

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
REGIONAL COUNCIL EXECUTIVE COMMITTEE MEETING
March 20, 2002
302 N. 1st Avenue, Suite 300
Phoenix, Arizona 85003

MEMBERS ATTENDING

Mayor Skip Rimsza, Phoenix, Chairman
Mayor John Keegan, Peoria
Mayor Jay Tibshraeny, Chandler

Mayor Keno Hawker, Mesa
Mayor Bill Arnold, Goodyear

* Not present

1. Call to Order

The Executive Committee meeting was called to order by Chairman Skip Rimsza at 12:10 a.m.

2. Approval of the February 7, February 12, and February 14, 2002 Executive Committee Meeting Minutes

Mayor John Keegan moved to approve the February 7, February 12, and February 14, 2002 Executive Committee meeting minutes. Mayor William Arnold seconded, and the motion carried unanimously.

3. Follow-up on Governance Task Force Recommendations

James Bourey reviewed that at the last Regional Council meeting, members expressed an interest in a Management Committee recommendation on issues dealing with the formation of the Executive Committee and voting for the Regional Council and Management Committee. He noted that the Management Committee created a Subcommittee, made up of Managers, to discuss the composition and function of an expanded Executive Committee and Regional Council. This Subcommittee will meet on Friday, March 22, 2002 at 2:00 p.m. in the Cholla Room at MAG. Mr. Bourey stated that the Subcommittee will bring a recommendation to the Management Committee and then to the Regional Council. Chairman Rimsza suggested that a final resolution be scheduled. He then asked the positions of the West Valley and East Valley cities on this subject. Mayor Arnold stated that there will still be a few that will have a problem with the weighted voting method. Mayor Hawker stated that he believes the hybrid weighted voting is the strongest contender. It gives more power to the smaller cities. Mayor Keegan agreed that some smaller cities will still have a problem with the hybrid weighted voting. Mayor Arnold stated that a recommendation needs to come from the Management Committee and the managers need to talk to their mayors.

Mr. Bourey noted that the Regional Council's discussion at the last meeting was a general discussion and a consensus to defer to the Management Committee. Mayor Hawker asked who was on the Subcommittee. Mr. Bourey stated that Glendale, Goodyear, Mesa, Paradise Valley, Phoenix, Queen Creek, Scottsdale and Surprise are on the Subcommittee. Mayor Hawker stated that he did not believe that there were enough small cities. Chairman Rimsza pointed out that there will not be a unanimous vote. Mayor Keegan agreed and noted that the discussion will depend on who attends the meeting.

Chairman Rimsza noted that this item was on the agenda for information and discussion. There being no further discussion, the Executive Committee moved to the next agenda item.

4. Draft 2003 Work Program and Annual Budget

Mr. Bourey stated that the Work Program and Annual Budget is brought to the Executive Committee early for review. He noted that MAG held three budget workshops with 15 to 20 participants at each. The Work Program and Annual Budget will be presented to the Regional Council for approval in May. It is also reviewed at the Intermodal Planning Group meeting in April. Mr. Bourey noted that there is no action requested on this agenda item. He then introduced Becky Kimbrough, Fiscal Services Manager, to review the Work Program.

Ms. Kimbrough stated that MAG presented three public budget workshops to review the FY 2003 proposed budget, ongoing and new projects and to receive public input. The workshops were presented in February around the Valley including presentations in the City of Peoria, the City of Chandler and the City of Phoenix. She noted that MAG sent 520 invitations. Ms. Kimbrough stated that the presentations included discussions of all ongoing and newly proposed projects for the FY 2003 MAG Work Program.

Ms. Kimbrough reviewed the summary of expenditure worksheet. She stated that the budget shows a 7.9 percent increase in salaries and a 4.3 percent increase in the overall cost of staff benefits. This assumes a 5 percent increase in staff salaries and 3 1/2 additional staff positions. Ms. Kimbrough stated that actual FY 2001 benefits expenditures reflected a one-time adjustment for accrued vacation per the indirect cost plan. The next item is printing costs. The overall printing costs remain constant with estimated costs changing with an increase in in-house printing and a similar decrease in outside printing. She noted the decrease in budgeted telephones and pagers due to the review of actual costs in prior years. Advertising costs also decreased by 46 percent from FY 2002 due to the MAG video costs of approximately \$20,000 in last year's budget. Public meetings and committee support increased 7.4 percent as estimated costs for the MAG Town Hall were added for FY 2003. Ms. Kimbrough noted that there is an 18 percent increase in Professional Services in FY 2003 due to a \$50,000 estimate for a potential MAG name change, and \$40,000 additional in the budget for a UNIX conversion in Air Quality Modeling. Noncapital outlays decreased by 74 percent due to a decrease in equipment and new non-capital software needs. She noted that MAG's FY 2002 budget included costs for the expansion of offices to the second floor. There is also a 60.4 percent decrease in new consultant and associate project costs, which is due to the carry

forward on many of MAG's projects. She then explained that the 28 percent increase in pass-through agreements is largely for the PM-10 Street Sweepers for our member agencies. Overall, MAG is proposing a 3.6 percent increase in total operating costs, with an overall reduction in total expenditures of 5.9 percent.

Mayor Tibshraeny asked for a break down on how MAG's benefits work. Chairman Rimsza asked why there is an increase from 2001 to 2002. Ms. Kimbrough stated that is due to additional staffing. Chairman Rimsza asked how many members. Ms. Kimbrough asked the Chair if she could get back to him with that information. Chairman also noted that the contingency is light. The Executive Committee proposed that contingency figure be raised to 5 percent over two years.

Ms. Kimbrough reviewed the revenue summary worksheet. She noted that there is an overall decrease of total revenue of 5.9 percent from Fiscal Year 2002 and, as reported since 1997, new funding has been declining and MAG is continuing to rely on carryforward funding for operations. Ms. Kimbrough reported that FY 2003 new revenue for staffing and other operations, before additional STP funding, is \$6,177,020. MAG's operating budget is \$6,352,270. This leaves operating expenses to be covered of \$175,250. She stated that funding needed for new consultant and associate projects is \$1,109,400, and funding needed to fund capital outlay is \$63,000.

Ms. Kimbrough explained that without assuming additional STP and carryforward funding, the total additional funding needed to cover the operating expense shortfall along with new consultants, associates, capital outlay, and contingency is \$1,538,218 for FY 2003. She stated that MAG is asking for additional STP funding in FY 2003 of \$614,329 in order to continue to meet operating and project costs. This is an increase of \$48,647 of STP over FY 2002 for a total of \$2,314,329 in FY 2003 STP.

Mayor Tibshraeny stated that this looks as if MAG is putting STP money into administration costs. Mr. Bourey explained that MAG has the lowest membership dues of any other similar COG. Ms. Kimbrough stated that in the Pima Association of Governments, they use 13 percent of the STP funds, whereas MAG receives 6 percent. Chairman Rimsza asked if these other COGs had additional responsibilities. Mr. Bourey noted that MAG actually does more, such as air quality modeling. Mr. Smith noted that previously MAG had a large amount of carryforward funds and these funds are beginning to diminish. MAG needs to gradually increase the STP funds to cover this shortfall. Mr. Bourey noted that before MAG moved into this building in 1997, most of MAG staff was housed with the County, rent free. Chairman Rimsza expressed his concern of how this would sit with other Regional Council members. He asked if any other organization uses STP funds in this way. Mr. Smith noted that the problem with comparing MAG with other MPOs is that other MPOs do not develop air quality plans and conduct the air quality modeling like MAG does. Mr. Bourey also noted that each year the Federal government looks at the MAG Work Program in detail. He stated that every third year the Work Program is certified by a federal agency.

Chairman Rimsza stated that he was informed that the Indian Communities do not pay ½ cent tax. He noted that this could be problematic now with freeway on/off ramps needed. Chairman

Rimsza asked Mr. Bourey to look into this issue and send a letter to the Tourism and Sports Authority (TSA) regarding the regional road funds.

Ms. Kimbrough continued to review the Work Program. She noted that there are 3.5 additional proposed staff positions in the FY 2003 budget. One ITS/Safety Specialist position was added in transportation, which will replace two associates. Ms. Kimbrough stated that a Community Outreach Specialist was added in the Communication Division. Chairman Rimsza asked the difference between an associate and a staff member. Mr. Bourey stated that associates are under contract. He explained that the ITS/Safety Specialist who is replacing two associates is a wash.

Ms. Kimbrough stated that a potential new project is the Aerial Photo Study. In order to fund the Aerial Photo Study and/or the staffing for developments of regional impact, we will need additional funding in FY 2003. She noted that MAG has developed a potential special assessments sheet if funding were to be from levying a special assessment. Ms. Kimbrough added that the Aerial Photos Study would cost \$300,000 and \$377,053 for three staff positions for Developments of Regional Impact. This total cost for the additional staff includes fringe benefits and overhead costs. Ms. Kimbrough noted that \$155,000 is the raw salary cost.

Mayor Keegan stated that at the Regional Council Retreat, the Regional Council agreed not to create additional burden or staff. He noted that he believes that he was the one who made the motion. Chairman Rimsza stated that it was agreed that MAG compile information on Development of Regional Impact and supply a report to developers and jurisdiction in a timely manner regarding any issues. Mayor Hawker stated that MAG is to do research and report back to the communities and encourage developers to pay for any impacts. He agreed with Chairman Rimsza that MAG is to compile data and give to the community and developer. Mayor Keegan stated that the point is the cost to provide this information should be borne by the developer. Mr. Bourey explained that it would have to be a cumulative gathering of information. Mayor Arnold stated that the idea is that MAG should not regulate, just provide information. Chairman Rimsza confirmed that MAG would compile information to give to local communities. Mayor Hawker suggested that there needs to be standardized information for the communities and developers. Mayor Keegan reiterated that he does not want to get into a position that MAG is providing staff support that should be borne by the developers. Mr. Bourey noted that there are a number of ways that it could be funded, i.e. development fees. Chairman Rimsza suggested that this agenda item be taken to Management Committee and then, if approved, to Regional Council.

5. Review of ADOT & CTOC Voting Responsibilities

Chairman Rimsza explained that some members thought that the language was not clear. Therefore, MAG's attorney reviewed and clarified the wording in the By-Laws regarding voting. He stated that this would give direction to the body, but the body will have the power to overturn. Mayor Keegan stated that the new language still leaves it unclear about the Executive Director's evaluation. He asked if the Executive Director would be considered a transportation administrator and, therefore, a transportation issue. Mayor Hawker suggested that we identify what ADOT & CTOC can vote on. Chairman Rimsza stated that MAG

probably will not face this issue again. He suggested keeping it simple, such as the preliminary suggestion that gives power to the body.

The Executive Committee agreed that the recommended language of the By-Laws be forwarded to the Regional Council for approval. The recommended language is as follows:

The ADOT and CTOC members shall participate only in matters which are primarily transportation related. The Chair of the Regional Council shall determine whether an item is primarily transportation related. The Regional Council may overturn the determination of the Chair.

There being no further business, the meeting was adjourned at 1:07 p.m.

Chairman

Secretary