



## Executive Director's Report

At a recent meeting held by the private sector to advance the building of Interstate 11, it was interesting to see the motivational words on the walls of their meeting room. One that caught my eye was the word astonishment. It seemed like a word we do not hear often. In the transportation industry, some projects are astonishing, such as the Mike O'Callaghan-Pat Tillman Bridge across the Colorado River. This region has a history of great accomplishment. We need to keep that spirit and not settle for less.

At MAG we often discuss the book "Good to Great" by Jim Collins. The key theme of this book is that "good is the enemy of great." Often, when an organization is "good," it tends to settle and never move on to "great." This region has been great, especially in passing Propositions 300 and 400, resulting in 138 miles of freeway construction and funding for transit. The challenge for this region is to take this spirit and move forward to address future needs.

I am confident that astonishment remains a goal in this region. Our elected officials and business community are transforming our economy in building new relationships with Mexico, our number one trading partner. Individual efforts by our mayors and group efforts organized through regional or state organizations are making a difference in building an economic bridge with Mexico.

Great work often starts slowly and moves more rapidly as everyone is engaged in moving the flywheel of success. Progress is moving at all levels in Arizona—state, regional and local. It is refreshing to see!

**For more information, please contact Dennis Smith, MAG Executive Director, (602) 254-6300.**

## Meeting Report for Wednesday, February 27, 2013

### Action Items



#### Metropolitan Planning Area Boundary Adjustment

The Regional Council received information regarding the need to adjust the MAG Metropolitan Planning Area (MPA) boundary due to new urbanized areas that were defined by the 2010 Census, which include areas that are located in Pinal County. The proposed boundary is to include those areas that are projected to be urbanized over the next 20 years.

The census determined that the city of Casa Grande exceeds 50,000 in population. Under federal law, this requires that Casa Grande either join an existing metropolitan planning organization (MPO) or form a new one. The city has indicated it will be forming an MPO by March 28, 2013. This will require that the boundary for the Casa Grande MPO be established and a new MPA boundary for MAG be defined. In December, the city of Maricopa passed a resolution expressing interest in joining MAG. Members of the MAG Executive Committee explored what governance changes would be needed in order to amend the MAG By-Laws. The proposed amendment would be contingent upon the final MPA boundaries being approved by the governor in cooperation with the MPOs. The draft amendment would provide for future incorporated cities in the new MAG MPA boundary to become members of MAG. It would also provide for Pinal County to become a member of MAG.

The Regional Council approved the revised By-Laws amendment to provide for a required 15-day written notice before final approval by the Regional Council. In addition, the written notice to amend the By-Laws is contingent upon a new MAG planning boundary being approved by the governor.

**For more information, please contact Dennis Smith, MAG Executive Director, (602) 254-6300.**



## **Information Items**

### **Development of Work Program and Annual Budget**

The Regional Council heard an update on the development of the FY 2014 Unified Planning Work Program and Annual Budget. The MAG budget is presented incrementally each year from January through May. At February's meeting, staff presented the draft of the proposed dues and assessments, the budget process timeline, and the new projects for the FY 2014 budget.

Staff noted that dues and assessments were reduced by 50 percent beginning in FY 2010 and through FY 2013. For FY 2014, MAG is proposing the dues and assessments be set at 75 percent of the 2009 dues and assessments and application of the average consumer price index for calendar years 2009 through 2012 of 2.29 percent. A timeline was distributed that outlines the budget development process.

Staff also included a description and the cost estimates for newly proposed projects for FY 2014. Most of the newly proposed projects are for ongoing project work that MAG does each year, including associate contracts for assistance with projects such as air quality efforts, applications for homeless funding, disability outreach, and video production/outreach. This year MAG is also requesting associate assistance for the Traffic Signal Optimization Program.

Staff reported that MAG also has a number of consultant or other requests that are ongoing from previous years, including on-call assistance in air quality technical efforts, pedestrian and bicycle facilities design, the Traffic Signal Optimization Program, and road safety assessments. Other ongoing projects include the *Don't Trash Arizona* Litter Prevention and Education Program, and the transportation performance dashboard platform to measure performance, which is a second step in the creation of a MAG dashboard to measure performance

Some of the new projects requested in FY 2014 include a project to update the Regional Transportation Plan, an off-street bicycle network guide, a Southeast Valley Local Transit Study, and an on-call contract for practices of emergency vehicles preemption at traffic signals.

Staff stated that MAG is looking for input throughout the period of development of the draft budget through May, prior to final adoption of the work program and budget.

**For more information, please contact Becky Kimbrough, (602) 254-6300.**

### **Report on Sequestration Impacts**

MAG staff provided a report on sequestration and its potential effect on Arizona's economy. The automatic spending cuts went into effect March 1, 2013, and prorated the sequester amount from \$109 billion to \$85 billion for the remaining seven months of fiscal year 2013.

Staff reported that most of the affected agencies are planning to absorb the funding reductions through employee furloughs, which will not be fully implemented until April 1st (assuming Congress authorizes a continuing resolution to keep government running beyond March 27th).

Staff reported that there is a lot of uncertainty regarding the sequestration impacts. The cuts will impact not only defense spending, but also non-defense programs. Earlier estimates by George Mason University looked at the impacts of \$109 billion in spending cuts for FY 2013, initially scheduled to start on January 2, 2013. The study determined that Arizona could lose close to 50,000 jobs and experience a loss of \$4.9 billion in gross state product. Estimated job losses for aerospace and defense would be 35,000 with the remaining 13,900 jobs lost through cuts in funding for non-defense programs, such as health and human services, labor programs, education, and others. Staff noted that, because the study assumed the sequester of \$109 billion instead of \$85 billion, these figures are now an overestimate. However, the reduction in funding for FY 2013 still would result in reduced economic activity and potential job losses.

Staff reported that a recent report released by the White House indicates impacts to Arizona's aerospace and defense sector will include 10,000 civilian job furloughs, gross pay reductions of \$52.5 million, \$43 million in Army spending cuts and \$6 million in Air Force funding cuts. Impacts on non-defense would mean 19,000 students would not receive services, 70 schools would not receive funding, and about 360 teachers and teacher's aides' jobs would be at risk. The Head Start program would receive \$1 million less, while vaccination programs would see a reduction of \$176,000 in funding, meaning more than 2,500 children would not receive vaccinations. In addition, 1,000 fewer children would have access to preschools and 500 would not have access to child care funded through federal programs.

Depending on the actions of Congress in the upcoming months, it is additionally difficult to estimate the effects of sequestration on the subregion. The city of Phoenix has reported that sequestration will have an impact of \$13.6 million in Human Services, Neighborhood Services, Housing, and Community and Economic Development programs. These estimates will adjust up or down as the sequestration scenario unfolds.

**For more information, please contact Lora Mwaniki-Lyman, MAG Regional Economist, (602) 254-6300.**

### **Update on Dust Plan**

Staff provided an update on the MAG 2012 Five Percent Plan for PM-10 and issues surrounding exceptional events. The Environmental Protection Agency (EPA) was to approve the MAG 2012 Five Percent Plan for PM-10 by February 14, 2013, in order to avoid the imposition of a federal implementation plan. The documentation for the remaining 26 exceptional event days that occurred in 2011 and 2012 had to be submitted and concurred with by EPA in time for it to approve the MAG plan. The documentation was extensive and, including prior documentation, included 18 packages totaling more than 1,700 pages.

Staff reported that the plan includes a wide variety of existing control measures and projects that have already been implemented. While an earlier 2007 Five Percent Plan was withdrawn, the control measures continue to be implemented and were resubmitted in the new plan. The 2012 plan includes a new measure to reduce PM-10 during high risk conditions, including high winds, as there have been no violations of the standard during stagnant conditions since 2007.

Next steps include a need for the EPA to concur with the 17 recent packages of exceptional event documentation. EPA could issue a clean data finding if the region has at least three years of clean data and has attained the standard. Staff noted that the exceptional events process needs to be streamlined.

**For more information, please contact Lindy Bauer, MAG Environmental Director, (602) 254-6300.**

## **Next Meeting**

The next meeting of the MAG Regional Council will be held on Wednesday, March 27, 2013, at 11:30 a.m. at the MAG offices, 302 N. 1st Avenue, Phoenix, second floor, Saguaro Room. Agenda items are expected to include ongoing development of the FY 2014 MAG Unified Planning Work Program and Annual Budget, proposed funding scenarios and project changes for the transportation alternatives program, update on the domestic violence protocol model implementation survey, and recommended adoption of the draft MAG 2013 Carbon Monoxide Maintenance Plan for the Maricopa County area. Additional agenda items are pending.

**For more information, please contact Dennis Smith, MAG Executive Director, (602) 254-6300.**