

APPROVED MINUTES OF THE  
MARICOPA ASSOCIATION OF GOVERNMENTS  
TRANSPORTATION REVIEW COMMITTEE

May 23, 2013

Maricopa Association of Governments Office  
302 North First Avenue, Suite 200, Saguaro Room  
Phoenix, Arizona

MEMBERS ATTENDING

Scottsdale: David Meinhart, Chair	Litchfield Park: Woody Scoutten
Avondale: David Fitzhugh, Vice-Chair	Maricopa County: John Hauskins
*ADOT: Kwi-Sung Kang for Floyd Roehrlich	Mesa: Jeff Martin for Scott Butler
Buckeye: Scott Lowe	* Paradise Valley: Jim Shano
Chandler: Dan Cook for Patrice Kraus	*Peoria: Andrew Granger
El Mirage: Sue McDermott	Phoenix: Ray Davolina for Rick Naimark
Fountain Hills: Randy Harrel	#Queen Creek: Troy White
*Gila Bend: Eric Fitzer	*Surprise: Terry Lowe
*Gila River: Doug Torres	*Tempe: Vacant
Gilbert: Mike Gillespie for Leah Hubbard	Valley Metro: John Farry
Glendale: Debbie Albert	#Wickenburg: Julius Diogenes for Rick Austin
*Goodyear: Cato Esquivel	Youngtown: Grant Anderson for Lloyce Robinson
*Guadalupe: Vacant	

EX-OFFICIO MEMBERS ATTENDING

*Street Committee: Charles Andrews, Avondale	*Bicycle/Pedestrian Committee: Katherine Coles, City of Phoenix
*ITS Committee: Vacant Position FHWA: Ed Stilling:	*Transportation Safety Committee: Julian Dresang, City of Tempe

\* Members neither present nor represented by proxy. + - Attended by Videoconference  
# - Attended by Audioconference

OTHERS PRESENT

Eric Anderson, MAG	Alex Oreschak, MAG
John Bullen, MAG	Nathan Pryor, MAG
Alice Chen, MAG	Maria Deeb, City of Mesa
Monique de los Rios-Urban, MAG	Clemenc Ligoeki, McDOT
Roger Herzog, MAG	Greg Jordan, City of Tempe
Teri Kennedy, MAG	

1. Call to Order

Chairman David Meinhart from the City of Scottsdale called the meeting to order at 10:05 a.m. Chairman Meinhart began by informing the committee of the new handout available related to Agenda 5a - Project Changes.

2. Call to the Audience

3. Approval of Draft April 25, 2013 Minutes

Mr. Jeff Martin from City of Mesa motioned to approve the minutes. Grant Anderson from the Town of Youngtown seconded, and the motion passed by a unanimous voice vote of the Committee.

4. Transportation Director's Report

Chairman Meinhart invited Mr. Eric Anderson, MAG Transportation Director, to provide the Transportation Director's Report.

Mr. Anderson reported that Regional Area Road Fund (RARF) for the month of April increased 3.3 percent compared to April of last year. This represents a 4.6 percent above the year to date for the current ten months fiscal year. Close to 340 million projection for Fiscal Year 2013. Highway User Road Fund (HURF) experienced an 1.3 percent growth for April which brings the year-to-date total to 0.4 percent lower than the previous year. The total will likely meet 1.2 billion revenue that was projected for the year. There are some sign of growth are indicted in the Vehicle License Tax (VLT), however fuel sales remain soft.

As part of the, MAG Regional Council actions on May 22, 2013, the new bylaws and two member agencies, the City of Maricopa and Town of Florence, were accepted into MAG. There is expected to be resolution as well from Pinal County to join MAG in the next few weeks. Pinal County will become a member as soon as the resolution is submitted and approved by MAG Regional Council.

There was a South Mountain hearing on Tuesday. It was a hearing for the draft Environmental Impact Statement (EIS). There were about 600 participants and staff received a lot of good comments. This was a coordinated effort with Arizona Department of Transportation and Federal Highway Administration and their assistance is appreciated.

Mr. Anderson announced that today was Mr. Meinhart's last day with the City of Scottsdale and last meeting as the city representative and chair. Paul Basha has been hired as Mr. Meinhart's replacement at the City of Scottsdale. Mr. Basha spent the last 15 years working as a consultant conducting engineering plans and studies and prior to that, close to 15 years working at the City of Scottsdale as a traffic engineer. Mr. Meinhart also noted that the City Council has hired a new City Manager, Fritz Behring, who is currently the Pinal County manager. Mr. Behring is expected to begin service in July.

5. Consent Agenda

Addressing the next item of business, Chairman Meinhart directed the Committee's attention to the consent agenda items 5A Project Changes - Amendment and Administrative Modification to the Fiscal Year 2011-2015 MAG Transportation Improvement Program and 5B Arterial Life Cycle Program Status Report - December 2012 through April 2013. He asked the Committee if there were any questions or comments. Seeing none, Mr. Dan Cook from City of Chandler motioned to approve the minutes. Mr. Jeff Martin from the City of Mesa seconded, and the motion passed by a unanimous voice vote of the Committee.

5A. Project Changes - Amendment and Administrative Modification to the Fiscal Year 2011-2015 MAG Transportation Improvement Program

The MAG Transportation Review Committee, by consent, approved the amendments and administrative modifications to the FY 2011-2015 MAG Transportation Improvement Program, and as appropriate to the Regional Transportation Plan 2010 Update.

5B. Arterial Life Cycle Program Status Report - December 2012 through April 2013

The MAG Transportation Review Committee, by consent, approved the Arterial Life Cycle Program Status Report - December 2012 through April 2013.

6. Full Year Federal Highway Administration and Federal Transit Administration Funding Levels

Chairman Meinhart invited Ms. Kennedy to present a full year Federal Highway Administration and Federal Transit Administration Funding Levels. Ms. Kennedy directed the committee to the hand out available. She presented an overall comparison for Maricopa County only for allocation to MAG region of FHWA funds from ADOT. She noted that the overview is only for the current MAG region and does not include the new MAG member agencies. Under MAP-21, accounting for obligation authority and the rescission from March 2013, there has been an overall 13.5 percent reduction in Federal Highway Administration funds for Fiscal Year (FY) 2013 versus FY 2012 under SAFTEA-LU. Referring to the sheet, the 2013 rescission line were actually announced by ADOT on May 13, 2013. Fiscal years 2014 through 2018 are constrained, and the balance of years shown are the balance of the Regional Transportation Plan. The total line includes 2014 to 2035 and these are projections. The projections were developed by the ADOT and MAG financial team. Rate of increases February 15, 2013 a lot of unknown information on the federal level. Given the uncertainty regarding federal funds, the projections are fairly conservative. Ms. Kennedy indicated that the growth methodology utilized is shown on the same worksheet.

Ms. Kennedy moved the discussion to Federal Transit Funds, which was outlined on the second page of the handout. The Phoenix-Mesa Urbanized Area (UZA) experienced a 14 percent decrease in formula funds. This total does not include competitive funds. It was noted, for the Phoenix-Mesa UZA, competitive funds fluctuate and are administered on the national level, whereby competitive funds for Avondale-Goodyear are administered on a state level. The Avondale-Goodyear Urbanized Area experienced an 188 percent increase in formula funds. This was due to the population increase in the UZA. FTA funding is apportioned by urbanized area

over 200k and urbanized area between 50-200k, and non-urbanized areas under 50k. In addition, Avondale-Goodyear is eligible for competitive funds from ADOT, which for the current fiscal year is up to 4.1 million dollars. This pot of funds is subject to change. This amount includes about two million funds redistributed from Prescott, Prescott Valley and Casa Grande which currently do not have transit service.

Mr. Martin inquired about the rate of inflation for Congestion Management and Air Quality and Surface Transportation Program funds and why some years have inflation other years did not. Ms. Kennedy replied that the financial group concluded this was the best rate of inflation. Within the MAP-21 guidance, there is indication of an increase which is included, the balance of projects are very conservative given the continued uncertainty of federal funds.

Mr. Anderson added that funding for Fiscal Years 2014-18 is not expected to increase. While this assumption may be too conservative, Congress is still taking revenue issue very seriously. Until something is done to strengthen the highway trust fund, future spending is unlikely to increase.

Mr. Martin clarified with Ms. Kennedy that the two percent inflation beyond 2018 and 2019 was derived from the Congressional Budget Office.

Mr. Grant Anderson inquired about the debt service lines indicated in the financials. Mr. Eric Anderson clarified that it is due to debt service from Proposition 300.

Ms. Kennedy added that rescissions can cause a rebalancing in the Transportation Improvement Program, although for the current year, most of it was absorbed by ADOT. In the future, projects not obligated are most likely candidates for rescission.

Mr. John Farry inquired about the 5309 New Starts assumptions. Ms. Kennedy replied that it was medium point agreed upon working with the Regional Public Transit Authority (RPTA). The amounts are based on what Valley Metro Rail hopes to apply for and what is available for regional match. Mr. Farry expressed concern about the numbers noting that the amounts are not guaranteed, as well there has been a decrease in funds and an additional New Starts criterion. Ms. Kennedy agreed to footnote the line item.

Mr. Meinhart asked the Committee if there were any questions or comments, hearing none, he proceeded to the next agenda item.

## 7. Draft Fiscal Year 2014 Arterial Life Cycle Program

Chairman Meinhart invited Mr. John Bullen, Transportation Planner, to present on the draft Fiscal Year 2014 Arterial Life Cycle Program.

Mr. Bullen explained that the Arterial Life Cycle Program (ALCP) required updating primarily due to two factors, MAP- 21 and the development of the new Transportation Improvement Program (TIP). Staff moved forward with the ALCP update only after final funding projections had been developed. Development of the FY 2014 ALCP was split into two phases 1) Work schedule and cost updates and 2) Program financial update. The first phase (work schedule and

cost updates) was approved by Transportation Review Committee at the April 25, 2013 meeting. The information collected will be included in the new TIP and form the basis for the new Transit Life Cycle Program (TLCP) Update. The financial information was just completed last week.

To complete the work schedule and cost updates were developed based on project workbooks distributed to all lead agencies. Agencies had the opportunity to review the project costs with their Capital Improvement Program and submit new information back to MAG.

Reimbursements were adjusted if the work was deferred beyond the programmed reimbursement or if the work phase cost estimates decreased so that the required match ratio was no longer maintained. A summary of the work schedule and cost updates can be found in Table 4 of your attachment. Today's agenda item represents the second and final phase of the Draft 2014 ALCP update.

Mr. Bullen referred to a slide comparing forecasted Proposition 400 tax revenue to actual. It indicated that the current projection for FY 2012 is close to the projection from FY 2011. However, both the FY 2011 and FY 2012 projections are significantly lower than that of the original 2003 forecast. He explained that the Federal funding projections was a greater challenge and was significantly lower than previous year projections and the original Regional Transportation Plan. Mr. Bullen explained what appears to be the growth in 2015 and 2017 is not growth but is actually debt service on Grants Anticipation Notes (GANs) payment. He noted that if GANs payment were eliminated, the projections would be flat from 2013 to 2018 with conservative estimates in the year beyond.

In monetary terms, RARF decreased about five million over life of program, which is less than one percent. However, projected federal funding has experienced a 29 percent decrease from last year to this fiscal, a shortfall of \$272 million dollars through the end of the program. The two combined represents a revenue shortfall of 277 million from last year to this year.

The development of the Draft FY 2014 ALCP program was implemented in three steps.

1. MAG staff reevaluated and adjusted program assumptions. Given that the ALCP is in nominal dollars future projects had to be deflated. Inflation was reduced from original assumptions to current forecast.
2. Requested repayment of "loaned" federal funding. During the initial implementation stages of the ALCP, the schedule amount was different than the actual. When ALCP started, did not have enough projects to implement so funds were lent to the freeway program. With the analysis, the funds were requested to be returned.
3. Sought direction from the Managers Working Group on program inflation and bonding in April 2013. The Working Group indicated that the program should continue to eliminate inflation and bonding and keep the ALCP in 2011 dollars.

With the schedule update and new revenue forecast, it is anticipated that revenues will track pretty close to expenditures. Due to the expenditures that have been deferred, revenues fall in line with expenditures. The primary concerns during the rebalancing process were FY 2013 to FY 2018. Given the need for a financially constrained TIP, increases in the amount of reimbursements would necessitate a program rebalancing. There is more flexibility after FY

2018. In FY 2014, there is an approximate 7.5 million fund balance. In 2018, the balance is around five million dollars. There is a small program deficit at the end, however, it is within the variance of revenues. Things will change between now and 2026.

The intent of the FY 2014 update was to maintain as much status quo as possible. Program reimbursements remain in 2011 dollars. It does not assume the issuance of any bonds. The only funding deferrals were those made to match new work schedules. The only funding advancements were those made to meet near-term obligation authority. Project funding sources shifted between RARF, STP - MAG, and CMAQ to meet cash flow needs and to maximize CMAQ to Gilbert Road project. This is similar to the FY 2013 rebalancing.

Mr. Eric Anderson noted that our federal fund assumptions are conservative but in line with others. This is primarily due to two factors. One is the pressure on Congress to deal with revenue issue in the context of the national deficit. The second is the reauthorization through 2014, the allocated to states not adjusted for 2010 Census. It is the same allocation as in 2009. The impact on Arizona is greater due to Arizona being a fast growing state and MAP-21 reauthorization did not accounting for the population shift.

Mr. Grant Anderson inquired about the effect on the program balance if inflation were included. Mr. Bullen presented a graph with inflation included and added that the program would be in balance in Fiscal Year 2014 but the deficit will grow starting in FY 2015.

Mr. Dan Cook inquired about the repayment of federal funds that were loaned to ADOT. Mr. Bullen replied that it was about 20 million. He added that staff is working with ADOT to look at past TIPS and federal ledgers and feels confident that the funds will be brought back into the program.

Mr. Martin commented that the inflation assumption for Gilbert Road was two percent a year ago but changed to zero percent. If the construction cost increases, Mesa staff would like to have the inflation increased. Mr. Bullen replied that inflation will continue to be monitored going forward pending additional analysis.

Mr. Meinhart asked the Committee if there were any questions or comments, hearing none, he requested a motion. Mr. Jeff Martin from City of Mesa motioned to approve the Draft FY 2014 Arterial Life Cycle Program (ALCP) and the amendments and administrative modifications to the FY 2011-2015 MAG Transportation Improvement Program and to the Regional Transportation Plan 2010 Update, as appropriate. Mr. Ray Davolina from the City of Phoenix seconded, and the motion passed by a unanimous voice vote of the Committee.

8. Draft Fiscal Year 2014-2018 MAG Transportation Improvement Program and Regional Transportation Plan 2035 Status Update

Chairman Meinhart invited Ms. Teri Kennedy, Transportation Programming Manager, to present on the Draft Fiscal Year 2014-2018 MAG Transportation Improvement Program and Regional Transportation Plan 2035 Status Update.

Ms. Kennedy stated that the draft TIP and RTP updated will be dependent on many items. Staff is currently working with Environmental Protection Agency and Federal Highway

Administration to implement it as soon as possible such that it meets federal requirements as well as the new performance measures. Staff is working with member agencies to make sure the TIP conforms to the Regional Transportation Plan and the Arterial Life Cycle Plan, Congestion Management Program projects, Air Quality items, and Congestion Management Plan. It also includes the Transportation Programming Guidebook. The update will include new Moving Ahead for Progress in the Twenty first Century (MAP 21) guidance. Also included is the Regional Programming Guidelines for Federal Transit Formula Funds which will include detail for Avondale Goodyear UZA.

Ms. Kennedy noted that the project monitoring notebooks will again be sent out to member agencies for CMAQ and federal projects. Recipients of federal funding are required to provide MAG with updated project overview, schedule, and budget documents twice a year. The Project Status Reports serve as the basis for programming decisions concerning the project, including obligation, deferment, advancement, deletion, and deobligation. These updates will be utilized for the close-out process. The next data collection will be June.

In addition, ADOT has published their local agency manual. This will serve as the guiding process for ADOT.

Ms. Kennedy indicated that the current timeline for the TIP schedule includes a draft listing in May and June with public comment in July. However, in the event the Transportation Review Committee does not meet in July, a mail out will be provided prior to Management Committee. The current schedule assumes Regional Council action in October or November with state approval granted in November or December.

Ms. Kennedy proceeded to welcome City of Maricopa and Town of Florence to MAG. MAG Regional Council approved their membership at the last meeting. Ms. Kennedy referenced a map that showed the new MAG planning region. The Gila River Indian Community is also new and Pinal County is also expected to join.

Ms. Kennedy noted that MAG is working with Environmental Planning Agency, Central Area Association of Governments and Federal Highway Administration to meet air quality conformity. The TIP and RTP will include the new boundaries. Ms. Kennedy noted the new PM 2.5 non-attainment and PM-10 non-attainment areas, also indicated on the map.

Ms. Kennedy provided a schedule for including the new agencies into the MAG planning areas. Staff is working to determine who will perform air quality conformity. The remainder will follow the schedule for the new TIP. By January or February 2014, it is expected that all projects will be included in the new TIP.

Mr. Hauskin inquired about the ozone area and Ms. Kennedy provided clarification.

Mr. Eric Anderson noted that schedules shown are constantly changing. For PM 2.5, Pinal County is currently in a conformity lapse. As of July it will be lapse for PM-10. Both PM 2.5 and PM-10 lapse areas straddle in Pinal County new Sun Corridor MPO and the MAG planning areas therefore Casa Grande MPO needs to approve the process. It is critical that the plan is developed for the right geography. This has included discussions with ADOT, FHWA and EPA. In the mean time, staff is working to ensure that projects in Maricopa County can move forward

while the other issues are being resolved.

Mr. Martin inquired about the impact of CAAG joining MAG on the conformity process. Ms. Kennedy replied that the air quality conformity modeling is first completed and then the funds are suballocated to the planning areas by ADOT. ADOT has not yet completed this process.

Mr. Cook requested clarification on the impact of new agencies to the existing member agencies. He also asked for clarification on the planning horizon. Ms. Kennedy said that it currently is through 2031, however, will expand to 2035. Ms. Kennedy noted that the goal was to separate financials between the two counties. ADOT has provided just the Maricopa County finance. As funding for Pinal County is identified, a similar presentation will be given to the committee. Under SAFTEA-LU all CMAQ funds were apportioned to the MAG region. Under Map 21, 2.5 percent is apportioned before the remainder is distributed. As air quality conformity moves forward, there will be a call for projects. The PM 2.5 is now divided between MAG planning area and Sun Corridor and there will be continuing discussions on how to handle it.

Mr. Meinhart thanked Ms. Kennedy for the presentation and moved to the next item on the agenda.

9. Request for Future Agenda Items

Chairman Meinhart requested topics or issues of interest that the Transportation Review Committee would like to have considered for discussion at a future meeting. He reiterated Mr. Cook's request for a future update on the financial and planning impact of the new MAG member agencies.

10. Member Agency Update

Chairman Meinhart offered opportunities for member agencies to present updates to their community. Maria Hyatt who be transitioning over from water services will serve as the new public transit director with City of Phoenix. Mr. Davolina announced the opening of the Sonora project. Mr. Meinhart announced that Paul Basha will be the new transportation director at the and the new representative for the City of Scottsdale. Mr. Cook thanked Mr. Meinhart for his leadership over the years. Mr. Fitzhugh will assume position of chair starting next month.

11. Next Meeting Date

The next regular Transportation Review Committee meeting is scheduled for Thursday, August 1, 2013 at 10:00 a.m. in the MAG Office, Saguaro Room.

There being no further business, Chairman Meinhart adjourned the meeting at 11:11 a.m.