Boards of Directors Study Session & Meetings

Joint Meeting Valley Metro RPTA and Valley Metro Rail	Valley Metro RPTA	Valley Metro Rail

Date:

February 22, 2024

Starting Time

11:15 a.m. – Valley Metro Rail Board Meeting

11:30 a.m. – Boards of Directors Study Session

11:30 a.m. (Directly following Study Session)

- **Joint Boards of Directors Board Meeting**
- **Valley Metro RPTA Board Meeting**

Meetings to occur sequentially

Location:

Valley Metro

Boardroom/Webex, 101 N. 1st Avenue, 10th Floor

If you require assistance accessing the meetings please call 602.262.7433.

Agenda

February 15, 2024

Joint Boards of Directors Meeting Agenda
Valley Metro RPTA
And
Valley Metro Rail
Thursday, February 22, 2024
Valley Metro, 101 N. 1st Avenue, 10th Floor
Boardroom/Webex
11:30 a.m.
(directly following the Board Study Session)

	Action Recommended
1. Public Comment	1. For Information
The public will be provided with an opportunity at this time to address the committees on **non-agenda items and all action agenda items for the Joint, RPTA and VMR meeting agendas.** Up to three minutes will be provided per speaker unless the Chair allows more at their discretion. A total of 15 minutes for all speakers will be provided.	
2. Chief Executive Officer's Report	2. For information
Jessica Mefford-Miller, CEO, will brief the Joint Boards of Directors on current issues.	
3. Audit and Finance Subcommittee Update	3. For information
Councilmember Goodman, AFS Chair, will provide an update on the discussions and actions taken at the AFS meeting.	
4. Minutes	4. For action
Minutes from the January 18, 2024 Joint Board meeting are presented for approval.	

5. Fiscal Year 2023 (FY23) Regional Public Transportation Authority (RPTA) and Valley Metro Rail, Inc. (VMR) Annual Comprehensive Financial Report (ACFR) and Single Audit Reporting Package (SARP) — 5. For information

The Annual Comprehensive Financial Reports and Single Audit Reporting Packages for the period ended June 30, 2023 will be presented to the Audit and Finance Subcommittee (AFS) for acceptance and provided to the Board of Directors as an informational item. Staff will be available to answer any questions.

6. Travel, Expenditures and Solicitations — 6. For information

The monthly travel, expenditures and solicitations for Valley Metro RPTA and Valley Metro Rail are presented for information.

7. Report on Current Events and Suggested Future Agenda Items — 7. For information

Chair Stipp will provide members the opportunity to report on current events and suggest future agenda items for consideration.

8. Next Meeting — 8. For information

The next meeting of the Joint Boards is scheduled for **Thursday, March 21, 2024 at 11:15 a.m.**

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats (large print or flash drive) are available upon request. For further information, please call Valley Metro at 602-262-7433 or TTY at 602-251-2039. To attend this meeting via teleconference, contact the receptionist at 602-262-7433 for the dial-in-information. The supporting information for this agenda can be found on our web site at www.valleymetro.org.

Information Summary

DATE
January 31, 2024

AGENDA ITEM 1

SUBJECT
Public Comment

PURPOSE
The public will be provided with an opportunity at this time to address the committees on **non-agenda items and all action agenda items for the Joint, RPTA and VMR meeting agendas.** Up to three minutes will be provided per speaker unless the Chair allows more at their discretion. A total of 15 minutes for all speakers will be provided.

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COMMITTEE PROCESS
None

CONTACT
Jessica Mefford-Miller
Chief Executive Officer
602-262-7433
jmeffordmiller@valleymetro.org

ATTACHMENT
None

Information Summary

DATE
February 15, 2024

AGENDA ITEM 2

SUBJECT
Chief Executive Officer's Report

PURPOSE
Jessica Mefford-Miller, Chief Executive Officer, will brief the Joint Boards of Directors on current issues.

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COMMITTEE PROCESS
None

CONTACT
Jessica Mefford-Miller
Chief Executive Officer
jmeffordmiller@valleymetro.org

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 3**
February 15, 2024

SUBJECT
Audit and Finance Subcommittee (AFS) Update

PURPOSE
Councilmember Goodman, AFS Chair, will provide an update on the discussions and actions taken at the AFS meeting.

BACKGROUND | DISCUSSION | CONSIDERATION
The draft minutes from the February 8, 2024 AFS meeting are attached for further details of the meeting.

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
This item is presented for information only.

CONTACT
Ken Kessler
Chief Financial Officer
kkessler@valleymetro.org

ATTACHMENT
Draft February 8, 2024 AFS meeting minutes

Minutes

February 15, 2024 **AGENDA ITEM 3**

Audit and Finance Subcommittee
Thursday, February 8, 2024
Via WebEx/Phone
12:00 p.m.

Meeting Participants
Councilmember Clay Goodman, City of Buckeye – **CHAIR** (phone)
Councilmember Max White, City of Avondale (phone)
Mayor Brigette Peterson, Town of Gilbert (phone)
Councilmember Laura Pastor, City of Phoenix (phone)
Vice Mayor Jennifer Adams, City of Tempe (phone)

Chair Goodman called the meeting to order at 12:01 p.m.

Chair Goodman said good afternoon, everybody. Everybody's safe and dry this afternoon. I'm going to call us to order. Pat, can we have the roll?

Ms. Dillon said yes.

City of Buckeye, Councilmember Clay Goodman? Present.
City of Avondale, Councilmember Maxine White? Present.
Town of Gilbert, Mayor Brigette Peterson? Present.
City of Phoenix, Councilmember Laura Pastor?
City of Tempe, Vice Mayor Jennifer Adams? Present.

Chair Goodman said welcome, all. Can we get everybody to mute.

1. Public Comment

Chair Goodman said Pat, do we have any public comment?

Ms. Dillon said yes, Mr. Crowley is here today.

Chair Goodman said Mr. Crowley, three minutes.

Mr. Crowley said thank you, Clay. I'd like to point out that with your Audit and Finance that this past year according to the '06 tip the roadway that was supposed to be addressed and expanding into the bus was Litchfield Road. What got done, nothing. And when I've requested information on it from staff, the reason that it didn't get done they say is money and when I see that continuously we have been expanding the amount of money that rail was getting but at the same time, doing what when it comes to the bus.

Now, there were a couple roadways that didn't get dealt with as they should. One of them would be Ray Road that instead of going all the way to the airport stops at, what, Gilbert. Another roadway that Litchfield it was supposed to start at the Goodyear airport. So when it comes to being multi-modal, what's going on here?

When I look at the overall plan and that and the reason that we're supposedly having two agencies is that it be multi-modal but then when you look at the light rails stops, how are they blended with the bus stops, they aren't and a lot of cases they're not even there.

With your audit and that, it has stuff in there that says we're going to be doing things until 19 or 2030. And it was passed last year. As you know, the legislation coming up funds light rail, not at all so they're losing 20 percent of their funding and if you then also extrapolate the amount of matching funds the feds are going to be giving for those numbers it makes it almost 40 percent. And instead of dealing with that how you're going to pay for things and also, how you're going to -- now that you're going to even have more money coming in for the bus a plan to do things. I'm told the plan is over at MAG and their plan is to continue what's been going on. If it's to continue what's been going on that's not going to be sufficient in that and I'm going to have a lot of fun at all the little bully pulpits that I get to speak through this one, over at the County and at all of your council meetings where I will be telling people don't be voting for the expansion. It's not worth your time and effort. They never produce.

Chair Goodman said thank you, Mr. Crowley. Pat, any other speakers?

Ms. Dillon said no, sir.

2. <u>Chief Financial Officer's Update</u>

Mr. Kessler said thank you, Mr. Chair. Members of the Subcommittee. Just one item today on my update.

So just want to update the Subcommittee on our PTF sales tax revenues. We just got the January numbers yesterday, incorporated them into this update. So through January we're about 5 percent above prior year, same period and compared to the budget we're about 3 percent over the current fiscal year budget. So we continue to see growth although the growth is slowing pretty, pretty substantially at this point compared to where we were, say, about a year ago. But at this point, we're still seeing growth, which is a good thing.
So that's all I have for my report today. I'd be happy to take any questions.

Chair Goodman said any questions for Ken? Seeing none. Thank you very much.

3. <u>Minutes</u>

The minutes from the January 4, 2024, Audit and Finance Subcommittee meeting are presented for approval.

Motion by Mayor Peterson, second by Councilmember White.

IT WAS MOVED BY MAYOR PETERSON, SECONDED BY COUNCILMEMBER WHITE, AND UNANIMOUSLY CARRIED TO APPROVE THE JANUARY 4, 2024 AFS MEETING MINUTES.

4. FY24 2nd Quarter Budget Review

Mr. Olson said thank you, Chair Goodman, and members of the Audit Finance Subcommittee. I'll quickly walk you through our second quarter budget review so if we're exactly on track would be about 50 percent this time of year.

I'll start with total sources for operating on RPTA. So amount collected to date including passthroughs is about 51 percent. Some of the bigger, more positive trends are amongst PTF a little over 56 percent and then public transportation funds higher than planned. On the capital side of things, you'll see when I get into the expense slide, we haven't expended much on capital. Our primary purchasing on capital is fleet related although the passthroughs to Valley Metro Rail look like they're just about on plan there.

Moving on to expenditures for operating. We're at 49 percent for RPTA services excluding passthroughs so just about right on target for that. You'll notice that fixed route operation appears to be exceeding plan at 54 percent and just want to mention that is tied to the City of Phoenix funding swaps that we talked about last month during the midyear budget approval. So as we move forward in this year into Q3 you'll see some of those adjustments for that approval that was made last month.

On the capital side of things, again, a little slow on fleet delivery we're only 5 percent spent. That is by far the largest amount of the RPTA budget excluding passthroughs, so. We expect some of that to be deferred into next fiscal year so you'll see that in the budget that we share for future years and some of that fleet may be delivered before the end of the year as well.

So just some budget notes that are on the handout. Fixed route operations, as I mentioned, the funding swaps for Phoenix, some Trapeze software for demand services that is higher than plan, but everything is still within the overall budget.

Capital side of things, again, regional fleet stands out. Talked about that one. Some of the facilities are lagging a little bit but there's some line items that have trended a little bit higher around computers and software and VMR PTF funds are higher than originally planned due to the timing of the major capital projects so, again, we're doing a midyear budget adjustment for VMR which I'll talk about in the next presentation here.

Any questions on RPTA before I continue to VMR?

Chair Goodman said any questions?

Councilmember White said I do have a question. Thank you so much. I appreciated the update and when I was taking a look at the higher demand with the software. When you look at that is it more of support software. Can you tell me a little bit more about that, please?

Mr. Olson said yes. Chair Goodman, Councilmember White, thank you for the question. So the Trapeze software is essentially what supports kind of the demand service operations and I believe our ATS manager provided an update regarding some software that we're implementing that we're going to kind of reconfigure to help improve the customer experience and I think we're seeing just a little bit of that there but, you know, I know that the total program will be within plan by the end of the year.

Councilmember White said will we be able to ensure that they also do some additional protections with cybersecurity? I think making software more robust especially if we have high user demand, we also want to have higher user protections in that software. So I could definitely understand the focus (inaudible). Thank you.

Mr. Olson said thank you for the comment, Councilmember White, and yes, our IT department has a very robust security program amongst all modes, both agencies and we live it all the time through training that we all have to do every week -- or every month, sorry. They're on it. Thank you.

Chair Goodman said good question. Any other questions for Tyler on this item? Okay.

Mr. Olson said getting into Valley Metro Rail.

Total sources for operating collected at 58 percent. We're happy to see that advertising is higher than planned and we do have some federal money that was unspent, COVID relief money, last year as well as another type of money for federal that we're drawing down and passing those savings along to the cities this year.

Capital side of things. You know, these capital construction projects, and the drawdowns tend to lag a little bit so we're only seeing about 25 percent on the capital side, but I know that will catch up especially based upon some of the acceleration and the midyear submittal that was approved last month, which I'll talk about.

On the operating uses, rail & streetcar O&M, security, agency operating all within plan. We're at 42 percent combined on operating.

Capital side of things 33 percent spent. These invoices also do tend to lag. We did have a midyear adjustment for VMR that was approved last month and will be reflected in the next quarter which will be an upward movement particularly for South Central, some Northwest, some streetcar so you see streetcar is a little bit over. We've taken care of that through the midyear so that is anticipated to be in line by the end of the year.

Just a couple of notes. Maintenance of way utilities higher than planned something that we really can't control too much on rates. And then capital, I'm not going to read all these but, again, we've got a midyear adjustment that will help with some of these items but either way both operating and capital are within the 50 percent budget so far this year.

That concludes my presentation. I'd be happy to address any other questions you may have.

Chair Goodman said questions?

Councilmember Pastor said can I ask a question? Of this Northwest Extension Phase II, its contracted costs are over budget? What does that mean? Are they over? Is it over expenditures or what -- can you explain that to me?

Mr. Olson said yes. Chair, Councilmember Pastor, when we received updated -- obviously, we build this budget very much in advance, nine months ahead of time and when it comes to construction, we don't know what we don't know when it comes to, you know, what's under the street when they're putting in that rail as well as other, you know, costs of materials and things like that that can fluctuate, change orders, things like that so essentially, we get an updated cash flow statement and statement of activities from each one of our contractors and we true that up based upon where we're at with the project compared to plan. And so, in doing that last month we did a correct Northwest to move that upward. So either way the total project is within the multiyear project that is approved by FTA and the City of Phoenix and Valley Metro.

Councilmember Pastor said that's what I was trying to figure out. So we are within budget because when I toured the Northwest Extension, I was told that we are under budget and that we are so are we still under budget?

Mr. Olson said this is just a timing thing. And again, you know, the multiyear project budget is what really matters and we're well within plan, so thank you.

Councilmember White said Chair, I have a question for Tyler as well.

Chair Goodman said Councilmember White.

Councilmember White said so, Tyler, I just wanted to make sure I captured exactly what you're saying. Once we execute our contract and the year progresses with the regular spending as well, we will kind of have everything shore up with the additional funding that comes midyear. Did I get that correct?

Mr. Olson said yes, Chair, Councilmember White. Essentially, the budget to plan, we've never exceeded the budget as a whole in the capital. For example, program and yes, the Northwest II is anticipated to be within plan for the year and I have no doubt that we'll be within budget for the year in total capital.

Councilmember White said thank you, Tyler. I appreciate your work.

Chair Goodman said any other questions? Hearing none.

5. FY25 Service Level Budget Assumptions Update

Mr. Olson said thank you, Chair. Members of the AFS, this is really just an update of the presentation that we shared with you in October. We just shared this with your working city staff at Financial Working Group last month. We build this budget nine months ahead of time. We have some assumptions when we start building it. We monitor those assumptions and true those up at this point before we start generating the IGA's for each of your cities in which that indicates the amount of service that your cities would fund that we provide. I'll walk us through that here.

Starting with RPTA. So we received an updated numbers for '24. Last time we shared '23 with you here. You know, the trend is still very positive so there's some estimates of where cities would end up for the year. Glendale, Phoenix, Tempe all have dedicated taxes and then we have the public transportation fund there to the right. Essentially, all actuals have exceeded forecast thus far this year, so good news.

Here's a quick look at the public transportation fund. So just had some more updated numbers here so '24 it looks like we'll be about 2.9 percent higher and then '25 compared to two prior year's 2.5 percent higher.

Federal. Up here we just updated the operating assistance by about 1 and a half percent and well -- I apologize, operating PM is at 1.5 percent so no change there, but the operating assistance is decreasing based upon the recent census that took place for the Avondale-Goodyear UZA which converted it from a small UZA to a large UZA. So it will have a little bit less funding in that area.

Here's another look at PTF collections by month. When it comes to comparison to prior year, 5 percent. I want to say last year 10 percent when it was prior year so we are seeing a slowdown in that year over year growth. We'll obviously continue to monitor that and share any relevant changes to that as we meet each month.

Here's a quick look at fare revenues. So we just had some more updated information since we last met here. So it looks like FY24 is really on target with the budget and so, what we plan on using for the budget and IGA's would be just a flat fare revenue program here for bus.

Just a couple quick updates here. We did have a shift change from route 571 in Surprise that is now PTF funded so that's really the only change here and I do want to note that Keolis is operating everything 12 months for FY25. There was a question on that. We had actually left First Transit in there, so we've corrected that on this presentation.

So, again, this is just reiterating the service change that I mentioned.

No change here to our contract rates in the East Valley.

No change to our West Valley. We know that there's a procurement out there on the street now and we'll have a new contractor in place for '25.

I do want to mention the West Valley service that new procurement is a little bit different than it has been before. The West Valley contractor only operated bus service before. This new contract is going to give us more flexibility and some of the newer modes such as, you know, microtransit, expansion of that demand service as well as our West Valley service, so I wanted to make the Subcommittee aware of that.

Just a couple minor updates here on the fuel and facilities. The steady trend that we we're seeing in energy prices since June has actually not persisted and then some of the crude oil is actually coming down as well as natural gas, so those are favorable.

All right. So updated contractor rates. When we shared this previously, we thought Ride Choice was going to be under procurement over the five-year period but it's actually not the case. So we had some updated information from our ATS group so no risk in that program.

So other initiatives. Only update here is to mention of the strategic plan was actually approved by the Board in January of '24 so that's really the only change that we've come across here. Of course, you know, there's always risk of recession or things changing around some of these initiatives as we present through the year and what we bring forward to the Board around that strategic plan.

So some current market trends, I'm not going to read all of these but CPI still elevated but it is falling so I think that that's a positive thing, a little bit more control on costs, so. That concludes my update for RPTA. Any questions that you have?

Chair Goodman said any questions?

Councilmember White said thank you so much. I have a question.

I'm going back probably to slide 5 where you talk about advertisement. I know that the model has changed for RPTA and when we take a look at expanding under the new model and be able to have advertising across all modes, we just want to get data to see what that's going to start looking like in regard to that revenue and probably build out to see a little bit more in how that's taking change. It looks like we're going from very conservative to the unrestrained and I guess we want to probably have some expectations and then see if we're, you know, meeting those expectations. So I guess we have to have a way to monitor and measure our results in that space.

And then I also wanted to think about moving forward to some of where we're forecasting with the elimination of POGO and Zone. I think that was the last set of slides we went to on the assumptions. When we take a look at the fact that those are going away, we still want to get an idea of cost per mile that we're getting out to the western suburbs with those eliminations. And so, I can only think that the best way to kind of backfill that data that would no longer exist with POGO and Zoom is to be able to input what we're getting (inaudible) based on the cost and expense ratio there.

So those are just some things that we're doing the material that came to mind. Again, awesome work. I really appreciate seeing the data of teammates making so much and maybe I have a lot of questions and maybe it's because I'm new, so I appreciate you and look forward to your response.

Mr. Olson said Chair, Councilmember White, thank you for both the comments. I know the advertising program is a bit more aggressive and Hillary is on the call, so I imagine she has already got a plan to share some of that data as it becomes available. And the same thing with WeRide. We're watching that data closely and will certainly pass that along to our ATS group. Thank you.

Chair Goodman said any other questions before we move to the VMR?

Mr. Olson said same presentation here. Essentially, no change to our revenue forecast with the exception of fare revenues. Again, getting some of that data through the month of November when we put this together and then kind of forecasting this out. Rail is actually doing a little bit better than bus so a bit of a positive trend here, so we do plan on increasing that fare revenue budget for FY25 by about $800,000 or so.

Rail transportation. Some updates I wanted to mention here. Last time we met South Central was considered to be in operations in FY25. We have removed that although we're working with City of phoenix staff on their FY25 IGA should South Central be advanced for any reason into FY25. So that was the biggest change there. And then we did take contingency out. We had 5 percent in there before for some of the unknowns, so we have removed that.

So just some updates on state of good repair. Essentially, when we're building this in October, we share the current 5-year plan for FY25 in this case --

Chair Goodman said I need to step away for just a minute.

Councilmember Pastor, can you take over?

Councilmember Pastor said sure.

Chair Goodman said thank you. I'll be right back.

Councilmember Pastor said and then, Tyler, I have a question on what you just stated on slide 20 about the South Central.

Mr. Olson said yes. Thank you.

Councilmember Pastor said (Inaudible) South-Central.

Mr. Olson said so last time that we met in October with the Audit and Finance Subcommittee, we had assumed that there would be a couple of months of South Central included in FY25. We're currently working with FTA in presenting a schedule that is early FY26 so we're going to plan on that from a budget perspective. We are working with Phoenix PTD staff, in fact, we just had a meeting yesterday in which we talked about including an IGA that represents a couple more months in case it's included in FY25 if we accelerate that service into '25. So we want to make it flexible for the City of Phoenix's IGA process and council and if we need to do a midyear if we do, in fact, operate sooner than that we can adjust the midyear in January.

Councilmember Pastor said I guess this question. I don't know if you can answer this question. When is the South-Central light rail anticipating operation?

Mr. Olson said Trevor Collon is going to answer that for us.

Mr. Collon said Trevor Collon with Capital Development. Chair, Councilmember Pastor, the answer right now is right now the schedule shows August of 2025 which would put us that first month into fiscal year '26. We are actively pursuing options for acceleration that could bring us a few months back from that and I think that's what -- you know, into May possibly. Really, I'm pushing for earlier as we've discussed in the past but so we're -- we're kind of on that cusp between two fiscal years right now. Current schedule is August. We're doing everything we can to pull it back and looking at what the costs associated with that would be.

Councilmember Pastor said to pull it back? Or you accelerate it?

Mr. Collon said accelerate it, pull the schedule earlier. If does that make sense, yes.

Councilmember Pastor said because the community is anticipating 2025.

Mr. Collon said yes.

Councilmember Pastor said so that's my expectation.

Mr. Collon said and currently I know there's been, you know, earlier even end of 2024 currently is in tracking at August 2025. We hope to bring it up into the spring of 2025.

Councilmember Pastor said okay. Thank you.

Mr. Olson said so state of good repair just a couple of updates regarding some passenger stations. 44th Street and Washington station, we definitely want to overhaul that with removing the pavers, installing some cement. It's just a very highly used station which we like, and we want to make sure that it's safe for all passengers, so just a couple minor adjustments there.

The only change again is really around the January action on the strategic plan so we added that here and we'll look forward to presenting initiatives for '25 that encompass those strategic plan elements and goals.

That concludes my presentation on VMR. I'd be happy to answer any additional questions you may have.

Chair Goodman said any questions?

Councilmember Pastor said I do. On slide 21. It's the one right before this slide. 44th Street and Washington station. I heard that we're removing pavers with aesthetics in mind and making it -- I'll use the term good, welcoming but also, I'm going to use the term pretty. With the cement, is there ability to -- is there ways with cement to make it look like pavers and then paint it as if they were pavers --

Mr. Olson said Chair, Councilmember Pastor, I'm going to turn it back over to Trevor Collon.

Mr. Collon said Chair, Councilmember Pastor. Yes, those options are there. In fact, we do have some art in the existing pavers that we've been looking at and maintaining some of that aesthetic but yes, with the cement, we can do things with finishes and colors. Really what's driving this is the pavers over time have become very unstable. It's a large continuing cost to level those so both from a safety perspective and then just sustainability of having to go out there continually and reset and re-level those pavers the thought would be to do to a cement. But yes, certainly, the aesthetics, there's all kinds of options there for the concrete platform.

Councilmember Pastor said Okay. So who do I talk to? Do I talk to you, or do I talk to my city guys?

Mr. Collon said you can talk to whoever you like. You can talk to us both.

Councilmember Pastor said I guess it's called stamped cement.

Mr. Collon said yes, there's stamped cement. There's also -- I won't bore everyone, but we can do aggregate finishes. There are all kinds of things we can do.

Councilmember Pastor said okay. Thank you.

Chair Goodman said any additional questions on this item? All right. Thank you, Tyler.

6. Fiscal Year 2023 (FY23) Regional Public Transportation Authority (RPTA) and Valley Metro Rail, Inc. (VMR) Annual Comprehensive Financial Report (ACFR) and Single Audit Reporting Package (SARP)

Chair Goodman said this is an action item. Michael Mathews, our Controller is requesting the AFS accept the RPTA and VMR ACFR and Single Audit Reporting Packages for a period ending June 30, 2023. Mr. Mathews.

Mr. Mathews said thank you, Mr. Chair. Members of the Subcommittee. Today, I'm here to request the acceptance of the Annual Comprehensive Financial Report and Single Audit Reporting Packages for the year ended June 30, 2023, for both Valley Metro Rail and Regional Public Transportation Authority.

Both audits received clean or unmodified opinions on both the single audits and the financial statement audits.

In the RPTA financial statements there was a minor written finding in the Single Audit Report. In the prior year, $2.1 million of expenditures related to the fare technology modernization project were capitalized in error. The cost should not have been capitalized as ownership of the project, that portion of the project belonged to the City of Phoenix. That is the only issue that was noted during the audit report.

If you have any questions, I'd be happy to answer them.

Chair Goodman said any questions? Congratulations on (inaudible). Can I have a motion to accept?

Motion by Councilmember Pastor, second by Councilmember White. All in favor signify by saying aye. Any opposed? The ayes have it.

Thank you very much and again congratulations (inaudible).

Mr. Mathews said thank you, Chair.

IT WAS MOVED BY COUNCILMEMBER PASTOR, SECONDED BY COUNCILMEMBER WHITE, AND UNANIMOUSLY CARRIED TO ACCEPT THE FY23 ANNUAL COMPREHENSIVE FINANCIAL REPORTS AND SINGLE AUDIT REPORTING PACKAGES.

7. Internal Audit Update

Ms. Beckstrom said thank you, Mr. Chair. We just have a quick update for you this month. We have four audit projects in process: Conflict of Interest, Contract Change Orders and Authority and then we have an IT Authentication audit.

Actually, the last one's not an audit. It's the annual audit risk assessment which is the input that we use to create the FY25 Audit Plan which we'll bring before you hopefully in

June for review and approval. And I've reached out to all of you in some way and I've started meetings to start those interviews with board members for that audit risk assessment process.

And then this last month Internal Audit determined that two recommendations of the 13 that we had currently open were closed out. One of those recommendations was regarding fitness for duty monitoring by the rail contractor. And the other related to hours of duty standard modifications also for the rail contractor. Both were reviewed and continue to be monitored by the Valley Metro safety team and we have 11 additional recommendations that are currently Valley Metro staff are in the process of implementing.

That is it. Are there any questions?

Chair Goodman said any questions?

Councilmember White said yes. Thank you so much, Chair and I thank you, Sebrina, for the update. I think when we're taking a look at software/hardware I just want to make sure as we go through our audit process for our technology assets that we're doing to the best of our ability validating as we're using the most secure processes possible with, I guess two-part authentication to ensure that we can limit access to folks hacking the system. (Inaudible) to be protected and monitor but when I think about all of transportation and what that entails for us here in a big metropolitan area like Maricopa County, I just want to make sure we're locking down our transit infrastructure. Because that's really what it is with our technology aspects and treating that just as important as we do the (inaudible) you know that we're going to be replacing for hardware. I think our authentication and practices that we take a look at those should be monitored and they should be really tight best served our clients and also best protect our agency.

Chair Goodman said thank you. Very good points all. Any additional comments or questions on this item?

8. <u>Intergovernmental Agreements, Contract Change Orders, Amendments, and Awards</u>

Chair Goodman said this item it presented for information and should AFS members have any questions regarding these items please contact Valley Metro staff.

Ms. Dillon said Sir, Sebrina has a question though.

Chair Goodman said Sebrina.

Ms. Beckstrom said thank you, Mr. Chair. Councilmember White. We're in the middle of the authentication audit right now. Would like that presentation before or kind of in conjunction with our findings?

Councilmember White said in conjunction with your findings. Great call out. Thank you, Sebrina, for all your effort.

Ms. Beckstrom said thank you.

9. Report on Current Events and Suggested Future Agenda Items

Chair Goodman said Buckeye is hosting its annual air fair starting February 16 through the President's Day weekend. Buckeye also has initiated a city-wide transit study that will include looking at bus service, microtransit, and rideshare services.

The next meeting of the Audit and Finance Subcommittee is scheduled for March 7, 2024, at 12:00 p.m.

With no further discussion, the meeting was adjourned at 12:45 p.m.

Minutes

February 15, 2024 **AGENDA ITEM 4**

Joint Boards of Directors
Thursday, January 18, 2024
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

RPTA Meeting Participants
Councilmember Bill Stipp, City of Goodyear - **Chair**
Councilmember O.D. Harris, City of Chandler – **Vice Chair**
Councilmember Max White, City of Avondale
Councilmember Clay Goodman, City of Buckeye
Councilmember Monica Dorcey, City of El Mirage (phone)
Vice Mayor Peggy McMahon, Town of Fountain Hills
Councilmember Lauren Tolmachoff, City of Glendale
Councilmember Francisco Heredia, City of Mesa (phone)
Vice Mayor Jon Edwards, City of Peoria (phone)
Councilmember Laura Pastor, City of Phoenix
Councilmember Jeff Brown, Town of Queen Creek
Councilmember Kathy Littlefield, City of Scottsdale (phone)
Councilmember Aly Cline, City of Surprise
Vice Mayor Jennifer Adams, City of Tempe (phone)
Mayor Michael LeVault, Town of Youngtown (phone)

Members Not Present
Mayor Brigette Peterson, Town of Gilbert
Supervisor Jack Sellers, Maricopa County
Mayor Juan F. Rodriguez, City of Tolleson
Mayor Rui Pereira, Town of Wickenburg

Valley Metro Rail Participants
Councilmember Laura Pastor, City of Phoenix - **Chair**
Vice Mayor Francisco Heredia, City of Mesa – **Vice Chair** (phone)
Vice Mayor Jennifer Adams, City of Tempe
Councilmember O.D. Harris, City of Chandler

Chair Stipp called the meeting to order at 11:21 a.m.

The Chair called the meeting to order.

Chair Stipp said I'd like to call the Joint Boards of Director meeting for Valley Metro RPTA and Valley Metro Rail to order. Pat, will you do the roll call?

Ms. Dillon said good morning, everyone.

City of Avondale, Councilmember Maxine White? Here.
City of Buckeye, Councilmember Clay Goodman? Present.
City of Chandler, Councilmember OD Harris? Here.
City of El Mirage, Councilmember Monica Dorsey? Here.
Town of Fountain Hills, Vice Mayor Peggy McMahon? Here.
Town of Gilbert, Mayor Brigette Peterson?
City of Glendale, Councilmember Lauren Tolmachoff? Here.
City of Goodyear, Councilmember Bill Stipp? Present.
Maricopa County, Supervisor Jack Sellers?
City of Mesa, Vice Mayor Francisco Heredia?
City of Peoria, Councilmember Jon Edwards? Here.
City of Phoenix, Councilmember Laura Pastor? Here.
Town of Queen Creek, Vice Mayor Jeff Brown? Here.
City of Scottsdale, Vice Mayor Kathy Littlefield?
City of Surprise, Councilmember Aly Cline?
City of Tempe, Vice Mayor Jennifer Adams? Here.
City of Tolleson, Vice Mayor Lupe Bandin?
Town of Wickenburg, Mayor Rui Pereira?
Town of Youngtown, Mayor Michael LeVault? Yes, Pat, I'm here.

Ms. Dillon said thank you, Chair, we're ready to proceed.

Chair Stipp said thank you, Pat.

Just a quick moment of congratulations to Vice Chair and now Vice Mayor O.D. Harris and former Councilmember John Edwards now Vice Mayor John Edwards. So congratulations.

Councilmember Brown said Chair Stipp?

Chair Stipp said yes, sir.

Councilmember Brown said As long as we're doing announcements, I got demoted last night. After two years, I'm no longer the vice mayor, I'm councilmember again.

Chair Stipp said I'm saying congratulations in a very joking way, of course, because we know that that comes with some extra work.

Oh, that's right. Jack Sellers was nominated to chair, also. Lots to celebrate in our January meeting. So, with that, we'll go ahead and open with Public Comment.

1. Public Comment

Chair Stipp said and I assume we have one speaker.

Ms. Dillon said Mr. Crowley.

Chair Stipp said three minutes.

Mr. Crowley said I haven't started speaking and you've got this running already. I'd like the whole three minutes, please.

Good afternoon, hope you have a happy holidays. Have any of you seen the New Times. I won't go any further with that because I have very limited time.

I love that your strategic plan has in there that you want to address security. The Board knows how much money we spend for security for the buses, that would be zero. So that entire thing is something for the light rail but being the mixed meeting you guys will be the one that are finagling with it. And I look at that and I also go the point of every time your head comes up here and says what it is that's happening and that has she ever said anything about the bus. Well, I've got my little nasty piece of paper from '06 and it says these are the things that we're going to be trying to get done and accomplished. And I noticed Ray Road here and it was supposed to go all the way to the airport and that was in 2015. And then Queen Creek, well, we don't even have that.

And how many from Buckeye to Litchfield and Dunlap to Litchfield. But my favorite one on here is the one that we were supposed to get last year and whenever you got up you never mentioned that we weren't going to be getting the Litchfield running from lower Buckeye Road up to the -- and the airport up to R.H. Johnson in Sun City. Maybe it's because that's not what you think and care about.

But then I also then note that as in a specific that I'd like to have in the minutes show that on the light rail you've got that budget adjustment there and I look at it and it's $74 million. But then when I look at the full 400 that is being spent, I go, okay, that's a fix.

Well, with your new strategic plan since rail is getting zero dollars for anything other than maintenance and that's only going to be 20 million a year when that last plan that you guys submitted where there was input from the rail to MAG and what they needed it had a billion dollars for maintenance. So I need you guys to bifurcate the agencies and have the concentration of this body on the bus part of it.

You're going to be getting how much new money and what's your plan? Well, you say it's over there at MAG. Well, if I see what your plan has been so far, I'm not gonna be able to support this because how many of these roadways didn't get addressed because this body felt that it wasn't necessary for your communities to have the bus.

Have a pleasant.

Chair Stipp said Just the one speaker, Pat? Thank you.

2. Chief Executive Officer's Report

Ms. Mefford-Miller said thank you, Mr. Chair. Good morning, members of the Boards and Happy New Year to you.

We have a lot in store in 2024 here at Valley Metro. This month alone we have already launched a new Keolis East Valley bus operations and maintenance contract. Later this month we'll celebrate the opening of our Northwest Phase II light rail extension and we're coming before you today to request your approval of our strategic plan. So are starting off strong.

Our Keolis East Valley bus transition officially began on January 1 though it was months in preparation. I'm pleased to report it's been a very smooth transition from Trans Dev to Keolis. We've already seen a slight reduction in customer complaints and a modest improvement in on-time performance. We're working closely with Keolis and together we are focused on delivering excellent customer experiences, improving safety and developing and retaining team members. We have not missed a beat, we have not missed service during that New Year's transition. Well done to Mike Powell and his team in Transportation and Darren Curry and his team in Maintenance.

On the west side, we are also working to gear up for a new contract that will begin performance in July. Right now, we're working with our member city staff to review proposals.

Remember this is a new contract, the first of its kind here for Valley Metro because it is multi-modal. We're seeking responses from vendors to propose on fixed route service including local service, commuter service and demand responsive service including services like microtransit and paratransit for our disabled neighbors. We've been working closely to support our West Valley cities and some of their service transitions and, by the way, congratulations to Avondale, Goodyear and Surprise, you received a write up in Government Technology publication just yesterday on the WeRide service. A lot of exciting things happening in the west.

We will come to RTAG next month with a preview of a request to award a contract on the West Valley service and we'll come to this Board to seek approval to award that contract in the month of March.

On light rail, we are officially opening Northwest Extension Phase II on January 27th. We are delighted to be bringing this project to completion ahead of schedule, on scope and on budget.

This is three stations including the terminal station at Metrocenter. We already worked with the City of Phoenix to dedicate the transit center, the Thelda Williams Transit Center, last month. We do hope that you'll be able to join us at the opening festivities, which are going to be Saturday, January 27th from 9 a.m. to 12 p.m. at the Thelda Williams Transit Center. The public is invited. We'll have many different events. We'll have booths and vendors really showcasing the local community and it's also our time to come together as a community and celebrate this opening and a new beginning of things to come in Northwest Phoenix and in the Metrocenter area.

Meanwhile on the south side, we are approaching 80 percent completion on our South Central Extension and Downtown Hub. We are finishing up third-party utility work. All of the stations are well underway including a traction power substations. So great progress and we are looking at a 2025 opening for the South Central Extension and Downtown Hub.

We also have our next light rail extension teed up in the Federal Transit Administration's project program development process. We faced a minor setback with language included in Senate Bill 1102 which restricts light rail within the capital complex. As a result, we've been working very closely with the City of Phoenix and we are proposing modifying that extension to loop at 15th Avenue, so 15th Avenue would be the furthest western point for the Capital Extension. This still does serve a very large ridership base including population and employment. It allows potential connections for the I-10 west which would be the next, next light rail extension after the Capital Extension.

In consultation with the City of Phoenix and Federal Transit Administration, we have chosen to stay on the course with procurements and next month we'll be coming to the Valley Metro Rail Board to request approval for final design contract award and then later this year for construction manager at risk. There will be a series of public engagement opportunities beginning next month that showcase and invite feedback on an array of transit projects for west Phoenix and central Phoenix including light rail, bus rapid transit and transit-oriented development. We'll follow up with more information on those meeting dates.

And speaking of meetings, our next board meeting is February 22nd. I want to note that we'll begin this meeting with a study session. We have an outstanding request from this Board for a study session focused on zero emissions vehicles and our transition from compressed natural gas to zero emissions. We'll cover that content. We'll also introduce our fleet replacement strategy. We've been working for over a year now to align our future fleet needs with our current fleet availability. We've also done our due diligence and have done a thorough evaluation of our maximum loads on the system, so we've got a good idea of what kind of buses, what size of buses we need. Before we get our battery electric buses, we will be purchasing compressed natural gas buses because we've got a number of vehicles that are due for retirement. But we want to share that fleet transition schedule with you. That conversation will be led by Chief Maintenance Officer Darren Curry and his team.

That concludes my report. Are there any questions I may answer for the boards?

Chair Stipp said anybody have any questions? Seeing none.

3. Audit and Finance Subcommittee Update

Councilmember Goodman said thank you, Mr. Chair. We met, let me get the right date, on January 4th. Kicked off the New Year. Mr. Kessler provided an update on the regional sales tax. This is related to transit within the county. Says we're in pretty good shape and have a good trajectory with year with sales tax growth of about 6 percent over prior year and continue to see steady growth.

Also, received a report from Mr. Olson presented the midyear budget adjustment, will be shared with the Board today.

Last, Safety and Security Audit updates. Received an update on Valley Metro's agency safety plan that contains 22 safety elements and the security emergency preparedness plan that contains 5 security elements that are based on ADOT's program standard and every three years required to complete audits of all 27 elements. So it mapped out at 9 per year. This past quarter conducted four audits that completed our three-year requirement to audit all 27 elements. Starting in January the cycle restarts. The first audit is set to commence on March 1.

Continuing with audits, Internal Audit initiated a Conflict of Interest and Contract Change Order and Authority audits, completed preliminary and planning work, are in the process of scheduling entrance meetings, hope to have those take place next week and hope to report out at the beginning of March.

Mr. Chair, that concludes my report.

Chair Stipp said great. Anybody have any questions for Councilmember Goodman? Seeing none.

4. Minutes

Chair Stipp said there are two items on the Consent Agenda 4A and 4B. If there's not any questions, I'll entertain a motion to approve the Consent Agenda.

Motion by Councilmember Pastor, second by Vice Mayor Harris. Any discussion? All in favor, say aye. Any opposed? The ayes have it.

Motion by Councilmember Pastor, second by Councilmember White.

Any other discussion? All in favor? Any opposed? The ayes have it.

IT WAS MOVED BY COUNCILMEMBER PASTOR, SECONDED BY VICE MAYOR HARRIS, AND UNANIMOUSLY CARRIED TO APPROVE THE NOVEMBER 30, 2023 BOARD MEETING MINUTES.

5. 2023 Origin and Destination Study Results

Chair Stipp said Item 5 is for information which is the 2023 Origin and Destination Study results. I turn it to Jessica and staff.

Ms. Mefford-Miller said thank you, Mr. Chair. I would like to invite Aaron Xavier our, as of last week newly promoted manager of Service Planning to the podium to provide a presentation.

We periodically conduct and origin/destination study and this provides detailed information about customer demographics, trip origin and destination and trip purpose. This is invaluable information that we use for service planning. We use that to better understand the experiences of our customers. We triangulate this against our ridership data and our other market research including our customer satisfaction surveys. This will be especially helpful this year as we embark upon our comprehensive operational analysis, that is our detailed evaluation of the performance of our existing system for the purpose of developing recommendations for the Short Range Transportation Plan. Aaron.

Mr. Xaevier said thank you, Jessica, for that warm introduction. Mr. Chair, members. Oh, thank you very much.

Mr. Chair, members of the Board, I'm glad to be here today to talk about this important survey as Jessica had introduced. You know, a lot of surveys are taken on the system that we have, and I think there's a lot of good insights for the post-pandemic ridership and essentially, how to recover ridership, how to serve the community better. There's a lot of answers in this study that we're still uncovering though we have done a lot of analysis to share with you today. And I did want you to know that this is an abridged version of the slides that were provided in the deck that you were given in the packet, so if there are any questions regarding that content, feel free to stop me at any time or after the presentation and I can get into more detail. And all the data that has been shared here and that was contained in the survey results have been shared with city staff and town staff both in the form of a spreadsheet as well as a couple of the dashboards that the consultant that did the survey provided to us as well as one that we created in-house.

So today I'd just like to go a little bit over the study purpose and background, the travel trends that we noticed, some of the changing rider needs and some of the folks that we're seeing now on the system that perhaps weren't there in our previous survey from 2019 and a quick overview of some of the conclusions from the study.

So the survey was conducted last year around this time February to May with most of the surveying being done April to May which is generally when we see a good kind of confluence of folks so we haven't lost the snowbirds yet, we haven't lost the students yet so it's cutting across a good swath of the demographics that are more or less representative of all the folks that live and reside in the Valley.

The work here supports travel demand models like the one produced at MAG as well as transit planning, obviously, so a big part of this as our planning group, you know, combs over the data is how do we look at the results contained here so that we can grow ridership and serve folks better in the community.

We surveyed all the modes so streetcar, light rail, commuter bus, local bus, pretty much runs the whole gamut everything except the rural route. We collected over 22,000 surveys of which 2500 or so were on weekends.

So for the travel trends that we noticed, obviously, unfortunately the ridership has fallen since COVID and this is reflected in the graph so each one of these bars shows the more or less representative sampling that we did during the period of those surveys so the last one we did was 2019, obviously, pre-pandemic. This was the first time we took a crack at it post-pandemic. The sampling that we did mirrors the ridership that we have so the conclusions that we have, obviously, are somewhat contained in data that we had but it does shed some new light on things that we aren't able to track with the ridership just based on fares and APC data.

So one thing that we see here is the proportion of rail riders so folks taking a bus and rail trip so multi-modal trip or a rail only trip has proportionally grown as the rail has recovered a little bit faster than the overall bus system.

And regarding the times of trips so it's not illustrated here but we noticed kind of the loss of the primacy of the peak where often we were planning to -- the peak hour commuters coming in the a.m. peaks and going out of the main business districts at the p.m. peaks.

And as far as distribution of time goes in terms of demand, we've seen the peaks have kind of flatten in the Valley in the midday has gone up and the peaks, the tails, I'm sorry, at the end of the day have also risen which shows that as we kind of pivot to serving the new travel demands need to pay more attention to service during the middays and during the a.m. and p.m. off peak hours as well.

And again, one of the things that we can't see in our ridership that we did see in this O&D survey was the rate of transfers. And initially, we thought, you know, a lot of the folks that are probably dropped off the system were folks that were having to take a lot of transfers but that wasn't actually substantiated in the data where we've seen more or less it stayed the same pre-COVID to post-COVID where it was, I think, around 49 percent previously and still only about 47 percent of trips that require transfers.

So now I'll talk a little bit about the rider demographics and the needs that they're showing us in terms of the demand. So the trip purposes, to the left we have the weekday results and to the right we have the weekend. And so, one thing that you notice on the weekday in the 2019 is the first bar, 2023 is the second bar, is that the home-based other trip which includes things like going to the airport, going to social gatherings or commercial areas or going to medical trips has actually become more pronounced and has actually taken over the spot of the home-based work trip. So as I mentioned before, kind of losing the primacy of the peak and kind of substantiates this idea that folks aren't going to downtown as much so probably contributed to what has (indiscernible) to this is the rise of the hybrid work schedule, the remote working as well especially among white collar workers that used to often patronize the service. And another interesting point to note is that on the weekend we're seeing almost an opposite trend where the work trips are ticking up a little bit whereas the home-based others are ticking down, so it's almost like a slow convergence of the two to like a much more similar distribution of the purpose of trips across the board. So when we look at this in planning and say how do we try to grow ridership and address these new needs, we need to start thinking about how do we address these other riders that are kind of more disperse, it's kind of a much bigger challenge than just saying how do I get folks to the downtown business districts during the peak hours. We need to start diversifying how we serve folks and the destinations that we are serving so that we're able to keep on top of this trend.

So another thing of note is the number of vehicles in the household and particularly how many folks do not have cars. So as you can see in this kind of longitudinal look at the number of folks who have cars across the different surveys. So it's earliest, the first ones at the top are the newest going to the oldest all the way back to 2007. And you can see more or less that this hasn't changed too much so I think another hypothesis that we had was we're probably going to be seeing a lot more folks without cars who have remained with us on the system, you know, through the fall of the ridership (indiscernible) increase as we've kind of recovered ridership but it's actually not quite substantiated just in terms of the number of vehicles that folks have but we did not that the number of folks without driver's licenses did tick up significantly. So I think it went up from 42 percent in 2019 to 49 percent so that was a 7 percent increase. So while we're all making sure that we serve this demographic target them when we are looking at service increases, routings is very important to making sure that we're serving the folks that do need the service and have shown us time and again that they make up more or less the majority of those that we serve.

Another interesting data point that we pulled out was the rider gender so as you see, the split of men is on the left, the split of women is on the right and more or less you can see in the point there that the number or the proportion of men has risen from 57 to 62 percent and the proportion of women has decreased from 42 percent to 37 percent to the point where men are more or less outnumbering women two to one. And so we tried to dig deep and say, you know, why is this happening? We've done a lot of other more qualitative surveys about people's perception of transit, why they ride, why they don't ride, and I think digging into those surveys with the kind of trigger or direction of this data point would suggest that we just need to look at, you know, why perhaps women are not taking transit as much as men. Because I think that, you know, as a demographic is definitely a key demographic that if we were to target it, we would see a lot of growth whereas we're a little bit more saturated with the males on the system.
So one of the last points is how folks are getting their transit information. So recently with the death of the transit book, obviously, you can get kind of these bespoke version that we offer through customer service where you say, you know, I want route 77, 18 and yada yada yada and get my own personal transit book. But we are kind of out of the business of just printing transit books as we used to. And so, I think in part this has contributed to the data that you see here where only about 1 in 10 folks is not relying on a paper source or information or a call-in service like customer service or texting into NextRide. Whereas on the flip side, we've seen a dramatic increase of digital wayfinding that is continued, you know, across the surveys you can see here it's almost like the reverse trend where we not have about 9 in 10 folks that are relying on that online transit information. And I think a couple of things have buttressed and supported why this is the case. So we have the rise of the real time data that's available to folks to track their rides, we have the introduction of the mobile fare that was in play when the survey was taken. And we've also noticed as another data point from the survey that the amount of -- or I guess, the saturation of cell phone ownership has continued to increase so I think it's up to 93 percent. So 93 percent of respondents had smart phones which is up 2 percent from 2019 and of all the folks 90 percent of those had smart phones with data plans so that is essential for tapping into those services that I mentioned before. So, you know, as we look to make ourself more competitive in a digital age, compete with the transits and -- the Ubers and the Lyfts of the world, now the Waymos I suppose that staying on top of this appetite for digital wayfinding, digital information, real time information, paying for things with your cell phone, making the cell phone pretty much the only thing that you need to have to take transit I think is helping us to remain relevant and maintain that appeal.

So in conclusion, most riders still like access and ability to drive. As I mentioned, there's no real sharp increase in the zero-car proportion but still making up a majority of all the folks that we serve at least according to the survey. And that a large proportion of those about 1 in 2 folks overall whether they had a car or not did not have a driver's license and that did raise significantly.

Riders continue to migrate toward those online transit solutions so continuing to develop those solutions, I think, will be critical, you know, going forward because folks do overwhelmingly have smart phones with data plans across demographics even when you cut it to, you know, some demographics where you don't think they may be able to afford a data plan or they may not be as tech savvy was not really corroborated in the data that we had. It was really across all demographics that folks are having data plans with their smart phones.

And finally, the gender gap has risen significantly where men outnumber women 2 to 1 so this may trace back to a couple different reasons as to why that is but I think going back to our surveys and making sure that we are on top of the perceptions of that specific demographic and targeting them for, you know, making it more welcoming service and accommodating service for them I think will be critical in growing ridership. So that is all that I had. Are there any questions from Mr. Chair, members of the Board?

Councilmember Goodman said was there any data collected on what the rides were for, were people commuting to work or was it recreation, entertainment? And then second part of that and it's kind of hard to survey people who are not riding, but what would you guess. Are folks working from home?

Mr. Xaevier said Mr. Chair, members of the Board, that's a good question. So this kind of gets to it. It is kind of a broad strokes look at the trip purpose, but we did see that about only 38 percent of folks are taking the service which is a home-based work trip which is essentially what we call, you know, commuting to work or it could be the reverse work-based home trip. Which is down kind of significantly from the 45 percent that we saw pre-pandemic. And so that kind of the split that we're seeing currently at least on the weekday. On the weekend, it does seem to tick up a little bit but again, that may be just within the margin of error.

As far as tracking the folks that have left, I think we have done a little bit of work outside of the survey to talk to folks that aren't on the system as well as asking folks in this particular survey do you have a hybrid work schedule or are you able to telework. And in both of those sources, we're seeing a lot more folks saying, especially pre-pandemic to post-pandemic, that they're now afforded the option to work from home. And so, I think that's definitely playing into why we're losing that essentially market share from that particular demographic that, you know, if folks don't have to commute then they just won't be using our service one way or the other.

Councilmember Goodman said thank you.

Chair Stipp said great. I'm just going to go this way because it's simple for my brain. Councilmember White.

Councilmember White said thank you so much, Chair Stipp. Thank you so much Aaron for the presentation. Taking a look, I just it appears that we need to target and kind of revise how we look at the market that uses public transit. It's a clear 50 percent of the people that have consistently just -- they don't own cars so they're on the transit and now we're seeing the unlicensed drivers using transit which is really good. It keeps them from behind the wheel of a car which we often see anyway.

When you take a look at it, I think we need to have other sources of data that we will consider. I believe we just heard the fact that you can't reach those folks who are out of the system, so I'm interested to see how we're going to take a look at being able to market back to those folks who were before using transit and just are not at all any more.

But I'm very concerned with how we treat the population that appears to not have the luxury of a vehicle and what are we doing to kind of maybe hone in on that market and expand that because I believe there are probably more people in the Valley that would like to be without cars especially those that just come in for a portion of the year and leave and I think that we have that sweet spot where we can find more service routes where we can find different types of transit opportunities.

And then I think also I wanted to look at the decreased transfer usage. I wanted to add everything in here to give everybody else an opportunity to speak. But these transfer usage for some of the eastern routes and seeing some of the expansion for some of the western routes I think those are to places where people will really need to get in the future and where we'll see more growth of transit.

I'm very concerned about the decrease in female usage of public transit. I just want to say that because I know that safety is a perception and we're going to continue to say that.

But then I also looked at one of the slides you had and the more expanded version it just caused me concern that, one, we have a population living in the state of Arizona that makes less than $5,000 a year which might be our students, however, the lowest household income populations are our highest users it looks like. So really taking a look as well too because then if you look at the other end of the spectrum, the higher earners, the higher earners are actually using public transit more. So if you look at that demographic that you had in the more expanded presentation you provided us those are just some call outs I wanted to make sure we are considering when we look at the market of people who can use and will use public transit in the future.

We want to be there for those who don't have any other options but we want to also find some growth opportunity along that spectrum all the way up the income chain. Thank you, Mr. Chair.

Councilmember Tolmachoff said good presentation, Aaron. I do have a question about, as Councilmember White just mentioned, I was very interested in the percent of riders without a driver's license. Do we have any age demographics on that? Because I'm very curious whether they're 16 to 30 probably. It seems more and more young people are not really wanting to get a driver's license or waiting until later. I would be very curious to know if we know what those demographics look like. And then older people, obviously, sometimes are not comfortable maybe coming downtown. They'd rather use transit or they're not comfortable driving anymore. So who are these people or do we know who these people are that are without a driver's license?

Mr. Xaevier said Mr. Chair, members of the board. So we had a similar question come up at a previous iteration of this presentation where we did actually look at the income distribution, but I don't exactly know the age distribution. So we do know that the group of folks that do not have driver's licenses do tend to skew a lot more low income than the folks that do have driver's licenses. But I can definitely get back to you on that point because that's in the data and I would just have to kind of throw it in a pivot table to get that information.

Councilmember Tolmachoff said it seems to be more and more of a phenomenon. I mean, you know, when I could not wait to get a driver's license and get out from under my, you know. It's freedom for most people but I know, you know, I have friends with children that are still young, and it seems to be more and more common that, you know, they're not as anxious to get behind the wheel as we were when we were growing up.

I'm just curious what the age demographics, whether it is more related to income or is it just a phenomenon that we're seeing that we should be targeting this generation because they don't really want to have a driver's license, so. That was my point is that, you know, if we knew that we might be able to more refine our, you know, who we're targeting to try to promote them to use transit. Maybe even as an alternative of -- if we go where they want to go, the destination and origin study, if we're taking them where they want to go they would maybe choose transit rather than Uber, Lyft or some other method of transportation.

Mr. Xaevier said I think, I mean, that's just a growing demographic and cultural shift that I think we would be remiss to not kind of ride the wave of, so very good point.

Councilmember Pastor said this is a great conversation because my nephew who's 21 now has chosen not to get a driver's license or doesn't have a driver's license. We are all encouraging him that he needs to, you know, have some driving skills just in case there's an emergency or we need something from him. So we're highly --

Councilmember Pastor said he would have to pick up his nana at a doctor's appointment. So his mentality or philosophy is why do I need a driver's license if I can take public transportation and get to where I need to get to or my friends can come pick me up or I can take an Uber or Lyft or Waymo. It's much less inexpensive because I don't have the responsibility of a car and a payment. I don't have a responsibility of maintenance and I don't have a responsibility of insurance. So if, in his way of thinking, he finds a job within his nucleus and can get there and get there on time then that's what he'll do. So I think we really need to look at that area because there might be some great opportunity for growth. The other piece is he says if he cannot get the bus or light rail to get him to where he needs to get to on time then he chooses the other option of Uber and Lyft. But that's why he's not inclined to get a driver's license. He's also not inclined because he doesn't want any of us calling him up and saying hey, can you come. Because for him, right, for him, that's freedom and that's his freedom where it was my freedom as soon as I learned how to drive, I'm going to get in my car and I'm out. But his freedom is I don't need to know how to drive, I'm out regardless of whatever which way and I don't have a license, I can't pick you up. So I think that it is a culture shift in ways younger generation is looking at this and thinking.

The other piece is women. I could see or understand why women are less inclined to take public transit because I can also see the flip side of I'm the main person in the house that goes and picks up the kids, that gets them to their practice, that gets them to -- in between, they're feeding them and I can see why women wouldn't be as inclined to take public transportation because they're moving the system, the internal system of the house to get them to where they need to get to on time. So I could see that being one of the areas of why women aren't taking public transit but I could also see time being one of the factors as why women don't take it. Because they need to get somewhere. There is a schedule. I need to get there. So I'm curious to see what the reasoning is. The high earners and it might be in the study, I'll go back and look. I'm curious of where they're going. Are the high earners going to a sports event, going to a play? What are they doing? I mean, if we have any information because I'm assuming the lower earners are going to work and we'll see it also in the way they move. So I'm just kind of curious about those areas to see what type of discussion we can have. Thank you.

Chair Stipp said Councilmember McMahon.

Councilmember McMahon said I'm also curious to see age-related data especially for women and especially for university students or, you know, students in general that can't afford cars, et cetera. I'm rather, and maybe I'm reading this wrong, but I'm a little surprised at the low usage of university with the Metro, et cetera. I for some reason thought there would be more since the school where it's situated, et cetera and all the buildings here downtown, et cetera and the university's expanding so I'd be curious to see if at all possible, a little bit more why university students are not using the Metro. Mr. Xaevier said absolutely. Thank you. Mr. Chair, members of the board. I can just touch on that quickly. So the university thing is a bit interesting because we've had a bit of a back and forth, I think, with ASU previously, we had some pretty high ASU ridership and, obviously, there are other universities in the area but just kind of picking on them for a second. And then they introduced their commuter routes that I think did cannibalize a bit some of the ridership that we were seeing, especially on the light rail which they patronized in fairly heavy numbers before those were introduced.

And then we just introduced the streetcar which I think had caused another kind of cycle in this ebb and flow that we've had. So I mean, if you go in there on any given weekday when the school isn't in recess, it's almost like a crush load. We have a lot of reports of folks saying, you know, can you just increase the frequency on those services because it's hard to even find space in those. So I think if we were to just isolate this to say a Tempe or especially downtown Tempe we would see a lot higher university-based trips.

And I think even to a certain extent ASU has branched out a little bit more into online learning as well which I think has taken a hit in terms of the folks that are coming to the campus. Thank you. But I can definitely give you those numbers.

Chair Stipp said Councilmember Littlefield. I see your hand up.

Councilmember Littlefield said Yes, thank you. (Inaudible) and I think one of the problems may be oftentimes women who maybe aren't necessarily going to work but working from home doing errands and things like that they have more individual stops than I think a man does who just goes to work and then comes homes. They may take kids to piano practice, to school, to sports events, going to the grocery store, has to carry groceries, I mean, they have a lot of other things that they do in one trip, and they don't necessarily want to go out and then back -- home again and then out and then back home again. So I think that may be one of the reasons why the ridership for women is a little lower than for men especially for a non-working woman or a part time working woman. This is the nature of the trips that she takes maybe different.
That's all I had to say. Thank you.

Chair Stipp said anyone else online have any comments?

Vice Mayor Harris said women rule. Okay? I will leave it at that. Thank you. I'm not sleeping on the couch tonight.

First of all, I was thinking about some of the things that you were sharing and thank you for your presentation but also I was thinking about when we were at and Jessica, you was on a panel discussion at a conference recently and one of the individuals got up and talked about how light rail is laid out, how current transportation is laid out and he talked about the emphasis, and I think Vice Mayor Jennifer Adams would agree. Right in the corridors where there's a lot of housing, new development housing, people are looking at that light rail system and the bus system as their transportation. So it's like a cut cost because the average person is going to spend, what, a couple hundred dollars for insurance, if they have a car note, that's going to be another two or three hundred dollars and then if they have repairs and things like that so a vehicle can literally cost you about anywhere from $600 to $1000 a month even if you own it, you know, it can be very expensive. So people are looking at this means of getting there. And so, in terms of that rider show as we build as the rail continue to expand in various corridors developers will see that as a unique opportunity to take advantage and take hold and I'm proud of Valley Metro because we continue to be a leader underneath Jessica's leadership in this transportation system. We continue to show how it's done and how we're continued to make different strides.

So one of the things that I wanted to point out was you talked about online and I thought that that was very good to bring that data forward. We do have a digital card that people can receive. I would like to see more efforts to market the virtual card so people are not paying $5 so maybe if they download the app then they can then have a virtual card for ridership, and we should promote this on our system.

As well as we should to promote safety what we could do is look at our app and see how we can promote a safety and report type message. If you see something wrong, if you see something damaged, if you see something crazy, please take a picture, you can upload to the app. I'll give you an example. The graffiti, in Chandler we have an app for graffiti so if you see graffiti, take a picture, it automatic uploads to the system, it's handled within 24 hours. What we could do in conjunction with our safety system, if someone see something that looks to be suspicious or concerning, they could take a picture, they could upload and maybe it can go immediately to our security team for an immediate response. So everything may not necessarily be 911 but it could be a way to bring forth and as we all know 911 have a text message mechanism so people can text directly 911 without necessarily having to call and they will also look into it. So maybe we can look at having a simpler process with that.

In terms of connectivity and the riding more the messaging I know that we put the marketing messaging on the bus and we allow our partners to spend a fair amount of money to market their brand but maybe we should look at hey text and ride, scan and ride, maybe we need to look at our messaging a little bit more in how we promote it considering that 9 out of 10 is going to be on the phone. So perhaps we can come up with more creative ways and maximize our online platform, our online messaging to (indiscernible) and this will also serve the purpose and, Aaron, I'll share this. If we want to randomly survey people through that we can ask them hey this month if you take the survey, you can win unlimited rides for the next month. Take this survey or we can find different ways to promote a way to get people engaged to talk about their rider experience and every month maybe we have a way every month you can enter in, put in your experience for your month, the last month, this enters you into a raffle of some sort to have 30 days of free riding if that's what you choose to do. So I just kind of wanted to make sure that with this new data, outside of the woman, woman rule, let's continue to use our app. Let's continue to use our resources to further double down. Thank you, Chair.

Chair Stipp said I really can't follow that up. No. My wife already knows she's the boss at home, so it doesn't really matter.

All right. I do have a couple of other questions for you, Aaron.

Chair Stipp said I'm going to go backward. On the marketing component, it's still seared in my brain about the budget conversations we had regarding the marketing plan to return to ridership and we've seen if you look at the charts of year over year over year we're not seeing anything from that so I think I'd like to at some point get some follow up information on what have we done, have we been able to measure any impact of that at all? I've, you know, we were I think if I remember correctly, we were talking about spending anywhere between a half a million and three quarters of a million dollars on marketing. What did we get for that?

Ms. Mefford-Miller said so we would be happy to provide a report and perhaps that's a written report on marketing and where dollars are spent. Some of -- in the last fiscal year, some of our biggest marketing campaigns have been focused on events like Super Bowl also the value of transit campaign –

Chair Stipp said that's the one.

Ms. Mefford-Miller said (indiscernible) storytelling is really the leading item this year which isn't tied back to specific routes and ridership, but I think this needs to be part of where we're going, and you'll see some of this woven throughout our strategic plan. Also, I mentioned in the introduction, this data and understanding of where people are using the service and where people are not and how they're not using and who is not using the service are also going to be big drivers of that comprehensive operational analysis so that we can retool the system because how, where and when people are traveling looks a whole lot different here in 2023 or then in 2023 than it did even in 2019 four years prior. So it's a clear directive for us to change the way we're doing business and the way we're delivering service so that we can attract ridership back and continue to deliver ridership in a way that is meaningful and equitable and promotes livable, sustainable communities.

Chair Stipp said I agree a hundred percent and I think it was the return to ridership thing that was what's still rumbling around in my head. I know we spend a lot of emphasis on, you know, Final Four, World Series, blah. Quite frankly, I don't care about that marketing plan. I'm more focused on this one. The one that is going to be with us the other 11 months of the year, so I'd like that the information and a report is fine on that. So, Aaron, on this data are you able to isolate it by, I'm going to say community or type of rider? For example, the city of Tempe which has a huge population of students is going to skew the data kind of across the system. So are you able to pull that out from this survey? You know, when a city does a comp and classification, you know, we look all the way across the board and then we've got, you know, some outliers that like well, there's no way we're not going to go with a smaller community and it's kind of hard at times to go with the largest community when we're doing comparison of things. Are you able to do the same kind of thing with this data given the number of communities that are using the service?

Mr. Xaevier said Chair Stipp, members of the Board. I'm absolutely able to do that. I can slice and dice it across quite a fair degree of variables so like you mentioned, geographically. We can just dissect, you know, its only folks originating or destined for this area. We can say, you know, what's their income. We can slice it along those lines. Age. Whether or not you're a student. So a lot of different ways that we can tease out those specific demographics or those specific areas.

And we're definitely happy to do that for any city. So like I said, we did provide, you know, the full dataset but it is a bit of a bear admittedly so we're always, you know, happy to help cities and towns, you know, work through the data and get some of the answers that they're looking for.

Chair Stipp said I don't want that level of detail, but I think just knowing that it's available that you'll be able to use it to inform the future decisions that's all I wanted to (indiscernible)

Ms. Mefford-Miller said we will, and it might be helpful a great many really good questions have been asked in this forum today for us to go back and slice and dice the data a little bit and try and illuminate answers to these with a more detailed report if that pleases this Board. We can provide that.

Chair Stipp said sure, and any of the questions that we're going to answer from this today that you're going to send out would you please send that to the entire Board?

And then finally, just a simple observation. You know, because everyone's been so positive. I think we'd be, quite honestly, given where we're at I think we're going to be fooling ourselves if we think we're going to reach back to 2019 data or those benchmarks. I don't want to say ever again because that's really negative, but I think the world has changed significantly to the point that 2019 that may be the high water mark that we're never going to return to. So I think we all have to be cognizant of that and perhaps stop worrying about pre-pandemic data and start worrying about '22, '23, '24 and leave '19 to be that high water mark just crazy observation. So thank you for the presentation. I don't believe there are any other questions.

Mr. Xaevier said great. Thank you everybody.

Chair Stipp said thank you.

6. FY 2025-2030 Strategic Plan Approval

Ms. Mefford-Miller said so shifting gears from here so what's happening on the system to here's what we intend to do about it over the course of the next five years I want to invite Jim Hillyard, our Chief Administrative Officer to the podium to provide a high-level overview of strategic plan. This was last at this committee in November. We've also carried it forward through TMC, RMC and RTAG to get final feedback. In this conversation today, we want to focus on our hopeful adoption of the plan and then our implementation strategy. I should mention that in the spring when you begin to see our budget proposal for fiscal year 2025, you'll see that budget proposal and all of the associated initiatives tied back to strategic plan goals and initiatives. Jim.

Mr. Hillyard said good morning, Mr. Chair and members. So today we, with your action, will begin our pivot from the planning phase of our strategic plan to its implementation phase. So on the one hand very exciting to be making that progress, on the other we know the real work is ahead of us in turning this plan into action.

As you well know, we've been at this process approximately nine months now, I'm starting with the award of the Guidehouse contract last April. Over that time, we gathered a boatload of data and as you can see, we talked to riders, we talked to non-riders, we talked to industry leaders and peer agencies, we talked to your staff, to our staff, to our contractor's staff and certainly, we engaged and took feedback directly from you. And the result of that effort is the document that you have attached to your packet. It summarizes the key findings, and those key findings then led us to the nine goals and I think, 40 initiatives that are really tactics to implement the goals that you see in that plan. And so, they will be driving our actions over the next five years.

You'll be seeing that impact very, very soon. So, for example, in February, when Tyler and Ken introduce the FY25 budget that budget will be formatted in a way that makes clear how the resources that we're seeking align with the goals and initiatives that you will approve today.

In addition, going forward, all of our board memos will clearly articulate how that particular action being brought to you relates to the strategic plan so that we're creating a clear through line from what we've said we aim to accomplish and the actions that we're taking and your perspectives on those actions.

Then finally, as we talked about in the study session last month, we'll also be coming back to you four times a year sort of a rotating six-month schedule with updates on our progress on the strategic plan both on what we have done and then the outcomes that we're seeing from those actions. So that first set of updates will be in May and in that first set of updates, we'll be sharing with you our thoughts on how we'll be measuring our progress toward accomplishing the goals and initiatives so that we can get your feedback and then in subsequent updates, we'll be providing those metrics to you in a discussion of actions taken and actions to come.

So with that, if there are any questions the Valley Metro or Guidehouse teams would be delighted to answer them. If you don't have questions for us at this time, we deeply appreciate your engagement and support in the process thus far and look forward to rolling up our sleeves and putting it in practice going forward.

Chair Stipp said thank you, Jim. I'm going to take the motion first and then we'll have the discussion and ask questions. So may I have a motion to approve the FY2025 to 2023, I'm sorry, 2030 strategic plan.

Motion by Councilmember Pastor, second by Councilmember White. So I have a motion and a second on the floor and now I'll open it for discussion. And/or questions.

Councilmember Tolmachoff said I just wanted to make the comment that I appreciate the fact, Jim, and thank you for still being here, by the way.

Mr. Hillyard said thank you and Jessica for having me here.

Councilmember Tolmachoff said no, we appreciate your willingness to continue to serve, so. But I appreciate the fact that you're going to continue to tie decisions back to the strategic plan and so, and then bringing feedback on what the effect of that decision is, so it's kind of full circle because a lot of times as electeds we sign off on a plan and then we don't really get all of the information to know, like, is it having the affect that we anticipated? So I appreciate the fact that that's all part of the plan so thank you for that.

Mr. Hillyard said thank you.

Chair Stipp said any other questions or comments? Seeing none.

Then I will take the vote.

All in favor, say aye. Any opposed? Ayes have it.

IT WAS MOVED BY COUNCILMEMBER PASTOR, SECONDED BY COUNCILMEMBER WHITE, AND UNANIMOUSLY CARRIED TO APPROVE THE FY 2025-2030 STRATEGIC PLAN.

7. Travel, Expenditures, and Solicitations

Chair Stipp said Item 7 is presented for our information which is the Travel, Expenditures and Solicitations. Did anybody have any questions on that?

Seeing none.

8. Report on Current Events and Suggested Future Agenda Items

Councilmember Tolmachoff said Thank you, Mr. Chair. I'd like to have a discussion. I know I've been seeing, and Councilmember Pastor and I have been talking about this. Let's have a discussion about -- I see them in Tempe, I'm seeing them start to pop up in Phoenix, I see those emergency alert -- those blue light things and if it's a possibility whether we need to partner with, you know, Valley Metro with cities, whether MAG's doing anything with, you know, that with regard to transit. But transit stops are, you know, definitely, people are, you know, standing there, especially in the winter time it gets dark early so I just think -- and we've been talking about we should maybe take a look -- I don't know what the financial impact of that would even be but I'm seeing those start to pop up and I saw a lot of them when we were in Atlanta, some of those of us that went to Atlanta for the conference, they had those everywhere in Atlanta. So I'd like us to take a look at that. Thank you.

Chair Stipp said Great. Anyone else? All right. Seeing none.

9. Next Meeting

The next meeting of the Joint Boards is scheduled for Thursday, February 22, 2024, at 11:15 a.m.

The meeting is adjourned.

Without further discussion, the meeting was adjourned at 12:23 p.m.

Information Summary

DATE
February 15, 2024

AGENDA ITEM 5

SUBJECT
Fiscal Year 2023 (FY23) Regional Public Transportation Authority (RPTA) and Valley Metro Rail, Inc. (VMR) Annual Comprehensive Financial Report (ACFR) and Single Audit Reporting Package (SARP).

PURPOSE
To inform the Board of Directors that the Audit and Finance Subcommittee (AFS) accepted the FY23 Annual Comprehensive Financial Reports and Single Audit Reporting Packages at the February 8, 2024 meeting and provide the Board with the Annual Comprehensive Financial Report (ACFR) and Single Audit Reporting Package (SARP).

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
CliftonLarsonAllen LLP (CLA), Certified Public Accountants, has completed the audits of RPTA and VMR financial statements and Schedule of Expenditures of Federal Awards for the fiscal year ended June 30, 2023. Valley Metro has complied with both state and federal statutory audit requirements as well as adhered to Generally Accepted Accounting Principles in financial reporting. The Annual Comprehensive Financial Reports demonstrate Valley Metro's commitment to the highest standard of financial reporting for a governmental entity.

In performing the audit of the financial statements, CliftonLarsonAllen LLP considered internal controls in order to determine auditing procedures for the purpose of expressing opinions on the financial statements' fair presentation, in all material respects, of the financial position of RPTA and VMR and not to provide an opinion on the organizations' internal controls.

RPTA's and VMR's Annual Comprehensive Financial Reports for FY23 received unmodified opinions. RPTA and VMR received the GFOA Certificate of Excellence in Financial Reporting for the FY22 ACFRs, which demonstrates the agency's commitment to the highest standard of financial reporting for a government entity. The RPTA and

VMR full ACFRs, which include the Independent Auditor's Report and the Single Audit Reporting Package are attached.

COMMITTEE ACTION
RTAG: January 16, 2024, for information
TMC/RMC: February 7, 2024, for information
AFS: February 8, 2024, approved
Board of Directors: February 22, 2024, for information

CONTACT
Ken Kessler,
Chief Financial Officer
kkessler@valleymetro.org

ATTACHMENT
FY 23 Annual Comprehensive Financial Reports – RPTA and VMR
FY 23 Single Audit Reporting Package – RPTA and VMR
FY 23 Letter to Governance – RPTA and VMR

These documents will be available on the Valley Metro website at the following URL subsequent to acceptance by AFS:

https://www.valleymetro.org/finance-budget-reports

CliftonLarsonAllen LLP
CLAconnect.com

Board of Directors
Valley Metro Regional Public Transportation Authority
Phoenix, Arizona

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Valley Metro Regional Public Transportation Authority (the Authority) as of and for the year ended June 30, 2023, and have issued our report thereon dated. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit in our engagement letter dated July 21, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements.

For the year ended June 30, 2023, the Authority implemented the provisions of Statement of Governmental Accounting Standards Board (GASB Statement) No. 96, *Subscription-Based Information Technology Arrangements*, which (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosure regarding a SBITA.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

> Management's estimate of the fair value of investments is based on the fair value of the same or similar investments actively traded in the market. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the useful lives of capital assets is based on an analysis of the assets' condition and the Authority's previous experience. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the unfunded pension and OPEB asset/liability related to the Arizona State Retirement System pension and OPEB plan are based on actuarial reports prepared by other professionals. We reviewed the key assumptions used to estimate the liability in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimate of the current and long-term portion of compensated absences was calculated based on employees currently eligible, those employees expected to be eligible and the Authority's previous experience. We evaluated the key factors and assumptions used to develop the current and long-term liability in determining the reasonableness in relation to the financial statements taken as a whole.

Management's estimate of the net present value of the right to use assets, lease liability and lease expense are based on the remaining noncancellable lease term-terms (including lease options) beginning July 1, 2022 and an estimated discount rate applied to the leases as of July 1, 2022. We reviewed the key assumptions used to estimate the right to use assets, lease liabilities and lease expenses in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures other than the restatement of net position discussed in Note 2 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

The Authority restated beginning net position for the business-type activities and the Transit Service Operations enterprise fund due to the capitalization of $2,101 thousand of work in progress in fiscal year 2022, which should have been recorded as an expense during that period.

Certain reclassification entries were made to reclassify the cash portion on the Authority's investments to cash.

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Circumstances that affect the form and content of the auditors' report

As previously communicated to you, the report was modified to include an emphasis of a matter to indicate the adoption of GASB Statement Number 96.

Management representations

We have requested certain representations from management that are included in the management representation letter dated December 27, 2023.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other audit findings or issues

The following describes a matter identified during the audit that was previously not communicated to you that is, in our professional judgment, significant and relevant to your oversight of the financial reporting process:

> During the audit we identified a significant risk related to the Authority's implementation of Governmental Accounting Standards Board Statement Number 96 – *Subscription-Based Information Technology Arrangements* and the risks associated with a first year implementation that has not previously been communicated to you.

Required supplementary information

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Supplementary information in relation to the financial statements as a whole

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated December 27, 2023.

With respect to the combining nonmajor fund financial statements and budgetary comparison schedules (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated December 27, 2023.

Other information included in annual reports

Other information (financial or nonfinancial information other than the financial statements and our auditors' report thereon) is being included in your annual report and is comprised of the introductory section and the statistical section. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our auditors' report on the financial statements includes a separate section, "Other Information," which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

* * *

This communication is intended solely for the information and use of the board of directors and management of Valley Metro Regional Public Transportation Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
December 27, 2023

CliftonLarsonAllen LLP
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Board of Directors
Valley Metro Rail, Inc.
Phoenix, Arizona

We have audited the financial statements of the business-type activities of Valley Metro Rail, Inc. (VMR) as of and for the year ended June 30, 2023, and have issued our report thereon dated November 13, 2023. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit in our Statement of Work dated June 2, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

<u>Accounting policies</u>

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Valley Metro Rail, Inc. are described in Note 1 to the financial statements.

For the year ended June 30, 2023, VMR implemented the provisions of Statement of Governmental Accounting Standards Board (GASB Statement) No. 96, *Subscription-Based Information Technology Arrangements*, which (1) defines a subscription-based information technology arrangement (SBITA); (2) establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosure regarding a SBITA. The impact to the financial statements was determined to be immaterial by management as all assets and liabilities related to joint SBITA agreements are recorded in RPTA's financial statements while VMR records contributions toward the subscription payments only. The amounts for subscription and lease payments recorded as a contribution to RPTA on VMR's financial statements were $722 thousand for the fiscal year 2023.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

<u>Accounting estimates</u>

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the useful lives and remaining useful lives of capital assets is based on an analysis of the assets' condition and VMR's previous experience. We evaluated the key factors and assumptions used to develop the useful lives and remaining useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the net present value of its lease liabilities and related right to use assets were based on the remaining future payments and the estimated discount rate used to calculate the net present value. We evaluated the key factors and assumptions used to develop the discount rate in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Corrected misstatements

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated November 13, 2023.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Supplementary information in relation to the financial statements as a whole

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated November 13, 2023.

With respect to the Schedule of Operations – Budget to Actual (collectively, the other supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated November 13, 2023.

The introductory and statistical section accompanying the financial statements, which is the responsibility of management, was prepared for purposes of additional analysis and is not a required part of the financial statements. Such information was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we did not express an opinion or provide any assurance on it.

* * *

This communication is intended solely for the information and use of the board of directors and management of Valley Metro Rail, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
November 13, 2023

Uncorrected Misstatements

SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT
Valley Metro Rail, Inc.
Enterprise Fund
Year Ended June 30, 2023

UNCORRECTED MISSTATEMENTS OF AMOUNTS	Effect of misstatements on:			
Description	**Assets**	**Liabilities**	**Fund Balance / Net Assets**	**Net Expense/Revenue and Change in Net Assets**
To record the net effect of removal of liability to FTA for insurance proceeds		697,000	(697,000)	
To record the data center leased asset	(155,000)	155,000	-	
To record LRV 108 capital addition for repair costs	906,130			(906,130)
To record unrecorded liabilities		(500,874)		500,874
Subtotals	751,130	351,126	(697,000)	(405,256)
Income tax effect				
Net current year misstatements (Iron Curtain Method)	751,130	351,126	(697,000)	(405,256)
Net prior year misstatements	-	-		-
Combined current and prior year misstatements (Rollover Method)	$ 751,130	$ 351,126	$ (697,000)	$ (405,256)
Financial statement totals	$ 2,837,406,000	$ (305,813,000)	$ (2,531,593,000)	$ 249,982,000
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	0%	0%	0%	-0.16%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	0%	0%	0%	-0.16%

Information Summary

DATE **AGENDA ITEM 6**
February 15, 2024

SUBJECT
Travel, Expenditures and Solicitations

PURPOSE
The monthly travel, expenditures and solicitations are presented for information.

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

CONTACT
Ken Kessler
Chief Financial Officer
Kkessler@valleymetro.org

ATTACHMENTS
Valley Metro Travel Report
Valley Metro RPTA and Valley Metro Rail Monthly Accounts Payable over $25,000
Active Requests for Proposals, Qualifications and Invitations for Bids

Valley Metro
Travel Reimbursement Report

Job Title	Purpose of Travel	Location	Dates Traveled	Total Travel Cost	Airfare	Other Transport	Lodging	Meals	Misc.
MoW Technical Trainer	TVM Factory Acceptance Training	Denver, CO	11/01/23-11/02/23	$1,104.18	$745.97	$118.67	$99.69	$118.50	$21.35
Manager, Bus Transportation	Interviewee Candidate	Phoenix, AZ	12/17/23-12/18/23	$780.21	$527.80	$38.20	$133.96	$80.25	
Manager, Bus Transportation	Interviewee Candidate	Phoenix, AZ	12/17/23-12/19/23	$1,571.73	$1,076.45	$78.11	$267.92	$149.25	

Total this reporting period $3,456.12

Year to Date **$59,794.27**

Report reflects Out of State (AZ) Travel

** Misc*

[1] Toll Fees

Valley Metro Regional Public Transportation Authority
Monthly AP Payments over $25,000
December 2023

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
10001967	12/29/2023	City of Phoenix	Fixed Route Bus Service	5,412,142.90
10001925	12/8/2023	City of Phoenix	RTP Reimbursement	1,475,101.26
90000244	12/15/2023	ADP LLC	PPE 12/10/2023 Payroll Liabilities	1,418,853.40
90000239	12/1/2023	ADP LLC	PPE 11/26/2023 Payroll Liabilities	1,344,080.30
90000248	12/29/2023	ADP LLC	PPE 12/24/2023 Payroll Liabilities	1,255,004.12
90000243	12/15/2023	Cigna Health and Life Insurance Company	Health Insurance Premiums	546,796.58
10001927	12/15/2023	Creative Software Solutions LLC	Ridechoice Management Services	533,416.96
10001889	12/1/2023	Scheidt & Bachmann USA Inc	Hardware and Software Maintenance Support	440,163.74
10001958	12/21/2023	National Express Transit Corporation	West Valley Contracted Fixed Route and Maintenance Services	430,917.02
10001897	12/1/2023	City of Phoenix	RTP Reimbursement	380,906.65
90000238	12/1/2023	ASRS	PPE 11/26/23 ASRS Contributions & LTD	339,926.97
90000245	12/29/2023	ASRS	PPE 12/24/23 ASRS Contributions & LTD	338,312.87
90000242	12/15/2023	ASRS	PPE 12/10/23 ASRS Contributions & LTD	329,381.97
10001895	12/1/2023	MTM Transit LLC	Implementation Fees - Start-Up/Mobilization	324,575.00
10001905	12/8/2023	First Transit Inc	Fixed Route Bus Operations/Maintenance Service - Engines	253,296.16
10001961	12/29/2023	Creative Software Solutions LLC	Ridechoice Management Services	226,728.47
10001910	12/8/2023	Scheidt & Bachmann USA Inc	Hardware and Software Maintenance Support	189,661.09
10001936	12/21/2023	101 North First Ave LLC	101 Building Rent	187,713.68
10001896	12/1/2023	Vix Technology USA Inc	Customer Service Network Fees	186,296.00
90000250	12/31/2023	Surepays	RPTA Monthly Utilities	146,156.39
10001911	12/8/2023	Second Generation Inc, dba Ajo Transpor	Monthly Rural Connector Services	125,457.77
10001899	12/1/2023	City of Phoenix	RTP Reimbursement	109,282.50
10001922	12/8/2023	OpenGov Inc	Software Subscription - OpenGov	105,412.85
10001966	12/29/2023	MTM Transit LLC	Paratransit Eligibility Assessment/Travel Training Services	105,132.00
10001943	12/21/2023	Environmental Systems Research Institut	Software and Support - Enterprise License	102,936.66
10001919	12/8/2023	Vix Technology USA Inc	Customer Service Network Fees	90,158.00
1002030	12/8/2023	QCM Technologies Inc	Cybersecurity Program Support	81,405.44
10001937	12/21/2023	ACRO Service Corporation	Staffing Services	70,569.54
1002053	12/21/2023	CopperPoint Insurance Company	Jan 2024 Rent and CAM Charges	68,263.78
90000249	12/31/2023	Wells Fargo Bank	Monthly Credit Card Charges	67,589.15

10001949	12/21/2023	QCM Technologies Inc	Cybersecurity Program Support	65,832.08
10001938	12/21/2023	Alesig Consulting LLC	IT Equipment, Software and Services - CAS NextRide	52,614.00
10001903	12/8/2023	ACRO Service Corporation	Staffing Services	49,328.55
10001914	12/8/2023	Senergy Petroleum LLC	Bulk Fuel	49,288.70
10001893	12/1/2023	Senergy Petroleum LLC	Bulk Fuel	47,233.87
10001884	12/1/2023	Enterprise Rideshare	Van Pool Services	37,680.95
10001918	12/8/2023	Denovo Ventures LLC	ERP-EAM System Software Implementation	33,310.00
10001901	12/1/2023	City of Phoenix	RTP Reimbursement	32,388.90
10001880	12/1/2023	ACRO Service Corporation	Staffing Services	29,955.80
10001954	12/21/2023	Cardinal Infrastructure LLC	Professional Services - Federal Govt Consulting Services	27,000.00
10001906	12/8/2023	J Banicki Construction Inc	Construction Services - JOC	26,247.49
				17,136,519.56

Valley Metro Rail, Inc
Monthly AP Payments over $25,000
December 2023

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
50001789	12/29/2023	Kiewit Infrastructure West Co.	CMAR Services for South Central-Downtown Hub	20,922,304.51
50001782	12/29/2023	Alliant Insurance Services Inc	Risk Management Consulting Services	6,051,894.00
50001714	12/1/2023	Alternate Concepts Inc	Transportation Services - Direct Labor	2,830,890.31
50001770	12/21/2023	Kiewit-McCarthy, a Joint Venture	CMAR Services for Northwest Phase II	2,802,167.10
50001728	12/1/2023	Siemens Mobility	Light Rail Vehicle and Spare Parts and Tools	1,690,957.57
50001783	12/29/2023	Alternate Concepts Inc	Transportation Services - Direct Labor	1,287,461.43
5002249	12/21/2023	Southwest Gas Corporation	Southwest Gas Third Party Utilities	957,308.83
50001753	12/8/2023	Hill International Inc	PMCM Services	836,285.69
50001713	12/1/2023	Allied Universal Security Services	Fare Inspection and Security Services	679,196.45
50001756	12/15/2023	Allied Universal Security Services	Fare Inspection and Security Services	648,792.34
50001719	12/1/2023	DMS Facility Services Inc	Cleaning Services-Janitorial Facility Cleaning	556,074.94
90000030	12/31/2023	Surepays	VMR Monthly Utilities	432,980.82
50001787	12/29/2023	DMS Facility Services Inc	Cleaning Services-Janitorial Facility Cleaning	421,717.95
50001758	12/15/2023	Brookville Equipment Corp	Street Car Spare Parts	345,255.87
50001737	12/8/2023	PGH Wong Engineering Inc	System Design Services - SCE	209,942.53
50001761	12/15/2023	HDR Engineering Inc	Community Relations Support Services On-Call	193,035.47
5002234	12/8/2023	Level 3 Communications	Third Party Utilities - NWEII	181,396.58
5002209	12/1/2023	Sanderson Ford Inc	New Vehicle Purchases	157,728.06
50001790	12/29/2023	PGH Wong Engineering Inc	System Design Services - SCE	156,924.88
50001780	12/21/2023	SRP	Construction Utilities SCE	124,750.18
50001752	12/8/2023	HDR Engineering Inc	Service Planning Support	117,855.81
50001784	12/29/2023	ARCADIS	Consulting Support Services	114,449.85
50001796	12/29/2023	Anixter Inc	Emergency Phone Towers	111,836.03
50001729	12/1/2023	Centurylink	Third Party Construction Utilities	104,964.25
50001746	12/8/2023	AECOM Technical Services Inc	Service Planning Support-SCE	87,243.29
50001764	12/21/2023	AECOM Technical Services Inc	Project Development Support - Capital Ext	76,177.25
50001725	12/1/2023	URW LLC	Landscape Maintenance Services	69,677.80
50001781	12/29/2023	AECOM Technical Services Inc	Service Planning Support-SCE	67,324.73
5002216	12/8/2023	San Tan Ford	New Vehicle Purchase	64,631.13
5002273	12/29/2023	IFE North America LLC	Door Control Unit	62,590.00

50001762	12/15/2023	Jacobs Engineering	Service Planning Support - Fare Study	53,842.63
50001755	12/8/2023	J Banicki Construction Inc	Construction Services - JOC	53,573.60
5002228	12/8/2023	Suns Legacy Partners LLC	Marketing Partnership Agreement with Suns Legacy	50,250.00
50001793	12/29/2023	URW LLC	Landscape Maintenance Services	42,453.23
50001777	12/21/2023	City of Phoenix	Fare Handling Fee	37,230.00
50001778	12/21/2023	City of Phoenix	Fare Handling Fee	37,230.00
50001748	12/8/2023	Award Winning Restorations	LRV color scheme change painting	35,040.00
50001791	12/29/2023	Siemens Mobility	Window Parts and GDI Boards	30,139.38
5002259	12/21/2023	Magnetry LLC	Marketing and Advertising Services	29,699.00
50001765	12/21/2023	Alliant Insurance Services Inc	Risk Management Consulting Services	28,125.00
50001744	12/8/2023	WEX Bank	Fleet Card Services	25,488.67
				42,786,887.16

Information Summary

DATE **AGENDA ITEM 7**
February 15, 2024

SUBJECT
Report on Current Events and Suggested Future Agenda Items

PURPOSE
Chair Stipp will provide members the opportunity to report on current events and suggest future agenda items for consideration.

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION
None

COMMITTEE PROCESS
None

CONTACT
Jessica Mefford-Miller
Chief Executive Officer
jmeffordmiller@valleymetro.org

ATTACHMENT
None.

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date

Agenda

February 15, 2024

Valley Metro RPTA
Thursday, February 22, 2024
Boardroom/Webex
Valley Metro, 101 N. 1st Avenue, 10th Floor
11:30 a.m.
(directly following the Board Study Session)

Action Recommended

CONSENT AGENDA

1A.	Minutes Minutes from the January 18, 2024 Board meeting are presented for approval.	1A. For action
1B.	Intergovernmental Agreement (IGA) Between the City of Phoenix and the RPTA for support services work for RPTA's regional transit operations Staff recommends that the Board of Directors authorize the CEO to execute an IGA amendment with the City of Phoenix for regional transit operations.	1B. For action
1C.	Standardized Agreements and Intergovernmental Agreements for Transit Fare Programs Staff recommends that the Board of Directors authorize the CEO to execute standardized and intergovernmental agreements, as applicable, that allow employers, companies, schools, public agencies, and other organizations to participate in Valley Metro fare programs that provide transit fares to affiliated employees, students, clients, residents, etc.	1C. For action

1D. Classification and Total Compensation Study Contract Award — 1D. For action

Staff recommends that the Board of Directors authorization for the CEO to enter into an agreement with Logic Compensation Group for a one-year contract not to exceed $207,000 (contract value of $188,000 with a 10% contingency of $19,000) for the completion of an agency-wide classification and total compensation study.

1E. Leininger Analytics Contract Change Order – Additional Hours — 1E. For action

Staff recommends that the Board of Directors authorize the CEO to execute a contract change order with Leininger Analytics to address an increase in hours to allow for additional long-range financial modeling consultation in an amount not to exceed $15,000 for the period through April 30, 2024.

REGULAR AGENDA

2. Authorization to execute a cooperative purchase order with Gillig, LLC., for compressed natural gas (CNG) buses — 2. For action

Staff recommends that the Board of Directors authorize the CEO to execute a contract with Gillig for the purchase of 20 CNG buses for a 12-month period with the option to extend one additional 12-month period for an additional 20 CNG buses for a total of 40 buses and two years in an amount not to exceed $34,720,000 which includes a 7.5% contingency of $2,420,000.

3. Report on Current Events and Suggested Future Agenda Items — 3. For information

Chair Stipp will provide members the opportunity to report on current events and suggest future agenda items for consideration.

4. Next Meeting — 4. For information

The next Board meeting is scheduled for **Thursday, March 21, 2024 at 11:15 a.m.**

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats (large print or flash drive) are available upon request. For further information, please call Valley Metro at 602-262-7433 or TTY at 602-251-2039. To attend this meeting via teleconference, contact the receptionist at 602-262-7433 for the dial-in-information. The supporting information for this agenda can be found on our web site at www.valleymetro.org

Minutes

February 15, 2024 **AGENDA ITEM 1A**

Valley Metro RPTA
Thursday, January 18, 2024
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

RPTA Meeting Participants
Councilmember Bill Stipp, City of Goodyear - **Chair**
Councilmember O.D. Harris, City of Chandler – **Vice Chair**
Councilmember Max White, City of Avondale
Councilmember Clay Goodman, City of Buckeye
Councilmember Monica Dorcey, City of El Mirage (phone)
Vice Mayor Peggy McMahon, Town of Fountain Hills
Councilmember Lauren Tolmachoff, City of Glendale
Councilmember Francisco Heredia, City of Mesa (phone)
Vice Mayor Jon Edwards, City of Peoria (phone)
Councilmember Laura Pastor, City of Phoenix
Councilmember Jeff Brown, Town of Queen Creek
Councilmember Kathy Littlefield, City of Scottsdale (phone)
Councilmember Aly Cline, City of Surprise
Vice Mayor Jennifer Adams, City of Tempe (phone)
Mayor Michael LeVault, Town of Youngtown (phone)

Members Not Present
Mayor Brigette Peterson, Town of Gilbert
Supervisor Jack Sellers, Maricopa County
Mayor Juan F. Rodriguez, City of Tolleson
Mayor Rui Pereira, Town of Wickenburg

Chair Stipp called the meeting to order at 12:24 p.m.

Chair Stipp said we will go right into the Valley Metro RPTA meeting.

1. Consent Agenda

Chair Stipp said the Consent Agenda is Items 1A through 1G. Does anybody wish to pull an item from the Consent Agenda or have a question? Councilmember Pastor.

Councilmember Pastor said oh, no. I was going to make a motion.

Motion by Councilmember Pastor, second by Councilmember White.

Any discussion on these items?

All in favor, say aye. Any opposed? The ayes have it.

IT WAS MOVED BY COUNCILMEMBER PASTOR, SECONDED BY COUNCILMEMBER WHITE, AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA.

2. RPTA Fiscal Year 2024 (FY24) Mid-Year Budget Adjustment

Ms. Mefford-Miller said thank you, Mr. Chair. I'd like to invite Tyler Olson, our Manager of Budget, to the podium to provide a presentation on the midyear budget adjustment. We'll have one to present for RPTA and then one to present for VMR.

Mr. Olson said thank you, Jessica. Mr. Chair, members of the RTPA Board. I'm just going to quickly walk through our midyear budget adjustment.

Just a little background. As you're well aware we start building our budget about nine months ahead of the fiscal year and so, with that information some things tend to change before it's even adopted so today it's really two parts. We're bringing some changes that the Board has already approved this fiscal year that will impact this year's budget as well as a couple other adjustments.

I want to say by far the largest piece of this budget adjustment for operating is really RPTA's fiduciary responsibility to program PTF on behalf of cities and so I'll talk about that shortly here. I want to mention that we did share this with your staff at Financial Working Group and they had some good questions for us last month.

So changes that the Board has already aware of that you've reviewed and approved this fiscal year, Jessica spoke to this earlier, our East Valley bus contractor started in January. Essentially, at the time the budget was developed that contract was under solicitation so we didn't know what the market would truly bear so we provided our best estimates within that plan but when the contract came back, you know, through the procurement process it was slightly higher than plan, so we'll have to adjust that this year.

And then same thing in our van pool contract. That was also under procurement at the time we developed the budget and so, really just truing that up. That service also began in January.

Moving on to a couple of other adjustments. On our accessible transit side, the Ride Choice program has been highly successful this year. Trips are higher than plan thus far. We now have six months of actuals and essentially, you know, that's a good thing people are using it but there is a cost per trip associated with that so we're correcting that. And then we're also welcoming Litchfield Park into that program. They're new to that.

And then on the Phoenix operated bus side of things, so again, by far, this is the largest portion of that. We did receive an estimate really late last fiscal year in the development process. I want to say about June, and we didn't feel comfortable bringing $27 million request at that time. It's a hundred percent covered by existing Prop 400 money in our plan that's unprogrammed and it's a hundred percent Phoenix public transportation funds. So RPTA is really the fiduciary of all Prop 400 PTF money to program on behalf of your cities. We do that through our Transit Lifecycle Process, and this has been programmed in there.

So moving on to overall sources of funds and as you can see, the largest portion of the 33.4 million that we're asking for adjusting on our operating budget is public transportation funds followed by member city contributions slight adjustment for fares for our van pool program.

And then here's another look by expense category so fixed route operations taking the most increase there.

With that, the recommendation is before you and I'd be happy to address any questions that you may have.

Chair Stipp said thank you, Tyler. Do I have a motion to approve the midyear budget adjustment for FY24?

Motion by Councilmember White, second by Councilmember Goodman.

Any discussion or questions for Tyler on this?

Councilmember White said thank you, Tyler. Thank you so much, Chair Stipp. I was just taking a look at the vanpool operations. It seemed to have doubled. It looks like we're getting more folks that are coming back out there but I do appreciate understanding kind of how that contract changed. I just think that's a large increase.

Mr. Olson said yes, Mr. Chair, Councilmember White. Thank you for the question. Yes, you are, in fact, right as part of that new contract. The vendor actually procures the vehicles on our behalf. And so, really when you look at the operating budget with capital, it's really the same thing we're just shifting some of those capital costs into the operating budget due to them procuring those items.

And I do want to mention that the vanpool program is a hundred percent covered by federal money and passenger fares contributions.

Chair Stipp said any other questions? Then, we'll vote. All in favor of the motion, say aye. Any opposed?

IT WAS MOVED BY COUNCILMEMBER WHITE, SECONDED BY COUNCILMEMBER GOODMAN, AND UNANIMOUSLY CARRIED TO APPROVE THE MID-YEAR BUDGET ADJUSTMENT UPDATE TO THE VALLEY METRO RPTA OPERATING BUDGET FOR FY24.

3. Report on Current Events and Suggested Future Agenda Items

Chair Stipp said seeing none.

4. Next Meeting

The next Board meeting is scheduled for Thursday, February 22, 2024, at 11:15 a.m.

With no further discussion the meeting adjourned at 12:31 p.m.

Information Summary

DATE
February 15, 2024

AGENDA ITEM 1B

SUBJECT
Intergovernmental Agreement (IGA) Between the City of Phoenix and the RPTA for support services work for RPTA's regional transit operations

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute an IGA amendment with City of Phoenix extending the term of services.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute an IGA amendment with the City of Phoenix.

BACKGROUND | DISCUSSION | CONSIDERATION
Valley Metro has requested an extension to the pass-through IGA for Federal Transit Administration (FTA) grant AZ-2021-049. The extension is needed to allow additional time to complete the project identified in the grant. The table below summarizes the requested changes:

Grant	Agreement #	Source	Extension
AZ-2021-049	**155317**	**Section 5307 Operating Assistance**	**30-SEP-26**

FTA grant AZ-2021-049 has funding of $2,663,546 remaining from the revised award amount of $2,784,134. This funding is budgeted in the grant for 50% of the Avondale/Goodyear Urbanized Area transit operating costs.

COST AND BUDGET
No changes in cost and budget.

COMMITTEE PROCESS
RTAG: January 16, 2024, for information
TMC: February 7, 2024, approved
Board of Directors: February 22, 2024, for action

CONTACT
Ken Kessler
Chief Financial Officer
kkessler@valleymetro.org

ATTACHMENTS
None

Information Summary

DATE **AGENDA ITEM 1C**
February 15, 2024

SUBJECT
Standardized Agreements and Intergovernmental Agreements for Transit Fare Programs

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to enter into standardized agreements and intergovernmental agreements, as applicable, to allow employers, companies, schools, agencies, or organizations to participate in Valley Metro fare programs that provide transit fares to affiliated employees, students, clients, residents, etc.

RECOMMENDATION
Staff recommends that the Board of Director authorize the CEO to execute standardized and intergovernmental agreements, as applicable, that allow employers, companies, schools, public agencies, and other organizations to participate in Valley Metro fare programs that provide transit fares to affiliated employees, students, clients, residents, etc.

BACKGROUND | DISCUSSION | CONSIDERATION
The administration of several fare programs included in the Valley Metro Regional Public Transit Fare Policy and Uniform Fare Structure will transition to Valley Metro from the City of Phoenix Public Transit Department (PTD) with the implementation of the new fare collection system. Valley Metro will assume administration of the Platinum, ASU U-Pass, Corporate (aka, Private Outlets), Special Event, and Homeless Provider pass programs that provide transit passes to participating organizations for their employees, students, clients, residents, etc. Organizations currently participate in these programs under agreements with PTD, and with the transition of program administration to Valley Metro will need to execute agreements with Valley Metro. Currently, there are several hundred participating organizations, including businesses, government agencies, schools, human services agencies, and social services agencies.

The standardized agreements fall into two categories – private sector and governments/agencies (attached). Rather than bring multiple form agreement to the Boards for authorization, VM requests approval of master agreements for these fare programs, with the latitude to make small, insignificant changes without further approval. Major deviations from these master agreements will be brought to the attention of the Boards.

COST AND BUDGET
None

COMMITTEE ACTION
RTAG: January 16, 2024, for information
TMC: February 7, 2024, approved
Board of Directors: February 22, 2024, for action

CONTACT
Ken Kessler
Chief Financial Officer
kkessler@valleymetro.org

ATTACHMENT
Current Participating Companies/Agencies List

- Corporate/Private Outlet - organizations that provide passes to their employees, clients, or students
- Homeless Provider Program - certified agencies providing services to homeless individuals provide passes to their clients and the agencies get a 50% discount to purchase the passes
- Platinum Pass - organizations that provide passes to their employees, students, etc. on a cost per boarding basis up to a monthly cap

The following documents are available upon request.

Master Agreements – Standardized and Intergovernmental

Current Corporate/Private Outlet Program Customers

	Customer Name
1	ABRAZO SCOTTSDALE CAMPUS
2	ARCHWAY
3	AREA AGENCY ON AGING
4	ARIZONA AGRIBUSINESS & EQUINE CENTE
5	ARIZONA CENTER FOR NATURE CONSERVAT
6	ARIZONA COLLEGIATE HIGH SCHOOL
7	ARIZONA DEPARTMENT OF ECONOMIC SECU
8	ARIZONA HUMANE
9	PHOENIX DAY SCHOOL FOR THE DEAF
10	AURORA BEHAVIORAL HEALTHCARE - TEMP
11	AURORA HEALTHCARE SERVICES, LLC
12	AXIOM CARE
13	BANNER BEHAVIORAL HEALTH HOSPITAL
14	BANNER BOSWELL MEDICAL CENTER
15	BANNER DESERT MEDICAL CENTER
16	BANNER ESTRELLA MEDICAL CENTER
17	BANNER THUNDERBIRD MEDICAL CENTER
18	BANNER THUNDERBIRD MEDICAL CNTR BEH
19	BANNER UNIVERSITY MEDICAL CENTER PH
20	BROPHY PREP
21	CAREER SUCCESS CHARTER SCHOOL
22	CHEEERS RECOVERY CENTER
23	CHICANOS POR LA CAUSA
24	CHRIST'S GREENFIELD LUTHERAN CHRUCH
25	CITY OF PHOENIX FAMILY ADVOCACY CEN
26	CITY OF PHOENIX MUNI COURT
27	CITY OF SCOTTSDALE
28	CITY OF TEMPE
29	COMMUNITY 43
30	COMMUNITY BRIDGES
31	COMMUNITY PARTNERS INTEGRATED HEALT
32	CONNECTIONS AZ
33	COP SUNNYSLOPE FAMILY SERVICE CENTE
34	COP-JOHN F LONG SRVS
35	CREST VIEW HIGH SCHOOL
36	CROSSROADS CORPORATE
37	DRUG PLASTICS CLOSURES
38	DUCK AND DECANTER LTD
39	EL DORADO HIGH SCHOOL
40	EMPACT SUICIDE PREVENTION CENTER
41	ESTRELLA HIGH SCHOOL
42	FLORENCE CRITTENTON NOW /CPLC

Current Corporate/Private Outlet Program Customers

	Customer Name
43	FRIENDLY HOUSE, INC
44	GENESIS ACADEMY
45	GLENDALE UHS DIST
46	GLENDALE UNION HIGH SCHOOL DIST
47	GLENDALE UNION ONLINE LEARNING ACAD
48	GLENVIEW COLLEGE PREPARATORY
49	HONOR HEALTH-SCOTTSDALE OSBORN
50	HOPE HIGH SCHOOL/BLUE PRINT EDU.
51	HUMANITIES AND SCIENCES ACADEMY PHO
52	JBS TOLLESON
53	JEWISH FAMILY AND CHILDREN'S SERVIC
54	JOHN C LINCOLN ADHC
55	JOHN C LINCOLN HEALTH NETWORK
56	KAIZEN EDUCATION FOUNDATION SOUTH POINTE ELEMENTRY
57	LIFEWELL BEHAVIORAL WELLNESS
58	LOCAL FIRST ARIZONA
59	LURA TURNER HOMES INC
60	MAGGIES PLACE
61	MARICOPA COMMUNITY COLLEGE HIGH SCH
62	MARICOPA COUNTY SUPERIOR COURT
63	MARICOPA REGIONAL SCHOOL DISTRICT
64	MAYA HIGH SCHOOL
65	MIRABELLA AT ASU, INC
66	MOTORCYCLE MECHANICS INSTITUTE
67	NATIONAL KIDNEY FOUNDATION
68	NATIVE CONNECTION
69	NEW SCHOOL FOR THE ARTS
70	NORTH MOUNTAIN MEDICAL REHABILIATI
71	OMBUDSMAN EDUCATIONAL SERVICES
72	O'REILLY AUTO PARTS
73	PARADISE VALLEY HIGH - TROJAN
74	PARTNERS IN RECOVERY - ARROWHEAD
75	PARTNERS IN RECOVERY - EAST MESA CL
76	PARTNERS IN RECOVERY - GATEWAY CAMP
77	PARTNERS IN RECOVERY - METRO CLINIC
78	PARTNERS IN RECOVERY - WEST VALLEY
79	PASCUA YAQUI TRIBE SOCIAL SERVICES
80	PEORIA ACCELERATED HS
81	PHOENIX ADULT DAY HEALTH SERVICES
82	PHOENIX CHILDRENS HOSPITAL
83	PHOENIX INDIAN CENTER
84	PHOENIX JOB CORPS

Current Corporate/Private Outlet Program Customers

	Customer Name
85	DEPT. OF VETRANS AFFAIRS
86	PREMIER HIGH SCHOOL
87	PSA HIGLEY INTEGRATED HEALTHCARE CE
88	PVUSD/HORIZON HIGH SCHOOL
89	QUEST HIGH SCHOOL
90	REHABILITATION SERVICES ADMINISTRAT
91	RIO SALADO C C BOOKSTORE
92	SAVE THE FAMILY
93	SCOTTSDALE MARRIOTT SUITES OLD TOWN
94	SOUTH POINTE HIGH SCHOOL
95	SOUTH RIDGE HIGH SCHOOL
96	SOUTHWEST BEHAVIORAL
97	SOUTHWEST BEHAVIORAL & HEALTH SERVI
98	SOUTHWEST BEHAVIORAL HEALTH SERVICE
99	SOUTHWEST NETWORK INC
100	SOUTHWESTERN CHILDREN'S HEALTH SERV
101	ST JOHN INSTITUTIONAL BAP
102	ST JOSEPH'S HOSPITAL & MEDICAL CENT
103	ST LUKE'S BEHAVIORAL HEALTH
104	STATE OF ARIZONA
105	ST VINCENT DE PAUL SOCIETY
106	SUMMIT HIGH SCHOOL
107	SUN VALLEY HIGH SCHOOL
108	TEMPE LIFE CARE VILLAGE
109	TEMPE ST LUKE'S HOSPITAL
110	TEMPE UNION H S DIST 213
111	TERROS
112	TERROS
113	TERROS - ENCLAVE
114	TERROS - TOWNLEY
115	TERROS INC.
116	TERROS, INC
117	THRIVEPOINT HIGH SVHOOL
118	UMOM NEW DAY CENTER
119	UNIVERSAL TECHNICAL INSTITUTE
120	VALLE DEL SOL
121	VALLEY LIFE
122	VALLEYWISE HEALTH
123	VALLEYWISE HEALTH (ACT DEPT)
124	VALLEYWISE HEALTH
125	WEST PHOENIX HIGH SCHOOL

Current Homeless Provider Program Customers

	Customer Name
1	1N10 INC
2	A NEW LEAF, INC
3	ALONG SIDE MINISTRIES
4	ANDRE HOUSE OF ARIZONA, INC
5	ARIS FOUNDATION, INC.
6	ARIZONA DEPARTMENT OF CORRECTIONS
7	ARIZONA HOUSING INC (AHI)
8	ARIZONA WOMEN'S RECOVERY CENTER
9	ARIZONA'S FAMILY TO THE HOMELESS IN
10	AXIOM COMMUNITY OF RECOVERY
11	BALSZ SCHOOL DISTRICT #31
12	BANNER BEHAVIORAL HEALTH HOSPITAL
13	BRIDGES REENTRY, INC.
14	BROADWAY CHRISTIAN CHURCH
15	CARTWRIGHT SCHOOL DISTRICT #83
16	CATHOLIC CHARITIES-PHX REGION
17	CATHOLIC CHARITIES- DIVERSION
18	CATHOLIC CHARITIES- MANA HOUSE
19	CATHOLIC CHARITIES -TEMPE
20	CENTRAL AZ SHELTER SERVICES
21	CENTRAL CHRISTIAN CHURCH
22	CHICANOS POR LA CAUSA, INC
23	CHILD CRISIS ARIZONA
24	CHRYSALIS
25	CHURCH ON THE STREET
26	CIRCLE THE CITY
27	CIRCLE THE CITY
28	CIRCLE THE CITY, OUTREACH PROGRAM
29	CITY HELP INC OF PHOENIX
30	CITY OF TEMPE - CARE 7
31	CITY OF TEMPE TRANSPORTATION
32	COMMUNITY BRIDGES INC
33	CORRECTIONAL HEALTH SERVICES
34	CREIGHTON ELEMENTARY SCHOOL
35	CROSSROADS INC
36	CROSSROADS INC - ADMISSIONS
37	CROSSROADS INC - ARCADIA
38	CROSSROADS INC - EAST
39	CROSSROADS INC - FLOWER
40	CROSSROADS INC - MIDTOWN
41	CROSSROADS INC - WEST
42	CROSSROADS, INC

Current Homeless Provider Program Customers

Customer Name

43 DIGNITY HOUSE, INC
44 DOVES INC
45 FAMILY PROMISE OF GREATER PHOENIX
46 FATHER MATTERS, INC
47 FIRST UNITED METHODIST CHURCH OF GL
48 GOLD CANYON HEART AND HOME
49 GRACE EVANGELICAL LUTHERAN CHURCH
50 HOMELESS ID PROJECT
51 HOMEWARD BOUND
52 HOUSE OF REFUGE
53 HOUSE OF REFUGE SUNNYSLOPE INC
54 HUMAN SERVICES CAMPUS INC.
55 INTERNATIONAL RESCUE COMMITTEE
56 JUSTA CENTER
57 LAMESA LLC
58 LDS TRANSIENT SERVICES OFFICE
59 LIVE AND LEARN PROGRAM
60 LUTHERAN SOCIAL SERVICES
61 LUTHERAN SOCIAL SERVICES SW
62 MAGGIE'S PLACE
63 MESA PUBLIC SCHOOLS DISTRICT #4
64 NATIVE AMERICAN CONNECTIONS
65 NATIVE AMERICAN FATHERHOOD & FAMILI
66 NEVER ALONE INC
67 NEW LIFE CENTER
68 OCJ KIDS
69 OSBORN SCHOOL DISTRICT
70 PARADISE VALLEY UNIFIED SCH DI
71 PARSONS FAMILY HEALTH CENTER
72 PAZ DE CRISTO CC
73 PHOENIX ELEMENTARY SCHOOL
74 PHOENIX RESCUE MISSION
76 PILGRIM REST FOUNDATION INC
77 REBORN ASSISTANCE ASSOCIATION
78 RESURRECTION STREET MINISTRY I
79 SALVATION ARMY
80 SCOTTSDALE RECOVERY
81 SOJOURNER CENTER
82 ST JOSEPHS THE WORKER
83 ST MARY'S FOOD BANK
84 ST SIMON JUDE
85 ST VINCENT DE PAUL

Current Homeless Provider Program Customers

	Customer Name
86	ST VINCENT DE PAUL
87	ST VINCENT DE PAUL AT ST JAMES PARI
88	ST VINCENT DE PAUL- OPPORTUNITY PRO
89	ST VINCENT DE PAUL OZANAM MANO
90	ST VINCENT DEPAUL
91	ST. VINCENT DE PAUL CHRIS BECKER DINING ROOM
92	STAY SAFE HOMES
93	STEP ONE HALFWAY HOUSE
94	SUNLIGHT OF THE SPIRIT
95	TELEVERDE FOUNDATION INC
96	TEMPE COMMUNITY ACTION AGENCY
97	TERROS, INC
98	THE BRIDGE TO HOPE
99	THE CROSSROADS INC
100	THE MESA HOUSE INC
101	THE PAIDEIA ACADEMIES, INC
102	THE SALVATION ARMY MESA CITADEL COR
103	THRIVE AZ FOSTER CARE PREVENTION
104	TOLLESON HS DISTRICT
105	UMOM NEW DAY CENTERS
106	UNITED STATES VETERANS INITIATIVE
107	UNLEASHED PHOENIX CORP
108	VALLE DEL SOL, INC
109	VALLEYWISE HEALTH - FIRST EPISODE C

Current Platinum Pass Program Customers

	Customer Name
1	AAA Landscape
2	Abrazo Arrowhead Campus
3	Abrazo Central Campus
4	Abrazo Community Health
5	Abrazo Scottsdale Campus
6	ACB Inc
7	ACI
8	Adesa Phoenix
9	Advisor Group Inc.
10	AGC Multi Material Amer
11	AGIA Affinity Services
12	AIB
13	APS
14	Arizona Biltmore Resort
15	Arizona Grand Resort&Spa
16	Arizona Pipeline Company
17	ASU Employee UPASS
18	ASU Preparatory Academy
19	ASU Student UPASS
20	Atkore
21	AZ Federal Credit Union
22	AZTEC Engineering Group
23	Bank of America
24	Banner Health
25	Barrio Queen
26	BCBSAZ
27	Beatitudes Campus
28	Bell Ford
29	Bell Honda
30	Best Western Intl
31	Brooklyn Bedding
32	Brown and Caldwell
33	BryanCaveLeightonPaisne
34	Marriott Buttes Resort
35	Cambria Hotel Phoenix
36	Certified Languages INTL
37	Chandler Unified Schools (STAFF)
38	Charles Schwab
39	Christian Care Mgt
40	Chromalloy AZ
41	Cigna Healthcare AZ
42	Circle K Stores Inc

Current Platinum Pass Program Customers

	Customer Name
43	City of Chandler
44	City of Glendale
45	City of Mesa
46	City of Phoenix
47	City of Scottsdale
48	City of Tempe
49	City of Tempe Employee
50	CNA National Warranty
51	Collins Aerospace
52	Collins Aerospace EVAC
53	Courtesy Chevrolet
54	Crowne Plaza Golf Resort
55	Crowne Plaza Hotel
56	Culdesac Inc
57	Culdesac Tempe
58	CVS Health
59	CWIE Holding Company Inc
60	Deloitte Phoenix
61	Dickinson Wright
62	Dignity Health
63	Dignity Health-E Valley
64	DIOCESE OF PHOENIX
65	Doubletree Paradise
66	Doubletree Phoenix North
67	Downtown Phoenix Inc
68	Earnhardt Management Co
69	Embassy Phx Airport
70	Embassy Suites Biltmore
71	Embassy Suites Phx Dwntwn
72	Empower College Prep
73	Encompass Health
74	Equality Health
75	EY
76	Fairmont Scottsdale
77	FIRST TRANSIT
78	Food for the Hungry
79	Franklin Police & Fire
80	Gammage & Burnham, PLC
81	Gen Digital
82	General Dynamics MS
83	Glencroft CFMA
84	GoDaddy

Current Platinum Pass Program Customers

	Customer Name
85	GRIC Urban Members
86	Gust Rosenfeld PLC
87	Hacienda Healthcare
88	HDR
89	The Heard Museum
90	Hilton at Cavasson
91	Hilton Phoenix Resort
92	Hilton Scottsdale Resort
93	HMSHost
94	Holsum Bakery Inc.
95	Holsom Bakery of Tolleson, LLC
96	Honeywell
97	HonorHealth Employee Only
98	Hope High School
99	HotelSanCarlos-RBPhoenix
100	Humana, Inc.
101	Hyatt Regency Phoenix
102	Hydro
103	Ingos Tasty Food B23
104	Intel Corporation
105	Inteplast Group
106	IOA Orange Tree Resort
107	Jacobs Engineering
108	Jennings Strouss
109	JW Marriott Camelback Inn
110	JW Marriott Desert Ridge
111	Kryterion Inc
112	Lewis Roca
113	Luke AFB
114	MAG
115	Maricopa County Govt
116	Mayo Clinic ARZ
117	Medtronic Tempe Campus
118	Mesa Airlines
119	Mesa Public Schools
120	Microchip Technology Inc.
121	Midway Chevrolet
122	Midway Nissan
123	Mission Foods
124	Modern Industries
125	Mountain Park Health Ctr
126	Mountain Shadows

Current Platinum Pass Program Customers

	Customer Name
127	MTBA
128	Nationwide Insurance
129	Native Health
130	NativeAmericanConnections
131	New World Educational Ctr
132	NXP USA Inc
133	Oldcastle Building Envelope
134	OpenTech Alliance
135	Osborn Maledon
136	Paradies Lagardere
137	Paradise Valley CC
138	Pass Tennis Program
139	Perkins Coie LLP
140	Phoenix Area IHS
141	Phoenix Children's Hosp
142	Phoenix Country Club
143	Phoenix ED Prep
144	Phx Indian Medical Center
145	Phoenix Newspapers Inc
146	Phoenix Suns & Mercury
147	PING
148	Plaza Healthcare
149	Hilton Tapatio Cliffs
150	PXU Alhambra HS
151	PXU Betty Fairfax
152	PXU Bioscience HS
153	PXU Bostrom Alt Center
154	PXU Camelback HS
155	PXU Carl Hayden HS
156	PXU Central HS
157	PXU Cesar Chavez HS
158	PXU City
159	PXU Classified Employee
160	PXU Coding Academy HS
161	PXU Desiderata
162	PXU Food Srvc Employee
163	PXU High School Dist
164	PXU Linda Abril
165	PXU Maryvale HS
166	PXU Metro Tech HS
167	PXU Metro Tech Magnet
168	PXU North HS

Current Platinum Pass Program Customers

	Customer Name
169	PXU South Mountain HS
170	PXU Summer School
171	PXU Trevor Browne HS
172	PXU Wilson College Prep
173	Quarles & Brady LLP
174	RED Development
175	Renaissance Phx Dwntn
176	RICE
177	Rocket Companies
178	RPTA ADA
179	Sanctuary Camelback MNT
180	Schuff Steel Company
181	Scottsdale School Dist 48
182	Scottsdale Unified SD
183	Security Title Agency
184	Shellpoint Mortgage
185	Sheraton Phoenix Downtown
186	SmithGroup
187	Snell & Wilmer LLP
188	Sodexo America LLC
189	South Mountain Post Acute
190	Southwest Airlines
191	SouthwestHumanDevelopment
192	Sprouts Farmers Market
193	SQL/LSA
194	SRP
195	St Joseph's Hospital
196	St Mary's Food Bank
197	State Farm Insurance
198	State of Arizona
199	Stellar Partners Inc
200	Swissport Fueling
201	Taylor Farms SW
202	TCH
203	TEGNA Inc KPNX-TV
204	Terros Health
205	TGen
206	The Phoenician Resort
207	The Salvation Army SW Div
208	The Westin Phoenix
209	Town of Gilbert
210	Transdev OCC

Current Platinum Pass Program Customers

	Customer Name
211	Transdev Services Inc
212	TSYS A Global Payments Co
213	UHC C & S Arizona
214	United Dairymen of AZ
215	University of Arizona PTS
216	University of Phoenix
217	Upgrade
218	Upper Crust Bakery
219	UPS
220	US Bankruptcy Court of AZ
221	US District Court Arizona
222	US Foods AZ Div
223	Valle Luna
224	Valley Metro
225	Valleywise Health
226	Vanguard
227	Visit Phoenix
228	West Pharmaceuticals
229	Western Alliance Bank
230	Western Window Systems
231	Wildflower
232	Willscot Mobile Mini

Information Summary

DATE
February 15, 2024 **AGENDA ITEM 1D**

SUBJECT
Classification and Total Compensation Study Contract Award

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute an agreement with Logic Compensation Group for one year to complete the Classification and Total Compensation Study services.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to enter into an agreement with Logic Compensation Group for a one-year contract not to exceed $207,000 (contract value of $188,000 with a 10% contingency of $19,000) for the completion of an agency-wide classification and total compensation study.

BACKGROUND | DISCUSSION | CONSIDERATION
Valley Metro last conducted an agency-wide classification and total compensation study in 2006.

The Classification and Total Compensation Study will evaluate Valley Metro's existing job classification, compensation, and benefits programs to ensure and maintain a competitive and equitable classification and total compensation system for all positions when considered in relation to each other (internally) and when compared to the external labor market where Valley Metro competes for talent. In addition, the study, is to provide viable options and strategies that would enhance Valley Metro's ability to attract and retain a highly qualified, diverse, and motivated workforce over the next five to ten years.

The overall goals of a classification and compensation study include:

- ensuring market/internal structure alignment
- updating and simplifying classification structure(s)
- identifying paths for career progression
- addressing recruitment and retention needs
- reviewing and updating job classifications for budgeted positions
- assessing employee benefits programs
- updating compensation philosophy

The results of this study will be used as a decision-making tool to propose changes to our current classification, compensation, and benefits structure.

Contract and RFP Background

Valley Metro issued a request for proposals (RFP) for a Classification and Total Compensation Study on October 26, 2023. Extensive outreach was conducted to promote competition including advertisements in several industry print and online publications. Multiple firms were made aware of this RFP which closed on November 29, 2023.

Each proposal received was evaluated on the following criteria:

A.	Understanding / Approach to the Scope of Service	400 points
B.	Qualification and Experience of the Firm	200 points
C.	Qualifications and Experience of Assigned Personnel	200 points
D.	Pricing	200 points

Valley Metro received seven proposals:

Proposer	Technical Points	Technical Rank	Price Points	Combined Technical & Price Points
Educational Data System, Inc.	688	2	69	758
Evergreen Solutions, LLC	668	4	200	868
Gallagher Benefit System, Inc	652	5	108	760
Logic Compensation Group	750	1	62	812
MGT of America Consulting LLC	629	6	82	712
The Segal Company	671	3	41	712
Salary.com	Non-Responsive			

A three-member selection committee, consisting of one Valley Metro representative, one Town of Queen Creek representative, and one Town of Paradise Valley representative were appointed to evaluate all proposals. The Selection Committee finalized its evaluations of each firm's technical proposal, and Valley Metro staff finalized the evaluation of each firm's price proposal. The selection committee ranked proposals and arrived at its award recommendation using a best-value process which allows for a contract award based on a combination of technical and cost factors. After an initial evaluation, the committee recommended moving ahead with Logic Compensation Group whose scores showed they have demonstrated expertise and familiarity with classification and total compensation studies of similar size and nature as that proposed by Valley Metro, their qualification statement was responsive, and their costs were deemed fair and reasonable.

COST AND BUDGET
For the Fiscal Year 2024, the anticipated costs are estimated to be $52,000, which is included in the RPTA FY24 Operating and Capital Budget. Contract Obligations beyond FY24 are included in the Valley Metro Five-Year Operating Forecast and Capital Program (FY2024 thru FY2028).

COMMITTEE PROCESS
RTAG: January 16, 2024
TMC: February 7, 2024, approved
Board of Directors: February 22, 2024, for action

CONTACT
Penny Lynch
Director, Human Resources
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ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 1E**
February 15, 2024

SUBJECT
Leininger Analytics Contract Change Order – Additional Hours

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a contract change order with Leininger Analytics to address an increase in hours for additional long range financial modeling consultation in an amount not to exceed $15,000 for the period through April 30, 2024.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute a contract change order with Leininger Analytics to address an increase in hours to allow for additional long-range financial modeling consultation in an amount not to exceed $15,000 for the period through April 30, 2024.

BACKGROUND/DISCUSSION/CONSIDERATION
In February of 2023, Valley Metro awarded the Executive Coaching and Advisory Services contract to Leininger Analytics. The initial contract award was within the CEO's signature.

The funds for this change order will be used to complete Phase II – Completion of Initial Long Range Financial Plan and Excel Model. The work will include refinement of the draft model framework, inputting of remaining information required to permit completion of a full model product, and review and final adjustments. The total amount of the contract will be $64,000 which requires Board action.

COST AND BUDGET
The contract change order increases the hours available under the contract at a cost of $15,000.00 for a total contract value of $64,000.

COMMITTEE PROCESS
Board of Directors: February 22, 2024, for action

CONTACT
Ken Kessler
Chief Financial Officer
kkessler@valleymetro.org

ATTACHMENT
None

Information Summary

DATE
February 15, 2024

AGENDA ITEM 2

SUBJECT
Authorization to execute a cooperative purchase order with Gillig, LLC., for compressed natural gas (CNG) buses

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a cooperative agreement purchase order with Gillig, LLC. ("Gillig"), for the purchase of 20 CNG buses for 12 months with the option to extend one additional 12-month period for an additional 20 CNG buses for a total of 40 buses and two years in an amount not to exceed $34,720,000 which includes a 7.5% contingency of $2,420,000.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute a contract with Gillig for the purchase of 20 CNG buses for a 12-month period with the option to extend one additional 12-month period for an additional 20 CNG buses for a total of 40 buses and two years in an amount not to exceed $34,720,000 which includes a 7.5% contingency of $2,420,000.

BACKGROUND | DISCUSSION | CONSIDERATION
Valley Metro has a need to purchase a total of 40 forty-foot CNG buses for scheduled routine replacement of the existing fleet. In FY25 Valley Metro intends to purchase 20 CNG buses estimated at $767,900 each for a total of $15,400,000 with delivery beginning December 31, 2024, and an additional 20 in FY26 estimated at $844,700 each with delivery beginning December 31, 2025.

The buses being purchased are like in kind to those being replaced which have exceeded the FTA useful life requirement of 12 years, 500,000 miles. The replacement of the buses supports Valley Metro Strategic Plan foundational element, Operational Excellence, as well as the goal of providing Exceptional Customer Experiences.

Washington State (WA) previously issued a formal competitive solicitation for heavy-duty transit buses, and Gillig was awarded a contract as a result of that solicitation. The Gillig contract no. 06719 is a State Cooperative Purchasing Contract under Section 3019 of the FAST Act, and complies with FTA Guidelines. Since Valley Metro is eligible to be a cooperative member of the Washington State Department of Enterprise Services (DES), we can take advantage of the enterprise-wide Price Agreement to procure Gillig CNG buses under the Washington State DES contract.

The proposed pricing for the 20 Gillig CNG buses for FY25 is $15,400,000 and for FY26 is $16,900,000 not including any contingency items. This amount includes workforce development (maintenance staff) training. Valley Metro has determined that Gillig's pricing for the 20 CNG buses is fair and reasonable and that it is unlikely a better price would be obtained through an open market solicitation.

Item - Gillig 40' Bus - 1/31/2024	**Price**
Cooperative Base Price - April 2021	$ 460,142
Valley Metro Variances	$ 128,458
Delivery	$ 2,855
Valley Metro Base Unit Price	$ 591,455
PPI 1413 Adj Amendement #1 (6/1/2022) - 11.78%	$ 69,673
PPI 1413 Adj Amendement #3 (4/1/2023) - 15%	$ 99,169
Spare Tooling Budget 1%	$ 7,603
Valley Metro 40' CNG Low Floor Bus (1/31/2024)	**$ 767,901**

Item - Gillig 40' Bus - FY2026 Estimate	**Price**
Valley Metro Base Unit Price	$ 767,901
PPI 1413 Adj FY2026 Estimate - 10%	$ 76,790
Valley Metro 40' CNG Low Floor Bus FY2026 Estimate	**$ 844,691**

From initial design through final assembly, each Gillig bus is designed and built in Livermore, California.

COST AND BUDGET
The total cost of this contract will not exceed $34,720,000 which includes a 7.5% contingency of $2,420,000. Contract obligations for FY25 will be included in the Valley Metro RPTA FY25 Operating and Capital Budgets. Contract obligations beyond FY25 will be incorporated into the Valley Metro RPTA Five-Year Operating Forecast and Capital Program (FY2025 through FY2029). Sources of funds include Federal and Prop 400.

COMMITTEE ACTION
RTAG: January 16, 2024, for information
TMC: February 7, 2024, approved
Boards of Directors: February 22, 2024, for action

CONTACT
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ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 3**
February 15, 2024

SUBJECT
Report on Current Events and Suggested Future Agenda Items

PURPOSE
Chair Stipp will provide members the opportunity to report on current events and suggest future agenda items for consideration.

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COMMITTEE PROCESS
None

CONTACT
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ATTACHMENT
None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date

Agenda

February 15, 2024

Valley Metro Rail Board of Directors
Thursday, February 22, 2024
Boardroom/Webex
Valley Metro, 101 N. 1st Avenue, 10th Floor
11:15 a.m.

	Action Recommended
1. Minutes	1. For action
Minutes from the January 18, 2024 Board meeting are presented for approval.	
2. Capitol Light Rail Extension Design Contract Award	2. For action
Staff recommends that the Board of Directors authorize the CEO to award a contract for the Capitol Light Rail Extension project design services with Jacobs Engineering Group, Inc. for an amount not to exceed $18.7 million.	
3. Report on Current Events and Suggested Future Agenda Items	3. For information
Chair Pastor will provide members the opportunity to report on current events and suggest future agenda items for consideration.	
4. Next Meeting	4. For information
The next meeting of the Board is scheduled for **Thursday, March 21, 2024 at 11:15 a.m.**	

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats (large print or flash drive) are available upon request. For further information, please call Valley Metro at 602-262-7433 or TTY at 602-251-2039. To attend this meeting via teleconference, contact the receptionist at 602-262-7433 for the dial-in-information. The supporting information for this agenda can be found on our web site at www.valleymetro.org

Minutes

February 15, 2024 **AGENDA ITEM 1**

Valley Metro Rail
Thursday, January 18, 2024
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

Valley Metro Rail Participants
Councilmember Laura Pastor, City of Phoenix - **Chair**
Vice Mayor Francisco Heredia, City of Mesa – **Vice Chair** (phone)
Vice Mayor Jennifer Adams, City of Tempe
Councilmember O.D. Harris, City of Chandler

Chair Pastor called the meeting to order at 12:34 p.m.

Chair Pastor said I'm going to convene the meeting. Welcome members to the January meeting. This is the Valley Metro Rail board of directors.

1. Consent Agenda

Chair Pastor said are there any items that we want to discuss? All right. I am asking for a motion.

Motion by Vice Mayor Harris, second by Vice Mayor Heredia.

Any discussion?

All in favor, please say aye. Any opposed? The ayes carry.

IT WAS MOVED BY VICE MAYOR HARRIS, SECONDED BY VICE MAYOR HEREDIA, AND UNANIMOUSLY CARRIED TO APPROVE CONSENT AGENDA ITEMS 1A-1D.

2. Valley Metro Rail Fiscal Year 2024 (FY24) Mid-Year Budget Adjustment

Ms. Mefford-Miller said again, Tyler.

Mr. Olson said Madam Chair, members of the Valley Metro Rail Board. I'm going to walk through this budget adjustment. This only pertains to the capital program. No changes to operations. And I do want to note that all of our construction projects have a multi-year budget that is previously approved via, you know, FTA, member cities, Valley Metro working together so of all these changes we're really just changing the timing of when those expenses occur. We're not changing the over expense for the multi-year or the revenue sources for the multi-year so everything holds the same.

So jumping into our capital activities here. Future project development is really that work that we do for preliminary engineering and design prior to moving into capital construction. With the I-10 West Extension and some of the ongoing discussions within the regional stakeholders, we're not going to spend as much as we intended on so we're reducing that by 5.7 million.

Both South Central and Northwest Phase II Extensions, our construction team recently received an update from their respective contractors on those projects that really provides updated cash flows, project schedules, current activities and based on that, we're accelerating some of those costs into this year.

And then on the streetcar side of things, really related to fleet and payments for Brookville streetcar along with some of the spare parts just updating some of the milestone payment schedules there resulting in a $3.4 million increase.

And then both Gilbert Road and systemwide improvements are also based upon milestone payments for fleet and that's our Siemens light rail vehicles fleet so a couple minor adjustments there.

So total sources of funds. $65.3 million increase and most of that is member city contributions and federal funding.

And here's a breakdown on the capital side, expense side of things so what we're asking for is a $65.3 million increase to the capital budget to support those ongoing construction and fleet payment activities.

And so with that, that concludes my presentation. I'd be happy to address any questions that you may have.

Chair Pastor said I have a question about the future project development. We're doing a decrease. What determined the decrease?

Mr. Olson said so when we build the budget nine months ahead of the fiscal year, we have certain assumptions in there based on conversations at the time maybe with City of Phoenix in the example of, you know, the I-10 West Extension project. And because of some of the changes that take place during the year, you know, we don't actually realize some of those maybe we're a little more aggressive in some of those assumptions or maybe those assumptions have changed so much so we're not going to spend the money. So in an effort to be transparent, we just wanted to bring that to the Board and show that, you know, we aren't going to utilize that money this fiscal year although we look forward to working on that project in the future.

Chair Pastor said that's what I was trying to figure out. I was trying to figure what happens with that money. Do you move it? South Central says no change to total project budget but I do know it's costing more to get to the final end and so, how is this different?

Ms. Mefford-Miller said I can address them both. So on South Central we are actually not increasing the budget. In this case, we are pulling fund forward into FY24 that we expected to spend later.

So total project budget hasn't increased. And then in the case of I-10 West which is the first line here on future project development these dollars were to be spent on preliminary engineering we're just not there yet so those will move forward likely into FY25.

Chair Pastor said that's what's happening. Okay.

That's why I'm like, okay, where's all this going.

We have a motion and discussion. All those in favor, please say aye. Those that oppose. Motion carries.

Motion by Vice Mayor Harris, second by Vice Mayor Heredia.

Any discussion? All those in favor? Any that oppose? The ayes carry.

IT WAS MOVED BY VICE MAYOR HARRIS, SECONDED BY VICE MAYOR HEREDIA, AND UNINAMOUSLY CARRIED TO APPROVE THE MID-YEAR BUDGET ADJUSTMENT UPDATE TO THE VALLEY METRO RAIL CAPITAL BUDGET FOR FY24.

3. Report on Current Events and Suggested Future Agenda Items

Chair Pastor said I have one. I have a question because I don't know if it goes in here or if it went in the earlier. I would like to have a discussion of how the routes are determined. The light rail routes how they are determined. And then how then is that discussions happen with the community and how does Valley Metro play in that marketing and communication along with the cities.

Ms. Mefford-Miller said tank you, Madam Chair. So I think we could add that as an agenda item to the next Valley Metro Rail board meeting.

And have a presentation collaboratively from our capital project development team as well as our community engagement team with input from City of Phoenix.

Chair Pastor said and then the second one was I was thinking about how Vice Mayor Harris was talking about the expansion of lines and rails and buses but we're talking about rail right now and how future development. It's more like I'm thinking East Valley, West Valley because there's land for development. How is that then determined, all of those pieces. This is the discussion I want to or be able to see and how it's mapped out with the cities and Valley Metro as to where future lines go. Particularly in the purpose of really building the ridership around what is being built.

Ms. Mefford-Miller said I'm going to ask clarification. Are we still talking about light rail?

Chair Pastor said yes.

Ms. Mefford-Miller said so we can loop that into that same conversation then.

Chair Pastor said the reason why I'm saying that is because the earlier discussion as District 4, the area that I represent, has a lot of the light rail. Central Avenue where it's happening right now is being built. We anticipate, or I voted on 14 projects that will be built on Central Avenue and the anticipation is for more people to be living on Central and being able to take the transit system because we are also doing parking reductions around new development or development that is being built with older properties. And so, I'm not going to see what I'm voting on today, but I'll see it in the future as we are in the middle of a transition. And so, when the discussion is the fact that we won't see ridership as it was in 2019, I feel like we will see ridership, it's just it's being built today. And so, I want to be able to look at that and be able to demonstrate, yes, we will eventually get there and if I anticipate more than that it's just a matter of timing.
And so, that's the discussion I would like to see.

Ms. Mefford-Miller said I think that will be a good discussion and our capital planning team would be happy to coordinate that and also working with Hillary's team and communications.

Chair Pastor said thank you.

4. <u>Next Meeting</u>

The next meeting of the Board is scheduled for Thursday, February 22, 2024, at 11:15 a.m.

The meeting was adjourned.

Without further discussion, the meeting was adjourned at 12:43 p.m.

Information Summary

DATE **AGENDA ITEM 2**

February 15, 2024

SUBJECT

Capitol Light Rail Extension Design Contract Award

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to award a contract for the Capitol Light Rail Extension project (CAPEX) design services with Jacobs Engineering Group, Inc. for an amount not to exceed $18.7 million.

RECOMMENDATION

Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to award a contract for the Capitol Light Rail Extension project design services with Jacobs Engineering Group, Inc. for an amount not to exceed $18.7 million.

BACKGROUND | DISCUSSION | CONSIDERATION

CAPEX is a 0.8-mile western extension of the existing Valley Metro light rail transit (LRT) line from downtown Phoenix to the Arizona State Capitol. The project would begin at the 3rd Avenue loop constructed as part of the South Central Extension/Downtown Hub project and continue west along Washington and Jefferson Street to 15th Avenue.

Valley Metro is currently completing the procurement processes for the project's Construction Manager at Risk (CM@Risk) contractor and public art contracts. Valley Metro will be utilizing an existing contract for systems design services. The action requested in this memo is only for the design services contract.

The design services contract includes all civil and architectural design elements required to build the project, excluding systems design services. During the design period, the design consultant will collaborate with City of Phoenix, Valley Metro, Valley Metro's systems design consultant, the CM@Risk contractor, and public artists to determine the best means and methods for design and construction of the project. The scope of work for this contract also includes design services needed during construction. Valley Metro will initiate a separate Board action for design services during construction prior to starting construction.

DESIGN SERVICES SOLICITATION

On April 26, 2023, Valley Metro issued a Request for Qualifications (RFQ) for CAPEX design services. Valley Metro's procurement staff formed a selection committee comprised of two City of Phoenix employees and three Valley Metro employees. Valley Metro received Statements of Qualifications (SOQ) on June 14, 2023. Valley Metro procurement staff received three proposals and deemed them to be responsive. The selection committee then reviewed and evaluated proposals.

The selection committee selected Jacobs Engineering Group, Inc as the highest ranked and most qualified offeror under a qualifications-based selection process in accordance with Title 34-603 of the Arizona Revised Statutes. Valley Metro will not release the scoring of offerors until a contract has been awarded. The selection committee completed their final ranking results as reflected below.

Offerors in Ranked Order	
Jacobs Engineering Group, Inc.	Ranked #1
Stantec Consulting Services, Inc.	Ranked #2
Community Transit Partnership, a Gannett Fleming-GHD Joint Venture	Ranked #3

COST AND BUDGET
CAPEX is funded by a combination of federal, regional, and City of Phoenix funds. The cost for the design contract is estimated not to exceed $17 million. Valley Metro secured an independent cost estimate from a third-party to assist in negotiating a final contract amount. Staff will hold an additional $1.7 million (10%) for use as a contingency. Therefore, the total spending authorization requested is for an amount not to exceed $18.7 million.

All costs identified herein are within the Capitol Light Rail Extension's project cost forecast. Expenses expected within FY24 are included in the Valley Metro Rail adopted FY24 Operating and Capital Budget. Contract obligations beyond FY24 are incorporated into the Five-Year Operating Forecast and Capital Program (FY24 thru FY28).

COMMITTEE PROCESS
RTAG: January 16, 2024 for information
RMC: February 7, 2024 approved
Board of Directors: February 22, 2024 for action

CONTACT
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ATTACHMENT
None

Information Summary

DATE
February 15, 2024

AGENDA ITEM 3

SUBJECT
Report on Current Events and Suggested Future Agenda Items

PURPOSE
Chair Pastor will provide members the opportunity to report on current events and suggest future agenda items for consideration.

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION
None

COMMITTEE ACTION
None

CONTACT
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ATTACHMENT
None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date