

MINUTES OF THE  
MAG MANAGEMENT COMMITTEE MEETING  
May 14, 2008  
MAG Office Building - Saguaro Room  
Phoenix, Arizona

MEMBERS ATTENDING

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| Charlie McClendon, Avondale, Chair                    | Darryl Crossman, Litchfield Park                             |
| Patrice Kraus for Mark Pentz, Chandler,<br>Vice Chair | Christopher Brady, Mesa                                      |
| # George Hoffman, Apache Junction                     | # Jim Bacon, Paradise Valley                                 |
| Scott Rounds for Jeanine Guy, Buckeye                 | Carl Swenson for Terry Ellis, Peoria                         |
| * Jon Pearson, Carefree                               | Karen Peters for Frank Fairbanks, Phoenix                    |
| Wayne Anderson for Usama Abujbarah,<br>Cave Creek     | # John Kross, Queen Creek                                    |
| Spencer Isom for B.J. Cornwall,<br>El Mirage          | * Bryan Meyers, Salt River Pima-Maricopa<br>Indian Community |
| * Phil Dorchester, Fort McDowell<br>Yavapai Nation    | John Little, Scottsdale                                      |
| # Kate Zanon, Fountain Hills                          | Prisila Ferreira, Surprise                                   |
| * Gila Bend   | Charlie Meyer, Tempe   |
| * Joseph Manuel, Gila River Indian<br>Community       | * Reyes Medrano, Tolleson                                    |
| George Pettit, Gilbert                                | Gary Edwards, Wickenburg                                     |
| Jessica Blazina for Ed Beasley, Glendale              | Mark Hannah for Lloyce Robinson,<br>Youngtown                |
| John Fischbach, Goodyear                              | Richard Travis for Victor Mendez, ADOT                       |
| * RoseMary Arellano, Guadalupe                        | Kenny Harris for David Smith,<br>Maricopa County             |
|   | David Boggs, Valley Metro/RPTA                               |

- \* 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 Chair Charlie McClendon at 12:05 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited. George Hoffman, Jim Bacon, John Kross, and Kate Zanon joined the meeting by teleconference.

Chair McClendon welcomed John Fischbach, the new City Manager of the City of Goodyear, as a member of the Management Committee.

Chair McClendon noted that the material for agenda items #5C and #10 were at each place. He announced that parking garage validation and transit tickets were available from Valley Metro/RPTA for those using transit to come to the meeting.

3. Call to the Audience

Chair McClendon 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. Chair McClendon 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.

Chair McClendon recognized public comment from Dianne Barker, who said that multimodal feels good. Ms. Barker stated that she had received a transit ticket for using alternative transportation to come to the meeting. She said that someone called to her, "Hey, Buckeye," which is a nut, and maybe she is a nut. Ms. Barker stated that she believed Maricopa County has an air quality problem and that is why she uses alternative fuel buses and rides a bike. She commented that perhaps the bus system might need to be reformed because she beat the bus to the meeting by riding her bike. Ms. Barker added that she did spritz before the meeting. She sang "Time is on My Side," and commented that the TIME Coalition is a misnomer because what you see in the newspapers is the agreement between the Governor and the homebuilders to not be involved with preservation so that the developers will not have to pay impact fees. Ms. Barker stated that maintenance of roads and arterials is needed. She said that we need to ensure that the critical needs package will reflect the biggest population area in the state. Ms. Barker commented that Maricopa County residents do drive across the state, but the County has an air quality problem and is constrained in transportation projects. Ms. Barker suggested that communities should do the right thing in looking at the referendum and be able to see how it is going to affect the areas that pay the most tax. She stated that CTOC did not do its job to look at transit as well as highways in Proposition 400. She asked how a fast and loose referendum could be trusted when controls are not being upheld and there is not enough time to put them in. Chair McClendon thanked Ms. Barker for her comments.

4. Executive Director's Report

Dennis Smith, MAG Executive Director, reported that the MAG will host the Arizona Transportation Summit on May 29, 2008, at the Wigwam Resort. He noted that the agenda was at each place. Mr. Smith stated that Mayor James Cavanaugh, the Chair of the MAG Regional Council, attended a summit of the Texas Transportation Institute and felt that ideas presented by the River of Trade Corridor Coalition (ROTCC) were worthy of pursuing in the region. He stated that the ROTCC is interested in freight movement from Long Beach, California, through Arizona, to Ontario, Canada. Mr. Smith stated that the Executive Committee agreed to a one-year membership in the ROTCC on a trial basis, and it is MAG's turn to sponsor this year's meeting.

Mr. Smith stated that the morning session will feature discussion of Arizona issues. Topics will include Building a Quality Arizona, polling results, pros and cons of public/private partnerships, and the Sun Corridor Megapolitan. Mr. Smith noted that the lunch speaker will be Tom Skancke, a member of the National Surface Transportation Policy and Review Study Commission, who will speak on reform of SAFETEA-LU. Mr. Smith noted that the afternoon session will be the ROTCC meeting. He encouraged member agencies to buy a table for their staff to attend. Chair McClendon thanked Mr. Smith for his report. No questions for Mr. Smith were noted.

5. Approval of Consent Agenda

Chair McClendon stated that agenda items #5A, #5B, #5C, #5D, #5E, and #5F were on the consent agenda. Chair McClendon reviewed the public comment guidelines for the consent agenda. He noted that no public comment cards had been received.

Chair McClendon asked if any member of the committee had questions or a request to have a presentation on any consent agenda item. None were noted.

Mr. Crossman moved to recommend approval of consent agenda items #5A, #5B, #5C, #5D, #5E, and #5F. Mr. Meyer seconded, and the motion carried unanimously.

5A. Approval of April 9, 2008 Meeting Minutes

The Management Committee, by consent, approved the April 9, 2008 meeting minutes.

5B. Pedestrian Design Assistance and Bicycle Design Assistance Projects for 2008 Funding - Phase II

The Management Committee, by consent, recommended approval of the following projects for funding from the Design Assistance Program: Avondale: Garden Lakes Sidewalk (\$60,000); City of Phoenix: Third Street Promenade (\$65,000); and City of Mesa: Adobe Road Complete Streets (\$30,000). The FY 2008 MAG Unified Planning Work Program and Annual Budget, approved by the MAG Regional Council in May 2007, includes \$200,000 for the Pedestrian Design Assistance Program and \$300,000 for the Bicycle/Shared-Use Design Assistance Program. Four project applications were approved in Phase I. On March 18, 2008, the Pedestrian Working Group and the Regional Bicycle Task Force reviewed and ranked applications for project funding for the Design Assistance Programs. Five applications were received requesting \$373,000 in funding from the \$125,000 funding available from the Pedestrian Design Assistance Program, and two applications were received requesting \$70,000 in funding from the \$30,000 in funding available from the Bicycle Design Assistance Program. The Committees unanimously recommended approval of the following projects for funding from the Design Assistance Program: Avondale: Garden Lakes Sidewalk (\$60,000); City of Phoenix: Third Street Promenade (\$65,000); and City of Mesa: Adobe Road Complete Streets (\$30,000). On April 24, 2008, the Transportation Review Committee concurred with the recommendation.

5C. Interim Closeout of the Federal Fiscal Year 2008 MAG Federally Funded Program

The Management Committee, by consent, recommended approval of a list of projects to be carried forward from federal fiscal year (FFY) 2008 to FFY 2009 or later and approval of a list of projects requesting removal of federal funds. The FFY 2008 Interim Closeout established that member agencies submitted requests to defer or delete federal funds from projects for approximately \$37.2 million. As a result, the amount of funds available during the interim closeout is approximately \$5.0 million. The amount available for the FFY 2008 Closeout may change due to the future project deferrals. Any changes will be provided to the Committee in the upcoming months. The deadline for FFY 2008 Closeout project submittal and initial deferral notification was April 18, 2008.

5D. Arterial Life Cycle Program Status Report

A status report on the Arterial Life Cycle Program (ALCP) is provided for the period between October 2007 and March 2008 and includes an update on ALCP Project work, the remaining FY 2008 ALCP schedule, and ALCP revenues and finances. This item was on the agenda for information.

5E. Consultation on Proposed Transportation Conformity Processes for the 2008 MAG Conformity Analysis

Federal and state conformity regulations require that MAG consult with federal, state, and local air quality and transportation agencies on proposed processes for conformity analyses on the Transportation Improvement Program and the Regional Transportation Plan. MAG is distributing for comment the proposed processes to be applied beginning with the upcoming conformity analysis for an amendment to the FY 2008-2012 MAG Transportation Improvement Program and the Regional Transportation Plan 2007 Update. Comments regarding this material were requested by May 23, 2008. This item was on the agenda for consultation.

5F. Social Services Block Grant Revised Allocation Recommendations

The Management Committee, by consent, recommended approval of the revised FY 2009 Social Services Block Grant allocation recommendations reflecting the proposed funding reduction at the federal level. Under a planning contract with the Arizona Department of Economic Security (DES), the MAG Human Services planning program annually recommends allocations for locally planned Social Services Block Grant (SSBG) dollars to meet human services needs in the MAG region. On March 14, 2008, DES notified MAG that the U.S. Department of Health and Human Services is requiring revised allocation recommendations for SSBG funding reflecting a 19.722 percent budget cut proposed at the federal level. While it is hoped that the proposed budget cut will not be approved, a revised plan needs to be submitted to DES by the end of May.

6. Transportation Planning Update

Kelly Taft, MAG Communications Manager, provided a presentation on a statewide survey of residents. She stated that in order to provide input into the statewide proposal, the Regional

Council approved that a statewide survey be conducted to measure regional and statewide public attitudes, opinions, and interests relevant to addressing transportation needs, including potential solutions and timing. Ms. Taft stated that the main survey will be a telephone poll of 1,200 high efficacy voters that can be analyzed by three subareas: Maricopa County, Pima County and the balance of the state. Ms. Taft stated that following a procurement process, the firm of WestGroup Research was selected to conduct the survey.

Ms. Taft stated that along with the telephone survey, WestGroup recommended that focus groups be conducted to talk more in depth with residents around the state about the main transportation issues they are experiencing and their preferred solutions. Ms. Taft stated that focus groups were conducted in March in Yavapai, Pima and Maricopa Counties. In the Maricopa group, participants were recruited equally from the East, West and Central Valleys.

Ms. Taft stated that respondents' demographics were distributed among gender, age, income level and employment. She noted that while transportation appears to rank behind other issues such as the economy and immigration, all groups agreed that transportation is a critical concern facing the state as well as local areas. Ms. Taft added that congestion, construction, planning and transit were consistently offered as the primary transportation issues or problems facing the local areas. She noted that voters seem to recognize that a lack of funding is a key contributor to the congestion being experienced. Ms. Taft advised that there also was a prevailing attitude that there has been a failure to adequately plan and prepare for growth. When asked who they thought was responsible, a number of respondents referenced ADOT, the State Legislature and a general lack of cooperation among leaders at all levels of government.

Ms. Taft stated that many respondents expressed a strong desire for information about how the transportation planning process occurs and what role they can play in influencing the desired solutions. She pointed out that they also want accountability in any plan to make sure they receive what is promised. Ms. Taft stated that overall, the groups seemed willing to pay for transportation improvements, as long as they felt they could trust the process.

Ms. Taft reported that the participants expressed a desire for a multimodal plan, and most supported the solutions that directly impacted them or their region. She said that when the respondents were asked what options they would support even if additional taxes were needed, many favored transit solutions, especially if gas prices remain high. She advised that the respondents overwhelmingly opposed toll roads, especially converting existing roads to toll roads. Ms. Taft noted that some people indicated they might support toll roads if they are built as alternatives to existing freeways where commuters have a choice as to whether to use them.

Ms. Taft then reviewed the funding option preferences. She said that participants most favored dedicating future growth in tax revenue to transportation, followed by increased developer fees and a statewide sales tax. The least support was given to the options of paying a personal income or statewide property tax and taking funding from other programs.

Ms. Taft stated that respondents indicated that 2008 was not feasible due to the economic climate. Most respondents also saw value in waiting until statewide framework studies were completed and more public involvement was conducted.

Ms. Taft stated that the telephone survey is expected to take about three weeks to complete, after which WestGroup will analyze the findings and present them to the Regional Council and TPC at their May meetings.

Eric Anderson, MAG Transportation Director, provided an overview of the TIME Coalition initiative. He noted that components of the one-cent, 30-year sales tax that would generate \$42.6 billion in statewide funding for transportation include 55 percent or \$23.4 billion toward strategic highway projects, 18 percent or \$7.7 billion toward strategic rail and transit projects and programs, 20 percent or \$8.5 billion toward local mobility projects and programs, four percent or \$1.7 billion to transportation enhancement and walkable/bikeable communities, and three percent or \$1.3 billion to conservation.

Mr. Anderson provided an overview for the uses of the funds. He noted that the MAG region would receive 49 percent of the highway funds, the PAG region 12 percent, and the rest of the state 39 percent. He stated that of the rail and transit projects and programs funds, eight percent would go to the Regional Public Transportation Authority (RPTA) in the MAG region and five percent to the Regional Transportation Authority in Tucson for the streetcar project. He noted that for the most part, the MAG and PAG portions are intended to fund \$1 billion for fixed guideway in those regions. He said that 87 percent of the fund would go toward intercity rail, commuter rail, and other transit services.

Mr. Anderson stated that of the local mobility funds, 60 percent would be committed to the MAG region, which would be distributed to the county, cities, towns and Indian Communities based on population. He noted that the distribution to the remainder of the state would be according to the Highway Users Revenue Fund formula.

Mr. Anderson stated that of enhancement fund would be distributed directly to counties, cities, towns and Indian Communities based on population. He noted that these funds could be used toward programs along transportation corridors such as Safe Routes to School, neighborhood mitigation, transit-oriented development, bicycle and pedestrian projects, and landscaping projects.

Mr. Anderson stated that under the conservation category, grants would be administered by ADOT for open space conservation and wildlife habitat restoration and preservation that are affected by transportation projects. He noted that local governments and 501(c)(3) organizations would be able to apply for these funds.

Mr. Anderson stated that included in the initiative are a number of provisions that lock in funding to the MAG region. He advised that approximately 49 percent of the \$42.6 billion is estimated to come to the MAG region. Mr. Anderson noted that two-thirds of the sales tax is generated in Maricopa County.

Mr. Anderson stated that the TIME Coalition is in the process of collecting the more than 153,000 valid signatures needed by July 3, 2008 to get the initiative on the ballot. Mr. Anderson stated that ADOT is expected to release the program this week, which would be followed by public meetings around the state in June to present the program. He advised that action by the State Transportation Board is anticipated in late June 2008.

Mr. Anderson stated that the highway projects for the MAG region will be submitted to MAG as a recommendation. He advised that federal regulations require a cooperative process between departments of transportation and metropolitan planning organizations. Mr. Anderson noted that the Regional Council has the authority to set the project priorities.

Mr. Anderson stated that currently, the timing and project priorities have not yet been determined and extensive work needs to be done on the cash flow. He advised that as the Regional Transportation Plan was being put together in 2003, the adopted policies included filling cost gaps and accelerating Proposition 400 projects before entertaining new projects.

Mr. Anderson reported that four comments were received during discussion at the joint Transportation Policy Committee/Regional Council meeting on April 23rd. He said that one concern was that the one-cent amount and the length of the tax for 30 years would impact the ability of local jurisdictions to go to their voters for a sales tax to meet the jurisdiction's own needs. Mr. Anderson stated that the second concern expressed was whether this was the right time to go to the voters and ask for a tax increase. He noted that the effective date of the tax has been revised to start in January 2010, rather than January 2009. Mr. Anderson noted that the third comment was regarding the transit component. He stated that with high fuel costs, it was expressed that more investment could probably be done on both a statewide and regional level. Mr. Anderson mentioned that increased demand for light rail is anticipated after its opening in December 2008. Mr. Anderson stated that the fourth concern was equity. He explained that four counties in Arizona currently pay one-half cent sales tax for transportation: Maricopa, Pima, Pinal, and Gila counties. Mr. Anderson said there was concern that the other eleven counties who do not have a sales tax for transportation might be given a free ride.

Mr. Smith stated that with a few exceptions, all of the projects in the initiative are in the MAG Regional Transportation Plan. He advised that the approved policy says that project priorities stay in line unless delayed for certain reasons, such as environmental concerns. Mr. Smith stated that accelerated projects should follow the approved priorities. For unfunded projects, the mini stack at I-10 and SR-51 stands out as a project that could use additional funding. Mr. Smith stated that in the past, ADOT and MAG staff would meet to discuss a plan. When it was reasonably in good shape, it would be brought up through the technical committees to the Transportation Review Committee, Management Committee, Transportation Policy Committee, and Regional Council. Mr. Smith commented that project priorities have not been set and the question is whether to go through that exercise now or wait until the election passes and the money is assured.

7. Fiscal Year 2008 - Arterial Life Cycle Program Regional Area Road Fund Closeout

Mr. Anderson stated that the Arterial Life Cycle Program (ALCP) Regional Area Road Fund (RARF) Closeout concept is a process new to MAG. He said that there are 94 ALCP projects in the Regional Transportation Plan, including 63 arterial street capacity projects and 31 intersection projects. Mr. Anderson noted that many of the ALCP projects are in the East Valley because of the geographic equity balancing exercise during the development of the Regional Transportation Plan. He advised that almost 30 percent of the ALCP projects are being accelerated by local jurisdictions using their own funds. Mr. Anderson stated that this agenda item provides the mechanism to provide the ALCP reimbursements back to the jurisdictions

sooner because the cash is in the bank. He said that the thought is to get the money back to the jurisdictions so they are able to deploy more projects rather than keeping the money in the bank.

Mr. Anderson reviewed the ALCP policies and procedures, which state that there be no adverse impacts due to earlier reimbursements. He advised that staff has done a careful analysis that sufficient funds exist for the life cycle of the program. Mr. Anderson pointed out that completed projects would be eligible for reimbursement according to priority schedule. The policies also provide that accelerated projects completed are eligible for early reimbursement. Mr. Anderson displayed a list of eligible projects for reimbursement, for which requests have been received. Staff conducted a financial analysis, which indicated that only four projects be recommended for reimbursement to be fiscally conservative. He said that staff recommends these four projects be reimbursed early because the financial resources are available to cover all obligations with the program through 2025. Chair McClendon thanked Mr. Anderson for his report. No questions from the Committee were noted.

Mr. Pettit moved to recommend advancing reimbursements from 2012, 2013, and 2014 to 2008 for the FY 2008 Arterial Life Cycle Program (ALCP) Regional Area Road Fund (RARF) Closeout for ALCP Projects: Lake Pleasant Parkway, Arizona Avenue at Chandler Boulevard, and Val Vista: Warner to Pecos, totaling \$14.978 million, and amend the FY 2008 ALCP and 2007 RTP Update as necessary. Ms. Ferreira seconded, and the motion carried unanimously.

8. Update on the Arizona Lottery

Art Macias, Executive Director of the Arizona Lottery, provided an overview of the Arizona Lottery and the use of the revenue it generates. He noted that a Lottery promotional package was at each place. Mr. Macias stated that he reports directly to the Governor, but is beholden to the Legislature for the appropriations to operate. He noted that WestGroup Research tracks how the Arizona Lottery is perceived by the public and mentioned that 72 percent of respondents says that the Lottery is a good option to raise money for the state. Mr. Macias noted that in 2002, 73 percent of voters voted to extend the lottery.

Mr. Macias reported that 2007 was the highest revenue year on record, when the lottery had \$462 million in sales. He stated that 30 percent of the Lottery's profit goes toward programs that might not otherwise be funded, and 56 percent of every dollar is returned to players. Mr. Macias noted that last year, a total of approximately \$140 million in profit was returned to the state and goes toward programs such as public health, education, transportation, and historical and preservation grants, and airports.

Mr. Macias reported on the benefits to the state because of the lottery. He indicated that the payouts to the 1,600 to 1,700 Arizona retailers support jobs. Mr. Macias stated that there have recently integrated new self-serve machines, and new technology has spurred growth in sales. He advised that last year's new product, the Millionaire's Raffle, yielded \$7 million. Mr. Macias reported that Scratchers cards represent more than half of the Lottery's revenue.

Mr. Macias then spoke about the funds that go to Local Transportation Assistance Fund (LTAF II). Mr. Macias reported that over the past four years, the LTAF II has been funded by Powerball earnings, which, he noted, were able to fund LTAF II fully last year.

Mr. Macias stated that in addition to LTAF II, the Arizona Lottery supports the Heritage Fund, the County Assistance Fund, mass transit, economic development, and Healthy Arizona. He advised that over the past 26 years, the Arizona Lottery has contributed \$451 million to projects and programs in the region. Mr. Macias stated that one of the programs is the Court Appointed Special Advocates (CASA) program for children who are going through the court system. He noted that the Arizona Lottery is this program's only funding source.

Mr. Macias stated that \$5.8 million was swept from the Arizona Lottery in 2008 and they anticipate another sweep in 2009. He commented that the Lottery office projects this will have a minimum impact to transit funding through LTAF II. Chair McClendon thanked Mr. Macias for his report. No questions from the Committee were noted.

9 Approval of the Draft FY 2009 MAG Unified Planning Work Program and Annual Budget

Each year staff develops the MAG Unified Planning Work Program and Annual Budget. The Work Program is reviewed in April by the federal agencies and approved by the Regional Council in May. The proposed budget information was presented incrementally and adjustments made as information was received. The Management Committee reviewed the development of the Work Program and Annual Budget at its meetings on January 9, February 13, March 14, and April 9, 2008. The Regional Council reviewed the draft budget document at its meetings on January 30, February 27, March 26 and April 23, 2008.

Each year new projects are proposed for inclusion in the MAG planning efforts. The proposed new projects for FY 2009 were presented at the February 13, 2008 Management Committee meeting, the March 17, 2008 Executive Committee meeting, and the February 27, 2008 Regional Council meeting. Updates on new projects were presented at the March committee meetings. These new project proposals come from the various MAG technical committees, policy committees and other discussions with members and stakeholders regarding joint efforts within the region. These projects are subject to review and input by the committees as they go through the budget process.

The review of the draft Work Program and Annual Budget for the Intermodal Planning Group meeting on April 2, 2008 did not result in any new recommendations for the FY 2009 Work Program and Annual Budget document. The recommendations from last year were implemented in the draft FY 2009 Work Program and include listing the Human Services Coordination Transportation Plan and adding an overview section to the budget document to assist in locating the current issues. A memorandum of understanding signed by the cooperating entities including MAG, the Regional Public Transportation Authority, Valley Metro Rail, and the City of Phoenix for cooperative planning between transit and transportation agencies was added in the appendix to the budget for FY 2008 and is included in the FY 2009 budget.

The capital budget has been revised adding \$14,000 to include the purchase of computer equipment. The estimated total operating costs reflect a 5.04 percent increase from the current year. This increase is, for the most part, due to an increase in budgeted non-capital software. The software purchase was reclassified as an ongoing overhead expense from an allowable, below the line expense during FY 2008. Overall including carryforward totals, the final draft

budget for FY 2009 reflects a decrease of 8.66 percent from the overall budgeted amount in the current year.

The MAG region, as a Transportation Management Area and as a Metropolitan Planning Organization, is required (by federal regulations 23 CFR 450.314) to describe all of the regional transportation-related activities within the planning area, regardless of funding sources or agencies conducting activities. The regional transportation projects received from other organizations are noted in the Work Program.

Becky Kimbrough, MAG Fiscal Services Manager, provided a report on the draft FY 2009 MAG Unified Planning Work Program and Annual Budget. She noted that information on the draft budget was presented each month, beginning in January 2008. Ms. Kimbrough advised that the draft FY 2009 budget is approximately 1.25 percent more than the FY 2008 budget. Chair McClendon thanked Ms. Kimbrough for her report. No questions from the Committee were noted.

Mr. Crossman moved to recommend approval of the resolution adopting the Draft FY 2009 MAG Unified Planning Work Program and Annual Budget and the member dues and assessments. Ms. Ferreira seconded, and the motion carried unanimously.

10. Discussion of the Composition of the MAG Enhancement Funds Working Group and Potential Participation by a Member of the Management Committee

Mr. Smith noted that at each place was the revised agenda item #10 that had been emailed to members. He explained that in the early 1990s, a transportation enhancement program was established through the Intermodal Surface Transportation Efficiency Act (ISTEA). Mr. Smith stated that Surface Transportation Funds (STP) funds were designated as enhancement funds to be used toward eligible bicycle, pedestrian, landscaping, and historic preservation projects. He stated that these funds are available on a statewide basis through an application process. Mr. Smith stated that Arizona has two types of groups that review and rank eligible projects, the Arizona Department of Transportation Enhancement Fund Review Committee (TERC) and a review group from each region that makes recommendations to the TERC.

Mr. Smith stated that in April 1993, the Regional Council established the Enhancement Funds Working Group to make recommendations to the Arizona Department of Transportation Enhancement Fund Review Committee. He explained that the Working Group composition approved by the Regional Council included representatives from modal and other committees that existed at that time, such as the Regional Development Policy Committee and the Billboard Task Force. Mr. Smith stated that in addition, some of the members of the Working Group are no longer in their positions at member agencies and those vacancies need to be filled.

Mr. Smith pointed out revisions proposed for the Management Committee's consideration. (1) Re-establish the Enhancement Funds Working Group as an Enhancement Peer Review Group; (2) Prohibit members serving on the Enhancement Peer Review Group from ranking their own projects; (3) Provide that members on the Enhancement Peer Review Group serve terms up to two years; and, (4) Geographically balance the membership on the Enhancement Peer Review

Group. He noted proposed revisions to the membership of the new Enhancement Peer Review Group: (1) One member from the Streets Committee; (2) One member from the Bicycle Task Force; (3) One member from the Pedestrian Working Group; (4) One historic preservation representative; (5) One landscape architecture/riparian interest representative; (6) One arts representative. Mr. Smith stated that these positions mirror federal legislation. He added that if approved, names of representatives to fill the seats would be provided to the Chair of the Regional Council, who makes appointments to MAG committees.

Mr. Smith noted that one additional task is who will Chair the Enhancement Peer Review Group and represent MAG at the state TERC process. He stated that the appointment requires a lot of review time of the applications and attending a two- or three-day function at the state Transportation Enhancement Fund Review Committee meeting. Mr. Smith stated that historically, the Management Committee representative who co-chaired the Working Group was the Chair or Vice Chair; however, when the Regional Council established the group, it specified only that it be a Management Committee member.

Chair McClendon asked if members had any issues or objections to the six members of the Enhancement Peer Review Group or the proposed four rules.

Ms. Peters stated that Phoenix staff had suggested including a member of the MAG Transportation Review Committee.

Chair McClendon suggested that the Transportation Review Committee member could serve in the Chair role.

Mr. Crossman stated that the most of his concerns had been addressed in the proposed rules, but he would like to add the inclusion of an objective methodology for ranking projects. He said that he had submitted to MAG a sample for consideration. Mr. Crossman stated that in his experience, he saw no methodology for selecting projects. Also, when votes were cast, they were done so privately and not divulged. Mr. Crossman stated that the geographical balance rule was very important and had been lacking. He expressed his agreement with including a member of the Transportation Review Committee. Mr. Smith stated that transparent voting could be added to the rules.

Kevin Wallace, the MAG staff member who supports the Working Group, was asked to come forward and explain the criteria used in the Working Group review and ranking process. Mr. Wallace stated that the Working Group uses a 100-point system that is the same used by the Transportation Enhancement Fund Review Committee. The categories include overall project considerations and objectives, project needs and one-time opportunity, ongoing maintenance of the project, cost effectiveness and reasonable cost factors, community involvement, and community benefit and improvement. Mr. Wallace raised the point that if different criteria were used than the Transportation Enhancement Fund Review Committee, the recommendations could differ from the rankings at the statewide level.

Mr. Crossman said that it would behoove MAG to use the same criteria, but his concern was that there had not been a good effort in making the criteria known, especially at the presentations.

he reported that in questioning members last year, he got the impression they did not follow the criteria.

Chair McClendon asked if criteria existed at the state level. Mr. Wallace replied that was correct. Chair McClendon asked if the criteria were widely known in putting together applications. Mr. Wallace replied that MAG hosts a workshop each year in which the application process is reviewed. In addition, this information is posted on the MAG and ADOT websites.

Mr. Crossman clarified that his concern was not with the applicants, but that the Working Group did not know the criteria.

Chair McClendon stated that another rule to add would be ensuring that the review committee would be made aware of the criteria to be used in the review and ranking process.

Chair McClendon asked for input on the proposal that the Transportation Review Committee representative could serve as Chair.

Mr. Crossman expressed his support for the proposal.

Chair McClendon noted apparent agreement for having the Transportation Review Committee representative serve as Chair.

Chair McClendon called for a motion to make a recommendation regarding the (1) leadership, (2) composition and (3) operating procedures of the Enhancement Funds Working Group, as noted in the memorandum, with the addition of transparent voting and including a member of the Transportation Review Committee representative who could serve as Chair. Mr. Swenson moved, Mr. Meyer seconded, and the motion carried unanimously.

Chair McClendon asked the process for providing candidates for the Chair. Mr. Smith stated that the Transportation Review Committee would be requested to provide more than one name to the Chair of the Regional Council, who would make the Chair appointment.

## 11. Legislative Update

Nathan Pryor, MAG Senior Policy Planner, provided an update on legislative issues of interest. Mr. Pryor stated that an updated bill summary was at each place.

Mr. Pryor addressed the state 2008 budget. He mentioned one item of note that was the transfer of \$42 million from the STAN account to the Department of Public Safety for highway patrol costs. He stated that the state 2009 budget proposal will be monitored because the 2008 budget fix was done behind closed doors.

Mr. Pryor stated that House Bill 2381, which increased the amount of state 9-1-1 funds from three to five percent that could be used for essential staff, has stalled. He said that City of

Phoenix staff reported it is seeking an alternative bill to insert language to address this and will keep MAG informed.

Mr. Pryor stated that House Bill 2049 has stalled in part due to the 14 amendments proposed by Senator Gould. He stated that one provision would allow single occupant vehicles to use high occupancy vehicle lanes if they meet the federal definition of low emissions. Mr. Pryor noted that he will continue to monitor this bill.

Mr. Pryor stated that the proposed gas tax holiday from Memorial Day to Labor Day is estimated to result in a \$10 billion impact to the Highway Users Revenue Fund. He reported that the House Transportation and Infrastructure Committee has come out in opposition to the proposal. Mr. Pryor commented that the proposal is unlikely to proceed, but he will continue to monitor it.

12. Comments from the Committee

An opportunity will be 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.

Mr. Crossman expressed his appreciation to MAG staff for the positive changes proposed to the Enhancement Funds Working Group. He commented that he felt these changes will help the entire region. Mr. Crossman stated that he is Chair of the MAG Streets Committee, and when the MAG group came before the state Transportation Enhancement Funds Review Committee to present their application, there was a name plate for the Street Committee representative. Mr. Crossman stated that the Streets Committee did not know the person and had never appointed this person as their representative. He indicated that this situation prompted him to contact MAG that changes were needed.

There being no further business, the meeting adjourned at 1:20 p.m.

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Secretary

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Chairman