted that this information was included in the summary budget document, "MAG Programs in Brief." Ms. Kimbrough noted that on the revenue side,

the largest decrease is in federal funding and this is mainly due to Congestion Mitigation and Air Quality Improvement Program funding received through the Transportation Improvement Program for street sweepers. Ms. Kimbrough stated that the largest increase of revenue is from the Regional Area Road Fund that is budgeted for regional transportation-related project work for FY 2017.

Ms. Kimbrough pointed out budgeted expenditures shown by division in the lower half of the chart. The Transportation division shows the largest dollar decrease in the comparison budget, due to projects that were budgeted for FY 2016 that have ended or are almost ended in the new draft budget. Ms. Kimbrough gave as an example, the I-10/I-17 Corridor Master Plan project, referred to as the “Spine,” which has a small amount of carryforward for FY 2017 compared to the large amount of work that was completed in FY 2016. Ms. Kimbrough reported that the largest dollar increase is in the Information Services division and this is due to the addition of a new project, Economic and Geospatial Data and Services Consultant Support On-Call, for FY 2017. Overall, the proposed budget for FY 2017 shows a decrease of 8.1 percent, or \$2.7 million.

Ms. Kimbrough displayed a comparison of personnel and overhead items. As MAG reports on a governmental basis, the emphasis in the budget is on the expenditure side as it is with member agencies. She stated that the largest dollar increase is for salaries and the net increase for the salary budget. Ms. Kimbrough stated that the budgeted salary increase includes a proposed three percent salary increase based on an annual performance evaluation, with a total amount not to exceed \$250,000, and three new positions. She said that the three full time staff are requested in order to ensure the continuity of the work in the affected divisions. Ms. Kimbrough explained that as part of the request for new positions, a process is being conducted to determine if interns are still required. She noted that three full time intern positions have been removed from the proposed budget. Ms. Kimbrough reported that the proposed salary budget is much lower than the total of the increases proposed; after relinquishing three interns and due to staff turnover, the net budgeted increase is \$57,266.

Ms. Kimbrough presented the largest budgeted decrease, which is in the personnel benefits line, and explained the main reason is due to budgeted health care expenses. She remarked that at the time the FY 2017 budget was being prepared, it was anticipated that health care costs would increase, however, MAG was able to negotiate substantially the same rates as FY 2016. Ms. Kimbrough stated that the benefits line item has been reduced for FY 2017 and there is a net dollar decrease in personnel benefits of \$162,486. For FY 2017, these changes decrease the net budgeted personnel costs by \$105,220. Ms. Kimbrough noted that other than these two items, there are small differences in the comparison of the line item budget with an overall increase of less than one percent. She said that overall, there is a decrease in the proposed FY 2017 budget from the current year budget of 8.1 percent, including carryforward project estimates.

Ms. Kimbrough stated that MAG submits its work program each year to the Government Finance Officer’s Association for the Distinguished Budget Presentation Award. She noted that MAG received this award for the 17th consecutive year for the FY 2016 work program; the approved FY 2017 work program will be submitted for the 18th consecutive year.

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

Mayor Cathy Carlat moved to approve the resolution adopting the Draft FY 2017 MAG Unified Planning Work Program and Annual Budget and the member dues and assessments. Mayor Georgia Lord seconded, and the motion passed unanimously.

7. MAG Continuum of Care Letter of Support to U.S. Department of Housing and Urban Development

Ms. Brande Mead, MAG staff, expressed appreciation to the MAG Regional Council for their support of the MAG Continuum of Care. She noted that since 1999, the homeless funding assistance award to the region has grown from \$7 million to more than \$26 million – a total of more than \$300 million homeless assistance funding over that time period.

Ms. Mead reported that on May 2, 2016, the Tier Two homeless assistance funding announcements were made by the U.S. Department of Housing and Urban Development (HUD). The HUD announcement was to discontinue funding many of the region's transitional housing projects. She noted that there are eight transitional housing programs in the MAG region for families, youth and veterans that lost funding. Ms. Mead stated that HUD may have cut up to 50 percent of transitional housing projects across the U.S.

Ms. Mead noted that although there was an overall funding increase by HUD to the region, the decision to cut transitional housing program results in unintended consequences, especially since the point-in-time count indicated an increase of 28 percent of homeless people. Ms. Mead introduced Councilmember Kevin Hartke, City of Chandler, Co-Chair of the MAG Continuum of Care Board.

Councilmember Hartke noted that many of these funding cuts were retroactive and many providers had no opportunity to respond to the funding cuts. He noted that many of the eight organizations will be releasing families and youth in particular, onto the streets across the Valley.

Councilmember Hartke requested that the MAG Regional Council join the MAG Continuum of Care Board in forwarding a letter to HUD to request funding for a transition period and retroactive costs for programs impacted by the funding decision. He noted that several cities have already responded to the HUD funding cuts. Councilmember Hartke thanked the Regional Council for considering the Continuum's request to support forwarding a letter to HUD and to continue to pay attention to those on the streets. He noted that data show that the cost to leave people homeless on the streets is far greater than taking care of them.

Chair Lane thanked Councilmember Hartke and Ms. Mead for their reports. He asked if members had questions.

Mayor Linda Kavanagh asked if the eight programs were lost due to a reduction in funding or a discontinuation of programs.

Councilmember Hartke replied that the funding announcements were to Tier Two funding. HUD was particularly interested in changing their funding priorities related to transitional housing. He said that most of the people affected were families, youth, and veterans. Councilmember Hartke stated that the most egregious element was that retroactivity of the funding reductions was not addressed.

Vice Chair Greg Stanton stated that the world of homeless advocacy has gone to a permanent housing model. He explained that they wanted to reduce funding for the old model that included a three tier process: emergency housing first, then transitional housing, and then permanent housing. Vice Chair Stanton remarked that HUD feels that by eliminating the transitional housing step, the sooner homeless people are in permanent housing and the more likely the cycle of homelessness will be broken. He indicated that the problem was the blunt cut to transitional housing across the board, without understanding that in some populations, such as youth and families with children, transitional housing is still needed. Vice Chair Stanton noted worthy organizations, such as Tumbleweeds and UMOM, that provide transitional housing. He indicated that finding permanent housing for families is more difficult. Vice Chair Stanton expressed that such a blunt cut was likely a wrong policy approach. He indicated that sending a letter is appropriate to express that transitional housing is still needed for some populations to make that transition to permanent housing as smooth as possible. Vice Chair Stanton stated that the City of Phoenix will be looking at its budget and programs.

Mayor Jay Tibshraeny expressed his appreciation to Councilmember Hartke for his efforts on the many causes he supports. Mayor Tibshraeny moved approval to forward a letter to HUD requesting funding for a transition period and retroactive costs for the programs impacted by the funding decision. Mayor Linda Kavanagh seconded.

Chair Lane asked if there were any comments.

Mayor John Giles stated that the HUD funding decision impacts all communities. He noted that one of the eight organizations is on the property of the former Williams Air Force Base in Mesa. Mayor Giles stated that it is a regional facility for all homeless families, not just those from the Southeast Valley. He said that we can debate the premise of transitional housing, but cannot debate the way the decision was implemented. Mayor Giles stated that HUD's decision will put 95 families on the street. He remarked that the only option is housing vouchers. Mayor Giles stated that he has spoken to his Congressional Delegation and they are working diligently on this. He added that this is a real issue and needs to be a top priority. Mayor Giles expressed his support for the motion and indicated that housing vouchers are needed.

Mayor Kavanagh expressed her appreciation for the clarifying statements.

With no further discussion, the vote on the motion passed unanimously.

8. Regional Freeway and Highway Program Update – 2016 Rebalancing

Mr. Bob Hazlett, MAG staff, provided an update on the Regional Freeway and Highway Program and a report on rebalancing efforts. Mr. Hazlett began the presentation by stating that a worldwide poll was conducted by Waze, the world's largest community-based traffic and navigation app, which helps people navigate through congested traffic conditions. He noted that the Waze poll found that Phoenix was ranked the Best Driving Experience in the World. Mr. Hazlett noted that thanks to the planning efforts, this favorable voting is not by chance, it is well planned.

Mr. Hazlett displayed a map of freeway and highway projects completed since 2006. He noted that the projects on the map represent \$4.1 billion in transportation investments. Mr. Hazlett stated that

completed projects include 660 total lane-miles -- 420 of the planned 720 general purpose lane-miles and 240 of the 360 planned HOV lane-miles. Mr. Hazlett stated that 66 lane-miles per year on average were delivered by the Regional Freeway and Highway Program during one of the worst economic situations this region has ever seen, and is more than most states can deliver. Mr. Hazlett stated that the average cost per lane-mile is about \$6.3 million, or, a little more than \$50 million per mile for an eight-lane facility. He remarked that the Loop 202/South Mountain Freeway will add approximately 180 lane-miles to the system and bring the program to about 80 percent complete when it opens to traffic in December 2019.

Mr. Hazlett stated that remaining major projects presently funded in the program include Loop 202/South Mountain, Bell/Grand, Thunderbird-Thompson Ranch/Grand, Loop 303, Loop 101/Price and Loop 101/Pima, and recommendations from the I-10/I-17 Corridor Master Plan.

Mr. Hazlett stated that the cash flow balance for the Regional Freeway and Highway Program was first presented in April 2012. It showed that in 2014, the program would be in trouble. Mr. Hazlett stated that the program was rebalanced to account for what was projected to be a \$390 million shortfall at the end of the program in 2026.

Mr. Hazlett stated that after the rebalancing, MAG, the Arizona Department of Transportation (ADOT) and the Federal Highway Administration (FHWA) took an aggressive approach toward maximizing construction at the lowest cost. He noted that they closed out projects that had been completed, implemented design innovations such as design-build, and conducted value engineering sessions and approximately 30 cost risk analysis workshops. Mr. Hazlett noted that in addition, the South Mountain Freeway is being built as a public-private-partnership (P3), which is providing a construction bid lower than anticipated, delivery of the corridor almost four years ahead of schedule, and maintenance for the next 30 years. He stated that revenues have improved and funding certainty realized through the federal Fixing America's Surface Transportation Act (FAST Act).

Mr. Hazlett stated that the new projected year-end cash flow balance for the end of the program to 2026 is approximately \$640 million, and could go higher. He stated that the cash flow improved by about \$1 billion and the MAG Regional and Highway Program has never been in better health. Mr. Hazlett acknowledged the efforts on the cost risk analysis to the following: From ADOT, Mr. Floyd Roehrich and his team, Mr. Rob Samour, Mr. Steve Boschen, Mr. Trent Kelso, and Mr. Kwi Sung Kang; from Federal Highway Administration, Ms. Karla Petty, Mr. Tom Dietering, Mr. Aryan Lirange, Mr. Ed Stillings, Ms. Rebecca Yedlin; MAG staff, Ms. Chaun Hill, Ms. Quinn Castro, Mr. Roger Herzog, Ms. Teri Kennedy, Ms. Audra Koester-Thomas, Mr. Sarath Joshua, Mr. Nathan Pryor, Ms. Kelly Taft, Mr. Eric Anderson, and Mr. Dennis Smith; the HDR cost risk analysis team; and the ADOT on-call consultants. The Regional Council applauded.

Mr. Hazlett then reviewed the four rebalancing criteria for the \$640 million surplus of project priorities, project readiness, travel demand, and funding realities are similar to the walls of a corral to contain the program. He noted that the TPC discussed the criteria.

Mr. Hazlett stated that the first wall of the corral is project priorities. He displayed a map of the projects identified in Proposition 400, but deferred during the 2009 and 2012 rebalancing efforts. At the time,

the cost opinions were about \$7 billion; today, staff believe these deferrals are around \$2.8 billion. Mr. Hazlett noted that there are probably new interchanges not included in Proposition 400 that might need consideration today, for example, I-17/Happy Valley Road, I-17/Pinnacle Peak Road, I-10/Miller Road, I-10/Watson Road, and Loop 202/Lindsay Road. Mr. Hazlett also noted that there are emerging technologies, such as managed lanes, and operational enhancements. He noted that providing more information to drivers on the freeway corridors increases efficiency of the roadways.

Mr. Hazlett stated that the second wall of the corral is travel demand. He said that travel patterns change over time. Mr. Hazlett stated that one example is freight traffic growing faster than anticipated due to increased California port activities, which could necessitate the widening of I-10 from SR-85 to Verrado Way. He noted a need for new traffic interchanges along I-17 at Happy Valley Road and Pinnacle Peak Road. Mr. Hazlett noted that the Pinnacle Peak Road interchange in particular is a concern as traffic is now backing out onto the I-17 mainline during peak times causing safety issues. He added that they want to make sure that what made sense in 2003 still makes sense today.

Mr. Hazlett stated that the third corral wall is project readiness. He said that it still takes time to get new projects off the ground and other projects can influence new project timing. Mr. Hazlett stated that for a period of time, it was anticipated that Loop 202/South Mountain would command the greater part of the cash flow over the seven to eight years it was under construction, resulting in other large projects occurring after 2021. Mr. Hazlett explained that as a result of the ADOT/Connect 202 Partners P3 project, the Loop 202/South Mountain is anticipated to be done in 2019, instead of 2023, allowing other projects to advance. Mr. Hazlett stated that any new projects need to undergo environmental clearances, design concept reports, procurement, cost risk analysis, and right-of-way acquisition. He added that staffing capabilities at ADOT and FHWA is a consideration for bringing back projects to the program. Mr. Hazlett stated that one question is whether projects would be rated higher depending on project readiness.

Mr. Hazlett stated that the fourth corral wall is funding realities. He stated that revenue streams -- the Regional Area Road Fund (RARF, half-cent sales tax) and Highway Users Revenue Fund (HURF gas tax) -- are tied to the economy. Also, FAST Act legislation is through 2020 and is subject to congressional approval of the federal funding stream. Given these potential uncertainties, Mr. Hazlett stated that MAG staff recommended to the Transportation Policy Committee a phased approach at this time and programming \$500 million of the surplus until future economic conditions are known. Mr. Hazlett added that there might be savings on right-of-way for the South Mountain Freeway, which have not come in yet.

Mr. Hazlett noted that next steps include identifying potential scenario(s) for June 15, 2016, TPC meeting; revising the scenario as needed and providing scenario recommendation in August; presenting the recommended scenario for approval by the MAG Regional Council in either September or October; and amending the Regional Transportation Plan and conducting an Air Quality Conformity Analyses following Regional Council action.

Chair Lane thanked Mr. Hazlett for his report. He remarked that there was an approximate \$7 billion shortfall. Chair Lane stated that there have been challenges in the economy, but adjustments and

efficiencies under adverse conditions have resulted in a more efficient system. He asked if the same efficiency seeking methods would be applied going forward to reallocate the funds.

Mr. Hazlett replied that this reflects how business has changed. He stated that the cost risk analysis is ingrained in how business is conducted between MAG and ADOT. Mr. Hazlett stated that ADOT initiated the process with the South Mountain Freeway, which did so well, they are going to implement it for the rest of the program. He stated that this process has been used for SR-347 crossing the railroad tracks in the City of Maricopa, a project outside of the Regional Freeway and Highway Program. Mr. Hazlett stated that ADOT and FHWA have embraced technology and implement it in making designs be more efficient. He indicated that staff are hopeful that another rebalancing might be possible in a couple of years to bring back more deferred projects.

Chair Lane commented that perhaps with the added efficiencies and new approach, the \$640 million may potentially represent \$1 billion. Although there is no commitment of this, he liked the idea of carrying forward the efficiencies.

Mayor John Lewis expressed his appreciation to everyone who worked on the cost analysis. He added that this is a nice situation to find yourself. Mayor Lewis stated that the priorities will be kept and there will be conversations on project readiness, economic development, safety, etc.

Mayor Sharon Wolcott stated that we need to respond to changes in travel demand. She said that modes of travel demand also change. Mayor Wolcott stated that she wanted to ensure that the plans coordinate and integrate with efficiencies and mass transit.

Chair Lane thanked everyone who worked on the cost analysis. He stated that we now have the benefit of a renewed approach and efficiencies.

9. Ozone Boundary Designations

Ms. Lindy Bauer, MAG staff, stated that due to toughened air quality standards, the Arizona Department of Environmental Quality (ADEQ) has been working to evaluate the current ozone boundary designation for the Maricopa ozone nonattainment area. She displayed a map of the current Maricopa eight-hour ozone nonattainment area. Ms. Bauer stated that noted that data from 2013 to 2015 show 13 of the 20 monitors in the Maricopa eight-hour ozone nonattainment area do not meet the standard. She added that so far in the 2016 ozone season, only seven of the 20 monitors do not meet the standard.

Ms. Bauer stated that at issue is whether to include in the Maricopa ozone nonattainment area two monitors located just outside the Maricopa eight-hour ozone nonattainment area: the Tonto National Monument monitor in the Tonto National Forest and the Queen Valley monitor in Pinal County. Ms. Bauer stated that these monitors only slightly exceed the new ozone standard of 0.070 parts per million (ppm) at 0.071 ppm. Ms. Bauer noted the downward trend in the concentrations at the two monitors and that the monitors are only slightly over the standard.

Ms. Bauer stated that on April 14, 2016, ADEQ proposed an expansion of the Maricopa eight-hour ozone nonattainment area to include the Tonto National Monument monitor in the Tonto National Forest and the Queen Valley monitor in Pinal County.

Ms. Bauer stated that on April 27, 2016, the MAG Regional Council discussed the ozone nonattainment area boundary designation and took action to send a letter to ADEQ requesting that the current Maricopa ozone boundary not be expanded at this time, and that monitor data from the 2016 ozone season should be evaluated first to determine if the monitors have met the standard or if it is necessary to revise the boundary recommendation. Ms. Bauer added that the State needs to make a recommendation to the Environmental Protection Agency (EPA) by October 1, 2016.

Ms. Bauer stated that on May 5, 2016, a meeting took place with ADEQ, the Maricopa County Air Quality Department, the Pinal County Air Quality Department and MAG to review the data. She noted that at the meeting, ADEQ staff indicated ADEQ would put forth not expanding the boundary as the preferred option. Ms. Bauer stated that ADEQ indicated that a couple of other options may be developed in case the others do not come into compliance.

Ms. Bauer stated that on May 23, 2016, ADEQ conducted another stakeholder meeting. She noted that ADEQ indicated it would be putting forth four options. This would allow the consideration of newer, more recent data. Ms. Bauer said that EPA recommended that states should look at 2016 data in making their recommendations.

Ms. Bauer stated that EPA is going to be evaluating data from 2014-2016, and maybe 2017 data. She noted that ozone concentrations continue to decline. She said that if the downward trend continues and the monitors meet the standard, the boundary will not need to be expanded. Ms. Bauer stated that ADEQ indicated that putting forth four options is a more streamlined approach than going back and revising a recommendation. She said that ADEQ still needs to go through a public review process of the four options and then the four options would be presented to EPA.

Ms. Bauer reviewed the four options. Option One: Keep the boundary the same. It assumes both monitors meet the standard. She noted that the Tonto monitor is currently under the new standard. The Queen Valley monitor is a little higher, but could have a couple more exceedances this summer and still be alright. Option Two: Add an area to the nonattainment area if the Tonto monitor violates the standard. Option Three: If the Queen Valley monitor does not meet the standard, but the Tonto monitor does, the boundary would be expanded into Pinal County. Option Four: The boundary would be expanded to include both monitors. ADEQ has also included a small piece of property owned by Salt River Project in Pinal County in Options Three and Four.

Ms. Bauer stated that next steps include putting the options in a document and submitting it for public review in late May or early June. This would be followed by a public hearing. The document would be submitted to the Governor between August and September. The Governor would submit it to the EPA by October 1, 2016.

Ms. Bauer expressed appreciation to the Regional Council for their action taken on April 27. She said that the action was very valuable and resulted in ADEQ looking again at the trend data and the monitors.

Chair Lane thanked Ms. Bauer. No questions from the Regional Council were noted.

10. Legislative Update

Mr. Nathan Pryor, MAG staff, provided an update on legislative issues of interest. He noted that the Legislature sine die on May 11, 2016. He reported that the state budget includes transferring \$107 million from the Highway User Revenue Fund (HURF) to the Department of Public Safety (DPS). Mr. Pryor added that there was a backfill of \$86.5 million with a General Fund transfer, decreasing the amount transferred from HURF that is close to the statutory limit.

Mr. Pryor offered a breakdown of the \$86.5 million. He indicated that \$30 million was allocated to local governments and \$30 million for I-10 widening and the traffic interchange at Eloy/Casa Grande. Mr. Pryor noted that an application for a federal FASTLANE grant was submitted for the I-10 project, and if successful, the \$30 million would then be spent on state highway construction. He noted that similarly, \$25 million was allocated for SR-189 and I-19 in Nogales. An application for a federal TIGER grant has been submitted. If approved, the \$25 million would then be spent on state highway construction. Mr. Pryor stated that the budget includes \$1.5 million for Route H60 in the Navajo Nation.

Mr. Pryor then spoke of the annual fee for operating expenses at the Arizona Department of Revenue. He said that last year, HB 2617 passed. MAG pays approximately \$2.5 million and PAG pays approximately \$500,000. Mr. Pryor stated that a group of stakeholders, including Mayor Lane, Mayor LeVault, Supervisor Barney, Mayor Mitchell, Tucson Mayor Rothschild, and the Governor's office have met since last fall. Mr. Pryor noted that last year, Mr. Rene Guillen presented the Regional Council with a concept how to address the ADOR operating expense issue. Mr. Pryor noted that after these discussions, the fee remains unchanged and they anticipate receiving an invoice in the neighborhood of \$2.58 million.

Chair Lane thanked Mr. Pryor for his report and asked members if they had questions.

Mayor LeVault asked when the new computer system would be online at ADOR. Mr. Pryor responded that he did not know.

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 Lane invited Mayor LeVault, Chair of the 2016 MAG Nominating Committee, to report on the recommendation of the Nominating Committee.

Mayor LeVault noted that a copy of the Nominating Committee report was at each place. He stated that the Nominating Committee met just prior to the Regional Council meeting and recommended a slate of seven candidates for the 2016-2017 Executive Committee: For Chair, Mayor Greg Stanton, City of Phoenix; for Vice Chair, Mayor Jackie Meck, City of Buckeye; for Treasurer, Mayor Gail Barney, Town of Queen Creek; for At-Large Members, Mayor Mark Mitchell, City of Tempe; Mayor Lana Mook, City of El Mirage; and Mayor Jerry Weiers, City of Glendale. Mayor W. J. "Jim" Lane, City of Scottsdale, would serve as Past Chair. Mayor LeVault stated that the MAG Regional Council would be electing the Executive Committee members at the June 22, 2016, MAG Regional Council meeting.

Mayor John Lewis stated that a very serious fire erupted in the Town of Gilbert last month. At each place was a letter he wrote thanking everyone for their assistance during this very dangerous situation. Mayor Lewis remarked that this fire was possibly the largest fire to ever occur in Gilbert. He expressed his gratitude to all of the public safety partners who assisted the Town with personnel and equipment: Chandler, Mesa, Phoenix, Queen Creek, Salt River Pima-Maricopa Indian Community, Scottsdale, Sun Lakes Fire, Superstition Fire, Tempe, and American Medical Response. Mayor Lewis stated that even though the fire was huge and conditions were windy, there were no casualties. He expressed that there was no way he could adequately express the appreciation of the Town. Mayor Lewis stated that MAG is a great regional partner and this is a good setting to extend his appreciation. He added that the Town looks forward to assisting others when needed.

Mr. Dennis Smith noted that his daughter and her husband were residing in the apartment complex adjacent to the fire and evacuated the area safely. He expressed his gratitude for the efforts of the public safety personnel. Mr. Smith expressed appreciation to the Regional Council for approving the Work Program, and also for the support of the Regional Council for the MAG organization. He remarked that MAG performs unique functions. Mr. Smith stated that other organizations, such as SANDAG or the Dallas MPO, have more than 300 staff members each. He noted that MAG has a small, well-trained staff to address complex issues in the MAG region, such as air quality. Mr. Smith stated that the MAG Continuum of Care is a best practice in the U.S. He stated that MAG staff do not take the support of the Regional Council for granted.

Chair Lane replied that everyone knows that Gilbert would respond to their requests for aid. He noted that the next Regional Council meeting is 5:00 p.m., June 22, 2016, to be held in conjunction with the Desert Peaks Awards.

Adjournment

There being no further business, the meeting adjourned at 12:55 p.m.

Secretary

Chair