



SCMPO EXECUTIVE BOARD MEETING MINUTES

SCMPO

DATE:	March 11, 2014	TIME:	1:30 PM
PLACE:	CAC Corporate Center, 540 N Camino Mercado, Casa Grande		
	520-366-6083 Sharon's Cell or 480-600-2091 Duane's Cell		

Shaded items are action items: Action may be taken on any item on the agenda, or items brought up at the meeting.

Attendees:	Mayor Bob Jackson, CG Mayor Joe Nagy, Eloy Mayor Tom Shope, Coolidge Andy Smith, CAG Doug Hansen, Pinal Co. Duane Eitel, Casa Grande	Harvey Krauss, Eloy Jill Dusenberry, Coolidge Eric Gudino, ADOT Kevin Adam, RTAC Kevin Louis, Casa Grande	Patrizia Gonella, Jacobs Rod Lane, ADOT Susanne Struble, Coolidge Louis Andersen, Pinal Co. Jenny Bixby, AECOM
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ITEM	AGENDA ITEM
1	Call to order, Pledge and Introductions
2	Approval of Minutes of November and January (Table) APPROVED
3	Call to the Public
	<i>Introduction of Louis Andersen as the new Public Works Director for Pinal County.</i>
4	MPO Budget Report and MPO start-up Update
	<i>Sharon provided a very rough draft of the MPO budget for 2014 and 2015. The revenues are correct, but the expenditures will be finalized at a meeting with the Casa Grande finance department in a meeting this week. The draft budget is attached.</i>
5	Transportation Advisory Committee <ul style="list-style-type: none"> ● Highway Performance Management System Data Entry (HPMS) ● Transit - Coordination of Programs & Application process ● Planning Assistance for Rural Areas (PARA) Apps
	<i>Susanna provided a great overview of the TAC meeting held March 4th. The HPMS counts for this year will be conducted by CAG for the whole MPO local government area. This will provide a baseline for the MPO's HPMS (Highway Performance Management System) moving forward. The MPO will be responsible to ensure all members have their HPMS counts and data updated each year.</i> <i>The TAC will decide at a future meeting how that will work for the next year, and future years.</i> <i>Transit: At this time the Mobility Management responsibilities of the SCMPO is still in negotiation with CAG. Sharon assured the board that all MPO responsibilities outlined in the work program will be fulfilled this year, regardless of the outcome of the negotiations with CAG on providing that service. Just as a reminder, ADOT would rather have the COG's perform the Mobility Management for the COG region, but it is an option for the MPO's to enter into a MOU to have a COG perform those duties.</i>
6	RTAC Update
	<i>Kevin Adam provided a very detailed update on both the State and Federal transportation issues. His reports are attached.</i>



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7	FHWA Update (if attending)	
	<i>FHWA was unable to attend</i>	
8	<p>TIP Amendment - Project Funding Update - Discussion and Action</p> <ul style="list-style-type: none"> ● 2014 STP funding \$150K to be allocated to the 2013 Coolidge Main St. Design Project. \$3,000 (or less) to be allocated to Local Technical Assistance Program (LTAP) on the SCMPO TIP. Balance of \$432,339 in STP to be allocated toward the LRTP and Transit implementation study. ● 2014 HSIP funding The balance of \$161,870 in HSIP funds will be used for a Regional Safety Study. 	APPROVED
	<p><i>The Executive Board approved the requested action, with a few changes:</i></p> <ul style="list-style-type: none"> ● \$150,000 of 2014 STP funds be allocated toward the Coolidge Main Street design project; combining it with 2013 CAG funding; ● That the 2015 and future TIP's show an amount of not less than \$500 for Local Technical Assistance Program (LTAP) for training for our member agencies. ● That the remaining amount of STP funds (approximately \$431,161) be utilized for the required Long Range Transportation Plan (LRTP) AND a Transit implementation plan. ● That the remaining HSIP funds in the amount of \$158,750 be utilized for a Safety Study. Casa Grande will work with Sharon to develop that application ASAP. <p><i>Sharon also provided HSIP and STP ledgers, showing existing programmed projects. It helps show where we need to program future projects in order to ensure we do not lose any of our allocated funding. The TAC will be working on programming future projects in the next few months.</i></p>	
9	Discussion and approval for SCMPO to request ADOT to allocate the 2014 Statewide Planning and Research (SPR) funds, and Planning (PL) funds in the amount of \$376,353.	APPROVED
	<i>The Executive Board approved to direct the SCMPO director to request ADOT to allocate the available SPR, PL and 5303 funds, in the amount of \$275,845, so they can be obligated.</i>	
10	Discussion and Approval to start the hiring process for the SCMPO Planner position	
	<i>The Executive Board approved the action to start the process of hiring a professional staff; i.e., Transportation Planner / Program Manager for the MPO. This process will go through the City of Casa Grande because they are the fiscal agent, and in essence the MPO staff are employed by the City of Casa Grande. Sharon will start this process with the HR department of Casa Grande as soon as possible.</i>	
11	Member Jurisdictions Reports and Comments	
	<i>Members provided an overview of activities.</i>	



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12	Announcements and other items to discuss: <ul style="list-style-type: none">● AzTA Conference - April 13-15 - Tucson● Roads and Street Conference - April 16-19 - Tucson● Comments
13	Next Meeting Date and possible new location <ul style="list-style-type: none">● Move meetings to every other month● Select new location to accommodate EB members and audience.
	<p><i>The Executive Board would like to move their meetings to every other month.</i></p> <p><i>The time of the meeting poses a problem for one or more of our members, so it was suggested that Sharon provide some options for the times and perhaps even changing the day of the meeting. She will send out a survey, and send out a meeting notice of dates and times.</i></p> <p><i>It was also suggested that the Executive Board meetings rotate. The next meeting will be hosted by Coolidge. Sharon will send out the location.</i></p>
14	Adjourn 3:15



Central Arizona Governments
Central Yavapai Metro. Planning Org.
Flagstaff Metropolitan Planning Org.
Northern Arizona Council of Gov'ts
Southeastern Arizona Governments Org.
Western Arizona Council of Gov'ts
Yuma Metropolitan Planning Org.

March 11, 2014

TRANSPORTATION REAUTHORIZATION PRIORITIES

FUNDING: The overwhelming priority for reauthorization is to at least maintain current investment levels through long-term sustainable funding sources. The Highway Trust Fund spends roughly \$54 billion a year yet its current revenue streams only generate \$35 billion. The Fund is trending towards insolvency as early as this August. Arizona receives \$675 million a year in federal highway funding. If funding was reduced for consistency with existing revenue streams, Arizona, which already has a projected revenue/needs funding gap in excess of \$63 billion, would lose over \$230 million annually.

- Also, MAP-21 froze state allocations at previous funding levels. Resuming a formula-based distribution method which takes into account changing demographics should be a long-term priority for Arizona and other high-growth states.
- In addition to construction funding, the non-adjustment of state allocations also applies to planning funding which is the primary source for the operating budgets of smaller metropolitan planning organizations (MPOs). The 2010 census created three new Arizona MPOs yet the state receives the same level of planning funding which now must be divided between twelve rather than nine organizations.

METROPOLITAN PLANNING ORGANIZATIONS: During the deliberations leading up to MAP-21, there was a considerable effort to increase the population threshold for MPOs from its current 50,000 which would jeopardize the continued existence of five of Arizona's six small MPOs. Under many circumstances, areas of 50,000 greatly benefit from a structured regional transportation planning process and a MPO designation also guarantees certain levels of funding and decision making authority by local officials within that region.

Regions of 50,000 should remain eligible to form MPOs. However, as a designation is intended to benefit the locals, small regions should have an option rather than a mandate for a MPO. An option may become increasingly desirable if reauthorization results in declining revenues and increased work requirements for MPOs.

Similarly, the current 200,000 population threshold should remain for Transportation Management Areas (TMAs) which will likely impact the Yuma metropolitan area during the next census.

FREIGHT: A freight strategy and increased investment are vital for the national economy and our global competitiveness. Arizona is strategically located near the already substantial and emerging markets of California, Texas and Mexico including the nation's largest sea ports of Los

Angeles and Long Beach. A significant freight-oriented infrastructure strategy and investment could greatly benefit Arizona's ability to enhance trade with these markets. It is vital for the strategy to include rural linkage and economic opportunities and particularly for Arizona, enhance the ability to move goods across the international border.

Currently, the primary benefit for a freight designation is an increased federal cost share for projects. The standard federal share of 80% would be increased to 95% on the interstates and 90% for others. Due to the substantial amount of federal public lands located in Arizona, the state's federal share for highway projects is already 94.3% so the cost share increases will have a negligible impact. Including new resources for freight that would assist Arizona in enhancing economic growth opportunities and also mitigate the impacts of the large volume of interstate freight movement through Arizona that does not benefit the state (such as I-15) should be a priority.

Also, MAP-21 limited the designation of the nation's primary freight network to 27,000 miles. Considering the interstate system currently comprises close to 47,000 miles, the proposed network is considerably fragmented with substantial gaps in the system predominantly in rural areas. MAP-21 also called for the designation of critical rural freight corridors which has yet to occur. Reauthorization should expand the mileage authorized for the primary freight network to close the gaps in the system and also insure that critical rural freight corridors are provided comparable investment resources for their development and capacity to generate economic growth.

STREAMLINING: As resources are likely to remain stretched, building upon Map-21's efforts to streamline project development and construction should continue with the goal of reducing costs and accelerating project delivery. Authorizing greater local administrative control over local projects using federal aid would greatly enhance streamlining efforts.



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February 11, 2014

STOP TRANSPORTATION FUNDING RAIDS

The quality of America's transportation infrastructure, once the envy of the world, continues to deteriorate further every year as evidenced by our consistently descending international rankings. Many states have not waited for federal action and have proactively increased their own level of transportation investment. While just a year ago, Arizona's funding levels were average, we now rank 42nd in the nation. Arizona and federal revenue sources have not been increased or adjusted for inflation in over 20 years. While modernizing how we pay for our infrastructure to include securing adequate and sustainable funding levels is desperately needed, in the meantime, we need to insure that existing funding is used for its intended purposes. We cannot afford to slip further behind. As the state budget outlook continues to improve, now is the time to stop transferring Highway User Revenue Fund (HURF) revenues to the state general fund to pay for other government programs.

TRANSPORTATION REVENUE TRENDS:

- Transportation revenue streams are declining. Gas taxes have not been adjusted for inflation for over 20 years. Better vehicle fuel efficiency and higher gas prices have reduced fuel consumption. Non-taxed alternative fuel vehicles continue to increase in popularity. Miles driven and car sales both declined during the recession. Last year's HURF collections of roughly \$1.2 billion were \$200 million less than 2007 collections and more comparable to 2004.
- Unlike transportation revenues, for over three years, state general fund revenues have continued to climb steadily even surpassing forecasted levels. While there remains some uncertainty for the outlying years, Arizona started the current fiscal year with a \$900 million surplus and \$450 million in the rainy day fund. Before deciding how to use surplus revenues, the state should first set its fiscal house in order and stop redirecting dedicated funding such as HURF away from their intended uses.
- On top of the revenue declines, for the past twelve years, the State has raided over \$1.7 billion in highway and road funding transferring it to the State General Fund and to pay for an increasingly larger portion of DPS operations.
- This year, a \$127 million was transferred to DPS while the General Fund, which should be the primary DPS funding source, contributed \$52 million. While DPS is an eligible use for HURF, there is a \$20 million statutory cap per year. While \$127 million dramatically exceeds that cap, unfortunately, it is consistent with the raiding trends of the last decade. DPS use of HURF revenues is intended to be limited as evidenced by the statutory cap and also by the preemption placed on local governments prohibiting them from using any of their HURF funding for similar law enforcement operations.

- Due to declining state-generated revenues, highway construction has become increasingly reliant on federal funding. Unfortunately, federal transportation dollars continue to be highly volatile as the federal Highway Trust Fund collects roughly \$35 billion and spends \$54 billion every year and is anticipated to run out of money by September. Over the last six years, Congress has periodically identified and added one-time funding sources to the Fund to avoid insolvency and maintain relatively constant spending levels. However, unless a permanent revenue increase that can sustain current spending levels is enacted, the forecast for future federal funding will remain uncertain with cuts as high as one-third a possibility if funding is not increased. As Arizona currently receives roughly \$675 million in federal highway funding annually, such a cut would equate to well over \$200 million.

IMPACTS:

- Jobs and economic growth are cited as the top public priorities for the U.S. and Arizona. Both are heavily dependent on the quality and capacity of our infrastructure. Arizona is strategically located between the two massive economies of California and Texas. The Los Angeles/Long Beach ports are by far the largest in the U.S. and the majority of the freight moved through those ports must move through Arizona. Mexico is already the 14th largest economy in the world and anticipated to surpass Brazil as the largest in Latin America by 2020. We are in very close proximity to some very big markets. Also, substantial increases in materials and goods will move through Arizona and the quality and capacity of our infrastructure will greatly determine whether they are just passing through or generating economic activity within the state.
- Infrastructure quality matters. The Congressional Budget Office projects that an additional \$80 billion a year could be invested nationally in transportation projects that would realize positive economic returns.
- While infrastructure investment boosts economic growth, conversely, inadequate investment creates inefficiencies damaging to the economy. The President's Economic Recovery Advisory Board found that freight congestion costs \$200 billion a year, an amount equivalent to 1.6% of the U.S. GDP.
- Infrastructure investment also means higher economic activity for the construction industry. During the recession, Arizona construction jobs were slashed from 250,000 to 120,000. This was one of the hardest hit employment sectors and would benefit greatly from higher investment levels.
- Local roads comprise over 75% of the nation's pavement. Roughly half of all HURF revenues are directed to county and municipal road programs. Due to the raiding and revenue declines, Arizona local road systems have significantly scaled back routine maintenance work that will hasten far more costly reconstruction activity at the public's expense. The conditions will impact safety and increase vehicle maintenance and repair costs. Navajo County estimates its street repavement cycle has been adjusted from 20 to 68 years due to the declining funding. Mohave County has seen its HURF dollars reduced by 20%, losing \$5.9 million to HURF raids over the last five years which has contributed to 80% of its road network reaching or surpassing its pavement service life.
- Maintenance is not being adequately addressed on the state system either. Last year's five-year program update provided \$150 million per year for maintenance while ADOT's pavement preservation staff estimate they need roughly \$260 million. ADOT estimates the current system has \$18.4 billion worth of assets that would cost over \$100 billion to replace. Replacement needs are greatly accelerated when routine maintenance is not performed. A dollar of preservation work now prevents six to fourteen dollars' worth of replacement work later.

- Also on the state system, funding for new highway construction in Greater Arizona is declining to negligible amounts as rural funding is becoming increasingly absorbed by, but still not fully meeting maintenance needs. In the state's upcoming five-year plan update covering 2015 through 2019, it appears that all of Greater Arizona will average one major construction project per year.
- Due to declining revenue forecasts, last year's five-year plan update required \$350 million in previously planned highway construction and maintenance activity to be eliminated or deferred. Over the last three years combined, ADOT has been forced to cut or defer \$537 million (over half a billion) in previously programmed activity.
- Two years ago, reductions to the State Highway Fund triggered a bond rating downgrade subjecting ADOT to higher interest rates. Sadly, this has really had a negligible impact as there are insufficient funds to cover any additional debt service so the Department is currently unable to bond anyway. ADOT used to have daily cash balances in the \$200 - \$400 million range and now experiences balances as low as \$1 - \$2 million.
- The State's 25-year Long Range Transportation Plan, which considers such factors as pavement conditions, congestion levels and safety performance, projects a \$63 billion gap between needs and revenues.
- Poor road conditions and inadequate capacity have serious safety implications as well. In 2010, the road fatality rate in the U.S. was 15 deaths per 100,000 people which was 60% above the international average. In 2012, 36,000 Americans were killed on our roads and 2.36 million were injured. The fatality rate is disproportionately higher in rural areas (almost three times) due to conditions such as long stretches of one-lane roads that were designed to carry far less traffic.
- Infrastructure quality also greatly impacts the cost of living and quality of life. Congested roads greatly contribute to vehicle emissions impacting air quality and public health. Quality of life is also impacted by the "time tax" that the public incurs by "sitting" in traffic. In the developed world, only Hungary and Romania have longer average commute times than the U.S. The Texas Transportation Institute found that in 2011, congestion caused urban America to travel 5.5 billion more hours and purchase an extra 2.9 billion gallons of fuel including 46 million gallons in the Phoenix area. For the average American commuter, this equates to 38 hours a year, up from 16 in 1982 and places congestion costs at more than \$120 billion a year or \$820 per commuter.
- Cost of living is also impacted by vehicle wear and tear and the frequency of needed repairs attributed to poor road conditions. The American Society of Civil Engineers estimates that Arizona motorists pay \$887 million a year, or \$205 per motorist, from driving on roads in need of repair.

CONCLUSION: While stopping the HURF funding raids will not solve all of our infrastructure inadequacies, redirecting the \$127 million transferred last year would certainly be a positive first step and would help minimize the rate of deterioration for our state and local highway and road networks. The persistent and sizable fund raiding that has occurred for more than a decade has greatly contributed to the inadequate funding directed at our infrastructure and it is time for them to end. Also, General Fund revenues are consistently rising, lessening any rationale that may have been used for justifying the raids.

****IT'S TIME TO STOP LOCAL AND STATE TRANSPORTATION FUNDING RAIDS****

For further information, please contact Kevin Adam of the Rural Transportation Advocacy Council of Arizona (RTAC) at kadam@rtac.net or (480) 577-7209.