

**MINUTES**  
**BOARD OF DIRECTORS**

**ARIZONA TRANSIT ASSOCIATION**

Friday, June 24, 2005  
Gold Canyon Golf Resort  
6100 S. Kings Ranch Road  
Gold Canyon, Arizona 8:00 a.m.

**I. CALL TO ORDER**

President Simonetta called the meeting to order at 8:00 a.m.

**II. ATTENDANCE**

Rick Simonetta, President  
Mike Sabatini, Secretary  
Nate Peterson, Treasurer  
Steve Brown, Past President  
Brad Bixler, Director  
Carlos de Leon, Director  
Jeff Meilbeck, Director  
Jerry Fay, Director  
Kurt Weinrich, Director  
Larry Miller, Director  
David Boggs, Director  
Jean Ann Fisher, Director  
Steve Tyminski, Director  
Ken Driggs, Ex-Officio Board Member  
John Anderson, Executive Director  
Becky Rutledge, Administrative Assistant  
Stuart Goodman, Goodman-Schwartz

**III. BOARD ADMINISTRATIVE ACTIONS**

A. Meeting Minutes

*Motion: Kurt Weinrich moved approval of the May 9, 2005 board meeting minutes.*

*Second: Nate Peterson* Action: Approved Unanimously

B. Financial Report a/o June 30, 2005

John Anderson estimated the carry forward from FY 2004-05 to FY 2005-06 would be approximately \$103,000. The revenue is approximately \$280,000 which is 105.5% of budget. The expenses were 94% of budget.

The Board goal to establish a 50% reserve to cover unforeseen shortfalls in revenue has been reached. Steve Brown complimented Executive Director, John Anderson, on this accomplishment.

Annual Conference expenses were over budget due to \$5500 t-shirt expense as well as Casino Night.

***Motion: Steve Brown moved approval of the financial report.***

***Second: Larry Miller***

***Action: Approved Unanimously***

C. By-Laws

John Anderson stated the By-Laws read exactly as per the last board meeting. Words in red signify deletions and blue denotes any additions.

The Bonding paragraph highlighted in blue is not an addition. It is highlighted as a discussion item only. This paragraph has been in the By-Laws since 1986. In all those years, AzTA has never been bonded. John Anderson called several sources regarding this matter. He discovered the most amount of cash you can lose is what you have in the bank. General liability was recommended. It was recommended the Board talk to our attorney who will meet with the board in August.

***Motion: Steve Brown moved approval of the changes to the By-Laws.***

***Second: Kurt Weinrich***

***Action: Approved Unanimously***

D. Executive Session

President Rick Simonetta initially excused John Anderson and Becky Rutledge from the Executive Session discussion. After Board discussion, President Rick Simonetta then re-called John Anderson and Becky Rutledge to the board meeting.

President Rick Simonetta verified Becky Rutledge would document the following comments made directly to Executive Director John Anderson. The glowing comments are regarding John Anderson's performance as Executive Director from July 1, 2004 through June 24, 2005.

The Board sincerely appreciates what you (John Anderson) do on a day-to-day basis. Your (John Anderson's) performance can be categorized but not limited to the following descriptions:

- Excellent
- Outstanding
- Passionate
- Loyal
- Fiscally Responsible
- Care about the association and membership
- Aggressive in attracting new memberships
- Your caliber and commitment to working for us

The Executive Director annual compensation for FY 2004-05 was \$65,000. This figure included a \$5,000 bonus received July 1, 2004.

The Board agreed to increase the Executive Director's base compensation to \$65,000 annually with an additional \$5,000 bonus to be disbursed July 1, 2005. The total annual compensation for this position will be \$70,000 for FY 2005-06. The Proposed Budget for FY 2005-06 will be changed to reflect \$70,000 for the Executive Director Salary line item.

A board member stated "it would be an understatement to say we appreciate what you do".

John Anderson thanked the Board.

#### **IV. FY 2005-06 Budget**

Ken Driggs reviewed the Proposed Budget for FY 2005-06. The membership dues are increased by 30% over this year based upon the dues changes that were adopted last winter to be effective July 1, 2005. This budget item reflects only existing memberships with the increase and does not include any projected "new" memberships.

The membership increases are as follows:

- Private – from \$600 to \$1000 (41 existing members)
- Public – overall increase of \$7500
- Jim Dickey is currently processing ADOT's invoice for membership dues. The ADOT membership increased from \$25,000 to \$26,000 annually. The \$1,000 increase reflects the addition of COGs to the membership.

Larry Miller made a suggestion to include a membership drive around the Annual Golf Event. Since many of the golfers are not members, it would be an ideal time to promote what AzTA is all about. Discounted memberships as a prize was also discussed.

**ACTION ITEM: The Strategic Planning Committee will look at this.**

Carlos de Leon questioned whether or not Mesa/Chandler/etc. could buy in membership as a region. This process is actually under way per John Anderson and Ken Driggs. Until the money from Prop 400 flows, the goal was to have it in the budget for 2006.

John Anderson designated \$40,000 to bring in every agency under that umbrella. The \$40,000 would also include Valley Metro Rail. This is the same deal as APTA and SWTA. Dave Boggs said he did not see it in the budget for 2006 but would check on it.

**ACTION ITEM: John Anderson will work with Dave Boggs to get a list of names this amount would cover.**

Ken Driggs continued discussion on the Proposed Budget for Annual Conference. The Annual Conference was held at Tempe Mission Palms in 2004 and will again be held there in 2006. When the Annual Conference is held at the Tempe Mission Palms, there is significantly more revenue generated from registrations. We should see a significant increase in registrations over last year's Annual Conference because the ADOT attendance will be higher plus the 5310 people. We may even see more sponsors.

John Anderson felt very comfortable with the number in the proposed budget. That number also reflects \$8,000 still outstanding in receivables for last year's annual conference.

John Anderson has been working on where to put \$50,000 in a CD. The budget reflects a projected \$1500 interest income on that CD. John Anderson asked for the amount and duration of the CD.

Jerry Fay suggested revolving CDs so some are rolling over on a regular basis to maintain liquidity.

*Motion: Larry Miller moved the Board consult a financial advisor from one of the sources available at the table.*

*Second: Steve Tyminski*

*Action: Approved Unanimously*

**ACTION ITEM: Nate Peterson will work with John Anderson to put something together for the August meeting. Nate and the Finance Committee will make a recommendation at that time.**

Mike Sabatini suggested an aggressive approach to vendors and sponsors because registration should cover the expenses for Annual Conference.

The Legislative Conference Projected Budget projects \$9000 revenue for registrations and \$7,000 for expenses. This would be a net profit of \$2,000.

The Golf Event Projected Budget projects \$55,000 revenue and expenses of \$15,000. The net profit would be \$40,000. There is a limit of 144 maximum golfers.

Jeff Meilbeck questioned the Public Affairs Contract line item expense of \$30,000. John Anderson then stated he was extremely happy with Goodman-Schwartz. The firm puts together Legislative Reports that are distributed to our membership on a weekly basis.

John Anderson has a verbal commitment to extend Goodman-Schwartz's contract. Jerry Fay said HDR Engineering gets a secondary benefit at no cost. President Rick Simonetta stated Goodman Schwartz is definitely "plugged in".

An annual audit is scheduled with Sylvia Simpson or Sharon once the budget/books are closed. The By-Laws do require it and Dave Boggs would be happy to provide this service. There will be no cost to AzTA for the audit.

Jerry Fay cautioned AzTA needs to be conscious of how large sums of money are earmarked since we are a non-profit organization. John Anderson stated one rain out on the Golf Event necessitates 50% reserves. We are now in a position to look at other ways to spend the excess now showing.

Jeff Meilbeck wanted the Board to consider what AzTA can do as an Advocate.

The Strategic Planning Proposed Budget line item expense seemed low to Carlos de Leon. It was decided to increase this line item from \$3,000 to \$7,500.

*Motion: Mike Sabatini moved approval of the Proposed Budget FY2005-06 with revisions to Ex. Dir. Salary, Reserve Line Item and Strategic Plan.*

*Second: Dave Boggs*

*Action: Approved Unanimously*

#### **V. Legislative Program for 2006 Session**

Stuart Goodman handed out the FINAL REPORT – May 23, 2005 of the "Weekly Legislative Report" and a one-page summary of LTAFI and LTAFII.

LTAFII increased from \$31 to 37M in general fund money and decreased possible distribution from \$18 to \$12M. These changes only apply to 2006 not 2007 or beyond. Last year's FY distribution was \$7.2M. There was no legislative debate on this whatsoever per Stuart Goodman.

Gail Howard is the most responsive and interested in AzTA. She is a keeper. She called Goodman-Schwartz directly when the line item veto requested did not happen.

Ken Driggs is concerned because our best friends are passive at best. They want to protect their \$23M from LTAF. They have no political chips to give AzTA. Stuart Goodman reflected that until the Light Rail demonstrates itself, we will have these issues on funding.

Stuart Goodman suggested having a League resolution that would require the league to reduce the LTAFII distribution. It doesn't get AzTA more money. Ken Driggs thought this was a great idea.

**ACTION ITEM: Stuart Goodman will attempt to get a League resolution during the upcoming league process.**

Jeff Meilbeck suggested AzTA might want to try something else since the LTAFII model has limited us.

Kurt Weinrich spoke regarding Pima County's ½ cent sales tax. The plan for that funding is still under debate. Pima County is struggling with what portion of the \$1.9B revenue from the tax should be allotted for transit. The 2005/06 election will be put off by legislative leaders by saying let's see what happens in Pima County.

Stuart Goodman thought looking at the League resolution process would be appropriate. He stated transit had not been able to find a true champion since Ed Varillo. This limits us because we need to find an active Republican legislature.

John Anderson brought up that there is also an effort for non-general funding running concurrently.

Ken Driggs summed up this discussion in all his eloquence with this statement: "Don't sweat the petty things and don't pet the sweaty things." General laughter and points well taken. Thanks, Ken.

Brad Bixler stated LTAFII funding helps the rural communities. It is 50% of his budget. He agrees with Jeff Meilbeck that we should move on from LTAFII.

Ken Driggs indicated ADOT and COGs are dividing up the money now.

Jeff Meilbeck felt it is not a priority for the state. He feels it is unacceptable and strategies for getting to the state need to be developed. Steve Tyminski agreed with Jeff. The state distribution process may need to be reviewed. Larry Miller says the state hasn't defined the State Transit Program. One possible goal would be to get them to start the process of how the transit systems should be defined.

Steve Brown argued we are beating our heads against the wall with the legislative group we have right now.

John Anderson believes starting the educational process with Board members on ADOT would be beneficial. He also stated these ideas would be shared with Gail Howard at the scheduled meeting next Wednesday.

Stuart Goodman also thought there are opportunities within ADOT--taking the next step to creating the increased funding concept without the legislature.

**ACTION ITEM: Stuart Goodman will talk to Jim Dickey before Wednesday's meeting with Gail Howard to get facts about what ADOT is doing.**

Jerry Fay indicated the State of Washington fought the same battles and would be a good model. He agreed it is much easier getting funds for rural transit.

Jeff Meilbeck said Jim Dickey had invited a team of individuals to statewide transit training. Jeff did attend this training and found anyone on the AzTA Board would have been qualified to conduct this training.

The meeting with Gail Howard is on Wednesday, June 29, 2005, at 1p.m. Those individuals attending this meeting will be: Rick Simonetta, Ken Driggs, Stuart Goodman, Mike Sabatini, Steve Tyminski, John Anderson, Nate Peterson (possible) and Steve Brown (possible).

The focus for the meeting with Gail Howard:

- Work with ADOT because the legislature is too difficult right now.
- What is her input for our strategic plan?
- Consider rural Arizona issues as distinct from urban issues.
- Victor Mendez says, "Where are the tribes?" In Pima County, the two nations are behind them 100%.
- Commuter rail-ADOT has continued to shelve the rail on I-10.

### Driver Assaults

Stuart Goodman indicated the ACLU is strongly opposed to legislation to increasing the penalty to aggravated assault. Stuart wanted the Board to consider:

- Opportunity to talk about passenger safety.
- Deterrents – Nevada recently did some things.
- What else are we doing in conjunction with this as a broader package? Such as, how is money collected, cameras, changes for the drivers, etc.

Stuart felt we needed data to support this argument. It would be essential to create a stakeholder group – a coalition of many entities in just Phoenix/Tucson/etc.

Larry Miller suggested a different approach:

- Contacting the Attorney General
- What do other states do?
- The people who sell buses – getting statistics from them.

Stuart Goodman emphasized since 2006 is an election year, he is leery to have the Attorney General take it on as a political issue. Kurt Weinrich agreed the data issue is significant because there is not much data in the industry. He agrees with the passenger safety issue as a highlight.

Kurt Weinrich said the number of incidents in Nevada were not very high. It does not happen very often. Stuart Goodman indicated it is presently a Class 3 felony. The bill failed 0/7.

Jean Ann Fisher summarized that they have not been able to prosecute in Tucson. This draws the question that is it just not working in Tucson? We need to do more homework before we put this before our legislature.

**ACTION ITEM: Jean Ann Fisher will get more information before we proceed on the driver assault issue.**

**ACTION ITEM: Steve Brown will talk to the City of Phoenix to see what they are doing.**

Ken Driggs expressed his feeling that Stuart Goodman does a great job for AzTA.

Stuart Goodman then recapped the Legislative Goals for 2006:

- Work League process to adopt resolutions.
- Aggravated assault issues as to statutory or local.
- Opportunities governor's office to get more money.
- Strategic Planning effort – Legislative component

**ACTION ITEM: Jerry Fay will contact Washington to get their approach.**

John Anderson suggested having the Washington Conservative Think Tank to come for our Legislative Conference.

## **VI. Strategic Planning**

Larry Miller is the chair for this committee.

The plan is to meet half a dozen times before we will have something ready for the Annual Conference. The committee would like to unveil the Strategic Plan at the Annual Conference in April 2006. Larry Miller asked for John Anderson as well as four or five other volunteers to be on this committee.

The objective of this committee will be to outline a five year plan with a year-by-year step to get there. Governor Napolitano is on the same five year plan. Jim Dickey will probably be moving on at the end of that time also.

The members of the Strategic Planning Committee are as follows:

Larry Miller, Chair  
Kurt Weinrich  
Jerry Fay  
Jeff Meilbeck  
Steve Brown  
Jean Ann Fisher  
Dave Boggs  
Ken Driggs

**ACTION ITEM: John Anderson will contact Josh Shaw, California, for CA State Transit Plan.**

**ACTION ITEM: Jerry Fay will contact Washington for WA State Transit Plan.**

Larry Miller outlined the vision for the strategic planning committee:

- Educational training
- Conflict between AzTA/FOT/Tucson
- Legislative goals
- Financial strategy for AzTA
- Building consensus everywhere
- State role

Larry Miller will schedule the first meeting in July. The committee will discuss possibly meeting after the Board meeting each month.

President Rick Simonetta suggested using Megan Davis, Consultant, to help with the Strategic Plan. She is currently working with Valley Metro Rail.

**ACTION ITEM: Rick Simonetta will have Megan Davis draft a contract.**

## **VII. Program Planning**

### **A. Annual Conference**

Annual Conference is scheduled for April 25-28, 2006. A schedule outline will be developed next. Locations for the next three annual conferences were decided upon:

2007 – Sedona

2008- Tucson

2009 – Tempe Mission Palms to promote the Light Rail

**ACTION ITEM: Carlos de Leon will put together an RFP through Tucson Visitor Bureau for 2008.**

### **B. ADOT Board**

John Anderson would like to see AzTA have a representative at each ADOT Board meeting. The meeting dates and those assigned as representatives are as follows:

- |                            |                           |
|----------------------------|---------------------------|
| • July 15 – Payson         | Ken Driggs (possibly)     |
| • August 19 – Winslow      | Jeff Meilbeck             |
| • September 23 - Benson    | Nate Peterson             |
| • October 21 – Gilbert     | Carlos de Leon (possible) |
| • November 18 – Wickenburg | Rick Simonetta            |
| • December 16 – Tucson     | Fisher/Weinrich (?)       |

Kurt Weinrich and Ken Driggs recommended the AzTA representative try to make it to the COGs hosted dinner the night before each ADOT Board Meeting. ADOT is the only state board that moves its meetings around the state. This allows the local chambers to come and talk about their respective issues. The local Transit providers are showing up in force.

John Anderson indicated AzTA has funds set aside to reimburse Board members for these trips in case their own company does not pick up the expenses.

**ACTION ITEM: John Anderson will contact Noreen Grasse, ADOT Secretary, to get on the board schedule.**

#### C. AzTA Board Meeting Schedule

It was decided to try meeting on the second Monday of each month unless a conflict occurred.

AzTA Board meetings are all held at 10 a.m. at Parsons Brinckerhoff. The scheduled meetings for the remainder of 2005 are as follows:

- August 1
- September 12
- October 10
- November 14
- December 15 – Civic Center Plaza

#### D. Board Retreat – 2006

Brad Bixler extended an invitation to the board to have the board retreat at Lake Havasu next year. The suggestion was well received. The Annual Board Retreat for 2006 will be held June 23, 2005, at Lake Havasu. Dave Boggs generously stated he would cover the cost of the Thursday night dinner. Brad Bixler is the Chair for the Board Retreat, 2006. Thanks, Brad.

### **VIII. NEXT SCHEDULED BOARD MEETING**

The next Board Meeting will be Monday, August 1, 2005, at 10:00 a.m.

### **IX. ADJOURNMENT**