

MINUTES OF THE
MAG MANAGEMENT COMMITTEE MEETING
January 5, 2005
MAG Office Building - Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

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| Mike Hutchinson, Mesa, Chair | Sonny Culbreath for Darryl Crossman,
Litchfield Park |
| Ed Beasley, Glendale, Vice Chair | Tom Martinsen, Paradise Valley |
| George Hoffman, Apache Junction | Terry Ellis, Peoria |
| Stephanie Prybyl for Charlie McClendon,
Avondale | Frank Fairbanks, Phoenix |
| * Carroll Reynolds, Buckeye | # Cynthia Seelhammer, Queen Creek |
| * Jon Pearson, Carefree | Jacob Moore for Bryan Meyers, Salt River
Pima-Maricopa Indian Community |
| * Usama Abujbarah, Cave Creek | Steve Olson for Jan Dolan, Scottsdale |
| Mark Pentz, Chandler | Jim Rumpeltes, Surprise |
| B.J. Cornwall, El Mirage | Jeff Kulaga for Will Manley, Tempe |
| Norm Phillips, Ft. McDowell Yavapai
Nation | Ralph Velez, Tolleson |
| # Tim Pickering, Fountain Hills | Shane Dille, Wickenburg |
| + Lynn Farmer, Gila Bend | Mark Fooks, Youngtown |
| Urban Giff, Gila River Indian Community | Dale Buskirk for Victor Mendez, ADOT |
| George Pettit, Gilbert | Mike Ellegood for David Smith,
Maricopa County |
| Stephen Cleveland, Goodyear | Ken Driggs, Valley Metro/RPTA |
| * Mark Johnson, Guadalupe | |

- * Those members neither present nor represented by proxy.
- # Participated by telephone conference call.
- + Participated by videoconference call.

1. Call to Order

The meeting was called to order by Chairman Mike Hutchinson at 12:00 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Chairman Hutchinson announced that Lynn Farmer from Gila Bend was attending the meeting via videoconference. He also announced that Cynthia Seelhammer from Queen Creek and Tim Pickering from Fountain Hills were attending the meeting via teleconference call. Chairman Hutchinson stated that transit tickets were available from Valley Metro/RPTA for those using transit to come to the meeting. Parking validation was available from MAG staff for those who parked in the parking garage. Chairman Hutchinson introduced councilmember Rick Morgan from El Mirage.

3. Call to the Audience

Chairman Hutchinson stated that Call to the Audience provides an opportunity to the public to address the Management Committee on items that are not on the agenda that are within the jurisdiction of MAG, or non-action agenda items that are on the agenda for discussion or information only. Chairman Hutchinson noted that those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard. Public comments have a three minute time limit and there is a timer to help the public with their presentations. Chairman Hutchinson stated that for members of the audience who wish to speak, comment cards are available from the staff.

Chairman Hutchinson recognized public comment from Blue Crowley. Mr. Crowley stated that the conformity document is a big document and should not be on the consent agenda. He noted that public input on such a big document should be an action item. Mr. Crowley stated that MAG's public outreach process needs to be expanded. He noted that Proposition 400 is a county-wide tax and he asked when people could take a bus to get to Lake Pleasant. Chairman Hutchinson thanked Mr. Crowley for his comments.

4. Executive Director's Report

Dennis Smith reported that the Regional Report Forum, *On the Road to Greatness: Facts. Focus. Future* is scheduled for January 25, 2005 at the Arizona Club. Mr. Smith addressed the report that will be presented that evening. He encouraged member agencies to send their council members to this interactive session that will take a look at ideas to partner with the business community. The cost of the event is \$35 per person. Mr. Smith thanked the City of Mesa for their help with the video for this event. He also noted the committed sponsors.

Mr. Smith reported that the Governments Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to MAG for its annual budget for the fiscal year 2005. He noted that in order to receive this award, a budget must be published that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. Mr. Smith stated to MAG's knowledge, no other Council of Governments has received this award and that this is the sixth consecutive year that MAG has received the award. He thanked Becky Kimbrough and her staff for their work.

Mr. Smith introduced Kiran Guntupalli, ITS and Safety Engineer in the Transportation Division. Kiran works on ITS and transportation safety issues. He received his bachelor's degree in Civil Engineering from Osmania University in Hyderabad, India and his master's degree in Transportation Engineering from the University of Massachusetts. Kiran worked at the Merrimack Valley Planning Commission as Transportation Engineer.

Chairman Hutchinson thanked Mr. Smith for his report. He asked Mr. Smith to update the Committee on the new MAG member. Mr. Smith reported that Fort McDowell Yavapai Nation passed a resolution and is now a member of MAG. He noted that there are now three Native American Community members. Mr. Norm Phillips from Fort McDowell Yavapai Nation introduced himself. Mr. Phillips stated that he is a planning manager and was a big part in helping Fort McDowell Yavapai Nation become a member. He noted that the community is anxious to participate.

5. Approval of Consent Agenda

Chairman Hutchinson stated that public comment would be heard before action was taken on the consent items. Each speaker is provided with a total of three minutes to comment on the consent agenda. After hearing public comments, any member of the Committee can request that an item be removed from the consent agenda and considered individually. Chairman Hutchinson stated that agenda items #5A through #5E were on the consent agenda. No requests were noted from the Committee to hear an item individually.

Chairman Hutchinson recognized public comment from Blue Crowley. Mr. Crowley stated that there are 106 different projects involved in the Red Letter Notification item. He noted that the Red Letter summary contained too many notifications for him to review and comment on within the time allotted. Mr. Crowley stated that the public comment process is not a sensitive process. He noted that the process needs to be more open and more proactive outreach.

Mr. Shane Dille moved to recommend approval of consent agenda items #5A, #5B, #5C, #5D and #5E. Mr. Jim Rumpeltes seconded, and the motion carried unanimously.

5A. Approval of the November 10, 2004 Meeting Minutes

The Management Committee, by consent, approved the November 10, 2004 meeting minutes.

5B. Red Letter Notification

In June 1996, the Regional Council approved the ADOT Red Letter process, which requires MAG member agencies to notify ADOT of potential development activities in freeway alignments. Development activities include actions on plans, zoning and permits. ADOT has forwarded a list of notifications for the first six months of 2004. Upon request any of the notices can be removed from the consent agenda and returned for action at a future meeting. This item was on the agenda for information and discussion.

5C. Conformity Consultation

MAG is conducting consultation on a conformity assessment for an amendment to the FY 2004-2007 MAG Transportation Improvement Program. The proposed amendment includes Arizona Department of Transportation projects and a City of Peoria transportation enhancement funded project for addition to FY 2005. The amendment includes projects that may be categorized as exempt from conformity determinations. This item was on the agenda for consultation.

5D. Draft MAG 208 Small Plant Review and Approval for the Expansion of the Ruth Fisher School Wastewater Treatment Plant

The Management Committee, by consent, recommended approval of the proposed expansion of the Ruth Fisher School Wastewater Treatment Plant as part of the MAG 208 Water Quality Management Plan. Maricopa County has requested that MAG review the proposed expansion of the Ruth Fisher School Wastewater Treatment Plant through the Small Plant Review and Approval Process of the MAG 208 Water Quality Management Plan. The plant is identified in the current MAG 208 Plan for a capacity of 15,000 gallons per day (gpd). The expansion would increase the facility to 45,000 gpd. Reclaimed effluent from the facility would be disposed through reuse and recharge. On November 30, 2004, the MAG Water Quality Advisory Committee recommended approval of the Small Plant Review and Approval of the proposed plant expansion.

5E. Status Update on the June 30, 2004 Single Audit and Management Letter Comments, MAG's Comprehensive Annual Financial Report (CAFR) and OMB Circular A-133 Reports (i.e., "Single Audit") for the Fiscal Year Ended June 30, 2004

The Management Committee, by consent, recommended acceptance of the MAG Comprehensive Annual Financial Report and Single audit Report for the year ended June 30, 2004. The public accounting firm of Deloitte & Touche LLP has completed the audit of MAG's Comprehensive Annual Financial Report (CAFR) and Single Audit for the fiscal year ended June 30, 2004. An unqualified audit opinion was issued on December 20, 2004 on the financial statements of governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information. The independent auditors' report on compliance, with the requirements applicable to major federal award programs, expressed an unqualified opinion on the Single Audit. The Single Audit report indicated there were no reportable conditions in MAG's internal control over financial reporting considered to be material weaknesses, no instances of noncompliance considered to be material and no questioned costs. No new or repeat Management Letter comments were issued for the fiscal year ended June 30, 2004.

6. Draft Regional Freeway Program for FY 2006 to FY 2010 and Amendment to the FY 2004-2007 MAG Transportation Improvement Program

Eric Anderson reported on the draft Regional Freeway Program for FY 2006 to 2010 and an amendment to the FY 2004-2007 TIP. He stated that there is a lot of work ahead to get all systems in place. He noted that a tentative TPC schedule is at everyone's place and that some dates on this schedule have changed. Mr. Anderson stated that the Transportation Improvement Plan (TIP) will need to be reviewed and approved by the Regional Council by October 2005. He reported that the Regional Freeway Program for FY 2006 to 2010 follows the priorities set forward in the Regional Transportation Plan as it was approved by the Regional Council on November 25, 2003. Mr. Anderson briefly reviewed the projects and adjustments. He explained that in addition to the 2006 - 2010 freeway projects, there are a number of adjustments to the current FY 2005 program to add some design and related projects to the 2005 ADOT program. This will enable ADOT to meet construction schedules in Phase I.

Mr. Anderson reported that there was also an enhancement fund project that was added for Peoria. Initially, it was a deferred project and then added back into 2005. He noted that this project need to be added to the current TIP. Mr. Anderson explained that there is one exception to the priorities of the RTP, the I 17 corridor Dixileta traffic interchange. This project was advanced to Phase I by the City of Phoenix because it is need to support development in the area. This advancement is being done under the MAG Regional Freeway System Acceleration Policy.

Mr. Anderson reported that the dollar amounts recorded in the freeway program are in 2002 dollars and that these amounts will be adjusted this Spring to bring the dollars forward. He stated that the whole 20 year cash flow needs to be completed before this can be done. Mr. Anderson reported that the Draft Program also includes landscape and litter control. It is anticipated that the TPC will review this section of the program further at the February TPC meeting.

Chairman Hutchinson thanked Mr. Anderson for his report and opened the floor for questions. Mr. Fairbanks complimented the staff on a Plan well done. He also concurred that the landscape and litter control section is in draft form and will be further reviewed by the TPC. Mr. Rumpeltes asked what would happen if more money was received. Mr. Anderson replied that if sales tax money is received more quickly than planned, then it might be possible to do a system advancement. He

reported that the current revenues are in line with projections. Mr. Smith commented on the TPC schedule. He noted that today we are discussing the first five years of a 20 year program. He stated that the law requires three different Life Cycle processes, one from ADOT on freeways, one from RPTA on Transit, and one from MAG on streets. He noted that it is important to watch these three processes.

Chairman Hutchinson recognized public comment from Blue Crowley. Mr. Crowley stated that there are more than just three nations. He mentioned the Papago tribe. He also commented on the highway names associated with I-10 and SR 87. He asked if anything has been decided on the location of the Wickenburg by-pass. Mr. Crowley stated that in planning SR 74, it was noted that there was no public input. He noted that SR 74 was discussed at CTOC. Mr. Crowley stated that the whole needs to be considered on the Plan.

Mr. Fairbanks moved to recommend the draft Regional Freeway Program for FY 2006 to FY 2010 for incorporation into the draft Transportation Improvement Program (TIP) for public review and comment, especially with regard to the draft, tentative maintenance landscape and litter control project, which will be reviewed by the TPC, and to recommend that the FY 2005 project changes be approved and added to the FY 2004-2007 MAG TIP, including the Peoria Enhancement funded project. Mr. Buskirk seconded, and the motion carried unanimously.

7. Discussion of the Development of the FY 2006 MAG Unified Planning Work Program and Annual Budget

Becky Kimbrough reported on the FY 2006 MAG Unified Planning Work Program and Annual Budget. She noted that the FY 2006 process has begun and this is an early overview of the MAG Dues and Assessments for the FY 2006 Work Program. Ms. Kimbrough reviewed the proposed time line for the Work Program and Annual Budget. She noted that final approval of the budget is scheduled for the May Regional Council meeting. Ms. Kimbrough reported on the estimated dues and assessments with and without a minimum. She noted that the minimum is set at \$350.00, which only affects one member agency. She stated that the difference in the total of the two proposed dues and assessment tables is \$203.00. Ms. Kimbrough reported that this item was on the agenda for input.

Chairman Hutchinson thanked Ms. Kimbrough for her report and for the efforts to have the budget ready for input early in the process. Chairman Hutchinson asked the Committee for questions or input. The Committee had none.

8. Sales Tax Incentives and Revenue Sharing

Tom Remes addressed the Committee on Sales Tax Incentives and Revenue Sharing. He noted that there has been dialogue in the media, and that there will be discussion at the Legislature. Mr. Remes reported that the Executive Committee, at its last meeting, asked staff to bring a model resolution forward to the Management Committee for input. This model resolution is a volunteer resolution that jurisdictions may wish to bring to their councils. Mr. Remes stated that this item is on the agenda for information and discussion.

Chairman Hutchinson asked if the Executive Committee will make a recommendation. Mr. Remes replied that they will. Mr. Cleveland asked for an explanation on Section 3. Mr. Remes explained that Section 3 was added on behalf of the Executive Committee. He noted that the Executive Committee thought that jurisdictions could agree upon defined areas, i.e. 10 miles within shared

borders. The second bullet refers to the possibility of partnering with businesses to do infrastructure. The message is that different ideas should be explored. Mr. Remes then explained non-compete areas to be a deterrent to big businesses who might want to work one municipality against another. Mr. Remes noted that these are a few suggestions.

Mr. Fairbanks stated that the City of Phoenix and the City of Peoria are actively exploring options on this process. He noted that the outcome has not been determined yet, but it will be in both cities best interest. Mr. Fairbanks stated that he believes the Executive Committee felt that cities need to take action to show a commitment to finding resolutions to these types of issues. It also strengthens arguments and could illustrate options to cities.

Mr. Ellis explained that Phoenix and Peoria identified areas and developed a resolution, which is a statement of intent. He noted that it would depend on what cities agreed upon, and ideally result in having a sharing agreement. Mr. Fairbanks stated that Phoenix is also in discussions with Scottsdale, Tempe, Chandler and, in the near future, Avondale. He noted that this model resolution is a tool, a list of some things that might be useful.

Chairman Hutchinson thanked Mr. Remes for his report.

9. Comments from the Committee

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

Mike Ellegood reported on the County's storm warning system. He noted that the 277 weather sensors worked well and there was no major flooding. Mr. Ellegood stated that out of the 2,700 miles of County Roads, there were 67 road closures. The Gila Road Bridge is now open, but the Alma School Bridge is closed. He noted that the County is working on improving the announcement of road closures.

There being no further business, the meeting adjourned at 12:45 p.m.

Chairman

Secretary