

**MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
REGIONAL COUNCIL MEETING**

February 26, 2003
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Mayor Wendy Feldman-Kerr, Queen Creek, Chair	Supervisor Don Stapley, Maricopa County
*Mayor Joan Shafer, Surprise, Vice Chair	Mayor Keno Hawker, Mesa
Mayor Douglas Coleman, Apache Junction	Mayor Edward Lowry, Paradise Valley
Mayor Ron Drake, Avondale	Mayor John Keegan, Peoria
*Mayor Dusty Hull, Buckeye	Councilmember Peggy Neely for
Mayor Edward Morgan, Carefree	Mayor Skip Rimsza, Phoenix
Vice Mayor Ralph Mozilo, Cave Creek	*President Joni Ramos, Salt River
Mayor Boyd Dunn, Chandler	Pima-Maricopa Indian Community
Mayor Robert Robles, El Mirage	Mayor Mary Manross, Scottsdale
* Mayor Jon Beydler, Fountain Hills	Vice Mayor Barb Carter for
* Mayor Chuck Turner, Gila Bend	Mayor Neil Giuliano, Tempe
*Governor Richard Narcia, Gila River Indian Community	*Mayor Adolfo Gamez, Tolleson
Mayor Steven Berman, Gilbert	Mayor Lon McDermott, Wickenburg
Mayor Elaine Scruggs, Glendale	*Mayor Daphne Green, Youngtown
Vice Mayor Seth Kanter, Goodyear	Rusty Gant, ADOT
* Mayor Margarita Cota, Guadalupe	Joe Lane, ADOT
Mayor J. Woodfin Thomas, Litchfield Park	F. Rockne Arnett, Citizens Transportation Oversight Committee

* Those members neither present nor represented by proxy.
Attended by videoconference or by telephone conference call.

1. Call to Order

The meeting of the Regional Council was called to order by Chairman Wendy Feldman-Kerr at 5:10 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Chairman Feldman-Kerr welcomed proxies Councilmember Peggy Neely for Mayor Skip Rimsza, Phoenix, and Vice Mayor Barb Carter for Mayor Neil Giuliano, Tempe.

Chairman Feldman-Kerr stated that the RPTA has agreed to provide transit tickets for those who used transit to come to the meeting. She stated that garage parking validation was available from staff.

Chairman Feldman-Kerr stated that due to the room's acoustics, audience conversations carry over to the Council table, making it difficult to hear presentations. She requested that the audience keep conversations to a minimum during the meeting.

Chairman Feldman-Kerr stated that MAG staff, who are seated at each end of the entryways to the Regional Council table on both sides of the room, are available to assist members of the public in turning in their public comment cards.

Chairman Feldman-Kerr stated that for agenda items #5G, Amendment to the FY 2003-2007 MAG Transportation Improvement Program for Safety and Enhancement Fund Projects and #5F, Approval of Rubberized Asphalt Improvements, revised summary transmittals reflecting action taken by the Transportation Policy Committee were at each place. For agenda item #7, TEA-21 Reauthorization Update, an updated memorandum on additional projects submitted by member agencies was at each place. For agenda item #11, Legislative Update, a summary was at each place.

3. Call to the Audience

Chairman Feldman-Kerr stated that according to MAG's public comment process, members of the audience who wish to speak are requested to fill out the cards, which are available on the tables adjacent to the doorways inside the meeting room. She noted that there is a three minute time limit. Public comment is provided at the beginning of the meeting for non-agenda items.

Chairman Feldman-Kerr recognized public comment from Joseph Ryan, who stated that he would address the Council on basic assumptions in planning. Included in the TIP and Plan is a major investment-light rail. The problem is that planners working on light rail cannot change their plan. Mr. Ryan stated that the vehicle of choice for the MAG region was decided in the 1990s. The vehicle is called light rail, but is in effect, a streetcar. Mr. Ryan stated that times have changed and population growth is now in the suburbs. He mentioned an article in The Arizona Republic on Sunday that said that few people go downtown to events. People are going to the suburbs for conventions, Scottsdale, for example. Mr. Ryan stated that a streetcar is an inappropriate mode to connect the suburbs with the airport and downtown facilities and another mode should be used. He stated that the planners need to change gears. It is hard, but they would be well advised to do so. Chairman Feldman-Kerr thanked Mr. Ryan for his comments.

Chairman Feldman-Kerr recognized public comment from Steve Dreiseszun, who stated that he represented the FQ Story I-10 Inner Loop Action Committee. He played a video that showed the impacts of I-10 on his central Phoenix neighborhood. Mr. Dreiseszun stated that rubberized asphalt will help with noise mitigation, and he appreciated that program moving forward. However, this will not handle all the mitigation. The noise levels exceed both the federal and state levels. He noted that this segment of I-10 is the fifth busiest segment of any segment in the state. Mr. Dreiseszun stated that sound walls of sufficient height are needed to block not only noise, but the sight of trucks. He noted that 264,000 vehicles and 23,000 trucks use the inner loop segment per day. Mr. Dreiseszun stated that noise walls are also needed to mitigate noise, but in his neighborhood, the walls are too short. The walls in other parts of I-10 are taller, but these inexplicably stop at 51st Avenue. Mr. Dreiseszun requested that sound walls of an appropriate height be constructed and that heavy truck traffic be rerouted from the inner loop to I-17, which is a more commercialized area. Chairman Feldman-Kerr thanked Mr. Dreiseszun for his comments.

Chairman Feldman-Kerr recognized public comment from Blue Crowley, who stated that he would like to see an effort for support of Glendale to get the Super Bowl. Mr. Crowley stated that he would like to see a cooperative effort to get a bus route on 51st Avenue north of Camelback Road. He stated that he would like to see a cooperative effort to get heavy rail to Scottsdale and Fountain Hills as part of commuter rail traffic. These lines could be used for shipping purposes. The only way to get goods out of the Phoenix area currently is west to Los Angeles or south through Texas. Mr. Crowley stated that he would like to see the channelization of the Gila River and the port of Rocky Point, Mexico. He urged consideration of the farther out MAG member agencies. Mr. Crowley asked when would the cutoff on Vulture Mine Road in Wickenburg be done and done correctly. Mr. Crowley stated that the 1989 document he and Mayor Hawker worked on stated that all communities need a circulator and connector bus system. Mr. Crowley commented that SR 85 is glossed over, but can anyone say that they have not had a citizen killed on that road? It is a death trap that needs to be fixed. Mr. Crowley stated that the Bus Book is supposed to include spring training schedules, but staff said they did not have time to include the schedules. Chairman Feldman-Kerr thanked Mr. Crowley for his comments.

4. Executive Director's Report

Mr. Smith stated that the 2003 budget sets highway spending at \$31.6 billion. Since October, a series of resolutions were passed to keep the government operating at 2002 levels. The President's Budget for 2004 sets highway funding at \$29.3 billion, which is a seven percent cut from 2003 levels. Congress will consider and amend the President's Budget before next year's appropriations bills. The Transportation and Infrastructure Committee is against the proposed cuts noting the importance of increasing the highway funding allocation in advance of reauthorization of the six-year transportation bill.

Mr. Smith stated that 11 national associations representing elected and appointed local officials formed a transportation coalition called Local Officials for Transportation (LOT). The focus of LOT is to get more money directed to help relieve urban congestion, increase rural road safety and assist any new nonattainment areas under the Congestion Mitigation and Air Quality (CMAQ) program. The coalition is asking that the successor to TEA 21 suballocate money to local governments and metropolitan planning organizations (MPOs) in an attempt to hand over resources and decision-making capabilities to those officials who are closest to the people and communities.

Mr. Smith stated that a budget workshop was held on February 20, 2003 at MAG in an effort to get early input into the FY 2004 MAG Budget and to provide information about the proposed budget for our member agencies. The workshop included an overview of MAG's estimated FY 2004 revenues and expenses and proposed projects for the FY 2004 Work Program. Mr. Smith noted that representatives from Scottsdale, El Mirage, Goodyear, Youngtown and Gilbert attended the workshop.

5. Approval of Consent Agenda

Chairman Feldman-Kerr stated that public comment is provided for 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 Feldman-Kerr stated that agenda items #5A through #5H were on the consent agenda.

Chairman Feldman-Kerr recognized public comment from Mr. Crowley, who stated that he supported agenda item #5C, Revised Funding Distribution for the Clean Cities Dedicated Alternative Fuel Vehicle Rebate Program. He pointed out his support noted in the public input in the summary transmittals for agenda items #5D, Amendment to the FY 2003 MAG Unified Planning Work Program and Annual Budget for the Telework Outreach Program. For agenda item #5F, Approval of Rubberized Asphalt Improvements, he stated that he hoped the citizen's concerns about sensitivities to rubber would be addressed. Chairman Feldman-Kerr thanked Mr. Crowley for his comments.

Chairman Feldman-Kerr asked if there were requests to remove an item from the consent agenda. Hearing none, she asked for a motion.

Mayor Ron Drake moved to approve consent agenda items #5A, #5B, #5C, #5D, #5E, #5F, #5G, and #5H. Mayor Boyd Dunn seconded, and the motion carried unanimously.

5A. Approval of January 29, 2003 Meeting Minutes

The Regional Council, by consent, approved the January 29, 2003 meeting minutes.

5B. Conformity Consultation

A proposed amendment to the FY 2003-2007 Transportation Improvement Program involves the addition of five new Transportation Enhancement projects in fiscal years 2003 and 2004. In addition, the amendment also includes the deferral of two Maricopa County intersection safety and improvement projects and one Transportation Enhancement project from FY 2002 to FY 2003. An amendment is required to add the new projects to the TIP. The amendment involves new projects that are considered exempt from conformity determinations and minor project revisions that do not require a conformity determination. This item was on the agenda for consultation.

5C. Revised Funding Distribution for the Clean Cities Dedicated Alternative Fuel Vehicle Rebate Program

The Regional Council, by consent, approved the revised distribution of the remaining \$12,000 in funds from the U.S. Department of Energy for the Clean Cities Dedicated Alternative Fuel Vehicle Rebate Program. On July 25, 2001, the Regional Council approved a distribution of the \$70,000 in grant funding from the Clean Cities Dedicated Alternative Fuel Rebate Program. As of January 2003, MAG was informed by some of the recipients that they will be unable to expend \$12,000 of their remaining grant funds when the grant ends on May 31, 2003. Due to the Department of Energy needing to be advised by February 28, 2003, staff contacted the remaining agencies to indicate if they could expend the remaining funds. Two agencies indicated that they could expend the remaining funds. The Management Committee recommended that the City of Phoenix receive the remaining \$12,000.

5D. Amendment to the FY 2003 MAG Unified Planning Work Program and Annual Budget for the Telework Outreach Program

The Regional Council, by consent, approved an amendment to the FY 2003 MAG Unified Planning Work Program to use \$160,000 from the Telework Outreach Program for an Ozone Education Program conducted by the Regional Public Transportation Authority. The Regional Public Transportation Authority (RPTA) Telework Outreach Program is requesting to use \$160,000 of its \$300,000 grant to

launch an Ozone Education Program this Spring. The Management Committee recommended amending the FY 2003 MAG Unified Planning Work Program and Annual Budget to accomplish this task.

5E. Red Letter Notification

The Regional Council approved the Red Letter Process in 1996 to provide early notification of potential development in planned freeway alignments. Development activities include actions on plans, zoning, and permits. Notifications will be placed on the consent agenda for information and discussion at the Transportation Review Committee, Management Committee, and Regional Council meetings. If a member wishes to take action on a notification, the item can be removed from the consent agenda for further discussion. The item could then be placed on the agenda of a subsequent meeting for action. ADOT received 100 Red Letter notifications for the last six months of calendar year 2002, with seven properties in or potentially in freeway right of way (see the attached). Of the seven, three were submitted by the Town of Gilbert (Val Vista / Santan traffic interchange, for the Spectrum development; Williams Field Road / Santan; and Val Vista Road/ Frye Road), two by the City of Phoenix (Beardsley Road/22nd Street/Loop 101; and Washington Street/Van Buren/SR 143), and one each by the Cities of Chandler (Gilbert Road/Santan) and Peoria (El Caminito Drive/91st Avenue/Loop 101). Eight other notices were distributed by ADOT with recommendations that the developer's engineer or architect get in touch with the ADOT Engineer in charge of that area in order to verify boundary lines. ADOT did not receive any requests for advance acquisition in the six-month period covered by the report.

5F. Approval of Rubberized Asphalt Improvements

The Regional Council, by consent, approved the map to implement the rubberized asphalt improvements, with the contingency that if a city could work a trade with another city that would not negatively impact the rest of the system, or if a city could provide alternative funding that would not negatively impact the rest of the system, that would be allowed. In January, the funding for the rubberized asphalt improvements was approved by the Regional Council contingent upon the map of the improvements being approved at the February meeting. The Transportation Review Committee (TRC) recommended the map for the implementation of the rubberized asphalt improvements. The Management Committee concurred with the TRC and further refined the recommendation to include a contingency that if a city could work a trade with another city that would not negatively impact the rest of the system, or if a city could provide alternative funding that would not negatively impact the rest of the system, that would be allowed. These would be material changes, which would need to come back to MAG for approval. At their meeting on the February 19, the Transportation Policy Committee concurred with the Management Committee.

5G. Amendment to the FY 2003-2007 MAG Transportation Improvement Program for Safety and Enhancement Fund Projects

The Regional Council, by consent, approved an amendment to the FY 2003-2007 MAG Transportation Improvement Program for federal Transportation Safety and Enhancement funds on the Table One. Recently, the State Transportation Board approved Transportation Enhancement Activity (TEA) funding for four projects within the MAG region. In addition, MAG was notified of two Surface Transportation program, Hazard Elimination Safety (STP-HES) funded Maricopa County projects and two TEA funded projects (one for Chandler and one for ADOT) that need to be added to the TIP. It is necessary to amend the current TIP to include these projects in FY 2003 and FY 2004 so that they may proceed to

construction. The Management Committee and the Transportation Policy Committee recommended approval of this amendment.

5H. Approval of Recommendations for Social Services Block Grant Fund Recommendations, SFY 2003-2004

The Regional Council, by consent, approved the priority needs, services and funding recommendations for SFY 2003-2004 to be forwarded to the Arizona Department of Economic Security for advertisement and contracting. Each year, the Human Services Coordinating Committee identifies which services should be targeted for Social Services Block Grant Funds (SSBG). This year, the federal government has not specified and appropriated SSBG funding to the states for the 2003-2004 fiscal year. To move the funding allocation process along as soon as funds become available, the Department of Economic Security has requested that MAG identify services and funding amounts using the same funding allocation figures as in the 2002-2003 fiscal year. To accommodate this request, the MAG Human Services Coordinating Committee has recommended using the 2002-2003 recommendations for the 2003-2004 fiscal year. The Management Committee concurred with the recommendation.

7. TEA-21 Reauthorization Update

This agenda item was taken out of order.

Tom Remes stated the draft resolution for the TEA-21 Reauthorization contains three components: the resolution with guiding principles; discretionary projects from ADOT and RPTA; and a list of projects submitted by member agencies requesting letters of support. Mr. Remes stated that the support process for the city projects would include a letter from MAG, and each project would need to compete on its own merits. He noted a change to the resolution on page six, where the City of Phoenix projects were taken off the resolution page and were now included on the city projects list.

Councilmember Neely asked for clarification of the Phoenix projects. Mr. Remes stated that originally, the Phoenix projects were included in the resolution. Since then, the member agency project list was developed as other member agencies submitted projects, and the City of Phoenix projects have been included in that list.

Chairman Feldman-Kerr recognized public comment from Mr. Ryan, who stated that most air pollution is created when cars are idling and starting, therefore, pollution is increased by traffic congestion. A lower level of pollution is a goal. Hydrocarbon burning vehicles are a problem and fuel cell cars will not be around in 20 years. Mr. Ryan stated that there are safety problems with the present configuration of the vehicles of choice operating in the middle of the street, rather than in the curb lane, as buses do currently. If people are in a hurry and they run out into the middle of the street to catch the trolley, that is a safety problem. Mr. Ryan stated that people need high speed transportation. The vehicle of choice should be a trench and cover, or at-grade, as long as it is not in the middle of the street. Mr. Ryan suggested looking at previous concepts of standards. Chairman Feldman-Kerr thanked Mr. Ryan for his comments.

Mayor Scruggs joined the meeting.

Chairman Feldman-Kerr recognized public comment from Mr. Crowley, who asked who has read ISTEA beside Mayor Hawker and Mr. Arnett? He would like all to abide by it. Mr. Crowley stated that

he did not see where bike and pedestrian are being given first consideration. He noted that the new overpasses at Grand Avenue are not transit, bike or pedestrian friendly, nor intermodal. Mr. Crowley stated that he has been requesting a tunnel at I-17 and the Grand Canal, and the express terminal at I-10 needs to be completed or abandoned to the State. Mr. Crowley commented on a tunnel at Grand Avenue and the Grand Canal so the bike path will function better. He was told that one of the bike paths ends at one side of I-17 and the other begins at the other side of I-17. He stated that he asked staff why flyers were not handed out to people outside the Burton Barr Library for an event inside, and was told that people would complain that there was outreach to the poor and minorities in particular. But that outreach is part of the law, abide by it. Mr. Crowley commented that instead of looking at how we can get money, consider bike and pedestrian first. Chairman Feldman-Kerr thanked Mr. Crowley for his comments.

Mayor Dunn moved to approve the TEA-21 Reauthorization Resolution. Mayor Thomas seconded, and the motion carried unanimously.

6. Transportation Policy Committee Update

Mayor Elaine Scruggs, Vice Chair of the Transportation Policy Committee, provided an update on recent activities of the Committee. Mayor Scruggs stated that the TPC meeting on February 19 was a constructive meeting. The committee approved four main goals for developing the Regional Transportation Plan: System Preservation and Safety; Access and Mobility; Sustaining the Environment; Accountability and Planning. In addition, the Committee approved 15 objectives, with the understanding that they may continue to be refined by the TPC. Mayor Scruggs stated that the Committee discussed the evaluation methodology and performance measures, and action is anticipated at the March meeting. She mentioned that the Committee is working on a very tight time frame. Mayor Scruggs reported that a presentation on election timing was given by the consultant, Tom Milton, who reviewed the advantages and disadvantages of having a May or a November election. Mayor Scruggs stated that the TPC approved pursuing a May election because the extension would be the focus of the election and would not have to compete with other campaigns for voter attention. She noted that outreach is ongoing to organizations across the Valley, including the Greater Phoenix Business Coalition. Mayor Scruggs stated that the House approved authorizing the extension of the half cent sales tax for transportation by a vote of 60-0. The legislation recognizes MAG's planning authority and the TPC as a critical part of developing the RTP.

8. ADOT Life Cycle Program for the MAG Regional Freeway System and the MAG Region ADOT Statewide Program

Mr. Anderson gave a presentation on the tentative Life Cycle Program for the MAG Regional Freeway System and the Five-Year Highway Construction Program for the MAG region. Even though MAG is not going to be updating the MAG Transportation Improvement Program and the MAG Long Range Transportation Plan this year, ADOT is requesting that the attached Life Cycle Program and the MAG Region Statewide Program be approved by MAG for the purpose of public review and comment. Once public comment is received and any subsequent program changes are made, the ADOT projects will be incorporated into the next update of the MAG TIP and LRTP, subject to air quality conformity analysis. Mr. Anderson stated that the first attachment is for the Life Cycle Program for the MAG Regional Freeway System, with the changes listed on the top two pages followed by a complete listing of the projects needed to finish the freeway program by 2007. Mr. Anderson stated that the second attachment lists the MAG Region ADOT Statewide Program. These projects are funded from the ADOT

Discretionary Program funds. The projects being added for the new year of the program (2008) are listed on the first page. This is followed by a three-page summary of the changes to the statewide program for the MAG region and then by the full listing of the projects. Mr. Anderson noted that the approval is for the purpose of public review and comment. Any program changes would be included in the next TIP next spring. Mr. Anderson mentioned that ADOT needs action so they can move forward with the public review. He added that the program will go to the State Transportation Board in June and will complete their five year program.

Mayor Hawker asked if the Wickenburg Bypass alignment had been finalized. Mr. Anderson replied that the interim bypass had been finalized, but not the ultimate bypass.

Mr. Gant stated that the whole project was being done in two stages. He added that the interim alignment is from the Hassayampa Bridge to approximately one mile north of downtown Wickenburg. The ultimate bypass project is being moved to the future.

Mayor Hawker asked about the connection to Canamex. Mr. Gant replied that is tied to the “ultimate” bypass, and is not a part of the interim bypass.

Mr. Smith expressed his appreciation to ADOT for the cooperative programming process, which is unique across the nation.

Chairman Feldman-Kerr recognized public comment from Mr. Crowley, who commented on money being taken from park and ride for rubberized asphalt. He stated that when freeways are constructed, park and rides must be done. If you know where the freeways are going, why don't you know where the park and ride lots are going? Mr. Crowley commented that the project list calls for a grade separated structure at I-17 and the Grand Canal at a cost of \$3.5 million. At Glendale and 43rd Avenue, a tunnel will be constructed at one-third that cost. Mr. Crowley mentioned that he never asked for a grade separated system at I-17 and the Grand Canal, but had requested a tunnel all along. He stated that MAG is not on the same page as the County when it comes to bike and pedestrian facilities. No County road is built without bike and pedestrian being a part of the equation. Mr. Crowley stated that he would like MAG to get the State on the same page as the County and put park and ride lots on the map. Chairman Feldman-Kerr thanked Mr. Crowley for his comments.

Mayor Drake moved to approve the Life Cycle Program for the MAG Regional Freeway System and the MAG Region Statewide Program for the purpose of public review and comment. Mayor Thomas seconded, and the motion carried unanimously.

9. Air Quality Update

Lindy Bauer stated that the Arizona Center for Law in the Public Interest filed a lawsuit challenging the Environmental Protection Agency approval of the Revised MAG 1999 Serious Area Particulate Plan for PM-10 for the Maricopa County Nonattainment Area. On December 19, 2002, the Environmental Protection Agency filed its brief in defense of the plan. Ms. Bauer explained that in the brief, the EPA reasonably determined that the Plan has Best Available Control Measures and Most Stringent Measures for onroad and nonroad engines; the Plan met requirements without CARB diesel; the Plan provided for Best Available Control Measures and Most Stringent Measures for agriculture; requiring more than one Best Management Practice for each of the three agriculture categories could not be technologically justified and could cause an unnecessary economic burden; extension of the attainment date was

appropriately granted. Ms. Bauer stated that the American Trucking Associations, Inc. also submitted a brief on December 23, 2002 in support of the Environmental Protection Agency. She explained the main arguments in the American Trucking Associations' Brief: The Plan properly excludes CARB diesel as a Most Stringent Measure; cost renders it an infeasible control measure; expected PM reductions will not happen since refueling would likely occur outside the nonattainment area; may not receive an adequate supply for this area; would have a detrimental impact upon interstate and local trucking companies by decreasing competition in fuel refining and imposing an uneven playing field for trucking companies. Ms. Bauer displayed a timeline of the lawsuit. Chairman Feldman-Kerr thanked Ms. Bauer for her presentation.

Mayor Hawker asked for a definition of a nonroad engine. Ms. Bauer explained that nonroad engines would be engines such as construction equipment, which are also referred to as off-road engines.

10. Discussion of the FY 2004 Proposed Revenues and Expenditures and Projects in the MAG Unified Planning Work Program and Annual Budget

Becky Kimbrough stated that as part of our new budget process, an incremental review of key components of the budget and work program is being implemented. Line item data will be presented as the development process proceeds. Ms. Kimbrough stated that included in the agenda packet is a summary budget document, called "MAG Programs in Brief." She explained that the purpose of this document is to provide an easy snapshot of the MAG budget. Ms. Kimbrough reviewed proposed new projects shown on page two of Programs in Brief, and in the list handed out at the beginning of the meeting. She stated that no new staff positions were included for FY 2004. Ms. Kimbrough reviewed page three of the document, which provides a comparison of FY 2003 to FY 2004 total revenues and expenditures. Page four provides a summary of estimated expenditures. She advised that the numbers will continue to be subject to change. Ms. Kimbrough stated that staff is requesting that the Regional Council consider an option of taking two multi-year programmed videoconferencing projects and use the funding for contingency in the amount \$628,000. She stated that the next page shows the budget broken down by line item. Ms. Kimbrough stated that operating expenses show an increase due to overhead and personnel costs. Salary increases are based on an annual performance evaluation, and fringe expenses have increased as a result of increases in health and dental costs. Ms. Kimbrough noted that rent has increased because of the vacancy on the second floor, formerly occupied by transit. Overall, the budget shows an increase of 4.28 percent in FY 2004. She added that the timeline has also been updated. Chairman Feldman-Kerr thanked Ms. Kimbrough for her presentation and asked if there were questions.

Mayor Hawker asked if more money was being spent on the videoconferencing system, which has been quite expensive. Rita Walton, MAG Information Services Manager, explained that the funding request for the second year of two three-year videoconferencing projects was not yet approved by FHWA. MAG is asking that the final year of those project funds be placed in the MAG contingency account. Ms. Walton reported that the system has only been in full system acceptance two quarters and MAG has been providing usage reports to FHWA. She indicated that on average, the system was nearing break-even. Mayor Hawker asked for clarification of the reason for reporting to FHWA. Mr. Smith explained that funding for the system was provided by FHWA as a pilot project. MAG has strict reporting guidelines, such as trip reduction, etc. Mayor Hawker asked the amount spent to date. Ms. Walton replied that the original total was \$1.5 million, which included equipment, installation and ongoing support. Mayor Hawker asked for clarification if an additional \$1.2 million was still going to be spent on videoconferencing. Ms. Walton explained that additional multi-year projects were put into the TIP

for additional sites at member agencies and outreach to the underserved populations. She added that neither of these projects is underway at this time. Ms. Walton stated that FHWA wants the original project to be fully operational before approving additional funding.

Chairman Feldman-Kerr commented on the \$600,000 programmed in the TIP. Ms. Walton stated that the request to put the money into the FY 2003 budget was made, but the FHWA did not allow this until the system has been justified.

Mayor Hawker asked if that meant that we did not spend that money. Ms. Walton replied that was correct. Mayor Hawker asked for clarification on funding that MAG receives that could be used as a contingency. If FHWA pulls the funding away, there would be no money for contingency. Mr. Smith explained that funds are suballocated to MAG as either STP or CMAQ to distribute as MAG chooses. Staff felt that at this time, contingency was a better use of this funding than the other projects, on which FHWA indicated they were not ready to move forward. Mayor Hawker asked if that meant that MAG would still have money to allocate to projects, as long as the projects met FHWA approval? Mr. Smith replied that was correct. Ms. Kimbrough added that last year, it was recommended that MAG increase its contingency.

Mayor Hawker asked for clarification on why MAG would continue to pay rent on the space vacated by RPTA. Mr. Smith stated that when MAG leased office space in 1996, the owner wanted to lease to only one agency. Because MAG did not require all of the space on floors two and three at the time, space on the second floor was subleased to transit. Mr. Smith stated that transit recently vacated the space on the second floor, which has since been reconfigured to house the graphics and GIS departments, and construct the Cholla Room. Mayor Hawker asked the term of the lease. Mr. Smith replied that the lease, signed last year, is for five years, with an option to renew for another five years.

Vice Mayor Kanter mentioned that the City of Goodyear staff participated in the Budget Workshop via videoconferencing. He stated that the system has been very helpful and useful to them and the City is looking at ways to utilize the system more fully in the future.

11. Legislative Update

Mr. Smith stated that at the January 29 Regional Council meeting, the seven points to be used in discussion of HB 2288 and HB 2292 were approved. On February 10th, the House Transportation Committee conducted a hearing on HB 2292. Mr. Smith noted that Mayor Neil Giuliano, Chair of the Transportation Policy Committee, testified at the hearing. Following the February 10 meeting, a striker was prepared by Chairman Pierce that addressed many of MAG's concerns. Mr. Smith stated that at the House Transportation Committee meeting, Mayor Scruggs, representing the Transportation Policy Committee, testified to support the Pierce Striker. As Mayor Scruggs mentioned, HB 2292 was passed by a near record vote of 60-0. Mr. Smith mentioned that details needed to be worked out regarding timing, as well as ensuring that the safeguards now in place for freeway planning be included for transit. He reviewed the seven points approved by the Regional Council and the status of how these points were incorporated into the current legislation.

1. Acknowledge MAG's roles and responsibilities established in federal law to develop and approve the Regional Transportation Plan and the Transportation Improvement Program and that the Plan and Program are developed by MAG in cooperation with the Arizona Department of Transportation (ADOT)

and the Regional Public Transportation Authority (RPTA). Status: The Regional Council approves the Plan and the Plan is developed in cooperation with ADOT and the RPTA.

2. Acknowledge the role of the Transportation Policy Committee consisting of members of the regional planning agency, legislators and representatives of the private sector to develop and recommend the plan to the Regional Council. Status: The legislation requires MAG to establish the Transportation Policy Committee. Due to a constitutional provision, the two legislators have been removed.

3. Continue the safeguards to the public for the expenditure of the funds as established in state law, which includes MAG's responsibilities for planning freeway corridors; adopting freeway prioritization criteria; approving freeway priorities; approving material cost increases; and issuing an annual report on the status of the system. Also, extend these safeguards to other projects funded by the tax. Status: One of the safeguards (establishing a life cycle program for transit) is included in the Session Law. Other safeguards, such as material cost change and enhancement fund policies are not yet included.

4. Provide flexibility, if the Plan desires, to allow for the proceeds of the extension of the tax to be used for freeways and other controlled access facilities; major arterials and other multi modal projects, such as transit. Status: The Session Law refers to the Plan including design, right-of-way purchase or construction of transportation projects. The Regional Area Road Fund has not been changed to provide for projects other than controlled access. These changes can be made as the bill progresses through the legislature.

5. Provide that the one half cent sales tax be extended for a period of 20 years. Status: The bill mentions that the tax is for 20 years.

6. Acknowledge MAG's authority to develop the Plan and Program and conduct the air quality conformity analysis as prescribed under federal law. Status: The Bill acknowledges that the Regional Council approves the Plan and that MAG approves the Plan for an air quality conformity analysis.

7. Encourage the leadership of the Transportation Policy Committee to initiate a dialogue with Maricopa County regarding their role, such as calling for the election for the extension. Status: The bill provides that Maricopa County votes on its recommendations regarding the alternatives stage and the draft plan stage to the Transportation Policy Committee through a formal consultation process.

Mr. Smith stated that there are choices to be made: Work with Chairman Pierce to put the safeguards in the legislation and come back to the House with the revised language; Work with the bill as is, because the Legislature will need to come back and give MAG with language for authorization of the election. Mr. Smith explained that the timing is very tight. The TPC must be done with their work by September 30. The Regional Council must have the approved plan by the end of November to certify it to the Governor and Legislature. Mr. Smith stated that consultation by Maricopa County, ADOT and RPTA is included in the bill. They will vote at the alternative and the draft final stages of the development of the plan. He added that the TPC will need to respond in writing to recommendations by those agencies. Mr. Smith stated that the cities can weigh in also, either through a vote or letter. He added that the bill has been a good compromise for all. Mr. Smith noted that an election schedule still needs to be determined.

Mr. Smith stated that the Arizona Constitution does not allow legislators to serve on outside committees except school boards. He noted that there have been exceptions, not in law, but in practice, as in the

case of the Canamex Commission for example. Mr. Smith stated that Representative Pierce indicated that he could lose his seat in the Legislature if he served on the TPC. He stated that legislative participation is vitally important in this process. He suggested that one option would be for the two legislators to have a seat at the table, similar to Apache Junction's status before they became a MAG member agency.

Mayor Manross asked Mr. Smith what he proposed for dealing with the safeguards issues. Mr. Smith replied that if it is dealt with in the Senate and we go back to the House, it might appear to be a hostile takeover of the bill. He stated that we still need to sit with Representative Pierce and see how he wants to address this. Mr. Smith advised that if the safeguards are not in place, there could be uneven playing fields between freeways and transit. He added that it would be a plus to have safeguards in place for both modes. Mayor Manross asked if opposition to the safeguards was anticipated. Mr. Smith replied that he would be setting up a meeting with Representative Pierce in the near future.

Supervisor Stapley stated that the County supports the safeguards. He offered his assistance in meeting with Representative Pierce if needed.

12. Desert Peaks Update

Chairman Feldman-Kerr announced the presentation of a five year service award to Denise McClafferty. She added that, in addition, Ms. McClafferty recently received her Bachelor's degree.

Ms. McClafferty stated that five years ago, the MAG Regional Council initiated the Desert Peaks Program to recognize regional efforts and the cooperation of governments, citizens, and the private sector. She stated that MAG is beginning the planning process for the Sixth Annual Desert Peaks Awards Dinner scheduled for June 25, 2003. MAG has been informed that federal funding will no longer be available for Desert Peaks. She added that because of the current economic times, there is also a concern regarding the cost and participation in the event. Ms. McClafferty stated that the Desert Peaks program was discussed by the Management Committee and they suggested a mechanism other than a banquet to distribute the awards; find a less costly alternative; not to increase the cost of attending the event; hold the event every other year. Ms. McClafferty explained that MAG spent a total of \$48,519 for the awards program, of which \$15,478 of that cost comes from sponsorship and registration fees. This leaves a balance of \$36,144. She reviewed some of the options that could be considered to reduce costs: Discontinue the live video feed and save approximately \$5,500; have only one dinner choice and save \$2,500; no reception with one dinner choice and save \$3,700; no banquet, but give awards through another venue and save \$30,000; hold a luncheon event and save \$13,800; hold a reception and awards event in conjunction with the Regional Council meeting and save \$15,000. Ms. McClafferty reviewed the awards programs by other Regional Councils. Chairman Feldman-Kerr thanked Ms. McClafferty for her report.

Mayor Thomas asked for the number of nominations and categories. Ms. McClafferty responded that last year, there were 40 nominations in five categories. The most nominations received in one year was 60.

Mayor Hawker stated that the budget situation is such that the event should be cancelled this year. He added that the event could be reconsidered next year upon examination of the budget. Mayor Hawker stated that he would make a motion to that effect.

Mayor Manross stated that the intent of the program is a good one, and highlights partnerships. However, her city's budget is tight. She commented that she would second the motion to table the awards program for this year. Mayor Manross commented that the program could be re-examined next year.

Mayor Drake expressed his agreement with Mayor Hawker.

Vice Mayor Carter expressed that the City of Tempe would concur with not holding Desert Peaks this year. She stated that the program impacts cities' budgets if groups from a city are nominated, a city will buy tables.

Chairman Feldman-Kerr stated her agreement that this function not be held this year. She requested discussion on what type of function might be held to recognize the partnerships and accomplishments of staff. Chairman Feldman-Kerr requested discussion on options. She commented that recognition from awards motivate and encourage staff.

Mayor Hawker suggested that a letter commending fine work could be sent from the Regional Council Chair.

Mayor Berman stated that it is rewarding to get an award, but it is even better for staff to be presented with the award in the presence of their peers at their Council meetings that are televised.

Mayor Manross commented that the awards could be presented at the annual Regional Council meeting that would include some sort of ceremony. Forego a meal that would be costly.

Vice Mayor Kanter suggested having the program without a meal function, either at MAG or at individual cities' Council meetings. He expressed that it is important to not lose sight of projects worthy of recognition. Vice Mayor Kanter stated that he wanted to recognize staff in some form, while being prudent with money in these tight budget times.

Chairman Feldman-Kerr asked the costs for mailing and awards. Ms. McClafferty responded that the cost for postage is approximately \$1,000 and printing, approximately \$2,600. The large awards, of which five are given, cost \$92 each. The small awards, of which 28 were given last year and is a variable number, cost \$35 each. Overall, the total cost would be approximately \$6,000.

Chairman Feldman-Kerr suggested requesting and submitting nominations via the internet as an option to postage and printing.

Mayor Manross asked Mr. Smith for his recommendation. Mr. Smith replied that with the Town Hall, RTP development on a fast track, and air quality issues, if there would be a year to defer Desert Peaks, this would be it. He added that this would also give us time to get more awards next year.

Mayor Dunn stated that a lot is being tackled this year at MAG, and the work could overtax staff. This might be a good year to not hold Desert Peaks. Mayor Dunn stated that if this year is deferred, interest could be increased next year. He stated that it is important to concentrate on the business at hand, and re-examine the program the following year.

Chairman Feldman-Kerr stated that staff could send out a notice that Desert Peaks would be a biannual event.

Mayor Hawker moved to not hold the Desert Peaks event this year, and reconsider next year, in light of budget discussion. Mayor Manross seconded.

Chairman Feldman-Kerr amended the motion to consider that Desert Peaks be considered a biannual event, but staff could start planning for next year.

Mayor Hawker stated that he would not accept the amendment because it assumes that the budget situation next year will be better. He stated that he would like to make it contingent upon the budget evaluations next year.

Chairman Feldman-Kerr recognized public comment from Mr. Crowley, who recollected that MAG used to hold their meetings in each community. He stated that the hotel and dinner need to be discontinued. Mr. Crowley stated that he would like to call the awards Points of Pride. Take the awards to the Supervisor's level and have minor and major award areas. Mr. Crowley stated that all communities have points of pride within their communities that could host a large group. He stated that many people are volunteering their own time, and it is nice to acknowledge contributions. As a matter of fact, he was still waiting for his award. Chairman Feldman-Kerr thanked Mr. Crowley for his comments.

Chairman Feldman-Kerr noted that she would not pursue her amendment to the motion.

Mayor Scruggs suggested considering sponsorships for the events, which have been found to be very workable for communities putting on events.

A vote was taken on the question, which passed, with Mayor Thomas voting no.

13. Comments from the Council

An opportunity will be provided for Regional Council members to present a brief summary of current events. The Regional Council 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.

Mayor Scruggs announced that groundbreaking for the Cardinals stadium will take place on March 18. The first Coyotes game will be held December 27 in the new arena.

Mayor Drake announced that work is ongoing to procure a second NASCAR event at Phoenix International Raceway.

Mayor Thomas mentioned that Luke Days are March 15 and 16. He noted an interview of interest with Supervisor Max W. Wilson and the Luke base commander is being televised on cable channel 11.

Vice Mayor Kanter noted that Goodyear has settled the Duncan Family Farms issue. He expressed his appreciation to Mayor John Keegan for his editorial support letter.

Vice Mayor Carter stated that Mayor Giuliano, during his State of the Community address, gave accolades to the MAG organization for regional cooperation. She added that she appreciated being at the meeting in his place.

There being no further business, the meeting adjourned at 6:40 p.m.

Chairman

Secretary