# Boards of Directors Meetings

| Joint Meeting<br>Valley Metro RPTA and<br>Valley Metro Rail | Valley Metro<br>RPTA | Valley Metro<br>Rail |
|---|---|---|

Date:
March 21, 2024

Starting Time
**11:15 a.m.**

Location:
Valley Metro
Boardroom/Webex
101 N. 1st Avenue, 10th Floor

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# Agenda

March 14, 2024

**Joint Meeting Agenda**
**Valley Metro RPTA**
**And**
**Valley Metro Rail**
Thursday, March 21, 2024
Valley Metro, 101 N. 1st Avenue, 10th Floor
**Boardroom/Webex**
**11:15 a.m.**

| | 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 |
| Vice Mayor Goodman, AFS Chair, will provide an update on the discussions and actions taken at the AFS meeting. | |

**CONSENT AGENDA**

| | |
|---|---|
| 4A. Minutes | 4A. For action |
| Minutes from the February 22, 2024 Joint Boards meeting are presented for approval. | |

4B. Facilities Maintenance Services Contract Award — 4B. For action

Staff recommends that the Boards of Directors authorize the CEO to execute a two-year base contract with an option for three additional one-year extensions with DMS Facility Services, LLC to provide facility maintenance services for a VMR amount not to exceed $9,950,000 and RPTA portion will not exceed $700,000, for a total contract amount of $10,650,000.

4C. FY 2024 Computer and Switch Replacement — 4C. For action

Staff recommends that the Boards of Directors authorize the CEO to continue procuring necessary hardware replacements in FY 2024 in a total amount not to exceed $417,000.

## REGULAR AGENDA

5. Travel and Expenditures — 5. For information

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

6. Report on Current Events and Suggested Future Agenda Items — 6. For information

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

7. Next Meeting — 7. For information

The next meeting of the of the Joint Boards of Directors is scheduled for **Thursday, April 18, 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** **AGENDA ITEM 1**
March 14, 2024

**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
jmeffordmiller@valleymetro.org

**ATTACHMENT**
None

# Information Summary

**DATE** **AGENDA ITEM 2**
March 14, 2024

**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**
March 14, 2024

**AGENDA ITEM 3**

**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 March 7, 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 March 7, 2024 AFS meeting minutes

# Minutes

March 14, 2024 **AGENDA ITEM 3A**

Audit and Finance Subcommittee
Thursday, March 7, 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 said I'm going to call us to order we're at three minutes past the hour. Pat, can we have the roll call, please?

Ms. Dillon said yes.

Ms. Dillon said:

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.

Ms. Dillon said Chair, we are ready to proceed. We do have a quorum.

Chair Goodman said thank you.

1. Public Comment

Chair Goodman said the public will be provided with an opportunity at this time to address the Committee on non-agenda, excuse me, non-agenda items and all action agenda items. Three minutes will be provided per speaker. Pat, do we have any public comment?

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

Chair Goodman said Mr. Crowley, welcome and you have three minutes.

Mr. Crowley said I'm going to go over all and two specific agenda Items 3B and the other is Item -- it's in the rail Agenda. I'll find it here in a moment. But on the -- they're the same thing.  It's the facilities maintenance contract and I'm wondering why we're doing it as a dual agency other than that's to keep the tentacles of the rail getting the funds of the bus. But when I look at it and I note that it's $700,000 for the bus and $9,950,000 for the rail and I do a little easy math.  That bus facility is less and a half a percent of the total cost. So I'm looking at the others and going but why wouldn't you list those first.  But as I said, it's the continuing tentacles of rail not getting the job done.

With my little thing of the supergrid, I'm loving the amount of roadways that you didn't get addressed and (indiscernible) I know Brigette isn't there yet but Ray Road is supposed to go all the way to the airport and then Litchfield Road is the one that you guys didn't even do last year.  And oh, yeah, what are you going to be doing in the next couple years, what do you have planned showing?  Nothing.  So when you've got to have all of these people in planning when you're not going to do anything why are we paying them?

I also when I see in the thing it says for rail, security $20 million.  They're not security. What they are is conductors and trespassers.  As in, check to see if the person is absconding not paying their fare or if they're on the rail thing for too long.  So when you're calling them a security force, what is it?  And then well, I was on the rail last week and low and behold we had them on the rail.  There were six of them and one of them told me that he believes that they should be carrying weapons.  We're not the enemy.  You're not police.  It's just what it is and I can't understand why you continue to do that.

So as I said, with the document here the old transportation plan, where are the roads that are needed to be dealt with.  I was on one that went through five of your municipalities today.

There was a half a mile long backup –

Ms. Dillon said Mr. Crowley, your time is up.

Mr. Crowley said I know.  I'm finishing.  I'm finishing it up.

Ms. Dillon said Mr. Crowley, your time is up.  We did this yesterday.  Please sit down.

Mr. Crowley said I am.

Ms. Dillon said please sit down.  Thank you for your comments and please sit down.

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

Ms. Dillon said no, sir, we do not have any more public comment.  I'm currently arguing with Mr. Crowley about his voice and continuing to speak when his time is over.

Ms. Dillon said we can continue.  Thank you.

2. Chief Financial Officer's Update

Mr. Kessler said thank you, Chair. Members of the Subcommittee. Just one item in this month's update. Again, the sales tax report. Again, we continue to trend around four, five percent growth year over year so we continue in a positive direction however, the growth has slowed somewhat from the recent past so we're keeping an eye on that but we're hopeful we'll continue to see a little bit of growth year over year.

And that concludes my report. Happy to take any questions from the Subcommittee.

Chair Goodman said any questions for Mr. Kessler? Okay. Thank you very much.

3. Minutes

Chair Goodman said next item for action we have the minutes. Minutes from our February 8th meeting. Hopefully, everybody's had a chance to review those. Need a motion and a second to approve the minutes.

Motion by Mayor Peterson, second by Vice Mayor Adams. All in favor? Any opposed? Motion carries. Minutes are approved.

**IT WAS MOVED BY MAYOR PETERSON, SECONDED BY VICE MAYOR ADAMS, AND UNANIMOUSLY CARRIED TO APPROVE THE FEBRUARY 8, 2024 AFS MEETING MINUTES.**

4. Internal Audit Update

Ms. Beckstrom said thank you, Mr. Chair. In the month of February, we continued on with our audits on plan with the Conflict-of-Interest audit, Contract Change Orders and Authority, IT Authentication audit and also I'm conducting the audit risk assessment right now to plan for the internal audit plan for the next fiscal year and we are continuing to do our Safety and Security audits for our Safety and Security department.

A few of these audits will come to you, at least one will come, most likely in April and then we anticipate having all of the audits on plan completed before the end of June, so reporting out by that date.

And then for the recommendations implemented. One recommendation was implemented and closed in the month of February. That implementation pertained to a recommendation related to the maintenance of contract documentation in a central location and on January 1st, Valley Metro implemented the OpenGov system, which is a central repository for those documents, so that recommendation has closed.

And then there are ten additional recommendations that are in progress that we are continuing to follow up on.
That is all for my update today. Are there any questions?

Chair Goodman said anyone have any questions? Thank you very much and just for the record, very much appreciated meeting with you one on one. I thought we had a very good conversation and appreciate all your hard work in this area.

Ms. Beckstrom said thank you.

5. FY 2025 Operating and Capital Budget Information for Valley Metro RPTA and Valley Metro Rail

Mr. Kessler said thank you, Mr. Chair. I guess I'll just start off with here we go again another budget season kicking off. Seems like we just completed the budget process for last year and we're off and running once again. So today I'm going to be giving just a high-level overview of the FY25 preliminary budget. In the coming months, we'll get into more of the details with this body as well as Financial Working Group and then eventually, the Board. I do want to mention this information was provided to your staff last month at Financial Working Group meeting as well as provided yesterday to the TMC and RMC committees.

So starting with RPTA. First, just high-level view of the RPTA operations. Here we have estimates for FY25 compared to '24's budget for passenger boardings, miles of service operated by RPTA, gross operating cost and fare revenues. These are specifically just for bus operations.

And then moving on to paratransit operations. You see trips here going down on paratransit as we see the demand for paratransit decline as riders seem to be shifting to Ride Choice. We'll look at that in a moment here to see the plan growth in Ride Choice, but we see a shift there between those two services.

Here's the Ride Choice estimates for FY25 built into the preliminary budget at this point. As you see there you see the growth in the trips as well as the overall cost of this program and increase in fare revenues is notable to see that with this increase in demand for this service we do see a decrease in the overall cost per trip forecasted for FY25.

So now moving on to looking at the overall picture of uses of funds for our total operating and capital budget combined, we can see here passenger services makes up the majority of the uses on the RPTA side followed up by VMR capital program.

Just as a reminder, the VMR capital program shows up in the RPTA budget because of the public transportation funds used in the VMR capital program are administered by RPTA so they're passed through from RPTA to VMR. So with the big projects going on on the rail side that's a pretty sizable number there being passed through for those capital projects.

And then the sources of those funds in the RPTA operating capital budget. Again, public transportation funds making up the majority followed then by member city contributions as the next biggest source in our RPTA budget.

So looking at the uses of funds in the operating at the various programs, we can see fixed route operations the increase there is mostly due to the annualization or full year impact of the new East Valley bus contract. As you may recall that contract went into effect midyear this fiscal year so in FY25 that will be a full year of that new contract with those contract rates.

And then demand services operations program, that's Ride Choice and paratransit so we see modest overall growth there in the cost at about 4 percent. And then I do want to point out van pool operations the large increase there is due to the new contracting method we have. So previously, we had a contract whereby RPTA provided the vehicles, and the contractor just provided the administration and managed the service. The new contract that started on January 1 is a model whereby the contractor will provide the vehicles so the cost of the vehicles is in that operating contract and so, therefore, that cost then is reflected in our operating budget but there is an offset decrease on the capital side as we will no longer be purchases the van pool vans for that program.

And then the source of funds for the operating budget for RPTA. Again, public transportation funds, member city contributions and federal funds are the three primary largest funding sources in the program.

And then to look at the use of funds on the capital side. Again, on the RPTA side of the agency, regional fleet is typically the largest capital program that we have that service is included in this program but that's an ongoing obligation until we satisfy that debt at the end of calendar year '25 that will be paid off and we'll no longer have that as part of the capital program going forward.

And then our capital sources of funds. Again, public transportation funds and the carry forward and reserves just to remind folks that's actually carry forward and reserves of PTF funds so that's balances that accrued in prior years that were unused that we carried forward, so we'll be using some of those as well as additional new PTF funds in the budget next year. And then the capital program does have a significant amount of federal funds also that supports that.

And then just want to talk about the passthrough funds I had kind of alluded to previously. These funds, this is the uses side here, these funds go to a variety of items here most notably the VMR program. So VMR personnel as well as VMR capital funding and the VMR capital reserve, really, that's just the VMR share of the sales tax that is going to be put into reserve for future capital use in the VMR capital program.

And then the source of those funds, where they come from. Again, primarily, reimbursements from VMR for personnel. Just as a reminder, all staff of the agency are technically RPTA staff and, of course, there's a fair amount of staff that support VMR activities and so, those costs are reimbursed from VMR back to RPTA. And then, of course, the VMR capital program that is funded significantly by the PTF funds.

Okay. Now, I will shift into the VMR budget for FY25.

Here we see a look at the estimates for the FY25 preliminary budget compared to the current year '24 budget. We see a little bit of growth here and notable into next fiscal year we'll have a full operation of the Northwest Phase II project compared to just a half year of that operations in the current year budget.

And then looking at the high-level numbers for streetcar. Again, projecting a significant increase in boardings as compared to this year's budget. We're currently seeing boardings on streetcar far out pacing the current year estimates and see that continuing into the future, and as well as some additional costs for streetcar operations. And we'll probably update the fare revenues here given that we're not collected fare revenues yet, but this number is based on, you know, pretty much a full year but I think the number can be adjusted going forward to reflect when we expect to actually start collection of fares on that operation.

And looking at future project development. A number of projects underway here, I-10 West, Rio East Dobson streetcar project, the Northwest Phoenix and then we do have funding in there for administration as well as just systemwide planning and general project development activities.

Now a look at the use of funds for the operating and capital budget for VMR. Again, with the number of capital projects we have going on right now capital activities are the primary driver of the budget at this point with passenger services second behind that.

And then on the source of funds, member city contributions and federal funds are the two biggest fund sources there not too far behind though as well is also the public transportation funds that support the capital program.

So drilling down a little bit on the operating budget looking at first light rail. So again, as I mentioned, a full year of Northwest Extension Phase II operations in FY25 is the primary driver of the increase in the operating budget from '25 compared to the current year.

Looking at streetcar here. We are looking at these numbers and actually in the last few days we've found some opportunities to bring that FY25 number down so although with the information we had compiled at the time that this packet was delivered we've found some budget saving for FY25 so this increase in streetcar of about overall 9 percent will probably look more like about 3 percent going forward and you'll see that in next month's presentation as we show that information and update those numbers.

And then agency operating.  Again, a big driver of this increase here is a -- a construction -- a contract audit.  This agency operating reflects sort of general agency administration costs which includes auditing and so that's a big impact to next year's budget to do that significant audit looking at our construction contracting methodology.

And looking at the total operating source of funds, member city contributions and funds being the primary support for the operating budget.

And then the use of funds on the capital program side.  South Central as it's going full bore right now and into next year that will be the biggest part of the capital program followed by the efforts to move the Capital Extension along as well next year.

And then the capital program sources.  Again, federal funds being a very significant portion of that as well as public transportation funds and member city contributions to support those projects.

And just to highlight the timeline of the budget development process.  Here in March providing a high-level overview of the budget to the management committees as well as AFS and the Board later this month.  And then later this month with the Financial Working Group we will get into the very fine details of the proposed budget for FY25.  We have a combined Financial Working Group RTAG meeting so we can get all the input we can from the staff level at that point.  And then we'll be moving those details of the budget forward to AFS next month for discussion.  And then eyeballing a May cycle for adoption of the budget by the Board this year.

The last couple years it has happened in June.  We think we have an opportunity here to be able to hit that in May but, of course, if there's additional time needed, we have that extra month if we need to push it out to June, we have that ability.  We just wanted to kind of shoot for a target of May because prior to the last couple years that was mainly the time frame the budget was adopted.  It just leaves more time for any final adjustments that may impact city IGA's to make sure they have time to get to their council and get all that in place for the new fiscal year as well as allowing our budget staff time to get the budget finalized and loaded into our budget system before July 1 when the new fiscal year starts.  When that adoption happened the last couple years, it does put a little bit of a time strain on our budget staff to get all that done within about a week's time frame.  So we're hopeful to get it in May

but certainly, we'll be able to go into June if the Board or AFS Subcommittee needs some additional time to work through any questions or anything else that they would like to see before get the budget adopted before the end of the fiscal year.

And with that, that concludes my presentation.  I'd be happy to take any questions.

Chair Goodman said any questions for Mr. Kessler? All right. Hearing none. Thank you very much and again, appreciate all your hard work. It's like painting the Golden Gate bridge. The budget just goes on and on and on.

Mr. Kessler said yes, it does. And much thanks to Tyler Olson, Mike Kearns and the budget team for all their hard work that they put into this.

Chair Goodman said absolutely. Appreciate it.

6. Intergovernmental Agreements, Contract Change Orders, Amendments, and Awards

Chair Goodman said information only. If any members of the Committee have questions, please contact Valley Metro staff.

7. Report on Current Events and Suggested Future Agenda Items

Chair Goodman said anybody? Anybody? Mayor Peterson looks like she's trying to say something. No?

Mayor Peterson said nothing to say. Thank you.

Chair Goodman said congratulations on your public safety folks making some headway.

Mayor Peterson said that was predominantly Queen Creek but thank you we will take that.

Chair Goodman said all East Valley, so appreciate it.

Mayor Peterson said thank you.

Chair Goodman said anything else for the good of the order?

Councilmember White said tes, Chair Goodman. For those who are going to be in town this weekend don't forget if you like wheels going around we're going to have the Shriners' 500 out here in Avondale at the Phoenix International Raceway. So if you are going to be stateside come on over to Avondale and catch the race.

Chair Goodman said did you say Shriners' 500?

Councilmember White said I believe so, yes.

Chair Goodman said so it's the Shriners' in those little cars doing 500 miles?

Councilmember White said no, they're the sponsor. They're the sponsor.

Chair Goodman said thanks for that clarification.

Councilmember White said yes.  No, wouldn't that be neat to watch though.  The hospital is the sponsor for the race, yes.

Chair Goodman said oh, because with those little cars it would take like a week and a half to finish.

Councilmember White said they always do our Billy Moore Days parade so that's kind of cool.  And I'm out here right now.  They're having STEM day at the racetrack so teaching kids science and engineering and all of the STEM things about transportation in a fun way so we can hopefully build that pipeline for our future and Valley Metro.

Chair Goodman said perfect.  Well, sounds good.  Those of you headed to Washington travel safe and only go to the Capitol if you have an official tour, no extracurricular.

The next meeting of the Audit and Finance Subcommittee is scheduled for April 4, 2024, at 12:00 p.m.

Without further discussion, the meeting was adjourned at 12:29 p.m.

# Minutes

March 14, 2024 **AGENDA ITEM 4A**

**Joint Boards of Directors**
Thursday, February 22, 2024
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

*Note: The Valley Metro Rail Board of Directors meeting took place prior to the start of the Joint Board Study Session. The study session took place and was followed by the Joint Boards of Directors meeting and the Valley Metro RPTA Board of Directors meeting.*

**RPTA Meeting Participants**
Councilmember Bill Stipp, City of Goodyear - **Chair**
Vice Mayor O.D. Harris, City of Chandler – **Vice Chair**
Councilmember Max White, City of Avondale
Councilmember Monica Dorcey, City of El Mirage
Vice Mayor Peggy McMahon, Town of Fountain Hills
Mayor Brigette Peterson, Town of Gilbert (phone)
Councilmember Lauren Tolmachoff, City of Glendale
Councilmember Francisco Heredia, City of Mesa
Vice Mayor Jon Edwards, City of Peoria
Councilmember Laura Pastor, City of Phoenix
Councilmember Jeff Brown, Town of Queen Creek (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**
Councilmember Clay Goodman, City of Buckeye
Chairman of the Board, Jack Sellers, Maricopa County
Councilmember Kathy Littlefield, City of Scottsdale
Vice Mayor Lupe Bandin, 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 O.D. Harris, City of Chandler
Vice Mayor Jennifer Adams, City of Tempe

Chair Stipp called the meeting to order at 12:44 p.m.

Chair Stipp said Pat, can you do the roll, please? Thanks.

Ms. Dillon said good afternoon, everyone.

Roll call by Ms. Dillon.

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

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

1. <u>Public Comment</u>

Chair Stipp said thank you, Pat. We'll go ahead and begin the meeting with Item 1, which is public comment.

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

Chair Stipp said Mr. Crowley, three minutes.

Mr. Crowley said adding and interjecting some things that I didn't see that you were doing when you did that study session. There is one of the places that you could be putting those charging stations. Isn't each of your communities' public works areas.

And on last year -- months, when you did the Origin and Destination survey, you've never reached out to the Feds because any business within our community that's 50 or more has to put together a transportation plan saying what they would be able to do. And I believe you would be then shown how many would like to have a bus where they're supposed to.

I also worry about those batteries fire. Just to start, you all, since it takes how much to put them out. I have here my little transportation plan from MAG (indiscernible). It's got in here some of the different roadways that you were supposed to be doing. And last year, of course, Litchfield Road was the one that you were supposed to address. How come that didn't get done? I don't know.

But then when I looked at the document there and it showed where you have not been buying buses, et cetera., I looked it and see that -- that started between '13 and '16. You didn't do anything. And between '15 and '19, all of the routes that you were supposed to be due didn't get done.

We're talking Bell Road. Oh, yeah. And Railroad. Wouldn't it be nice that when they were supposed to expand that in '18, that it would have got all the way to the airport? But then I'm also looking at with the new legislation, how much money is going to be not going to rail that will now be accessible to the bus? And that the amount of money you guys are going to be able to be using and doing is what?

Well, the rail got $40 million last year from PTF, not counting the matching federal funds. That money will now be for the bus. In fact, you'll go from the 37 percent divided between rail and bus to 40 percent totally yourself.

I don't see where you're doing the plan. I don't see where you're showing what you're going to be doing. And when I look at what it says in here for 2024, '5 and '6, nothing.

So how are you doing what you should be doing? I didn't see that in this session.

And when I also looked at the -- where you didn't buy them, I look at all of the Litchfield connections and Litchfield Road itself and go, of course, they didn't do it. They weren't buying a bus.

Chair Stipp said any other cards, Pat?

Ms. Dillon said no, sir.

Chair Stipp said thank you.

2. <u>Chief Executive Officer's Report</u>

Chair Stipp said Item 2 is the Chief Executive Officer's report.

Ms. Mefford-Miller said thank you, Mr. Chair. I will be very brief, but it would be remiss if we did not discuss and mention the opening of the Northwest Extension Phase 2 on Saturday, January 27th. Thank you, Councilmember McMahon, Edwards for joining us on that glorious day. We celebrated the opening with over 2,000 of our partners and neighbors.

It was a wonderful, wonderful event, wonderful opportunity to showcase. This is a project of many firsts for us. This is our first elevated station, the terminal station at Metro Center. It's our first rail only bridge over the interstate, in this case Interstate 17. It spans 250ft across the highway. I believe it is 62ft in the air at the Metro Center station. It showcases as art from a number of different local and national artists. And, you know, I find the art on the Valley Metro system to be tremendous, but I think they really outdid themselves.

I congratulate our team on that. We've got a number of local artists in the art really, I think tells nice stories of the history and the character, not just of the region, but of the individual community at each of the three new stations. There's also a lot of lighting in the artwork. So it's a different kind of place during day, at night.

And this project was funded, of course, with the local funding from Proposition 400 for the capital, and it was also the first project funded by the Federal Transit Administration under President Biden's bipartisan infrastructure law. So a significant infusion of federal funding into Arizona and into Phoenix in particular, matched by Prop 400 and Phoenix's T2050 funding.

The project was delivered with our design partner, Jacobs Engineering, and our construction manager at risk. That was Kiewit McCarthy Joint Venture, and over 100 different subcontractors that contributed to this work.

It's now in revenue operations for not quite a month now. I congratulate our operations team led by Mike Powell, our safety and security team, led by Adrian Ruiz, all of the many teams who worked to make this project come to fruition, and Hillary Foose, on community engagement, marketing and communications.

We did a wonderful job of keeping the community informed and engaged and creating opportunity for them to share their feedback on the design process, but also the process that is sometimes messy and long as we construct these programs. And what a wonderful celebration that was. Congratulations, team.

And then finally we mentioned Quiara Hamilton, just looking ahead at our next meeting cycle. We'll be back in this room on March 21st. We already began the March cycle with our tag earlier this week, TMC/RMC, March 6th and Audit Finance Subcommittee, March 7th, and again with an April cycle. That concludes my remarks, Mr. Chair. Chair Stipp said awesome. Thank you.

3. Audit and Finance Subcommittee Update

Chair Stipp said Item 4 is the update from the Audit and Finance subcommittee, and that will be given by Councilmember White.

Councilmember White said thank you so much, Chair Stipp. The Audit and Finance committee met on Thursday, February 8th. We had a review from our Chief Financial Officer, Mr. Kessler, and we got an update on the public transportation fund revenues.

We also had FY24, second quarter budget review. Mr. Olson gave us a status update for both RPTA and VMR budgets. They're both within plan at this point. We also reviewed FY25 service levels to make sure we understand the budget assumptions coming up for FY25.

During our meeting, we had the opportunity and took action on the fiscal FY23 RPTA and Valley Metro Comprehensive Financial Report and single audit reporting packages.

I'm sure you'll have more information. And then we had an internal audit update from Sebrina. Other than that, I believe that concludes my report.

Chair Stipp said great. Any questions for the Audit Finance subcommittee? Seeing none.

4. Minutes

Chair Stipp said Item 4 is the approval of the minutes from the last Board meeting. Those were included in the packet. There's not any questions or comments. I'd like to entertain a motion for approval.

Motion by Councilmember Pastor, second by Councilmember White.

Chair Stipp said I have a motion and a second. Any discussion? 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 JANUARY 18, 2024, BOARD MEETING MINUTES.**

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)

Chair Stipp said Item 5 is the Fiscal Year 23 Regional Public Transportation Authority and Valley Metro Rail Annual Comprehensive Financial report, the ACFR, and the Single Audit Reporting Package. This item is being presented for information only. Is there a presentation?

Ms. Mefford-Miller said there's not a presentation, Mr. Chair. Our CFO, Ken Kessler, is available to answer any questions about the ACFR which is included in your packet.

Chair Stipp said does anybody have any questions on that?

Ken? I did have one. I apologize that I didn't get to reading this until yesterday. There was a comment made about a significant risk being identified related to the authority's implementation of the GASB Statement 96. Can you talk to that at all?

Mr. Kessler said as far as Statement 96, the significant risk is, it's just a significant risk because it's a new GASB requirement.

Chair Stipp said and they identified that as a significant risk. I'm kind of surprised to see that in the first report then.

Mr. Kessler said it's just noted as a risk. It's not like it was, like any kind of, like material weakness in our controls or anything like that.

Chair Stipp said so can you speak to that to the Board or now that I've identified or do you want me to go into more detail because I'm sure everyone's going, what the hell are you talking about?

Mr. Kessler said you probably need to go into a little more detail because I'm not as versed in the details of that.

Chair Stipp said so during -- what -- how it was specifically stated was during the audit, we identified a significant risk related to the authority's implementation of Government Accounting Standards Board statement, which is GASB 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. So I'm assuming that has something to do with our IT subscriptions that we have. So there's got to be something. Can we get some follow up?

Mr. Kessler said yes. And just a hit on that quickly is basically the GASB has changed the way we report on IT. Basically, it's like maintenance agreements, subscriptions, licenses and things like that. We basically have to report them as if they're leases. Previously they were just reported as annual expenditures.

Chair Stipp said so I think just a little follow up would be probably be --
Mr. Kessler said certainly. I'll get additional information from our comptroller to address that.

Chair Stipp said do you want to ask a question?

Councilmember Pastor said no, I just want to clarify. So what it sounds like is they changed the reporting. And what we did with the subscriptions were more we put it in expenditures and now we're placing it as license or placing it as a lease?

Mr. Kessler said no. It was just noted as a significant risk because of the change in the requirement. We did report it as lease as per the new GASB requirements.

Councilmember Pastor said and so when we do that, then are we still at risk?

Mr. Kessler said I think it's really just a presentation or reporting, how you report it.

Councilmember Pastor said okay.

Mr. Kessler said that's the risk, of how it's reported. It's not like a risk in terms of like an internal control in terms of we may be spending money we shouldn't be or spending it inappropriately. It's just how it's presented, reported in the ACFR.

Chair Stipp said just how it's been reported. Okay.

Ms. Mefford-Miller said we'd be happy to provide a good response, Mr. Chair.

Chair Stipp said just a follow up. I think that's all we need. I think any time we see that in an ACFR, we probably ought to have some management comment to why this is in place. I'm sorry for being a management geek, everybody. That's just fine.

Mr. Kessler said not a problem.

Chair Stipp said that's my thing.

6. Travel, Expenditures, and Solicitations

Chair Stipp said Item 6 is the Travel and Expenditures and Solicitations report that is also provided for information. Just for everyone's information, beginning on March 1st, the monthly solicitation report will be emailed directly to us.

That seems to always be about 30 days behind so us getting that report. For this meeting, is kind of, I don't want to say pointless because no information is pointless, but it's never up to date. So we're going to start getting that out to the board members. Just look for another email from Pat as we progress through.

7. Report on Current Events and Suggested Future Agenda Items

Chair Stipp said Item 7 is report on current events and suggested future agenda items. Does anybody have anything for the joint agenda? Councilmember White.

Councilmember White said thank you so much. Thinking about environmental social governance and also our drive for low or no emissions, I was just thinking about what can we do as a Board to increase our ridership and also be more considerate of the environment and kind of experience what we are living.

And I thought it might be helpful for those who possibly are interested, is for us to have a Valley Metro Rail pass so that we can cut down on our individual rides. And when we're in the service area as Board members, we can hop on and enjoy the ride.

Ms. Mefford-Miller said and that is valid on Bus 2, fixed route rail and bus. So if you would like to avail yourself of an opportunity to obtain a Valley Metro Unlimited pass for bus and rail, just reach out to Pat. We will get one to you ASAP. Welcome on board.

Councilmember White said thank you so much, Jessica, and thank you, Chair Stipp.

Chair Stipp said that's fine. Councilmember Cline.

Councilmember Cline said I have a couple of items, and the answer to this might be I don't know. So I haven't heard any of this. I'm wondering if there is ridership data that would be available.

We don't have a huge opportunity of numbers of buses that go from Surprise to Phoenix, but we do have a couple of fleet buses that do. Two in the morning and two in the afternoon.

So I'm wondering if we have any ridership numbers specifically on those two routes. I think that would be great for us to know than that's just for us in Surprise.

And then are we already surveying our ADA or paratransit usage of ride share? I already bent Tom's ear for a couple of minutes before the meeting, so this won't be a surprise to him.

But for those of us that live west of the 101 and don't have access to a whole lot of Valley Metro services, I'm looking for two things. One is, do we do a satisfaction survey on our ride share and paratransit transportation.

How satisfied are our residents that are using it? And if there isn't a survey, maybe we could get a survey. Also, looking for an update and this would probably be another workshop would be an update on where we are on making accessibility to somewhere besides Phoenix for people to be certified for their ADA purposes. I know I brought it up during strategic planning, but I'm really looking at something that makes it easier for folks west of the 101, all of our cities to access those services without having to make, as I spoke, a six-mile transfer to, from El Mirage to Phoenix to do that is a six-hour commute for one person to be certified.

And in layman's terms, I think that's crazy. So I would like to see some way for those of us on the west side to help our residents get certified for ADA faster, easier, quicker, and see if what you're already working on, as Tom mentioned to me, but what else could be done so that helps improve ridership from our side, but I have a huge population that I'm really trying to get to use the services.

And I think being able to get them certified on this on west of the 101 would be helpful. So if there's some way to have something about that.

Ms. Mefford-Miller said I agree. I will answer your questions one by one. We release a monthly ridership report and ridership is available at the route level. That's an email that comes today to the Board from Aaron Xavier with an X. So look for that.

Councilmember Cline said okay.

Ms. Mefford-Miller said you know, we also have the team develop these, and when I first arrived, it was super helpful getting to know the system in our communities. We have a city level summary of service and ridership. I know we updated those in 2022.

I'm not sure if we have since, but I would be happy to have those shared with the Board because I think it's really helpful to see a snapshot of what's happening with Valley Metro in your community.

And then so the question on ADA market research, I don't actually know if we have a system wide customer survey. I don't know if we have an ADA customer survey. I'd like to inquire with Tom Young and get back with you on that.

On the ADA eligibility, I hear you and I agree. So this is something that's on Tom's plate. And just in the last couple of months, we have welcomed a new director of paratransit operations, Justin Sheldon, to our team to backfill Tom's prior role because he was promoted to deputy chief of bus and paratransit operations.

And so this is something that they're wrestling with. And what we're going to have to do is come up with an interim solution to ADA eligibility for West Valley before we actually have a West Valley bus operations and maintenance facility, which that, that's the ticket in the solution. But we're not there yet, so we need something now.

Councilmember Cline said perfect.

Ms. Mefford-Miller said thank you, Councilmember.

Councilmember Pastor said is this being requested as a future agenda item, because I'm just curious why we couldn't just have a mobile unit that we send out to in the West Valley, or places where people are not able to get to Phoenix to qualify that they can just go to the customer?

Ms. Mefford-Miller said I don't know the answer to the question. We could have a mobile. If we had the resources, we could have a mobile unit and we'll likely need something like that to distribute fares, including reduced fares.

What I would need to go back and confer with the team on is whether we can conduct the eligibility process via a mobile unit, like a bus. Maybe. We've got right now at our access center near 44th Street station, we've got mockups of city curbs and curbless streets and sidewalks and a mockup of a physical bus in there.

So that's something that we can explore. Would you like us to report back on an agenda item or in writing?

Chair Stipp said can we just get a report on that?

Councilmember Pastor said I'd like to have a discussion.

Chair Stipp said do you want a discussion?

Councilmember Pastor said or bring it back on an agenda item, yes.

Chair Stipp said there you go.

Ms. Mefford-Miller said we'd be happy to. Thank you, Councilmember.

Chair Stipp said okay. Seeing no others.

8. Next Meeting

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

Without further discussion, the meeting was adjourned at 1:05 p.m.

# Information Summary

**DATE** **AGENDA ITEM 4B**
March 14, 2024

**SUBJECT**
Facilities Maintenance Services Contract Award

**PURPOSE**
To request authorization for the Chief Executive Officer (CEO) to execute a two-year base contract with an option for three additional one- year extensions with DMS Facility Services, LLC to provide facility maintenance services for a VMR amount not to exceed $9,950,000 and RPTA portion will not exceed $700,000, for a total contract amount of $10,650,000.

**RECOMMENDATION**
Staff recommends the TMC/RMC forward to the Board of Directors authorization for the CEO to execute a two-year base contract with an option for three additional one -year extensions with DMS Facility Services, LLC to provide facility maintenance services for a VMR amount not to exceed $9,950,000 and RPTA portion will not exceed $700,000, for a total contract amount of $10,650,000.

**BACKGROUND | DISCUSSION | CONSIDERATION**Valley Metro's current contract for Facility Maintenance Services expired January 31, 2024. The contract has been extended for two months for time to award the contract. Valley Metro continues to have a need for maintenance of facilities, park and rides, and maintenance of passenger stations along the light rail alignment. This work also covers Valley Metro's Mesa Bus Operations and Maintenance Facility.

The contractor shall provide all necessary vehicles, tools, supplies, materials, and other related equipment required to perform the facility maintenance services defined in this contract. Services performed under this contract include a full range of facility maintenance services related to bus and light rail include:

- Mesa Bus Operations and Maintenance Facility.
- Light Rail Operations and Maintenance Center.
- Light rail park-and-ride lots and security offices located on the lots.
- Light rail operator facilities at end-of-line stations.
- Passenger stations, substations, and signal buildings.

In November 2023, Valley Metro issued a federally compliant Request for Proposal (RFP) for facilities maintenance services. A total of two firms submitted proposals and it was determined that one of the proposals was responsive and in the competitive range for further evaluation. The two firms were as follows:

1. DMS Facility Services, LLC
2. LJ's Cleaning Solutions – Non-Responsive

A selection committee comprised of staff from Valley Metro and Member City's evaluated technical proposals. The selection committee has finalized its evaluations of one firm's technical proposal, and the agency has finalized 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. Based on this process, the selection committee has selected DMS Facility Services, LLC as the firm whose proposal offers the "best value" to the agency.

| Rank and Firm | Technical Score | Price Score | Combined Score |
|---|---|---|---|
| **1. DMS Facility Services, LLC** | 620 | 300 | 300 |
| **2. LJ's Cleaning Solutions** | Non-Responsive | | |

An independent cost estimate including a cost comparison and price analysis have been completed. The proposed price has been deemed fair and reasonable based on the price analysis.

**COST AND BUDGET**

The facility maintenance services contract is for a total base term of two years with an option for three additional one-year extensions. For the total term of the contract, the award cost is $10,650,000 with funding as follows:

- RPTA $ 700,000
- VMR $9,950,000

The RPTA is included in the RPTA Adopted FY24 Operating and Capital Budget. Contract Obligations beyond FY24 are incorporated into the Valley Metro RPTA Five-Year Operating Forecast and Capital Program (FY2024 thru FY2028).

The VMR contract obligation is included in the Valley Metro Rail Adopted FY24 Operating and Capital Budget. Contract Obligations beyond FY24 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2024 thru FY2028).

The source of funding is a combination of member cities and PTF funds.

**COMMITTEE ACTION**
RTAG: February 20, 2024, for information
TMC/RMC: March 6, 2024, approved
Boards of Directors: March 21, 2024, for action

**CONTACT**
Darren Curry
Chief Maintenance Officer
dcurry@valleymetro.org

**ATTACHMENT**
None

# Information Summary

**DATE**
March 14, 2024

**AGENDA ITEM 4C**

**SUBJECT**
FY 2024 Computer and Switch Replacement

**PURPOSE**
To request authorization for the Chief Executive Officer (CEO) to procure workstations, laptops, tablets, and switches to replace hardware reaching the end of its useful life.

**RECOMMENDATION**
Staff recommends that the Boards of Directors authorize the CEO to continue procuring necessary hardware replacements in FY 2024 in a total amount not to exceed $417,000.

**BACKGROUND | DISCUSSION | CONSIDERATION**
All IT hardware has a useful lifespan beyond which maintenance costs increase, performance suffers, and reliability is impacted. For example, while we plan for five years of use from desktops, laptop batteries tend to fail in four years. As a result, regular replacement of end-of-life hardware is necessary. In addition to the standard replacement of storage hardware and network switches needed to maintain network security and reliability, Valley Metro will experience surge in laptop and PC replacements over the next two years due to the numerous mobile devices purchased at the beginning of the pandemic reaching end-of-life. To mitigate the financial impact of this surge, Staff are planning to spread these replacements over three fiscal years. This purchase in FY 2024 is the first. Additional replacements will be sought in FY 2025 and in the first quarter of FY 2026 to smooth the costs between years.

*Computers*

| Type | Models Being Replaced | Replacing Qty | Purchased Between |
|---|---|---|---|
| **Desktop** | Dell OptiPlex | 63 | 07.2017 – 11.2019 |
| | Dell Precision | 92 | 04.2017 – 11.2019 |
| | Lenovo ThinkStation | 1 | 02.2016 |
| **Laptop** | Dell Latitude | 24 | 02.2018 – 11.2019 |
| | Microsoft Surface | 2 | 04.2019 – 11.2019 |

*Networking Equipment*

| Device Being Replaced | Quantity | Purchased |
|---|---|---|
| **Cisco Catalyst 3560-X Switch, 48 Port Ethernet** | 2 | August 2014 |
| **Cisco Catalyst 3750-G Switch, 24 Port Ethernet** | 1 | September 2012 |
| **Cisco Catalyst 3750-G Switch, 48 Port Ethernet** | 5 | September 2012 |
| **Cisco Catalyst 3750-X Switch, 12 Port Fiber** | 2 | May 2013 |
| **Cisco Catalyst 3750-X Switch, 48 Port Ethernet** | 9 | May 2013 |
| **Cisco Nexus 2000 Series Fabric Extenders** | 2 | April 2014 |
| **Cisco Catalyst 4506-E Switch, Modular Chassis** | 1 | October 2010 |
| **Cisco Catalyst 4500-E Series 48-Port Module** | 3 | October 2010 |
| **HP ProCurve 2520-G Switch, 8 Port Ethernet** | 1 | October 2010 |

*Figure 1 - Catalyst 3560 X-Series, 48-Port Ethernet*

*Figure 2 - Catalyst 3750 G-Series, 24-Port Ethernet*

*Figure 3 - Catalyst 3750 G-Series, 48-Port Ethernet*

*Figure 4 - Catalyst 3750 X-Series, 12-Port Fiber*

*Figure 5 - Catalyst 3750 X-Series, 48-Port Ethernet*

*Figure 6 - Nexus 2000-Series Fabric Extender*

*Figure 7 - Catalyst 4500 E-Series, Modular Chassis*

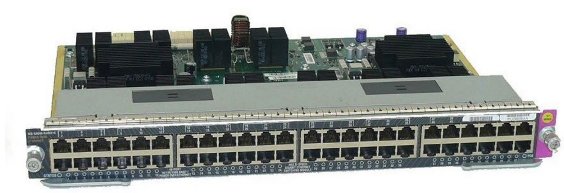


*Figure 8 - Catalyst 4500 E-Series, 48-Port Module*


*Figure 9 - ProCurve 2520 G-Series, 8-Port Ethernet*

**COST AND BUDGET**
The funds for the hardware outlined in this memo are included in the RPTA and VMR FY 2024 Operating and Capital Budget requests and are included in the accompanying five-year budget projections (FY 2025 – FY 2030). The current requested authorization is not to exceed $417,000. The RPTA portion is $208,500 and the VMR portion is $208,500.

Hardware will be procured through the vendors and cooperative contracts listed below to ensure a competitively negotiated price and leverage volume discounts available through the contracts. If a different vendor or Procurement-approved cooperative vehicle offers more advantageous pricing, that vendor/cooperative vehicle combination may be used to realize savings.

| Item | Vendor | Cooperative \| Contract # | Amount |
|---|---|---|---|
| **Computers** | Dell | Arizona State Procurement Office CTR030308-3 | $310,000 |
| **Network Equipment** | HyeTech | 1 Government Procurement Alliance 22-02PV-08 | $107,000 |
| **Total** | | | **$417,000** |

**COMMITTEE ACTION**
RTAG: February 20, 2024 for information
TMC/RMC: March 6, 2024 approved
Boards of Directors: March 21, 2024 for action

**CONTACT**
Phil Ozlin
Chief Information Officer
pozlin@valleymetro.org

**ATTACHMENT**
None

# Information Summary

**DATE** **AGENDA ITEM 5**
March 14, 2024

**SUBJECT**
Travel and Expenditures

**PURPOSE**
The monthly travel and expenditures 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

**Valley Metro**
**Travel Reimbursement Report**

| Job Title | Purpose of Travel | Location | Dates Traveled | Total Travel Cost | Airfare | Other Transport | Lodging | Meals | Misc. |
|---|---|---|---|---|---|---|---|---|---|
| Chief Executive Officer | TCRP | Washington, DC | 10-26-23-10/28/23 | $109.74 | | $70.84 | | $9.90 | $29.00 |
| Risk Manager | Interview Candidate | Phoenix, AZ | 1/30/24-1/31/24 | $1,380.80 | $797.97 | $52.69 | $426.64 | $103.50 | |
| Risk Manager | Interview Candidate | Phoenix, AZ | 1/31/24-2/01/24 | $1,108.59 | $533.97 | $44.48 | $426.64 | $103.50 | |
| Deputy Director Rail Maintenance | Damage Inspection, Siemens | Sacramento, CA | 1/25/24-1/26/24 | $831.81 | $444.20 | $117.08 | $167.03 | $103.50 | |
| Chief of Capital Development | Interview Candidate | Phoenix, AZ | 1/22/24-1/23/24 | $1,174.59 | $469.96 | | $601.13 | $103.50 | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

Total this reporting period $4,605.53

**Year to Date** **$64,399.80**

*Report reflects Out of State (AZ) Travel*

** Misc*

[1] *Flight Wi-Fi Fee*

**Valley Metro Regional Public Transportation Authority**
**Monthly AP Payments over $25,000**
**January 2024**

| Payment Number | Date | Supplier or Party Name | Transaction Description | Amount |
|---|---|---|---|---|
| 10001975 | 1/5/2024 | First Transit Inc | Fixed Route Bus Operations/Maintenance | 7,218,968.45 |
| 10001985 | 1/5/2024 | MTM Transit LLC | Paratransit/Mobility Service and Fuel | 2,059,818.40 |
| 10001979 | 1/5/2024 | Scheidt & Bachmann USA Inc | Regional Farebox Project-Fareboxes/Services/Installation | 1,379,872.10 |
| 10002013 | 1/19/2024 | Transdev Services Inc | Paratransit/Mobility Service and Fuel | 1,341,185.03 |
| 90000252 | 1/17/2024 | ADP LLC | PPE 01/07/2024 Payroll Liabilities | 1,286,683.02 |
| 90000257 | 1/26/2024 | ADP LLC | PPE 01/21/2024 Payroll Liabilities | 1,244,042.00 |
| 10001999 | 1/17/2024 | MTM Transit LLC | Start-Up/Mobilization-Implementation Fees | 1,082,827.00 |
| 10002007 | 1/19/2024 | Creative Software Solutions LLC | Ridechoice Management Services | 779,638.01 |
| 90000254 | 1/26/2024 | Cigna Health and Life Insurance Company | Health Insurance Premiums | 552,705.86 |
| 90000251 | 1/17/2024 | ASRS | PPE 01/07/24 ASRS Contributions & LTD | 342,870.18 |
| 90000253 | 1/26/2024 | ASRS | PPE 01/21/24 ASRS Contributions & LTD | 334,045.63 |
| 10002033 | 1/26/2024 | MJM Innovations | Ridechoice Management Services | 239,474.04 |
| 10002003 | 1/19/2024 | 101 North First Ave LLC | 101 Building Rent | 187,713.68 |
| 10002023 | 1/26/2024 | Creative Software Solutions LLC | Subcontracted/Overflow Transportation Providers | 175,170.60 |
| 90000259 | 1/31/2024 | Surepays | RPTA Monthly Utilities | 134,549.19 |
| 10002000 | 1/17/2024 | Vix Technology USA Inc | Customer Service Network Fees | 91,576.12 |
| 1002100 | 1/19/2024 | Guidehouse Inc | Strategic Planning Services-Strategic Plan Consultants | 80,000.00 |
| 1002079 | 1/5/2024 | City of Scottsdale, Remittance Processi | PTF Expenditure Reimbursement | 77,248.00 |
| 1002102 | 1/26/2024 | CopperPoint Insurance Company | Feb 2024 Rent and CAM Charges | 68,709.56 |
| 10002012 | 1/19/2024 | QCM Technologies Inc | Cybersecurity Program Support | 65,832.08 |
| 10001997 | 1/17/2024 | Senergy Petroleum LLC | Bulk Fuel | 53,942.80 |
| 90000258 | 1/31/2024 | Wells Fargo Bank | Monthly Credit Card Charges | 52,938.00 |
| 10001990 | 1/17/2024 | ACRO Service Corporation | Staffing Services | 51,649.19 |
| 10001983 | 1/5/2024 | Senergy Petroleum LLC | Bulk Fuel | 43,880.51 |
| 10001974 | 1/5/2024 | Clean Energy | CNG Facility Operations & Maintenance | 42,092.84 |
| 1002082 | 1/5/2024 | Guidehouse Inc | Strategic Planning Services-Strategic Plan Consultants | 40,000.00 |
| 10002024 | 1/26/2024 | Enterprise Rideshare | Van Pool Services | 37,124.94 |
| 10001978 | 1/5/2024 | QCM Technologies Inc | Communication Support-Depot | 34,404.18 |
| 10002004 | 1/19/2024 | ACRO Service Corporation | Staffing Services | 33,186.93 |
| 10001970 | 1/5/2024 | ACRO Service Corporation | Staffing Services | 31,956.00 |
| | | | | 19,164,104.34 |

**Valley Metro Rail, Inc**
**Monthly AP Payments over $25,000**
**January 2024**

| Payment Number | Date | Supplier or Party Name | Transaction Description | Amount |
|---|---|---|---|---|
| 50001800 | 1/5/2024 | Kiewit-McCarthy, a Joint Venture | CMAR Services for Northwest Phase II | 3,877,582.02 |
| 50001846 | 1/26/2024 | Allied Universal Security Services | Fare Inspection and Security Services | 739,881.62 |
| 50001805 | 1/5/2024 | Stacy and Witbeck Inc | CMAR Services for Tempe Street Car | 714,296.24 |
| 50001834 | 1/19/2024 | Hill International Inc | PMCM Services | 711,800.12 |
| 50001842 | 1/19/2024 | Centurylink | Third Party Construction Utilities | 479,349.04 |
| 90000031 | 1/31/2024 | Surepays | VMR Monthly Utilities | 416,347.73 |
| 50001845 | 1/26/2024 | AECOM Technical Services Inc | Service Planning Support-West Phx | 165,994.53 |
| 50001837 | 1/19/2024 | Pario Solutions | Juniper Care & Support | 90,988.00 |
| 5002330 | 1/19/2024 | STV Incorporated | Project Development Support - Dobson Ext | 86,392.64 |
| 50001857 | 1/26/2024 | Prestamos CDFI LLC | Small Business Financial Assistance Program | 85,337.67 |
| 50001804 | 1/5/2024 | Siemens Mobility | Window Parts and GDI Boards | 61,207.20 |
| 50001853 | 1/26/2024 | Hubner Manufacturing Corporation | FRP Bumper | 59,100.00 |
| 50001856 | 1/26/2024 | URW LLC | Landscape Maintenance Services | 50,574.01 |
| 50001806 | 1/5/2024 | Prestamos CDFI LLC | Small Business Financial Assistance Program | 42,788.39 |
| 50001801 | 1/5/2024 | National Corrosion | Stray Current Testing | 42,231.00 |
| 50001858 | 1/26/2024 | Trapeze Software Group | Training Consulting for EAM | 38,551.00 |
| 5002338 | 1/26/2024 | NASG Holdings LLC | Windows | 37,709.24 |
| 50001827 | 1/17/2024 | City of Phoenix | Fare Handling Fee | 37,230.00 |
| 50001798 | 1/5/2024 | HDR Engineering Inc | Service Planning Support | 36,845.90 |
| 50001813 | 1/17/2024 | Award Winning Restorations | LRV color scheme change painting | 35,040.00 |
| 50001818 | 1/17/2024 | Gunn Communications Inc | Marketing & Social Media | 27,702.00 |
| 50001825 | 1/17/2024 | WEX Bank | Fleet Card Services | 25,409.03 |
| | | | | 7,862,357.38 |

# Information Summary

**DATE**
March 14, 2024

**AGENDA ITEM 6**

**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

March 14, 2024

**Valley Metro RPTA**
Thursday, March 21, 2024
Boardroom/Webex
Valley Metro, 101 N. 1st Avenue, 10th Floor
**11:15 a.m.**

Action Recommended

**CONSENT AGENDA**

| | | |
|---|---|---|
| 1A. | Minutes | 1A. For action |

Minutes from the February 18, 2024 Board meeting are presented for approval.

| | | |
|---|---|---|
| 1B. | Intergovernmental Agreement (IGA) with the Arizona Department of Transportation (ADOT) | 1B. For action |

Staff recommends that the Board of Directors authorize the CEO to enter into an IGA with ADOT for any award of Section 5311 (Rural Transit) pass-through funding for Rural Route 685 for Federal Fiscal Year 2024 (FFY24) and 2025 (FFY25).

**REGULAR AGENDA**

| | | |
|---|---|---|
| 2. | Valley Metro RPTA Fiscal Year 2025 (FY25) Preliminary Operating and Capital Budget | 2. For information |

Ken Kessler, Chief Financial Officer, and Tyler Olson, Manager, Budget & Operations Financial Controls, will provide an overview of the FY 2025 Preliminary Operating and Capital Budgets.

| | | |
|---|---|---|
| 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, April 18, 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

March 14, 2024 **AGENDA ITEM 1A**

**Valley Metro RPTA**
Thursday, February 22, 2024
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

*Note: The Valley Metro Rail Board of Directors meeting took place prior to the start of the Joint Board Study Session. The study session took place and was followed by the Joint Boards of Directors meeting and the Valley Metro RPTA Board of Directors meeting.*

**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 Monica Dorcey, City of El Mirage
Vice Mayor Peggy McMahon, Town of Fountain Hills
Mayor Brigette Peterson, Town of Gilbert (phone)
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 Aly Cline, City of Surprise
Vice Mayor Jennifer Adams, City of Tempe (phone)
Mayor Michael LeVault, Town of Youngtown (phone)

**Members Not Present**
Councilmember Clay Goodman, City of Buckeye
Chairman of the Board Jack Sellers, Maricopa County
Councilmember Kathy Littlefield, City of Scottsdale (phone)
Mayor Juan F. Rodriguez, City of Tolleson
Mayor Rui Pereira, Town of Wickenburg

Chair Stipp called the meeting to order at 1:05 p.m.

Chair Stipp said we'll go right into the Valley Metro RPTA meeting that starts with a Consent Agenda.

1. Consent Agenda

Chair Stipp said Consent Items 1A through 1E. May I have a motion to approve the Consent Agenda?

Motion by Councilmember Pastor, second by Councilmember White.

Chair Stipp said I have a motion and a second for the Consent Agenda. Any discussion or anybody want anything pulled from the consent?

Seeing none. All in favor of approving the consent agenda, 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, ITEMS 1A-1E.**

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

Chair Stipp said Item 2 on the Regular Agenda is the authorization to execute a cooperative purchase order with Gillig, LLC for compressed natural gas buses. Turn this back over to our CEO.

Ms. Mefford-Miller said so the decision item before the Board this afternoon is a request to spend for the purchase of 20 40-foot compressed natural gas vehicles in an amount not to exceed $34,000,720, that does include a 7.5 percent contingency.

We are proposing to purchase these vehicles by piggybacking off a Washington State contract. This is a contract that's widely used in the industry. City of Phoenix often purchases vehicles off this contract. This is to replace existing vehicles that have reached the end of their useful life.

This does not relate directly to the zero emissions transition. This is part of that fleet replacement strategy. And I should mention any of the decisions associated with zero emissions like vehicle purchases, design or construction contract awards would be going back to this board.

So this is the first of many discussions and a request to approve that we'll have related to fleet and supporting technology and infrastructure. May I answer any questions about this item?

Chair Stipp said seeing no questions. So may I have a motion to 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 and two years, in an amount not to exceed $34,720,000, which includes a 7.5 percent contingency of $2,420,000. Do I have that motion? Do I have a second? Did you get the first?

Motion by Councilmember White, second by Vice Mayor Edwards.

Chair Stipp said any discussion? All in favor say aye. Any opposed? The ayes have it.

**IT WAS MOVED BY COUNCILMEMBER WHITE, SECONDED BY VICE MAYOR EDWARDS, AND UNANIMOUSLY CARRIED TO 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. <u>Report on Current Events and Suggested Future Agenda Items</u>

Chair Stipp said Item 3 is a report on current events and suggested future items. Does anybody on the Board have anything for this particular Board? Seeing none.

4. <u>Next Meeting</u>

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

With no further discussion the meeting adjourned at 1:09 p.m.

# Information Summary

**DATE** **AGENDA ITEM 1B**
March 14, 2024

**SUBJECT**
Intergovernmental Agreement (IGA) with the Arizona Department of Transportation (ADOT)

**PURPOSE**
To request authorization for the Chief Executive Officer (CEO) to enter into an IGA with ADOT for Section 5311 (Rural Transit) pass-through funding for Rural Route 685 for Federal Fiscal Year 2024 (FFY24) and 2025 (FFY25).

**RECOMMENDATION**
Staff recommends that the Board of Directors authorize the CEO to enter into an IGA with ADOT for any award of Section 5311 (Rural Transit) pass-through funding for Rural Route 685 for Federal Fiscal Year 2024 (FFY24) and 2025 (FFY25).

**BACKGROUND | DISCUSSION | CONSIDERATION**
Valley Metro staff will apply for an estimated $2,200,998 of FTA Formula Grants for Other than Urbanized Areas (Section 5311) funds for the FFY24 (expenditure period - October 2024 through September 2025) and FFY25 (expenditure period - October 2025 through September 2026). ADOT's application process includes two years of funding.

The application will include administrative, insurance, preventive maintenance, and operating assistance for Route 685 Gila Bend Connector and operating assistance and preventive maintenance for shortened round trips between the Buckeye Community Center and the Buckeye Municipal Court. No PTF funds are used for the shortened trips.

ADOT is the designated recipient for FTA 5311 rural formula grant funds for the state and Valley Metro must submit an application to receive this funding for the service identified above. ADOT's application process requires submittal of a signed IGA for funding prior to an award. Award notification is expected in summer 2024, and ADOT will finalize the IGA with the actual awarded amount.

Public outreach will be held in the project area about the requested funding prior to award of any funds.

**COST AND BUDGET**
The funding to be requested from ADOT for Section 5311 for FFY24 and FFY25 is estimated to be $2,200,988. The following table summarizes funding sources and approximate amounts applicable to this Board action.

| Funding Source | FFY24 | FFY25 | Total |
|---|---|---|---|
| **FTA Section 5311 (ADOT)** | $1,073,326 | $1,127,672 | $2,200,998 |
| **PTF (Local Match)** | $643,890 | $676,744 | $1,320,634 |
| **City of Buckeye (Local Match)** | $90,380 | $94,969 | $185,349 |
| **Total IGA Amount** | **$1,807,596** | **$1,899,385** | **$3,706,981** |

Route 685 is in the Valley Metro budget and is programmed in the Transit Life Cycle Program (TLCP) with Public Transportation Funds (PTF) which serve as the required source of local match funds. Local match funds for the shortened round trips are provided by the City of Buckeye.

**COMMITTEE PROCESS**
RTAG: February 20, 2024 for information
TMC: March 6, 2024 approved
Board of Directors: March 21, 2024 for action

**CONTACT**
Carol Ketcherside
Deputy Director, Service Planning & Scheduling
cketcherside@valleymetro.org

**ATTACHMENT**
None

# Information Summary

**DATE** **AGENDA ITEM 2**
March 14, 2024

**SUBJECT**
Valley Metro RPTA Fiscal Year 2025 (FY25) Preliminary Operating and Capital Budget

**PURPOSE**
To provide an overview of the FY25 Preliminary Operating and Capital Budget.

**RECOMMENDATION**
This item is presented for information.

**BACKGROUND/DISCUSSION/CONSIDERATION**
The Valley Metro Regional Public Transportation Authority (RPTA) FY25 combined operating and capital budget (the budget) is $494.5 million (M) and includes $71.5M of expenses for light rail/high-capacity transit capital and other pass throughs that total $79.6M.

The preliminary FY25 budget has been prepared with the goal of delivering a fiscally prudent, balanced budget using carry forwards and reserves when needed for capital projects. The budget was developed in compliance with Board of Directors' adopted budget, financial and Transit Life Cycle Program (TLCP) policies.

The annual budget is prepared on an accrual basis and adopted by the Board of Directors each fiscal year. The legal level of budgetary control is the total annual appropriated budget. With respect to Capital Budgets, project contingency accounting is used to control expenditures within available project funding limits. With respect to Operating Budgets, encumbrance accounting is not used and all appropriations lapse at the end of the year. Prior to final adoption, a proposed budget is presented to the Board of Directors for review and public comment is received. Final adoption of the budget must be on or before June 30 of each year.

The RPTA budget includes a significant level of expenditures on behalf of Valley Metro Rail (VMR). RPTA is the official employer for all Valley Metro employees therefore all employee related expenses for VMR are include in the RPTA budget. VMR reimburses RPTA for its share of employee expenses. RPTA is also the recipient of all public transportation funds received from Proposition 400. Revenues to support the rail program are passed through to VMR on a reimbursement basis.

*Budget Overview*
The total operating budget of $279.9M represents a $14.7M (6%) increase from the previous year's operating budget of $265.2M. The total capital budget of $63.5M, which

includes debt service, represents a $40.0M (39%) decrease from the previous year's capital budget of $103.5M.

The increase in the operating budget is primarily driven by fixed route operations, demand service operations, and vanpool operations. Fixed route operations is increasing by 6 percent, or $10.6M mainly due to annual contract rate increases for RPTA-operated service and Phoenix-operated bus service, and a full year of the new East Valley fixed route bus contract.  Demand service operations is increasing by 4%, or $2.2M, primarily due to a forecasted increase in RideChoice trips of 22%, combined with increased ADA service operated by other entities which is funded with PTF. Vanpool operations is increasing 83%, or $2.1M due to a full year of operation of the new contract that includes the cost of vehicles as the program transitions from Valley Metro purchased vehicles to contractor-provided vehicles. The vanpool program continues to be fully funded from rider fare revenue and federal funds.

The RPTA and Valley Metro Rail (VMR) budgets are developed with a unified staff plan, with department managers planning the level of effort required to meet the bus and rail activities. Salary and overhead charges to bus and rail projects are based on actual time worked on each project. For FY25 there are 515 employees budgeted in the integrated agency, with 258 FTE's budgeted to RPTA/Shared agency activities and 257 budgeted to VMR only activities.  Including shared FTE's, total allocated FTEs by agency are 175 for RPTA and 340 for VMR.

**COMMITTEE PROCESS**

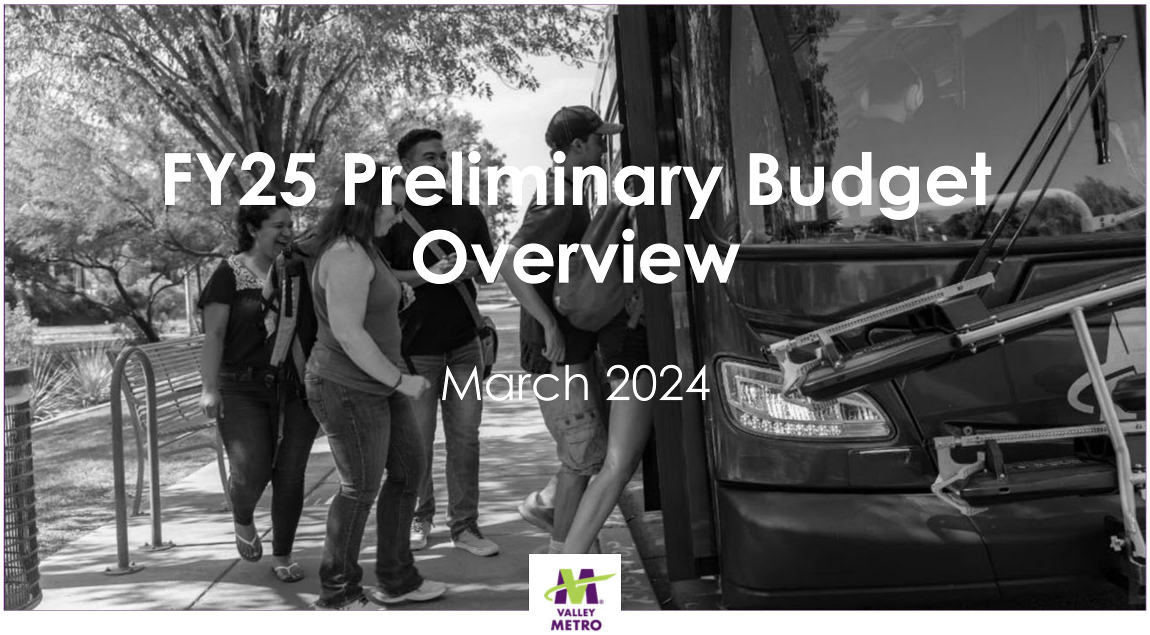
Preliminary Budget Review:
Financial Working Group: February 20, 2024 for information
TMC: March 6, 2024 for information
AFS: March 7, 2024 for information
Board of Directors: March 21, 2024 for information

Budget Review with Initiatives:
RTAG/FWG: March 19, 2024 for information
TMC: April 3. 2024 for information
AFS: April 4, 2024 for information
Board of Directors: April 18, 2024 for information

Proposed Budget Adoption:
TMC: May 1, 2024 for action
AFS: May 2, 2024 for information
Board of Directors: May 16, 2024 for action

**CONTACT**

Ken Kessler, Chief Financial Officer
kkessler@valleymetro.org

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# Baseline: RPTA Operations

| | FY24 Budget | FY25 Budget |
|---|---|---|
| ***BUS OPERATIONS*** | | |
| Passenger boardings | 7,470,000 | 8,260,000 |
| Service miles delivered-RPTA operated | 12,633,000 | 12,310,000 |
| Gross Operating Costs | $ 125,678,000 | $ 134,541,000 |
| Fare Revenues | $ 4,706,000 | $ 4,706,000 |

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# Baseline: RPTA Operations

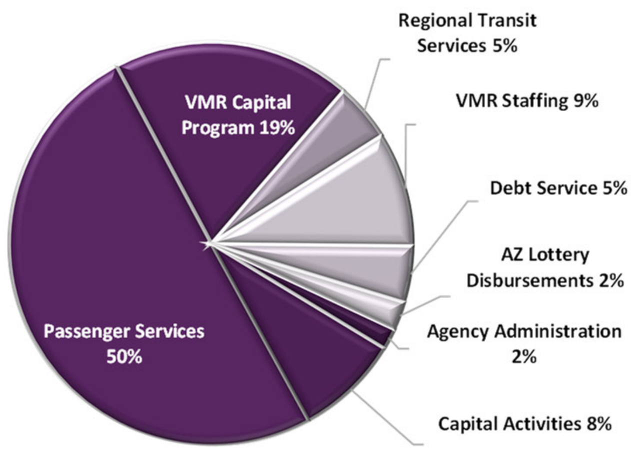
| | FY24 Budget | FY25 Budget |
|---|---|---|
| ***PARATRANSIT OPERATIONS*** | | |
| Trips | 320,000 | 305,000 |
| Gross Operating Costs | $ 24,688,000 | $ 24,008,000 |
| Fare Revenues | $ 1,228,000 | $ 1,153,000 |
| Cost per Trip | $ 77.15 | $ 78.71 |



# Baseline: RPTA Operations

| | FY24 Budget | FY25 Budget |
|---|---|---|
| ***RIDECHOICE OPERATIONS*** | | |
| Trips | 281,000 | 344,000 |
| Gross Operating Costs | $ 10,173,000 | $ 12,625,000 |
| Fare Revenues | $ 749,000 | $ 1,153,000 |
| Cost per Trip | $ 41.19 | $ 36.70 |

# Uses of Funds: Operating & Capital

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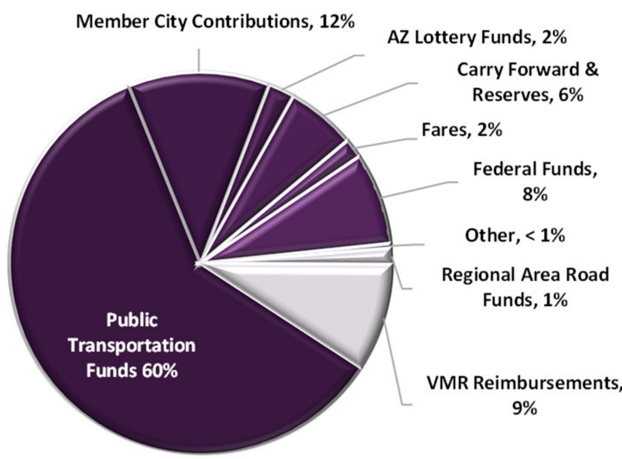
# Sources of Funds: Operating & Capital

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# Uses of Funds: Operating ($,000,000)

| Uses of Funds | FY24 | FY25 | Change $ | Change % |
|---|---|---|---|---|
| Fixed Route Operations | $174.4 | $185.1 | $10.6 | 6% |
| Demand Service Operations | 54.9 | 57.1 | 2.2 | 4% |
| Vanpool Operations (1) | 2.5 | 4.6 | 2.1 | 83% |
| Planning | 4.4 | 4.4 | (0.0) | -1% |
| Commute Solutions | 1.5 | 1.6 | 0.1 | 4% |
| Administration and Finance | 5.4 | 5.3 | (0.1) | -1% |
| Regional Services | 22.1 | 21.9 | (0.1) | -1% |
| **RPTA Operating** | **$265.2** | **$280.0** | **$14.7** | **6%** |

[1] Vanpool increase is due to a full year of a new contract, beginning 1/1/24, that includes the transition from Valley Metro purchased vehicles to contractor-provided leased vehicles.

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# Sources of Funds: Operating ($,000,000)

| Source of Funds | FY24 | FY25 | Change $ | Change % |
|---|---|---|---|---|
| Public Transportation Funds | $179.6 | $189.2 | $9.6 | 5% |
| Regional Area Road Funds | 5.1 | 6.2 | 1.2 | 23% |
| Member City Contributions | 57.8 | 59.1 | 1.3 | 2% |
| Bus Advertising | 0.8 | 0.8 | 0.0 | 0% |
| Federal Funds | 12.6 | 15.3 | 2.8 | 22% |
| Federal Funds - COVID Relief | 0.9 | 0.9 | 0.0 | 0% |
| Fares | 8.4 | 8.2 | (0.2) | -2% |
| MAG Funds | 0.2 | 0.2 | (0.0) | -13% |
| Other | 0.1 | 0.1 | 0.0 | 0% |
| Carry Forward & Reserves | 0.0 | 0.0 | 0.0 | 0% |
| **RPTA Operating** | **$265.2** | **$279.9** | **$14.7** | **6%** |

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# Uses of Funds: Capital ($,000,000)

| Uses of Funds | FY24 | FY25 | Change $ | Change % |
|---|---|---|---|---|
| Regional Fleet | $64.1 | $18.1 | ($45.9) | -72% |
| Regional Facilities | 1.4 | 3.6 | 2.2 | 160% |
| Other Regional Projects | 5.5 | 8.4 | 2.9 | 53% |
| Member Agency Disbursements | 9.7 | 11.1 | 1.3 | 13% |
| Debt Service | 22.9 | 22.3 | (0.6) | -2% |
| **RPTA Capital** | **$103.5** | **$63.5** | **($40.0)** | **-39%** |

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# Sources of Funds: Capital ($,000,000)

| Source of Funds | FY24 | FY25 | Change $ | Change % |
|---|---|---|---|---|
| Public Transportation Funds | $8.2 | $11.5 | $3.3 | 40% |
| Carry Forward & Reserves | 35.5 | 28.8 | (6.8) | -19% |
| Member City Contributions | 0.0 | 0.0 | 0.0 | 0% |
| Federal Funds | 59.6 | 23.1 | (36.5) | -61% |
| Other | 0.2 | 0.1 | (0.1) | -52% |
| **RPTA Capital** | **$103.5** | **$63.5** | **($40.0)** | **-39%** |

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# Pass-thru Funds: Uses ($,000,000)

| Uses of Funds | FY24 | FY25 | Change $ | Change % |
|---|---|---|---|---|
| VMR RARF Disbursements | $0.5 | $0.5 | $0.0 | 0% |
| AZ Lottery Funds Disbursements | 11.2 | 11.2 | 0.0 | 0% |
| VMR Personnel | 40.0 | 44.8 | 4.8 | 12% |
| VMR PTF Capital Funding | 66.8 | 71.5 | 4.7 | 7% |
| VMR PTF Capital Reserve for Future Use | 21.7 | 23.1 | 1.5 | 7% |
| RPTA Pass-Thru | $140.1 | $151.1 | $11.0 | 8% |

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# Pass-thru Funds: Sources ($,000,000)

| Source of Funds | FY24 | FY25 | Change $ | Change % |
|---|---|---|---|---|
| AZ Lottery Funds | $11.2 | $11.2 | $0.0 | 0% |
| Regional Area Road Funds | 0.5 | 0.5 | 0.0 | 0% |
| VMR Personnel Reimbursements | 40.0 | 44.8 | 4.8 | 12% |
| VMR PTF Capital Funding Allocation | 88.5 | 94.6 | 6.2 | 7% |
| RPTA Pass-Thru | $140.1 | $151.1 | $11.0 | 8% |

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# Recap of Important Dates

| Committee/Boards/FWG | |
|---|---|
| February 20, 2024 | Present High Level Budget to City Staff (FWG & RTAG) |
| March | Present High Level Budget to Committees & Boards - for Information |
| March 19, 2024 | Detailed Initiative Discussion & 5-Year Plans with City Staff (FWG & RTAG ) |
| April Cycle | Present Annual Budget with Initiatives - for Information |
| April 4, 2024 | Detailed Initiative Discussion with AFS |
| May Cycle | Present Annual Budget with Initiatives & 5-Year Plans - for Action |

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VALLEY METRO

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# Information Summary

**DATE** **AGENDA ITEM 3**
March 14, 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

March 14, 2024

**Valley Metro Rail**
**Thursday, March 21, 2024**
Boardroom/Webex
Valley Metro, 101 N. 1st Avenue, 10th Floor
**11:15 a.m.**

Action Recommended

**CONSENT AGENDA**

| | |
|---|---|
| 1A. Minutes | 1A. For action |
| Minutes from the February 18, 2024 Board meeting are presented for approval. | |
| 1B. Uniform Rental and Laundry Service Contract Award | 1B. For action |
| Staff recommends that the Board of Directors authorize the CEO to execute a five-year contract for uniform rental and laundry services through a cooperative agreement with Cintas Corporation for an amount not to exceed $265,000 plus a 5% contingency of $13,250 for a total of $278,250. | |
| 1C. LRV Air Compressors Contract Award | 1C. For action |
| Staff recommends that the Board of Directors authorize the CEO to execute a contract with Powerex-Iwata Air Technology, Inc. for a term of three years with one two-year option to provide Light Rail Vehicle (LRV) Air Compressors in an amount not to exceed $750,000. | |

## REGULAR AGENDA

| | | | |
|---|---|---|---|
| 2. | Systems Design Contract - Contract Extension and Additional Expenditure Authority | 2. | For action |

Staff recommends that the Board of Directors authorize the CEO to amend the PGH Wong Engineering, Inc. contract for Systems Design Services for an amount not to exceed $5.7 million for an extension period through October 2027.

| | | | |
|---|---|---|---|
| 3. | Valley Metro Rail, Inc. Fiscal Year 2025 (FY25) Preliminary Operating and Capital Budget | 3. | For information |

Ken Kessler, Chief Financial Officer, and Tyler Olson, Manager, Budget & Operations Financial Controls, will provide an overview of the FY 2025 Preliminary Operating and Capital Budgets.

| | | | |
|---|---|---|---|
| 4. | Report on Light Rail Transit and Streetcar Security Services | 4. | For information and discussion |

Staff will provide an update on security services, including contractor staffing, rider sentiment, collaborative efforts with local agencies and reevaluating the scope of services.

| | | | |
|---|---|---|---|
| 5. | Report on Current Events and Suggested Future Agenda Items | 5. | For information |

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

| | | | |
|---|---|---|---|
| 6. | Next Meeting | 6. | For information |

The next meeting of the Board is scheduled for **Thursday, April 18, 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

March 14, 2024 **AGENDA ITEM 1A**

**Valley Metro Rail**
Thursday, February 22, 2024
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

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

*Note: The Valley Metro Rail Board of Directors meeting took place prior to the start of the Joint Board Study Session. The study session took place and was followed by the Joint Boards of Directors meeting and the Valley Metro RPTA Board of Directors meeting.*

Ms. Ruiz said in the unlikely event there is an emergency, there are stairwells to my right and to my left. Please take the stairs down and meet at the Orpheum at Second and Adams.

Also, there are two fire extinguishers in the rear to my left and to my right, AED machine out to my left, your right out here through the lounge, the kitchen. Who is CPR AED certified, raise your hand, please? Several. Perfect. I need a primary and a secondary to notify 911. Primary first? Primary, dial 911 right there, and secondary. Thank you.

Chair Pastor called the meeting to order at 11:23 a.m.

Councilmember Stipp said good morning, everybody. Thank you for joining us. We are going to take our meetings out of order this morning in order to accommodate some scheduling conflicts. So we are going to actually start with the Valley Metro Rail meeting, and then we're going to switch into the study session.

Chair Pastor said thank you, Chairman Stipp, for making this accommodation. I'm convening the meeting and welcoming members to the February meeting. Pat, can you do the roll call?

Ms. Dillon said good morning, everyone.

Roll call by Dillon.

Ms. Dillon said Councilmember, or Vice Mayor Heredia? Here.
Ms. Dillon said Vice Mayor Adams? She is online. Yes. I'm here.
Ms. Dillon said Councilmember Pastor? Here.
Ms. Dillon said Vice Mayor Harris?

Ms. Dillon said we have a quorum, Chair. You can proceed.

Chair Pastor said thank you.

1. Minutes

Chair Pastor said Item Number 1 is the minutes. Minutes from January 18th, 2024, Board meeting are presented for approval. I am requesting a motion. I have a motion. And a second? Second.

Motion by Vice Mayor Heredia, second by Chair Pastor.

Chair Pastor said all those in favor say aye? Any nays? Motion carries. Carries.

**IT WAS MOVED BY VICE MAYOR HEREDIA, SECONDED BY CHAIR PASTOR, AND UNANIMOUSLY CARRIED TO APPROVE THE JANUARY 18, 2024 MEETING MINUTES.**

2. Capitol Light Rail Extension Design Contract Award

Chair Pastor said Item 2, Capital light rail extension design contract award. Jessica Mefford-Miller will present. Thank you.

Ms. Mefford-Miller said thank you, Madam Chair. I'd like to invite Trevor Collon, our Chief of Capital Development, to the podium to provide a brief overview of the proposed design contract award for design on the capital extension light rail corridor. Mr. Collon?

Mr. Collon said thank you, Jessica. Chair Pastor, members of the of the Board. This is the design contract for the capital extension. The project will begin in the downtown hub, where we're currently doing work right now. And it will extend light rail to 15th Avenue, both along Jefferson and Washington.

It is a shortened alignment from what was originally planned, but will still serve the capital complex, and will be a really good project. This is for the design contract to Jacobs Engineering. And we're looking to start and advance the design effort as soon as the contract is awarded.

Chair Pastor said can I ask a question?

Mr. Collon said sure.

Chair Pastor said what design was chosen?

Mr. Collon said the 15th Avenue loop, Chair.

Chair Pastor said okay.

Chair Pastor said I need a motion for the board of directors to authorize the CEO to award a contract for the Capital Light Rail Extension project design services with Jacobs Engineering Group, Inc. for an amount not to exceed $18.7 million.

Do I have a motion? I have a motion on Item 2. Is there a second?

Motion by Vice Mayor Heredia, second by Chair Pastor.

Chair Pastor said all those in favor, please say aye. Are there any nays? Ayes carry.

**IT WAS MOVED BY VICE MAYOR HEREDIA, SECONDED BY CHAIR PASTOR, AND UNINAMOUSLY CARRIED TO 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

Chair Pastor said Item Number 3, report on current events and suggested future agenda items. Anybody? All right.

4. Next Meeting

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

Ms. Dillon said we will start the study session in approximately five minutes. It is posted for 11:30. We will stay on this Webex link for the entire study session and the following two board meetings.

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

# Information Summary

**DATE** **AGENDA ITEM 1B**
March 14, 2024

**SUBJECT**
Uniform Rental and Laundry Service Contract Award

**PURPOSE**
To request authorization for the Chief Executive Officer (CEO) to execute a five-year contract for uniform rental and laundry services through a cooperative agreement with Cintas Corporation for an amount not to exceed $265,000 plus a 5% contingency of $13,250 for a total of $278,250.

**RECOMMENDATION**
Staff recommends that the Board of Directors authorize the CEO to execute a five-year contract for uniform rental and laundry services through a cooperative agreement with Cintas Corporation for an amount not to exceed $265,000 plus a 5% contingency of $13,250 for a total of $278,250.

**BACKGROUND | DISCUSSION | CONSIDERATION**
Valley Metro currently provides uniforms for 140 maintenance technicians and supervisors located at the Valley Metro Operations and Maintenance Center (OMC). The annual rental agreement with Cintas Corporation will end on April 30, 2024. Cintas Corporation won a cooperative agreement with Omnia Partners, a public sector cooperative purchasing organization. Cintas Corporation had the highest evaluated score. Proposals were evaluated on experience, method of approach and price.

Cooperative Agreements are competitive contracts solicited and awarded by other public entities and whose cooperative language allows Valley Metro to utilize these contracts for its requirements.

An independent cost estimate including a cost comparison and price analysis have been completed. The proposed price has been deemed fair and reasonable based on the price analysis.

**COST AND BUDGET**
Costs for the five-year contract for uniform rental and laundry services with Cintas Corporation is an amount not to exceed $278,250 which includes a 5% contingency for possible increases of staff in the future. The cost is included in the Valley Metro Rail Adopted FY 2024 Operating and Capital Budget. Contract obligations beyond FY2024 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2024 thru FY2028).

Source of funding is member cities funds.

**COMMITTEE PROCESS**
RTAG: February 20, 2024, for information
RMC: March 6, 2024, approved
Board of Directors: March 21, 2024, for action

**CONTACT**
Darren Curry
Chief Maintenance Officer
DCurry@valleymetro.org

**ATTACHMENTS**
None

VALLEY METRO RAIL

# Information Summary

**DATE** **AGENDA ITEM 1C**

March 14, 2024

**SUBJECT**

LRV Air Compressors Contract Award

**PURPOSE**

To request authorization for the Chief Executive Officer (CEO) to execute a contract with Powerex-Iwata Air Technology, Inc. for a term of three years with one two-year option to provide Light Rail Vehicle (LRV) Air Compressors in an amount not to exceed $750,000.

**RECOMMENDATION**

Staff recommends that the Board of Directors authorize the CEO to execute a contract with Powerex-Iwata Air Technology, Inc. for a term of three years with one two-year option to provide Light Rail Vehicle (LRV) Air Compressors in an amount not to exceed $750,000.

**BACKGROUND | DISCUSSION | CONSIDERATION**

In the summer of 2019 we noticed that the original air compressors had bearings that were wearing and unable to be properly maintained due to poor design and lack of accessibility. Air compressors are overhauled every ten years. During the 2019 overhaul process the units had to be ccompletely tore down to get to the bearings. The overhaul process was time consuming. Also the air compressors were failing in high summer heat.

In 2020 Valley Metro began the process of researching air compressors to see if other options would work better in the Phoenix enviorment and it was deterimed it would be best to replace the units versus continuing to overhaul the existing units.The cost to maintain the current air compressors is becoming expense due to the overhaul cost of $4,673 per unit.

Valley Metro began enquiring abut using a scroll type compressor and received an estimate from those manufactured by Powerex-Iwata Air Technology, Inc. Upon consultation with the company and outlininig Valley Metro's needs with respect to heat and longetivity, the compressors supplied by Powerex-Iwata Air Technology, Inc. would be able to operate in our enviorment and are a direct bolt on unit and would require significantly less maintenance and far lower operating costs. The maintenace cost per unit is $645.79 every 10 ears and only requires 2 hours of labor per unit. This total is approximately $49,000 every 10 years for preventitive maintenance on the scroll type air compressor. Compared with the current AIRSERCO unit costing approximately

$512,000 every 10 years. Replacing the existing air compressors would lead to a ten year savings of $463,000 and with the purchase price of $579,025 for 53 units, replacing them would pay for itself in savings in twelve years.

In November 2023 A Request for Proposals was issued. Proposals were due in early December and we received the following proposal:

1. Powerex-Iwata Air Technology, Inc.

Evaluations started in late January and contiued through early February. The evaluation panel made up of Valley Metro Maintenance Superintendents and Supervisors identified Powerex-Iwata Air Technology, Inc. as the best value for Valley Metro. Evaluations were scored based on:

1. Experience of the Firm
2. Understanding of Valley Metro's needs
3. Design and Quality Assurance
4. Price

Once the contract is awarded it will take about 10 weeks for the air compressors to be built and start shipping. We anticipate starting the replacements to the Kinkisharyo LRV's in the fall of this year. There are 53 air compressors, 49 LRVs and four spares, being purchased.

**COST AND BUDGET**
The cost for the LRV air compressors over the three-year base contract and two one-year option is in an amount not to exceed $750,000. The cost for the LRV air compressors is included in the Valley Metro Rail Proposed FY2025 Operating and Capital Budget. Contract obligations beyond FY2023 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2025 thru FY2029).

The source of funding is from PTF funds.

**COMMITTEE PROCESS**
RTAG: February 20, 2024, for information
RMC: March 6, 2024, approved
Board of Directors: March 21, 2024, for action

**CONTACT**
Darren Curry
Chief Maintenance Officer
DCurry@valleymetro.org

**ATTACHMENTS -** None

# Information Summary

**DATE** **AGENDA ITEM 2**
March 14, 2024

**SUBJECT**
Systems Design Contract - Contract Extension and Additional Expenditure Authority

**PURPOSE**
To request authorization for the Chief Executive Officer (CEO) to execute a three-year time extension to the current contract with PGH Wong Engineering, Inc. to continue to provide Systems Design Services and to provide additional contract expenditure authority in the amount of $5.7 million.

**RECOMMENDATION**
Staff recommends that the Board of Directors authoriz the CEO to amend the PGH Wong Engineering, Inc. contract for Systems Design Services for an amount not to exceed $5.7 million for an extension period through October 2027.

**BACKGROUND | DISCUSSION | CONSIDERATION**
In September 2017, following a competitive procurement, the CEO was authorized to execute a contract with PGH Wong Engineering, Inc. for System Design Services. The contract includes a seven-year base contract with three, one-year extension options, for up to ten years. Task orders are issued on an annual fiscal year basis. The Systems Design consultant has expertise in traction power, communications, overhead contact systems, corrosion control, rail vehicle signaling, grade crossing controls, and fare collection. The Systems Design consultant has been utilized for the following to date:

- Gilbert Road Extension- design services during construction.
- Tempe Streetcar- design review and technical support.
- Operations and Maintenance Center Expansion- vehicle testing technical support.
- South Central Extension Downtown/Hub- systems design and design services during construction.
- Northwest Extension Phase II- systems design and design services during construction.
- Fare Collection System Modernization- infrastructure improvements design.
- Workforce development- Engineers of the Future program.
- Capitol Extension- Preliminary Engineering.

The seven-year base period for this contract will end in October 2024.

**COST AND BUDGET**

Work under the Systems Design contract began in October 2017 for an amount not to exceed $33 million for an initial seven-year term, which included $3M in contingency.

Contract expenditures for years one through seven are summarized below:

| Contract Expenditures (10/2017 thru 10/2024) | |
|---|---|
| | |
| **Original Contract Authority** | $33,000,000 |
| **Deduct Actual Expenditures (10/2017 thru 11/2023)** | -$24,613,206 |
| **Deduct Estimated Expenditures (12/2023 thru 10/2024)** | -$2,145,253 |
| **Estimated Contract Authority Remaining:** | $6,241,541 |

Valley Metro proposes to continue to utilize the Systems Design contract with PGH Wong Engineering, Inc. and anticipates the following scopes of work:

- South Central Extension/Downtown Hub-continued design services during construction.
- Capitol Extension-Advancing the design through final design plans, design services during construction and workforce development.
- Tempe Town Lake Bridge Lighting Refurbishment-design plans and design services during construction.
- Valley Metro Systems standard drawings and master specifications updates.
- Systemwide Improvements:
    - Traffic signal timing optimization with train signaling.
    - Traction power upgrades including technology upgrades throughout the system within the substation including switchgear, rectifiers, and associated electronics.

Estimated expenditures for the proposed contract extension period are provided below:

| Estimated 3-Year Extension Expenditures (11/2024 thru 10/2027) | |
|---|---|
| | |
| Estimated Expenditures (11/2024 thru 10/2027) | $10,835,458 |
| 10% Contingency | $1,083,546 |
| Deduct Estimated Contract Authority Remaining | -$6,241,541 |
| Need for additional contract value thru 10/2027 | $5,677,463 |
| Request for additional contract value (Rounded) | **$5,700,000** |

The request for an additional contract expenditure authority of $5.7 million will result in an overall new contract authority of $38.7 million.

Fiscal management is controlled and will continue to be controlled at the project funding level. Prior to issuing a task order for the commencement of work, each project's funding sources will have been identified and regional, local or federal grant dollars will be confirmed or anticipated. Annual funding amounts and revenue sources will be identified in the fiscal year budgets.

Funds for System Design Services activities are included in the adopted VMR FY24 Operating and Capital Budget. Contract obligations beyond FY24 are incorporated into the Five-Year Operating Forecast and Capital Program (FY24 thru FY28). The projects supported by this consultant are funded by a mix of federal, regional, and local dollars.

**COMMITTEE PROCESS**
RTAG: February 20, 2024 for information
RMC: March 6, 2024 approved
Board of Directors: March 21, 2024 for action

**CONTACT**
Trevor Collon, PE
Chief of Capital Development
tcollon@valleymetro.org

**ATTACHMENT**
None

# Information Summary

**DATE** **AGENDA ITEM 3**
March 14, 2024

**SUBJECT**
Valley Metro Rail, Inc. Fiscal Year 2025 (FY25) Preliminary Operating and Capital Budget

**PURPOSE**
To provide an overview of the FY25 Preliminary Operating and Capital Budget.

**RECOMMENDATION**
This item is presented for information.

**BACKGROUND | DISCUSSION | CONSIDERATION**
The Valley Metro Rail, Inc. (VMR) FY25 combined operating and capital budget (the budget) is $359.5 million (M). The preliminary FY25 budget has been prepared with the goal of delivering a fiscally prudent, balanced budget. The budget was developed in compliance with Board of Directors' adopted budget, financial and Transit Life Cycle Program (TLCP) policies.

The annual budget is prepared on a modified accrual basis and adopted by the Board of Directors each fiscal year. The legal level of budgetary control is the total annual appropriated budget. With respect to Capital Budgets, project contingency accounting is used to control expenditures within available project funding limits. With respect to Operating Budgets, encumbrance accounting is not used and all appropriations lapse at the end of the year. Prior to final adoption, a proposed budget is presented to the Board of Directors for review and public comment is received. Final adoption of the budget must be on or before June 30 of each year.

*Budget Overview*
The total operating budget of $98.2M represents a $9.1M (10%) increase from the previous year's operating budget of $89.0M. The total capital budget of $261.3M represents a $144.07M (36%) decrease from the previous year's capital budget of $405.4M.

Light rail operations, maintenance and security is increasing by 11 percent, or $8.3M. More than $3.2M of that increase is due to annualizing costs related to the Northwest Extension Phase II for operations, maintenance, and security. Additionally, annual escalations of existing contracts and insurance premiums have increased the budget by $2.6M. Also impacting the budget are utility rate increases of $1.5M and $0.5M in additional enhancements to safety and security related to rider safety and facility security.

Streetcar operations, maintenance, and security is increasing 9%, or $0.6M. This is primarily due to increases in maintenance of way and vehicle maintenance. Vehicle maintenance is increasing by $74,000 due to additional staff support, combined with increased labor rates. Maintenance of way is increasing by $433,000 due to increased labor rates, additional parts needs, and a need to repair the operator facility due to a motor vehicle accident.

Agency Operating is increasing $0.2M due to a proposed Construction Contract Performance Audit ($125,000) and staff proposed COLA/Merit increases.

The RPTA and Valley Metro Rail (VMR) budgets are developed with a unified staff plan, with department managers planning the level of effort required to meet the bus and rail activities. Salary and overhead charges to bus and rail projects are based on actual time worked on each project. For FY25 there are 515 employees budgeted in the integrated agency, with 258 FTE's budgeted to RPTA/Shared agency activities and 257 budgeted to VMR only activities. Including shared FTE's, total allocated FTEs by agency are 175 for RPTA and 340 for VMR.

**COMMITTEE PROCESS**
Preliminary Budget Review:
Financial Working Group: February 20, 2024 for information
RMC: March 6, 2024 for information
AFS: March 7, 2024 for information
Board of Directors: March 21, 2024 for information

Budget Review with Initiatives:
RTAG/FWG: March 19, 2024 for information
RMC: April 3. 2024 for information
AFS: April 4, 2024 for information
Board of Directors: April 18, 2024 for information

Proposed Budget Adoption:
RMC: May 1, 2024 for action
AFS: May 2, 2024 for information
Board of Directors: May 16, 2024 for action

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

**ATTACHMENT –** PowerPoint presentation


# FY25 Preliminary Budget Overview

Valley Metro Rail

March 2024

VALLEY METRO

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## Baseline: Light Rail Operations

| | FY24 Budget | FY25 Budget |
|---|---|---|
| ***LIGHT RAIL OPERATIONS*** | | |
| Passenger boardings | 9,449,000 | 10,438,000 |
| Service miles delivered | 3,456,000 | 3,560,000 |
| Gross Operating Costs | $ 78,457,000 | $ 86,743,000 |
| Fare Revenues | $ 5,883,000 | $ 6,683,000 |

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VALLEY METRO 2

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## Baseline: Streetcar Operations

| | FY24 Budget | FY25 Budget |
|---|---|---|
| ***STREETCAR OPERATIONS*** | | |
| Passenger boardings | 408,000 | 686,000 |
| Service miles delivered | 163,000 | 163,000 |
| Gross Operating Costs | $ 7,270,000 | $ 7,916,000 |
| Fare Revenues | $ 135,000 | $ 127,000 |

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## Uses of Funds: Project Development ($,000)

| Uses of Funds | FY25 |
|---|---|
| I-10 West Extension | $5,206 |
| Rio East/Dobson Streetcar | 743 |
| Northwest Phoenix | 957 |
| Capital Project Development Administration | 1,643 |
| Systems Planning & Project Development | 6,393 |
| **Total Uses** | **$14,942** |

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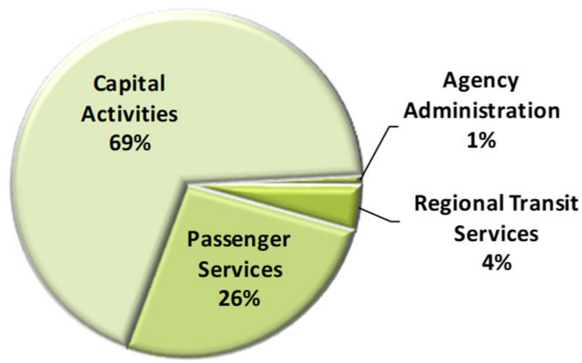
## Uses of Funds: Operating & Capital

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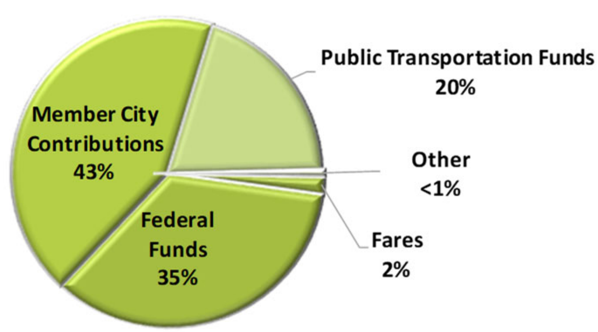
## Sources of Funds: Operating & Capital

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# Uses of Funds - Operating ($000,000)

| Uses of Funds | FY24 | FY25 | Change $ | Change % |
|---|---|---|---|---|
| Light Rail Operations & Maintenance | $66.2 | $72.3 | $6.0 | 9% |
| Light Rail Security | 12.2 | 14.5 | 2.3 | 19% |
| *Subtotal Light Rail* | *78.5* | *86.7* | *8.3* | *11%* |
| Streetcar Operations & Maintenance | 6.3 | 6.9 | 0.6 | 10% |
| Streetcar Security | 1.0 | 1.0 | 0.0 | 4% |
| *Subtotal Streetcar* | *7.3* | *7.9* | *0.6* | *9%* |
| Agency Operating | 3.3 | 3.5 | 0.2 | 6% |
| **Total Operating Uses** | **$89.0** | **$98.2** | **$9.2** | **10%** |

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# Sources of Funds - Operating ($000,000)

| Sources of Funds | FY24 | FY25 | Change $ | Change % |
|---|---|---|---|---|
| Advertising | $0.9 | $1.3 | $0.4 | 47% |
| Fares | 6.0 | 6.9 | 0.9 | 15% |
| Federal Funds | 1.6 | 1.6 | 0.0 | 1% |
| Member City Contributions | 80.4 | 88.3 | 7.8 | 10% |
| Other | 0.1 | 0.1 | (0.0) | -23% |
| **Total Operating Sources** | **$89.0** | **$98.2** | **$9.2** | **10%** |

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## Uses of Funds - Capital ($000,000)

| Uses of Funds | FY24 | FY25 | Change $ | Change % |
|---|---|---|---|---|
| Future Project Development | $13.4 | $14.9 | $1.6 | 12% |
| South Central Extension/Downtown Hub | 285.6 | 195.7 | (89.9) | -31% |
| Capitol Extention | 12.9 | 18.4 | 5.5 | 43% |
| Northwest Extension Phase II | 58.4 | 10.8 | (47.7) | -82% |
| Tempe Streetcar | 3.5 | 0.0 | (3.5) | -100% |
| Gilbert Road Extension | 2.3 | 0.0 | (2.3) | -100% |
| Systemwide Improvements | 12.1 | 4.1 | (8.0) | -66% |
| State of Good Repair | 17.2 | 17.4 | 0.2 | 1% |
| **Total Capital Uses** | **$405.4** | **$261.3** | **($144.0)** | **-36%** |

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VALLEY METRO

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## Sources of Funds - Capital ($000,000)

| Sources of Funds | FY24 | FY25 | Change $ | Change % |
|---|---|---|---|---|
| Federal Funds | 148.4 | 123.6 | (24.8) | -17% |
| MAG Funds | 0.5 | 0.5 | 0.0 | 0% |
| Member City Contributions | 181.6 | 65.3 | (116.4) | -64% |
| Public Transportation Funds | 74.3 | 71.5 | (2.8) | -4% |
| Regional Area Road Funds | 0.5 | 0.5 | 0.0 | 0% |
| **Total Capital Sources** | **$405.4** | **$261.3** | **($144.0)** | **-36%** |

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VALLEY METRO

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# Recap of Important Dates

| Committee/Boards/FWG | |
|---|---|
| February 20, 2024 | Present High Level Budget to City Staff (FWG & RTAG) |
| March | Present High Level Budget to Committees & Boards - for Information |
| March 19, 2024 | Detailed Initiative Discussion & 5-Year Plans with City Staff (FWG & RTAG ) |
| April Cycle | Present Annual Budget with Initiatives - for Information |
| April 4, 2024 | Detailed Initiative Discussion with AFS |
| May Cycle | Present Annual Budget with Initiatives & 5-Year Plans - for Action |

VALLEY METRO

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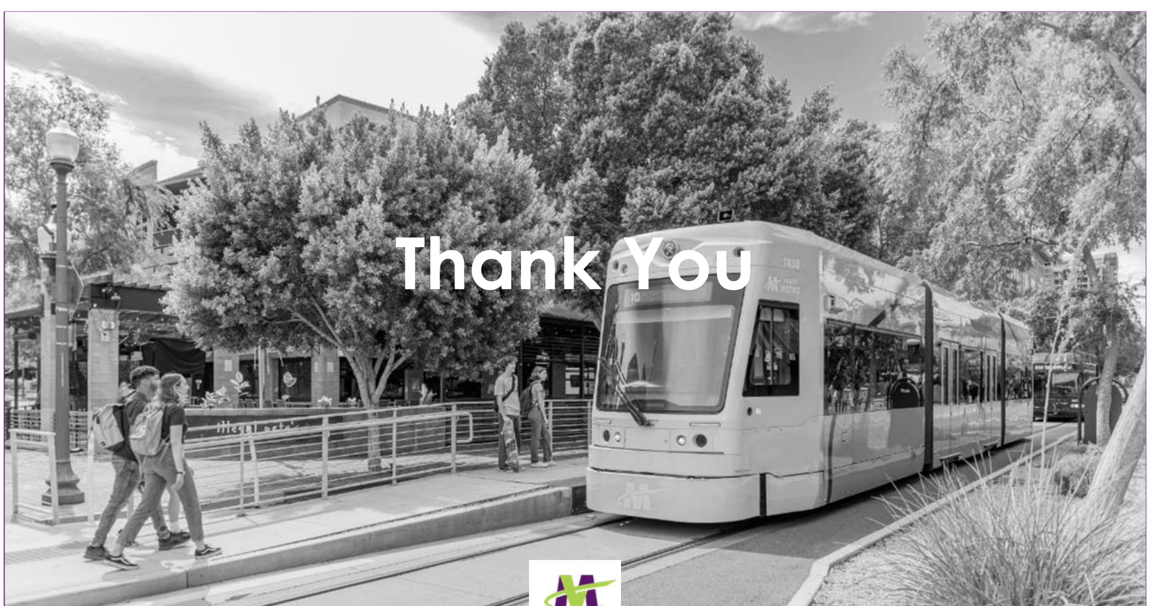


VALLEY METRO

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# Information Summary

**DATE** — **AGENDA ITEM 4**

March 14, 2024

**SUBJECT**

Security Update

**PURPOSE**

Provide an update regarding security services related to light rail and streetcar operations.

**RECOMMENDATION**

Information and discussion only.

**BACKGROUND | DISCUSSION**

Valley Metro is working with member agencies, our contracted security provider, and law enforcement partners along light rail and streetcar corridors to ensure a safe and secure rider experience. We endeavor to continuously improve passenger experience, rider sentiment and collaboration efforts between Valley Metro contracted security personnel and local law enforcement agencies.

Valley Metro continues to work with Allied Universal Security to address staffing, recruitment and retention efforts, in addition to re-evaluating the scope of contracted security services. Discussion will include staffing levels, incident reporting and continuity of services.

**CONTACT**

Adrian Ruiz
Director, Safety and Security
aruiz@valleymetro.org

**ATTACHMENT**

None

# Information Summary

**DATE** **AGENDA ITEM 5**
March 14, 2024

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

**ATTACHMENT**
None

**Pending Items Request**

| Item Requested | Date Requested | Planned Follow-up Date |
|---|---|---|
| | | |
| | | |