

STATE TRANSPORTATION BOARD MEETING MINUTES

9:00 a.m., Friday, March 17, 2017

**City of Tucson
Council Chambers
255 W. Alameda
Tucson, AZ 85701**

Board Meeting start time: 9:55 A.M. MST

Roll call by Board Secretary Linda Hogan

In attendance: Deanna Beaver, William Cuthbertson, Joe La Rue, Jack Sellers, Michael Hammond, Steve Stratton and Jesse Thompson.

Absent: None.

Call to the Audience: None presented.

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P R O C E E D I N G S

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3 CHAIRWOMAN BEAVER: Now we -- we now move on to
4 the district engineer report. Rod Lane.

5 MR. LANE: Madam Chair, members of the Board, top
6 of the morning on St. Patrick's Day.

7 So welcome to the South Central District. I'm
8 going to start off by kind of giving you a view -- a review of
9 the entirety of the South Central District is a pretty large
10 district. We go all way from -- on I-10 from Milepost 173.81 to
11 323.33, so big stretch. We added that area in Benson several
12 years ago. And all the way down to -- on SR-92, just down below
13 Sierra Vista to 329.4. And down below Tombstone on SR-80 to
14 133.0, go all way up to just south of Winkelman on 177, excuse
15 me, 77, to 133.00, and then all the way up to that little
16 stretch of the US-60 just kind of west of Superior in the Apache
17 Junction area where 79 and SR-60 come together. Then we've got
18 all of SR-79. And then, of course, all the way out to Ajo for
19 the entire -- entirety of Pima County, just south of the city of
20 Maricopa is our limit. So we don't go into the city of
21 Maricopa. So kind of gives you a view of the district.

22 So today I'm going to talk to you about really
23 just the construction program, as Mr. Anderson has gone through
24 the development program that's in the process of being worked
25 through. So we'll just really talk about what's going on, and

1 then in the Tucson district in terms of construction.

2 The big elephant in the room, so to speak, is the
3 Ina Road project. It's going very well. It's a CM at risk
4 project. The contractor is Sundt/Kiewit. It's joint venture.
5 (Inaudible.) We closed it about a month ago. We closed the
6 traffic interchange about a month ago. It's moving along very
7 well. You can see the bridge picture on the right shows the
8 bridge for the eastbound side is completely demolished now, and
9 the picture on the left shows the drill shafts being placed by
10 the Santa Cruz River. So they are progressing quite nicely.

11 There was three structures, major structures on
12 this job: The bridge over the Santa Cruz River, the bridge Ina
13 Road going over I-10, and then Ina Road going over the railroad.
14 This kind of gives you a visualization of what it's going to
15 look like when the job is done from I-10.

16 One of the things that we did to that that was
17 kind of not anticipated was the closure of the Orange Grove off
18 ramp heading west on I-10. The logic behind that was it's a
19 storage issue. So Orange Grove itself is open. The road is
20 fully open. We just wanted to give extra storage space for that
21 increase in traffic so that we didn't get a backup onto the
22 interstate and create an unsafe condition. So it seems to be
23 working very well.

24 Another thing that happened with Pima County's
25 participation and their help, they managed to move the opening

1 of their bridge over the Santa Cruz River at Sunset a month
2 ahead. So that's also given us a great relief in the some of
3 the traffic burdens that we anticipated out there. The job's
4 going really well. Like I said, we're going to -- it's quite a
5 bit of -- three bridges, one over the railroad, one over I-10,
6 one over the Santa Cruz. This phase that we're in now, it's
7 going to be about a year of this, and then we'll switch it to
8 the other side. So it's not a lot of back and forth changing.
9 It should be pretty static. And then we'll see one more change.

10 So moving on to the -- I wanted to talk about the
11 funding as well. We talked about that. This project is
12 funded -- bring it up here -- it's about a \$124 million project.
13 24 percent of this portion of the project is local funds.
14 Around 64 (inaudible) is ADOT. The remainder is kind of utility
15 funds. Got a lot of utility participation and such in this one.

16 Moving to the Ina/Ajo traffic interchange phase
17 one project going down I-19 and Ajo, that contractor is Ames.
18 \$39 million. It's about a 50/50 split between local and ADOT
19 federal participation. We're reconstructing the I-19/Ajo
20 single-point urban interchange. A lot of excavation, a lot of
21 sound walls and drainage improvements and such. Phase two will
22 construct a bridge over the Santa Cruz River, and also will
23 build that (inaudible) -- what we call the (inaudible) ramp. So
24 if you get a chance to go down and see the next one (inaudible).

25 If you look, north is up, so south is going down.

1 So you'll see the first ramp coming down is the exit ramp for
2 Ajo. And then there's another one that's kind of directly
3 underneath the traffic interchange. It kind of -- it looks like
4 it kind of heads underneath the ramp. That's the actual
5 Irvington ramp. It's quite a long ramp. Again, quite a lot of
6 storage. So that one's also going to be constructed as part of
7 the phase two of the project and not phase one. And that was a
8 funding issue, with the combination of PAG and ADOT funding and
9 how this whole job got split, (inaudible) kind of the method to
10 get this thing constructed.

11 And then moving forward, the job's going very
12 well; on schedule. When did I say that was going to end?
13 February, about 2018, is when we're going to end phase one, and
14 then we're going to be advertising phase two about that same
15 time. So that one moving forward.

16 The next big one we've got down -- there's the
17 phase two project. You can see what we're building in there
18 where we're going to widen mainline I-10. We're going to build
19 that graded ramp (inaudible) the pedestrian crossing, going over
20 I-19, and then the bridges is over the Santa Cruz River on Ajo
21 (inaudible) as part of that one.

22 So the other big one we've got going on is SR-86,
23 Valencia to Kinney, being constructed by the Ashton Company.
24 It's about a \$40 million project. About 20 percent local, about
25 80 percent ADOT. It's pretty much an arterial widening going

1 from a two-lane to a four-lane. Sections of it are going to be
2 six lanes. So we expect to have that one done in July of this
3 year -- excuse me -- July of next year.

4 Another interesting one we've got going on is
5 Craycroft at I-10. So this one's (inaudible) because we're
6 building -- we're utilizing a temporary bridge structure. So
7 you can see that middle photo there, or excuse me, the photo on
8 the left shows you the abutment where we're going to put that
9 temporary structure. Looking at the photo on the right actually
10 shows the structure being launched. So it's in place. It's
11 going to sit for a week before we put live load on it. We want
12 to make sure there's no settlement issues. So it will just sit
13 in place for a week. Then we'll open it up for live traffic for
14 a week. We'll monitor it, and then if we determine there's no
15 settlement, we'll start demolition of the other structures. But
16 we're (inaudible) until we do it. My understanding, this is the
17 first time we've used this type of structure in Arizona.

18 So we've got another project coming down the road
19 where we're going to use the same thing at Wilmot, the same
20 concept. It's just a capacity issue down there. So this bridge
21 is (inaudible) manufactured by a company called ACRO. It's a
22 full 200-foot span. So the existing structure is actually two
23 spans. So we're going to span that whole area with just one
24 temporary bridge. It's got about a pick weight the 185 tons.
25 When they put the decks on there, it goes up to 277 tons. So

1 it's a pretty big structure. About \$400,000 just for the
2 bridge, and it's a rental as part of the contract. So it's not
3 a purchase. So the contractor is doing this whole thing, and
4 then he'll -- I guess it depends on how they proceed with the
5 next project, (inaudible) State's successful low bidder.

6 So let's talk about some of the rest of the
7 current projects that we have going on in our district. Those
8 are the major ones. We've already talked Ina. (Inaudible.)

9 We've got a Pima Mine Road project coming up.
10 It's just starting now. We just had the kickoff on that one.
11 That's being done by KE&G. We just had our partnering meeting.

12 Another one on SR-86, Fuller to Valencia being
13 done by Granite. That one's moving along.

14 We talked the Craycroft.

15 SR-82, a pavement preservation project down in
16 Sonoyta being done by Sunland. That one's also moving right
17 along.

18 NGU is doing a project on 287 from I-10 to
19 LaPalma. That one's just taking off. The paving window just
20 opened up. So we'll be finishing the paving on that project.

21 Kino TI, that's pretty much substantially
22 complete. (Inaudible) going out on there.

23 Santa Cruz River Bridge, also pretty much
24 substantially complete. We're just wrapping up the paperwork.
25 That was down by Truesdell.

1 We've got a tree thinning project going on down
2 the -- down in Nogales area. Excuse me. Right now it's
3 wrapping up. It's in the Green Valley area. It's going all the
4 way from the border up to the northern edge of the Tohono
5 O'odham reservation. We've got about another week on that one,
6 and then we'll be done with that one.

7 Another Gila River scour protection bridge being
8 done by NGU.

9 And then another scour protection project being
10 done by (inaudible) Construction.

11 So that's my report. Does anybody have any
12 questions?

13 CHAIRWOMAN BEAVER: Board Member -- excuse me.
14 Board Member Stratton.

15 MR. STRATTON: Rod, I'm not sure if this is a
16 question for you or someone else. When you were talking about
17 the projects, you talked about the PAG and ADOT split. Is that
18 ADOT, is that 100 percent ADOT money, or is that a federal ADOT
19 split within ADOT?

20 UNIDENTIFIED SPEAKER: A portion.

21 MR. LANE: It's federal funding that's
22 administered by ADOT.

23 MR. STRATTON: So it's a 6 percent ADOT, 94
24 percent (inaudible) like most of the others?

25 MR. LANE: No. Yes. Yes. Sorry.

1 MR. STRATTON: I like his answer.

2 CHAIRWOMAN BEAVER: Thank you. Any other?

3 Board Member La Rue.

4 MR. LA RUE: You know, Madam Chair, I just wanted
5 to say, Rod, I -- the temporary bridge and the rental piece of
6 that, I applaud you guys for that to think differently to try to
7 do something different and see if you can't, you know, come up
8 with a better -- a better way to do that. So it will be
9 interesting to see how all that works out. That...

10 MR. LANE: Thank you. I actually had a video in
11 here that I was going to show, and I took it out at the last
12 minute. I probably should have left it in.

13 MR. LA RUE: Yeah. But kudos to your team to try
14 to do things differently and see if it makes the project go
15 faster, more efficient, you know, at least cost, so...

16 MR. LANE: Thank you.

17 CHAIRWOMAN BEAVER: Board Member Hammond.

18 MR. HAMMOND: First of all, Rod, I appreciate you
19 putting in the discussion the splits between local fund and ADOT
20 funds and also adding Board Member Stratton's comments, because
21 I think it is important to -- for everybody, especially the
22 local community and other Board members, to know how much MAG
23 and PAG and these folks are investing into the projects that
24 ADOT funds, and it shows commitment in the local community, and
25 lets a -- give a kind of a good feel to ADOT that what they're

1 doing is really needed in the area, and it's a must and not a --
2 not a maybe need. So I appreciate you putting that in there.
3 It's very informative.

4 CHAIRWOMAN BEAVER: Thank you.

5 Do we have any other questions?

6 Thank you, Mr. (inaudible).

7 We'll now move on to the director's report.

8 Mr. Halikowski.

9 MR. HALIKOWSKI: Thank you, Madam Chair. I don't
10 really have anything of note to report. Any issues that I might
11 report on would probably come up as part of the regular agenda
12 items, so I'm good. Thank you.

13 CHAIRWOMAN BEAVER: Well, thank you.

14 Okay. Now we will move on to the consent agenda.
15 Do we have a motion to approve the consent agenda as presented?

16 MR. STRATTON: Madam Chair.

17 CHAIRWOMAN BEAVER: Board Member Stratton.

18 MR. STRATTON: Madam Chair, I would ask that Item
19 3I be removed from the consent agenda, as I have a conflict and
20 I need to recuse myself from voting on that particular item.
21 Other than that, I would vote that the consent agenda be
22 approved with the exception of Item 3I. I'd make that motion.

23 MR. THOMPSON: Second.

24 CHAIRWOMAN BEAVER: I -- just for clarification,
25 the motion is to remove Item 3I from the consent agenda, or are

1 you just recusing yourself from that particular item?

2 MR. STRATTON: It would be best, I believe, to
3 remove it so that I have no say in that and have the Board vote
4 on it separately. But I would make a motion we approve the
5 consent agenda with the exception of 3I.

6 CHAIRWOMAN BEAVER: Thank you.

7 MR. ROEHRICH: And Madam Chair, that is a proper
8 motion. So with that motion and a second, you can then vote on
9 the subsequent agenda, which will be the approval of all other
10 items except for 3I, and then 3I we will handle separate after
11 the first motion is completed.

12 CHAIRWOMAN BEAVER: Thank you.

13 Okay. We have a motion by Board Member Stratton.
14 Do we have a second?

15 MR. HAMMOND: Second.

16 CHAIRWOMAN BEAVER: It's been seconded by Board
17 Member Hammond to approve the motion with the exception of Item
18 3I.

19 All those in favor?

20 BOARD MEMBERS: Aye.

21 CHAIRWOMAN BEAVER: All those opposed? The
22 motion carries.

23 Now I call on a board member to make a motion for
24 Item 3I.

25 MR. SELLERS: Madam Chair.

1 CHAIRWOMAN BEAVER: Board Member Sellers.

2 MR. SELLERS: I move for approval of Item 3I.

3 MR. THOMPSON: Madam Chair, I would second the
4 motion.

5 CHAIRWOMAN BEAVER: Okay. It's been motioned by
6 Board Member Sellers, seconded by Board Member Thompson to
7 approve Item 3I.

8 All those in favor?

9 BOARD MEMBERS: Aye.

10 CHAIRWOMAN BEAVER: All those opposed? The
11 motion carries.

12 MR. ROEHRICH: And Madam Chair, just for the
13 record, we are noting that Board Member Stratton --

14 CHAIRWOMAN BEAVER: Stratton.

15 MR. ROEHRICH: -- was recused during that motion
16 on 3I.

17 CHAIRWOMAN BEAVER: Thank you.

18 Okay. We now will move on to the legislative
19 report, and I'm not seeing Mr. Biesty. Oh.

20 MR. HALIKOWSKI: We have Mr. Bartholomew.

21 (Inaudible.)

22 CHAIRWOMAN BEAVER: Yes, Mr. Bartholomew will
23 work.

24 MR. BARTHOLOMEW: Good morning to you all.

25 BOARD MEMBERS: We're all thankful he's here

1 instead of Kevin (inaudible).

2 MR. BARTHOLOMEW: You have a packed house, so I'm
3 going to move on and summarize.

4 We're following three bills kind of closely.
5 Senate Bill 1025, it's the bill to establish the objective
6 (inaudible) for liability claims in the State of Arizona. There
7 is a bit of a typo on your outline. It has passed the Senate,
8 not the House. It's currently in the House, and they're looking
9 at other (inaudible) statutes to perhaps amend that would get us
10 to where we want to be. There will be a hearing next Wednesday
11 on that. (Inaudible) probably (inaudible) very closely
12 (inaudible) as to what our liability is for accidents in which
13 the road or road design is not an issue.

14 But we're also following Senate Bill 1211.
15 That's the ADOT omnibus that will allow us to self-certify under
16 the NEPA process. It also cleans up some other areas of the
17 statute that are either antiquated or need clarification. That
18 bill has passed the House, and it is ready for a final Senate
19 vote.

20 And finally, the governor's bill, HB 2369 to
21 abolish certain state boards and commissions, that bill is going
22 to be heard in the Senate government next week.

23 On the federal side, the big news on the federal
24 side is President Trump has submitted his FY '18 budget. It's
25 actually what they call a skinny budget. It's a very scaled-

1 down outline of policies. It doesn't go much deeper than
2 department level in terms of the spending, though it does have
3 some policy considerations in it that are important to
4 transportation. There will be a \$2.4 billion cut in the
5 domestic discretionary transportation spending, or at least
6 that's what's been proposed by the Trump administration. That
7 would include eliminating TIGER grants. It would include
8 eliminating funding for Amtrak except for the northeast corridor
9 operations. There will be about a \$1.1 billion reduction
10 proposed in the area of transit, certain new start projects.
11 And finally, it would -- it proposes the elimination of the
12 Essential Air Service, saving about \$200 million.

13 The discretionary side of transportation was only
14 about 25 or 30 percent of total transportation spending, and the
15 budget that was sent down to the (inaudible) from the
16 administration proposes \$54 billion in cuts to domestic
17 (inaudible) programs with a corresponding \$54 billion increase
18 in discretionary defense spending.

19 I'll be happy to answer any questions. You have
20 the rest of the federal summary before you, but you know, in
21 consideration of your schedule today and -- I'll end it there
22 and ask if there's any questions from the Board.

23 MR. SELLERS: Madam Chair.

24 CHAIRWOMAN BEAVER: Board Member Sellers.

25 MR. SELLERS: We had a question earlier, and

1 several of us were asked the same question last night about our
2 knowledge about House Bill 2529. Can you elaborate any on that?

3 MR. BARTHOLOMEW: 2529 establishes an
4 infrastructure study committee. It will be an 11-member study
5 committee, and what they would be charged with is, if I
6 understand it correctly, they would be charged with the
7 feasibility of developing a transportation route from a southern
8 international port of entry to Phoenix, and also perhaps
9 studying the feasibility of a rail route or studying the
10 feasibility of improving an existing route. I think it's been
11 read in the House. I'm not sure it's had any votes yet.

12 MR. HALIKOWSKI: Just to clarify. It has passed
13 the House. It also appropriated \$300,000 through the
14 legislature for the purposes of the study. What it looks like
15 they're trying to do is, as Bruce said, establish some kind of
16 feasibility of the corridor of all those from a southern port to
17 Phoenix. The amendment in the Senate Transportation
18 Infrastructure Committee took out the appropriation. I don't
19 believe it's been (inaudible) read in the Senate. So it has
20 passed through their transportation committee, though. Since
21 they have amended it in the Senate, it will have to go back to
22 the House for concurrence.

23 MR. BARTHOLOMEW: I apologize (inaudible). I was
24 not aware it passed the House.

25 MR. HAMMOND: Chair.

1 CHAIRWOMAN BEAVER: Board Member Hammond.

2 MR. HAMMOND: If my question, you know, is not
3 for this forum, you can say. But what's the basis of this?
4 This seems like something ADOT is spending a lot of money on, in
5 corridor studies and whether it's an EIS phase one. I mean,
6 what's the concern that brought this bill to possible reality?

7 MR. HALIKOWSKI: Madam Chair, Mr. Hammond, I
8 don't know. I'd have to do some research and find out. You're
9 asking me to define the intention of legislators' minds, and at
10 this point I'm just not sure. It has a single sponsor, it
11 appears, Representative Rivero. So we can do some research and
12 find out. We'll send something out to the Board.

13 MR. HAMMOND: Okay. So I guess I'm correct. It
14 sounds like it's really -- there had been no interaction with
15 ADOT on why this might be needed. Is that a fair statement?

16 MR. HALIKOWSKI: I think that's a fair statement,
17 Madam Chair. We have -- this is not a bill that's been heavily
18 on our radar. As you pointed out, there's lots of different
19 studies going on, and I'm not sure what the fate of this bill is
20 going to be. It does have me on there as a designee, so we'll
21 see what happens with it. But I'll do some more checking, but
22 it hasn't been prominently on our radar screen.

23 MR. HAMMOND: Thank you.

24 MR. BARTHOLOMEW: We can certainly get a lot more
25 information, get that (inaudible).

1 CHAIRWOMAN BEAVER: Thank you.

2 MR. SELLERS: Madam Chair.

3 CHAIRWOMAN BEAVER: Yes. Board Member Sellers.

4 MR. SELLERS: I guess just a comment. And the
5 reason a lot of us were concerned is that we serve on MAG and
6 PAG committees and knew nothing about this. So I guess we felt
7 concerned that people that are so involved in transportation
8 infrastructure would have no knowledge about a bill like this.
9 But unless it becomes more serious than it sounds like it is
10 right now, perhaps there's no reason for us to be that
11 interested (inaudible).

12 MR. HALIKOWSKI: So Madam Chair, Board Member
13 Sellers, we'll take a look into it and see whether, as we'd put
14 it, does it still have any wheels on it? Is it going to
15 continue to move forward through the process? And we'll put a
16 memo together back to the Board of the bill's status and what we
17 can find out about the reasons for introduction and we'll look
18 (inaudible).

19 CHAIRWOMAN BEAVER: Is there any other questions?
20 Okay.

21 Board Member Thompson.

22 MR. THOMPSON: Madam Chair, again, I can't stress
23 enough of our wanting to see the future of TIGER grants. That's
24 all I want to say. Thank you.

25 CHAIRWOMAN BEAVER: Thank you, Mr. Thompson, and

1 thank you, Mr. Bartholomew.

2 MR. HALIKOWSKI: So Madam Chair, I just want to
3 point out if the members are not aware, the budget, the
4 President's budget came out, and there's a pretty big spike
5 driven through TIGER grant program. So we'll be monitoring that
6 closely to see what happens. The TIGER grant's been said to be
7 very popular, but when you have \$50 or 60 billion worth of
8 (inaudible) throughout the country and you're putting 500
9 million up in a TIGER grant, you can bet it's going to be
10 popular as far as people wanting to try to get some of
11 (inaudible). So we'll see where that goes, but I think there's
12 going to be a lot of discussion in Congress with TIGER grants
13 and what's going to happen (inaudible).

14 MR. THOMPSON: Thank you.

15 CHAIRWOMAN BEAVER: Thank you.

16 Okay. We now will move on to the financial
17 report. Kristine Ward.

18 MS. WARD: Good morning.

19 MR. LA RUE: (Inaudible.)

20 MS. WARD: Well, we're getting there.

21 (Inaudible.) After seeing the previous presenters, I'm a little
22 nervous about the operating (inaudible).

23 CHAIRWOMAN BEAVER: You know, there's got to be a
24 leprechaun hiding out somewhere.

25 MS. WARD: There we go.

1 UNIDENTIFIED SPEAKER: (Inaudible.)

2 MS. WARD: You know, this is just building up the
3 anticipation, because the financial report is, as we know, one
4 of the more entertaining parts to this meeting. There we go.
5 There we go. All right. See if the clicker works.

6 Okay. Coming in and reporting on the status of
7 Highway User Revenue Funds, again, I'm happy to report we're in
8 -- within target range. We had a little bit of a blip that
9 caught our attention when we saw a distinct downturn in gas tax
10 for the month. We've researched that, and that is the result of
11 a single -- of a single refund that we issued. So when we do
12 our cash flows, our forecasts, we had that refund spread over
13 the year. So we expect that to resolve itself this quarter as
14 more months pass. But yeah, single -- a single refund, though,
15 threw our estimates off, but we're still within targeted range.
16 So it's no impact to the program.

17 Moving on to the Regional Area Road Fund, RARF --
18 again, also RARF revenues are also within the targeted forecast
19 and nothing significant to report there.

20 Moving on to -- and I'd like to give you just a
21 brief report on the Aviation Fund. We continue to evaluate the
22 cash flow of the fund and anticipate issuing another \$1.6
23 million in payments by the end of this month to address
24 deferments. After we get through that 1.6 million -- I'm
25 sorry -- yes, 1.6 million in additional payments, we will still

1 have about \$6.5 million in outstanding deferments.

2 What we are doing is we are reaching out to the
3 airports to look at projects that are currently underway.

4 (Inaudible) projects that are forecasted and reaching out then
5 to find out when they actually anticipate expending all those
6 projects, comparing that to our actual cash flow situation and
7 communicating with them in terms of this is when we see we'll be
8 able to catch up on these deferments.

9 So that's the activity that is taking place right
10 now in order to resolve this situation overall.

11 Lastly, unless there are any questions at this
12 point --

13 CHAIRWOMAN BEAVER: You're good to go.

14 MS. WARD: The Federal Aid Program was kind of
15 covered with Bruce, who ran away. And in terms of -- nothing to
16 report on the debt program, and cash management, nothing much to
17 report. The interest rates are very (inaudible) Mr. La Rue,
18 yes. However, (inaudible) are very, very low. We're looking at
19 about .82 percent per (inaudible). So nothing much to report
20 there.

21 With that, I would be happy to take any
22 questions.

23 CHAIRWOMAN BEAVER: Do -- okay. Board Member
24 Stratton.

25 MR. STRATTON: So with this good financial

1 report, thank you, that we received, I'm assuming the HURF
2 Exchange Program is still on schedule as previous?

3 MS. WARD: Madam Chair, Mr. Stratton, you are
4 absolutely correct. On March 3rd we presented to -- at the MAG
5 facility to the COG and NPO planners. On March 9th, we did an
6 additional presentation to the local public agencies. We are
7 scheduled to present at Roads and Streets in April, and so the
8 rollout has begun.

9 MR. STRATTON: Thank you.

10 MS. WARD: You're welcome.

11 CHAIRWOMAN BEAVER: Thank you, Ms. Ward.

12 Sir? Thank you.

13 MS. WARD: Thank you.

14 CHAIRWOMAN BEAVER: We'll move on now to Item 6,
15 the Multimodal Planning Division report. Clem Ligocki.

16 MR. LIGOCKI: Yes, Madam Chair.

17 CHAIRWOMAN BEAVER: Thank you.

18 MR. LIGOCKI: Members of the Board, I am Clem
19 Ligocki with the Multimodal Planning Division. And for Item 6,
20 the Multimodal Planning Division report, of course, today the --
21 you know, the main item has been the tentative five-year
22 program. So I don't have anything particularly further to share
23 as far as (inaudible) report. So with your permission, I'd be
24 prepared to move on to Item 7, the PPAC (inaudible).

25 CHAIRWOMAN BEAVER: Does anyone have any

1 questions to ask under the Multimodal?

2 Okay. That's fine. Now you can move on to Item
3 7, the PPAC. Thank you.

4 MR. LIGOCKI: Okay. Thank you, Madam Chair,
5 members of the Board.

6 Today we have two project modifications to
7 consider for the Priority Planning Advisory Committee and also
8 the new projects number 12. So we have those to consider. I
9 would like you to consider the Items 7A and 7B together, the
10 first (inaudible) modifications. So what we have there are the
11 I-8 project, the design in the Yuma area and at least one mile
12 of extension of State Route 24 via design concept (inaudible)
13 environmental update. So with your permission, I'd like to ask
14 approval of those two items, Items 7A and 7B project
15 modifications.

16 CHAIRWOMAN BEAVER: Do we have a motion to
17 approve the project modifications for Items 7A through 7B as
18 presented?

19 MR. SELLERS: Madam Chair.

20 CHAIRWOMAN BEAVER: Board Member Sellers.

21 MR. SELLERS: I move for approval of Items 7A and
22 7B as presented.

23 CHAIRWOMAN BEAVER: Do we have a second?

24 MR. LA RUE: Second.

25 CHAIRWOMAN BEAVER: Seconded by Board Member

1 La Rue. It's been moved and seconded to accept and approve the
2 project modifications for Items 7A through 7B as presented.

3 All those in favor?

4 BOARD MEMBERS: Aye.

5 CHAIRWOMAN BEAVER: All those opposed? Motion
6 carries.

7 We'll now move on to new projects.

8 MR. LIGOCKI: Thank you, Madam Chair, members of
9 the Board.

10 This is Items 7C through 7N. There are 12
11 projects. The first four projects, 7C through 7F are a part of
12 the MAG rebalancing program, as (inaudible) mentioned earlier
13 (inaudible) and four projects on State Route 101 (inaudible)
14 north and northeast part of the east valley, and then the next
15 five projects, 7G through 7K, are pavement preservation projects
16 that are real important to us, also. Then we have State Route
17 (inaudible) Tangerine, the Oro Valley area project. 7M is the
18 historic Snowflake bridge replacement project. It was a
19 (inaudible) project. And then 7M, which is the I-40 project,
20 which was mentioned earlier. Mr. Hammond mentioned that.
21 (Inaudible) that very urgent pavement design, getting that
22 started for that reconstruction (inaudible). So with those,
23 with those projects, I'd ask permission -- your approval, 7C
24 through 7N, the new projects.

25 CHAIRWOMAN BEAVER: Do we have a motion to accept

1 the new projects as requested?

2 MR. STRATTON: So moved.

3 MR. HAMMOND: Second.

4 CHAIRWOMAN BEAVER: It's been moved by Board
5 Member Stratton and seconded by Board Member Hammond to approve
6 Items 73 -- 7C through 7N of the new projects as presented. If
7 there's no additional questions, all those in favor?

8 BOARD MEMBERS: Aye.

9 CHAIRWOMAN BEAVER: All those opposed? The
10 motion carries.

11 Thank you.

12 MR. LIGOCKI: Thank you.

13 CHAIRWOMAN BEAVER: We'll now -- we'll now move
14 to the state engineer report. Dallas.

15 MR. HAMMIT: Good morning, Madam Chair.

16 Currently we have 102 projects under
17 construction, totaling \$1.522 billion. In February we closed 13
18 projects totaling 22.2 million, and year to date we have
19 finalized 79 projects.

20 As you can see -- and I thank you for approving
21 the projects on the consent agenda. We want to point out one
22 that's on there. It's a little different. It's the I-17. That
23 project is a safety improvement project. So we're going to use
24 it to alert travelers if there's a crash available and traffic
25 is slowing down (inaudible). In addition, it puts in speed

1 feedback signs, because when those crashes happen, we need to
2 get people slowed down. So not only can we let them know, hey,
3 you're driving too fast. We can also lower the speed limit from
4 our traffic operation center ahead of that crash. So we're
5 excited to get that one going. So thank you.

6 Year to date, we have put out \$336.7 billion
7 worth of projects. We're coming in about .1 percent under the
8 engineer's estimate as we go forward.

9 I think I jumped ahead to the projects. I
10 apologize, Madam Chair. Do we continue with the next one to
11 justify?

12 CHAIRWOMAN BEAVER: Okay. So are we moving on
13 then to Item 9?

14 MR. HAMMIT: Yes. I apologize.

15 CHAIRWOMAN BEAVER: Okay. Go ahead.

16 MR. HAMMIT: Thank you.

17 The first project, Item 9A, is a local project.
18 It was to put in some ITS (inaudible) fiber optic cable and some
19 closed-circuit television cameras. The low bid was \$593,722.84.
20 The State's estimate was \$739,813.40. It did come in under the
21 estimate by \$146,090.56, or 19.7 percent.

22 On this project, we had four bidders. The --
23 none of the bidders met their DBE requirements. We -- so we are
24 going to look at re-advertising based on the action from the
25 Board and adjusting that. Our business engagement group has

1 reevaluated and have come up with a new number. So the
2 recommended -- recommendation from the staff is to reject all
3 bids and re-advertise.

4 CHAIRWOMAN BEAVER: Do we have a motion to accept
5 and approve the staff's recommendation to reject all bids for
6 Item 9A?

7 So moved.

8 Is there a second?

9 Seconded by Board Member Stratton.

10 MR. ROEHRICH: Madam Chair, who moved it?

11 (Inaudible.)

12 CHAIRWOMAN BEAVER: I made the motion.

13 MR. ROEHRICH: Oh, you made the motion.

14 MR. LA RUE: Can I ask a question under
15 discussion?

16 CHAIRWOMAN BEAVER: Yes. Under discussion, Board
17 Member La Rue.

18 MR. LA RUE: So the recommendation is reject all
19 bids. Is that because we cannot approve a bid that doesn't meet
20 the DBE goals?

21 MR. HAMMIT: Madam Chair, Mr. La Rue, that is
22 correct. None of contractors met the DBE goals.

23 MR. LA RUE: So we really have no choice but to
24 reject even though the bid is very favorable; is that --

25 MR. ROEHRICH: Madam Chair, Mr. La Rue, yeah.

1 That is staff recommendation. Yes.

2 MR. LA RUE: All right. Thank you.

3 CHAIRWOMAN BEAVER: Okay. The motion was made by
4 myself and seconded by Board Member Stratton to accept and
5 approve staff recommendations to reject all bids for Item 9A.

6 All those in favor?

7 BOARD MEMBERS: Aye.

8 CHAIRWOMAN BEAVER: All those opposed? The
9 motion carries.

10 We'll now move on to Item 9B.

11 MR. HAMMIT: Thank you, Madam Chair.

12 This project is a local project. It basically
13 puts in some fencing and sidewalks in the area of Superior. The
14 low bid was \$59,603. The State's estimate was \$87,080. It came
15 under the State's estimate by \$27,477, or 31.6 percent.

16 As we reviewed the bids, we saw that we had
17 better-than-expected pricing for the fencing and then some of
18 the gates. So we have reviewed the bids, and the department
19 believes that the bid is responsible and reasonable and
20 recommends award to AJP Electric, Inc.

21 MS. WARD: Do we have a motion to accept and
22 approve staff's recommendation to award the contract for Item 9B
23 to AJP Electric, Inc.?

24 MR. SELLERS: Move for approval.

25 MR. LA RUE: Second.

1 CHAIRWOMAN BEAVER: Motion by Board Member
2 Sellers, seconded by Board Member La Rue to approve Item 9B to
3 AJP Electric, Inc.

4 All those in favor?

5 BOARD MEMBERS: Aye.

6 CHAIRWOMAN BEAVER: All those opposed? Motion
7 carries.

8 MR. HAMMOND: Madam Chair, I have a question
9 (inaudible).

10 CHAIRWOMAN BEAVER: Oh, excuse me. Board Member
11 Hammond.

12 MR. HAMMOND: Yeah. This is a serious question.
13 If -- I remember when China was going through their building
14 boom. The price of concrete went through the roof, and it was a
15 very expensive item to the economy. Is there any anticipation
16 of the amount of concrete a wall would take if we build it, and
17 -- I'm serious -- how that might impact our costs of
18 construction? Because I think as we're projecting, we have to
19 be at least preliminarily thinking about that.

20 MR. HAMMIT: Madam Chair, Mr. Hammond, definitely
21 any increase in needing materials does affect. One thing we are
22 fortunate, since the last boom, Arizona used to only have two
23 cement manufactures, one here in Tucson and one in Clarkdale.
24 There is a third, and so we do have another cement supplier in
25 the state, and unless it was a huge impact, I don't see that it

1 would slow us down.

2 MR. HAMMOND: Thank you.

3 CHAIRWOMAN BEAVER: Thank you. I think -- no
4 additional questions?

5 Thank you, Mr. Hammit.

6 MR. HAMMIT: Thank you.

7 CHAIRWOMAN BEAVER: Okay. Now, we'll move on to
8 Item 10, which is the Racketeer Influenced and Corruption
9 Organization Act, known as RICO funds. This was asked to be put
10 on the agenda to have a better understanding of those funds and
11 if funds can be utilized for DPS purposes, either yes or no.

12 So thank you. Mr. Lane.

13 MR. LANE: Good morning, Madam Chair and members
14 of the Board. It's a privilege to be here.

15 I'm looking forward to presenting some
16 information in a framework on asset forfeiture and RICO, but
17 before I do, and while they're bringing the PowerPoint on your
18 screen, I want to introduce a few members of the team. Tom
19 Rankin, Section Chief for the Attorney General's Office in the
20 Financial Remedies Unit. Tom is sitting here, and hopefully if
21 the Board has any questions beyond the presentation, Tom and the
22 team can answer that -- help answer that. Joe Stanhope, the
23 bureau chief for the uniformed bureau within my division, and
24 Sergeant Anthony Array (phonetic) who represents our division as
25 far as RICO goes, making sure we get through the process and

1 that our RICO requests are -- meet the needs of the requirements
2 of RICO and asset forfeiture. Do -- yes, sir.

3 MR. HALIKOWSKI: As our head racketeer, I'm not
4 sure if the Board all know you and what your position is and how
5 you fit within ADOT. You might want to (inaudible).

6 MR. LANE: Thank you, Director.

7 Madam Chair, members of the Board, my name is Tim
8 Lane. I'm the division chief for the Enforcement and Compliance
9 Division, and I've been with ADOT about four years, retired
10 (inaudible) DPS. So it's great to be here.

11 MR. HALIKOWSKI: Thank you.

12 MR. LANE: So I want to start by looking at what
13 is asset forfeiture very quickly. It's a lost right of
14 property, giving up something illegally obtained or used,
15 transfer of property to the government, and forfeiture actions
16 are generally based on racketeering.

17 So we move to the next. What is racketeering?
18 RICO stands for Racketeering Influence and Corruption
19 Organizations. It means nearly any felony act committed for
20 financial gain. Interestingly enough, when you say "nearly,"
21 human trafficking does not apply, at least not at this time, and
22 that's -- you know, that gives you some basic guidance on, you
23 know, not everything we do as far as felonies falls underneath
24 the RICO statute. Forgery, theft, drug offenses, fraud, money
25 laundering and counterfeiting and gambling all apply.

1 RICO, just to talk very quickly about the federal
2 statutes. RICO was passed in Congress in 1970, and the
3 states -- I think there was 33 states quickly adopted the
4 federal statute in 1972. Gives you some -- gives you a time
5 line of when we started to use RICO to impact criminal
6 organizations, not only here in Arizona, but nationally. And
7 those are Arizona's statutes that we use when we're looking at
8 impacting criminal organizations here and taking their stuff.

9 So I want to spend some time on this slide. Why
10 pursue forfeiture, repurpose criminal proceeds? I want to talk
11 about this one a little bit as it applies to ADOT and the
12 Enforcement and Compliance Division, because we want to really
13 focus on pavement preservation. As we move from a legacy of
14 limited authority officers to full authority officer, we're
15 seeing more seizures at our ports of entry, narcotics seizures
16 hopefully in the future (inaudible) seizures. As we train our
17 officers and officers become more aware of these types of
18 crimes, we're seeing more seizures. We can turn the proceeds of
19 those seizures into equipment and tools that we need in
20 maintaining our ports of entry and really doing a better job in
21 protecting Arizona's critical infrastructure and making sure our
22 roadways are safe.

23 So it means a lot to us. It's very important
24 that we use this. It's a very impactful tool for us here at
25 ADOT and for any agency in Arizona. I wanted -- I did want to

1 mention that, because it is important to consider as we receive
2 RICO proceeds. And it helps victims, you know.

3 MR. LA RUE: Madam.

4 CHAIRWOMAN BEAVER: I hope you don't mind if a
5 board member has a question.

6 MR. LANE: Oh, absolutely not, Madam Chair.

7 CHAIRWOMAN BEAVER: Okay. Board Member La Rue
8 would like to ask.

9 MR. LA RUE: Chief, could you just add a little
10 context (inaudible)? I think I heard something you said as we
11 move from a legacy of limited authority officers to full
12 authority. I'm not sure I quite understood that significance.

13 MR. LANE: Absolutely. Madam Chair, Member La
14 Rue, ADOT enforcement has gone from a limited authority officer
15 which could only enforce Title 28 at the ports of entry, those
16 statutes in Title 28. Full authority officers have the
17 opportunity to enforce all of Arizona statutes. So where
18 limited authority couldn't enforce Title 13 and the statutes
19 involving forfeiture, the full authority officer now can do
20 that.

21 MR. LA RUE: And that's been granted? That
22 authority has already been --

23 MR. HALIKOWSKI: Madam chairman, if I could, that
24 authority has existed in Title 28 for full authority officers
25 for many years. When I took over in 2009, one of the issues

1 that was coming up was especially if our ports officers along
2 the border, they were not armed. And Customs and Enforcement
3 actually was saying to us that they were posing a danger because
4 they could not as officers of CBP defend themselves and try to
5 defend the limited authority officer.

6 And as we started looking at what the ports of
7 entry actually need statewide, I wanted the best trained people
8 that we could get with the authority to take care of the issues
9 that were starting to come up at the ports. As Tim mentioned,
10 it's not just drug seizures. You also are dealing with DUIs,
11 folks on drugs, sometimes in combination, various other crimes
12 such as fuel tax evasion. So we have now been transposing our
13 force from having no limited authority officers to full
14 authority.

15 I will say that Tim has done an excellent job in
16 the fact that we are now being asked to instruct at some of the
17 police academies. So we have 233 fully-sworn officers?

18 MR. LANE: We do, sir.

19 MR. HALIKOWSKI: Yeah. So we limit our
20 jurisdiction to the ports of entry unless there is an obvious
21 DUI or other imminent hazard on the road, if our officers are
22 out there traveling. They also have the ability, if the truck
23 blows by the port without stopping, to pursue that vehicle and
24 pull it over, because typically, those are trucks that are not
25 stopping for a reason.

1 So, in essence, that's been a drive of ours for
2 the past seven years, is to convert over, and we're often called
3 now to assist DPS on traffic crashes or traffic control and
4 things like that.

5 I don't know if you want to add anything else,
6 Chief, but kudos to you for the (inaudible) that you've stood
7 up.

8 MR. LANE: Thank you, Director. (Inaudible.)

9 MR. LA RUE: Thank you for that. That's exactly
10 what...

11 CHAIRWOMAN BEAVER: Thank you. Okay.

12 MR. HALIKOWSKI: (Inaudible.)

13 CHAIRWOMAN BEAVER: You can continue.

14 MR. LANE: Thank you, ma'am.

15 So, you know, it needs to be brought up that
16 enforcing the RICO statutes and asset forfeiture really goes out
17 to help victims. If you've been a victim of fraud or identity
18 theft, you know the tremendous loss, the feeling of
19 vulnerability. So RICO, an asset forfeiture, allows us to
20 provide something back to that victim, and all of us are very
21 sensitive to that.

22 Lessens the economic power of criminal
23 enterprises, protects legitimate commerce. We're seeing where,
24 at least through our ports of entry, you can (inaudible) see a
25 lot of theft of trailers and commercial vehicles, and by

1 enforcing these, we can be a deterrent, and that protects
2 legitimate business and legitimate business owners and protects
3 them from being victims of crime.

4 And it furthers law enforcement objectives when
5 criminal prosecution (inaudible) and it's a partnership between
6 the two. We've seen where sometimes criminal prosecution
7 doesn't reach the total need of the community where RICO can
8 reach out and help us take those assets and those things from
9 the criminal and give them back to the victims and/or back to
10 the law enforcement or the counties.

11 All right. So in essence, where it gets a little
12 bit complicated but I just want to simplify by saying that it
13 can -- the forfeiture can go through the county or it can go
14 through the state. It goes through the state or -- and the
15 feds. So if it goes through the state, it's going to be
16 consistent. Each county -- and Tom may help me with this --
17 each county is a little bit different on how asset forfeiture is
18 applied and how it's looked as far as seizure, as far as revenue
19 or the utilization of that revenue. So you might see some play
20 in there as far as differences between each county, where if you
21 go through the Attorney General's office, it's consistent. You
22 know, it's basically the same every time we go through there,
23 which is obviously a benefit to us. And the feds, in going
24 federal RICO, you would see the same consistency in the
25 utilization and application of RICO or asset forfeiture.

1 And basically, how are the proceeds distributed?
2 80 percent to the law enforcement agency, 20 percent to the
3 county attorney or the AG's office. Tom, is that still
4 basically correct?

5 MR. RANKIN: (Inaudible.)

6 MR. LANE: Thank you. Thank you.

7 And that just gives you a basic guidelines, you
8 know, so if there's a seizure and we go for those proceeds,
9 that's how the revenue will be -- or the proceeds will be
10 distributed.

11 Just very quickly, how this has impacted ADOT and
12 ECD. In 2015 the Officer of Inspector General investigated a
13 case involving a forgery. It involved identity theft and those
14 statutes that meet the RICO guidelines. All charges were
15 identified in court being directly tied to the proceeds. So you
16 can look at the forgery, the theft, the fraudulent scheme, the
17 aggravated identity or identity theft of another person. And as
18 a result to that, we seized in cash over \$2,000, \$2,700 and
19 change, and we seized two vehicles that were ultimately sold at
20 auction. I'm not sure what the cost was on that.

21 Now, this is relatively a -- you know, dollar
22 wise it's not a huge sum of money, but it did take those
23 proceeds from the crook, and it did bring it back to us and back
24 to the victims. So back to the State. And just to give
25 highlights to the value of RICO, the value of that statute and

1 why we work so closely with the Attorney General's office and
2 the counties in pursuing RICO and asset forfeiture to really
3 bring that back to -- bring the proceeds of all those crimes
4 back to us and back to the state.

5 CHAIRWOMAN BEAVER: Thank you.

6 We have another question from Board Member
7 Stratton.

8 MR. STRATTON: Thank you.

9 On these proceeds, are those projected and
10 budgeted into different law enforcement agencies or Attorney
11 General's budgets, or is this additional money above and beyond
12 budgeted money?

13 MR. LANE: Madam Chair, Board Member Stratton, it
14 is not budgeted. So we use that when it becomes available, and
15 we have to actually apply for those funds. We're not granted
16 those funds in every case. And I think that's a great question
17 from the perspective that, you know, every single RICO request
18 has to be scrutinized. We have to look at it. Should we
19 proceed -- should we pursue asset forfeiture? Does it meet the
20 statutes? And that's why we work very closely with the AG's
21 office and the county. So it is not a budgeted item, to answer
22 your question.

23 MR. STRATTON: Thank you.

24 MR. LANE: Yes, sir.

25 CHAIRWOMAN BEAVER: Thank you. You can move on.

1 MR. LANE: Any other questions?

2 CHAIRWOMAN BEAVER: Not at this moment. Sorry
3 for interrupting you --

4 MR. LANE: No, no.

5 CHAIRWOMAN BEAVER: -- whenever it comes to our
6 mind, but...

7 MR. LANE: Thank you very much.

8 MR. HALIKOWSKI: I would just point out that
9 although it does not seem like a large amount of money in some
10 cases, what we're seeing more and more of is we recently had one
11 of our ports officers work with local law enforcement, shipment
12 of marijuana they found concealed in a BMW, and when Tim emailed
13 me that we've taken in a BMW, I got very excited wondering what
14 (inaudible) that car. And it turned out it was, what, a 1982 or
15 something.

16 MR. LANE: Madam Chair, Director, yes, sir, it
17 was. (Inaudible.)

18 MR. HALIKOWSKI: Worth about (inaudible). But it
19 had a trunk load of marijuana, and it was on the back of a car
20 carrier being hauled into Arizona. And our officer alerted on
21 it and called in the K-9 troops from local law enforcement.

22 So the other piece I want to point out here is
23 this identity theft issue, a license forgery. We have
24 instituted a facial recognition system in the MVD database, and
25 Tim's group recently cleared out a fairly large backlog of hits.

1 We found some folks with up to 70 different IDs in the system,
2 and a lot of these are felons that are involved in criminal
3 activity. So his team's responsible for working with county
4 attorneys to prosecute those cases. So from the port side and
5 from the -- MVD, driver's license, these full authority officers
6 are very critical in pursuing these issue.

7 MR. ROEHRICH: So Chief, if we get 80 percent of
8 the forfeiture -- do you get 80 percent of the pot? What do we
9 do with that?

10 MR. HALIKOWSKI: He doesn't want to answer.

11 MR. LANE: Madam Chair, (inaudible).

12 MR. ROEHRICH: I think we need to bring that into
13 the executive (inaudible) meetings.

14 MR. HALIKOWSKI: Well, and I see my CFO back
15 there going, how am I going to account for this money?

16 MR. LANE: Great question. Thank you.

17 MR. HALIKOWSKI: So Madam Chair, I just want to
18 make sure. I know on this side, on -- it was asked last week,
19 or I'm sorry, at the last board meeting, and as you stated at
20 the beginning of this discussion, you commented about
21 (inaudible) DPS use these funds or how does it affect DPS's
22 budget. I think you made the comment. I think the point I need
23 to make sure you understand is the chief -- thank you, Mr. Chief
24 Lane -- this is how RICO works within ADOT.

25 I have no idea -- I don't think we have any idea

1 how RICO and what impact it has on DPS -- but I think from the
2 perspective of it's a rather small amount of money. It's still
3 money, and it's very important, because it has a purpose, but
4 it's not a dependable source of money, which is why I think I
5 say why I think it's important to note we don't budget for that.
6 You have no idea how much you're going to get or when it's going
7 to come in or when it's available. So with regard to the
8 question about how does this impact DPS, I can't -- we're don't
9 have a way to answer that.

10 CHAIRWOMAN BEAVER: And just in response to your
11 comments, the reason that I had inquired about that has to do
12 with the fact that it seems like ADOT has a certain fiduciary
13 responsibility to DPS. Am I correct in that? There's an
14 ability for DPS to use ADOT funds.

15 MR. ROEHRICH: I guess I'd characterize it, Madam
16 Chair, as the ability to use the state highway funds, HURF
17 funds.

18 MR. HALIKOWSKI: So let me backtrack a little
19 bit, Madam Chair. The Arizona Constitution, Section 9, Article
20 14, does allow the use of Highway User Revenue Fund fees
21 generated for transportation sources to be used for the State
22 Highway Patrol. ADOT cannot simply give DPS an amount of money
23 based on that. The legislature has to take action and
24 appropriate that money from the Highway User Revenue Fund or the
25 State Highway Fund to the Department of Public Safety Highway

1 Patrol.

2 The statute currently limits that amount to \$10
3 million from each fund, 10 from the HURF, 10 from the Highway
4 Fund. But typically in budget years what's happened is they
5 have not withstood the statute. So they're saying ignoring the
6 limitations, we're going to provide this amount to the State
7 Highway Patrol, and that's ranged anywhere from 30 to 60 to 120
8 million dollars in given years, and that has all been done in the
9 budget to offset the Highway Patrol costs, because if they're
10 not offset through the HURF highway fund, they have to be funded
11 out of State General Fund. So legislators have chosen, using
12 that Constitutional authority, to fund DPS Highway Patrol
13 effort.

14 CHAIRWOMAN BEAVER: Okay. Well, Director
15 Halikowski, the reason I'm asking this is realizing DPS that
16 does patrol the interstates, and that some of these forfeitures
17 happen on the interstates, some of them probably more
18 significant than the one that was used as an example here. But
19 if we're -- basically, they have the benefit to use our funds,
20 the ADOT funds, and of course, we do want to make sure that our
21 DPS have the funds they need to do their job. They're
22 protecting the citizens of Arizona and our guests, I guess.
23 People that vacation here. But I guess my question is: Is
24 there a significant amount of funds that DPS gets that we would
25 be unaware of that is in a fund that could be accessed by them

1 rather than funds from ADOT being used? But you're saying they
2 aren't budgeted, so they wouldn't be budgeted in DPS. They
3 wouldn't --

4 MR. HALIKOWSKI: Well, I want to be careful, and
5 I'll bring up a former member of the Executive Budget Office,
6 Ms. Ward. I don't know if they're using those funds on Highway
7 Patrol issues or not. We have to get into the DPS budget, I'm
8 assuming --

9 MS. WARD: Yes.

10 MR. HALIKOWSKI: -- and see where RICO funds are
11 being spent. I don't know if you want to comment further, but
12 they may be using them for Highway Patrol purposes or equipment
13 or something else. I can't answer that. (Inaudible.)

14 MS. WARD: Madam Chair, I can't speak
15 specifically if they are RICO funds, but from a state budgetary
16 perspective, understand that they have an -- DPS has an overall
17 budget that must be met through whatever funding sources, and if
18 those fund sources are included, what's left? They're pulling
19 and needing to utilize from HURF. The difficulty is, is the
20 overall shortfall of revenues in general. We have a -- we have
21 DPS needs that need to get met. It's just a matter of -- does
22 that make sense?

23 CHAIRWOMAN BEAVER: Yes.

24 MR. HALIKOWSKI: So DPS is funded partially out
25 of General Fund for non-Highway Patrol uses, and then the

1 Highway Patrol is funded from the HURF State Highway Fund.

2 MS. WARD: Madam Chair, Mr. Director, that's my
3 understanding.

4 MR. HALIKOWSKI: But with RICO funds, I know that
5 they may use that for any departmental issue, and without seeing
6 their budget, I couldn't tell you where those are being put.

7 MS. WARD: Madam Chair, Mr. Director, I cannot
8 speak to their specific use of RICO funds at DPS.

9 CHAIRWOMAN BEAVER: Well, based on what Mr. Lane
10 told us, it seems as though they have to apply for the funds
11 from the county attorney or the -- yeah, the AG's office, and
12 then they evaluate the request. So it doesn't sound as though
13 they're budgeted. I was just -- it just seemed like there was
14 these funds, and rather than using HURF funds, couldn't we use
15 those RICO funds, you know. But it seems like it's real
16 narrow --

17 MR. HALIKOWSKI: Yeah. I would say that, Madam
18 Chair, if they are using the RICO funds, and maybe the AG can
19 clarify some of this, normally they're for probably single-time
20 purchases of some kind of law enforcement equipment, whether
21 that be vehicles or weapons or other tactical equipment. So I
22 can't say that none of those are getting to highway patrolmen.
23 I don't know if you have any --

24 CHAIRWOMAN BEAVER: Basically, it's not a
25 dependable source of revenue.

1 MR. HALIKOWSKI: Correct. It's not a state
2 (inaudible).

3 CHAIRWOMAN BEAVER: Still don't understand.
4 Okay.

5 MR. HALIKOWSKI: We don't know what's going to
6 come in and when.

7 CHAIRWOMAN BEAVER: Okay. Does anyone have any
8 additional -- no?

9 Okay. Thank you, Mr. Lane.

10 MR. LANE: You're welcome.

11 CHAIRWOMAN BEAVER: Thank you.

12 Okay. Speaking of highway user funds.

13 MR. ROEHRICH: So Madam Chair, the next item,
14 number 11, last board meeting there was a comment made about the
15 Board wanting to discuss the possibility of either preparing or
16 developing a resolution regarding HURF or just wanted to have a
17 discussion on the topic of HURF itself. Not fully understanding
18 the direction the Board wanted to go, we generalized and put
19 this item on so the Board can have a discussion whether it
20 pertains to either a resolution or any other general topics you
21 have regarding HURF. And I know I've asked Ms. Ward to talk
22 about maybe some specifics depending upon the discussion or the
23 points of the HURF fund itself as the Board (inaudible)
24 interested in. But it is there as a general topic, and I don't
25 know what specific direction the Board was wanting to go with

1 that discussion.

2 CHAIRWOMAN BEAVER: Board Member Stratton.

3 MR. STRATTON: Madam Chair, Floyd, I'm the one
4 that brought this up at the last meeting pretty much, and my
5 point being is in past positions I've held in administration,
6 municipality and government and county government, I've felt
7 firsthand how the effects of taking the HURF dollars to DPS and
8 how with ADOT, and I've seen the League of Cities and Towns and
9 County Supervisors Association year in, year out go to argue
10 over these and try to protect us and help us, along with various
11 other organizations and individuals. And sitting as a board of
12 transportation, I just felt that it should be something we
13 should consider possibly supporting those organizations and
14 supporting, of course, ADOT and possibly looking at a potential
15 resolution, whether the effects are good or bad may be should we
16 consider that and discuss it.

17 MR. HALIKOWSKI: Madam Chair, if I may, could I
18 offer a comment? As you're deliberating this, this year's
19 budget that the governor's proposed, I think, lives in the
20 neighborhood of \$80 million.

21 UNIDENTIFIED SPEAKER: 400. (Inaudible.)

22 MR. HALIKOWSKI: (Inaudible) over to DPS, Highway
23 Patrol from HURF highway fund sources. And I would say that as
24 ADOT's director, as I look at transportation, and we talked
25 about transportation, you have to look at the overall system.

1 And the way we look at it is there are three legs to make a
2 successful transportation system, three legs of the stool. One
3 of those is obviously education of drivers to make sure that as
4 best we can, they're ready to go out and understand the rules of
5 the road and drive safely.

6 The second one is engineering, and we try to
7 engineer the roads to make sure that they are safe for motorists
8 to use and to keep fatalities and crashes down as much as
9 possible. But even human nature, education obviously doesn't
10 always work on drivers, and they don't follow the rules
11 necessarily.

12 So the third leg of our stool in a successful and
13 safe system is enforcement. And we support the governor's
14 budget in the fact recognizing that enforcement in a
15 transportation system certainly is a valid use of those dollars.
16 I wish there were another source, if that were possible, but so
17 far, even though we've talked a lot about that with the
18 legislature and others and studied it. As you know, there is
19 often a great reluctance to raise fees or taxes to do something.

20 So if we're not going to fund DPS out of HURF,
21 Highway Patrol, they're going to have to go to the General Fund.
22 And I'm sure as you're all aware, there are some great needs of
23 the General Fund, whether that's education, whether that's
24 what's going to happen with Medicaid on the federal level,
25 KidsCare, the list goes on. So I would just say that as you're

1 deliberating this, realize that, yes, it's coming out of
2 transportation funds, but it's got to come from somewhere, and
3 if it doesn't come out of transportation, then your Highway
4 Patrol will be competing with all those interests in the General
5 Fund for that very important leg of the stool (inaudible). So I
6 just ask you to keep that in mind.

7 CHAIRWOMAN BEAVER: Okay. Board Member Thompson.

8 MR. THOMPSON: Thank you.

9 I think just like Steve mentioned, we up here
10 represent a lot of transportation organizations. Our
11 organizations that deal with transportation, they have constant
12 high concern. Counties (inaudible) cities, there are many --
13 we've heard from the Rural Transportation Advisory Committee.
14 We had several organizations throughout the state of Arizona,
15 and they've prepared resolutions, comments, and I think every
16 one of those need to be looked at so the governor or whoever in
17 a leadership role can look at those concerns. Nothing more than
18 that. We'd like to know -- have them acknowledge that these are
19 the concerns from the public, and (inaudible) one supervisor
20 last meeting, and I think that their concern (inaudible) 2001.

21 \$2 billion have come out of HURF funds. And in
22 this year's budget, roughly about 108 million is again coming
23 out. And so I think that's where the concern is. You begin to
24 think how much could we do, how much improvement can we do at
25 the local level using these funds, for safety and for the

1 traveling public as well as for school bus (inaudible). And I
2 believe that -- we can get this information, bring all this
3 information together and forward that, you know, to -- I think
4 that would be a good support to the public and those people that
5 we (inaudible) at leasts address it one way or another.

6 So thank you, Madam Chair.

7 CHAIRWOMAN BEAVER: Thank you.

8 Board Member Hammond.

9 MR. HAMMOND: When the question came up at the
10 last board meeting, and now it's me again, I kind of understood
11 it to mean what's our role as a board in passing some sort of
12 resolution that we don't like the HURF fund sweep, or what -- or
13 what's our position on it? And if that's a role of the Board,
14 then we should discuss it and agree on it.

15 The -- to Board Member Thompson's point, our role
16 in making sure the public understands what happens when we -- at
17 least on the construction side or the delivery of road
18 improvement side, what happens when \$100 million is taken out of
19 budget? I think that is certainly a proper -- proper role.

20 I hadn't really spun the cube quite like Director
21 Halikowski just did on the role of enforcement on our roads and
22 the fact that the DPS has a legal, you know, claim, subject to
23 legislature improve on HURF funds. So I'm not sure. It is a
24 good discussion. What is our role as a board in balancing all
25 of this formally, I guess, and resolutions and direct action, if

1 that's the right word. I don't -- I'm not quite sure what we
2 legally can or should do or would want to do. Maybe that's why
3 it's on the agenda.

4 MR. SELLERS: Madam Chair.

5 CHAIRWOMAN BEAVER: Yes. Board Member Sellers.

6 MR. SELLERS: Yeah. I think that it would be
7 appropriate for our board to take a position that said we
8 totally support fully funding DPS, or however that's worded, but
9 that additional appropriate funding sources should be found to
10 provide that support to stay within the Constitutional limits of
11 the money available for HURF. And I'm not sure exactly how we
12 word that, but I think that would be appropriate for the Board
13 to take that position. I don't know how other people feel about
14 that. But, you know, the governor, a budget or two ago,
15 actually asked for an increase in registration, in the vehicle
16 registration fees to cover DPS, and it didn't make it through
17 the legislature. But so I think there's some sympathy even at
18 the governor's office for what we're trying to accomplish here
19 (inaudible) recognition of what's practical and what's real.

20 MR. HALIKOWSKI: Just so you know, Madam Chair,
21 that was a suggestion ADOT had forwarded up to the governor on
22 the registration fees, and he agreed to try and work through
23 that through the legislature. I think the administration is
24 very sensitive to the needs. The problem is there's just not
25 enough resources for every (inaudible).

1 So the other thing I wanted to clarify is Board
2 Member Thompson said 2 billion has been taken out since 2001.
3 That's not all for DPS. There have --

4 MR. THOMPSON: No.

5 MR. HALIKOWSKI: -- been VLT transfers out of the
6 HURF fund under both Democrat and Republican governors to
7 balance the General Fund. So when you look at that figure --
8 and I don't know that it's 2 billion, I thought it was a billion
9 two or a billion three over that time frame -- but suffice to
10 say that the DPS portion is probably more like 400 million over
11 that time span.

12 CHAIRWOMAN BEAVER: Board Member Stratton.

13 MR. STRATTON: Just to put it in perspective for
14 myself, what percent of the DPS budget does the HURF fund?

15 MR. HALIKOWSKI: So the DPS Highway Patrol is
16 funded by the HURF. My understanding of (inaudible) look to
17 Kristine, is that you need about \$120 million a year plus
18 inflation to fund the Highway Patrol. I don't know what the
19 overall DPS budget is off the top of my head, but as we've
20 looked at how do you fund the Highway Patrol, that's generally
21 the figure we go after.

22 MR. STRATTON: So basically, we're 90 to 100
23 percent, typically, on an annual basis funding DPS? I say
24 (inaudible).

25 MR. HALIKOWSKI: As a state, yeah, we put in a

1 large percent to those.

2 MR. ROEHRICH: But the HURF paid for only the
3 Highway Patrol, not any of the other administrative or any
4 other --

5 MR. HALIKOWSKI: Right.

6 MR. ROEHRICH: -- enforcement or any other
7 sections of DPS's role. And again, I don't know what the total
8 budget is, so how much is the Highway Patrol portion of
9 (inaudible) budget, I don't really know.

10 MR. HALIKOWSKI: And as was pointed out by Board
11 Member Sellers, obviously the drafters of the Constitution
12 thought that those funds should be eligible. The limits of 10
13 and 10 are actually statutory, not Constitutional.

14 CHAIRWOMAN BEAVER: Just for additional
15 discussion, I'm aware we've had at least two NPOs and maybe a
16 COG in my recent memory that have submitted resolutions from
17 their organizations about the concerns about the HURF sweeps,
18 and so I think this whole discussion is more -- even with regard
19 to the RICO funds, is that another source of income? It's
20 finding --

21 MR. HALIKOWSKI: I agree.

22 CHAIRWOMAN BEAVER: You know, we don't have a
23 soda machine at the back of the room where we can all buy soda
24 and fill, you know, the coffers with it. But I think that's
25 where some of this is coming from, is because we're hearing from

1 it, whether it is the local municipalities, the county
2 governments. You know, when they have pretty much built their
3 budgets around that and it gets swept, you know, we're hearing
4 from it. Maybe those letters we received from the NPOs, is
5 there -- a suggestion here is what I'm asking for -- a way that
6 we can forward those to the legislature in a nice sort of way?

7 MR. HALIKOWSKI: So I'm not trying to dissuade
8 you, Madam Chair, from doing a resolution. That's fully within
9 the Board's prerogative and choice do so.

10 I would say that the governor and the legislature
11 are well aware of everyone's feelings on the HURF sweep, because
12 so many people have done such an excellent job of bringing this
13 issue up. But for myself, I looked at those HURF funds, that
14 100 to 120 million a year, sort of as a much smaller point in an
15 overall larger issue, and that is that given inflation and fuel
16 economy and Arizona's gas tax not being indexed, we're
17 constantly losing ground with HURF funds every year. And the
18 bigger question to me is that as you move into the future and
19 look at ADOT's budget or the Board putting the budget into more
20 and more maintenance and preservation and not capital, there's a
21 bigger question of how we're going to fund not only DPS, but
22 transportation overall in the future.

23 So while this is a point in an argument, I get
24 concerned that people get too hung up on this smaller issue when
25 we really should be looking at in larger context how are we

1 going to fund all these things that are needed, enforcement
2 included, in the future.

3 CHAIRWOMAN BEAVER: Does anyone have any
4 additional questions?

5 I think the only thing I would add, it sounds
6 like we're at a point of, okay, do we look at sending forward a
7 resolution to the -- possibly to the legislature, or by our
8 discussion, are we keeping it percolated up, bubbled up where
9 when someone reads our minutes, they realize that it's still a
10 concern?

11 MR. ROEHRICH: Well, Madam Chair, if I could ask
12 -- maybe offer a couple more comments. Whether the Board
13 chooses to do something collectively that you all sign off,
14 approve and it moves forward, or individually, you have the
15 ability to express your opinion as a -- not just a board member,
16 a citizen of the state with legislators, with the governor's
17 office. You're all appointed by the governor, some obviously a
18 different governor than the current one.

19 Individually, you have the ability to voice
20 whatever opinion you want, however you choose to do it, as a
21 citizen or even as a board member. But collectively, if you all
22 decide you want to do something as a body, then you need to come
23 to some consensus exactly what that is, and then you would need
24 to direct us on what it is you want us to prepare or assist in
25 preparing.

1 I do feel compelled to make this statement and --
2 even with the director here. It's important that ADOT is an
3 agency -- is a cabinet position that reports directly to the
4 governor. So I know that John said that -- as the director
5 said, we support the governor's ability to develop and craft a
6 budget. We support the legislature's ability, then, to go
7 through their process and approve that budget.

8 So if there's an issue that is going up that is
9 going to be critical of that process or is pointed in a way that
10 makes it a defensive tone towards the preparation of that
11 process, it needs to come from the Board, because the department
12 will not carry that voice forward. We support the ability of
13 our elected leaders to develop and manage the state government
14 as best as possible.

15 So in discussing exactly what actions the Board
16 may want to take or where they want to go, we would need to
17 really know specifically what does the Board want us to prepare?
18 And then collectively, you all need to come to a decision on how
19 you reach consensus that agrees to move forward with that as an
20 action item.

21 MR. HAMMOND: To a --

22 CHAIRWOMAN BEAVER: Board Member Hammond.

23 MR. HAMMOND: I'm sorry. Thank you, Chairwoman.

24 To that point, would it be appropriate for us to
25 develop -- I mean, have we ever developed a recommendation on

1 how we might resolve this between gas tax, vehicle license tax?
2 I mean, do we have a role in taking a balanced look at where the
3 possibilities are and making a recommendation? And then if we
4 do have a role as a board, can staff help us on that, or do we
5 have to form a -- you know, a 501(c)(3) back and do it ourselves
6 and then bring it to staff. I mean, what is the process?
7 Because I think that really goes to your question, Steve, is
8 where do we -- where do we fit in as a board in helping solve
9 this issue?

10 MR. STRATTON: One of the points of that
11 (inaudible) is I'm not quite sure either. That's why I asked
12 for it to be on the agenda so we could discuss it. But if the
13 governor did have a task force to discuss options of raising
14 money, then maybe that would be the point of discussion we
15 should consider rather than a resolution to passing not to sweep
16 HURF, maybe to consider if there's an option that we saw from
17 the task force that we would want to support, and maybe go that
18 route. I'm not sure if that would be the better method or not.

19 CHAIRWOMAN BEAVER: So --

20 MR. STRATTON: Or an option overall.

21 CHAIRWOMAN BEAVER: So am I hearing that we would
22 like to bring this back maybe at a study session to discuss it
23 further? I do recall and I would ask, if we could, when Steve
24 Christy was chairman, I do remember, and I went back and located
25 it, it was an estimated jurisdiction/program funding loss due to

1 proposed excess HURF diversion for the F -- FY 2014. And it was
2 interesting, because it totally broke it down, city, special
3 allocation, county, State Highway Fund. So is it possible -- I
4 don't know where this came from at that time, but we could
5 have --

6 MR. HALIKOWSKI: Certainly it sounds like part of
7 a budget, but going back to Board Member Hammond's question, we
8 could certainly help you if you give us direction on what you're
9 looking to draft and getting something drafted.

10 MR. ROEHRICH: Or additional information that you
11 may need that we think we can research. That -- we're here to
12 staff that.

13 MR. HALIKOWSKI: Right.

14 MR. ROEHRICH: What we're not here to do is point
15 you in the direction where we think you want to go. You need to
16 tell us the direction you're going so we can help support that.
17 I guess that was the point I was trying to make.

18 CHAIRWOMAN BEAVER: Board Member Hammond.

19 MR. HAMMOND: You know, maybe I can help frame it
20 just for resolution. We have that task force that the governor
21 put together, and they came out with a lot of recommendations.
22 Should we look at that as a board and say, you know, of these
23 recommendations, this is what we really support, and at least
24 get that message out? Is that -- I mean --

25 CHAIRWOMAN BEAVER: That sounds --

1 MR. HAMMOND: -- is that a good path or -- we
2 don't want to re-invent the wheel. There was a lot of good,
3 smart people on that task force. And maybe we should weigh in
4 formally on that and then try to put some weight behind it,
5 because I think it's one of those documents very easily could
6 end up on the shelf, you know, for lack of a second, and maybe
7 they need us to weigh in.

8 MR. HALIKOWSKI: Well, and to that point, Madam
9 Chair, Board Member Hammond, there have been, during my time in
10 state service, a number of these types of studies that are done
11 under various governors, and most of them do become what I call
12 credenza wear. So it would not, I would say -- I would say it
13 would be good for the Board to look at those and weigh in on
14 those. That would be proper in your role, and we could come up
15 in a study session and walk through the recommendations with
16 you.

17 CHAIRWOMAN BEAVER: So do I hear -- I think
18 that's kind of our -- just by looking at us here, we would like
19 to maybe have --

20 MR. HALIKOWSKI: I'm sorry. May have interrupted
21 (inaudible).

22 CHAIRWOMAN BEAVER: Well, I kind of thought he
23 was agreeing with me on that point. But I think a study session
24 would be good if we can look at the recommendations that they
25 came up with where we could look at those -- evaluate the ones

1 that we feel that we could go forward, because this doesn't --
2 in my term on the Board, we are discussing this every year. It
3 hasn't changed. It just -- it's there. And I think until the
4 legislature or -- maybe today's St. Patrick's Day, that little,
5 you know, bucket of gold or something will appear, but if it
6 doesn't, we're going to have to keep trudging forward trying to
7 find a resolution to this, you know.

8 MR. HALIKOWSKI: So Madam Chair, I think that the
9 study session, what I'd like to suggest is that we bring
10 together the various efforts we've seen, not to go through them
11 exhaustively, but over the years the various efforts we've seen
12 with a little bit of explanation of their recommendations, and
13 then some of the efforts that are going on currently, because
14 there are groups such as Transportation Business Partners, which
15 are made up of the Arizona Chamber of Commerce, Arizona
16 Associated General Contractors, the trucking association
17 (inaudible) that are also looking at this and making
18 recommendations. So we could brief you on what's happening
19 today around us.

20 CHAIRWOMAN BEAVER: I -- Board Member Stratton.

21 MR. STRATTON: It's getting kind of late in the
22 legislative season, I believe, at this point. Personally, I
23 don't have enough information yet, I don't believe, to decide
24 what the appropriate role as a board would be. I know
25 individually how I feel and what I support. I would like to go

1 through -- maybe suggest that we individually voice our opinions
2 as one of the options for this year, but collectively through
3 this year, I think it's something we need to discuss and come to
4 some type of resolution as a board that we all support over the
5 next legislative session.

6 CHAIRWOMAN BEAVER: Yes. Board Member Thompson.

7 MR. THOMPSON: Madam Chair, and thank you for
8 your remark on my -- for that comment. We have -- all these
9 organizations have big concerns, this issue here. So I -- as
10 part of what we're going to -- how we're going to move forward,
11 I'd like to incorporate (inaudible) to what we're going to put
12 together, those ideas are -- come in from the (inaudible)
13 organizations and have already prepared something in writing.
14 Together (inaudible) you know, forward (inaudible). I think
15 that way we know that we're moving forward to the next level on
16 their concerns. I know that several recommendations have been
17 made, come (inaudible). So again, I do appreciate, you know,
18 the discussion on that. So thank you.

19 MR. HALIKOWSKI: And Madam Chair, Board Member,
20 we will gather up all those resolutions for the Board.

21 CHAIRWOMAN BEAVER: Okay. And Director
22 Halikowski, would it be possible if we could also have one of
23 these, a current one, that -- because these are the communities
24 around the state that are being affected by it. So if we're
25 going to be looking at trying to come up with the best solutions

1 for fixing the problem, we might also, depending if it was to go
2 to the legislature, be able to say this is the effect of what
3 those sweeps are doing around the state.

4 MR. HALIKOWSKI: I believe that's the budget
5 document. I don't know where it came from, but if we can get a
6 copy -- and I'll work with our CFO and we'll find the relevant
7 information in the current governor's proposal. I don't know if
8 JLBC's put a budget proposal out yet, but we'll check and see,
9 because very often you'll have the governor's proposed and the
10 (inaudible).

11 MR. ROEHRICH: In addition, Madam Chair, we'll
12 resend out also the -- a link that the Service Transportation
13 Funding Task Force put together. I know we'd sent it out
14 previously, but we'll send it out again as a reminder so that
15 you'll be able to access that, see what is in the report. Then
16 we can discuss that as you recommend on the study suggestion.

17 MR. HALIKOWSKI: But going back to Board Member
18 Stratton's comment, I would certainly urge you as a board,
19 whether individually or collectively, to have that relationship
20 and communication with the legislature, with the transportation
21 (inaudible) chairs. As Board Member Thompson and I talked about
22 today, those are critically important that they hear from the
23 constituents.

24 CHAIRWOMAN BEAVER: Thank you.

25 I think we've beat this one up.

1 Okay. Let's move on to item 12. It's the change
2 of location for the October 20th, 2017 State Transportation
3 Board meeting. It's been requested that we move the location,
4 which was set for Sierra Vista, to Prescott Valley to coincide
5 with the change in location of the Rural Transportation Summit,
6 which was moved from Sierra Vista to Prescott Valley. Do we
7 have a motion?

8 MR. STRATTON: So moved.

9 MR. THOMPSON: Second.

10 CHAIRWOMAN BEAVER: Motion by Board Member
11 Stratton, seconded by Board Member Thompson to approve the
12 change of venue for the October 20th State Transportation -- STB
13 meeting.

14 All those in favor?

15 BOARD MEMBERS: Aye.

16 CHAIRWOMAN BEAVER: All those opposed? The
17 motion carries.

18 Do we have any suggestions for future board
19 meetings? I think we did just discuss the whole aspect with
20 regard to HURF at a study session.

21 MR. ROEHRICH: Yes, ma'am. We're -- obviously
22 we've got the study session in May where we'll wrap up the
23 tentative five-year program. So we've got a couple items there,
24 but there are a few other items that we've been carrying for
25 board agendas that I know we'll put on.

1 Mr. Stratton, you asked for an update on the
2 wrong-way driving countermeasures that we've been doing in the
3 valley, and Madam Chair, you wanted an update on the Grand
4 Canyon Airport in the near future. So we are looking at those
5 items, and as we get prepared to have those ready to present,
6 then Madam Chair, I'll work with you on what would be the best
7 place to put those items on.

8 And then this -- now this new item, then we can
9 talk about the HURF, different funding and HURF options and
10 issues that have been going on with other entities, bring that
11 discussion in. That's the third agenda item. Maybe that all
12 gets wrapped up in a study session later this year. (Inaudible)
13 we'll see as we prepare that, and I'll work with you, Madam
14 Chair, to get those scheduled. So those are the three items
15 that I know that we're tracking that are outstanding.

16 CHAIRWOMAN BEAVER: Thank you.

17 (End of requested excerpt.)

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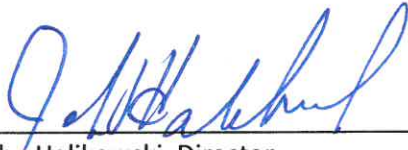
Adjournment

A motion to adjourn the March 17, 2017 Board meeting was made by Michael Hammond and seconded by Jesse Thompson. In a voice vote, the motion carries.

Meeting adjourned at 11:25 a.m. MST.



Deanna Beaver, Chairwoman
State Transportation Board



John Halikowski, Director
Arizona Department of Transportation