



Executive Director's Report

At the January Regional Council meeting, a new chair, two new officers, and a new Executive Committee member were selected (see below). For many years at MAG, the adage that change is the only constant has been a regional reality. To ensure that MAG is always renewing itself, staff was requested to provide a report to the Executive Committee regarding the formation of a stakeholders group to suggest changes that could improve MAG. We welcome this opportunity and believe change is necessary for a vibrant organization.

Building a high-performance organization can take many years of growth and continual evaluation. MAG has experienced many changes that have improved the organization. In 1985, the Regional Council spearheaded the Proposition 300 effort that initiated the development of the regional freeway system. This brought new responsibilities to MAG. In the early 1990s, a performance audit was conducted that clarified the Regional Council's role in freeway development. In 1995-1996, an effort to re-engineer MAG made many organization/policy/process improvements. In 2002, the recommendation of the MAG Governance Task Force assisted by an Advisory Committee recommended the formation of the Transportation Policy Committee and a revised role and composition for the MAG Executive Committee.

It is important that we continue to fine tune the MAG organization to remain nimble and to be effective in a rapidly changing region. We are looking forward to the work of the stakeholders group.

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

Regional Council Meeting Report for Wednesday, January 28, 2009

Action Items



MAG Elects New Chair

The MAG Regional Council selected Phoenix Councilmember Peggy Neely to serve as the new Chair of the organization, filling the unexpired term of former Chair Mary Manross, whose seat became vacant as a result of recent city elections.

In addition to Councilmember Neely's election as Chair, Litchfield Park Mayor Tom Schoaf was elected to serve as Vice Chair and Tempe Mayor Hugh Hallman was elected to serve as Treasurer. Mesa Mayor Scott Smith was elected to serve as an At-Large member of the MAG Executive Committee.

Councilmember Neely has represented the city of Phoenix on the MAG Regional Council since 2006. Most recently, she served as MAG Vice Chair. She has been a member of the MAG Executive Committee since 2006, and served as Treasurer in 2007. Councilmember Neely will lead the organization at least until June 2009, when the next annual election of officers is scheduled.

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

Scottsdale Mayor Jim Lane Appointed to TPC

The MAG Regional Council appointed Scottsdale Mayor Jim Lane to serve on the Transportation Policy Committee (TPC) as one of the seven largest cities/towns elected officials. The composition of the TPC, established by the Regional Council in 2002, includes elected officials from the seven largest cities/towns. The Regional Council appointed the list of TPC members in June 2008. Since that time, the city of Scottsdale seat had become vacant.

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

Acceleration Request for Williams Gateway Freeway

The Regional Council approved a Mesa request to advance a portion of the planned Williams Gateway Freeway—only to have the money swept by the Arizona State Legislature three days later. The advanced project would have built the ramp connections with the Santan Freeway and a connection to Ellsworth Road, providing a better connection to the planned new entrance on the east side of the Phoenix-Mesa Gateway Airport.

Under the Regional Council action, Statewide Transportation Acceleration Needs (STAN) funds allocated to Williams Gateway Freeway for right-of-way acquisition could have been used instead to pay for the interest expense associated with the proposed acceleration. However, during its recent special session to balance the state budget, the Arizona State Legislature swept \$104 million from the STAN account, meaning the funding for the approved project is no longer available. Along with the Williams Gateway Freeway, other projects affected by this loss of funding will be Interstate 17 from State Route 74 to Anthem Way and Interstate 10 from Verrado Way to Sarival. However, it appears that the draft federal stimulus legislation may provide relief in this area. MAG will continue to work with its member agencies in determining project eligibility and distribution mechanisms once federal stimulus legislation is passed.

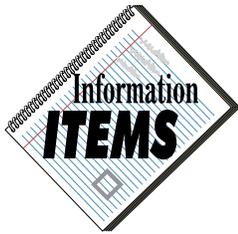
For more information, please contact Eric Anderson, MAG Transportation Director, (602) 254-6300.

MAG Audit Findings Accepted

A public accounting firm completed its audit of MAG's Comprehensive Annual Financial Report and Single Audit for the fiscal year ended June 30, 2008. A representative from the accounting firm of Cronstrom, Osuch and Company, PC, stated that there were no reportable conditions in MAG's internal control

over financial reporting considered to be material weaknesses, no instance of noncompliance considered to be material, and no questioned costs. The Regional Council accepted the unqualified audit opinion.

For more information, please contact Becky Kimbrough, MAG Fiscal Services Manager, (602) 254-6300.



Information Items

Regional Council Receives Transportation Planning Update

Staff presented an update of the financial status of the MAG Freeway Program, which continues to demonstrate a projected deficit of \$5.1 billion in freeway revenues as sales tax revenues continue to decline. Staff also provided a summary of the specific corridors and project components that could be changed or delayed as a result of the deficit.

Three potential program scenarios were presented. The first scenario, called the "Trend Line" scenario, could expand the delivery horizon of the program to 2035, provided a new revenue source is available to meet the program shortfall. The second scenario, the "Maintain Budget" scenario, would maintain the delivery horizon of the program at 2025 but would require reprioritization and changes in scope to a number of projects. The third scenario would be a "Blend" scenario, which would also maintain the delivery horizon of the program and include a blend of strategies ranging from reprioritization to the development of alternative facilities, to implementation of policy and value engineering strategies.

Staff reported that MAG will continue to conduct additional corridor options reviews and refine program scenarios with specific projects through the spring, with an update on program opportunities anticipated in May. Final amendments to the Regional Transportation Plan by the Regional Council would then be anticipated in the fall.

For more information, please contact Eric Anderson, MAG Transportation Director, (602) 254-6300.



Next Regional Council Meeting

The next meeting of the MAG Regional Council is scheduled for Wednesday, February 25, 2009, at 5:00 p.m. in the Saguaro Room, 302 N. 1st Avenue, Phoenix. Agenda items are expected to include a transportation planning update and update on the federal economic recovery legislation; recommended adoption of the Draft MAG Eight-Hour Ozone Redesignation Request and Maintenance Plan for the Maricopa Nonattainment Area; and recommended approvals of the MAG Regional Human Services Plan as well as the Continuum of Care Regional Committee on Homelessness Regional Plan to End Homelessness.

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