



## Executive Director's Report

At our January meeting, we heard the impressive results of the first year of a pilot study that places Department of Public Safety (DPS) troopers at the Arizona Department of Transportation (ADOT) Traffic Operations Center (TOC). DPS reported that the average time taken to clear crash sites on Maricopa County freeways has been reduced by nearly an hour (54 minutes) over the past year. Although there was an increase in the number of primary crashes, the faster clearance times have led to a reduction in the number of secondary collisions (see summary below). This success addresses a key goal of improving safety on our regional transportation system.

The Maricopa Association of Governments (MAG) and ADOT are jointly funding a three-year pilot project to determine the value of placing the troopers at the TOC. The pilot project began in October 2014, the result of a collaborative effort among MAG, ADOT, DPS, and the Federal Highway Administration (FHWA). The initial success of the program could be a testament not only to this effort, but also to other forms of active traffic management. By increasing efficiency on the system, we can increase capacity and safety.

We also can save money. Using the time saved in freeway clearance times, MAG analyzed the traffic delay experienced by travelers in 2015 compared to 2014. The computer analysis found that the delay was reduced by nearly 8.4 million vehicle hours. This is equivalent to \$165 million in savings in terms of lost productivity. Staff noted that this number does not include potential savings from reductions in secondary crashes. MAG and ADOT are jointly funding the project at nearly \$450,000 for the first year, and approximately \$425,000 per year for each remaining year. Using the above analysis, staff noted that the cost/benefit ratio for year one is 368:1.

The potential in saved lives is not as easily calculated, but of even greater importance. We are grateful to the Regional Council, ADOT and FHWA for recognizing the value of this program and giving us the opportunity to carry out this pilot project. We also thank DPS for its outstanding implementation of the project.

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

## Meeting Report for Wednesday, January 27, 2016

### Action Items



#### Audit Opinion Accepted

The MAG Regional Council voted to accept the audit opinion issued on the MAG Comprehensive Annual Financial Report and Single Audit Report for the fiscal year ending June 30, 2015. The accounting firm of CliftonLarsonAllen, LLP, conducted the audit and issued an unqualified opinion in November 2015. For the Financial Statement Audit, the firm issued an unmodified opinion that it was in accordance with generally accepted accounting principles. A principal of the firm noted that two reports are issued on the Single Audit. The first report is the Government Auditing Standards Report, in which no opinion is issued, but instead a report is provided on internal controls related to the financial statements. The auditor found there were no reportable conditions in MAG's internal accounting procedures considered to be material weaknesses. The audit also found no instances of noncompliance considered to be material and no questioned costs. The second report is based on the Office of Management and Budget (OMB) Compliance Supplement, which provides an opinion on compliance with major federal programs. The auditor indicated they found no significant deficiencies nor material weaknesses in those programs as well.

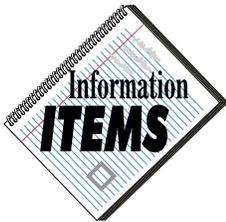
One item of note in the financial statement is a restatement of net position, which was not related to an error, but to new pension standards. This requires all Arizona State Retirement System (ASRS) member governments to report their unfunded pension liability for the ASRS. Previously, this balance was not required to be reported on the Balance Sheet. This represents an approximate \$13 million unfunded liability. As a result, a negative net position of \$8 million on a full accrual accounting basis is being reported for MAG's proportionate share. The auditor explained this means it is a future liability for the unfunded pension portion, but MAG still makes annual contributions annually based on ASRS contribution rates. He added that MAG's situation is not unusual, and a number of agencies are reporting a negative net position due to pension liability restatement.

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

#### Project Changes

The Regional Council approved amendments and administrative modifications to the FY 2014-2018 MAG Transportation Improvement Program and 2035 Regional Transportation Plan. Staff reported that since the plan approval in January 2014 and the last modification in October 2015, additional project changes and additions have been requested by member agencies. The new requested project

additions and changes include Regional Freeway and Highway Program project changes, Transit Life Cycle Program project changes, and general project changes. Additional projects were added to the Transportation Improvement Program. They included Transportation Alternative/Safe Routes to School projects, paving projects, Intelligent Transportation System (ITS) projects, and Pinal County arterial projects. **For more information, contact Teri Kennedy, MAG Transportation Improvement Program Manager, (602) 254-6300.**



## **Information Items**

### **First Year Results of DPS Troopers Location at ADOT TOC**

As noted in the executive director's report above, the Regional Council heard an update regarding the first year evaluation results of a pilot study that places DPS troopers at the ADOT Traffic Operations Center. The pilot project began in October 2014 with three months of staff training. The program became fully operational in January 2015. The evaluation compared nine months of electronic data before and after the program was launched.

A representative of the Department of Public Safety displayed the comparisons for freeway crashes without injuries, crashes with injuries, and fatal crashes. He said that the evaluation has shown that, despite a nearly 23 percent increase in the number of crashes (11,243 in 2014 versus 13,862 in 2015), the average time taken to clear a crash site on freeways was reduced by 54 minutes, helping traffic move more quickly, preventing secondary collisions, and potentially saving lives.

MAG staff reported that a traffic simulation model was used to estimate the difference in traffic delay experienced by travelers between 2014 and 2015, using the same observed numbers provided by DPS. In 2015, traffic delay experienced by travelers, in comparison to 2014, was reduced by nearly 8.4 million vehicle hours, which is equivalent to \$165 million in savings in terms of lost productivity. MAG staff noted that a press conference on the program's first year evaluation was held on January 19, 2016, which received significant positive coverage.

**For more information, contact Sarath Joshua, MAG Senior ITS and Safety Project Manager, (602) 254-6309.**

### **Final Recommendations on COMPASS Study**

The Regional Council received an update of the final recommendations on the US-60/Grand Avenue Corridor Optimization, Access Management Plan, and Systems Study (COMPASS). The study was requested by the mayors of El Mirage, Glendale, Peoria, Phoenix, Surprise and Youngtown, along with former Maricopa County Supervisor Max Wilson. The goal was to preserve US-60/Grand Avenue as an expressway facility that remains a state highway under ADOT.

The study team focused on four alternatives: Continue with planned improvements from the Regional Transportation Plan; reconsider the US-60 Grand Avenue Expressway option; plan for commuter rail with operational improvements; and identify other high capacity transit options.

Staff reported that neither the expressway option nor the other high capacity transit option met the criteria as alternatives for the corridor. The study recommended establishing a corridor access management system; continuing with improvements in the Regional Transportation Plan; addressing remaining bottlenecks and congestion points; and planning for commuter rail with operational improvements. A key change for the corridor could be consolidating approximately 430 driveways along the corridor to only 230 access points.

Staff noted that the recommendations are only concepts at this point, and design and environmental clearances are the next steps with required local, state and federal agency approvals.

**For more information, please contact Bob Hazlett, Senior Engineering Project Manager, (602) 254-6300.**

### **Development of the MAG Unified Planning Work Program and Annual Budget**

Each year, MAG staff provides updates beginning in January of the development of the FY 2017 MAG Unified Planning Work Program and Annual Budget. The information is provided incrementally in order to provide opportunities for early input and review. Staff noted that the draft Dues and Assessments and the proposed budget production timeline were included in the agenda packet. Staff reported that the draft MAG Dues and Assessments were calculated using the calendar year 2015 average Consumer Price Index-Urban Consumers (CPI-U). The current CPI-U was issued January 20, 2016 and estimated at 2.33 percent.

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

### **Legislative Update**

Staff provided an update on legislative issues of interest. The 52nd state legislature started the second regular session on January 11, 2016. MAG is tracking bills related to the work and interests of the agency. At Mayor Stanton's request, MAG is tracking House Bill (HB) 2037, which affects First Things First funding. MAG is also tracking funding issues related to Joint Technical Education Districts (JTEDs). The MAG Economic Development Committee has been interested in this issue since the funding reduction was proposed in the last legislative session. MAG noted that a breakfast event focused on JTEDs will be held March 3, 2016. The event, "Opportunity Arizona: Identifying a Qualified Workforce," will be held at 7:30 a.m. at the Sheraton Phoenix Downtown. It will be hosted by the Greater Phoenix Chamber of Commerce.

Staff reported that the MAG Building Codes Committee has also requested that a number of bills be tracked that could impact building codes and code enforcement.

Two items were identified as being of significant interest to MAG, the first involving funding issues and the second on state retirement system eligibility.

First, in the 2015 legislative session, a bill was enacted that resulted in \$2.5 million from MAG and approximately \$.5 million from the Pima Association of Governments (PAG) being used to fund the operations of the Arizona Department of Revenue (ADOR). The funds requested from MAG are from the voter approved half cent sales tax (Proposition 400) dedicated to transportation improvements.

Last summer, a working group of MAG and PAG elected officials had a number of discussions with the Governor's office to find a solution to this issue. At the August 2015 MAG Regional Council meeting, a member of the Governor's office presented a potential solution to this issue and to more directly fund the Department of Public Safety.

On a related note, last year, the Rural Transportation Advocacy Council (RTAC) coordinated a letter to the Governor and Legislature requesting a stop of Highway User Revenue Fund (HURF) transfers to pay to fund public safety beyond the statutory limit of \$20 million. In January 2015, the MAG Executive Committee supported signing onto the letter on behalf of MAG.

Staff reported that MAG received a similar request this year to sign onto another RTAC coordinated letter requesting a stop of the HURF sweeps. However, because MAG has been working with PAG and the Governor's office to find alternatives to fund DPS, limit HURF sweeps, and repeal the ADOR assessment, MAG recommended a joint MAG/PAG letter as a more appropriate approach. A letter was drafted that is supportive of finding solutions to these issues. The letter is being signed by both agencies.

The second significant item impacting MAG is HB 2157 (ASRS; political subdivision entities). In 2014, a bill was run that, if enacted, would have prevented future employees of MAG from being enrolled in the Arizona State Retirement System (ASRS). This would also include other councils of governments, metropolitan planning organizations around the state, as well as the League of Arizona Cities and Towns, county associations, Arizona Municipal Water Users Association, and others. In 2014, MAG worked with these associations and much credit goes to the MAG member agencies in getting this bill defeated. In 2016, the bill has been introduced again.

Staff reported that one issue that results from HB 2157 is the ability to recruit and retain employees. Many of the employees of MAG come from cities/towns/

state/other associations, where they have been enrolled in ASRS. The issue is portability—being able to move from one ASRS organization to another. In 2014, ASRS staff assessed the burden to the state retirement system at \$23 million, because of the reduction in contributing employees to the system. Staff noted that MAG is working with the other associations throughout the state and we are looking to MAG member agencies to assist in defeating this bill.

**For more information, please contact Nathan Pryor, MAG Government Relations Manager, (602) 254-6300.**

## **Next Meeting**

Please note that the next meeting of the MAG Regional Council will be held on Wednesday, February 24, 2016, at 11:30 a.m. at the MAG offices, 302 N. 1st Avenue, Phoenix, second floor, Saguaro Room. Agenda items are expected to include approval of the MAG Regional Misdemeanor Domestic Violence Protocol Model, programming for bicycle and pedestrian projects, Federal Fiscal Year 2016 Closeout Programming, an Amendment and Administrative Modification to the FY 2014-2018 MAG Transportation Improvement Program and to the 2035 Regional Transportation Plan, Federal Fiscal Year 2016 closeout amendment and administrative modification to the FY 2014-2018 MAG Transportation Improvement Program and 2035 Regional Transportation Plan, and an update on the development of the FY 2017 MAG Unified Planning Work Program and Annual Budget.