

STATE TRANSPORTATION BOARD MEETING STUDY SESSION
TELEPHONIC/VIDEO MEETING
9:00am, October 26, 2021
TELEPHONIC / VIDEO MEETING
NO MEMBERS OF THE PUBLIC WILL BE ALLOWED TO ATTEND IN-PERSON

Call to Order

Board Chairman Stratton called the State Transportation Board meeting to order at 9:00 a.m.

Pledge

The Pledge of Allegiance was led by Floyd Roehrich, Jr., Executive Officer.

Roll Call by Board Secretary Sherry Garcia

A quorum of the State Transportation Board was present. **In attendance (Via WebEx):** Chairman Stratton, Vice Chairman Thompson, Board Member Knight, Board Member Maxwell, Board Member Searle, Board Member Daniels, and Board Member Meck. There were approximately 43 members of the public in the audience.

Opening Remarks

Chairman Stratton reminded members of the public, to keep their computer or phone muted during the meeting, unless called to speak during the Call to Audience.

Title VI of the Civil Rights Act

Floyd Roehrich, Jr., read the Title VI of the Civil Rights Act of 1964, as amended. Floyd, also reminded individuals to fill out survey cards, with link shown on the agenda.

Call to the Audience

An opportunity was provided to members of the public to address the State Transportation Board. Members of the public were requested not to exceed a three minute time period for their comments.

ARIZONA STATE TRANSPORTATION BOARD
STATE TRANSPORTATION BOARD
STUDY SESSION

REPORTER'S TRANSCRIPT OF PROCEEDINGS

BY VIA WEBEX VIDOCONFERENCE
October 26, 2021
9:00 a.m.

REPORTED BY:
TERESA A. WATSON, RMR
Certified Reporter
Certificate No. 50876

PREPARED FOR:
ADOT - STATE TRANSPORTATION BOARD

Perfecta Reporting
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(Certified Copy)

1 REPORTER'S TRANSCRIPT OF EXCERPT OF ELECTRONIC
2 PROCEEDINGS, ADOT - STATE TRANSPORTATION BOARD, was reported
3 from electronic media by TERESA A. WATSON, Registered Merit
4 Reporter and a Certified Reporter in and for the State of
5 Arizona.

6

7 PARTICIPANTS:

8 Board Members:

9 Steven E. Stratton, Chairman
10 Jesse Thompson, Vice Chairman
11 Gary Knight, Board Member
12 Richard Searle, Board Member
13 Ted Maxwell, Board Member
14 Jenn Daniels, Board Member
15 Jackie Meck, Board Member

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CALL TO THE AUDIENCE

SPEAKER:	PAGE:
Mike Humphrey, Tucson Community Member.....	95
Vincent Manfredi, Councilmember, Maricopa, Arizona.....	XX
John Vernon Paskel, II, MVD Customer Service Representative.....	XX

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1 (Beginning of excerpt.)

2

3 CHAIRMAN STRATTON: We'll move on to call to the
4 audience. Since this is a telephonic WebEx conference meeting,
5 everyone will be muted when they call in to the meeting. When
6 your name is called to provide your comments, you will indicate
7 your presence by virtually raising your hand using your phone
8 keypad or through the WebEx application. The WebEx host will
9 guide you through the unmuting and muting process following the
10 instruction included with the meeting agenda. A three-minute
11 time limit will be imposed.

12 Floyd, would you call the first speaker, please?

13 MR. ROEHRICH: Yes, Mr. Chairman.

14 Mr. Chairman, also, I would like to note for the
15 minutes that Board Member Ted Maxwell has just joined the
16 meeting a few minutes ago. So you have all members of the Board
17 present.

18 CHAIRMAN STRATTON: Very good. Welcome, Ted.

19 MR. MAXWELL: And my apologies for being late
20 signing on.

21 MR. ROEHRICH: Yes, sir, Mr. Maxwell.

22 We'll start with the first speaker. The first
23 speaker is Mr. Mike Humphrey. Mr. Humphrey, please raise your
24 hand and the WebEx host -- meeting host will unmute you.

25 WEBEX HOST: I'm not seeing a hand -- I'm not

1 seeing a hand raised.

2 MR. ROEHRICH: Thank you, Randy.

3 Mr. Chairman, moving on to the second speaker,
4 and then we'll come back to see if Mr. Humphrey logs in.

5 Our next speaker is Mr. Vincent Manfredi.

6 Mr. Manfredi, please raise your hand.

7 WEBEX HOST: I am not seeing a hand raised.

8 MR. ROEHRICH: Okay.

9 MS. DANIELS: Can you guys please provide the
10 code that you enter for -- if you're on the phone? Because some
11 people that are on the phone don't have that hand raising
12 option. I'm note sure what the code is.

13 WEBEX HOST: If you are calling in to the meeting
14 over your phone, when you hear your name called, please press
15 star three to raise your hand on your phone's keypad.

16 MS. DANIELS: Thank you.

17 MR. ROEHRICH: Randy, has anybody raised their
18 hand?

19 WEBEX HOST: There are currently no hands raised.

20 MR. ROEHRICH: Then the third speaker we have is
21 Mr. John Paskel. Mr. Paskel, please raise your hand.

22 WEBEX HOST: There are no hands raised currently.

23 CHAIRMAN STRATTON: Floyd, we'll move on with
24 Item No. 1 and come back to this call to the audience later in
25 the agenda somewhere in case someone joins.

1 MR. ROEHRICH: I will. Thank you, Mr. Chairman.
2 I do want to note, though, that all the speakers,
3 when they submit a request to speak, we do contact them and go
4 through the process of how to unmute their phone in order to
5 speak. So that has been shared with all the speakers who've
6 requested to speak. So for some reason if they were not able to
7 attend, we can follow up with them, but I just want to make sure
8 that we do contact all the speakers to make sure that we can
9 cover the process with them. So -- but I agree with you,
10 Mr. Chairman. Let's see if we can come back later and
11 (indiscernible) log in. Thank you.

12 CHAIRMAN STRATTON: Thank you.

13 For -- Item No. 1 for information and discussion
14 only, the review of State Transportation Board policies. Floyd.

15 MR. ROEHRICH: Thank you, Mr. Chairman and board
16 members. As noted, statutorily, every two years the Board needs
17 to review, update their policies, edit and change them, delete
18 them, make whatever adjustments are necessary and then
19 re-approve them. Again, usually for another two-year process.

20 Traditionally, that's been on an odd year that
21 the Board has addressed it. There are a number of policies that
22 the Transportation Board does have, and all the board members
23 have received them, and there are 44 total.

24 Staff, in reviewing them and looking at them,
25 feel that there are no recommended staff changes to the policies

1 at this time. Realizing, though, that if Congress should pass a
2 new highway bill of some sort with different regulations in
3 there, we would have to review these policies, but until
4 something is passed and something becomes implemented, these
5 policies still stand.

6 So unless a board member has a recommendation or
7 wants to adjust any one specific, at this time we recommend
8 these policies stay in their current condition, the Board
9 approve them, and then we will just monitor any laws or
10 regulations moving forward if there needs to be an adjustment.

11 With that said, Mr. Chair, I would like to ask if
12 any board members want to discuss in more detail.

13 CHAIRMAN STRATTON: Does any board member have a
14 question or would like to speak about a specific policy?

15 MR. KNIGHT: Mr. Chair, this is Board Member
16 Knight.

17 CHAIRMAN STRATTON: Board Member Knight, go
18 ahead.

19 MR. KNIGHT: In reading over the policies, a
20 couple recommendations, but one would be -- I didn't see
21 anywhere in the policies, and maybe it's not necessary, but I
22 didn't see anywhere in the policies about the -- a communication
23 fiber conduit policy. That's something that's relatively new,
24 something that we've just started doing, and there's nothing in
25 these policies whatsoever that covers anything about the fiber

1 conduit that we are currently doing, and in conjunction with
2 preservation, modernization or expansion, and I thought maybe it
3 might be worthy of mention in the policies.

4 CHAIRMAN STRATTON: Good point, Gary. Thank you.
5 Floyd, any comment?

6 MR. ROEHRICH: Yeah. Mr. -- well, I guess -- I
7 guess I would like -- and whether we have that now or if you
8 maybe, Mr. Chairman or Mr. Knight, want to expand on it, we
9 view -- at this point we view fiber as part of these projects
10 being evaluated for where it's appropriate to put it in, just
11 like we do any other technical parts -- parts of a project, and
12 in the policy we don't state, you know, every technical element
13 of a project that we put in. I realize fiber is a hot topic on
14 a lot of people's minds and discussion.

15 So, you know, this is something that we could
16 look at as far as if we wanted -- if the Board wanted to take a
17 specific stand on it or wanted to set some -- you know, some
18 thoughts or direction of where they would like the component at.
19 We're very happy to look at adding something, but my concern is
20 if we start adding every element and policy, you know, pretty
21 soon we're trying to define every project, and really the
22 projects need to be evaluated on their own.

23 If there's a general thought or policy statement
24 that you want to make regarding broadband, we'll be very happy
25 to work on that.

1 MR. KNIGHT: Well, Floyd, my only thought was
2 that it would probably be a good idea that we -- when -- just
3 talking about the conduit, the fibers are up to the private
4 sector, but -- for the most part, but if we put it in policy
5 that whenever we are doing a preservation or any kind of a
6 preservation that conduit be included in the project, we can
7 even include it so that the -- it was in the bid by the
8 developer or contractor in the -- put in the project so that --
9 so that we automatically will get the conduit in place for
10 future needs.

11 It's become a very big issue, especially in rural
12 Arizona where internet service is a bit spotty, and as Jesse can
13 attest to, and I just thought it might be a good idea to have
14 something in place that would make sure that at least the
15 conduit was put in place whenever we -- whenever we do a project
16 so that we don't have to go back and put it down after a
17 project's been completed. That was -- that was my thought on
18 it. Thank you.

19 MS. DANIELS: Chair.

20 MR. ROEHRICH: So, Mr. Chairman, Mr. Knight, we
21 actually have a state law that makes provisions for the
22 department to add conduit -- yeah, add the conduit, pole boxes,
23 the infrastructure minus the fiber, if you will, that's
24 available for use outside of the department, but the law is
25 clear that if it's for third-party use, somebody needs to

1 provide the funding. ADOT cannot use its money for a private
2 venture to put in this infrastructure, because then it becomes a
3 violation of the gift clause, a potential violation of the gift
4 clause, we're giving something private industry or to private
5 citizens.

6 So we do look for opportunities on projects to
7 put in conduit and (indiscernible), and just like we were doing
8 on these projects where we got draft funds and the Governor used
9 funds that he had available to add fiber -- conduit and fiber
10 for a private industry, and came from a third-party source, and
11 that's what the law says. You know, ADOT cannot use its funds
12 to put fiber in the infrastructure, the conduit and pole boxes
13 and the infrastructure for private use without having somebody
14 pay for it.

15 MS. DANIELS: Chair, this is Board Member
16 Daniels.

17 CHAIRMAN STRATTON: Board Member Daniels, go
18 ahead.

19 MS. DANIELS: Thank you. I appreciate it.

20 I actually love where you're going with this,
21 Gary, and there was adjustments to state law just recently,
22 through this last legislative session, that I would love to
23 explore this as far as what the policy should be.

24 So may I suggest that we work directly with Jeff
25 Sobotka over at the Arizona Commerce Authority, who's been

1 tasked with the broadband initiative for the state, or whomever
2 else is the designee there? And why don't we put together a
3 stakeholders' group that would allow us to really explore what
4 the right language is within the law, both the law, or perhaps
5 we need a law to change to allow us to do this? Because I
6 really love the direction that you're headed here, Board Member
7 Knight.

8 So may I suggest that at part of the notion we
9 put together a stakeholders' group that would allow us to have
10 this type of discussion both with legislators, the Governor's
11 office and the Arizona Commerce Authority?

12 MR. KNIGHT: It sounds good to me. Thank you,
13 Jenn.

14 CHAIRMAN STRATTON: At this meeting, we're
15 discussion only. We're not able to vote on anything, but I -- I
16 do agree with you. One of the things I would like to know is
17 are we recovering any costs for the conduit if a private user or
18 provider uses our conduit? Otherwise, that would be a gift of
19 public funds, I would think, unless they either give -- supply
20 money to ADOT or a reduced fee to the end user or something.

21 MS. DANIELS: I think we can --

22 MR. ROEHRICH: Mr. Chair.

23 MS. DANIELS: Go ahead, Floyd.

24 CHAIRMAN STRATTON: Go ahead.

25 MR. ROEHRICH: Yeah. Mr. Chairman, there are

1 provisions in there that if the department that if the
2 department does put it in, we come up with the lease cost -- a
3 leasing cost or some type of a cost in order to recoup the funds
4 necessary to, you know, purchase and install the equipment, but
5 not any funds or revenues above what it costs for the
6 installation.

7 We'd be very happy -- and again, as you said,
8 this is a study session. There's no need for a motion. We're
9 taking guidance as staff. If the decision is that, you know,
10 you'd like us to further develop this issue, work with Commerce
11 Authority and Jeff -- we work with them on a lot of issues -- we
12 can definitely work on developing something to see if there is a
13 way to come up with a policy statement that would kind of better
14 attune the direction that the department, the Transportation
15 Board and the law allows, and then it really is complimentary
16 what Commerce Authority is doing and the Office of Broadband
17 that Jeff runs. We're very happy to have that discussion, and
18 that's the guidance we'll take back from this meeting. We will
19 go ahead and reach out and move forward and look at is there
20 something that we need to develop in this that would better
21 provide the guidance from the -- and the intent from Arizona
22 Transportation Board. So that's the direction we will move
23 forward with.

24 CHAIRMAN STRATTON: Okay. I would also like to
25 have Board Member Knight and Board Member Daniels be a part of

1 that discussion and come back to the Board, along with staff,
2 with a recommendation of how we should proceed.

3 MR. HAMMIT: Mr. Chair.

4 CHAIRMAN STRATTON: Go ahead.

5 MR. HAMMIT: This is Dallas. In line with that,
6 I think it would be good that I could bring in our -- ADOT's
7 broadband team. There was, as Member Daniels spoke, new
8 legislation this past year that allows for some trades and
9 swaps.

10 So if someone uses ADOT's right-of-way to put in
11 broadband for commercial use, there is value to that right-of-
12 way, and ADOT gets some benefit for that. We could have our
13 policy side along with our broadband team give the Board a
14 presentation to see where we're at currently, and then that
15 would facilitate this next round of meetings to see if we need
16 to go further, but I'd be happy to bring that in either under
17 the state engineer's report or in a special meeting.

18 CHAIRMAN STRATTON: I think it would be good if
19 your broadband team could meet with Board Member Knight and
20 Board Member Daniels, as they have lot of good questions and
21 good knowledge about the subject, obviously, and that would
22 eliminate a lot of questions by other board members that could
23 be answered up front, and then at that point, when those two
24 board members are satisfied, bring it back to the Board under
25 the state engineer's report.

1 Does that satisfy the rest of the Board?

2 VICE CHAIR THOMPSON: Fine with me.

3 CHAIRMAN STRATTON: And Board Member Knight and
4 Board Member Daniels, would you be willing to serve on that
5 committee, I guess, it is?

6 MS. DANIELS: Yeah, that would be great. Thank
7 you for the opportunity.

8 MR. KNIGHT: Certainly, I would.

9 CHAIRMAN STRATTON: Go ahead. Someone had a
10 comment.

11 VICE CHAIR THOMPSON: Chairman Stratton.

12 CHAIRMAN STRATTON: Yes, sir.

13 VICE CHAIR THOMPSON: And then board members,
14 staff, Floyd, you've often heard me bring up and considering
15 social effects and determining (indiscernible) improvement
16 funding source. So I don't know where that would fit in this
17 policy. Is that -- is that something that needs to be addressed
18 by our Legislature or could that be somewhere in this policy?

19 MR. ROEHRICH: So, Mr. Chairman, Mr. --

20 CHAIRMAN STRATTON: Go ahead, Floyd.

21 MR. ROEHRICH: No, no. It sounds like somebody a
22 was going to make a comment following Mr. Thompson. Please make
23 your comment.

24 CHAIRMAN STRATTON: It was me, Floyd. Go ahead.

25 MR. ROEHRICH: Okay. So, Mr. Chair,

1 Mr. Thompson, I know that we've discussed this a number of times
2 before with the socioeconomics and the impacts of, you know,
3 whether it's tribal roads, county roads, private roads, but the
4 issue we're going to have with it, the state law doesn't allow
5 us to spend funds, state funds, on roads that are not state
6 highways or in the state system. Federal rules might allow a
7 certain element of it to some degree, but the state statutes
8 are -- you know, prohibit some of the issues of what we
9 discussed before.

10 I think if we really wanted to talk about having
11 a discussion of these local routes, rural routes or tribal
12 routes, the discussion needs to be, in my mind, is it a
13 legislative issue, is -- can there -- the lobby expand it to
14 allow expenditures on those routes. So are there other, you
15 know, programs through the BIA and federal government that may
16 provide funding. I think it is definitely something to look at,
17 and as you, Mr. Thompson, and I have talked before, I don't
18 disagree with that. There would be benefit to it, but I think
19 the issue we're going to run up against is these are not roads
20 on the state system, and therefore, we cannot spend state funds
21 on them.

22 VICE CHAIR THOMPSON: Thank you, Floyd.

23 And I think to better have a justification on at
24 least considering my concern is to do the study on the impacts
25 of failing poor roads, on roads that have -- that are used by

1 the school districts on a daily basis. So that has been my
2 thinking all along is that we need to have a study done that
3 would back up our support in getting this project done. So
4 again, thank you very much.

5 MS. DANIELS: Chairman.

6 CHAIRMAN STRATTON: Board Member Daniels.

7 MS. DANIELS: Thank you.

8 Board Member Thompson, thank you. That was, I
9 think, a helpful addition to what we should be discussing in the
10 stakeholders' group. I don't want us to delve into all the
11 reasons why we can't do things. I like to delve into what
12 challenges are we trying to solve and then figure out what state
13 law and other things need to change in order to make that
14 happen. That's, I think, the purpose for the stakeholders'
15 group, so I appreciate very much the elements that you've just
16 brought up, and I'd love for that to get included as part of our
17 stakeholders' group and/or committee, whatever we end up calling
18 it, to address some of these challenges across the state.

19 Our rural -- the rural parts of our state
20 absolutely need to have premium access to technology, and it
21 will be the catalyst for economic development in many of those
22 areas. So I very much appreciate that.

23 CHAIRMAN STRATTON: At this point, board members,
24 I would ask that if you have any specific concerns that you get
25 those concerns to Board Member Knight or Board Member Daniels,

1 as they'll represent us with the broadband team, and get answers
2 for those things and bring it back to Board at the appropriate
3 time with Dallas.

4 Does that satisfy the Board?

5 VICE CHAIR THOMPSON: I think that works.

6 MR. KNIGHT: It works for me.

7 CHAIRMAN STRATTON: Are there any other policies
8 that a board member would like to discuss?

9 MR. KNIGHT: Mr. Chair.

10 MS. DANIELS: I have one that's just recently
11 come up, Chair.

12 CHAIRMAN STRATTON: Go ahead, Board Member
13 Daniels.

14 MS. DANIELS: And in all honestly, I'm not
15 exactly sure where this fits in, so Floyd, I'll need your
16 guidance on this, but there has been some discussion amongst the
17 development community about specifically the new -- some of the
18 new interchanges that are included in Prop 400 that will also be
19 needing additional walls and other visibility from -- or excuse
20 me -- noise contingency measures in different parts of our state
21 or particularly the valley.

22 I'm sort of fumbling around here, because I want
23 to frame this right, which is do we need to have a policy that
24 includes economic development opportunities as part of our wall
25 and landscape needs throughout the state? So, for example, if a

1 property owner adjacent to one of our highways -- let's just say
2 the 303, since I know there's going to be a lot of activity
3 along the 303, which means we may be adding sound walls and
4 things like that. Are we using an economic development lens in
5 order to design those walls, and should it be part of the
6 conversation in addition to noise?

7 So, Floyd, guide me and direct me where I may
8 need help here, but I'm wondering if that needs to be part of
9 our policy.

10 MR. ROEHRICH: So, Mr. Chairman, Ms. Daniels, we
11 already have a practice in place that does evaluate part of not
12 only the NEPA process, but also part of our environmental review
13 process, that when evaluating noise wall, we -- we follow the
14 federal law and the federal requirements because these are
15 federal aid projects. It does evaluate, you know, not only the
16 residential need, the public need, but also the commercial
17 development. That is part of what we analyze and work through
18 as well.

19 There are some very specific issues that have to
20 be addressed technically in order to meet the law such as
21 (indiscernible) and, you know, their ability (indiscernible),
22 you know, what is happening at each individual site.

23 So it does get a pretty comprehensive review, and
24 it is specific to each area that we analyze along the corridors.
25 I would be hesitant about putting something in the policy that

1 then tries to provide some different guidance than the -- not
2 only the statute, but the practice that we have, because it is
3 necessary that we follow the steps in order to be federally
4 eligible and meet those federal requirements.

5 If it's just a question of board members,
6 Ms. Daniels, yourself and the other Board want more specifics on
7 that process and how it -- it is done, there's a technical
8 process. That is something ADOT could provide. To put
9 something in policy would -- I think would be somewhat of a
10 hindrance towards following the processes, the rules, the
11 regulations, the laws that we have to follow as part of that
12 process. And --

13 MS. DANIELS: I can --

14 MR. ROEHRICH: -- we do look at economic
15 opportunities development as well. I mean, that is always part
16 of our consideration.

17 MS. DANIELS: Right. I can appreciate that,
18 Floyd. Yes, I agree. I absolutely need to be better educated
19 on our process. So if I could ask the Chair that we have that
20 be part of a future agenda where we -- or maybe it's just
21 information that's disseminated amongst the Board to help us
22 understand when there is community outreach or property owner
23 outreach, as well as city and county outreach.

24 I think that's -- for me, I think maybe the gap
25 might be communication. I don't want to go so far as to say

1 we've been doing it wrong or that we need massive adjustments,
2 but I would like us to include, you know, that in a future
3 agenda. And I'm fine with that. We can start with that, and if
4 we find we need a policy for it, we can go that direction, too,
5 but I'd like us to maybe get at a little bit more educated. I
6 know I need to.

7 CHAIRMAN STRATTON: Floyd, can you supply Board
8 Member Daniels a copy of that policy so she can read it?

9 MR. ROEHRICH: Mr. Chairman, yes. I'll make sure
10 -- absolutely. We'll make it available to all the board
11 members. You can look at it. Then we can have this discussion,
12 but I do think -- I like the idea of let's have a discussion on
13 the processes and the practices that ADOT does go through, as
14 this being a technical issue, and let's present it to the Board,
15 and then if the Board has further questions or comments, you
16 know, we'll -- we can work towards answering those.

17 CHAIRMAN STRATTON: Very good.

18 MS. DANIELS: Thank you.

19 CHAIRMAN STRATTON: Thank you.

20 Any other policies for discussion?

21 Okay. Hearing none, we'll move --

22 MR. KNIGHT: Mr. Chair, this is Board Member
23 Knight.

24 CHAIRMAN STRATTON: Board Member Knight.

25 MR. KNIGHT: One other thing I'd like to bring

1 up, and it's -- I don't know whether we can include it in the
2 policies. I -- it's concerning succession to vice chair and
3 chair for District 6 and District 1. Every six years those two
4 districts, at least the west half, I think, is what Mr. Meck
5 serves in. Anyway, we're -- our terms are concurrent. So
6 they're both up -- we both are up in the fifth year and sixth
7 year of our terms at the same time.

8 Jackie and I have discussed this and come to an
9 agreement for our terms, but in the future, maybe something
10 could be put in -- in order to make it fair for the Greater
11 Arizona districts, and District 6 includes four counties, all
12 rural, so maybe to make it a little more fair, if we -- if we
13 put it in the policy that the -- District 6 would have the first
14 right of refusal so that the rural districts, the rural counties
15 would get their turn at being vice chair and chair.

16 Board Member Daniels, who has the other half of
17 Maricopa County, is always going to get her turn. So Maricopa
18 County is always going to get their turn with her term in
19 office. However, it's possible that District 6 would not, and
20 that I don't believe is fair to the Greater Yuma or Greater --
21 Greater Arizona districts of which there are four. But if
22 something could be put in policy to kind of define, okay, when
23 it comes up that those two concurrent terms are up for vice
24 chair and chair that the rural district would have first right
25 of refusal, and if he doesn't want it, it can then go to the

1 Maricopa board member. Just a suggestion.

2 CHAIRMAN STRATTON: Board Member Knight, and
3 Floyd, correct me if I'm wrong, but in my 20-plus years of
4 following this Board and having sat on the Board itself, it has
5 always been a written policy that the two Maricopa seats would
6 decide among them who would become chair and who would pass, and
7 it's always been that all the other districts have served as the
8 vice chair and chair. Floyd, is that --

9 MR. ROEHRICH: Mr. Chairman --

10 CHAIRMAN STRATTON: Am I missing something?

11 MR. ROEHRICH: Mr. Chairman, Mr. Knight, what the
12 -- traditionally what the Board has done is that the two board
13 members that share the same year of their term, they've actually
14 worked it out. They have beside themselves come to an agreement
15 on what -- how they would want to do it in that year. It's not
16 to prevent anyone in the eventual area -- in the individual
17 district. It has been the two members who share -- share that
18 year. Because by statute, they both qualify to be vice chair
19 and chair.

20 So on that regard, and I know I've had some
21 conversation, in the past the Board has not wanted to address
22 something in policy, one, because they didn't want to, you know,
23 set something that future boards would have to address, because
24 I mean, it's in policy. You can always change it. So it really
25 -- it's always been up to the board members how they have wanted

1 to address it, and they've always come to some arrangement or
2 some agreement. I don't know --

3 CHAIRMAN STRATTON: Floyd, let me ask you --

4 MR. ROEHRICH: -- if there's anything statutorily
5 that -- Michelle Kunzman's on the line. I don't know if you
6 want to try to ask her to put something together and follow up
7 and send something to the board members regarding that. But we
8 have to make sure we're within the statutes, and then -- and
9 adhere to whatever the Board feels is how they want to address
10 that.

11 CHAIRMAN STRATTON: Floyd, let me ask you this:
12 If -- and I've never seen this, but if both board members wanted
13 to be vice chair and chair, how would that be decided? By the
14 Board?

15 MR. ROEHRICH: Like I said, in the past we've
16 told the two board members -- the two board members have met
17 separately and come up with an agreement, and it's never gone to
18 the Board for some other disposition. It always kind of works
19 itself out.

20 And there have been times where we've had, you
21 know, a board member change over, so there was a gap in there,
22 and coincidentally, it allows, you know, the two board members,
23 one to be chair and then vice chair, based upon the -- that
24 there was a gap in the Board appointments. But the Board -- in
25 my time on this, the Board has never addressed this. It's

1 always been the two board members that share that year have come
2 to an agreement.

3 CHAIRMAN STRATTON: Gary.

4 MR. KNIGHT: Well, I was just trying to forego
5 any future -- I mean, Mr. Meck and I have already discussed it
6 and have come to an agreement, but -- so it doesn't -- it's not
7 for this year or next year or the year after, but for future
8 boards, it's kind of a gray area that's up in the air that to
9 me, if it were a little more defined by the -- by policy, and it
10 didn't seem quite fair that the rural board member would lose
11 his chance to be vice chair or chair when Maricopa already has a
12 board member that is definitely going to serve as vice chair and
13 chair, because they have a stand-alone -- a stand-alone term.

14 So I was just -- I just thought it would be good
15 to have a policy that was more definitive, and by making it
16 first right of refusal, then the -- if the rural board member
17 didn't want to be chair or vice chair, he just refuses it and it
18 goes to the -- it goes to Maricopa.

19 So, you know, I was just trying to make it a
20 little clearer than -- it seems kind of like it's a gray area,
21 although Mr. Meck and I had no trouble coming to an agreement on
22 how we want to do this. So anyway, I just thought it would be a
23 good idea to get it out and define it.

24 CHAIRMAN STRATTON: Comments from other board
25 members?

1 MR. MECK: Board Member Meck.

2 CHAIRMAN STRATTON: Go ahead, Mr. Meck.

3 MR. MECK: Yes. I just want to second what Board
4 Member Knight said. I have no problem. I'm new on the board,
5 so obviously I don't know enough to be a board member vice chair
6 or chairman. So I suggested to him I would not be looking
7 forward to becoming a vice chair or chair. So, you know, we
8 worked it out fine. He can do it. I have no desire to become
9 that. I have too much -- too much to learn before I got to that
10 point.

11 So I agree with him. As far as I'm concerned in
12 my particular case, I have no problem with him becoming the vice
13 chair or the chair. So I just throw that out. We talked about
14 it yesterday. I have no problem with that whatsoever. So
15 that's just a thought.

16 CHAIRMAN STRATTON: Thank you, Board Member Meck.
17 Any other comments?

18 VICE CHAIR THOMPSON: Chairman.

19 CHAIRMAN STRATTON: Go ahead.

20 VICE CHAIR THOMPSON: Floyd, I'm not too
21 knowledgeable about the history of the Board, but has there --
22 has it ever been handled differently from the way it's being
23 done right now?

24 MR. ROEHRICH: Mr. Chairman, Mr. Thompson, again,
25 we have different situations depending upon what the two board

1 members would come to on an agreement, and so there have been,
2 you know, different aspects to how they agree to do it, but it
3 has been within the statute -- definition of the statute, but it
4 has been up to the board members. And we have had a situation
5 similar where another member was busy, which he had started his
6 own business and had, you know, a young family and stuff and did
7 not want the extra time of being chair. So he said I don't even
8 want to be vice chair. Again, that is their right, and that's
9 what the two board members have to decide how it works for them.
10 So we've had a couple different situations, but it's been
11 dependent upon what the two board members have agreed upon.

12 VICE CHAIR THOMPSON: Thank you, Floyd. Thank
13 you, Chair.

14 CHAIRMAN STRATTON: Thank you.

15 Any further questions for Floyd?

16 Gary, I think this warrants a little off --
17 off-camera discussion, possibly, before we proceed any
18 differently.

19 MR. KNIGHT: That's fine. I just wanted to bring
20 it up for discussion and that's what we're doing.

21 CHAIRMAN STRATTON: Thank you. I appreciate it.
22 Maybe you and I can visit in Wickenburg a little bit.

23 Any other questions for Floyd on any policies?

24 Hearing none, we'll move on to Item No. 2,
25 discussion of ADOT procurement processes. This is for

1 information and discussion only. Dallas Hammit.

2 MR. HAMMIT: Good morning, Mr. Chair. I'm going
3 to try to share my screen. And, Mr. Chair, before I get going,
4 can you see a title -- screen saying Types of ADOT Procurements?

5 CHAIRMAN STRATTON: Yes.

6 VICE CHAIR THOMPSON: Yes.

7 MR. HAMMIT: All right. I did it right this
8 time.

9 What I want to do was a response to a question,
10 what types of procurements does ADOT do, and what parts of the
11 department oversee those procurements as well as what the
12 decision -- who makes those decisions, who award the projects
13 and goes from there, so... There we go.

14 So a lot of our procurements and the vast
15 majority of the regular are through the ADOT procurement office.
16 This office is -- that ADOT procurement officer is actually a
17 staff member of the Department of Administration. They support
18 ADOT but work for the state procurement office.

19 Examples of stuff that they oversee, as simple as
20 office supplies, contracts for services, from janitorial to
21 roadway maintenance and a lot in between. They also see
22 projects. It could be a building project, construction,
23 reconstruction and some maintenance items. The group also --
24 let's see. There it goes. Software is a big one that we --
25 that goes through our state procurement office, and a couple of

1 others that go through there. All of this is governed under the
2 Arizona Procurement Code under Title 28, Chapter 23, and I
3 believe you all got that link.

4 A couple other areas. Two other areas within the
5 department that do procurements. The first one is our
6 engineering consultant services group. This group does
7 procurements that -- for professional services -- and I'll go
8 through a little bit more in a second -- and our contracts and
9 specifications, and they do contracts, construction contracts.
10 Both of them are exempt from the State Procurement Code.

11 What does that mean? Under the State Procurement
12 Code, Title -- ARS 41-2501(J), the State Transportation Board
13 and the director of the Department of Transportation are exempt
14 from this chapter, which is Chapter 23, other than in sections
15 41-2517 and 41-2586. They are subject to Title 28, Chapter 20,
16 Code 2 of the Federal Regulations, Section 200.317 of the
17 Procurement Code.

18 Four specific areas, and I'm going to go through
19 those areas, and this is right out of the code. So the
20 exemptions include all items of: Construction, reconstruction,
21 rehabilitation, preservation or improvements undertaken on the
22 state -- or on the highway infrastructure; engineering services
23 and other work or activity to carry out engineering services
24 related to highway infrastructure; right-of-way services related
25 to land titles, appraisals, real property acquisitions,

1 relocation services, property management and facility design;
2 and any other construction, reconstruction, rehabilitation,
3 preservation or improvement activity that is required pursuant
4 to Title 28 -- or pursuant to Title 28, Chapter 20, procurements
5 for those on the state highway system.

6 So what -- basically, all of those go in and say
7 for the -- our programs that we undertake on the -- more of the
8 transportation side, there is an exemption that gives the Board
9 the authority, or the director, depending on which the case is,
10 instead of the state procurement office. And he gives some
11 examples real quick.

12 In our Multimodal Planning Division are planning
13 studies. These are done both or some of them are programmed by
14 the Board such as the I-10 project, our bigger ones, depending
15 on funding. The Board programs those. We go through our
16 engineering consultant services, and they are approved by the
17 director or his designee. So the Board doesn't approve those
18 contracts. They program the funds. So that's where the Board's
19 involvement on those.

20 There's also research studies. Those do not go
21 to the Board or the five-year program. There was planning
22 dollars, and those go through the state procurement officer.
23 Same way with our transportation data gathering, our long-range
24 plan. We're using -- we're not doing engineering. It's
25 planning, so that is not a part of the exemption. Those -- we

1 use planning dollars, and we go through the state procurement
2 officer. And there are a few others in transit and aeronautics
3 that also go through our state procurement officer.

4 Five-year program, professional services,
5 engineering design. The Board programs those funds. Right-of-
6 way, again, the Board programs. Environmental studies, utility
7 clearances, and there's a few others, but in these cases the
8 Board programs, but through the director and his designee that
9 designates to -- he delegates it to me, and depending on the
10 dollar amount, I delegate it to our manager. They actually sign
11 the contracts on these professional services. They do not come
12 up to the Board.

13 Construction projects. New construction, we have
14 a rehabilitation project, bridge projects, modernization
15 projects. These projects not only are programmed by the Board,
16 but every month as we do that, the Board awards these projects.
17 So in this case, if there -- if we are using funds out of the
18 five-year program, they are not only programmed by the Board,
19 but you as a board award these projects, as we do every month.
20 And there are a few others. Anything that's programmed with
21 five-year program funds comes up to the Board.

22 Maintenance activities. We do maintenance
23 projects, and these are funded under the maintenance special
24 line item. They could be actual contracts, and in this case,
25 these contracts are -- they do not come to the Board for either

1 programming or award. Since they are out of the special line
2 item, not the five-year program, the department goes through the
3 process following the rules, but those are awarded by the
4 department. It can go through the procurement office.
5 Sometimes we go through our contracts and specifications on
6 those, whichever way is appropriate.

7 We also procure goods and services with those
8 maintenance activities. We buy guardrail or salt for snow
9 plowing, but in those cases, the -- since it's a purchase of
10 goods, every time those must go through the state procurement
11 officer or ADOT's procurement under the direction of the state
12 procurement officer.

13 So I went through a lot of information quick, but
14 I figured there would be questions, so I wanted to give plenty
15 of time for that.

16 CHAIRMAN STRATTON: Does anyone have a question
17 for Dallas? Any board member?

18 MR. MECK: Board Member Meck.

19 CHAIRMAN STRATTON: Go ahead, Board Member Meck.

20 MR. MECK: This may not be under this particular
21 title as -- and maybe this is something Kristine would answer.
22 I just was curious. We've had all of these rains the last
23 couple of months where it's emergency, that we go in and clean
24 up, of course, the culverts or it's covered up the roads or
25 whatever. That doesn't necessarily come to the Board.

1 Where does that money -- is that set aside in a
2 budget last year for this year or whatever? Is that emergency
3 funds available through something that the Board's approved in
4 the past? How is that handled? I don't see that here. Maybe
5 that's under one of the other categories, but where does that
6 money come from? Who's the authority that says we've got to go
7 clean it? And we need to clean it, because you need to move
8 traffic, but just curious. Thank you.

9 MR. HAMMIT: Mr. Chairman, Member Meck, where we
10 do that, first, depending on the size of the event. Let's say
11 it is a -- not an extraordinary event. It's a regular rainfall
12 that clogs up. Those are done out of our maintenance program.
13 So we have an allocation from the Legislature for a special line
14 item for maintenance, and that's where those activities are paid
15 for, out of our maintenance allocation.

16 As presented, I think, last month or the month
17 before last, if it rises to a major event, one of the criteria
18 is a declaration of an emergency, such as what we saw with a
19 couple of the major storms or fires, and the damage to that
20 section is over 700,000, we can apply for federal emergency
21 relief, but if it's just a normal event and we have to do
22 maintenance, that comes out of our maintenance budget.

23 Did that answer your question, sir?

24 MR. MECK: Yes, it does, Board Chair and Dallas.
25 Thank you.

1 CHAIRMAN STRATTON: Thank you Board, Member Meck.
2 Any other questions for Dallas?

3 MS. DANIELS: This is Jenn Daniels.

4 CHAIRMAN STRATTON: Board Member Daniels.

5 MS. DANIELS: Thank you.

6 Dallas, I've been so excited about this
7 presentation, and you did deliver. So thank you so much. I
8 really appreciate it. I know that I gave you guys a long list a
9 while ago, and I appreciate the follow-up and intention behind
10 this.

11 Just a couple of questions when procurement is
12 coming out of the office of the administrator at the state
13 level. Are those individuals sort of trained and ingrained
14 within ADOT or are they, let's say, in an office far away, and
15 sort of what are their technical skills?

16 And I'll give you the background as to why I'm
17 asking that. There was some procurement not too long ago that
18 was using some what we would call brand name specifics or
19 components versus a generic -- a generic, specific type. So
20 brand name versus generic. If we can get the same product with
21 a generic spec as we can with a brand name spec, obviously the
22 generic spec is going to give us a better deal, if you will,
23 price point. And there was some confusion about that, and since
24 I know that the MAG Technical Committee has sort of outlined
25 what those specifications can be, the question really was, well,

1 why did we use brand name specific specs? So I sort of throw
2 that to you to say are these individuals ingrained within the
3 department and are they -- are they given, I guess, instructions
4 from ADOT on how to write the procurement? The RFP.

5 MR. HAMMIT: Mr. Chairman -- Mr. Chairman,
6 Ms. Daniels, there -- our people vetted within ADOT as the ADOT
7 procurement office. They -- they have two masters, basically,
8 the department, as well as ADOA. They have to meet those
9 requirements. But as we develop the procurements, the technical
10 requirements come from the ADOT team.

11 One of the challenges that I work with regularly,
12 you know, if I'm -- my maintenance supervisor's looking for
13 something, you know, if he finds something that really works for
14 you, a lot of times they would prefer to use brand X, because
15 they know it's worked every time. The generic, in their mind,
16 may not have. That is something that sometimes goes through,
17 and we work with our teams to not have a specific item. We look
18 to have it as broad as possible, but in some cases it does slip
19 through that a technical person asks for something specific.

20 When it's brought to our attention through the
21 procurement, usually there's a question-and-answer period. We
22 review that, and if we can't make a determination that there is
23 not -- you know, sometimes there is only -- there is not an
24 equal, but it -- most of the time there is. Then we go back,
25 rewrite, doing an addendum to the procurement and open it up.

1 But to answer your question specifically, they work very closely
2 with the department and the technical people there.

3 MS. DANIELS: Thank you.

4 Just as a follow-up to that, why wouldn't we just
5 do a sole source, if that's the case, since most of these
6 products are -- if they're brand specific, are going to be --
7 you know, there's only going to be one authorized dealer or, you
8 know, a distributor of that product in a state? Why would we --
9 why would -- and my thought process on it is I certainly don't
10 want to waste, you know, company or business time applying for
11 or responding to an RFP if the intention from ADOT is to use a
12 specific -- like, I totally get the idea of using, you know, a
13 brand or a specific on -- in certain instances. So why wouldn't
14 we just do a sole source rather than, you know, sort of making
15 it look like we're open to different products?

16 MR. HAMMIT: Mr. Chair, Ms. Daniels, in cases
17 where there is not a true equal, we do sole source it, but when
18 there is, we do open it up, and these are price competitive. So
19 they're not -- in these maintenance contracts, such as like an
20 oil or something. Those are price competitive if we open it up.
21 So it is not a -- an evaluation that, you know, a judgment picks
22 the products. Once we adverse it, it is a price -- who gives us
23 the best price and delivers within those requirements. So it
24 isn't that even if I like, you know, Chevy better than Ford, but
25 if they're both an equal vehicle, we put it out there and who

1 gives us the best price, we use that -- that item. And I don't
2 have a pick on Chevys and Fords, just for the record.

3 MS. DANIELS: That wasn't my next question, but
4 I'm glad you clarified.

5 MR. SEARLE: That's because he drives a Dodge.

6 MR. HAMMIT: I do like those Lucid vehicles,
7 though. Those are very nice.

8 MS. DANIELS: We're going to need to change the
9 speed limits on all of our highways when Lucid -- when the Lucid
10 vehicles come out.

11 CHAIRMAN STRATTON: Any other questions for
12 Mr. Hammit?

13 Dallas, you got off pretty easy today, it looks
14 like.

15 MR. HAMMIT: Thank you, Mr. Chair.

16 MS. DANIELS: Dallas, can you can distribute that
17 presentation for us? I think you already did, actually. I
18 think we have it. Never mind. I just remembered I saw it.
19 Thank you.

20 CHAIRMAN STRATTON: If there's no other questions
21 for Dallas, we'll move on to Item No. 3, transportation revenue
22 estimating process. Kristine Ward.

23 MS. WARD: Good morning, board members. So I
24 regret that I don't have the nice pictures that Dallas had here.
25 I thought about putting in something on Snoop Dogg since we're

1 going to be discussing the RAP process, but I held off.

2 If you will turn to my next slide, I appreciate
3 it. I'm not sure -- I don't remember who's doing the slide
4 changes, but thank you.

5 So --

6 WEBEX HOST: It's Randy.

7 MS. WARD: Randy. I'm sorry. Thank you.

8 So the topics we're going to cover today, the
9 topics that you requested in terms of what our revenue
10 forecasting process is, I thought it would be good to first go
11 over our fund sources, what fund sources are supporting the
12 five-year construction program, then give you a little
13 background on the forecasting process, ADOT's forecasting
14 process, who's involved in that process. I know I've mentioned
15 that to you before, but we'll go over that quickly.

16 We'll look at the inputs to the process and the
17 outputs from the process, talk about the accuracy of that
18 process and that -- and the benefits. So if we can go to the
19 next slide.

20 So the sources of funding that support the
21 five-year construction program are -- we've got the state
22 highway -- Highway User Revenue Fund, which -- of which
23 distributes to many beneficiaries, one of them the State Highway
24 Fund, which ultimately is the funding that goes in to support
25 the program. We've got the Regional Area Road Fund and the

1 freeway funds, those dollars out of the Regional Area Road Fund
2 that are designated for the freeways. We are -- those are
3 dollars that are supporting the overall program. We have
4 federal funds supporting the program, and then we have other
5 funding that comes in from grants, appropriations and, you know,
6 private funding occasionally.

7 The Highway User Revenue Fund and the Regional
8 Area Road Fund are the only ones that we utilize what we call
9 the risk analysis process on. And you -- the question I can
10 imagine rising in your mind is -- particularly on the federal
11 funds, is why don't we have that in a formal forecasting
12 process? The reason for that is because those funds are subject
13 to Congress. So to try and forecast federal funds means to try
14 to forecast congressional action, and that is not something that
15 folks tend to be very successful at.

16 You combine the fact that it's subject to
17 Congressional, you know, appropriation with the fact that the
18 fund source that actually supports the Highway Trust Fund, that
19 provides our federal funding, the Highway Trust Fund has been in
20 a deficit position for years. So if we were to -- and that
21 deficit position has been supported by Congressional action
22 infusing the Highway Trust Fund with Federal General Fund
23 dollars to keep it whole.

24 So if we were to actually forecast it -- federal
25 funds and we looked at the federal funding source, the Highway

1 Trust Fund supporting the program, well, it could be a
2 depressing endeavor, and we would most likely project a cut in
3 -- routine cuts to that program.

4 What we have done with federal funding, because
5 we've got this -- these variables that are unpredictable, what
6 we -- the approach we have taken and what I've reported in the
7 past is we generally, unless we have a long-term reauthorization
8 in place which provides some sort of escalator year by year to
9 federal funds, we just generally flatline the funds and assume
10 that our funding levels will remain the same as the preceding
11 year.

12 The reason we don't incorporate other funding --
13 these other funding items in is because, likewise, like -- take,
14 for instance, grants. Those are something we apply for. We
15 don't know whether we're going to actually get awarded.
16 Appropriations, similar. That is predicting the Legislature,
17 and that tends to come and go. Funding from the Legislature
18 tends to come and go based on the funding status for the State.
19 And then private funding. We don't -- again, that's not
20 something we routinely see and can have variables that we can
21 predict.

22 Moving on to the next slide.

23 So a little bit of background on the process, the
24 risk analysis process. So it's the process we use to forecast
25 revenues. It was originally developed in the 1980s, but

1 ultimately perfected in the early '90s, but it was developed --
2 originally developed with -- in collaboration with U of A and
3 ASU. Ultimately, in the early '90s is when the process was kind
4 of perfected, and the process you saw then would have been very
5 similar to the process you see now. It's an annual process.
6 Our forecasting takes place annual -- annually. It involves a
7 number of economists, transportation experts and consultants.

8 The model is based on a number -- incorporates a
9 number of variables that we have found that correlate with the
10 major components of revenues that flow into HURF and RARF. So
11 what do I mean by that? The major components that flow in, the
12 major revenue sources that flow in to, let's say, HURF, are gas
13 taxes, diesel fuel taxes, vehicle license taxes. So there are a
14 number of variables that -- in working with the consultant that
15 we have found correlate to those major funding sources.

16 And those -- let me see. I have another slide on
17 that. Let's go -- one more point is ultimately what we get from
18 this is a 20-year forecast. We're focused primarily on the
19 second year through the tenth year. But let me give you a
20 little bit more on those variables.

21 If you'll go to the next slide. Actually, it
22 will be a couple of slides forward, but let's -- we'll go over
23 participants first. I apologize.

24 So who's involved in the RAP -- the RAP process,
25 the risk analysis process, is a series of transportation and

1 revenue forecasting experts. So we've got representation from
2 MAG. A transportation professional. We've got representation
3 from the City of Peoria, a former JLBC fiscal specialist. We've
4 got current JLBC representation, as well as a former
5 professional from the treasurer's office. We have the Office of
6 Economic Opportunity, an economist there. An economist from a
7 private group, VisionEcon. We have the Elliott Pollack Company,
8 an economist. We have ASU economists on board that provide us
9 feedback. Those are -- those same folks are also in -- are
10 contracted by the Governor's Budget Office, and then we have a
11 consultant onboard, in this case HDR, and an economist there
12 that's contracted to develop and run the forecasting model for
13 ADOT.

14 What you're looking at right now is the
15 participants for the 2021 panel that was convened in August, and
16 of that panel, three of them are also Western Blue Chip analysts
17 that do regional forecasting.

18 Moving on to the next slide, please.

19 So in terms of the consultants that participate,
20 HDR -- I wanted to let you know -- I wanted to provide this for
21 you so you could see the quality of the people that are
22 participating in the process. In the case of HDR, global
23 company. We do actually utilize them for a number of services
24 within the department, but in this particular case we're
25 utilizing their economic, financial and statistical analysis.

1 They update our HURF and RARF forecasting models.

2 They look at the variables that we consider and
3 had found to be correlative to predicting revenues for our major
4 funding source -- major revenue categories, and they use
5 those -- ultimately use the forecasts provided by the RAP panel,
6 those participants you saw in the previous slide, and HDR
7 performance a Monte Carlo simulation, of which the results are
8 revenue estimates associated with a series of probabilities.
9 And I'll be able to show you that a little better here in a
10 minute, the next moment or so.

11 The primary -- the economist we've been working
12 with for a few years now, the entire time I've been with the
13 department, is an applied economist, extensive experience, and
14 ultimately the proof is in the accuracy, and so we'll cover that
15 here a little later as well.

16 But the experience -- the experience of these
17 participants has proven not only highly valuable, and we are
18 very appreciative because those panelists volunteer their time.
19 HDR, we pay them. But those panelists have proven quite
20 accurate over time, so this process.

21 So let's go on to the next slide.

22 So now I've got my variables, my slide on
23 variables.

24 Let me pause. Do we have any questions thus far?
25 Okay. It's very quiet, so I'm going to --

1 CHAIRMAN STRATTON: Any questions from board
2 members? Hearing none, Kristine, continue.

3 MS. WARD: Thank you, sir.

4 MR. SEARLE: Steve, this is Richard. I need to
5 take off, so Kristine, appreciate the information, and I'll
6 visit with you guys later.

7 MS. WARD: Very good, sir. Have a good day.

8 MR. SEARLE: Thank you.

9 CHAIRMAN STRATTON: Thank you, Board Member
10 Searle. We'll see you next meeting.

11 Kristine.

12 MS. WARD: All right. So I had mentioned earlier
13 that there are a number of variables that are forecasted by the
14 panelists, and those are variables that have been determined to
15 have a correlative relationship to the revenue sources that feed
16 into HURF: Gas tax, VLT, use fuel. In the case of RARF:
17 Retail sales, restaurant and bar, rental of personal property.

18 So we take those variables that you see before
19 you, and we'll look at HURF now, and one of the variables that
20 feeds into HURF and actually also feeds into the RARF forecast
21 is non-farm employment. So employment. Personal income is
22 considered when -- and folds into the model. Population growth.
23 And I'm reviewing HURF right now. Gas prices, use -- diesel
24 prices, and also what we find in terms of the fleet's fuel
25 economy, and those numbers are actually national in nature.

1 Flowing in at variables that contribute to the
2 RARF forecast, you can see here again personal income is also
3 incorporated here, population. Because we have contractor
4 revenue flowing in, construction employment is also considered
5 in the RARF forecast, and as well as the 30-year mortgage rates,
6 and then, also, we consider airport passenger traffic that comes
7 through Phoenix Sky Harbor.

8 Moving on to the next slide.

9 What this shows you is a sample of panelists'
10 input. So if you look on the left side, you'll see the listing
11 of each of the panelists. You'll see -- at the very top, you'll
12 see that these are the panelists' input for -- associated with
13 Arizona personal income growth. So this is their forecast.
14 Remember, I told you the forecast covered a 20-year period.
15 These are the forecasts by year, the growth rates that each
16 panelist provided us associated with personal income growth.

17 Moving on to the next slide.

18 Once all of those -- all of the panelists' data
19 are aggregated for all of the variables, those are then passed
20 over -- they're -- ultimately, they're passed over to HDR. HDR
21 is the one that actually -- the consultant aggregates those and
22 runs a Monte Carlo simulation, and this is where I was
23 mentioning before that from that simulation, revenue estimates
24 are generated for the various likelihood of those revenues
25 actually manifesting. So what do I -- let me see if I can make

1 that a little more clear.

2 They will give us a revenue estimate -- the ones
3 before you, actually, we'll use 2009, and let's say that first
4 number for fiscal year 2010. The 2009 RAP panel result resulted
5 in a HURF forecast of \$1.2 million -- billion. \$1,247,800,000.
6 That is the -- there is an estimate that 50 percent -- we are
7 saying that it is 50 percent probable that that is the revenues
8 that will manifest for year 2010 when this was completed.

9 So it basically gives you, for different
10 probabilities, 45 percent probability, 50 percent probability,
11 60 percent probability, and it goes all the way, the full range,
12 based on each of these probabilities, this is the revenue that
13 we anticipate will be realized.

14 What you're seeing here is the 2009, the results
15 from the 2009 panel for the period forecast, and I don't think
16 we covered the full 20-year period, the 2010 panel, the results
17 from the 2010 panel for the HURF forecast and the results from
18 the 2011 panel. So we're convening the panel every year, and
19 you'll see that 2009 is highlighted, and the reason we did this
20 is because of the next slide. We want to look at the --
21 ultimately the accuracy of the panelists' forecasts.

22 Each year we are forecasting that -- that 20-year
23 period. So what you see here is that in FY 2010, the RAP panel
24 forecast for the future, ten-year future, 2019, only varied from
25 the actual revenues realized by 2.9 percent. What this --

1 between 2010 and 2018, the RAP panel forecasts have all fallen
2 within plus or minus 5 percent. So they are forecasting -- we
3 are forecasting many years into the future, and what we are
4 finding is that the consistency and reliability of those
5 forecasts -- those forecasts have been very consistent and
6 reliable and within a very small margin of error.

7 Similarly, on the next slide, this represents
8 HURF, but on the next slide, this represents the forecasts for
9 the Regional Area Road Fund, and between 2010 and 2018, this
10 process generated forecasts for -- that range for 2019 that
11 ranged between plus or minus 3 percent. So the point here is
12 that these forecasts, this process has consistently generated
13 very reliable, stable forecasts for the department to then be
14 able to say this is the financial basis on which you -- the
15 Board can then program what projects to build into the five-year
16 program.

17 Next slide, please.

18 So the benefits of the process are that it
19 involves -- it involves multiple stakeholders that are
20 transportation and -- revenue forecasting experts. It uses very
21 well-known forecasting methods and statistical methods, and I
22 think this is critical -- it provide -- it's a very objective
23 process. No one -- no one person or entity influences the
24 process, and perhaps it is -- leading to it -- it is just purely
25 data based, and it generates accurate results.

1 It's also recognized by the bond rating agencies
2 as very stable and effective. Every time we do a bond issue,
3 one of the steps in that issue is to sit down with the rating
4 agencies and explain this process to them, and it is
5 consistently well received.

6 Now, there are a few of you that have joined the
7 Board since the pandemic. Actually, just not long after the
8 pandemic, and I will say that forecasting with the -- under the
9 umbrella of a pandemic has been very difficult. So the only
10 times that we have really seen some very large variations is
11 when we kind of have had these structural breaks in data, these
12 anomalies that have manifested.

13 If you went back to the Great Recession and
14 looked -- in fact, on those previous slides, you would have seen
15 it. In 2008 -- in 2008 the forecasting was off as we went into
16 the Great Recession. But historically, when you set those
17 anomalies aside, when you set the Great Recession aside, when
18 you set the pandemic, the global pandemic aside, what we have
19 experienced is a very stable, reliable and accurate process for
20 forecasting the revenues on which the program is based.

21 With that, if we can go to the next slide, I'd be
22 happy to take any questions. Again, I wish I had some nice
23 pictures like Dallas. He ended so well.

24 CHAIRMAN STRATTON: Does any board member have a
25 question for Kristine?

1 MR. MAXWELL: Mr. Chair.

2 CHAIRMAN STRATTON: Go ahead.

3 MR. MAXWELL: Kristine, thank you for the
4 briefing in all things. It scares me a little bit, you know,
5 the use of poker chips and Monte Carlo simulations, but that's
6 okay. As a gambler, I think that's okay.

7 So the forecasts then obviously are used and it's
8 what we put into the five-year plan and how -- going forward,
9 but, for example, just recently the State's budget estimation
10 came in with in excess of, I think, \$690 million.

11 Does any of that -- when we do our forecasting
12 does any of the -- when the performance is higher from the
13 State's budget, does any of that come back to us, or is it
14 purely only if the HURF and some of the other items that are
15 directly (indiscernible) come back to us do we see a difference
16 in funding?

17 MS. WARD: So, Mr. Chairman, Mr. Meck --

18 MR. MAXWELL: Maxwell. I'm the new guy.

19 MS. WARD: Maxwell. I'm very sorry, sir.

20 MR. MAXWELL: That's no problem.

21 MS. WARD: (Indiscernible.) So if the State is
22 realizing -- the State General Fund is realizing additional
23 revenues, that does not impact us. What we are looking for is
24 if the State Highway Fund -- well, I should say the Highway User
25 Revenue Fund, and therefore, the beneficiary, the State Highway

1 Fund, if we are realizing increased revenues in HURF or we are
2 realizing increased revenues in the Regional Area Road Fund,
3 that's where it impacts us, but not the State's General Fund.

4 MR. MAXWELL: Okay. Thank you. Just wanted to
5 make sure I understood that. This was purely the forecasting
6 side of the house, so...

7 MS. WARD: Yes, sir.

8 MR. MAXWELL: Thank you.

9 CHAIRMAN STRATTON: Thank you, Board Member
10 Maxwell.

11 Any other questions for Kristine?

12 MR. MECK: Board Member Meck.

13 CHAIRMAN STRATTON: Go ahead, Board Member Meck.

14 MR. MECK: This might be a dumb question, but
15 because of the cost of gas now, and a lot of the companies
16 there's probably the new normal, maybe where people are going to
17 be in a home office, which is less driving, and looking at your
18 HURF example, non-farm, personal population, gas price, use
19 fuel, fleet fuel, where in these projections is the electric
20 cars? If the electric cars and trucks come in in the next five
21 to ten years, does that come under the HURF? How are you going
22 to compensate for these things that look like they're going to
23 be coming? Some of them like electric cars or electric trucks.
24 There's going to be a pretty substantial amount. So where in --
25 and I say HURF for lack of a better place to put it. Where are

1 those going to be? And I'll get off.

2 MS. WARD: Mr. Chairman, Mr. Meck, that is an
3 insightful question. It is captured in our forecasts under the
4 fleet mile gallonage. Miles per gallon. So as you see an
5 increased fuel efficiency, whether it be moving to alternative
6 fuels, when you look at the overall fleet, what are you seeing
7 happening in the miles per gallon? But your question is spot on
8 as the development and growth in the alternative fuel market.
9 It is growing quickly.

10 Right now it is de minimus in order of -- in
11 order -- in looking at the total national fleet. They represent
12 the -- you know, alternative fuel cars currently represent a
13 very small percentage, but that small -- that small percentage
14 is growing very quickly, as we -- and you can see it in personal
15 experience, I'm sure, as you see more alt fuel cars on the
16 roads. But yes, we capture it in the formula in the miles per
17 gallon and it impacts HURF.

18 Does that answer your question, sir?

19 MR. MECK: Yes, ma'am. Board and Chair, thank
20 you. And Kristine, great. I like this presentation. Certainly
21 helps. Thank you.

22 MS. WARD: Thank you, sir.

23 CHAIRMAN STRATTON: Any other questions for
24 Kristine?

25 Kristine, thank you.

1 MS. WARD: All right. Got off easy (inaudible).

2 CHAIRMAN STRATTON: Yes, you did.

3 MS. WARD: Without pictures.

4 CHAIRMAN STRATTON: We --

5 MS. WARD: Thank you.

6 CHAIRMAN STRATTON: Good presentation. Thank you
7 very much.

8 We will now move on to Item No. 4, future of
9 transportation revenues, for information and discussion only.
10 This is the transportation board members discussion. So I will
11 open it up to the board members to discuss the future of the
12 fundings.

13 UNIDENTIFIED SPEAKER: Mr. Chair --

14 MR. ROEHRICH: Mr. Chair, this is Floyd. While
15 we're waiting for board members to come up, I think it's
16 important to note that we set this -- as staff, we set this as
17 kind of a forum discussion for the board members to talk amongst
18 themselves. Staff does not have anything to present on this.
19 You know, as Kristine said, we have to work within the revenue
20 streams that we have legally, and any future revenue streams
21 have to be addressed through either legislation, referendum,
22 public or whatever, but the board members have asked to talk
23 about revenues. So we agendaed this, if you will, as an open
24 forum for the Board to talk amongst themselves on whatever they
25 want on this issue.

1 CHAIRMAN STRATTON: Thank you, Floyd.

2 I'll go ahead and start this discussion, as I
3 spoke about this a little bit at the Rural Transportation
4 Summit. The advent of the electric vehicle and the hybrid
5 vehicle, propane fuel vehicles and other alternative fuels, it
6 is impacting our HURF dollars. I really believe at some point
7 in time the Legislature is going to have to look at some
8 formula, whether it be per mile or whatever it may be to assess
9 these vehicles that are using our roads as much as other
10 vehicles are, causing the same damage to the roads, and we do
11 need to recoup some costs from them.

12 I'll also mention -- I did not speak about this
13 at the summit. However, I -- it's been a sore subject for me
14 for the full time I've been on the Board, are roads like I-15.
15 And I know my good friend Karla Petty is out there listening,
16 and I'm sure she's cringing right now, but that freeway is
17 utilized -- it goes from Utah to Nevada and services only a very
18 small community at Littlefield in Arizona, yet rural Arizona has
19 to fund that, and it's very expensive funding because of the
20 environmental sensitivity of the Virgin Gorge.

21 So, you know, I believe -- I have spoke about it
22 before that -- the idea of possibly tolling that particular
23 road. It's the only road in Arizona that can -- diesel trucks
24 can pull triple trailers. It serves very little purpose, if
25 any, to Arizona, but yet we have the burden of funding it,

1 matching the federal funds with our portion from the -- from the
2 rural Arizona portion.

3 So anyway, that -- that's two of my points that I
4 wanted to throw out there, if there are any comments from board
5 members.

6 MR. KNIGHT: Mr. Chair, this is Board Member
7 Knight.

8 CHAIRMAN STRATTON: Board Member Knight.

9 MR. KNIGHT: I did speak at the summit, because
10 what I -- and what I put out was I really feel that -- of
11 course, the Legislature is going to have to come up with some
12 dedicated revenue source other than HURF for transportation, and
13 it seems like they were able to come up with -- when they were
14 talking about the flat income tax, they were able to come up
15 with a small percentage of the income tax that was being
16 collected to hold the counties and cities harmless so that our
17 state revenue share went from 15 to potentially 18 percent in
18 order to hold us harmless for the drop in income, in income tax
19 that would be coming in with the flat tax.

20 So I think it just goes to show that they can do
21 it. They can figure out out of what fund that they could take a
22 small percentage that would, in fact, help fund our
23 transportation system, in addition to, of course, the HURF
24 funds.

25 The other thing, speaking to Board Member Meck on

1 the electric cars, I think it would be -- and this is again
2 something the Legislature would have to do, but I think, you
3 know, in many of these travels that the board members make, and
4 I -- Gila Bend happens to be -- happens to come to mind, they've
5 got all these Tesla and electric car charging stations. We've
6 got some here in Yuma. Everybody -- it's beginning to get to
7 the point where everybody's got some of these charging stations
8 in their cities or towns, and it seems like there should be --
9 just like a gas tax, there should be some kind of tax associated
10 with those charging stations that, like the gas tax, goes to
11 HURF. But there again, that's something that the Legislature
12 will have to do, and in most cases the Legislature's going to
13 have to figure out what to do about all these things. It's not
14 really going to be to us, but that -- those are a couple of
15 suggestions that -- that I have to help with new revenue for our
16 transportation system. Thank you.

17 CHAIRMAN STRATTON: Thank you, Board Member
18 Knight.

19 Any other board members?

20 MS. DANIELS: Chair Stratton.

21 CHAIRMAN STRATTON: Board Member Daniels.

22 MS. DANIELS: Thank you.

23 I think I've been advocating for the
24 modernization of our gas tax, which would include some sort of
25 balance, if you will, between our different types of vehicles,

1 including those that I want to encourage to come to Arizona,
2 which is the innovative and new types. I think there's a great
3 advantage in our state to ensuring that we continue to be a
4 place for transportation innovation and that we set ourselves up
5 for that, but that that also means that we plan for the impact
6 that these innovative vehicles and trucks do continue to
7 contribute into the system.

8 I know we've given -- the State Legislature has
9 given exemptions and others, and I in so many ways support that,
10 because I want to encourage that type of innovation, and yet I
11 do think there needs to be, you know, a finite amount of time
12 that that is extended so that we can continue to recoup dollars
13 for our system.

14 Overall, if we're going to wait for the
15 Legislature to do something, we may be here for a very long
16 time. It's been since 1991 since our gas tax was updated, and
17 at this point, given some of the transitions, you know, the task
18 is actually bigger, not smaller, than just changing the gas tax.
19 It's now a complete overhaul of that -- of that system.

20 So I think it behooves us as a group to at some
21 point, and I'm not saying now, but, you know, we've had
22 champions for this type of legislation in years past and yet
23 they haven't been able to get it across the finish line given
24 the politics involved, and so I think it behooves us as a group
25 to bring together some of the smartest minds that we can and

1 figure out some truly innovative ways for us to modernize our
2 tax structure around transportation.

3 All that being said, so maybe that's a challenge
4 for us for 2022. I don't know, but I'd love for us to explore
5 that. I know that there is not an appetite currently in the
6 state by leadership for public-private partnerships as it
7 relates to roads, but I do believe that that is something we
8 should continue to explore in order to keep up with
9 infrastructure, and it's not just District 1. It's all of our
10 districts that could benefit from that.

11 There are some models that work, and there are
12 some models that I would never ever want to replicate in
13 Arizona, and so, again, perhaps in future years -- I think I
14 have four and a half years, about, left on the Board, so
15 hopefully in future years there may be an opportunity for us to
16 figure out public-private partnerships that would allow us to
17 capitalize on today's construction dollars, because construction
18 costs are only continuing to climb. And if we can accelerate
19 some of the advancements, either expansions or optimizations of
20 our current system with today's construction dollars, we could
21 be in a position where we save money moving forward.

22 So again, I don't mean to add to anyone's plate
23 today, but perhaps we look at ways to champion both the
24 modernization of our tax structure and public-private
25 partnerships in the future.

1 CHAIRMAN STRATTON: Thank you, Board Member
2 Daniels. Insightful thoughts.

3 Any other board members have comments?

4 MR. MAXWELL: Chairman Stratton, Board Member
5 Maxwell.

6 CHAIRMAN STRATTON: Board Member Maxwell.

7 MR. MAXWELL: Well, I agree with the creative
8 thinking that's going on. It's -- as Board Member Daniels
9 stated, it's the modernization of our transportation
10 infrastructure system that needs to be addressed.

11 There's been several efforts in the Legislature
12 over the last four or five years to address some of that, both
13 in modernization maybe of the gas tax, as well as changing the
14 VLT on the electric vehicles, and those have not made any
15 progress in the Legislature, and I honestly believe for at least
16 the next year, with the next year being an election year,
17 being -- all of the other stuff that next year -- 2022 may not
18 be the year to take it on, but what I do think what we need to
19 start doing is maybe doing some studying, looking at what is
20 possible and what's out there, because it's not necessarily
21 required to be a direct tax increase either. It's -- there's --
22 a lot of people think that's the only way you can go about it,
23 but as Board Member Daniels mentioned, private-public
24 partnerships are becoming more and more common when it comes to
25 infrastructure investment in regions.

1 I think we can't underplay the importance of
2 regional transportation authorities that we've had in the state
3 and their contribution to the roads and the continuation, but
4 the fact of the matter is in our five-year plan, 2025, there's
5 no money for expansion. So it's an issue that we're going to
6 have to address. It's an issue we're going to have to continue
7 to look at.

8 I believe 2022 might be the year where we can do
9 more research and more looking into getting smarter as board
10 members on it and what the possibilities are, because it's going
11 to be a very fine line as we weave the way through both the
12 Legislature and through the public, honestly, on how we can go
13 about properly improving and funding and continue to grow the
14 infrastructure, which we're going to need as he continue to get
15 more residents moving to Arizona. It's a great place to live.
16 So just my thoughts.

17 CHAIRMAN STRATTON: Thank you.

18 Any other board members?

19 VICE CHAIR THOMPSON: Chairman Stratton.

20 CHAIRMAN STRATTON: Vice Chairman.

21 VICE CHAIR THOMPSON: You know, I'd like to maybe
22 review, I don't know, some of the alternative ways that have
23 been put on the table to increasing the revenue for HURF. That
24 way I think we will have a better idea of what we have tried and
25 what are some of the things that we need to further pick up

1 discussion on.

2 I know at one of the Board -- one of the state
3 transportation committees, ADOT was asked to make a
4 presentation, and in addition to that, as (indiscernible) we
5 have some legislators who have taken up responsibility to
6 present to the whole Legislature as to how they feel we could
7 increase the HURF dollars.

8 So maybe -- one thing that came to mind, I know
9 that maybe it's very difficult, you know, to make
10 (indiscernible) suggestion, but while at Lucid I was thinking
11 about these people are going to be -- these vehicles are going
12 to be traveling these roads more and more. I'm wondering what
13 kind of a contribution they could make to improve -- improving
14 the highway system. And I don't know how many other
15 corporations out there would also want to be involved with this
16 public-private suggestion that is being made at this time.

17 The other thing is how can we contribute to
18 improving the transportation -- transportation on the rural and
19 remote areas of Arizona? And one thing I did as a supervisor
20 was that -- I certainly do appreciate coming to the Board and
21 requesting for (indiscernible) some materials, building
22 materials, with -- and we received that and we -- that was a big
23 report, and it helped us improve some of the roads, those roads
24 that have been my concern, the school bus route.

25 Things of that nature and -- I said we need to

1 explore more and more. (Indiscernible) I know it's a difficult
2 situation because of the layer of regulations that we have to
3 deal with, and I -- it keeps coming back to think about, well,
4 yeah, these are -- a lot of these policies are regulations are
5 set in stone, but they were made at the time that we weren't
6 sitting at the table, meaning all the stakeholders.

7 So those are a couple of my concerns, and I think
8 one thing that came up while at the county supervisor was
9 that -- you know what? I attached a photo on this. What is the
10 State of Arizona, especially ADOT, how are they handling those
11 heavy equipment that are still usable (indiscernible) replace?
12 There's a (indiscernible) state policy on that, and I think
13 these are some of the policies that could be changed to maybe --
14 donated to doing modern income communities.

15 So again, those are my concerns. Okay. Thank
16 you, Chairman.

17 MS. DANIELS: Thank you, Vice Chairman.

18 Any other comments from the Board?

19 MS. DANIELS: I did want to add one more. I
20 apologize, but that is just a realization that the Arizona
21 Department of Transportation controls the largest asset that the
22 State has, and that is our road system. And there are so many
23 opportunities in partnering and collaborating with the private
24 sector, and there is value in the asset. And so as much as we
25 can continue to think about capitalizing on the value of the

1 asset, without compromising the quality of the system, the
2 right-of-way -- I know that there's state and federal law that
3 currently prohibits a lot of the -- what I would consider to be
4 ingenious ideas that would allow us to monetize and capitalize
5 on the asset, but I love knowing that laws can be changed as
6 well, and so I just want us to think about it.

7 There's new -- new things that are coming our
8 way. It feels like fast and furious, charging stations,
9 hydrogen, conversion, other things that -- besides broadband and
10 fiber and other opportunities. Our right-of-way has great value
11 as well. Our light poles have great value. Every component.
12 Our bridge system has value. So all of these assets that the
13 State has could be and can be monetized in the right situation
14 and the right circumstances. And so I just kind of wanted to
15 plant that seed that I do believe there is more opportunity than
16 we give credit for at this time.

17 CHAIRMAN STRATTON: Thank you, Board Member
18 Daniels.

19 At this time I'd like to throw something out for
20 comment. I think it would be good if at a future work session
21 the -- our staff could bring back to the Board what has worked
22 in other states that have -- all states have the same problem of
23 some kind -- the ideas that the Board has thrown out there, what
24 has worked places, what has not worked other places, and the
25 Board formulate a consolidated position and deliver that to the

1 Legislature, rather than each board member having a different
2 idea. If we -- if we deliver a consolidated message, it may
3 make -- carry a little bit more weight with our legislative
4 people. Just a thought.

5 MR. ROEHRICH: So, Mr. Chairman, this is Floyd.
6 We can -- you know, there have been a number of states who have
7 addressed their revenues through (indiscernible) legislation and
8 through other referendums or initiatives, public initiatives,
9 voter approved. There's been some things that ASHTO has put
10 together. The American Association of State Highway
11 Transportation Officials at a national level have looked at
12 opportunities for, you know, if you will, federal programs.

13 I know here in the state, our tax -- the -- Kevin
14 Adams' team has looked at some things. So there is some
15 document out there, and we could research and provide some of
16 that. And I don't remember what year it was -- Katy maybe
17 remember -- but a couple years ago the Legislature did do a
18 report on revenues and came up with a final recommendation,
19 (indiscernible) identified here politically, you know, getting
20 something to move forward, an initiative that does raise those
21 revenues has always been a challenge.

22 So we can provide information. We can study that
23 information and move that forward. I think it's -- I would like
24 to say I know the director couldn't make it today. He had a
25 commitment, but the department's not sitting back on issues.

1 You know, we have pretty -- very open P3 law that other states
2 have copied because of it -- so well, and it's well established
3 and written. It's very effective, and we have numerous meetings
4 constantly with private industries, but really, if it's coming
5 down to the issue of, you know, they're not donating their
6 revenues or their funding. They're providing the financing as a
7 way to accelerate and move projects forward, but we still have
8 to have the revenue to pay it back. And generating that
9 revenue, deciding where -- how we're going to do that has always
10 been the issue and, you know, takes a lot of political and
11 public will in order to move that issue forward.

12 So the department is not sitting back, where
13 they're doing a lot of issues in trying to figure out those
14 funding opportunities to optimize what we can. Within the
15 constraints of what (indiscernible) to us with the funding
16 sources that our public leaders have said is available to us,
17 and that will continue to be an issue in discussions moving
18 forward. And so we can do some research. We can provide you
19 some information that other states have done, and then after the
20 Board receives it and looks at it, if you wanted to agenda
21 something to talk amongst yourself again, we'll be happy to do
22 that.

23 CHAIRMAN STRATTON: I like that idea, Floyd. I
24 think it would be appropriate.

25 Does any other board member have a problem with

1 that?

2 Hearing none, it appears we have a consensus.

3 Floyd, let's -- if you would have staff do that
4 and bring it to the Board, actually send it to Board, let them
5 review it, and then it can be agendized appropriately at the
6 right time.

7 MR. ROEHRICH: Yes, sir.

8 CHAIRMAN STRATTON: Thank you.

9 Any other discussion on revenues?

10 Hearing none, we'll move on to Item 5, discussion
11 on board members' meetings with legislators. Katy Proctor.

12 MS. PROCTOR: Good morning, Mr. Chairman,
13 members. Hope you can hear me this time. Had a little issue
14 last time.

15 CHAIRMAN STRATTON: We can hear you.

16 MS. PROCTOR: Perfect. Okay.

17 So I just wanted to give you a little bit of
18 background on ADOT government relations first. You know, we are
19 a very small but mighty group, and what we do with regard to the
20 Legislature is pretty specific.

21 Probably 80 percent of our work with the
22 Legislature is responding to inquiries about the agency itself,
23 and that's going to include things like programs and services
24 and projects, customer service, issues like that. And then the
25 other probably 20 percent is responding to ways to provide

1 solutions for problems that we're facing. So that's going to be
2 a lot of stakeholder outreach, a lot of working with various
3 groups to find consensus, and sometimes legislation and pursuing
4 some type of the legislation.

5 We do it by providing relevant information and
6 educating members and staff about the agency, and trying to work
7 to solve those problems. We really do not do a lot of advocacy
8 work. That's not exactly our role, and the reason I want to
9 bring this up is because in the big picture, obviously
10 infrastructure is extremely important to Arizona, but we are one
11 piece of a very complex puzzle. And policy is made at that
12 enterprise level, so we always have to keep in mind and focus on
13 our area of expertise, understanding that the decision making is
14 going to be made at a different level than where we are as an
15 agency. And that distinction is critical, because frankly, I
16 can't tell you the impact of some solutions on other sectors. I
17 see my piece of the puzzle. I don't see necessarily all of the
18 impacts around all of the other pieces of that picture.

19 So the question I think that was raised was how
20 can we help you in this endeavor as you look to move forward
21 with conversations at the Legislature, and I think the best way
22 to do that would be through the same mechanism that we do right
23 now when we engage at the Legislature. We provide the
24 information and we educate members, and we are more than happy
25 to help you in that regard and provide you with the information

1 and educational materials that you can use to further the
2 message that you're looking for.

3 I would encourage you before you go down that
4 path to make sure that you have a strong message, and with, you
5 know, very clear, defined goals for where you want to go with
6 that, and also to address any potential conflicts that you might
7 have within the Board, because you may have different opinions
8 about how to solve problems, and before seeking that kind of
9 outside influence, I would encourage you to have a conversation
10 about that and how you would resolve that prior to going into
11 that venue.

12 And members, I'd be happy to answer any questions
13 you might have about what we do and how we can better assist
14 you.

15 CHAIRMAN STRATTON: Board members, any questions
16 or comments for Katy?

17 MR. MAXWELL: Chairman Stratton.

18 CHAIRMAN STRATTON: Go ahead.

19 MR. MAXWELL: Yeah. The first thing I would like
20 to echo, kind of just what -- based on our last kind of
21 conversation as well, what Katy said there. I think it is very
22 critical that we all think with -- we've got to be very careful
23 about engagement with legislators. That's what I do in the real
24 work. That's my job. I already do that.

25 So there's a lot of issues (indiscernible)

1 carrying forward, but it's -- I think it's -- if we were to go
2 to speak with legislators in order to speak as the Arizona State
3 Transportation Board, we do have to have -- obviously had a much
4 more thorough discussion, come to an agreement, had a vote,
5 really established positions, because this is something I don't
6 think the State Transportation Board has done a lot of in the
7 past, other than through the folks in Katy's role.

8 So if we're going to do it as individuals, you've
9 got -- there's -- obviously a lot of us are engaged in public
10 policy and with our legislators, both for ourselves, our
11 businesses and our organizations.

12 So I think it is very important that if we're
13 going to take a position, and even if we should take a position,
14 that that's a discussion we have to have and be very clear cut,
15 because there's always -- there's always ramifications when you
16 engage with the elected officials, and sometimes they're
17 unforeseen, and it's something we'd have to make sure we're very
18 clear of and in agreement on if we were going to go forward with
19 any issues in the (indiscernible), whether it's funding, whether
20 it's, you know, some of the other specifics and how the state
21 transportation department is working. Obviously not working,
22 because we don't have that control. We're here to control some
23 other things. We just have to understand what our environment
24 is.

25 CHAIRMAN STRATTON: Thank you, Board Member

1 Maxwell.

2 I -- as I spoke on the last agenda item, I
3 believe very strongly that we have to have a clear, concise and
4 consolidated message to all of the legislative people that we
5 each individually know, as well as the transportation committees
6 of the House and the Senate. So I think it -- I think we should
7 hear what staff brings back to us, develop what we consider to
8 be the best options as a board, and follow through with
9 delivering those messages with the help of staff to the
10 appropriate people that -- again, the people that we each know
11 from positions we have in real life, so...

12 MS. DANIELS: Chairman.

13 CHAIRMAN STRATTON: Board Member Daniels.

14 MS. DANIELS: Katy, can you just clarify one
15 question that I have? And that is when you are engaging with
16 the Legislature on, you know, various items, is there some sort
17 of Board consensus that you get prior to? And I don't mean to
18 say that I was asleep last year, but it seemed like a really odd
19 legislative session. And I can't recall an item specifically
20 that ADOT may have taken a position on. So do you take formal
21 positions on behalf of ADOT as the -- as the lobbyist, and if
22 so, how is and how should the Board be engaging on those things?

23 MS. PROCTOR: Sure, Mr. Chairman and Board Member
24 Daniels. I am the designated public lobbyist for the agency
25 itself. So I represent ADOT as an agency at the Legislature. I

1 have not represented the Board, and I do not believe that that
2 is necessarily what would be in alignment with your desires.

3 I represent the agency and, you know, most of
4 what I do and my team does is going to be, again, that
5 administrative work, that educational information. We are not
6 going to be taking major policy positions. That's not our role.

7 And I guess to better define that and explain
8 why -- because I know this is a little confusing sometimes -- if
9 you think of what we do as an agency, you know, you might look
10 at a puzzle and you see a little bouquet of flowers, and that's
11 ADOT, and then you zoom out and you see, well, it's actually a
12 tree, and then you zoom out further and you see it's a tree next
13 to a castle next to a moat.

14 There's all sorts of other pieces that go into
15 the big picture for policymaking, as you're all aware, and we as
16 an agency see one side of that. We see our piece of it, and we
17 are experts at our piece of it. But when it comes to making
18 those high-level policy decisions, those are made by legislators
19 and elected officials for that exact reason. They need to see
20 that whole big pictures and see the impact from other sectors
21 from that picture.

22 So we do not take -- you know, we will be happy
23 to come with information and tell you, you know -- and you've
24 heard this before, obviously, today. You've ahead from Dallas
25 about the needs of the system, and you've heard from Kristine

1 about the realities of your revenues and expected funds going
2 forward and bonding capacity. It's easy to determine where our
3 gap is, and we can provide you with all of the information in
4 that regard, and as previously discussed, information about what
5 other states may have done to close their gaps or what Arizona
6 may have done previously to close its gap, but when it comes to
7 actually advocating for the solution, that is a higher level
8 policy conversation, and that's not something that we as an
9 agency take part in.

10 MS. DANIELS: That helps clarify. I appreciate
11 that, Katy. So on behalf of the agency rather than the Board,
12 are you registering either in favor of or in opposition to any
13 legislation?

14 MS. PROCTOR: Mr. Chairman and Board Member
15 Daniels, yes. I will always be in favor of the legislation that
16 the agency is pursuing. So, for example, last year we did have
17 the broadband initiative legislation. We were the proponents
18 for that, and we brought that forward. We registered in support
19 of that legislation. If it is not our agency legislation, then
20 we are always going to be a neutral. There are very, very few
21 circumstances where we might be anything but neutral. It would
22 be a truly very, very limited exception. Otherwise, we do not
23 take policy positions. We take information and education
24 forward.

25 Another area that I think is somewhat confusing

1 sometimes, for example, there have been a lot of bills in the
2 last few years about projects. Bridges, roads, various things
3 like that. We do not take positions on those. It's not
4 appropriate for us to do so. We will give people information
5 about those projects. Legislators might ask, you know, hey,
6 what do you think a ballpark would be for us to do X, Y and Z?
7 And we'll come back and we'll develop information, but we will
8 not advocate for those projects. It's not appropriate for us to
9 do so.

10 MS. DANIELS: That's really helpful insight as
11 well.

12 Just as a practice, I recognize it would be
13 extremely rare if it wasn't, you know, ADOT sponsored or
14 initiated legislation, and I would imagine we'll hear about that
15 long before a session and things like that through your
16 legislative updates and reports, but if there ever is an
17 instance when ADOT does take a position on a particular bill in
18 those rare circumstances, just having line of sight to that as a
19 board, because I would anticipate that we would get phone calls
20 and/or questions about that specifically. So could we just be
21 notified, you know, via email or whatnot -- recognize we can't
22 hit reply all, but can we be notified if, in fact, ADOT takes a
23 position on something outside of what might be considered your
24 normal practice? Just (indiscernible) --

25 MS. PROCTOR: Mr. Chair -- yeah. Mr. Chair and

1 Board Member Daniels, I'm -- I'm in an interesting position with
2 that, because most of the items that I would take a position on
3 are not items that are relevant to the Board. Most, if not --
4 you know, a good chunk of what I do at the Legislature actually
5 resolves around MVD and other agency administrative process. So
6 I find it hard to think about where I would be in a situation
7 where it would be appropriate for me to come back to the Board
8 with that information, because it's most -- never going to be a
9 Board issue.

10 Let me -- I'd be happy to think around that
11 though and kind of think through that process. In the last two
12 years with the agency, I've never taken an adverse position
13 against a bill. It's just not really what we do. Yeah. My
14 goal is always to work with stakeholders and to address concerns
15 offline and to educate people about why there might be concerns.
16 So it just hasn't been something that we've ever -- you know,
17 we've had to engage in since I've been with the agency.

18 MR. ROEHRICH: So, Mr. Chairman and Ms. Daniels,
19 this is Floyd. I just want to make sure that, you know, to
20 Katy's point, ADOT (indiscernible) the position, you know, does
21 report to the Governor's office. So our legislative strategy
22 and the issues we do make sure are aligned and parallel with the
23 guidance and the direction that, you know, the Governor and his
24 senior staff have identified and coordinated with us.

25 And if an issue does come up outside of that, we

1 obviously do strategize on it. We determine what our agency
2 policy or decision is going to be and then support -- as Katy
3 said, you know, once the director then gives us the decision, we
4 can move forward, but I think it's important to know we don't,
5 in the context of that see how -- you know, informing the Board,
6 letting us know the action, the direction we're going is all
7 fine, but consulting to see if Board has different, you know,
8 issues on that or have different opinion on top of that, that is
9 probably not something I would see us consulting with, but I
10 definitely --

11 MS. DANIELS: Floyd --

12 MR. ROEHRICH: -- (indiscernible) the Board.

13 MS. DANIELS: That's not what I was saying. I
14 was not asking you to solicit the opinion of the Board. Just to
15 notify us if the agency takes a position on a piece legislation
16 and sort of the purpose or reason why you are in support of,
17 especially if you haven't taken any adverse positions in the
18 last couple of years. I wouldn't anticipate that you would
19 moving forward, but either a support or against.

20 It would help us to understand more of the
21 agency's direction if and when you take those types of
22 positions. That's all. I just want to make sure I understand
23 all of the aspects that go on. I realize that we don't have a
24 voice in it, and I'm not asking for one. What I'm asking for is
25 a line of sight to the agency and the direction you're headed.

1 I guess I can follow and monitor and look it up
2 myself and then call you, Katy, and ask why, but it seems like
3 it would be a little bit more efficient of a process if an email
4 was just sent out to the Board, hey, you know, registered in
5 support of House bill blah, blah, blah, and the reason why is,
6 you know, we determined as an ADOT agency that this is in line
7 with our efforts to further transportation in the state,
8 whatever it is. Doesn't really matter, but...

9 CHAIRMAN STRATTON: Thank you, Floyd.

10 (Speaking simultaneously.)

11 MR. ROEHRICH: Yes. You know, when the
12 Legislature's in session, Katy usually puts together a weekly
13 summary to the Board, and in that will be information regarding,
14 you know, what the bills are and then what the department -- if
15 they're make anything type of a statement on that as well. Is
16 that not correct, Katy? Katy, you could include that in your
17 weekly summary?

18 MS. PROCTOR: Sure, Floyd. That's exactly what I
19 was thinking, and really, you know, that's going to be the bills
20 that we're predominantly supporting that's going to be our
21 package. So, for example, like this last year, the broadband
22 initiative would have one of those types of bills. Some -- like
23 I said, most of them are not going to be of interest to the
24 Board necessarily.

25 You know, my other big bill, I guess, this year

1 was fleet consolidation, which is completely administrative in
2 nature, but, you know, I'm happy to include that kind of
3 information.

4 I think when it comes to the negatives, I just --
5 I don't foresee us being in that situation hopefully. We've
6 really just -- it's not our role. But I can definitely include,
7 you know, this is a bill that ADOT supports in our weekly
8 roundup.

9 MS. DANIELS: That sounds like a perfect
10 solution. Thanks.

11 CHAIRMAN STRATTON: Thank you, Jenn.

12 I would like to ask Katy and Floyd if there is a
13 statute or bill proposed that would affect the powers of the
14 Board that we be notified. During my tenure on the Board, there
15 -- that has happened and we were not notified. It became --
16 there were statutes passed that made it more difficult for the
17 Board to change the five-year plan, put multiple steps in the
18 way of trying to vote on a different plan. We were not notified
19 of that. I found out about it two or three years ago when I
20 tried to alter the five-year plan and was given this stack of
21 statutes that I had to comply with. This happened sometime
22 after Kelly Anderson was chairman, and they did change the five-
23 year plan with the vote of the Board. That is not a simple step
24 anymore because of this new legislation, and I think the Board
25 should be aware of that going forward before it is passed.

1 MS. PROCTOR: Mr. Chair, we would definitely
2 include that in our roundup of information, and what we've
3 provided recently, I think -- I just want to note this as --
4 we've been trying to figure out what the best format is, because
5 we've had the policy-related bills, which would be something
6 like that, for example, and then we've had bills appropriating
7 money for projects.

8 And so we're trying to figure out, you know, what
9 is the best way to communicate that kind of information to you
10 on that weekly basis so that you have it in the most useful
11 context possible. So you'll see us doing some different
12 reporting, I think, this year to kind of manifest that a little
13 bit better.

14 I know we always have questions about those bills
15 that have money attached to them and where they are in the
16 process and what that looks like. So we're trying to kind of
17 incorporate that a little bit better this year.

18 CHAIRMAN STRATTON: Thank you.

19 Any further comments or questions for Katy?

20 VICE CHAIR THOMPSON: Chairman.

21 CHAIRMAN STRATTON: Vice Chairman Thompson.

22 VICE CHAIR THOMPSON: Katy, my -- one of the ways
23 that I've addressed the funding legislation for projects up
24 north is to go directly to the committee members and talk to
25 each one of them, and of course, that's on an individual

1 project. But I think there's other -- other options that are
2 out there that I would want to pursue, but then that would
3 require or would very -- be very helpful in getting the Board's
4 support on it. Where are we on that, in supporting each other
5 with projects, if not as a board? Could it be done on an
6 individual basis?

7 MS. PROCTOR: Board Member Thompson, I think that
8 gets back to the question that was raised earlier about how the
9 Board would function in that -- in that situation. I will not
10 be in a position to support specific projects at the Legislature
11 if they are not included in the overall Executive Budget, for
12 example. That's not a role that I can take. However, the Board
13 would need to come -- you know, the Board needs to have a
14 conversation about how you would approach that, if you would
15 approach it as an individual, if you would approach it as a
16 group or whatever that might look like.

17 And Floyd would probably give you some historical
18 back information on previous efforts in that area too. But just
19 to be clear, it's not going to be something that I, as the ADOT
20 lobbyist, can assist you in advocating for. I can provide you
21 with, you know, information, obviously, but I can't directly
22 advocate for that.

23 VICE CHAIR THOMPSON: I do understand that part
24 of it, and I just wanted reassurance, what is it I can do on --
25 not maybe as a board member, but as an individual pursuing for

1 the project. So okay. Thank you very much.

2 MR. ROEHRICH: So, Mr. Chairman, Mr. Thompson, I
3 guess the -- I'm trying to follow -- if you're just an
4 individual citizen, you have a right to write to your
5 legislators, write to the Governor, identify what you feel is
6 your opinion or state your request or what you'd like, you know,
7 that legislative body to address.

8 As a board member, if you would like the Board --
9 and the Board has done this in the past. They've done a
10 resolution where it was presented to the Board. They wrote up
11 exactly what it is that they want. Then they did a motion to
12 approve a resolution, and then the Board chairman or all the
13 board members signed it, depending how they wanted to do it.

14 All the board members (indiscernible), but I also
15 think the Board chairman signed on behalf of the Board after
16 they had a resolution, and then you formally sent a -- you know,
17 a notice from the Board, a resolution from the Board to the
18 Governor, to the Legislature, to whoever you feel, but it had to
19 have been done as a body. You know, you would have to present
20 something. You'd have to work through exactly what the language
21 is, get a consensus. Do you have agreement through a motion
22 that you agree to (indiscernible), and then we would formally
23 send it on behalf of the Board.

24 So we absolutely can work towards that. We would
25 just need to know, you know, what specific topics? What is the

1 language? What is it you expect it to say in your statement so
2 we can make sure that we get, you know, all the verbiage and get
3 the formatting all correct.

4 We can do that as staff, but then, ultimately,
5 the Board would have to, as a body, approve a resolution of what
6 is the specific statement you're take making, and then from
7 there, it would be forwarded to whatever the party is that the
8 Board is requesting the state (indiscernible).

9 VICE CHAIRMAN THOMPSON: Thank you very much,
10 Floyd. That certainly increases my understanding. Thank you,
11 Chair, members.

12 CHAIRMAN STRATTON: Thank you, Vice Chairman.
13 Any other questions or comments for Katy?
14 Thank you, Katy, for the presentation. I
15 appreciate it.

16 Hearing none, we'll -- at this time, I'm going to
17 request that we take a short break. Item 6 may be a lengthy
18 discussion. It's 11:08 by my computer, and we will resume at
19 11:15.

20 MS. DANIELS: Chair, I'm going to need to switch
21 devices. So I'll do that at this time, but I just didn't want
22 you to get confused when I drop off and come back on.

23 CHAIRMAN STRATTON: Okay. Thank you.

24 MS. DANIELS: Thank you.

25 UNIDENTIFIED SPEAKER: And Chair, I'll probably

1 be logging of, logging back on, just because I've got computer
2 screen issues, so...

3 (Short break taken, 11:08 a.m. to 11:16 a.m.)

4 CHAIRMAN STRATTON: Okay. It's 11:15. I will
5 call this meeting back to order.

6 Are all the board members and staff back,
7 present?

8 Floyd, are you back from the break?

9 MR. ROEHRICH: Yes, sir. We're back, and I think
10 we're ready to go when you are.

11 CHAIRMAN STRATTON: Okay. Very good.

12 Let's call this meeting back to order, and we'll
13 proceed to Item No. 6. It's a policy-level discussion on
14 prioritization, expansion, preservation, modernization, projects
15 in the Five-Year Transportation Facilities Construction Program.
16 Greg Byres.

17 MR. BYRES: Thank you very much, Mr. Chairman,
18 board members. I've put together a quick presentation. So if
19 we could go on to the next slide.

20 So I've put together three different processes
21 that we go through as part of our five-year program to try and
22 address the issue at hand, which is a prioritization of
23 expansion, preservation and modernization projects in the
24 Five-Year Transportation Facilities Construction Program. The
25 Long-Range Transportation Plan is one of our processes, along

1 with our P2P process, our planning to programming process, and
2 then the five-year program itself.

3 So next slide.

4 So with the State Long-Range Transportation Plan,
5 this is the basic document that we utilize for both our P2P
6 process as well as putting together the five-year program. So
7 this is one of the most important documents that we have is --
8 like I said, it sets a basis for everything else that we do.

9 The current Long-Range Transportation Plan that
10 we have, which is the '21 to '45 Long-Range Transportation Plan,
11 it is targeted for completion coming up in late 2022. So we are
12 already in the process of kicking off the next Long-Range
13 Transportation Plan, and I want to make it very clear that as we
14 go through the process of preparing the next Long-Range
15 Transportation Plan that we will have the opportunity for public
16 input as well as the input from the Board as we go forward with
17 this.

18 The intent here is, again, to try and get the
19 Long-Range Transportation Plan put together by the end of 2022,
20 where the existing plan terminates. And the other thing I want
21 to do is just kind of go through where we're at with the current
22 program and what we've been doing over the past four years in
23 trying to put together our programs.

24 So one of the big things that we have is the
25 recommended investment opportunities that came out of -- our

1 recommendations that came out of the current Long-Range
2 Transportation Plan is no expansion in Greater Arizona, and the
3 whole purpose of that was to take and try and generate as much
4 funding as we possibly could going towards preservation.

5 The chart that you have -- see on the right side
6 of your screen there is -- comes right out of the Long-Range
7 Transportation Plan, and it had the targeted values and the
8 targeted percentages that we were trying to hit for the term of
9 this plan, and we've been fairly close to that. We haven't
10 quite hit our 22 percent for modernization, and we haven't quite
11 hit our 78 percent for preservation, because we have had
12 expansion projects that we had to get completed, and it takes
13 time to get those projects up and through the process. So
14 consequently, we've had those expansion projects coming through
15 for the past four years and extending all the way into '24 of
16 the current five-year program.

17 So that's where we've been, and this is the
18 recommendations of that current plan. And like I said, as we go
19 in, there's been -- you know, the pandemic has occurred since
20 this plan was put together. We're kind of starting to
21 experience a new norm. We're starting to see differences in the
22 economy. So there's a lot to consider going forward in the new
23 production of the Long-Range Transportation Plan, which is going
24 to be pretty exciting to put together, and again, we're looking
25 forward to not only the public input for that new plan, but also

1 input coming from the Board as well.

2 Next slide, please.

3 So this is our P2P process, our planning to
4 program -- programming process, and several of you have seen
5 this slide before, but I think it is really relevant to the
6 process that we go through, because it does bring forth the
7 projects that we do put into the program and where they come
8 from. So, again, where they come from is from a multitude of
9 different studies and plans that we put together, including all
10 of our corridor profile plans that we put together from the
11 studies that we do, as well as coming from the COGs and MPOs and
12 all of our technical groups recommending projects across the
13 state. So that's where these come from.

14 We also elicit requests for projects from the
15 State Transportation Board as well as others to make sure that
16 we have a true representation of projects and needs from across
17 the state. On an average basis, we get anywhere from about 800
18 to 1,000 projects that come through. Sometimes we get
19 considerably more, but that's kind of the average of what we get
20 that come through for consideration for our prioritization.

21 Then we go through the entire process and, you
22 know, we're done at process 4, our -- at the Item 4 in there
23 right now, which is the district workshops. And several of you
24 members have participated in the district workshops we've had to
25 date, which is great, and we appreciate all of the comments and

1 concerns that we've seen, and you have gotten to see some of the
2 processes that we go through and some of the -- you know, it
3 isn't a dictated process, per se. A lot of our technical groups
4 are -- you know, they have data that they're going by, but the
5 boots on the ground, being the districts, also have a massive
6 amount of input, and so the two have to work in conjunction
7 together to make sure that we're getting the proper scoring that
8 goes into that entire process.

9 So you've been privy to see that, and we'll
10 continue going through that, and there's a considerable amount
11 of follow-up that goes through after the district workshops to
12 make sure there's a consensus on the scoring.

13 And then, of course, we go all the way through
14 that process, coming up with the final P2P list. From that we
15 do our planning-level scoping, go through the five-year process,
16 and you see the tentative process that comes to you for
17 authorization for public -- to put out to the public as well as
18 the final five-year program itself.

19 So next slide.

20 So this is the programming cycle itself. This is
21 a year-long process that we go through that includes that P2P
22 process. It includes taking and -- you know, Kristine was
23 talking about the -- coming up with the -- basically the funding
24 available that goes through, and her handoff of that funding
25 coming from projections is what we utilize as the funding base

1 that goes into our programming on a year-on-year basis. That
2 sets the fiscal constraint, and then we build towards that
3 fiscal constraint with all the projects that we've put into the
4 program.

5 Like I said, it is -- it's a year-long process to
6 take and put it together. We've got a multitude of different
7 stakeholders that are involved in our programming process. We
8 also have a multitude of different requirements that go into
9 that process. So it's a -- it's a very intensive process that
10 we go through, especially towards the end when we're getting
11 close to publishing and getting all of the final requirements
12 and all of the suggestions, recommendations that come from the
13 Board towards that very end before we put together our final
14 five-year program.

15 So this kind of gives you an idea of what we're
16 -- where we start, with our processes being the Long-Range
17 Transportation Plan and how that carries all the way through our
18 prioritization process and into our programming cycle itself.

19 Next slide.

20 So with that, again, I put these together, you've
21 seen a lot of this information before, but I wanted to have it
22 out there kind of as a basis to elicit questions. So from that,
23 I'm here for any questions that you may have.

24 CHAIRMAN STRATTON: Thank you, Greg.

25 Any questions from the Board?

1 Hearing none, Greg --

2 VICE CHAIRMAN THOMPSON: (Indiscernible) --

3 CHAIRMAN STRATTON: Go ahead. Who's -- did I
4 hear --

5 VICE CHAIR THOMPSON: Chairman, I'm having a hard
6 time unmuting here, but I got it through.

7 I just want to say I do appreciate Greg's
8 presentation. I was one of those that was involved in the
9 district workshops, and now I've come to find out that they've
10 kind of expanded that a little bit. Yesterday I was over in
11 Holbrook, and all the stakeholders, the contractors, the
12 district, the staff, they attended. US-191 (indiscernible) to
13 construction communication of how they're going to move forward
14 with that partnering workshop. That's what they had, and I felt
15 very comfortable about them doing that, not as the district, but
16 them going down to the local projects that they did yesterday.
17 So I just want to do a shout-out to Greg and then the staff
18 there.

19 Thank you very much. Thank you, Chair.

20 CHAIRMAN STRATTON: Thank you, Vice Chairman.

21 Any other board members have questions or
22 comments?

23 MR. KNIGHT: Mr. Chair, this is Board Member
24 Knight.

25 CHAIRMAN STRATTON: Board Member Knight.

1 MR. KNIGHT: Thank you.

2 I just want to -- I've also said sat in on one of
3 the P2P sessions for the Northwest District. I'll -- next week
4 I'll sit in on another one for the Southwest District, for
5 District 6, and I appreciate this presentation very much. It's
6 very detailed, and it really makes me appreciate all of the
7 process that staff goes through just to produce the five-year
8 plan each year. And it's nice to see it laid out in the steps
9 that they take, and I -- it's very thorough, and I can see
10 there's a lot of work involved.

11 A lot of times when I first got on the Board, you
12 know, hand us a five-year plan and you'd have really no idea of
13 all the work that goes into producing that document. And so I
14 really appreciate this presentation and, of course, as time has
15 gone along and I've -- in my fourth year, I -- at this point,
16 and I've began to appreciate exactly how much work is put into
17 this. So thank you for your presentation, Greg. I really
18 appreciate it.

19 CHAIRMAN STRATTON: Thank you, Board Member
20 Knight. Any other board members?

21 MR. MAXWELL: Yeah. Mr. Chairman, I've got a
22 follow-up question for Greg and --

23 CHAIRMAN STRATTON: Board Member Maxwell.

24 MR. MAXWELL: -- he may have answered. I may
25 have missed it.

1 But Greg, again, great presentation today, and I
2 appreciated your support last week presenting to SALC as well.
3 It was well received, and there was -- as you could tell by your
4 difficulty in getting out of there afterwards, a lot of people
5 had questions for you about funding and issues.

6 So I've got a question. I sat through -- I was
7 part of the P2P or sat in the P2P process for the Central
8 District last -- or the Southcentral District on Monday.
9 Fascinating process. But one of the things that came to my
10 attention, and I'm referencing your slide where you had the
11 State Long-Range Transportation Plan. You showed 78 percent for
12 preservation and 22 percent for modernization.

13 Now, that slide itself is for Greater Arizona, so
14 does that -- that does not include MAG or the PAG region,
15 correct?

16 MR. BYRES: That is correct.

17 MR. MAXWELL: Yeah.

18 MR. BYRES: So one of the big things to keep in
19 mind is the projects that we go through and put into the program
20 are in Greater Arizona. We do include MAG and PAG in the
21 program, but those are -- those projects for MAG and PAG are
22 generally expansion projects.

23 Now, we do have projects in the program that we
24 go through that are in both MAG and PAG. Those were
25 preservation projects. Neither MAG nor PAG participates in

1 preservation or maintenance of the facilities. That's up to
2 ADOT. So, therefore, that's why those projects occur within our
3 program.

4 MR. MAXWELL: So now I guess that leads to the
5 follow-up question. Obviously the MAG transportation plan's up
6 for -- will expire here coming in 2025. So, basically, that
7 needs approval by 2024. Our RTA in the PAG region is -- runs
8 through 2026. So if either of those do not get reauthorized,
9 does that change the long-term plan? Does anything change, or
10 are they already structured so that where there is some state
11 matching or state involvement on the projects, those are already
12 built into the long-range plan.

13 MR. BYRES: Well, the funding, whether it's
14 through MAG or the RTA, is almost exclusively for expansion
15 projects.

16 MR. MAXWELL: Okay.

17 MR. BYRES: Those projects are actually culled
18 out in those tax plans. So there's -- they're defined. What --
19 the funding is defined for what it will be utilized for.

20 Now, the -- both MAG and PAG themselves, they
21 receive federal funding as well as state funding independent.
22 So that money is still there. They will still have a role, even
23 if the -- if there isn't an RTA or if the Prop 400 doesn't pass,
24 they still have funds. They don't have the amount of funds --

25 MR. MAXWELL: Right.

1 MR. BYRES: -- that they currently have, but they
2 will still be funded.

3 MR. MAXWELL: A quick follow-up. So one of the
4 big discussions we're having down in the PAG region on the next
5 RTA is the preservation funding being included in the RTA. So
6 if there was a segment of inclusion of preservation funding
7 specific to projects in the region that either were RTA or
8 perhaps not RTA projects, would that impact then the current
9 designations in the Long-Range Transportation Plan?

10 MR. BYRES: It would. It would have a big
11 impact, particularly in the PAG area, because it would -- what
12 it does is that frees up dollars for Greater Arizona. Right
13 now -- I mean, all -- like I said, those two regions are still
14 part of Greater Arizona for all intents and purposes.

15 Now, there's a RAC process that takes and helps
16 distribute the funding back and forth between Greater Arizona,
17 MAG and PAG that we go through on an annual basis. So that
18 helps to make sure that Greater Arizona has sufficient funding.
19 In other words, we're not -- we're not leveraging all that money
20 into those two larger regions. So that process would change
21 drastically if there was -- if either the RTA didn't pass or
22 Prop 400.

23 MR. MAXWELL: Okay. Thank you. I definitely
24 would probably want to follow up on you just so I know I'm
25 speaking the truth at the RTA meetings about what impact, if the

1 RTA next, as it's being called right now, includes preservation
2 dollars, what impact that would have on the overall -- the
3 funding for the region. So thank you. I appreciate the
4 insight.

5 MR. BYRES: Yeah.

6 CHAIRMAN STRATTON: Thank you, Board Member
7 Maxwell.

8 Any other questions or comments from board
9 members?

10 Greg, I have some questions, comments and
11 requests, I guess. I believe I'm the last member on the Board
12 current that passed the Long-Range Transportation Plan. At that
13 time -- I'm glad to see you're going through a process when it's
14 going to get to the Board and they have time to review it. When
15 we passed this, it -- we were given very short notice. We
16 didn't have much time to look at it. No time to change it. And
17 many of the cities, towns and other people in my districts
18 especially were opposed to no expansion in there, as I was, and
19 Board Member Elters at the time. He was on the Board. But we
20 were assured that we could change that in the five-year plan as
21 a board. And as you present each five-year plan, you make the
22 comment that this is in compliance with the Long-Range
23 Transportation Plan, which it is.

24 I would like to caution the Board -- I won't be
25 around when you pass this plan, the next one, on the Board,

1 anyway, but I would like to caution the Board to passing a plan
2 without any expansion for rural Arizona. It's a negative thing.
3 It's something I heard a lot about at the transportation summit
4 from the people there.

5 Yes, it's very true the Board can change the
6 five-year plan, what the staff recommendation is, but it is a
7 process, as I alluded to previously in this meeting. It is a
8 process that required me asking help from the Board attorney,
9 from Michelle Kunzman, when I wanted to change it.

10 So my request to you, Greg, would be, one, to
11 take that as a comment now from me, representing three counties
12 in rural Arizona as a big concern of theirs. Secondly, I would
13 ask that each board member receive a packet of actually what it
14 does take to change a five-year plan, what statutes have to be
15 complied with and copies of those statutes so that no one will
16 be caught off guard like I was.

17 MR. BYRES: Mr. Chairman, we can certainly make
18 sure that that -- each of the board members gets that, and it is
19 going to be a -- to me, it's a highest priority that we get that
20 public input as well as input from the Board and legislators and
21 so forth as we go forth with the new Long-Range Transportation
22 Plan, because it does. It sets that precedent for the next five
23 years.

24 So having that information as well as letting
25 everybody know what our current constraints are, particularly

1 economic constraints and what we can and cannot do, I think, is
2 -- that education is imperative to make sure that people
3 understand what needs to go into that Long-Range Transportation
4 Plan.

5 CHAIRMAN STRATTON: I agree with you, and I don't
6 want my comments to be misconstrued. I am supportive
7 (indiscernible). Just I think we need to have a plan that there
8 is a probability or possibility of expansion should the funds
9 become available.

10 Any comments from the Board or staff?

11 VICE CHAIR THOMPSON: Chairman. Chairman.

12 CHAIRMAN STRATTON: Vice Chairman.

13 VICE CHAIR THOMPSON: I think all -- the only
14 comment I can make is that we try to continue improving our
15 transparency, and that if there's any modification or changes
16 that are being made, that the stakeholders be notified. And I
17 think that's one thing that we have -- we continue to remind
18 each other of. So again, I'm happy that we're continuing on
19 that road. So thank you very much.

20 CHAIRMAN STRATTON: Thank you, Board -- or Vice
21 Chairman.

22 Greg, I too would like to thank you for including
23 the Board in the P2P process. That's a request that the board
24 members had, and I believe started maybe about three years ago.
25 Possibly three or four maybe. So I want to thank you for that.

1 It's a good move, and it helps us represent our constituents
2 better. So thank you for that, and thank the rest of the staff.

3 VICE CHAIR THOMPSON: Chairman.

4 CHAIRMAN STRATTON: Vice Chairman.

5 VICE CHAIR THOMPSON: One last comment is I
6 wanted to let Greg know, and he's been part of this district
7 meeting, and I thank Jason (sic). James did a really good job.
8 He was -- he was very clear in what he was presenting, and he
9 was making sure everybody was involved in these discussions. So
10 I just want to again say thank you to Jason as well. Thank you,
11 Chair.

12 CHAIRMAN STRATTON: Thank you.

13 Any other comments or questions for Greg?

14 This is about the easiest I've seen you get off
15 in a while Greg. You're pretty lucky.

16 MR. BYRES: I appreciate it.

17 CHAIRMAN STRATTON: Okay. Thank you for the
18 presentation. I anticipated this conversation would go much
19 longer.

20 At this time I'm going to reopen call to the
21 public. If any of the people who had signed up to speak have
22 since called in, Floyd, would you proceed with this?

23 MR. ROEHRICH: Yes, sir, Mr. Chairman. We're
24 going to start with Mr. Mike Humphrey. Mr. Humphrey, if you
25 logged into the meeting, please raise your hand.

1 WEBEX HOST: Mr. Humphrey is now unmuted.

2 MR. HUMPHREY: Can you hear me?

3 CHAIRMAN STRATTON: Yes, we can.

4 MR. ROEHRICH: Yes, sir.

5 MR. HUMPHREY: Do you want to see me too or just
6 hear me?

7 CHAIRMAN STRATTON: It's your choice.

8 MR. HUMPHREY: I like to see you guys. You can
9 see me. I hit start video. Did that not work?

10 CHAIRMAN STRATTON: I'm not seeing you at this
11 time.

12 MR. HUMPHREY: Okay. All right. Well, then I'll
13 just -- you'll just have to hear my voice.

14 My name is Mike Humphrey. I reside at 3760 North
15 Camino Sinuoso, Tucson, Arizona 85718. Thank you for the
16 opportunity to address the Transportation Board.

17 I would like to direct my remarks in particular
18 to the representative from Pima County, General Ted Maxwell,
19 because the information I have today concerns a section of I-10
20 that runs within Pima County.

21 For the last 13 years, I have been advocating for
22 the installation of cross-median barriers, CMBs, in cross-median
23 crash-prone sections of I-10 and other interstate highways in
24 Arizona. Many of these sections have previously been identified
25 by ADOT as requiring CMBs.

1 Today I will focus on one of those areas of I-10:
2 Milepost 261 to 281, which remain uncabled. Here are the grim
3 statistics: Since 2001, DPS reports that there have been 72
4 crossover crashes in this section of I-10. These crashes are
5 involved 125 vehicles, 78 injuries and 21 fatalities. National
6 standards recommend that CMBs be placed in areas with .5 crashes
7 per mile per year or .12 fatal crashes per mile per year,
8 regardless of median width.

9 According to this data, one or both of these
10 standards for the installation of CMBs have been met or exceeded
11 in this area for every year reported, which is 2001 to 2018, yet
12 no CMBs have been installed. Why has this been allowed to
13 happen?

14 I will leave the Board with one final question.
15 How many more persons must continue to be killed or injured in
16 cross-median crashes on Arizona interstate highways before CMBs
17 are installed as recommended -- as recommended by national
18 standards and as part of ADOT's own Countermeasure
19 Implementation Install Cable Median Barrier CMB Plan?

20 I will continue to update this board with DPS
21 crossover crash information on other sections of I-10 and the
22 other interstate highways as it becomes available to me. I want
23 this board to understand the severity of the threat to public
24 health and safety posed by the lack of these proven safety
25 countermeasures.

1 General Maxwell, I pray that you have the wisdom
2 to place this item on your Board's regular agenda for discussion
3 and action. Ignoring this serious public health and safety
4 issue will not make it go away. Thank you.

5 CHAIRMAN STRATTON: Thank you, Mr. Humphrey.
6 Floyd, next speaker.

7 MR. ROEHRICH: Next speaker is Mr. Vincent
8 Manfredi. Mr. Manfredi, are you available? Please raise your
9 hand.

10 WEBEX HOST: No hand is raised.

11 MR. ROEHRICH: Okay. Thank you.

12 Then the last speaker we have was -- request was
13 from Mr. John Paskel. Mr. Paskel, if you're on, please raise
14 your hand.

15 WEBEX HOST: No hand is raised.

16 MR. ROEHRICH: Mr. Chairman, that's all the
17 requests to speak.

18 CHAIRMAN STRATTON: Thank you, Floyd.

19 I believe that's the conclusion of our business.
20 Is there a motion to adjourn the board meeting?

21 VICE CHAIR THOMPSON: I so move.

22 CHAIRMAN STRATTON: I have a motion. Do I have a
23 second?

24 MR. KNIGHT: Second.

25 CHAIRMAN STRATTON: Motion by Vice Chairman

1 Thomas, second by Board Member Knight.

2 All in favor say aye.

3 BOARD MEMBERS: Aye.

4 CHAIRMAN STRATTON: This meeting is adjourned.

5 (Meeting adjourned at 11:41 a.m.)

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Adjournment

A motion to adjourn the October 26, 2021, State Transportation Board Study Session was made by Vice Chairman Jesse Thompson and seconded by Board Member Board Member Gary Knight. In a voice vote, the motion carried.

Meeting adjourned at 11:41 a.m. PST.

Not Available for Signature _____

Steven Stratton, Chairman
State Transportation Board

Not Available for Signature _____

John S. Halikowski, Director
Arizona Department of Transportation