

CITIZEN'S TRANSPORTATION OVERSIGHT COMMITTEE

Arizona Department of Transportation

Minutes

July 27, 2010

A Citizen's Transportation Oversight Committee (CTOC) meeting was held at the Arizona Department of Transportation, 206 South 17th Avenue, Phoenix, Arizona 85007 on July 27, 2010, with Chairman Roc Arnett presiding.

Members Present:

F. Rockne Arnett, Chairman
Kyle Robinson, Maricopa County District 1
Susan Brechbill, Maricopa County District 2
Larry Woods, Maricopa County District 4
Sharolyn Hohman, Maricopa County District 5

Members Absent:

Nelson Ladd, Maricopa County District 3
Jack Lunsford, Member-at-Large

Others Present:

John Fink, ADOT
Adrienne Weinkamer, AG Office
Mike Taylor, Valley Metro
Steve Wilcox, AECOM
Elizabeth Neville, RFS
Brian Kae, FOX 10 News
Kwi Kang, RFS
Jeannie Wright, Citizen
Serena Unrein, Citizen

Bryan Jungwirth, RPTA
William "Blue" Crowley III, Citizen
Bill Cowdrey, HDR Engineering
Kent Dibble, Dibble Engineering
Timothy Tate, ADOT - CCP
Steve Hull, ADOT - RFS
Misa Cienfuegos, ADOT
Eileen Colleran, ADOT Legislative Liaison
Frank Medina, Parsons Brinckerhoff

1. Call to Order:

Chairman Arnett Called to Order the Citizen's Transportation Oversight Committee meeting at 4:00 p.m.

2. Pledge of Allegiance:

The Chair led the CTOC members and the public in the Pledge of Allegiance.

3. Roll Call:

The Chair asked for the roll call.
Roll call by Board secretary, Elizabeth Neville

4. Welcome and Opening Remarks:

The Chair welcomed the public, public officials, members of CTOC and staff to the meeting.

5. Call to the Public:

William "Blue" Crowley, citizen, commented that he is still not hearing about these meetings. He also held up a book and said, this is the bus book and supplement. I spent \$10 to get down here. When I get a hold of the supplement to see what I have on my routes because they took out Saturday service. It shows times that have all changed except one. They have this tiny paragraph and that's not adequate. That's not the way it should be. Here are some of the changes, this is the new one, I'll pass this down. The routing times have changed as much as 50 minutes. So if you're in Wickenburg and told to use the bus book to come back and you're thinking the bus is going to be there at 6:25, it says 7:15 is the last one back so if you are waiting for half an hour and the bus doesn't show up, that's not the way it should be done. Another thing I find fascinating with ADOT is I've been trying to get the Wickenburg connector extended so it goes to Congress and Aguila and I found out that there is a La Paz connector and I asked people about it and they said we don't know anything about it. But the next time I saw the La Paz connector I saw on the back of the bus it had funded by ADOT, so you don't know about it but you're paying for it and I would like at least the La Paz connector to match the Wickenburg connector so people can get to Aguila back and forth. It runs every Tuesday and on the second Tuesday of the month it goes all the way to Surprise. If you're paying for it we need to mature both of those systems to get a better bus service. With the cutbacks that you've done, there's a thing called the super grid. And the super grid has thirteen different routes on it. And the document that I've passed out shows the development of the Hassayampa area and we also have the Wickenburg area. That's supposedly happening over the next few years but with the cutbacks you've done, now you're saying those other bus routes with the super grid will be done in 2026. The funding stops in 2025. Are we cutting the same amount in freeways? Are we cutting the same amount in rail? Are we cutting the same amount in highways? I don't believe so. And looking at it from my point of view, we need to get more money coming in and not just say for the next sixteen years we're going to be in a downturn. If we are not in the downturn, when are some of these things going to be done and addressed? The alternative plan is one of four that MAG has come up with for the area north of the Hassayampa Study, which was approximately Highway 74 and the way it shows it looks like the Town of Wickenburg is four. The other three ideas were to have Interstate 11, the Hassayampa Freeway going through town. We would like this committee to endorse what the town has said, that's the area that runs from Vulture Mine Road through the easement of the utilities to Highway 60. When we're doing it, we need to do it right. I found that MAG was being very short sighted and that they had to do this Wickenburg area study after the fact and they're projecting 300,000 people to move in there over the next 30 to 50 years. If those are the kinds of numbers, we need to be planning correctly and ahead of time. As I stated, with this economic downturn, I don't believe it's going to be lasting the next 16 years. We need to be getting the west side because of all the routes the only one that was cut out from the east side was Mr. Stapley's families, named after him, the Stapley Route and I agree with the gentleman from Queen Creek. We need to get the whole county into it. We need to get a bus coming from Queen Creek. We need a bus from Aguila. We need to get this thing done and it needs to be just like with an express bus, not an extra fee, but one where it's working in together. ADOT has stated that the 660 will only be there for one more year. The 660 will be gone unless we get more rider ship. When you're paying \$310,000 for the bus that's \$140 per route times eight routes during the day. Of that \$24 goes to the operator per run and \$7.50 goes to diesel. Where is the other \$110 going? Government can run things just as good as the private sector if there is no profit involved.

6. Approval of Minutes for the 05/18/10 Meeting:

The Chair called for a motion to approve the minutes of the May 18, 2010, meeting.

Board Action: Susan Brechbill moved to approve the May 18, 2010, minutes. The motion was seconded by Larry Woods and carried unanimously.

7. Legislative Update and Federal Reauthorization:

Eileen Colleran, ADOT, provided an update concerning transportation items that were passed in the last legislative session plus an update on status of the reauthorization of the Federal Highway Act. The state

legislative session adjourned on April 29, 2010 and lasted 109 days. There were 1,410 bills introduced, 338 were enacted and 14 were vetoed. The prior session, there were eight special sessions. Bills that were passed will be enacted on July 29th. Transportation bills that were passed include SB 1137 - Department of Transportation; Vehicle and Right-of-Way. This bill extends the update for statewide long-range planning from 2009 to 2011, allows the director to reorganize divisions, deposits dishonored payment fees into the State Highway Fund instead of HURF, removes contradictory stop sign language and allows Department of Revenue to share information with ADOT about rental car companies. The bill was amended in committee to use Vehicle License Tax funds for a federal rail match. The final bill did not include these amendments but did include an amendment to privatize Traffic Survival School oversight. Other transportation bills that passed included HB 2005 and HB 2245 - special license plates, HB 2258 - CDL exemptions, farm vehicles, HB 2412 – MVD continuation, HB 2625 – STAN sub-account; city reimbursement, SB 1030 – driver license violations; suspensions, SB 1063 – public transportation; regional planning, SB 1366 – eminent domain; relocation assistance and SB 1406 – procurement; construction; specialized service. A web site is available, http://www.azdot.gov/CCPartnerships/Government_Relations/reports.asp, with additional information and summaries. For the next state legislative session, potential issues are being reviewed and sent to the Governor's Office for review and approval. Bill sponsors are sought. Bills are then filed with Legislative Council. The session begins on the second Monday of January 2011. Federal legislative issues include the reauthorization of SAFETEA-LU, the current highway and transit bill, which expired September 2009. There has been a continuing resolution since that time. Background was provided on what is needed to get a bill passed. Additional federal legislative issues include FAA Reauthorization, 2011 Transportation Housing and Urban Development Appropriation, Climate Change, the Tax Extender Bill and the Earmark Bill. The largest issue for this year is funding.

Questions:

The Chair asked about expanding funding, using other forms of measurement and changing the law due to miles traveled instead of the gas tax.

In reply, Ms. Colleran stated it has been brought up with Reauthorization, a way to look at changing our reliance on gas tax. Pilots have been tried in different states. Problems are that it requires technology that is currently not possible.

Kyle Robinson added a comment about vehicle registration and technology.

The Chair suggested looking more broadly in technology changes and referenced the advancements with GPS.

In reply, Ms. Colleran replied that it is being reviewed at a national level.

Public Comment:

Mr. Crowley, citizen, commented that on the gas tax, add to it a percentage or two to it. Right now our gas tax is 18 cents on a \$3.07 cent gallon. We've been closing rest areas. We don't have sufficient monies for transportation. Also we are only one of five states; correct me if I'm wrong Brian, its Hawaii, Utah, Colorado, Alabama and Mississippi are the only ones that don't. I also didn't see up there where you should have also noted that the local area transit and transportation fund was eliminated, one of the major reasons for the cutbacks on the bus. We need to go out and get more tax on the gas. We go through a billion gallons every month. We also need to start funding from a state level for the transportation part of it not just light rail but light rail and the bus.

8. RPTA Valley Metro Update:

Bryan Jungwirth, Chief of Staff, provided an update on the Transit System Strategic Plan, Operations and Finances. A map of the system was described and includes about 266 square miles. There is a 20-mile light rail system with 37 additional miles planned. There are four major providers of transit services, the Regional Public Transportation Authority, the City of Phoenix, the City of Tempe and METRO light rail. The entire system is privatized. System facts are 62 local routes, two rural routes, 21 express routes, 4 rapid routes, 71 million passenger boarding's per year, 286,000 passenger boarding's annually using mobility aids, 1.4

million bicycle boarding's, and a fleet of 985 buses with 95 percent of them alternatively fueled. A chart was shared that shows ridership by major city, the revenue miles and percentage of revenue miles. The May 2010 Light Rail average boarding's chart shows about 37,000 riders on an average week day and 28,000 on a Saturday. It has been increasing year-over-year. System roles assumed by MAG were highlighted.

Mike Taylor, RPTA-Valley Metro Acting Deputy Executive Director of Finance continued and discussed the FY 2010/11 Budget Overview. There was a 16.8% reduction in Public Transportation Funds (PTF) revenues. The overall budget was reduced by 25% with a 5% reduction in staff. Using a conservative approach, the budget is in balance. \$4.3 million will be used on Capital Projects; \$3.3 million will be used on the Transit Life Cycle Program. There is \$21.9 million in the Fund Balance. The ADOT revenue forecast is required to be used for the PTF revenues for the Transit Life Cycle Program, \$34.2 million of bond proceeds will be used to fund capital projects for RPTA and METRO. The small piece of the budget, \$3.6 million that is not in the Transit Life Cycle Program are projects funded by the cities. A graph of the PTF revenues for FY08, FY09 and FY10 was explained. The Proposition 400 Revenue Forecast chart was shared and shows a \$1.3 billion shortfall by 2026. Funding sources were explained and include sales taxes, Transit Service Agreements, ARRA funding, Valley Metro and other revenues such as grants and interest earnings. The total budget this year is \$225 million. Fund uses include lead agency disbursements, transit services, capital, and several others. Only 5.3% of the budget has flexibility and has resulted in a reduction in staff. An overview of the Transit Life Cycle Program was explained and included accountability, oversight and the Prop 400 Performance Audit, including CTOC's Prop 400 Financial Audit. Bryan Jungwirth completed his report discussing the strategic plan. The RPTA Board adopted a Resolution in November 2007 to develop a single Regional Transit Agency, which over time integrates fixed routes, Para-transit and rail operations within Valley Metro RPTA. The roadmap to full regionalization is an evolutionary process. Progress has been made with Para transit. A lot of the funds are city funds making the regionalization difficult. Local Transportation Assistance Funds were repealed by the Legislature in the amount of \$23 million (LTAFI) and \$19.9 million statewide. Work is underway to try and restore these funds.

Questions:

The Chair asked about the rural routes.

In reply, one rural route starts in Ajo and is paid for by Pima County. The other is from Wickenburg.

Mr. Robinson asked about the call center headcount.

In reply, total head count is 120.

Susan Brechbill asked about being self sufficient.

In reply, most of our funds are in federal dollars.

Susan followed up asking about another sweep of funds from the legislature.

In reply, he stated it's not likely but possible.

Public Comment:

Mr. Crowley, citizen, commented that Bryan said that Valley Ride will soon be getting its cross boundary ability; they've only been working on it for 20 years. The east valley is able to do it. Why we haven't been doing it regionally I don't understand. I also would like to note that one of the things I passed to you was this rider thing and it has a park-and-ride expansion. And with \$3 million we got 353 parking spaces; that's \$10,000 a piece. At the same time, less than 50%, less than 45% of the bus stops are covered. I believe that we need to get more ridership but if you have people standing out in the heat in weather like this that's not helpful. And when you're spending \$3 million for 353 parking spaces you're not getting it done right. When the gentleman said we do public outreach and input on major changes, when you did this last major change, did you put anything on the buses? The answer is no. They were going to eliminate our Wickenburg connector and nothing was on the buses. If it weren't for the town and the paper putting out the word we would have been blindsided totally. And of the amount of people that were at the different meetings, there are two buses that were eliminated in Avondale. If they would have put it on the bus, we're eliminating your bus; people would have probably got there. But there were only four people there; I and somebody from Wickenburg were the only two that spoke. Of the thirteen people that spoke at the three

meetings, very low numbers, seven were from Wickenburg saying, don't take our bus. But that's only because it was in the paper, it got out. When they are doing public outreach, put it on the bus. Let citizens know, you might be losing your specific bus. And when he talks about the administration costs, being that his boss, Mr. Boggs only gets about 3% of that \$11 million with a \$250,000 salary I think that we do need to still cut some of the administration cost in it and I don't see where somebody could be worth all that much. As I said it's only taken 20 years for them to continually say we're going to make Dial-A-Ride seamless. It still hasn't been done. And the east valley does do it. Tempe, Scottsdale and Mesa, you can go through all three communities on the Dial-A-Ride. And when it comes to the cost, I don't believe that privatization is the way to go. With the Wickenburg connector, I believe its \$310,000 that you're paying Discount Cab to run that. That works out to \$140 per trip. There are eight trips of which the operators only making \$12 an hour, it's only costing \$7.50 for the diesel, where are the other \$110 going per trip? Or another way to put it, where is the \$900 going per day because I believe that if it was turned over to the City of Wickenburg they'd be able to do it a lot cheaper and use it as an economic help? I appreciate the questions on those two but we also need the Gila Bend connector from the 1989 CAC Study that said they wanted Gila Bend to have a connector between their cities. We need to make it regionally. Everybody in the county does pay the tax. We need to be doing it and it needs not to be discriminatory to the rural routes. Thank you for your time.

9. ADOT Revenue Update:

John Fink, ADOT Assistant Director Finance and Accounting, provided an update on Highway Gas Tax Revenue and the Highway User Revenue Fund which are used in part to fund projects in the Regional Transportation Plan. The Gas Tax Rate History and chart was explained showing a complete history since 1927. The gas tax was constant from 1931-1962 and again from 1991-current. Population growth was charted from 1978 and shows a slowing in growth. Gas tax started to decline after 2007 for several reasons including the economy and fuel efficient vehicles. Gas tax revenue per capita has been declining and moving to 1986 levels. A chart was shown that combines the effects of inflation and vehicle fuel efficiency on gas tax. Revenue impacts if gas tax changes went into effect were illustrated and explained. Highway User Revenue Fund and Maricopa Regional Area Road Fund annual trends and categories were highlighted. Issues include a slower population growth, higher federal fuel efficiency standards and continuing legislative transfers to the State General Fund and DPS.

Questions:

The Chair asked for clarification on trends noted on the charts.

In reply, one chart shows year over year change in actual collections. Even though the change in 2010 is not as dramatic as the prior year, it's still a decline from the previous year in total revenues.

Mr. Robinson asked a question about the gas tax revenue impact and the state legislature.

In reply, yes, if there's a will.

The Chair asked if there is a sense with the slower population growth, is there a reduction in travel? It seems travel continues to increase. If we were able to capture miles used rather than gas tax, do you know what kind of difference that would make?

In reply, looking at national statistics for most of the last couple of years, there have been significant declines in vehicle miles traveled, generally due to the economy.

Public Comment:

Mr. Crowley, citizen, commented I would like to see a two percent net sales tax. The document said for 1% it would be \$58 million. I added it up, that would make \$116 million. I also see that as the price of gas goes up, we need to tie to that, I don't want it just the gas tax, I want a gas and transportation tax because that way it can be used on more than just roadways. If we don't do something like that as the cost of chemicals goes up, the cost of asphalt goes up because that is part of it. I want it tied to the price, not to the gallons. And to get a little bit of air quality, I would like to see both Mr. Fink and you use the bus a little more but I do know that you have. I would also like to point out that AAA states that right now the gas

price is at \$2.74. If it gets to \$3.00, that \$168 million would go up exponentially and if we only tie it to mass, it's not going to be going up and the price will go up for us.

10. Resolution Concerning Transportation Funding:

The Chair introduced Steve Hull to discuss a proposed resolution calling upon federal and state officials to ensure that both federal and state transportation funding is adequate to properly fund future transportation needs for the MAG regional area and greater Arizona.

Mr. Hull stated the draft concept for consideration does not indicate how much money needs to be raised or how to raise the money but to recognize that there is a funding issue. Gas tax funds are not adequate. Fuel efficiency has gotten better. Inflation has driven up the cost of building and maintaining roads. RARF and the half cent sales tax collections are down and are driven by the economy. Concerns were raised by legal counsel by the manner in which to take this forward. Legal advice must be heard in an executive session.

Public Comment:

Mr. Crowley, citizen, commented we have a legislature who believes that any tax is not a good thing. I would like to see a transportation tax not just a gas tax that way we can get both parts of the equation done. We also need to go back to the voters with the transportation situation with the bus change and they're not doing anything until after the tax is gone. We need a bifurcated resolution for freeway and roadway. With the maps I gave you today on the Hassayampa area, there is no money for the roadways there and it's not going to be done by the developers. And if you also note in there one of the things is an interstate. If you don't have the money to pay for it, how does it get done? We don't need to just rely on stimulus, we need to be more proactive and as I said with the gas tax and transportation tax, it needs to be by cost because all that goes up with the chemicals does affect transportation. And I would like to reiterate if you can get Steve to send me a letter to let me know when these things are happening I would appreciate it. I spent ten bucks to just get down here. ADOT can spend another fifty cents to send me a letter.

Board Action: Kyle Robinson motioned to adjourn and move into Executive Session. The motion was seconded by Sharolyn Hohman and carried unanimously.

The Chair asked the public to step outside for a short recess so the Committee could go into Executive Session to hear legal council recommendations regarding the proposed resolution.

The CTOC regular meeting was resumed and Called to Order.

Board Action: Susan Brechbill moved that the CTOC Board adopt the Resolution as a sense of the Board and that copies be sent to Transportation Board members, the Governor, State Legislators and Congressional Delegation. The motion was seconded by Kyle Robinson and carried unanimously.

11. FY09/10 Financial Compliance Audit:

Steve Hull, ADOT Special Assistant to CTOC, provided a review of proposals and discussed the selection of an audit firm for the next annual Financial Compliance Audit. The previous audits for FY07/08 and FY08/09 were completed. There is a statutory requirement that CTOC have a Financial Compliance Audit done of all expenditures from the Regional Area Road Fund (RARF) and the Public Transportation Fund (PTF). The scope of work is to ensure the proper distribution and use of the RARF and PTF pursuant to A.R.S. 42-6105(E). The audit will include FY 09/10, be done in accordance with generally accepted auditing standards and the firm will provide a report to CTOC. The records being audited include ADOT, MAG and RPTA. Arizona Department of Administration procurement rules will be followed. Letters requesting proposals were sent to four firms. Proposals were received from two firms, Heinfeld, Meech and Henry & Horne. Heinfeld, Meech submitted a proposal with an estimated cost of \$33,786 and 308 man hours. Henry & Horne submitted a proposal estimated \$17,700 and 142 man hours. Staff recommends the selection of Henry & Horne, LLP due to the lower cost proposal by a substantial margin as well as their successful completion of

the FY 07/08 and 08/09 audit. They understand the required scope of work and are familiar with contacts and records at MAG, ADOT and RPTA.

Questions:

Susan Brechbill asked if we need a clarification on the motion passed last time.

In reply, we do not need a motion to clarify because the action tonight will remedy the problem of the uncertainty of how far staff can move forward without CTOC's further approval.

The Chair asked about the cost last year, as he recalled it was approximately \$10,000 rather than a higher amount.

In reply yes, they estimated man hours last year at a higher cost but capped the cost at \$10,500 because they wanted the award.

Board Action: Susan Brechbill moved to approve the award to Henry & Horne as stated in the proposal. The motion was seconded by Kyle Robinson and carried unanimously.

12. Recommendation for Future Agenda Items:

There were no recommendations.

13. Next Meeting – September 14, 2010, 4:00 pm:

Chairman Arnett stated that the next meeting is on September 14, 2010, at 4:00 p.m. at the Arizona Department of Transportation Auditorium.

14. Adjournment:

The meeting adjourned 6:05 p.m.