

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

March 19, 2003
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

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

* Not present

#Participated by videoconference or telephone conference call

1. Call to Order

The meeting of the Transportation Policy Committee was called to order by Chairman Neil Giuliano at 4:08 p.m.

2. Pledge of Allegiance

Chairman Giuliano asked all to keep in mind the situation in Iraq. The Pledge of Allegiance was recited.

3. Call to the Audience

Chairman Giuliano stated that an opportunity is available to members of the public to offer public comment. Citizens will be requested not to exceed a three minute time period for their comments. Chairman Giuliano noted that no public comment cards had been turned in.

4. Approval of Consent Agenda

Chairman Giuliano stated that agenda items #4A, #4B, #4C, #4D and #4E were on the consent agenda.

Chairman Giuliano noted that any member of the committee can request that an item be removed from the consent agenda and considered individually.

Mayor Thomas offered a comment that it was difficult to consult on agenda item #4B and discuss agenda items #4D and #4E when they are on the consent agenda.

Mr. Arnett moved to recommend approval of the consent agenda. Mr. Gant seconded, and the motion carried, with Mayor Thomas abstaining.

4A. Approval of February 19, 2003 Meeting Minutes

The Transportation Policy Committee, by consent, approved the February 19, 2003 meeting minutes.

4B. Conformity Consultation

The proposed amendment to the FY 2003-2007 MAG Transportation Improvement Program (TIP) includes a request from the Arizona Department of Transportation to add a new project in FY 2003 that will result in the re-striping of Interstate-10 between 7th Street and 7th Avenue. The results of the regional emissions analysis indicate that the inclusion of the project in the TIP and Long Range Transportation Plan 2002 Update meet the transportation conformity requirements for carbon monoxide, ozone, and particulate matter. In addition, the cities of Avondale, Chandler and Phoenix have requested changes to dirt road paving projects; the City of Phoenix has requested a change to a bicycle bridge project; and the City of Mesa has requested a change to an Intelligent Transportation System project. Also, the funding for seven ADOT projects on Loop 202 Red Mountain Freeway and Santan Freeway are being revised to "advance construct" roadway for repayment with Grant Anticipation Notes. This item was on the agenda for consultation.

4C. Proposed Amendment to the FY 2003-2007 MAG Transportation Improvement Program for Highway Projects

The Transportation Policy Committee, by consent, recommended approval of the proposed amendment to the FY 2003-2007 MAG Transportation Improvement Program as shown on Tables One and Two. MAG has received a request from the Arizona Department of Transportation to add a new project in FY 2003 that will result in the re-striping of Interstate-10 between 7th Street and 7th Avenue. On January 30, 2003, the Transportation Review Committee (TRC) recommended approval of this amendment. In addition, the Cities of Avondale, Chandler and Phoenix have requested changes to dirt road paving projects; the City of Phoenix has requested a change to a bicycle bridge project; and the City of Mesa has requested a change to an ITS project. Further, ADOT has notified MAG of the need to change the potential funding source for seven regional freeway system projects on the Red Mountain and Santan Freeways in FYs 2003 and 2004. Currently, the funding source is defined as RARF/15% funding. However, the projects are being advance constructed for federal purposes and will be repaid by Grant Anticipation Note (GAN) funding in future years. At their meeting on March 12, the Management Committee recommended approval of the amendment.

4D. FY 2003 MAG Mid-Phase Public Input Opportunity

During the mid-phase public input opportunity, MAG co-sponsored several events from the end of January 2003 through March 6, 2003 in cooperation with the Arizona Department of Transportation,

Valley Metro/Regional Public Transportation Authority, and Valley Metro Rail. Opportunities included a freeway opening, a “MAG at the Mall” event and a Joint Agency Open House and Public Hearing. Additional opportunities included small group presentations, Black History Month events in Phoenix and Peoria, participation in several Hispanic community events such as the Latino Institute, Hispanic Chamber of Commerce, and the 8th Annual Seminar in Spanish and Business Expo event. The FY 2003 Mid-Phase Input Opportunity Report contains all of the information gathered at these meetings and events, as well as comments received at Management Committee and Regional Council meetings.

4E. Transportation Outreach to MAG Member Agencies

The Transportation Policy Committee is working on developing the plan that will be presented to the voters for the extension of the one-half cent sales tax for transportation. As part of this effort, an outreach strategy was developed for working with the business community. This outreach strategy is being extended to the MAG member agencies to assist in informing their residents regarding the MAG transportation planning efforts. Examples of materials that can be provided to the member agencies are newsletter inserts, a video to play on cable programs and a media kit. A website is also being developed, letskeepmoving.com, that can be linked to member agency Web sites.

8. Legislative Update

This agenda item was taken out of order.

Chairman Giuliano commended Dennis Smith on the significant effort he has undertaken to engage leadership and legislators in this effort. Mr. Smith acknowledged the assistance in the effort of the intergovernmental representatives, and business coalition members represented by Dave Martin, Chuck Coughlin, and Marty Shultz.

Mr. Smith gave an update on recent activities on HB 2292. Mr. Smith stated that previously, Chairman Giuliano and Vice Chair Scruggs had testified at the House Transportation Committee. He noted that support was expressed for the legislation and also concerns for safeguards and election timing. On February 20, 2003, HB 2292 passed the House by a vote of 60-0.

Mr. Smith stated that following the House vote, staff worked with the business coalition to have the safeguards language addressed in the bill. On March 10, 2003, staff was informed that no new amendments would be considered for HB 2292. Mr. Smith stated that on March 11, 2003, HB 2292 was considered by the Senate Natural Resources and Transportation Committee. At this hearing, MAG discussed the safeguards with the Committee. In addition, funding mechanics for addressing streets and transit were raised, along with election timing issues. Mr. Smith advised that the bill, with no amendments, passed the Committee by a vote of 6-0. Mr. Smith noted there was some misunderstanding in that the Senate thought that MAG’s concerns had been addressed in the House. He noted that work continued with the business coalition after the Senate vote. Mr. Smith stated that a memorandum was at each place addressing the issues.

Mr. Smith stated that at the Senate hearing, MAG discussed possible improvements to the bill. These included the following: 1) Safeguards. These would include safeguards, such as material cost change and enhancements that are in current law for the freeway system, but have not yet been included in HB 2292 for the transit system. 2) Mechanical issues. These would provide a statutory funding mechanism for streets and clarify how funds for transit projects are placed in the Public Transportation Fund. 3)

Election timing issues. If a special session is not held in December 2003, can the election authorization be granted in time for a May 18th election when the legislature convenes on January 12, 2004?

Mr. Smith stated that issues have been worked out with the business coalition. He added that their memorandum on additional issues they would like to be worked on was at each place. 1) Street definition. The coalition is suggesting that a definition be provided for streets that would be eligible for sales tax funding. The coalition is suggesting that Roads of Regional Significance be used as a definition. 2) Proportional sharing of possible increases or decreases in revenues. The coalition is suggesting that language be placed in the bill to ensure that if revenues increase or decrease from the projected revenues, that the respective funds (freeway, transit & streets), proportionately share in the increases or decreases. 3) Conditional and delayed enactment dates. The coalition is suggesting that the safeguards for transit and funding mechanics not go into effect unless the election is successful. 4) Election timing. The coalition is promoting a May 18, 2004 election and believe it can be accomplished within the current time frame established in HB 2292. A meeting has been scheduled on March 20 by the business coalition with representatives of the Maricopa County Elections Department to review the May 18, 2004 election timing and the timing in HB 2292.

Mr. Smith reviewed the potential Street definition that could be considered in the amendment to HB 2292. 1) Roads of Regional Significance. Provides a three to six mile grid of roads built to a high level of design. These roadways would help to relieve peak hour congestion, ensure a high level of mobility throughout the Valley, and provide access into and out of the region (MAG adopted Roads of Regional Significance Report). Mr. Smith noted that some of the resources that the TPC might want to invest may not be included in that system. 2) Principal Arterial System. Should carry the major portion of trips entering and leaving the urban area, as well as the majority of through movements desiring to bypass the central city. In addition, significant intra-area travel, such as between central business districts and outlying residential areas, between major inner city communities, or between major suburban centers should be served by this system. The principal arterial system will carry important intra urban as well as intercity bus routes. This system in small urban and urbanized areas should provide continuity for all rural arterials which intercept the urban boundary (FHWA Functional Classification Guidelines). Mr. Smith stated that the problem with this option is that the federal government restricts the number of principal arterials that we can put on the system. 3) Major Arterials. Cross-town thoroughfares whose primary function is to link districts within the city and to distribute traffic from and to the freeways; these are routes generally of citywide significance; of varying capacity depending on the travel demand for the specific direction and adjacent land uses. (San Francisco CMP definition). 4) Major Arterials (with revisions). Inter-connected thoroughfares whose primary function is to link areas within the region and to distribute traffic from and to the freeways; these are routes generally of region-wide significance; of varying capacity depending on the travel demand for the specific direction and adjacent land uses. (San Francisco CMP definition with revisions to reflect more of a regional focus). Mr. Smith stated that this is a short definition that could be put into statute.

Mr. Smith stated that a definition is critical to include in HB 2292. Chairman Giuliano commented that MAG transportation staff and the business coalition agreed that option number four, Major Arterials (with revisions), works best for this region.

Mr. Shultz stated that support for option four is appropriate because of the interconnectivity of the Valley.

Vice Chair Scruggs asked for clarification if the business coalition's amendments would be in addition to MAG's amendments. Mr. Smith stated that the business coalition's amendments are in agreement with MAG's amendments. He reviewed the business coalition's memorandum. Amendment number one on the memorandum allows for the funding mechanism to include streets, which is consistent with the MAG amendment. He noted that the business coalition requested that a definition of streets be clarified.

Mayor Dunn asked for clarification on the "with revisions" language. Mr. Smith explained that MAG staff and the business coalition reexamined the San Francisco definition and inserted "region" and "regionwide" language and substituted "interconnected thoroughfares" for crosstown.

Chairman Giuliano noted consensus of the TPC on the definition of streets as option number four.

Mr. Smith explained that amendment number two of the business coalition memorandum was to divide the current funds going to RPTA to also go to MAG for planning, design and administration, monitoring and projects to implement the tax. He noted that this is included in section 28-6305 of the legislation. Mr. Smith noted that the business coalition agreed with that.

Vice Chair Scruggs asked for clarification of "current" funds. Mr. Smith noted that the legislative summary chart handed out at the February meeting had been updated. Vice Chair Scruggs asked for clarification of the money going to MAG for planning, design and administration, etc. Mr. Smith explained that under current law, approximately 98 percent of the sales tax money goes to RARF and approximately two percent plus inflation to RPTA to use for administration, local service and other projects. With the new tax, their funding would not be controlled through RARF, but would go straight into the Public Transportation Fund. Mr. Smith reviewed how the RPTA administrative funds are provided through the RARF statute. He noted that in the future, the majority of the transit funds will go in the Public Transportation Fund. If the majority was put into the public transportation fund for projects, it was felt that the RARF statute should be amended to split the funds for administrative between MAG and RPTA and expand purposes to include not just planning and administrative, but also projects. Mr. Smith gave as an example that the Grand Avenue MIS cost \$500,000.

Vice Chair Scruggs stated that one half of two percent is \$3.5 million. She asked the functions that would be performed by RPTA for their half. Mr. Smith stated that RPTA would be more like ADOT in that they will receive sales tax money and would be charged with developing a life cycle program to keep the program in balance for transit. RPTA will have the same responsibility as ADOT to keep the program in balance. This is an accountability process to the public.

Ms. Scherer asked if the bill allows for transit funding. Mr. Smith replied that it did—that was one of the amendments being proposed.

Chairman Giuliano asked Mr. Smith if all who had been in discussion about the bill were in agreement. Mr. Smith replied that they were in agreement.

Councilmember Dennis asked for clarification of the proposed amendments to HB 2292. Mr. Smith replied that the proposed amendment language worked out with the business coalition would be given to House and Senate transportation staff to include into the bill as it proceeds to the House Finance Committee. He added that the language is not in the amendment right now.

It was noted that there were no further questions on amendment number two.

Mr. Smith stated that amendment number three of the business coalition memorandum extends the material cost change and enhancement policy now used by ADOT for freeways to transit. He noted that this is one of the safeguards MAG has been proposing all along, and the business coalition agrees.

Chairman Giuliano noted there were no questions on amendment number three.

Mr. Smith stated that amendment number four of the business coalition requires MAG to issue an annual report on transit. He explained that this would be the same type of oversight procedure used each year, on which Eric Anderson provides his annual report on the regional freeway system. Mr. Smith noted that the business coalition agrees with this amendment.

Vice Chair Scruggs asked for clarification of RPTA's role in the annual report. Mr. Smith explained that RPTA would develop and issue an annual life cycle program, similar to the life cycle program developed by ADOT. He added that Eric Anderson would provide a report each year. MAG's role would be the watchdog over the agencies that spend the funds, which are the life cycle programs (or budgets), of each agency.

Vice Chair Scruggs commented that an amount of \$3.5 million to RPTA is too much for administration and not enough for projects. Mr. Smith noted that an example of design projects on which RPTA could use these funds is park and ride lots.

Chairman Giuliano commented that no funds are specifically dedicated as of now. RPTA will develop that in the future.

Mayor Thomas requested further discussion on amendment number four. He asked for clarification of RPTA's role. Mr. Smith explained that the TPC will develop a plan and for the transit expenditures, a transit agency will be needed to manage and expend funds, just as ADOT does with freeway funds. Mayor Thomas commented that ADOT still owns, maintains, and operates the freeways after they are built. Will RPTA have those same types of responsibilities? Mr. Smith stated that RPTA could own bus routes or give the money to cities to operate bus routes. That is something they would have to lay out in their life cycle program.

Vice Chair Scruggs stated that there rules for membership in the RPTA, which are guided by how much of a city's lottery funds are given to transit. She stated that the origin of the membership rules, whether statutory or policy, needs to be known. Vice Chair Scruggs mentioned that if they are going to manage transit and could own some routes, would they not have to offer membership to all? Or will membership be given only to those who put in their portion of the lottery funds for transit? Vice Chair Scruggs asked if that would need to be put into the legislation? Mr. Smith stated that MAG gives funds to ADOT and not all MAG member agencies are on the State Transportation Board. He stated that an agency is needed to manage those projects that are on the project list given to voters. Mr. Smith stated that Mr. Anderson would provide an annual report on transit's life cycle to the Regional Council and TPC. Any changes in the program will need to come back to the TPC.

Chairman Giuliano commented that this amendment acknowledges that MAG will have additional responsibilities and will need money to handle those responsibilities. Also, RPTA will not lose responsibilities and they will need funds for those responsibilities.

Mr. Berry expressed concern for allocating a flat dollar amount for unspecified work. There will be work, but the work could expand to absorb the money. Mr. Berry asked if there could be a different mechanism that says funds could be allocated based on the work that needs to be done? Chairman Giuliano stated that direction could be given to staff to research this. Mr. Smith stated that another option would be to have the funds used for these purposes subject to an annual work program approved by MAG and RPTA. That approved amount would go into their funds for that year. Mr. Smith noted that this is how MAG's budget process works each year.

Chairman Giuliano stated that he sensed hesitation on this point. He directed staff to talk further with the partnership on this.

Mr. Shultz commented on section 28-6354. He stated that this is not precisely an annual report on transit, but an annual report on the status of projects authorized. Actually, it is saying the audit applies to everything that will be authorized under the continuation of the sales tax. Mr. Shultz commented that he thought the draft language worked.

Chairman Giuliano noted consensus on amendments one, two, three, and four.

Mr. Smith reviewed amendment number five, which was shown in section 28-6353, and ensures that costs for transit enhancements are paid by local agencies. He explained that the amendment is saying that standards for transit are needed and enhancements above that will be paid by the agency.

Chairman Giuliano noted consensus on amendment number five.

Mr. Smith stated that amendment number six, included in section 28-6356, includes transit under the oversight responsibilities of the Citizens Transportation Oversight Committee (CTOC). Mr. Smith stated that the question was whether to set up a different oversight committee, or expand the existing CTOC to include streets and transit oversight.

Mayor Thomas asked if that would apply to bicycle also. Mr. Smith replied that funding is one of the issues for discussion later in the agenda. He noted that if a mode is not funded out of the sales tax, it would not come under the purview of the Citizens Transportation Oversight Committee.

Consensus on amendment number six was noted.

Mr. Smith stated that amendment number seven, part one, in section 48-5103 of the legislation, allows portions of the sales tax to be placed in the Public Transportation Fund for transit. He stated that the business coalition wants to put in language on proportional sharing of possible increases or decreases in revenue, with which staff agree.

Vice Chair Scruggs stated that she agreed with the concept and requested that clarification be made that this would apply only to funds from the half cent sales tax. Vice Chair Scruggs stated that many funds pass through MAG and some funds have nothing to do with this legislative bill. She asked if we would be keeping track of RARF only and not any of the other funds MAG programs. Mr. Smith stated that this would affect the proceeds of the sales tax that would go to either RARF or the Public Transportation Fund, with a sub account for streets.

Chairman Giuliano noted consensus on amendment number seven, part one.

Chairman Giuliano stated that amendment number seven, part two, is on the budget process. Mr. Smith noted that this is included in section 48-5106. When MAG asked for safeguards to be included, the House obliged us discussing in session law that RPTA and ADOT should do a life cycle program. MAG indicated that this should be put in statute and delete the reference in session law. Mr. Smith stated that the business coalition recommended that MAG do a life cycle, but staff explained that is not MAG's role because MAG does not handle funds. MAG's job is to be the watchdog of funds.

Ms. Scherer asked if section 48-5106 includes transit, even though it is not stated. Mr. Smith explained that the applies to transit because it is under the RPTA section of the law. He added that the board referred to in the section is the RPTA Board.

Vice Chair Scruggs asked how Valley Metro Rail fit in. Mr. Smith replied that this has not been addressed. He added that RPTA is the statutory agency, whereas Valley Metro Rail is not.

Vice Chair Scruggs stated that if money goes to light rail, would not the same safeguards be needed? Mr. Smith replied that all safeguards would apply to RPTA. If sales tax funds go to light rail through the RPTA, RPTA would report. Vice Chair Scruggs stated that it was her understanding that Valley Metro Rail has its own staff and organization. Mr. Smith stated that Valley Metro Rail is dealing with city funds, so cities are controlling the funds, plus federal discretionary funds that may come their way. The control mechanism for sales tax funds would be through RPTA in their life cycle. It would be their responsibility to develop a budget and say how the funds would be expended.

Chairman Giuliano noted consensus for the amendments from the business coalition. He asked Mr. Smith if additional issues needed to be addressed. Mr. Smith stated that the coalition had other issues they would like addressed: 1). Conditional enactment. 2). Assurance that these are the final amendments. 3). A component for privatization of transit be included.

Mayor Manross stated that the region's transit system is greatly privatized. She asked what impact would privatization have on smaller communities that may want to be a part of the system? Mr. Smith replied that MAG has not suggested this be placed into the statutory language. He added that our system is a national example for privatizations by FTA.

Chairman Giuliano stated that his sense of the discussion was to not support the privatization component. This is a much larger issue that would need much discussion and could be addressed at a later date. Mr. Smith noted staff's agreement.

Mr. Berry asked if Valley Metro Rail would be subject to the same checks and balances. Mr. Smith explained that in the life cycle that ADOT does, only the proceeds from sales tax funds are reported. If you apply the same concept to RPTA, the only funds in the RPTA life cycle would be sales tax funds. Mr. Smith stated that if the decision is made by the TPC that a portion of the sales tax goes to rail, that would need to be laid out in the RPTA life cycle budget.

Mr. Berry asked if there was a way to segregate out those portions funded by the sales tax. Mr. Smith explained that projects funded by the sales tax would deal with extensions of services, not the current service approved by the voters. We would be accountable with extensions to the rail system if they become part of the plan.

Mayor Thomas stated that the budget process mentions ensuring that the estimated cost of the system, including operating costs, do not exceed the total amount of revenue. He stated this seems to indicate that operating costs will be funded by the tax, however, the TPC has not yet decided that operating costs will be funded by the half cent sales tax extension. Mr. Smith stated that this is saying that if the TPC decides operating costs would be funded by the tax, they would be governed by the same requirements. Mayor Thomas expressed concern for a situation if money runs low for construction, could money be taken from operations for maintenance? Mr. Smith stated that capital, operating and maintenance costs would be discussed in more depth later on the agenda. He added that this is just saying if we fund operating costs, we will need to report on it.

Ms. Scherer stated that she recalled that Mr. Shultz had said at the February TPC meeting that enabling language needed to be in the legislation. Mr. Smith stated that including enabling legislation in the bill was suggested to the business coalition with the provision that by January 19, if the legislature would like to withdraw the authorizing language, it could. Mr. Smith stated that the business coalition said no, we will bring the election language back in January. He stated that MAG's position has been that the TPC develops the plan. Based on certification by the Regional Council, the plan will go to the legislature and the Governor. We want a clear shot with only election language discussed at that time. The business coalition agreed with that.

Chairman Giuliano stated that the only remaining issue left is to schedule the election. Mr. Smith added the election could be in a regular or special session.

Ms. Scherer noted that we do not have a wide window of opportunity in January or we miss the May date. Mr. Smith commented that was MAG's argument, but we have been told we can get a bill through with the election date. He added that assurances have been given that the timing will work. Mr. Smith stated that this will be discussed at the meeting on March 20 with the County Elections Department. He stated that the business coalition has indicated that they will begin the campaign by September 30, after the plan is recommended.

Chairman Giuliano stated that those in the legislature working with us have indicated that the bill will not be passed with the actual date in it. He stated that we are going to have to wait for authorization of the election until the plan is more real. Chairman Giuliano stated that the burden remains on the TPC to produce, and he was confident of this.

Ms. Scherer asked if there were ways to push for enabling legislation. Chairman Giuliano commented that this is how the bill has evolved. This is not exactly how we wanted it, but he was confident that the bill will make progress. We have a bill that will put pressure on the body to get the job done. Chairman Giuliano stated that Representative Gary Pierce was present and could address the Committee's questions. He explained that Representative Pierce and Senator Marilyn Jarrett were unable to serve on the TPC due to constitutional legalities.

Representative Pierce stated that the legislature would not preempt themselves without looking at the plan. He stated that there is a need to educate the legislature. Representative Pierce stated that he talked with Maricopa County members of the House and Senate to ensure they understand. He suggested that MAG make presentations to the legislators and keep them involved in the process, so there are no surprises in January. Representative Pierce stated there is widespread support for the sales tax extension, both in municipalities and the legislature. Representative Pierce indicated that he had no problems with the amendments in principle. He stated that he thought it was now in the hands of the Senate.

Representative Pierce stated that MAG needs to convince them. Some have deep seated feelings with what went on in the past. There is a need to get out and work with people to ensure there is a smooth process in the Senate.

Mayor Thomas asked what could smooth the way for the election timing issue through the legislative committees. Representative Pierce stated that a joint caucus will be held in the fall, so when the bill proceeds in January, there will be a concurrent special session and hand-off to the Governor. He indicated that this could be done in one to two days and was the easiest option. Representative Pierce stated that they are willing to ensure having their people ready to go without calling a special session prior to the regular session. He stated that they can legislatively control what the County recorder does, too.

Mr. Shultz commented that the TPC should recognize that HB 2292 went out of Chairman Pierce's committee unanimously. He mentioned that there are not too many 60-0 votes on substantive bills. He stated that the bill is a work in progress until the end. Mr. Shultz stated that the legislature must have a key role in the plan. He added that we are looking for ways to ensure legislative involvement in the plan. Mr. Shultz stated that we are going to learn a lot at the March 20 meeting.

Representative Pierce stated that the point is that a special session could become protracted. We should know where support lies. If we do the work correctly, if this body reads the legislature and the Board of Supervisors correctly, you will see where the cats and dogs are, and where to soften—that is key. Representative Pierce stated that he thought the votes will probably not be 60-0 or 30-0 in January, but could be. He indicated that it took a lot of work to accomplish that. Representative Pierce stated that some are opposed to certain things, but are willing to compromise. They will look carefully at what is needed for a multimodal plan. Representative Pierce indicated that there is a lot of time in between now and the second week of January, and he would do all he could to see the bill progresses as fast as it can. The last thing you want to do is put together a plan that will get you grief. He stated that the amendments are there to ensure the bill is heading down the right road. We are willing to work with the amendments so all have a comfort level.

Vice Chair Scruggs stated that the plan that comes to the legislature will have substantial citizen input and meets air quality requirements, so the only reason it would run into trouble is with the cats and dogs. She commented that the plan being developed includes funding from seven different sources. However, the legislature will be focused on only one funding source—the half cent sales tax. If the legislature sees the total plan and sees some things they don't like, that could cause confusion. Vice Chair Scruggs asked whether that portion of the plan funded by the half cent sales tax should be carved out and presented to the legislature? Representative Pierce replied that in the end, the entire plan should be laid out. If a person sees a map of projects, it is only natural to look and see what will happen in their district. Following that, they will look at the plan philosophically. Once they are educated as to why certain projects are there, they will accept it. Representative Pierce recommended not waiting until the end, but as soon as the information is obtained. He suggested that frequent meetings could be helpful to keep all informed. Representative Pierce advised that it is important to educate the legislature about the plan and see what they don't like. He stated that a survey could be developed to gain an understanding of Legislator's concerns. Representative Pierce noted that it is important they understand the transportation issues in Maricopa County, otherwise, they could be swayed.

Vice Chair Scruggs stated that there could be a bloc in the legislature that has an issue with a certain mode, bike paths, for instance, whose funding comes from a source other than the sales tax, such as

CMAQ funds. Representative Pierce replied that he thought the legislature would understand those issues. They will look to see if their community will receive any projects. Representative Pierce advised that there could be a problems with projects funded by the half cent tax, because some do not like certain modes. He added that we will not get all to agree. Representative Pierce stated that some are cautious on the amendments and there is slight resistance at the Senate as to what they really mean. He added that MAG will need to get out and lobby.

Chairman Giuliano thanked Representative Pierce for his input. He noted that this is moving toward a final understanding of the amendments.

Vice Chair Scruggs stated that it may not be a good decision to write letters saying these are the final amendments. She commented that from time to time, legislation looks fine going through, but problems could emerge. Should the legislature or business coalition find something in HB 2292 they disagree with, will they want to amend also? Vice Chair Scruggs commented that written promises are not prudent at this time and suggested no statement of final amendments.

Chairman Giuliano stated that it was his understanding that only consensus by the TPC would be advanced, and there are no plans to prepare any documents or letters.

Mr. Smith noted his agreement with Vice Chair Scruggs that problems with legislation could emerge. He added that critical issues will be handled if they arise. Mr. Smith mentioned that Kevin Olson, Chairman of the Greater Phoenix Chamber of Commerce Transportation Committee, and working with the business coalition, noted that the bill was reopened as a gesture for the partnership with MAG, even though they did not want to.

Supervisor Stapley stated that the County was supportive of the amendments before the TPC. The business coalition has taken time to look at them. This is a condensation of a larger list of amendments introduced at the Senate that were substantive. Those amendments were inappropriate, and had not been through this body. We want to work together, but to bring forward 12 pages of substantive amendments before the TPC or Regional Council have seen them is inappropriate. Supervisor Stapley pledged to work on issues on the County's behalf. He stated that there is only one more committee for this bill to work through, then to the Governor's desk. That could happen quickly. Supervisor Stapley commented that he felt it was not a problem putting something in writing in response to the business coalition, but he did not think that is what the group is looking for. Supervisor Stapley stated that the issue is working together, not having substantive amendments and getting across the finish line.

Councilmember Dennis asked for clarification of the Committee's position on amendment number four, privatization of transit. Chairman Giuliano noted that the consensus was to not support.

Mayor Hawker asked if there could be an inadvertent division of the percentages to the three pots. If all the percentages are changing equally, then you must know the percentage of each component. Once the plan is drafted, another amendment might be needed and categories dedicated to streets, transit and freeways. You have inadvertently divided up the percentages. Mr. Smith stated that the TPC discussed not setting the percentages in advance. Once a project is determined, then you will know the percentages, and you want accountability. Put projects into different funds so voters will know what they are voting on. Mayor Hawker noted that this has not been stated that way yet. After the plan is determined, then the percentage will be known and locked and no variation on that for 20 years.

Mr. Smith responded to Supervisor Stapley's comments on the Senate hearing. He clarified that he provided a report to the Regional Council at their February meeting on the status of HB 2292, where the memorandum showed the one check box that was unchecked was for safeguards and election timing. He stated that the meeting minutes clearly stated that MAG would go to the Chair of the House Transportation Committee to work out issues. Mr. Smith stated that he worked with business coalition staff who were in contact with the Chair on MAG concerns. Mr. Smith stated that he went to the Senate Transportation Committee and brought forward the concerns again. Everything that is before the TPC today was at the Senate Committee, except for election authorization, which the TPC expressed a preference for having in the bill. Mr. Smith noted that in the Regional Council meeting minutes, Supervisor Stapley stated that he did not have a problem with the safeguards. He advised that he thought he was following the direction of the Regional Council and the TPC when he spoke at the Senate. Chairman Giuliano assented that this was his understanding also.

Vice Chair Scruggs stated that the election timing issue would not be determined until after tonight. We have a piece of legislation that forces an election in 2004, or else all of the effort is for naught. The timing issue is critical if we miss the May timeline and it pushes us to a November election. We are looking at a May 2004 election and we are in a situation where information still needs to be gathered that may make the timing impossible. We are locking ourselves in by saying we will have no more amendments. To say these are the final amendments and not say there could be more is unwise.

Chairman Giuliano stated that is not the intention. He commented that he also heard that we have taken a run to have the timing issue included, but legislative leadership said it will not work for them.

Vice Chair Scruggs stated that a different set of circumstances could arise. She commented that what she heard was the business coalition did not want any more amendments.

Chairman Giuliano stated that after the meeting tomorrow, if we hear that Senate leadership is willing, we can take another run at it.

Mr. Smith stated that if we find at the meeting tomorrow the election will not work, then we will need to sit down and fix it. This has to work, because there is too much at stake. The business coalition understands that.

Vice Chair Scruggs stated that the business coalition memorandum went to Senator Martin and Representative Pierce and is representing MAG's position. It says that MAG will not bring forward any other amendments. If we find the election process will not work, this memorandum will be raised in front of those committees that the TPC has already agreed to not bring forward other amendments. Then we will have to walk away.

Chairman Giuliano stated that he disagreed. The TPC has only received a memorandum, which does not bind us. Mr. Smith stated that the business coalition wants our assurances. He stated that what he was hearing is the TPC cannot assure you. Chairman Giuliano stated that the TPC will give the best assurance they can. Consensus has been reached on all but the election language.

Vice Chair Scruggs asked if this meant that the minutes would reflect that agreement was not reached and there may be another amendment regarding the election timing issue. Chairman Giuliano stated that the TPC is not proposing another amendment because they have already taken a run and it has not gotten anywhere.

Councilmember Dennis asked how the TPC can agree to this legislation without having some sort of a guarantee that we will have an election. The TPC needs to work toward getting that as part of the amendment. Chairman Giuliano stated that it is a political reality that this will not be included in the bill. He indicated that the pressure is on the TPC to produce a good plan. The burden will not be lifted from the TPC without the legislature looking at the plan.

Mayor Dunn stated that if we did not have these amendments, we would be in a lot worse situation. He stated that Representative Pierce has indicated that situation has improved. There are no guarantees, but take what we can to keep the process moving forward.

Mr. Shultz commented that understanding the process could help resolve some of the issues. It appears there is agreement on the safeguards. The meeting with the Elections Department will include further discussion of election timing. Representative Pierce indicated he has been talking to leadership and his colleagues with regard in how they will engage in the process. He suggested that the TPC establish a communication process. Perhaps Mr. Smith would be charged with the responsibility of communicating results from the meeting to the TPC and any additional information to the legislature on how best to inform members of a clear shot to the ballot. He noted that Representative Pierce indicated that they do not object to this. Mr. Shultz stated that the next quest is the appropriate role of the legislature. What is the flexibility in regard to election criteria under the current statutes? If we set up a communication process and clarification is needed, that will become transparent.

Supervisor Stapley expressed his thanks to Eric Anderson and Tom Remes for their two hour briefing to the County Board on the status of the process. He added that the Elections Department people were also there. They pointed out the election could be held in May, at the primary in September, or at the general election in November 2004. Supervisor Stapley stated that his desire is to hold the election in May. He asked the County Board Chairman to schedule regular study sessions with MAG between now and June. He indicated that the legislature wants the same thing. Supervisor Stapley encouraged engagement of the Board of Supervisors and ADOT because they are tasked to take votes at the mid-point and end of the process. Be informed during the process and not be surprised at the end. Engagement and involvement are key. It behooves us to talk to Maricopa County legislators to ensure they know what we are doing in a timely manner.

Chairman Giuliano stated that an addendum had been added to the agenda to allow for possible action on this item, however, consensus of the TPC was sufficient. He noted that staff understand the will of the body. Chairman Giuliano stated that Mr. Smith would send a memorandum following the March 20 Elections Department meeting. Mr. Smith added that the intergovernmental representatives had also been invited to the meeting and could provide communication.

5. Guidance for Developing Alternatives Packages

Eric Anderson provided an overview of major transportation funding sources and the types of investments that could be funded by the sales tax. He stated that in order to develop alternatives, policy direction and guidance are needed on the types of projects that could be funded and whether the sales tax should be restricted to capital costs only or include operations and maintenance. Types of projects include the categories: Freeways/ Expressways/Parkways, Streets, Strategic Arterial Links, Local Bus Service, Bus Rapid Transit/Express Bus, Light Rail Transit, Commuter Rail, Bicycle/Pedestrian, Paratransit, Other Transportation Programs.

Chairman Giuliano asked once the eligible uses are defined, why doesn't the eligible use define the projects? Why do we have to define projects that are eligible for use? Mr. Anderson replied that there have discussions that implied that the sales tax should be restricted to certain types of projects and other discussion that has suggested that only capital costs should be funded. Mr. Anderson replied that staff would like guidance if money is to be allocated in those areas.

Mr. Anderson continued with the Freeways/Expressways/Parkways section of his presentation. Consensus was noted to include this category.

Mr. Anderson reviewed the Streets section of the presentation. He noted that the definition of Streets and Strategic Arterial Links had been decided during the Legislative Update discussion earlier in the meeting, which established a definition for major streets.

Mr. Anderson reviewed Local Bus Service. He stated that the question is whether the half cent sales tax should be used for local bus service, or just bus rapid transit or express bus.

Councilmember Dennis asked the percent of operations compared to capital costs in local bus service. If you don't have money for operations, you can forget about local bus service in those cities that do not have the funds for local service. In order to link up with bus rapid transit, local service is needed.

Mr. Shultz commented that policy discussion on capital and operations expenses is needed. It was noted that Jack Tevlin, Deputy City Manager for the City of Phoenix, was present and could answer questions about Phoenix transit. Mr. Tevlin explained how the City of Phoenix funds transit with about \$30 million of general fund monies and about \$100 million from the Transit 2000 tax. No other city in the Valley, except maybe Glendale, can switch funds between operations and capital. As you build up your fleet, you may want the flexibility to switch funds between capital and operations.

Mayor Manross stated that transit is not worth much without connections. Operations is key. Mayor Manross expressed concern that smaller communities without those reserves will not be able to benefit or connect to larger systems. She stated that a way to include operations money needs to be found. This is the only way to be successful.

Chairman Giuliano stated that it is titled "Local Bus Service," but there is really no such thing as local bus service because transit interconnects to get people around the region.

Vice Mayor Kanter stated that the West Valley has a small local system called the START system. He explained that 60-80 percent of the cost is operations vs. capital. Without having operations funded, it would be difficult for some local municipalities.

Mayor Thomas stated that he envisioned the half cent sales tax as the backbone of the process. Load too much of the sales tax on maintenance and operations, and all money will eventually go toward operations and maintenance. As we grow the system, maintenance and operations will only increase.

Vice Mayor Schweiker stated his agreement with Mayor Manross. It is important for the funding of operations to be included because no service is strictly local, all are interconnected.

Vice Chair Scruggs stated that she did not think that operations funds should be allocated from the half cent sales tax to bus service because we are starting up service that we cannot guarantee people will take.

However, she recognized the needs of communities that will not have service without those operating funds. Vice Chair Scruggs suggested perhaps having something that addresses getting people out of cars onto buses in the front half of the tax, but not in the back half. She commented on getting people to rely on something we may not be able to continue funding when the next tax expires.

Mayor Dunn stated that this decision is not black and white. He suggested providing incentive toward operating costs to encourage cities to fund service with other funds in future years. Creative alternatives could be used.

Chairman Giuliano asked Mr. Anderson if sufficient direction had been provided for staff to move forward. Mr. Anderson replied that he was hearing the communities without current service would have a bootstrap to help them get in the game. Regional funds might provide interim funding for the first few years that then ratchets down.

Councilmember Dennis expressed that she had a problem with that. If we are trying to create a truly multimodal system, are we going to take out costs for the freeway system also? It is unfair to carve out a section. Chairman Giuliano explained that this would provide the stimulus for individual communities to supplement bus service. Mr. Anderson stated that another issue is current cities that pay a substantial amount of subsidies.

Mayor Dunn commented that the voters might question whether it is a 20 year plan if there is too much operations cost. Voters need to buy into a 20 year plan that will end. They may say this something we will be forced into paying for longer than 20 years.

Mayor Manross stated that the operational side cannot be ignored. We are trying to create a multimodal system. Operations is a major part of the cost. Mayor Manross suggested moving on and revisiting the issue later.

Mayor Hawker stated that both capital and operations should be put in because voters ask where is the dedicated source. There needs to be evaluation criteria—a use it or lose it evaluation—or a fifty-fifty match where you can get into the system, but you do have to contribute.

Vice Mayor Kanter commented that operational costs cannot be funded 100 percent. He suggested funding operations and maintenance earlier in the process. Vice Mayor Kanter stated that municipalities could develop the system with the idea that they need to be somewhat self sufficient and look for other funding sources. Vice Mayor Kanter expressed support for a formula that assists new programs to become viable. The longer they remain viable, the longer period we will have to transition people to other modes, which in turn, will help with other issues, such as freeway maintenance.

Mayor Thomas stated that he needed to leave the meeting for another commitment. He stated that once the projects are decided, the ratio will be established. The wildcard is light rail funding. If we are successful in receiving federal funding, it will kick back to our other systems, rather than locking in funding right now.

Councilmember Dennis suggested looking at local projects first and then come back see how much capital and how much operations could be dedicated.

Chairman Giuliano noted consensus to have a formula on capital and operational costs.

Mr. Anderson reviewed Bus Rapid Transit/Express Bus. Chairman Giuliano commented that he could not see how BRT could be excluded. No additional comments were noted.

Mr. Anderson reviewed Light Rail Transit. He noted that funding would not be for existing projects, but additions to what has already been committed. Mr. Anderson stated that the tricky part is the 5309 funds, which are discretionary federal funds. Mr. Anderson explained that discretionary money is a laborious process. Mr. Anderson stated that this also raises the issue if there are committed local funds and we do not receive federal money. He indicated that the assumption of \$80 million per year discretionary is being used, but it is not a guaranteed amount.

Ms. Scherer asked why no improvements to existing BRT and light rail were shown. In 20 years, we will need to have improvements. Mr. Anderson replied that the thought was to not have sales tax money put into projects already committed. Adding lines or stations could be discussed by the TPC.

Mr. Almanza left the meeting.

Mayor Hawker stated that because transit will be a component, would it not be up to the local jurisdiction to balance the funds as appropriate for that area? The question then becomes what do we put on the map?

Mr. Billings asked the percentage of new construction vs. operations. Mr. Anderson replied that the cost for operations is about the same as construction.

Chairman Giuliano noted consensus to leave Light Rail Transit in for now. Mr. Anderson commented that he was hearing that operating cost is a significant component.

Mr. Anderson stated that Commuter Rail has the same capital vs. operations issue.

Mayor Hawker commented that this may shake out in the performance evaluations. The latest numbers show that commuter rail is not ranked highly in his area. Mayor Hawker stated that this might be left in, but communities who want it may have to give up other transit to get it.

Councilmember Dennis asked if communications were ongoing with Burlington Northern. Mr. Anderson replied that they were, and information was coming in from various MAG studies. He stated that he was hearing that the capital vs. operating cost component was the same issue as the BRT/LRT issues—whether we fund commuter rail depends on performance.

Mr. Anderson reviewed Bicycle/Pedestrian. He stated that these projects are difficult to model and to identify over a 20 year period.

Mayor Hawker expressed his preference to leave in a portion for these projects and let the legislature tell us what they want.

Mr. Anderson stated that a certain amount could be allocated to bicycle and pedestrian and have an annual selection process.

Vice Chair Scruggs suggested moving these projects to CMAQ funds, which is the customary funding. She added that there are many important large projects out there that will need to be funded by the sales tax.

Mayor Manross stated that she was not yet prepared to drop bicycle and pedestrian projects. There may be a large constituency who utilize paths and trails and this is an aspect of multimodalism that is growing all the time. Mayor Manross commented that these types of projects could be useful and effective to include in the package.

Supervisor Stapley mentioned that the County is planning a large regional trail system that links all parks and preserves. He recommended packaging the projects as a component at a low level of money, so those to whom this is important will buy in.

Vice Mayor Schweiker stated that he agreed with the funding level. These types of projects are a sellable item with voters.

Chairman Giuliano stated his agreement. He said that some may look for something that improves their quality of life. This could be important.

Vice Mayor Kanter stated that the City of Goodyear has an extensive trail system to connect to the County system. Other cities have plans for the same. He stated that he would support inclusion of these projects.

Chairman Giuliano noted consensus to leave in bicycle and pedestrian projects.

Chairman Giuliano asked for clarification of the existing program for light rail. Mr. Anderson replied that another bullet point could be added, per what Ms. Scherer mentioned about adding improvements to the current system. Chairman Giuliano stated that some flexibility is needed because there are many unknowns.

Mr. Anderson explained that Paratransit is key for the people with disabilities. It is very expensive and there are many operating costs.

Vice Chair Scruggs suggested defining limitations on paratransit to the extent it is required by ADA as complementary to the fixed route services that the half cent sales tax is also being used for, as opposed to a community starting up a dial a ride system.

Chairman Giuliano noted agreement with Vice Chair Scruggs's statement.

Mr. Anderson stated that Other Regional Transportation Programs include Rideshare/Vanpool, Freeway Service Patrol, Intelligent Transportation Systems, Planning, as mentioned in the HB 2292 discussion, and some other regional programs.

Mayor Manross supported leaving these projects in because there is a lot of return for the money spent.

6. Performance Measures

Options for performance measures and their application in the Regional Transportation Plan (RTP) have been discussed at a number of TPC meetings and workshops held in January, February and early March. These performance measures will be used in the RTP process to assess the relative strengths and weaknesses of the alternatives and to help provide insights into the tradeoffs associated with different transportation investment strategies. A set of proposed performance measures for use in the alternatives evaluation phase of the RTP process has been prepared.

Mr. Anderson stated that staff hoped for guidance and approval tonight, but discussions have taken place with the business community who wanted to provide additional comments. He added that they have indicated they will provide comments within two weeks. Chairman Giuliano requested that members submit their comments to Mr. Anderson prior to the next TPC meeting.

7. Maintenance Funding

Chairman Giuliano stated that at the February TPC meeting, the topic of funding maintenance needs was discussed. As a followup, maintenance funding was placed on this agenda for more thorough discussion.

Lonnie Hendrix, Assistant State Maintenance Engineer for ADOT, gave a presentation on ADOT's maintenance arrangements. Under present arrangements, the funds for maintenance come from the ADOT portion of the Highway User Revenue Fund. To receive funds for maintenance, the ADOT staff works with the staff of the Joint Legislative Budget Committee. The Legislature determines the amount of funds that are appropriated for maintenance needs coming out of the ADOT portion of the HURF. Maintenance includes repairing pot holes, litter pick up, sweeping the roads, and repairing the cable median barriers. Major resurfacing of highways is funded through the ADOT Five-Year Highway Construction Program.

Mr. Smith commented that the State Transportation Board is charged with making huge funding decisions, but when we want to pick up litter, we have to go through the legislative process. Victor Mendez, ADOT Director, explained that the operating budget is appropriated by the legislature. The State Board does not deal with appropriated costs, so they do not control the maintenance budget. Mr. Smith commented on an opportunity to change that when it comes to maintenance.

Ms. Scherer referred to the pie chart of the ADOT operating budget shown by Mr. Hendrix. She commented that the administrative percent of 27 percent was almost as much as the maintenance amount of 30 percent. In addition, there is highway administration in the amount of 15 percent. Mr. Hendrix replied that the administrative amount is for developing engineering costs and designs. The second amount is for health, safety, and support functions. Mr. Mendez added that part of the administrative budget is operating budget. Highway is engineering and includes the entire state. Within ADOT is internal support group that includes risk management, which is not really administration, but is accounted for there. Mr. Mendez noted that the administrative budget in the traditional sense is actually 4.9 percent.

Ms. Scherer asked the percentages for administration and maintenance in the MAG region. Mr. Hendrix stated that the MAG area is approximately 23 percent of the statewide maintenance budget.

Chairman Giuliano stated that in response to discussion at the February TPC meeting, the question is should funding for maintenance come out of the existing ADOT funds, or should maintenance be funded using the proceeds of the sales tax.

Supervisor Stapley asked if other pots of money could fund maintenance? Could ADOT continue to fund maintenance if that program was left out of the half cent sales tax? Mr. Mendez replied that ADOT will continue to support maintenance of the system with funds provided. He indicated that he did not see ADOT walking away from this responsibility.

Mr. Anderson stated that even though we have been opening many new freeway miles, and have cable median barriers to maintain, the Legislature has not appropriated additional funds for maintenance. Mr. Anderson added that if additional money is appropriated from MAG funds for maintenance, that would reduce the size of the highway program by the same amount. This region receives about \$200 million per year in discretionary funds, and we cannot say that we want to use these funds for the maintenance of the freeways, There is a statutory disconnect in the process between the maintenance side of the equation and the Legislation wanting to maintain control over that.

Chairman Giuliano asked why additional funding could not be allocated over the appropriation. Mr. Smith replied that MAG makes recommendations for \$10 million per year, but the way the process is set up, we are beholden to the Governor's budget process and the Legislature. Vice Chair Scruggs commented that MAG makes the decisions on \$200 million of discretionary funds, but we cannot use those funds for maintenance because of statutory limitations. Mr. Anderson stated that MAG has been told that maintenance has to come out of the appropriated budget for ADOT and no place else. Mr. Smith commented that it also depends upon the category. Pavement preservation is in the five year construction program, which the State Transportation Board decides; whereas, cable median barriers is another category.

Mr. Shultz stated that some discussion is needed as to whether this is a statutory or appropriations process. He commented that he was not aware of a statutory limitation, and it sounded like policy that became practice over the years. Mr. Shultz stated that from a business point of view, fundamental maintenance of existing and new systems is good practice. Over a long period of time, the infrastructure will deteriorate and the costs will be greater. We need to address maintenance in some fashion.

Mr. Gant stated that if you skimp on day-to-day maintenance, the heavy maintenance increases, and those costs will take away from new projects. We have a relatively new system, but that will catch up with us eventually. Mr. Gant suggested having a portion dedicated to future maintenance for new proposed projects; otherwise, we will hit a brick wall.

Chairman Giuliano directed staff to consider maintenance of the freeway system as in #5.

Ms. Scherer stated that we need to know about the statutory requirements first.

Mr. Shultz asked if there was a formula similar to business depreciation. Look at the life cycles of freeways or facilities to see if they need replacement at some point. Couldn't that set the policy of the issue of maintenance? Mr. Mendez stated that there is no policy, more on a planning basis. Looking at asset management is still conceptual at this point.

Vice Chair Scruggs stated that the City of Glendale has a “no build” policy without knowing the operational impact. We also have a replacement fund. Mr. Shultz stated that he would like every project to have the maintenance cost added to our list to be considered for the RTP. Some are ADOT costs, but some costs could be part of our system costs. We might consider the amount annually into the replacement fund for maintenance. This fund would build while the project is new.

Vice Mayor Schweiker stated that some maintenance funding is vital to make this sellable to the voters.

Mayor McDermott stated that over the past 20 years, we have built many freeway miles, but nothing has been put in to maintain those miles. Those freeway miles will require maintenance sooner than the miles we will build with the new tax. We need a provision to maintain those miles.

Councilmember Dennis asked the maintenance provision in the 1985 legislation Mr. Smith replied that in 1985, the legislation was very explicit that only capital projects would be funded with the half cent sales tax, and maintenance would stay with ADOT. With TEA-21, the cooperative development of revenue estimates and the Casa Grande Resolves, the money that ADOT has is split up and is cooperatively programmed with ADOT. Any money off the top will mean less for new projects.

Councilmember Dennis asked if the legislature had been given information on the cost for maintenance. Mr. Mendez replied that ADOT does not account for maintenance in the life cycle program, only the capital component.

9. Future Agenda Items

Chairman Giuliano stated that Revenue Projections, Preliminary Evaluation, and Performance Measures would be items on the April 16, 2003 TPC agenda.

Mr. Smith mentioned that the Town Hall will be held March 28. He encouraged attendance by community leaders. He added that 150 people have registered. Mr. Smith stated that elected officials will attend as observers, and the participants will be those without prior involvement in transportation.

There being no further business, the meeting adjourned at 7:10 p.m.

Chairman

Secretary