

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

December 9, 1998
MAG Office - Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Mayor Neil Giuliano, Tempe, Chairman	Supervisor Andy Kunasek for Supervisor Jan Brewer, Maricopa County
Mayor Thomas Morales, Avondale	Mayor Wayne Brown, Mesa
Mayor Dusty Hull, Buckeye	Mayor Edward Lowry, Paradise Valley
* Mayor Hugh Stevens, Carefree	Mayor John Keegan, Peoria
* Mayor Tom Aughterton, Cave Creek	* Mayor Skip Rimsza, Phoenix
* Mayor Jay Tibshraeny, Chandler	Mayor Mark Schnepf, Queen Creek
Mayor Cel Arias, El Mirage	* President Ivan Makil, Salt River Pima-
* Mayor Sharon Morgan, Fountain Hills	Maricopa Indian Community
Councilmember Steve Holt for Mayor Chuck Turner, Gila Bend	Mayor Sam Campana, Scottsdale
Lt. Governor Cecil Antone for Governor Mary Thomas, Gila River Indian Community	Mayor Joan Shafer, Surprise
Mayor Cynthia Dunham, Gilbert	Mayor Adolfo Gamez, Tolleson
Mayor Elaine Scruggs, Glendale	Mayor Dallas Gant, Wickenburg
Mayor Bill Arnold, Goodyear	Mayor Donald J. Needham, Youngtown
Vice Mayor Veronica Flores for Mayor Frances Osuna, Guadalupe	F. Rockne Arnett, ADOT
Mayor Colin Barleycorn, Litchfield Park	Chuck Coughlin, Citizens Transportation Oversight Committee

*Those members neither present nor represented by proxy.

1. Call to Order

The meeting of the Regional Council was called to order by Chairman Neil Giuliano at 5:05 p.m.

Chairman Giuliano introduced proxies: Councilmember Steve Holt for Mayor Chuck Turner from Gila Bend, Lt. Governor Cecil Antone for Governor Mary Thomas from Gila River Indian Community, Vice Mayor Veronica Flores for Mayor Frances Osuna from Guadalupe, and Supervisor Andy Kunasek for Supervisor Jan Brewer from Maricopa County.

Chairman Giuliano announced a new member to the Regional Council, Mayor Celestino 'Cel' Arias, from the City of El Mirage. Chairman Giuliano introduced Mayor Arias and presented him with his new member certificate.

Chairman Giuliano announced that parking validation is available from MAG staff for the Norwest garage only. He said that the RPTA has generously agreed to provide transit tickets for individuals who use the bus to get to the Regional Council meeting. He stated that tickets are available following the meeting from Ken Driggs of the RPTA.

2. Pledge of Allegiance

3. Approval of the November 4, 1998 Meeting Minutes

Mayor Joan Shafer moved, Mayor Adolfo Gamez seconded, and it was unanimously carried to approve the minutes of the November 4, 1998 meeting.

4. Call to the Audience

Chairman Giuliano noted that we have a timer to assist the public with their presentations, which have a three minute time limit. When two minutes have elapsed, the yellow light will come on notifying the speaker that they have one minute to sum up. He said that at the end of the three minute time period, the red light will come on. Members of the audience who wish to speak fill out a card and give it to the MAG staff who will bring it to the Chairman.

Chairman Giuliano stated that public comment is provided at the beginning of the meeting for non-agenda items and for consent items. After hearing public comments, any member of the committee can request that an item be removed from the consent agenda and considered individually.

He indicated that for the action items on the agenda, public comment will be taken when the item is heard. Public comments are limited to three minutes.

Chairman Giuliano noted that no public comment cards had been turned in.

5. Executive Director's Report

Mr. Bourey stated he attended a meeting with the Census Advisory Committee last week. He noted that the Committee is in the process of finalizing their report, which will be presented to the Secretary of Commerce in February. Mr. Bourey stated that the Committee is including items of importance to cities in their report. They include a recommendation to update the address lists within the 16 months until the Census takes place and city review of housing unit counts. He commented he will attend another Committee meeting in January in which they will finalize the report.

Mr. Bourey said the Building Codes Stakeholders meeting will be held on December 15, 1998. Input obtained from this meeting will be used by the Building Codes Committee. Mr. Bourey mentioned that MAG recently served as the regional host for the Government Finance Officers Association certification examination, which certifies finance officers.

Mr. Bourey mentioned that the Vehicle Emissions Testing Program has been a critical measure in several air quality plans adopted by the MAG Regional Council. Mr. Bourey noted that the entire Vehicle Emissions Inspection Program reduces carbon monoxide emissions by approximately 17 percent

reduction in 2000. He mentioned that transportation activities cannot be federally funded or approved unless they are in conformance with the air quality plans.

Mr. Bourey stated that the Annual Regional Council Retreat is scheduled for January 8th at the Buttes in Tempe. At the Retreat last year, it was decided to enhance our relationship with the State Legislature. Mr. Bourey noted that a lunch meeting is being scheduled with the House and Senate leaders and a reception with the Regional Council members will be scheduled later during the session. He stated that an agenda would be forthcoming.

Chairman Giuliano thanked Mr. Bourey for his report and asked if there were any questions.

6. Approval of Consent Agenda

Chairman Giuliano stated that agenda items #7 through #17 are listed on the consent agenda, with the exception of #10, MAG Transportation Management Systems Report: FY 1999 Update, which has been removed from the consent agenda at a member's request and is for discussion.

Chairman Giuliano asked if there were any members who wished to speak on consent items.

Mayor Wayne Brown moved, Mayor Sam Campana seconded, and it was unanimously carried to approve consent agenda items #7, #8, #9, #11, #12, #13, #14, #15, #16, and #17.

7. Enhancement Funds Working Group Round VI Recommendations

The Regional Council approved, by consent, to forward the Enhancement Funds Working Group ranked list of applications to the Arizona Department of Transportation. The Enhancement Funds Working Group was formed by the MAG Regional Council in April 1993 to review and recommend a ranked list of TEA-21 Enhancement Fund applications from this region to the State Transportation Enhancement Review Committee (TERC). This year, 15 enhancement fund applications were received. Applications for local funds totaled approximately \$4.2 million for \$5.5 million available Statewide. Applications for State funds received totaled approximately \$2.4 million for \$3.5 million available Statewide. The Working Group ranked applications at the November 12, 1998 meeting. The Management Committee recommended approval of the Working Group recommendations.

8. Request for MPO Approval of Federal Transit Administration Job Access and Reverse Commute Competitive Application

The Regional Council approved, by consent, to designate Maricopa County to submit a consolidated grant proposal for the Federal Transit Administration Job Access and Reverse Commute Competitive Funds, including the Maricopa County Social Services Department Work Links project for \$850,000 and (2) the Southwest Valley Cities of Avondale, Goodyear, Litchfield Park, Tolleson and Phoenix Pilot Project for \$210,000. In the reauthorization of the Transportation Equity Act for the 21st Century (TEA-21), \$75 million was allocated to the Federal Transit Administration for the Job Access and Reverse Commute Competitive Grants Program. The purpose of the funding is to establish a regional approach to job access challenges through the establishment of a Regional Job Access and Reverse Commute Transportation Plan. Projects derived from this plan are to support the implementation of a variety of transportation services that may be needed to connect welfare recipients to jobs and related employment activities. All

projects funded under the grant program must be derived from the regional plan. The MAG Plan is currently being developed through the Special Transportation Needs Study approved by the Regional Council. In urbanized areas with 200,000 population or more, Metropolitan Planning Organizations select the applicant. FTA urges MPOs to designate a single recipient to submit a consolidated application. For this metropolitan area, MAG is recommending that Maricopa County submit the consolidated application to include the Maricopa County Social Services Department Work Links project for \$850,000 and to include the Southwest Valley Cities of Avondale, Goodyear, Litchfield Park, Tolleson and Phoenix Pilot Project for \$210,000. The Management Committee concurred with this recommendation.

9. Proposed Amendments to the FY 1999-2003 MAG Transportation Improvement Program

The Regional Council approved, by consent, to amend the FY 1999-2003 MAG Transportation Improvement Program (TIP) to include the following safety and bridge projects in FY 1999: Phoenix, 59th Avenue bridge at the Grand Canal (total cost \$1,500,000, federal share \$600,000); Phoenix, Dobbins Road at 20th Street re-alignment (total cost \$200,000, federal share \$188,600); Phoenix, Buckeye Road at 17th Avenue reconstruction (total cost \$230,000, federal share \$216,900); Maricopa County, Various Locations Bridge Inspections (total cost \$60,000, federal share \$48,000) subject to consultation on the necessary project conformity requirements. Also to approve the four following privately funded Maricopa County projects within the Villages at Desert Hills area in FY 2003 for an air quality regional emissions analysis: Construct new four lane roadway with bike lanes along Roadway Links B1 (total cost \$17,170,819), D1 (total cost \$1,528,509), E1 (total cost \$8,040,900) and HB (total cost \$2,813,600). Eight amendments have been requested to the FY 1999-2003 MAG Transportation Improvement Program (TIP) that was approved by the Regional Council on September 23, 1998. The first four are "Major" amendments that involve regionally significant projects submitted by Maricopa County in the Desert Hills region of New River. Existing guidelines indicate that projects such as these that are submitted out of cycle should be considered for addition to the TIP once it is approved and should undergo a regional emissions analysis, followed by a public hearing, prior to the TIP amendment being approved. The second four are "Minor" amendments, involving federally funded Safety and Bridge projects. These second four projects are either exempt projects for air quality conformity analysis purposes or are not regionally significant and a regional emissions analysis and public hearing are therefore not required for these projects. On November 3, 1998, the MAG Transportation Review Committee (TRC) recommended that all eight projects be added to the FY 1999-2003 MAG Transportation Improvement Program (TIP), subject to the necessary project conformity requirements. The consultation for the corresponding conformity assessment is on this agenda as a separate item. The Management Committee concurred with the recommendations of the TRC.

10. MAG Transportation Management Systems Report: FY 1999 Update

Federal regulations require considering results of six management systems and Title VI in programming projects for the Transportation Improvement Program (TIP). The Maricopa Association of Governments annually updates its TIP by adding a new fifth year to the program. The MAG Transportation Management System Report: FY 1999 Update has been prepared as a guide for jurisdictions to use during selection of projects to be included in the FY 2000-2004 MAG TIP. It includes results of six management systems as well as socioeconomic factors. A copy of the Executive Summary, plus the Section dealing with Title VI issues, is attached and a full copy of the report is available and will be distributed to Technical Advisory Committees. Guidelines for the selection of projects are under

development and will be added upon approval by the Regional Council. The Management Committee recommended approval of the Management Systems report.

Chairman Giuliano stated that this agenda item had been removed from the consent agenda and is for discussion. He introduced Paul Ward to answer any questions.

Chuck Coughlin asked Mr. Ward to clarify the MAG questions on the amount of money the State Board allocates to preservation projects. He referred to page 4 in the Executive Summary in "Pavement Management Systems" that information from PMS's in the MAG area is not comparable. Mr. Ward replied that MAG is not an implementing agency and is therefore not expected to have a single PMS, but individual MAG jurisdictions have PMS's and program projects according to the results obtained from them. However, since the majority of pavement preservation projects within jurisdictions are carried out with non-Federal funds, and as such projects are regarded as maintenance projects, they are not required to be incorporated in the MAG Transportation Improvement Program.

Mr. Bourey stated that the discussion is centered not on the allocation of funds, but on the amount and what is the best way to utilize those funds. Mr. Coughlin stated that we have to rely on ADOT's experience on this to judge the figure and allocate the correct amount of money. Mr. Bourey stated that we have examined ADOT data and other states' data as comparisons. Mr. Coughlin commented that this should be included in the Management Systems report.

Mayor Brown moved, Mayor Lowry seconded, and it was unanimously carried to accept the MAG Transportation Management Systems Report: FY 1999 Update, subject to guidelines being added, following Regional Council approval.

11. Submission of Applications for the Transportation and Community and System Preservation Pilot Program

The Transportation Equity Act for the 21st Century authorized the Transportation and Community and System Preservation Pilot Program (TCSP). The purpose of the TCSP is to provide funding for planning and implementation grants, as well as research to investigate and address the relationship between transportation and community system preservation. The Federal Highway Administration (FHWA) asked for letters of intent from potential grantees for FY 1999 funding by November 15, 1998. (Formal grant requests will be due February 16, 1998.) The guidelines provide that a Metropolitan Planning Organization may be both a project sponsor and endorse other activities proposed and submitted by a local government within its boundary. Applicants proposing construction activities will need their projects included in the MAG Transportation Improvement Program. Non-construction activities funded by TCSP should be supported or endorsed by the MPO.

According to FHWA, TCSP funded activities are to demonstrate coordination with the MPO to ensure consistency with the regional planning process. Information was sent to Management Committee members on this program which requested notification to MAG of potential projects by October 16, 1998. We have received letters of intent from the City of Phoenix for the Phoenix Enterprise Community Consensus Driven Community Bus Program, from Maricopa County Department of Transportation for the I-17 Model Multi-Modal Integration Study, and from MAG for the Valley Vision 2025 Interdisciplinary Land Use, Open Space and Transportation Studio. On December 1, 1998, MAG

received a copy of a letter of intent submitted to FHWA by the City of Tempe for the City of Tempe Integrated Transportation Plan/Model/TOD Ordinance and Subarea Studies on December 1, 1998.

The Valley Vision 2025 project is currently underway and this project is an eligible candidate for the TCSP funding. The TCSP has been implemented to demonstrate transportation strategies that incorporate the short- and long-term environmental, economic, and social equity needs of communities. Submitted projects are to include public involvement strategies, as well as the inclusion of non-traditional partners and private sector participation. Additionally, the U.S. Department of Transportation is particularly interested in supporting projects that are ready to begin and have plans to collect and document results that can be shared with others quickly. All of these components are included in the Valley Vision 2025 project, and a letter of intent has been submitted to FHWA.

12. Consultation on Conformity Assessment for a Proposal to Add Four Projects to the FY 1999-2003 MAG Transportation Improvement Program

On November 3, 1998, the MAG Transportation Review Committee (TRC) recommended that four projects be added to the FY 1999-2003 MAG Transportation Improvement Program (TIP), subject to consultation on the air quality exempt status of the projects. The four FY 1999 projects are: (1) City of Phoenix, 59th Avenue at Grand Canal, replace bridge and improve approaches, (2) City of Phoenix, Dobbins Road at 20th Street re-alignment, (3) City of Phoenix, Buckeye Road at 17th Avenue reconstruction, and (4) Maricopa County, bridge inspections, various locations. Both the proposed TIP amendment and the consultation for the corresponding conformity assessment were on the agenda for the November 18, 1998 meeting of the MAG Management Committee. MAG has reviewed the proposed projects for compliance with the federal conformity rule and has found project #1 (bridge reconstruction) and #4 (bridge inspections) to be exempt under that rule. Projects #2 and #3, both of which are less than one-half mile in length, were determined to be not regionally significant and therefore modeling was not required. The conformity status of the TIP and the associated Long Range Transportation Plan Summary and 1997 Update with 1998 Addendum (LRTP) would therefore be unchanged by the proposed TIP Amendment. A joint finding of conformity for the TIP and LRTP was made by the Federal Highway Administration and the Federal Transit Administration in a letter dated October 20, 1998. Comments on the conformity assessment were due by November 18, 1998. The Arizona Department of Environmental Quality indicated their agreement with the conformity assessment.

13. Approval of Draft July 1, 1998 MAG Municipality Resident Population Updates

The Regional Council approved, by consent, the July 1, 1998 MAG Municipality Resident Population Updates. MAG staff has prepared draft July 1, 1998, Municipality Resident Population Updates. The Updates were prepared using data supplied and verified by MAG member agencies and a method that has been used over the past eight years. These updates were also made consistent with a draft July 1, 1998 Maricopa County Update that was approved by the State Population Technical Advisory Committee (POPTAC) on October 30, 1998 and the MAG Regional Council on November 4, 1998. The MAG Population Technical Advisory Committee (POPTAC) recommended approval of the July 1, 1998 Municipality Resident Population Update on November 5, 1998.

14. MAG FY 2000 PSAP Equipment Funding Request and MAG FY 2000-2004 PSAP Equipment Program

The Regional Council approved, by consent, the MAG FY 2000 PSAP Funding Request and MAG FY 2000-2004 PSAP Equipment Program for submittal to ADOA. At their meeting on October 22, 1998, the MAG 911 Oversight Team unanimously recommended approval of the MAG FY 2000 PSAP Funding Request and MAG FY 2000-2004 PSAP Equipment Program. These documents reflect planned improvements for this region's 911 System. The funding request for FY 2000 is required to be submitted to the Arizona Department of Administration (ADOA) by December 15, 1998. The Management Committee recommended approval of the funding request and the equipment program for submittal to ADOA.

15. Small Plant Review and Approval Process for the Burger King Restaurant and Carioca Oil Property Interim Wastewater Treatment Facility

The Regional Council approved, by consent, the proposed Burger King Restaurant and Carioca Oil Property Interim Wastewater Treatment Facility, as part of the MAG 208 Water Quality Management Plan. Maricopa County has requested that MAG review the proposed Burger King Restaurant and Carioca Oil Property Interim Wastewater Treatment Facility through the Small Plant Review and Approval Process of the MAG 208 Water Quality Management Plan. The Small Plant Process is designed to allow new wastewater reclamation plants which are two million gallons per day or less in capacity to be reviewed and approved as part of the 208 Plan. The facility would be located in the unincorporated area located along the Carefree Highway at 7th Street. The capacity of the proposed interim plant is 0.015 million gallons per day (mgd) and there will be no discharge. This plant will be an interim facility. It will be replaced once the Desert Hills Community Sanitary District is established, and the collection and treatment facilities are designed and constructed. The facility is within three miles of the Town of Cave Creek and the City of Phoenix. Both jurisdictions have no objections to the proposed facility.

16. Consultant Approval for MAG Pedestrian Plan

The Regional Council approved, by consent, to select the Planning Center/Sprinkle Consulting to provide assistance to the Pedestrian Working Group in the development of a pedestrian plan for an amount not to exceed \$70,000. In May 1998, the Regional Council approved the Unified Planning Work Program which included \$70,000 for a pedestrian plan. A Request for Proposals (RFP) was advertised for consulting assistance for the development of a pedestrian plan. Three consultant proposals were received in response to the RFP. The Working Group interviewed all three consultants and unanimously agreed to recommend the Planning Center/Sprinkle Consulting be retained to assist in the development of the Pedestrian Plan. The Working Group additionally recommended that the Planning Center include the Logan Simpson Design consultant team to assist it in the development of plan goals and objectives. The Planning Center has agreed to work with the Logan Simpson Design Team.

17. Consultant Recommendation for MAG Videoconferencing Project

The Regional Council approved, by consent, the selection of Norstan to undertake the MAG Videoconferencing Project at a cost not to exceed \$46,000. In July 1998, the Regional Council approved accelerating a MAG Teleconferencing and Telecommunications Program. The initial part of this program is a MAG Videoconferencing project to define a regional videoconferencing system that facilitates communication between MAG and its member agencies as well as among member agencies.

In September 1998, a request for proposals for a study to design a videoconferencing system was issued, and on October 20, 1998, six proposals were received. After review of the proposals by an evaluation group and interviews with each of the consultants, it was unanimously recommended that Norstan be selected to undertake the MAG Videoconferencing Project at a cost not to exceed \$46,000.

18. Valley Vision 2025 Update

Mr. Bourey stated that the Valley Vision 2025 Committee met in November, but did not meet in December in order to allow the subcommittees to do their work. He said these subcommittees have met 3 to 4 times each and will be putting a report together early next year. Mr. Bourey mentioned that the subcommittees have expanded their membership. He said the subcommittees have held meetings with the collaboratives in each jurisdiction to gain “grass roots” input. Mr. Bourey mentioned over 400 people are involved in this effort. He stated that communications have been enhanced with the addition of a weekly electronic newsletter and a Valley Vision web page linked to the MAG web site.

Chairman Giuliano thanked Mr. Bourey for his update and asked if there were any questions.

19. Transportation Funding and Programming Update

Mr. Bourey stated that a letter was sent from the Pima Association of Governments to Mary Peters, Director of ADOT, regarding efforts to meet federal requirements on the funding and programming process. He stated that MAG staff has been in constant dialogue with PAG. Mr. Bourey noted that the Greater Phoenix Chamber of Commerce sent a letter to Governor Hull stating their recommendation supporting a fair share distribution to our region. Mr. Bourey commented that the Chamber of Commerce letter shows a significant interest by the whole community.

Mr. Bourey stated that at the last Regional Council meeting, he discussed the criteria used to distribute funds. He noted that ADOT felt with the short time frame, that this application of criteria was not possible to implement. Mr. Bourey stated that ADOT came up with two methods of applying the federal funding formula. Mr. Bourey remarked that Method #2 of \$797 million total program to MAG came closest to our estimate of our fair share. He mentioned that these two methods were not shown to the ADOT Board.

Mr. Bourey referred to a highway map of potential projects for funding. He said these necessary projects represent 23.5 percent of total state and federal funding to this region. Mr. Bourey stated that at the State Transportation Board meeting on December 3, 1998, ADOT staff proposed giving our region an additional \$309 million, added to our current share of \$233 million, for a total of \$542 million, or 17.3 percent.

Eric Anderson stated that of the \$1.4 billion reported as available in September, \$656 million was designated for the statewide lump sum category. ADOT's current estimate of available funds is \$813 million, of which an additional \$256 million was allocated to the lump sum category, leaving \$557 million to allocate to projects.

Chairman Giuliano stated that the ADOT staff proposal of distributing money to MAG, PAG and the rest of the state is a preliminary draft only and no action by the State Board has been taken. He noted that this is a starting point for further discussions with ADOT.

Mary Peters stated that it is important for ADOT staff to have a presentation at a policy making meeting. She noted that the ADOT team will meet with MAG, PAG and the rest of the state. Ms. Peters stated that ADOT is looking at the validity of lump sum programs, and innovative financing options to resolve funding issues in order to ultimately arrive at a funding estimate. Ms. Peters remarked that the lump sum category includes \$25 million for transit and system maintenance and operation. Chairman Giuliano stated that clarification of ADOT's position on the freeway program is a big issue.

Ms. Peters stated that the recommended projects did not include advancing the freeway system. She remarked that if the Regional Council wants this, ADOT is prepared to look at recommended projects and advancing the freeway system. Ms. Peters stated there are financing alternatives, such as State Infrastructure Bank (SIBS) and Grant Anticipation Notes (GANS), available to advance projects. She remarked the cost savings of acquiring right of way would offset the interest costs.

Roc Arnett complimented ADOT and MAG on their professional staffs and remarked that they will work together with cooperation and integrity. Mr. Arnett noted that both have important responsibilities. Mr. Arnett remarked that pavement preservation and maintenance are important. He noted that if an additional \$500-\$600 million were available, the entire freeway system as projected in 1985, with the exception of the Paradise, could be completed. Mr. Arnett suggested this could be accomplished with alternative methods of funding.

Ms. Peters remarked that there is not enough money to complete all projects.

Chairman Giuliano thanked Ms. Peters and Mr. Arnett. He commented that he appreciated the efforts of ADOT and MAG staff to come together and solve our transportation problems. He asked if there was any discussion.

Mr. Coughlin noted that many innovations were brought forth by ADOT staff at the Board meeting to complete the freeway system as envisioned in 1985. He commented that the Board understands that \$600-\$900 million of the \$1.4 billion for new projects would not solve all transportation needs. Mr. Coughlin remarked that the new funds available because of TEA-21 legislation are great, but they are still not enough. This region and the PAG region have grown and there is reluctance on the part of the Board to treat these regions differently. Mr. Coughlin stated that we need to focus on regional growth, development, need, and congestion and develop ways to govern to reflect changes beyond the next 20 years.

Mayor Brown stated that the major topics of discussion at the Regional Council Transportation Subcommittee meeting held this morning were communication and dialogue on a policy basis.

Mayor Wayne Brown moved to express to the State Transportation Board MAG's desire for a cooperative effort with ADOT in the development of a more equitable level of funding for use in the MAG Transportation Improvement Program; that the ADOT Director and appropriate staff meet with the MAG staff to look for ways to develop a funding level which will meet the needs of this region; that a joint meeting in a mutually agreed upon format be scheduled as soon as possible with members of the MAG Regional Council, the State Transportation Board and the PAG Regional Council to address how these challenges in the MAG and PAG regions can be addressed with the increased federal funds by this State. Mayor Bill Arnold seconded.

Chairman Giuliano asked if there was any discussion.

Chairman Giuliano stated that one of the fundamentals is the interpretation of TEA-21 requirements. He suggested a dialogue with Federal Highway Administration at another time to get a better sense of regulation interpretation. Mayor Scruggs noted that including the FHWA was the recommendation of the Executive Committee at their meeting on December 7, 1998.

Mayor Campana stated she is in support of the motion.

Mr. Arnett stated that there are restrictions on the first figure of \$1.4 billion. He mentioned that ADOT should be allowed to explain the takeaways. Mr. Arnett stated that he has had discussions with Mary Peters and Bob Hollis, Federal Highway Administration, and it is appropriate for them to meet and help us.

Mayor Dunham stated her support of the motion and asked what is the time frame? Chairman Giuliano noted that Mr. Bourey would keep the Council updated. Mr. Arnett stated that this is just the first cut of the budget, another review takes place in the third week of February and the final in June. Mr. Arnett invited all members of the Regional Council to attend the Board meeting taking place in Wickenburg on December 18, 1998. He mentioned he was pleased to see Mayor Scruggs at the Board meeting on December 3, 1998.

Chairman Giuliano stated that enough letters have been written and it is now time for face-to-face dialogue.

Chairman Giuliano recognized public comment from Blue Crowley, who stated that there are taxes to complete the freeway system. He noted that multi-modal and regional considerations are important. He commented that the 303 to I-10 is not mentioned, the integrity of bridges is not being addressed, and Pinal County is not mentioned. Chairman Giuliano thanked Mr. Crowley for his comments.

Mr. Coughlin asked for the motion be read again. Mayor Brown stated that we express to the State Transportation Board MAG's desire for a cooperative effort with ADOT in the development of a more equitable level of funding for use in the MAG Transportation Improvement Program; that the ADOT Director and appropriate staff meet with the MAG staff to look for ways to develop a funding level which will meet the needs of this region; that a joint meeting in a mutually agreed upon format be scheduled as soon as possible with members of the MAG Regional Council, the State Transportation Board and the PAG Regional Council to address how these challenges in the MAG and PAG regions can be addressed with the increased federal funds by this State.

Mayor Scruggs stated that the motion should include inviting a member of the Federal Highway Administration to this joint meeting, or at some point in time, to clarify the TEA-21 provisions.

Chairman Giuliano asked if there was any further discussion. Hearing none, a vote was taken and it was unanimously carried to express to the State Transportation Board MAG's desire for a cooperative effort with ADOT in the development of a more equitable level of funding for use in the MAG Transportation Improvement Program; that the ADOT Director and appropriate staff meet with the MAG staff to look for ways to develop a funding level which will meet the needs of this region; that a joint meeting in a mutually agreed upon format be scheduled as soon as possible with members of the MAG Regional

Council, the State Transportation Board and the PAG Regional Council to address how these challenges in the MAG and PAG regions can be addressed with the increased federal funds by this State and that at this joint meeting or at a later appropriate time, a representative from the Federal Highway Administration be invited to attend to clarify the TEA-21 provisions.

20. Review of Regional Transportation Stakeholder Involvement

John Farry described the enhanced process for public input during this early phase process. He noted that through the enhanced process over 400 people were contacted. The process included focus groups stakeholders, and the public.

Mr. Farry stated that on November 18, 1998, a Regional Stakeholders meeting was held to solicit input on future transportation investments for this region. At the meeting a report was made on the focus groups that had been conducted throughout the MAG region. The focus groups were conducted with residents in the Southwest, Southeast, Central, Northeast, and Northwest MAG Human Services Planning Districts. He said public response was received on the Long Range Transportation Plan, the Transportation Improvement Program, and concerns about funding priorities. In addition, input was received from the Arizona Department of Transportation, the Regional Public Transportation Authority, modal representatives and community groups. Also, MAG presented potential projects for ADOT funding.

Mr. Farry introduced Kathy DeBoer, of WestGroup Research, who conducted the focus groups. She stated the analysis of the focus groups' responses identified concerns in the transportation system as slow moving traffic, dangerous drivers, and an outdated system. Ms. DeBoer remarked that the focus groups felt that traffic would be worse, and aggressive drivers and air pollution would increase in 20 years. The groups felt that improvements and solutions need to come from a combined use of widespread mass transit, better or more freeways, use of telecommuting, and better planning. Ms. DeBoer remarked that each respondent was given \$10 to spend on whatever category they felt was most important. She noted that of these, improvements to freeways and streets were the highest priority. Respondents felt that transit is necessary, but unlikely to be a solution with a significant impact. Ms. DeBoer stated that the public needs to be made aware of the magnitude of the transportation problems as well as the MAG plan and that one plan will not apply to all as different districts have different needs.

Chairman Giuliano thanked Ms. DeBoer and Mr. Farry for their reports and asked if there were any questions. Mr. Bourey stated we are pleased to reach out and get fresh input. He noted the significance of reaching more than 400 citizens and stakeholders in the process.

21. Transportation Funding Guidelines

Mr. Bourey stated that in July, the Regional Council approved refinements to the MAG process for programming transportation funds. One of these refinements was for early guidelines to be established for the selection of projects. He said that to develop these early guidelines, input from the transportation stakeholder process was received and draft funding parameters were developed, which were used to develop draft funding guidelines. Mr. Bourey noted these guidelines were reviewed on December 1, 1998, by the Transportation Review Committee. After reviewing the guidelines, the TRC scheduled a meeting on December 4, 1998 to further discuss the guidelines. The recommendation from the TRC meeting on December 4, 1998 was reported to the Management Committee on December 7, 1998. Mr.

Bourey noted MAG will involve all of the Regional Council before any revisions to the guidelines are made.

Terry Johnson noted the parameters for regional commitments are Regionalism, Multimodalism, Air Quality, Congestion, Human Services, and Funding. He stated the guidelines will be used as guidance to all member agencies for the types of projects selected. Mr. Johnson stated the policies will go into place after Regional Council action tonight. He noted that provisions of TEA-21 funds will provide guidance in selecting projects. Mr. Johnson noted that the guidelines would be used to rank project priorities and reviewed annually. These guidelines would be used to rank priorities. He said this is a subjective process used by MAG Technical Committees and the TRC to develop projects. Mr. Bourey noted that this is a living document which is evaluated each year.

Chairman Giuliano stated that we not enter into specific reference to dollar amounts as written in paragraph 3 of the preface of the Draft Policy Guidelines for Programming Regional Transportation Funds handout.

Mr. Coughlin commented that the second sentence be removed, since it is a specific, not a guideline.

Mr. Arnett stated we need to be more general than specific and would like the numbers removed.

Mayor Colin Barleycorn asked for clarification on whether guidelines would be applied to state and federal funds. Mr. Bourey replied that all dollars have recommendations from MAG and member agency staffs. Initial discussion and recommendation involving all communities determined which projects would be chosen from the \$500 million. He noted that these guidelines would be used for CMAQ and other funds.

Chairman Giuliano asked if all were in agreement with deleting the second and third sentences in the third paragraph of the preface. No objections were heard.

Mayor Scruggs commented it is more relevant to remove the lines now considering Mr. Bourey's comments about funding sources.

Chairman Giuliano asked if there were any questions on the Regionalism parameter?

Mr. Coughlin stated that item #2 perpetuates inequitable treatment on the freeway system by not including all corridors in the region. Mr. Bourey concurred with Mr. Coughlin's statement. However, he noted that it was not worded to be exclusive of projects. Mr. Coughlin stated that HOV lanes are additional lanes and are limiting the objectives by framing it this way. Mr. Bourey stated it was discussed at length at the TRC meeting and they added "Recognize the importance of the state highway system within the region as it relates to improving air quality and reducing congestion."

Mayor Shafer stated that item #3 is to complete a regional system of HOV facilities including HOV lanes park and ride lots, and HOV ramps in accord with adopted priorities as the second highest priority. She noted that her community is still left without transportation improvements. Mr. Johnson stated that this being rated as the second highest priority is a result of the stakeholders rating process. Mayor Shafer asked if the Grand Avenue project ends at the 101. Mr. Johnson stated that the 1985 plan included Grand Avenue improvements to the 101, and that the Major Investment Study is underway in looking at

improvements on Grand Avenue between I-17 and the 101. Under the MIS, I-17 extends to the 101. Mayor Shafer stated that her community pays taxes as well as other communities, but does not receive the transportation improvements. She noted that the 303 is out because Sun City did not want it and Grand Avenue extended to the 101 is no help to her community. Chairman Giuliano stated this document is not designed to change that. Mr. Johnson stated that he mis-spoke and that the vote in 1985 included improvements on Grand Avenue to the Beardsley Canal, so this issue would be addressed in the guidelines.

Chairman Giuliano asked if there were any questions on Multimodalism. Hearing none, he asked if there were any questions on Air Quality.

Mr. Coughlin asked where issues coordinating CMAQ funds would be reflected. Mr. Johnson replied that would be addressed under Regionalism, item #9. Mr. Bourey noted it would also be addressed under #8, since there is some overlap on some points.

Chairman Giuliano asked if there were any questions on Congestion.

Hearing none, he asked if there were any questions or discussion on Human Services Needs. Mayor Thomas Morales commented that item #2 needs re-wording. He noted that "Support programs that ensure access to low income jobs" needs to be re-phrased to "Support programs that ensure low income recipients access to jobs."

Mayor Shafer asked if her community is included in item #3? Chairman Giuliano responded that her community is included, since this item refers to a regional bus system.

Chairman Giuliano asked if there were any questions on Funding. Mayor Scruggs asked for clarification on item #1. Mr. Johnson replied that it is restricted to capital needs funding. Mayor Barleycorn asked for clarification that the Regional Council would be approving something that may be discussed at a later date. Mr. Bourey stated that when the TRC reconvenes in January, there will be definitive action at the funding level and those recommendations would come back to the Regional Council for approval. Mayor Barleycorn suggested that the Funding section be excluded from the Draft document. Chairman Giuliano suggested the section be retitled and we not get into funding detail. Mr. Bourey stated that numbers 2, 3, 4, and 5 could be eliminated, but the feeling by the TRC was very strong on #1. Chairman Giuliano asked if item #1 would apply under the Regionalism parameter as an option? Mr. Bourey stated that would be appropriate.

Mayor Scruggs stated that "At least, the current amount of programmed MAG funds committed to new freeway construction needs to be maintained... Maintaining a 70 percent commitment to freeways has become difficult as TEA-21 has substantially increased the share of MAG funds in the Congestion Mitigation and Air Quality (CMAQ) category; CMAQ funds cannot be used for new freeway construction unless it included qualified uses, such as the construction of an HOV lane" is confusing as written. She commented that it sounds as if there is a lot of uncertainty on this item. Mr. Bourey replied that this item has been carefully worded. He mentioned that it is not possible for ADOT to do capacity enhancements with additional CMAQ funds. Mayor Scruggs stated that the percentage may change, but the minimum dollar amount would not.

Mayor Barleycorn suggested moving item #1 to Regionalism and deleting the other items. Mr. Bourey replied that would be appropriate. Chairman Giuliano reiterated that item numbers 2, 3, 4, and 5 under Funding would be deleted and item #1 would be moved to Regionalism. He asked if there were any other questions.

Mayor Morales stated that he wanted to clarify previous comments he made at the Regional Council Transportation Subcommittee meetings regarding his position on accelerated funds. He stated that he supports local match as a guideline as long as small cities are not penalized and still have the same financial opportunities and advantages as larger cities to get their projects included in the TIP and to also accelerate them once in the TIP for quicker completion. Mayor Morales remarked that small cities should be able to obtain a higher match using local dollars and new TEA-21 dollars. Small cities who do not have extra financial resources to provide a higher match should have equal opportunity for their projects to be included in the TIP as well as to be accelerated once in the TIP.

Chairman Giuliano thanked Mayor Morales for his comments. He asked if everyone was all right with the changes to the Draft Policy Guidelines document.

Hearing no further comment, Chairman Giuliano recognized public comment from Blue Crowley, who commented on item #3, Human Services. He stated that park and ride and HOV lanes were a part of the 1989 transit plan. The outlying communities should get circulation and connector routes which come together in the middle. Referring to Multimodalism, Mr. Crowley stated that more than one transportation system need to be considered. He commented that his questions in the Mid Phase Input Opportunity Report were not answered.

Mayor Morales moved, Mayor Barleycorn seconded to approve the draft transportation funding guidelines.

Before a vote was taken, Mayor Dunham stated that she supports removing the second sentence in the third paragraph of the preface. Mayor Dunham moved that “For the 2000-2004 Program, it is proposed that at least an additional \$500 million in ADOT discretionary funds be programmed for projects in this region and that \$175 million in projects be programmed in the 2005-2014 period.” be maintained as a statement on its own separate page to be included with the Draft Policy Guidelines. Mayor Campana seconded.

Mayor Scruggs asked how that would fit in. Mayor Dunham responded that the information is pertinent and we should repeat what we want as often as possible. She commented that it would be a different number next year and it is important to have this year’s request on record.

Mr. Coughlin stated he did not think the second sentence appropriate to be included in the guidelines. To include it unnecessarily would complicate the document.

Chairman Giuliano called for a vote to maintain the second sentence of the third paragraph “For the 2000-2004 Program, it is proposed that at least an additional \$500 million in ADOT discretionary funds be programmed for projects in this region and that \$175 million in projects be programmed in the 2005-2014 period” as a statement on its own separate page to be included with the Draft Policy Guidelines. The motion failed.

Chairman Giuliano asked for a vote. The motion was unanimously carried to approve the draft transportation funding guidelines.

22. Status Update on the June 30, 1997 Single Audit and Management Letter Comments, MAG's Comprehensive Annual Financial Report (CAFR) and OMB Circular A-133 Reports (i.e., "Single Audit") for the Fiscal Year Ended June 30, 1998 and the Related Management Letter Comments

Art Rullo presented a status update of management's efforts to address the June 30, 1997 Single Audit and Management Letter comments.

Mr. Rullo mentioned the public accounting firm of Deloitte & Touche LLP has completed the audit of MAG's Comprehensive Annual Financial Report (CAFR) and Single Audit for the fiscal year ended June 30, 1998. An unqualified audit opinion was issued on August 28, 1998 on the general purpose financial statements and on the combining and individual financial statements in relation to the general purpose financial statements. The independent auditors' report on compliance with the requirement applicable to major federal award programs, expressed an unqualified opinion on the Single Audit. The Single Audit report indicated there were no questioned costs. The Single Audit report provided two procedural findings aimed at improving MAG's financial management. These findings are not considered to be material. During FY 1998, management either resolved, or is currently in the process of addressing, the two findings. Management's responses are incorporated in the report. A Management Letter was also issued under separate cover providing seven recommendations to strengthen and improve areas of MAG's financial operations. No material weaknesses were reported in the letter. During FY 1998, management either resolved or is currently in the process of addressing these comments. The audit will be considered by the Management Committee at their meeting on December 7, 1998.

Mr. Rullo introduced John Hunter, Deloitte & Touche, LLP. Mr. Hunter stated that this audit process improved more than any other he has worked on. The audit took place five months earlier than it did last year. He remarked that the Comprehensive Annual Financial Report was not scheduled to take place until next year, but was done because of Mr. Rullo's interest. Mr. Hunter noted there is a lot of hard work ahead, but MAG has come a long way with their financial reporting.

Chairman Giuliano thanked Mr. Hunter and Mr. Rullo for their reports and asked if there were any questions. He expressed appreciation for their management of MAG's financial house. Mayor Scruggs expressed appreciation for the hard work.

Mayor Shafer moved, Mayor Morales seconded, and it was unanimously carried to accept the MAG Comprehensive Annual Financial Report and Single Audit Report for the year ended June 30, 1998.

Chairman Giuliano stated that Mr. Arnett had an announcement to make. Mr. Arnett stated that the Governor named John Carlson as Transportation Policy Advisor, replacing Leslie Johnson, effective today.

Chairman Giuliano announced that a progressive dinner in Suite 300 upstairs would be held for the members of the Regional Council and their staff who have confirmed their dinner reservations.

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

Chairman

Secretary