

**MINUTES OF THE  
MARICOPA ASSOCIATION OF GOVERNMENTS  
TRANSPORTATION POLICY COMMITTEE MEETING**

November 17, 2004  
MAG Office, Saguaro Room  
Phoenix, Arizona

**MEMBERS ATTENDING**

Mayor Elaine Scruggs, Glendale, Chair	+Rusty Gant, ADOT
Vice Mayor Peggy Bilsten, Phoenix, Vice Chair	Mayor Hugh Hallman, Tempe
* Benito Almanza, Bank of America Arizona	Mayor Keno Hawker, Mesa
F. Rockne Arnett, Citizens Transportation Oversight Committee	* Eneas Kane, DMB Associates
+Mayor Ron Badowski, Wickenburg	Mayor Mary Manross, Scottsdale
Mayor Steven Berman, Gilbert	*Jacob Moore, Salt River Pima-Maricopa Indian Community
Dave Berry, Swift Transportation	Diane Scherer, Phoenix Association of Realtors
Jed S. Billings, FNF Construction	* Councilmember Daniel Schweiker, Paradise Valley
Mayor James Cavanaugh, Goodyear	Martin Shultz, Pinnacle West Capital Corp.
Councilmember Pat Dennis, Peoria	Supervisor Don Stapley, Maricopa County
* Mayor Ron Drake, Avondale	Mayor J. Woodfin Thomas, Litchfield Park
Mayor Boyd Dunn, Chandler	

\* Not present

# Participated by telephone conference call

+ Participated by videoconference call

1. Call to Order

The meeting of the Transportation Policy Committee (TPC) was called to order by Chair Elaine Scruggs at 4:19 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Chair Scruggs announced that Mayor Badowski and Rusty Gant were participating in the meeting via videoconference call. She stated that a list of names and letters received regarding business representatives to the TPC was at each place.

3. Call to the Audience

Chair Scruggs stated that an opportunity is provided to the public to address the Transportation Policy 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. Citizens will be requested not

to exceed a three minute time period for their comments. She noted that an opportunity is provided to comment on agenda items posted for action at the time the item is heard. Chair Scruggs noted that no public comment cards had been turned in.

4. Approval of July 28, 2004 Meeting Minutes

Mr. Shultz moved to approve the July 28, 2004 meeting minutes. Vice Mayor Bilsten seconded, and the motion carried unanimously.

5. Schedule for Major Activities

Mayor Scruggs announced that the Proposition 400 had passed with 57.68 percent of the vote--647,063 yes versus 474,766 no. A map of the voting results on Proposition 400 was displayed. She expressed appreciation to all who worked toward its success. Copies of the map were handed out.

Eric Anderson stated that in the 1985 plan, building began on projects without sufficient oversight of the costs and revenues. He said that a number of management practices are being implemented this time to ensure the Regional Transportation Plan starts off on a good basis. Mr. Anderson reviewed the tentative schedule of major topics anticipated for the TPC to address during the upcoming year during the implementation of the Regional Transportation Plan. He said that the schedule was included in the agenda packet.

Vice Mayor Bilsten stated that she wanted to include discussion to ensure that the freeways would be continuously maintained year after year.

Dennis Smith stated that the next TPC meeting was scheduled for December 22, 2004. He said that discussion of the draft five year TIP was scheduled for that meeting. Mr. Smith stated that the December meeting could be cancelled if members concurred that the draft document could be sent out for review in advance and then be considered at the January 12, 2005 meeting. Agreement to cancel the December 22 meeting was noted.

Councilmember Dennis asked about the schedule for discussing projects beyond the five-year plan that cities may want to advance. Mr. Anderson replied that work on the Arterial Street Program is ongoing. He indicated that a number of cities have expressed interest in building their projects sooner. Mr. Anderson explained that it is important that regional funding remains in its appropriate phase. Mr. Anderson stated that cities could advance projects using their own funds and be reimbursed according to the adopted schedule. He advised that there is a reluctance to advance regionally-funded projects until the sales tax funds are flowing and after the 20-year baseline program is in place. Mr. Anderson stated that there might be more revenue early in the program, but we need to exercise restraint to not accelerate projects early in the program. In the event there is a recession, funds could be insufficient. Councilmember Dennis stated that she was more concerned with accountability. Mr. Anderson said that the Arterial Street Program was structured to provide fiscal accountability and protects projects funded by the sales tax. He added that he would be providing further detail on this under agenda item #6, Overview of the RTP Arterial Life Cycle Program Policies and Procedures.

Mayor Hawker asked for clarification of the process for review of the Annual Report and coordination with the other modes, especially transit. Mr. Anderson replied that the Annual Report is the

responsibility of MAG. He said that MAG will be working on its Arterial Life Cycle along with ADOT on the Freeway Life Cycle and with RPTA on the Transit Life Cycle, including the financial modeling and analysis. All three will be rolled up into the Annual Report, which would then be brought forward to the TPC. Mayor Hawker suggested that acceleration policies be consistent across modes. Mr. Anderson noted that MAG had provided the draft Arterial Life Cycle Program to Valley Metro to use as a model.

#### 6. Overview of the RTP Arterial Life Cycle Program Policies and Procedures

Mr. Anderson provided an overview of the draft RTP Arterial Life Cycle Program and policies and procedures. He said the draft was developed over the past year through workshops with MAG member agency staff to develop the details for implementing the arterial program. Mr. Anderson stated that HB 2456 requires that MAG adopt a budget process that ensures the estimated cost of the mode does not exceed the total amount of revenue estimated to be available for the mode. Mr. Anderson stated that the Arterial Program includes 62 street projects in the amount of \$1.3 billion, 34 intersection projects in the amount of \$113 million, \$50 million for arterial ITS projects, \$863 million in sales tax funds, and \$105 million in CMAQ-funded and \$497 million in STP-funded projects. He said that the Arterial Life Cycle Program must include all of the arterial projects identified in the RTP. He noted that resources to fund arterial projects must be sufficient to build the first projects as well as the last projects in the program. Mr. Anderson stated that many of the projects have not been fully scoped or designed and adequate funding to complete the project must be identified before construction begins. Mr. Anderson commented on maximizing funds available from third parties. Mr. Anderson said that jurisdictions will be able to advance construct projects and be reimbursed according to the adopted schedule.

Mr. Anderson stated that MAG funds projects that are then implemented by MAG member agencies. He explained that in the Arterial Life Cycle Program, MAG would sign a project agreement with a Lead Agency to be established for each project, defining the scope of work and schedule for the project in consideration for the regional funding. Mr. Anderson said those local agencies involved would need to agree on the Lead Agency for projects that extend into more than one jurisdiction. He advised that the project agreement approach is needed to provide better certainty that the project will be completed as committed in Proposition 400 and the RTP. Mr. Anderson stated that it is important to have a written project agreement in place before the project begins.

Mr. Anderson stated that any material changes to the program and projects would need to go through the MAG committee process, typically involving the Transportation Review Committee, Management Committee, Transportation Policy Committee and Regional Council. Mr. Anderson stated that the regional funding contribution to a project budget would be fixed at the amount specified in the RTP, adjusted for inflation.

Mr. Anderson explained that the RTP portion is fixed; even if the cost of a project rises, a project would receive only the fixed amount. He said that generally, projects are funded with a 70 percent sales tax, 30 percent local match. Mr. Anderson advised that cost increases will be the responsibility of the local jurisdiction. Mr. Anderson stated that this approach simplifies the life cycle management requirements for the program and recognizes that local jurisdictions will have primary responsibility for project scoping, design, right-of-way acquisition and construction. He said that we want to ensure that the needs of individual communities are met without a tremendous amount of administrative oversight by MAG.

Mr. Anderson stated that any regional funds remaining after an Arterial Life Cycle Program project is completed may be reallocated to another Arterial Life Cycle Program project in the same geographic area and serving the same general population.

Mr. Anderson stated that projects receiving federal funds will be subject to the federal process for implementing projects, which includes required environmental, utility and right-of-way clearances. It is anticipated that the available federal funding will be allocated first to projects volunteered by their respective lead agencies to receive the funding; projects that may require federal funding in the future, such as upgrades; and larger projects, on the basis that their impacts may be greater, their timelines longer, and a lesser number of total projects would be impacted.

Mr. Anderson said that funding will be provided on a reimbursement basis, commensurate with progress. He noted that cities would provide an invoice to MAG and ADOT would be the paying agent. Mr. Anderson stated that eligible expenditures will be restricted to design, right-of-way, construction and capacity and safety projects. He noted that there will be two audits—the performance audit of the entire plan every five years and an annual financial audit. Mr. Anderson stated that the draft RTP Arterial Life Cycle Program and its policies and procedures would be discussed by the TPC in the spring, following the development of the TIP.

Mr. Shultz commended the manner in which the reporting was set up. He said that since 1985, there was no process like this to report to the public body. Mr. Shultz stated that people have been asking for a transparent review. The transparent review of projects, the timing of projects, and the flow of money are important to this very complex process. Mr. Shultz stated that the business community and the public greatly appreciate MAG pulling together to accomplish this.

Mr. Smith commented on the point that sales tax funds were being capped for the street program, but not for the freeway program. He said that the ADOT side must maintain discipline to ensure we are building within the budget or those at the end might not have funding.

Councilmember Dennis asked the consequence if an entity could not move forward with its 30 percent match. Mr. Anderson replied that the project would likely be delayed. He added that in the case of a multi-jurisdictional project where two agencies have the funds but one does not, the issue still needs to be decided.

Chair Scruggs stated that she hoped that consideration would be given whether the jurisdiction that could not provide a match is at the middle or the end of a project. She gave the Grand Avenue improvements project as an example. Although it was not a matter of a jurisdiction not having matching funds, some jurisdictions could not decide what they wanted, so the project proceeded without them. Those who could not decide would get their improvements later.

Mayor Hawker asked for clarification that if funds come in below projections, the freeways would get cut, but the streets will still receive their funding. Mr. Anderson replied that if sales tax revenues come in less than forecast over a significant amount of time, adjustments may need to be made to all projects.

7. Nominations for Business Representatives on the Transportation Policy Committee

Mr. Smith stated that with the passage of Proposition 400 on November 2, 2004, a new state law is in effect regarding the appointment of the business members on the Transportation Policy Committee (TPC). He said that according to state law, the President of the Senate and the Speaker of the House of Representatives are authorized to appoint six business members who represent regionwide business interests. Mr. Smith stated that the law also provides that the Chair of the Regional Planning Agency may submit names to the President of the Senate and Speaker of the House of Representatives for consideration. He indicated that a memorandum was sent to Regional Council members requesting names for the business representatives. Mr. Smith noted that copies of the letters received in response to the memorandum were at each place.

Mr. Smith then explained that the existing business members of the TPC serve until December 31, 2004 and may be reappointed as a private sector representative. He indicated that the members appointed by the legislators will assign themselves by lot to terms of two, four and six years in office. The Chair of the Regional Planning Agency notifies the President of the Senate and the Speaker of the House of Representatives of these terms. He noted that subsequent appointments will serve for six years.

Mr. Smith stated that the business appointees will include one representative each from transit, freight, and construction interests, plus three additional business representatives. He stated that input from the TPC will be provided to the Regional Council for consideration at the meeting on December 15, 2004. Mr. Smith stated that the Regional Council Chair then submits the names to the President of the Senate and Speaker of the House for their consideration. He stated that after the President and Speaker make the appointments, lots for terms will be drawn, probably at the January TPC meeting. These terms will then be submitted to the President and the Speaker. Mr. Smith stated that input on business representatives was included on the list that was at each place. He noted that current TPC member Benito Almanza had chosen not to pursue another term. Mr. Smith stated that names submitted included current TPC members David Berry, Jed Billings, Eneas Kane, Diane Scherer, and Marty Shultz. Other names David C. Scholl, Senior Vice President of Westcor, submitted by Glendale, and Paul Johnson, businessman and former Mayor, submitted by Phoenix.

Mayor Hallman moved to recommend David Berry, Jed Billings, Eneas Kane, Diane Scherer, David C. Scholl and Marty Shultz as business members on the Transportation Policy Committee. Mayor Berman seconded, and the motion carried unanimously.

There being no further business, the meeting adjourned at 5:00 p.m.

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Chair

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Secretary