

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
TRANSPORTATION REVIEW COMMITTEE

April 23, 2009

Maricopa Association of Governments Office
302 North First Avenue, Suite 200, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Peoria: David Moody	Maricopa County: Clem Ligocki for John Hauskins
ADOT: Steve Hull for Floyd Roehrich	Mesa: Brent Stoddard for Scott Butler
*Avondale: David Fitzhugh	*Paradise Valley: Robert M. Cicarelli
Buckeye: Scott Lowe	Phoenix: Ed Zeurcher
Chandler: Dan Cook for Patrice Kraus	*Queen Creek: Mark Young
*El Mirage: Lance Calvert	RPTA: Bryan Jungwirth
Fountain Hills: Randy Harrel	Scottsdale: Dave Meinhart for Mary O'Connor
*Gila Bend: Rick Buss	Surprise: Randy Overmyer
Gila River: Sreedevi Samudrala for Doug Torres	Tempe: Chris Salomone
Gilbert: Kurt Sharp for Tami Ryall	Valley Metro Rail: John Farry
Glendale: Terry Johnson	Wickenburg: Gary Edwards
Goodyear: Cato Esquivel	Youngtown: Grant Anderson for Lloyce Robinson
Guadalupe: Gino Turrubiarres	
*Litchfield Park: Dave Hedlund for Mike Cartsonis	

EX-OFFICIO MEMBERS ATTENDING

*Regional Bicycle Task Force: Jim Hash, City of Mesa	Pedestrian Working Group: Brandon Forrey, City of Peoria
*Street Committee: Darryl Crossman, City of Litchfield Park	*Transportation Safety Committee: Kerry Wilcoxon, City of Phoenix
*ITS Committee: Mike Mah	
* Members neither present nor represented by proxy.	+ - Attended by Videoconference # - Attended by Audioconference

OTHERS PRESENT

Eric Anderson, MAG	Eileen Yazzie, MAG
Monique de los Rios-Urban, MAG	Jyme Sue McLaren, City of Tempe
Roger Herzog, MAG	David Johnson, Town of Buckeye
Nathan Pryor, MAG	Bob Antilla, Valley Metro/RPTA
Steve Tate, MAG	Ray Dovalina, City of Phoenix
Roger Roy, MAG	Mark Bolton, Fennemore Craig
Tim Strow, MAG	Molly Stainkemper, City of Tempe
Kevin Wallace, MAG	Jenna Goad, City of Glendale

1. Call to Order

Mr. David Moody from the City of Peoria called the meeting to order at 10:04 a.m.

2. Approval of March 26, 2009 Draft Minutes

Mr. Moody asked if there were any changes or amendments to the meeting minutes, and there were none. Mr. Randall Overmyer from the City of Surprise moved to approve the minutes. Mr. Bryan Jungwirth RPTA seconded the motion, and the minutes were subsequently approved by unanimous voice vote of the Committee.

3. Call to the Audience

Mr. Moody stated that he had not received any request to speak cards from the audience and moved onto the next item on the agenda.

4. Transportation Director's Report

Mr. Moody invited Mr. Eric Anderson from MAG to present the Transportation Director's Report. Mr. Anderson then reported on the Regional Area Road Fund (RARF) revenues. He informed those in attendance that the February RARF revenues decreased by approximately 17 percent from March 2008.

Next, Mr. Anderson also reported on the Highway User Revenue Fund (HURF) revenue collections and forecast. He informed the Committee that HURF revenue collections were also down significantly. According to Mr. Anderson, year-to-date HURF revenues were 6.8 percent lower than the previous year, and actual HURF revenues were 8.6 percent lower than forecasted. He added that diesel tax revenues were down 16 percent year-to-date, and gas tax revenues were down 8 percent.

Mr. Anderson informed the Committee that the Arizona Department of Transportation (ADOT) had issued a press release announcing the repayment of board funding obligations to the State Treasury. The press release reported a repayment of \$110 million. Mr. Anderson stated the funds used were from HELP program and ADOT operating budget. He expressed concerns about ADOT's ability to meet contractor reimbursement schedules due to the decreased HURF revenues and other financial obligations.

Then, Mr. Anderson recapped the Intermodal Planning Group meeting from the previous Friday. He explained the purpose of the meeting was to review the MAG Unified Planning Work Program. He reported the attendance of representatives from the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), the Environmental

Protection Agency (EPA), the Arizona Department of Environmental Quality (ADEQ), and ADOT. He informed the Committee that the Intermodal Planning Group wanted MAG to take the primary role in prioritizing transit projects for funding.

Continuing on, Mr. Anderson summarized an EPA announcement that the agency was working towards developing guidance on green house gas emissions. He informed the Committee of a draft legislative bill in the US Congress named the American Clean Energy and Securities Act, which contained a series of provisions that could significantly impact transportation planning. He added that the proposed Act included a provision that would require Metropolitan Planning Organizations (MPOs) to develop green house emission reduction plans similar to the PM-10 plans. He reported that the proposed Act also contained a requirement for MPOs to meet planning targets in order to retain federal funding.

Mr. Moody asked if there were any questions or comments about this agenda item. There were none, and this concluded the Transportation Director's Report.

5. Project Changes – Amendment and Administrative Modification to the FY 2008-2012 MAG Transportation Improvement Program and FY 2009 Arterial Life Cycle Program

Mr. Moody invited Ms. Eileen Yazzie, the MAG 2002 -2012 Transportation Programming Manager, to present proposed project changes to the MAG Transportation Improvement Program (TIP) and Fiscal Year (FY) 2009 Arterial Life Cycle Program (ALCP). Ms. Yazzie directed the Committee's attention to a handout provided at their places. She explained that Table A in the handout listed two additional projects to receive the American Recovery and Reinvestment Act (ARRA) regional sub-allocation funds.

Ms. Yazzie stated that Table B included administrative modifications and amendments to the FY 2009 ALCP. She reported that the City of Scottsdale was requesting to reallocate project savings from the Loop 101 North Frontage Road project to another project included in the Arterial Life Cycle Program. Ms. Yazzie explained that the project costs for the Loop 101 North Frontage Road were lower than anticipated, which resulted in project savings.

Ms. Yazzie reported that the City of Scottsdale requested to reallocate the project savings to completed intersection improvements on Shea Blvd. She stated that the intersection improvements were not programmed for reimbursement in the ALCP until FY 2021. Mr. Eric Anderson added that the reallocation of the RARF funds to the Shea Blvd. project did not result in a net addition of funds to the City in the program.

Mr. Grant Anderson from the Town of Youngtown inquired about the availability of funds in light of the reduced RARF revenue collections. Ms. Yazzie explained that the funds were unused half-cent sales tax funds from the project savings from the Loop 101 North Frontage Road project. She added that per the ALCP Policies and Procedures, jurisdictions may reallocate project savings to other ALCP projects, which have been completed or require additional funds due to increased project costs.

Then, Mr. Grant Anderson inquired why additional ARRA projects were not included in Table

A. Ms. Yazzie explained that the MAG Regional Council approved an amendment and administrative modifications to the TIP to include 59 ARRA funded projects the previous evening. She stated that she would provide additional information on the ARRA funded projects in a later agenda item.

Mr. Dave Meinhart from the City of Scottsdale motioned approve the project changes to FY 2008 - 2012 TIP and FY 2009 ALCP. Mr. Clem Ligocki from Maricopa County seconded the motion, and the projects changes were approved by a unanimous voice vote of the Committee.

6. Update and Review of Project Deferral Requests for Federal Fiscal Year (FFY) 2009 MAG Closeout

Continuing on, Mr. Moody invited Ms. Eileen Yazzie, the MAG Transportation Programming Manager, to present and update of project deferral requests for the FFY 2009 Closeout. She directed the Committee's attention to additional handouts for the agenda item that included a list of requested project deferrals as well as justification letters for projects requesting to be deferred for a second time or more.

Ms. Yazzie explained that under federal law, the MAG was required to use all of obligation authority designated to the region. She stated the purpose of closeout was to allocate unobligated funds to other projects that could obligate the funds in the time required. She added that the most important criteria for a project to be funded through closeout was that the project had completed or was near completion of the federal project development process administered by ADOT Local Government Section and would be able obligate by the end of the current federal fiscal year.

Next, Ms. Yazzie outlined the three steps in the closeout process contained in the MAG Draft FFY09 Federal Fund Programming Principles (Programming Principles). She explained the first step was the initial closeout and required the calculation of the funding available. The second step was the interim closeout, which included a review of project deferrals and submittals. Then, during the final closeout, any additional funds from last minute deferrals and redistributed obligation authority would be captured.

Ms. Yazzie explained that the current agenda item was focused on project deferral and stated that project submittals would not be addressed in the current agenda item. She informed the Committee that the Programming Principles permitted a one time deferral for projects. She stated that requests to defer a project for a second time or more required the sponsoring agency to submit a justification letter explaining why the project should remain in the MAG Federal Fund Program.

Ms. Yazzie informed the Committee that MAG Staff had received six requests to defer a project for the second time or more. She briefly summarized the deferral requests as well as requests to remove federal funds from a project. She reported that sponsoring agencies had requested to remove federal funds from one intersection improvement and three paving projects.

Then, Ms. Yazzie provided an overview of the FFY09 Federal Fund Closeout estimates. She stated that MAG Staff was in the process of determining the final FFY08 carry forward and the FFY09 obligation authority rate. Using a 90 percent obligation rate, Ms. Yazzie estimated that \$140 million in Congestion Mitigation and Air Quality (CMAQ) and Surface Transportation Program (STP) funds were available, and of that, \$138 million had been programmed. She reported that MAG Staff had received requests to defer or remove \$10.7 million in federal funds for FFY09. Based on these figures, Ms. Yazzie estimated the funds available for closeout to be approximately \$12.7 million.

Ms. Yazzie informed the Committee that the item was on the agenda for information, discussion, and recommendation to approve the requests to defer projects and remove federal funds, as presented in the handouts. Mr. Eric Anderson reported increased scrutiny on unobligated balances of federal funds at the national level due to the financial condition of the National Highway Trust Fund. He expressed concerns about the region's ability to obligate the federal funds, particularly in light on the current circumstances at ADOT. He explained that failure to obligate the funds could result in the sweeping of the funds at the national level.

Mr. Grant Anderson inquired about the practice used in previous years of allowing ADOT to obligate funds, when necessary. Mr. Eric Anderson explained that historically ADOT would use the funds available on advanced constructed projects; however, the current inventory of advanced constructed projects was low due to recent economic conditions. As a result, ADOT's ability to obligate the funds was significantly reduced. A brief discussion followed about ADOT's ability to obligate funds as well as how to address requests to defer projects for two or more times.

Mr. Eric Anderson encouraged member agencies to review the federally funded projects in their jurisdiction. He added that each jurisdiction should consider the feasibility of multiple projects as well as opportunities to consolidation. A brief discussion followed.

Mr. Gino Turrubiarres from the Town of Guadalupe inquired about the possibility of retracting federal funds from projects, which have been deferred two or more times as a result of the financial situations at the state and national level. Ms. Yazzie directed the Committee's attention the Programming Principles. She referenced language in the Programming Principles that permitted the removal of federal funds from a project at the discretion of the Committees through the approval process.

Mr. Meinhart expressed concerns about the ability to obligate funds as directed by the FHWA given the categorical funding limitations established in the MAG Regional Transportation Plan. Ms. Yazzie noted that the Programming Principles language stated that the funding categories would be considered and that adhering to the categories was at the discretion of the Committees. A brief discussion followed.

Mr. Moody noted the variations in details provided in the deferral justification letters adding that while some letters provided sufficient detail to explain the need for the justification and a revised project timeline that other letters did not. He inquired if the delaying the action on approving the deferrals for one month to allow sponsoring agencies to provide the additional detail required would present an issue in the closeout process schedule. Ms. Yazzie stated that delaying the deferrals for one month would not have a negative impact on the closeout process

schedule at this point.

Mr. Turrubiarres asked about the cut off time for deferral notifications. Ms. Yazzie explained the process was on-going and would continue past August. She continued and encouraged member agencies to notify MAG Staff of deferrals as soon as possible in an effort to give MAG Staff ample time to conduct financial analyses associated with the closeout. The Committee conducted a brief discussion on how to proceed with projects requesting to be deferred a second time or more.

Mr. Randy Overmyer from the City of Surprise motioned to approve the first time project deferral requests and to assign the other deferral requests to a Working Group or workshop for review and discussion, with the projects requesting to be deferred for the second time or more to be discussed at the next Committee meeting after the review by the Working Group or workshop participants. Mr. Ligocki motioned to discuss Mr. Overmyer's motion, and Mr. Grant Anderson seconded Mr. Ligocki's motion. The Committee discussed various potential motions as well as the appropriate actions in lieu of Robert's Rules of Order.

Mr. Moody summarized the final motion proposed by Mr. Overmyer and agreed upon by the Committee. According to Mr. Moody's summation, the motion before the Committee was to recommend the approval of the projects requesting to be deferred or have federal funds removed as well as to conduct a workshop to review the requests to defer projects two or more times in an effort to determine if MAG or the other member agencies could assist the sponsoring agency in obligating the projects in question. In addition, the Town of Buckeye project would be removed from the deferral request table. Mr. Overmyer agreed this was his amended motion, and Mr. Grant Anderson seconded. Then, the motion passed with a unanimous voice vote of the Committee.

7. Fiscal Year 2009 - Arterial Life Cycle Program (ALCP) Regional Area Road Fund (RARF) Closeout

Mr. Moody invited Ms. Christina Hopes to present on the FY 2009 Arterial Life Cycle Program (ALCP) Regional Area Road Fund (RARF) Closeout. Ms. Hopes announced the approval of the updated to the ALCP Policies and Procedures (Policies) by the MAG Regional Council the previous evening.

Ms. Hopes informed the Committee that Section 260 of the Policies established the ALCP RARF Closeout Process and addressed the determination of project eligibility, deadlines as well as project selection prioritization. She explained that in order for a project to be eligible for RARF Closeout, the project must be programmed in the Arterial Life Cycle Program; be completed and/or closed out; and, all ALCP project requirements must be accepted by MAG by May 15th of the current fiscal year.

Next, Ms. Hopes addressed the prioritization of eligible projects. She stated that first eligible projects were prioritized based on the fiscal year reimbursement was programmed in the approved ALCP, with projects programmed to receive reimbursements in the next fiscal year receiving the highest priority. She explained that if multiple projects were programmed to receive reimbursement in the same fiscal year, then the projects would be prioritized based on the date of the final project invoice and the acceptance date of the final Project Reimbursement

Request submittal, if necessary.

Ms. Hopes directed to the Committee's attention to the table of projects eligible for RARF Closeout, which was provided in the agenda packet. She reported that MAG Staff had conducted a detailed financial analysis as part of the RARF Closeout process. She stated the MAG Staff reviewed programmed and actual expenditures in FY 2009 and project data submitted as part of the annual update process. In addition, MAG Staff reviewed historical and future trends in RARF revenues, the draft FY 2010 ALCP bonding program as well as programmed expenditures in the draft FY 2010 ALCP. Ms. Hopes informed the Committee that numerous funding scenarios were conducted in determining the amount of funding available for the FY 2009 RARF Closeout.

Ms. Hopes announced the recommendation of MAG Staff to advance programmed reimbursements from FY 2012 to FY 2009 for two ALCP Projects: Queen Creek Rd. from Arizona Ave. to McQueen Rd. and Lake Pleasant Parkway. She stated that the item was on the agenda for information and discussion, and possible recommendation to approve ALCP project reimbursements for the FY09 ALCP RARF Closeout, and amend the FY09 ALCP, 2008-2012 TIP, and RTP Update as necessary.

Before requesting action on the agenda item, Ms. Hopes provided a brief overview of the development of the draft FY 2010 Arterial Life Cycle Program. She informed the Committee that Section 270 of Policies established guidance in the event of a deficit in program revenues. The established guidance required reimbursements to be delayed in priority order.

Ms. Hopes explained that in keeping with Section 270, MAG Staff deferred programmed reimbursements in the draft FY10 ALCP on average one to three years depending on projected RARF revenues and the fiscal year of the programmed reimbursement. She stated that the one year deferrals in programmed reimbursements began in FY 2013, with the deferrals increasing to three years in the later years of the program. She added that the deferral of programmed reimbursements only applied to ALCP projects funded with RARF or half-cent sales tax funds.

Continuing on, Ms. Hopes summarized methods used by MAG Staff to reduce the number of projects deferred to unfunded years of the program. She explained that MAG Staff increased the amount of federal funds (CMAQ and STP) allocated to projects in the program. She announced that additional federal funds were available to fund ALCP projects, with the majority of the federal funds being available toward the end of Phase IV in FYs 2025 and 2026. Ms. Hopes cautioned that many of the reported project schedules exceeded the advance construction guidance provided by FHWA, and as a result, these advanced constructed projects would not be eligible to receive federal funds.

Then, Ms. Hopes outlined other methods used to address the deficit. She informed the Committee that MAG Staff had coordinated extensively with Lead Agencies in an effort to prioritize projects programmed in the ALCP. She stated the Lead Agencies could exchange the reimbursement schedule of two projects per the ALCP Policies. She explained that exchanges did not alter the amount of the programmed reimbursements in the ALCP; instead, exchanges allowed Lead Agencies to prioritize the reimbursement schedule of existing projects.

Mr. Ed Zuercher from the City of Phoenix inquired if the Committee recommended to reimburse the first two projects on the FY09 RARF Closeout project listing, would the subsequent projects receive the highest priority during the next closeout process. Ms. Hopes explained that projects are added to listing upon meeting the eligibility requirements, and the prioritization of eligible projects would be revised each year in accordance with the ALCP Policies and Procedures. As a result, newly completed projects with reimbursements programmed early in the ALCP would be selected before the projects currently listed in the table.

Mr. Meinhart inquired about the ability to meet programmed reimbursement obligations in light of the decreased RARF revenue collections if the Committee opted to recommend the FY 09 RARF Closeout projects selected. Ms. Hopes explained that MAG Staff conducted a detailed financial analysis in determining the amount of funds to release as part of the RARF Closeout Process. She explained that MAG Staff reviewed the ALCP bonding streams for the current and upcoming fiscal year as well as the programmed expenditures in those years. Ms. Hopes also explained that shifting reimbursements from Phases III and IV of the program to the current fiscal year had a greater impact on the bonding program, and as such, were less likely to receive RARF Closeout Funds in the immediate future. To remedy this issues, she encouraged Lead Agencies with closed out projects in Phase III or IV to consider an exchange with another project programmed for reimbursement in Phase I or II of the program.

Mr. Clem Ligoeki from Maricopa County inquired about the feasibility of adding a City of Scottsdale project, which was programmed to receive \$280,000 in Phase IV of the ALCP, to the list of projects recommended to receive RARF Closeout Funds. Ms. Hopes informed the Committee that MAG Staff had run a series of funding scenarios before selecting the projects recommended for RARF Closeout. She explained that although the programmed reimbursements for the City of Scottsdale project was relatively small compared to other reimbursements in the program, that advancing the reimbursement from Phase IV to Phase I of the program did have a negative impact on the ALCP bonding stream. She stated that the City of Scottsdale project was not recommended for FY09 RARF Closeout as a result of the project's impact on the bonding stream.

Mr. Terry Johnson from the City of Glendale inquired if all of projects programmed in the ALCP were funded. Ms. Hopes stated the all projects were funded in the FY 2009 ALCP; however, some projects were unfunded in the draft FY 10 ALCP due to the decrease in RARF revenue collections. She explained that the FY09 RARF Closeout Process did not increase the amount of funding allocated to a project or the program; instead, the RARF Closeout Process advanced existing reimbursements from the year programmed in the approved ALCP to the current fiscal year.

Mr. Dan Cook from the City of Chandler motioned to recommend to advance the ALCP reimbursements from 2012 to 2009 for Lake Pleasant Parkway and Queen Creek Rd. from Arizona Ave. to McQueen Rd. Mr. Overmyer seconded the motion, and the motion was approved by a unanimous voice vote of the Committee.

8. Update on the American Recovery and Reinvestment Act of 2009: Arizona Department of Transportation (ADOT) Portion, MAG Sub-Allocation, Transportation Enhancement Portion,

and MAG Region Transit Funds

Mr. Moody invited Ms. Eileen Yazzie to provide an update on the American Recovery and Reinvestment Act of 2009 (ARRA). Ms. Yazzie informed the Committee that five highway projects were approved for funding and inclusion in the MAG Transportation Improvement Program by the MAG Regional Council in March. She announced that two of the five projects (Interstate-10 from Verrado Way to Sarival Rd. and Interstate-17 from SR 74 to Anthem Way) had been advertised with the bid opening scheduled for May 2009. She added that the other three projects would be advertised by the end of June 2009. Ms. Yazzie reported that fifteen transit projects were also approved by the MAG Regional Council in March for inclusion in the MAG TIP. She announced that MAG Staff was coordinating with Federal Transit Administration, City of Phoenix, RPTA, and Metro-Rail for grant application and concurrence letter, which are mandated by law.

Continuing on, Ms. Yazzie informed the Committee that the State Transportation Enhancement Review Committee (TERC) was recommending to fund existing transportation enhancement (TE) projects considered "Ready To Go." She announced that the State TERC was recommended that the existing (STP-TEA) funding be replaced with 100 percent ARRA funds plus an additional 50 percent of the current TEA funding up to \$250,000, not to exceed the total project cost. Ms. Yazzie stated that of the \$15.6 in ARRA funding allocated to the State for TE projects, the MAG Region was projected to receive \$7.1 million for 11 projects in the area.

Ms. Yazzie encouraged the Committee to contact Ms. Maureen DeCindis from MAG or Ms. Tammy Flaitz from ADOT with specific questions about the Transportation Enhancements program as well as the allocation of ARRA funds to the TE projects. She announced that the TE project recommendations would be presented to the Committee in the coming months for inclusion in the MAG TIP.

Next, Ms. Yazzie addressed the sub-allocation of ARRA funds to the MAG Region. Ms. Yazzie announced that more than \$103 million of the \$104 million allocated to the region had been programmed. She thanked the Committee and Member Agency Staff for their efforts in programming the ARRA funds. A brief discussion followed.

Mr. Moody asked if there were any questions or comments about this agenda item. There were none, and this concluded the agenda item.

9. Member Agency Update

Mr. Moody asked members of the Committee if they would like to provide updates; address any issues or concerns regarding transportation at the regional level; and asked if any members in attendance would like to address recent information that was relevant to transportation within their respective communities. There were none.

14. Next Meeting Date

Mr. Moody informed members in attendance that the next meeting of the Committee would be

held on May 28, 2009. There being no further business, Mr. Moody adjourned the meeting at 11:32 a.m.