

June 2, 1998

TO: Members of the MAG Management Committee

FROM: Stephen S. Cleveland, Goodyear, Chairman

SUBJECT: MEETING NOTIFICATION AND TRANSMITTAL OF TENTATIVE AGENDA

Wednesday, June 10, 1998 - noon (Meeting will begin promptly at noon)  
MAG Office, Suite 200 - Saguaro Room  
302 North 1<sup>st</sup> Avenue, Phoenix (see enclosed map)

**Please park in the garage under the Norwest Bank Building, bring your ticket, parking will be validated. For those using transit, the Regional Public Transportation Authority will provide transit tickets for your trip. For those using bicycles, please lock your bicycle in the bike rack in the garage.**

The next Management Committee meeting will be held at the MAG offices at the time and place noted above. The agenda and summaries are being transmitted to the members of the Regional Council to foster increased dialogue regarding the agenda items between members of the Management Committee and Regional Council. Lunch will be provided at a nominal cost. You are encouraged to review the supporting information enclosed.

Members are reminded of the importance of attendance by yourself or a proxy. Anytime that a quorum is not present, we cannot conduct the meeting. Please set aside sufficient time for the meeting, and for all matters to be reviewed and acted upon by the Management Committee. Your presence and vote count.

Immediately prior to the meeting, at 11:00 a.m., a briefing will be held on the 2025 Vision Process. Information on the briefing is enclosed. The briefing will begin at 11:00 a.m. If you have any questions, please call the MAG office.

**MAG MANAGEMENT COMMITTEE  
TENTATIVE AGENDA  
JUNE 10, 1998**

COMMITTEE ACTION REQUESTED

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| <p>1. <u>Call to Order</u></p>   |   |
| <p>2. <u>Approval of April 24 and May 13, 1998 Meeting Minutes</u></p>   | <p>2. Review and approve April 24 and May 13, 1998 meeting minutes.</p> |
| <p>3. <u>Call to the Audience</u></p> <p>An opportunity will be provided to members of the public to address the Management Committee for items that are not included on the agenda. Citizens will be requested to not exceed a three minute time period for their comments. A total of 15 minutes will be provided for the Call to the Audience agenda item, unless the Management Committee requests an exception to this limit.</p> | <p>3. For information.</p>  |
| <p>4. <u>Executive Director's Report</u></p> <p>The MAG Executive Director will provide a report to the Management Committee on activities of general interest.</p>  | <p>4. For information and discussion.</p>                               |

**ITEMS PROPOSED TO BE HEARD**

**TRANSPORTATION ITEMS**

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| <p>5. <u>Requested Changes to the MAG Freeway Program (5 minutes)</u></p> <p>The Arizona Department of Transportation (ADOT) has requested changes to the Draft Tentative 1999-2006 Life Cycle Regional Freeway Program. The changes that meet the definition of material change are listed on the schedule. The material changes include cost changes that exceed the five percent limit and a number of added projects. The additional projects are needed to complete utility relocation work on the Agua Fria and Pima Freeways and for the drainage project on the San Tan Freeway. The significant cost changes include an increase of \$4.3 million and \$4.4 million on two sections of the Agua Fria. These reflect</p> | <p>5. For information, discussion and recommendation to approve the requested material changes.</p> |
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increases of 13 percent and 14 percent. Advanced design work on each section has identified these increased costs to complete. The budgets for Preliminary Engineering and Design Change Orders are being increased by \$1.9 million and \$500,000, respectively. MAG is recommending approval of the requested changes. Please refer to the enclosed material.

#### GENERAL ITEMS

6. Articles of Incorporation to Establish the Maricopa Association of Governments Information Center as a Subsidiary of MAG (5 minutes)

In May, the Regional Council approved the concept of establishing the Maricopa Association of Governments Information Center (MAGIC) as a subsidiary of MAG. Through this subsidiary, specialized information and services to member agencies, private sector businesses and individuals and other public sector agencies would be provided. The resources and activities associated with MAGIC would be administered by the Executive Director of the Maricopa Association of Governments. The governing board of the enterprise would be the Regional Council Executive Committee. There would also be an advisory board established. The Articles of Incorporation establishing MAGIC as a subsidiary of MAG have been prepared for consideration by the Management Committee. Please refer to the enclosed material.

7. MAG Annual Financial Audit and Single Audit and Management Letter for the Fiscal Year Ended June 30, 1997 (5 minutes)

The public accounting firm of Deloitte & Touche LLP has completed the MAG Annual Financial Audit and Single Audit for the fiscal year ended June 30, 1997. An unqualified audit opinion was issued on April 29, 1998 on MAG's general purpose financial statements and on the combining and individual financial statements taken as a whole. The independent auditors' report on compliance with the requirements applicable to major federal award programs expressed an unqualified opinion on the Single Audit. The Single Audit report also indicated there were no reportable conditions in MAG's internal control over financial reporting considered to be material weaknesses, no instances of

6. For information, discussion and recommendation to approve the Articles of Incorporation establishing the Maricopa Association of Governments Information Center as a subsidiary of MAG.

7. For information, discussion and recommendation to accept the MAG Annual Audit for the year ended June 30, 1997.

noncompliance considered to be material and no questioned costs. The Single Audit report provided five procedural findings aimed at improving MAG's financial management. These findings are not considered to be material. During FY 1998, MAG has either resolved, or is in the process of addressing, each of these findings.

A management letter was also issued under separate cover dated April 29, 1998. The letter provides recommendations to strengthen and improve areas of MAG's financial operations. There were no material weaknesses sighted in the management letter. During FY 1998, MAG has either resolved, or is in the process of addressing, each of the management letter comments.

This audit was prepared using standards adopted by the Government Finance Officers Association. These standards were implemented to provide a higher level of financial reporting for MAG. With improvements expected in FY 1999, it is anticipated that the audit for the period ending June 30, 1998 will be completed by December 1998. Please refer to the enclosed material.

8. Election of Officers (3 minutes)

Each June, the positions of Chairman and Vice Chairman are elected by the Management Committee.

8. For information, discussion and election of Chairman and Vice Chairman.

STUDY SESSION ITEM PROPOSED TO BE HEARD

9. Overview of Transportation Equity Act for the 21st Century (15 Minutes)

On May 22, 1998, Congress passed the Transportation Equity Act for the 21st Century (TEA-21). This six-year public works bill will provide more than \$215 billion for the nation's highways, bridges and mass transit systems. In the bill, \$173 billion is provided for highways, \$41.4 billion for transit, and \$2.2 billion for highway safety. Of the total amount, \$205.5 billion is guaranteed for highway, transit and safety spending. The bill preserves the role for Metropolitan Planning Organizations and local decision-making in planning and programming funds for metropolitan areas. It is expected that the bill will be signed by the President. Initial information released from the Federal Highway Administration indicates that

9. For information and discussion.

Arizona's annual average share of highway spending will increase from \$256 million to \$408 million. An overview of the bill will be presented to the Management Committee. Please refer to the enclosed material.