Meeting Summary
Bond Oversight Commission

September 17, 2015
Ward 6 Council Office
3202 E. 1st St.
Tucson, AN85716

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The Bond Oversight Commission (BOC) meeting summaries provide a brief descriptive overview of the discussions, decisions and actions taken at the meetings. The summary comprises the official minutes of the Bond Oversight Commission until they are voted upon at the next meeting. Meeting summaries are available at the City Clerk's web page at: http://cms3.tucsonaz.gov/clerks/boards?board=114

MEETING RESULTS

1. **Call to Order and Roll Call**
   Ramon Gaanderse called the meeting to order at 5:35 and a quorum was established.

Bond Oversight Commission Members

Present		Absent
Bruce Burke	Jesse Lugo	Mel Cohen
Dale Calvert	Steve Pageau	Ricky Hernandez
Daniel Castro	Steve Taylor	Ian Johnson
Ramon Gaanderse		
Dr. Lorraine Morales		

2. **Introduction of 2012 Bond Oversight Commission**
   The BOC and project team introduced themselves.

3. **Review and Approval of Meeting Summary from July 13, 2015**
   The BOC reviewed and approved the Meeting Summary from July 13, 2015.

4. **Presentation; RTA Project Update and Post Recession Transportation Trends: Jim DeGrood, Deputy Director, Pima Association of Governments**
   Mr. DeGrood presented a PowerPoint to update the BOC on the RTA's current projects.

- The RTA has 55 projects currently under construction , and 63 projects in the design or planning stages
- There are five elements to the RTA Plan: Roadway, Safety, Environment & Economic Development, and Transit
- *Roadway*: Projects that are currently in the design phase but are to be implemented in the near future include Sunset Road, Silverbell to I-10; Ina Road Interchange; and the Ruthrauff Road Interchange.
- *Safety*: 160 intersection projects have been completed of the 200 promised by RTA. 47 of 80 promised HAWK crossings and 108 of 200 promised bus pullouts have also been completed. The RTA expects to exceed the number of projects promised in these categories. Other safety projects include the indirect left turn intersections at Oracle and Grant and Oracle and Ina. More indirect left turns will be added along the Grant Road corridor in the future.
- *Environment & Economic Development*: Includes greenways, pathways, bikeways, and sidewalks.
    - Another element to this portion of the plan is wildlife crossings, including the wildlife overpass north of Oro Valley on Oracle Road.
    - MainStreet is the smallest component of the RTA plan, with only about $10 million in funding. MainStreet gives long term support, including professional business counseling, to businesses affected by road construction projects. MainStreet does not abate rent or taxes, but gives businesses tools to survive construction projects. They can use these tools to thrive outside of the construction timeframe as well.
- *Transit*: The RTA has augmented transit services in the area. Funding for transit is hard to find because it competes for other city services. RTA has assisted with evening and weekend service expansion, route and service area expansion, extra peak service, express buses, circulator buses in outlying areas that feed to the main bus system, and augmented para-transit (Dial-a-Ride service). RTA's goal is to create a seamless service for the rider as they travel through different jurisdictions.

Mr. DeGrood also spoke about how fuel efficiency and how it has affected transportation in recent years. Consumers have been choosing more fuel efficient vehicles instead of larger ones. The construction cost index is increasing while the Arizona gas tax remains steady. Jurisdictions are shifting taxes (vehicle licensing tax, development impact fees, sales taxes, etc.) to keep up with projects. The U.S. is becoming a net exporting nation for oil.

BOC Discussion

- Steve Pageau: You did a great job with the gas tax, but where are you guys working with sales tax? How are we doing in terms of Tucson's recovery? What's the pattern that we're seeing with the sales tax that is generating the revenues for the RTA? Where are we now that we're 10 years into the 20 year plan?
    - Jim DeGrood: It's pretty abysmal. We have not yet collected on an annual basis as much sales tax as we collected in 2008. We're closing in on it, but in our original forecast for this year we thought our annual collections this year would be $110-120 million. We are at $76 million.

A year and a half ago, we got an updated financial forecast from the Eller College that said instead of $2.1 billion in 2005 dollars, we would collect $1.736 billion in actual dollars, including inflation as opposed to inflation adjusted to the base year. We are not on a pace to meet that level right now. This fiscal year to date, we're about 3/ . Our economy is weak, no question about it. There have been some fundamental changes in our economy—just look at the UPS truck coming from Amazon. Even though the state now charges sales tax on your purchase from Amazon, we get no cut of it.

- Steve Pageau: So you're anticipating a long term shortfall, hopefully to be made up on the PAG level?
    - Jim DeGrood: Yes. We have a plan to address that. We actually are finding our revenues on the gas tax side because of those gas sales we talked about earlier. It's actually above what we thought. So that's making up a little bit of the gap. We have to meet our promises through efficiency and smart decisions on how we implement our projects. We have to break out of the traditional pattern and be really innovative and look for ways we can cooperate and leverage every dollar we can get.
- Jesse Lugo: Does the gas tax include the diesel tax?
    - Jim DeGrood: The diesel tax also has not changed significantly over that period of time--it is higher, and I would tell you that if you looked at the combined use fuel sales in Pima County, they are approximately a quarter of what we collect from gasoline sales.
- Jesse Lugo: Diesel is 17 cents more, but as you are aware, in California is about 50 cents, so it's about 17 cents higher, but unfortunately because of the strong hold of a certain party in the legislature, they refuse to entertain the idea of an increase in the gasoline tax. So what kind of number would you be looking for to increase the gasoline tax—5 cents? 10 cents? 15 cents? Double?
    - Jim DeGrood: I'll get as much as I can get. I'm a pragmatist and a political realist, and we do what we can. Our unmet need on a regional level is in the billions—probably approaching $10 billion.

5. Nominations and Selection for 2015/2016 BOC Chair and Co-Chair.

The BOC elected Bruce Burke as the Chair and Daniel Castro as the Vice Chair for 2015-2016.

6. Procurement update on project bids and contracts.

Matt Hausman of TDOT presented a summary of the procurement status of several projects, showing the number of days to Contract Execution for Reconstruct Package 1, Rehabilitation Packages 1 and 4, Residential Package 1, Fogseal Package, and Professional Services. The Reconstruct, Rehabilitation, and Residential packages were all formal solicitations through the City's procurement department, and followed the procurement code, but the Fogseal Package is a job order contract for roadway construction, so the department has more flexibility for these projects. These projects comprise the FY2015 program. TDOT also used the existing on-call contract for outside survey, inspection, geotechnical investigation, striping design, and some assistance with

putting together special provisions, primarily for Rehabilitation Package 1. Rehabilitation Package 1 for FY2016, which is similar to last year, is out for bid now. The bid call was issued on August 21st, which was earlier than last year. Publication was completed more quickly than last year, and the bid opening will be next week, with the notice to proceed anticipated by November 1st. The rest of the packages for FY2016 will be staggered over the next few months and notices to proceed should be issued in early 2016. Again, the existing on-call contracts are being used for survey, inspection, geotechnical investigation, and striping design.

BOC Discussion

- Daryl Cole: Why does it take so long to get a bid out?
    - Matt Hausman: Once the bid package is put together, it goes to procurement for review. The procurement code allows for a minimum bid period of 14 days, but traditionally we've done 21 days. On some of the FY2015 projects, we had a bid period of 14 days. During the Award Recommendation Period, we receive the bids back from the procurement department after they evaluate whether the low bidder met the SBE plan and tabulate and evaluate the unit price. Then we provide an Award Recommendation and procurement executes the contract. There is a 10-day protest period required by the code. This explains some of the time requirement.
- Daryl Cole: How is the process going to be different this next fiscal year?
    - Matt Hausman: On the first package, we got from bid call to publication quicker. This year as well, we have gotten the bid package ready about a month earlier. That should reduce some of the time. If we meet our goal of NTP on 11/1, that will be just over 2 months, which is pretty good in this day and age.
- Daryl Cole: Is there time that could be cut out of the process?
    - Matt Hausmann: With the 10-day protest period, there is not much we can do after we issue the board recommendation. The period between the bid call and the publication date is probably where the time can be reduced. This is the third year of the program and we are more familiar with the procurement side, which enables us to get it out faster.
- Ramon Gaanderse: Do you get a lot of protests?
    - Matt Hausmann: We do not receive many solicitation protests. We've had a handful over the years. I can't remember having one in Transportation for quite some time—it's pretty rare.
    - Steve Taylor: Of the protests you've received, how many are successful?
        - Matt Hausmann: Typically, if there is a protest that has merit, we would cancel the solicitation and re-solicit. That has happened once or twice during my time here.
- Steve Pageau: The 60-day period is about 30 days shorter than what I've seen historically. I think 60 days is about as tight as you're going to get. I think your efficiencies are that you're putting together the packages earlier than in the first year of this program. Now, you're able to get the packages together in a more effective and efficient manner. Can we see what is in the packages?

- Matt Hausmann: The FTP site for TDOT has the bid schedule, and you can see all of the different packages. We have the striping plans and pavement design plans are online as well. The special provisions and the bid documents are unavailable.

7. Bond Road Restoration Projects: Daryl Cole, Director and staff of Tucson Department of Transportation

Robin Raine, Deputy Director of TDOT, presented a PowerPoint with a proposal for the restructuring of the Citizen's Transportation Advisory Committee.

- The CTAC was established in 1980 with 15 members, but due to various changes the membership was changed to 12.
- The last meeting was held in 2012 due to a lack of quorum. The committee was repopulated by a vote of the total committee, so once a quorum was lost it became impossible to add new members and continue to have meetings.
- Currently, only 5 members are appointed to the CTAC.
- There are several other Citizen Transportation Advisory bodies, and all choose their membership in different ways.
- The CTAC needs to be restructured to ensure that new members can be appointed.
- A restructured CTAC would provide an opportunity for combining, reorganizing or sun-setting of various advisory bodies. Members of short-term groups such as the BOC could join CTAC to share knowledge.
- The proposed membership of the CTAC would increase from 12 to 13, with 7 members appointed by the Mayor and each Council Member, and one each appointed by the Commission of Disability Issues (CODI), the BOC, the Pedestrian Advisory Committee, the Tucson-Pima County Bicycle Advisory Committee, the RTA Citizens Accountability for Regional Transportation, and one member selected by the City Manager.
- Appointees would serve a maximum of 8 years.
- The committee would keep its current functions, with a few changes.
- Feedback on this proposal is being sought from the BOC and other groups. The proposal will be revised and presented to the Mayor and Council tentatively in December 2015.

BOC Discussion

- Daryl Cole: We have lots of committees here in the City for several projects.
  - Robin Raine: The idea is not to have too many committees, but to allow the CTAC to resolve or look at straightforward issues. The goal is to simplify the process and avoid extra committees, and to have one committee that understands the entire city.
- Steve Taylor: How active are the five committees from which CTAC will draw its members?
  - Robin Raine: All are very active except for CODI, which may become more active in the future. This is a case in point, where if one of these commissions is not meeting regularly or sunsets, this gives us an opportunity to continue to have a good advisory body.

- Steve Pageau: I'm familiar with CTAC and I'm also familiar after my five years with Tucson Water with CWACq you could do something that is similar to what Tucson Water does, which is a very engaged group of people who are in the water arena and are involved in the rate-making process. They evaluate operations costs are and capital programs, because those things affect water rates. Even though you don't do that with transportation, I think it would be beneficial to have a group of people who can evaluate the capital program and give feedback. I am concerned that the smaller advisory groups will feel like their ability to be involved in those areas is going to be diminished.
    - Robin Raine: Those groups will continue to meet and are not going away. This is their opportunity to feed into the bigger picture. The potential exists to fold the other committees into the CTAC if they are discontinued, but if they continue to function then they will engage in a dialog with the CTAC.
    - Dale Calvert: As a four-time chairman of CTAC, I want to share some of its history. What you're describing is what CTAC used to be. But there were a couple of problems with thatq historically, when the committee was formed in 1980, it was imposed on the department by outside forces—it was not something the department wanted. Throughout the '90s when I was chairman, we actually typically had two 3-hour meetings a month because we were dealing with budget, transit, and other things that were way too much for one committee. A couple of things transpired: one, it became harder and harder to work with the department on the budget. We spent about half of our time talking about transit, and then when responsibility for transit was moved to the transit subcommittee, it really impacted CTAC. I think this proposal would help define the committee's function. As a former chairman of Park Tucson, I will use it as an example. I think Park Tucson will continue to be very functional because it has a lot of people with a lot of specific skills and interests related to parking. You have active members from the Fourth Avenue Merchants Association, from Main Gate Square, and from the Downtown Partnership. There are individuals, groups, and neighborhood associations (for residential parking permits) providing information to Park Tucson. I think there are a lot of people who would like to give input to Don Durband, the director of Park Tucson, and I think that function will continue. I would actually hate to see that group dissolved because there are many people involved who are knowledgeable about parking, including the University director of parking, etc. And the committee was very carefully crafted by Chris Leighton when it was formed to bring in all those people and encourage discussion. I think the citywide view is a very important thing. As somebody who has sat on a lot of project-specific committees, they tend, because everyone is appointed from the neighborhoods or businesses, they tend not to have a citywide view. In some committees, there has been a great deal of contempt about what the rest of the City would think of specific projects. I think you are headed in the right direction. The old bylaws made room for advisory members, who historically have been people who have served

their 8 years on the committee and by City ordinance have to be off of the committee for a year before they can be reappointed. A lot of those people have wanted to continue to be involved, so they serve as advisory members. I think that is a very important function. We have a lot of functioning project-specific committees that have an existing chair—I would advise against trying to superimpose a new chairperson on those existing committees. I think that would not be received well.

        - Robin Raine: I completely agree. The chairperson would only be appointed from the CTAC for a new committee. The idea is not to have a huge impact on standing committees, especially the ones that are functioning well.

- Mel Cohen: I am concerned that there are too many committees. From what I've seen, the transportation department seems to have cogent ideas and a sense of checks and balances.
    - Robin Raine: Really, this is about having not quite so many committees, because this would take the place of a lot of individual project committees. Then, the project committees would be reserved for larger projects.
- Bruce Burke: Can you give us a concrete example of what this committee will be dealing with? Right now it's pretty abstract and I have some concerns.
    - Dale Calvert: One of the traditional things that CTAC did that fell by the wayside was review the department budget and identify areas that the committee was concerned about and communicate those to the council. Sometimes, CTAC took very definite positions on what staff wanted, but couldn't say because of the city manager's office. Sometimes, we identified specific concerns in the budget, areas that needed work. That's the kind of thing that I found very effective, review of the budget and looking at what the budget priorities are, etc. That can be somewhat time-consuming, but we had a separate budget committee that met with the department as a subcommittee of CTAC. I don't necessarily think it needs to become as big as it was, but I think there is a position there for CTAC to take a position on various budget issues and talk to the department as they develop their budget, because the most effective time is the budget process starts in November, and everybody turns in their budgets. To be able to sit down at that time and go over the department budgets and figure out what our critical priorities and where we're going from a citizens' input standpoint and communicate that on to the Mayor & Council, etc. and/or the Department. Sometimes, citizens have a different opinion than the department does.
- Ramon Gaanderse: In the interest of time, we will move on, but we will put this back on the agenda in the future and have a more in-depth discussion.

Bond Program Status

Alfred Zuniga of TDOT distributed and discussed a list of the FY2015 and the projected FY2016 projects for the Proposition 409 Road Recovery Program. The first of the FY2015 projects is a fogseal package that will begin at the end of September. This

project will take approximately one month and should be done by the end of October. There are approximately 27 roadways in the package and it is a quick process. The work is being performed by Southern Arizona Paving. The next package, which was completed this summer, is Reconstruction Package 1, on 22nd Street from Swan to Wilmot. This project is also being done by Southern Arizona Paving. Rehabilitation Package 1 includes 13 roadways. The work was performed by Sunland Asphalt and is approximately 98% complete. Imprinted asphalt replacement on Grande Ave. will be performed next week by a subcontractor, and will take approximately 3-4 days. Once that work is completed and thermal striping is done on various roadways, the package will be completed. Rehabilitation Package 4 will be done by Southern Arizona Paving. This includes five roadway segments, four of which have been completed. Work on 22nd Street from Kolb to Sarnoff is still underway, but should be finished by the end of this week, after which final utility adjustments and thermal striping will be done.
Old Spanish Trail from Harrison to Melpomene will be done as well. Currently, potholing is being done on that roadway for Tucson Water. There may be an issue with doing a full reconstruction of this roadway due to the water line underneath. Additional research is being done this week. Daryl Cole added that he suspects the water line is from the 1970s and is 18-24 inches deep. If that is the case, the work on this roadway segment may be moved to a future year because the water line will need to be replaced soon. It is a 12-inch cast iron line that is not currently leaking, but once the cover is removed, it may leak.

Mr. Zuniga then described the FY2016 packages. The first is Rehabilitation Package 1, which is currently being advertised. This package includes 8 roadway segments and is a mixture of reconstruction and mill and overlay. The bid opening on this package is September 23rd. The goal for this fiscal year is to spend approximately $20 million on road projects. Construction on both Rehabilitation Package 2 and Residential Package 3 is expected to begin next February. A designer is assisting with Rehabilitation Package 2. Residential Package is being designed in-house. This will be followed up with a fogseal in March or April 2016.

Mr. Zuniga also spoke about utility coordination. A Utility Coordination Committee meets monthly to resolve any utility conflicts that may occur on certain roadway sections. The Committee is made up of representatives from Southwest Gas, Tucson Electric Power, Tucson Water, CenturyLink, and Pima County Wastewater. Most coordination takes place with Tucson Water. The schedules and timeframes for the Prop 409 projects are shared with the utilities. The schedules can then be adjusted so the utilities do their work before the mill and overlay or reconstruction work is done. This helps to minimize conflicts during construction. There is a 5-year moratorium on cutting the pavement after the roadway work is done, so this coordination allows the utilities to relocate their services before the moratorium takes effect.

BOC Discussion

- Steve Pageau: The water line was discussed at our July meeting. Why has it taken so long to locate it?
    - Daryl Cole: We have been having active conversations with Tucson Water about who will pay for the work. We have come to an

agreement Tucson Water has agreed to pay for the potholing and do some of the work.

- Dale Calvert: Even in the 1970s, cast iron pipe was not standard. Was the pipe from earlier than that? Where is the pipe located?
    - Daryl Cole: We have been told the line dates from the 1970s. The pipe runs all the way through the area under the middle of the roadway. If the research goes as expected, this project will be moved out to 2018.
- Dale Calvert: When these projects are finished, how close are you to finishing all of the promised projects of the original bond package?
    - Alfred Zuniga: Most of the projects in FY2016 are the alternate projects. There are a handful of the original bond projects in this package. With these projects, the original bond commitment would be finished and progress would be made on the alternate projects.
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TDOT Bond Financial Report Status

Priscilla Lane presented a financial report showing the costs of recent bond packages. The Series 2013 (FY2014) projects are complete and the fund is closed. The Engineer's Estimate was $20.4 million and the projects were completed at a cost of approximately $20.2 million. Incidental costs include survey, design, geotechnical, inspection, and striping. The Series 2014 (FY2015) package had an Engineer's Estimate of $24.4 million, and Actual Bids were $20.5 million. The Total Costs to Date are slightly less than $18 million. There is a balance of $5.1 million left on the contract, but $3.5 million of that is work that is completed but has yet to be invoiced. Major invoices yet to be paid are for Southern Arizona Paving, Sunland Asphalt, and Intermountain Slurry. Once these are paid, the proceeds will be overspent. However, the costs will be moved forward into the next bid package. The bid opening for the Series 2015 (FY2016) package is Wednesday, September 23rd. The Engineer's Estimate for that package is $22.4 million.

TDOT Bond Public Outreach

Michael Graham presented a report on Citizen Requests. He distributed a log of requests received by citizens to have their neighborhood streets (as well as collector or arterial streets) repaired. The citizens who spoke during the Call to the Audience at the last BOC meeting will be added as well.

- Steve Pageau: What is the date range of this list? Is it all requests received or only recent ones?
    - Michael Graham: The new requests are added to the bottom of the list. It is a running list and citizens are not taken off after their request is addressed. We can flip the list so the newer requests are on the top and organize the requests by year.

Mr. Graham also reported on Public Outreach. He noted that Michael Ortega, the new City Manager of Tucson, meets regularly with Daryl Cole. Mr. Ortega has requested that TDOT's accomplishments be more widely publicized. Recently, a traffic message board at 6th Street and Country Club was changed to read "Roadwork Complete, Thank You Tucson Voters." A complaint stated that such message boards should not be used for political messages. The sign was then removed. A new sign announcing completed work on Grande Ave. will instead read, "Roadwork Complete, Thank You Tucson, Drive Carefully." This way, the electronic message boards can be used for a safety message

and politics are avoided. It was discovered that the complaint was received from a competing barricade company that had been told by the City in the past that they could not put a similar message on an electronic message board. The complaint cited the Manual of Uniform Traffic Control Devices. TDOT is increasing its use of message boards as a way to inform the public about roadway projects, as well as using other media. TDOT is attempting to solicit letters of support from the Bicycle Advisory Committee, Living Streets Alliance, and Pedestrian Advisory Committee and other supportive letters to the editor. Ramon Gaanderse, as the outgoing Chair of the BOC, could also put together an op-ed piece discussing the bond projects that were completed over the last year. The City also uses Facebook, Twitter, and a daily eBlast called News Net that distributes news stories about City issues (including road recovery projects) to 16,000 Tucson community members and 4,500 City employees.

- Daniel Castro: Does the City of Tucson have a smartphone app that gives push notifications about City issues?
    - Michael Graham: I don't know, but I'll check on that.

The City of Tucson has a Twitter account that has approximately 17,000 followers and 3,500 followers on Facebook. TDOT will continue to send information to the City Manager's office to distribute instead of creating its own accounts. TDOT also hopes to bring an employee on board in the near future who has website and graphic artist experience to improve its website. The website currently has an interactive map that contains information about roadway projects. Mr. Graham gave a short demonstration of how to use the map.

- Steve Pageau: Does the website have financial information as well, showing how much we have spent on roadway improvements so far? This could help the public to understand the progress that has been made.
    - Daryl Cole: It does not, but that is a good idea.

8. Call to the Audience

There were no members of the audience who wished to address the BOC.

9. Future Meeting Date and Agenda Items

The next BOC meeting will be held November 16, 2015 at 5:30 p.m. Future Agenda Items should include Pima County Bonds, CTAC, and a financial update.

10. Adjournment

8:00 pm