Boards of Directors Meetings

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

Date:
May 16, 2024

Starting Time
11:15 a.m.

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

If you require assistance accessing the meetings please call 602.262.7433.

Agenda

May 9, 2024

Joint Meeting Agenda
Valley Metro RPTA
And
Valley Metro Rail
Thursday, May 16, 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 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 April 18, 2024, Joint Board meeting are presented for approval.

4B. Real-Time Operations Performance Reporting — 4B. For action

Staff recommends that the Boards of Directors authorize the CEO to procure a two-year Swiftly subscription. The period of authorization will cover FY 2024 and FY 2025 in a total amount not to exceed $1,256,680 including a 5% contingency.

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 Joint Boards is scheduled for **Thursday, June 20, 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
May 9, 2024

AGENDA ITEM 1

SUBJECT
Public Comment

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

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COMMITTEE PROCESS
None

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

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 2**
May 9, 2024

SUBJECT
Chief Executive Officer's Report

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

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

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

ATTACHMENT
None

Information Summary

DATE
May 9, 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 May 2, 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 May 2, 2024 AFS meeting minutes

Minutes

May 9, 2024 **AGENDA ITEM 3**

Audit and Finance Subcommittee
Thursday, May 2, 2024
Via WebEx/Phone
12:00 p.m.

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

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

Chair Goodman said I'm going to call us to order. I show 12:01. Pat, can we have the roll call, please.

Ms. Dillon said yes.

Ms. Dillon said City of Buckeye, Vice Mayor Clay Goodman?
Ms. Dillon said City of Avondale, Councilmember Maxine White? Present.
Ms. Dillon said Town of Gilbert, Mayor Brigette Peterson? Here.
Ms. Dillon said City of Phoenix, Councilmember Laura Pastor? She's on Webex.
Ms. Dillon said City of Tempe, Vice Mayor Jennifer Adams? I believe she's going to Webex in from her location but she's not on yet.

Ms. Dillon said Chair, we can proceed.

Chair Goodman said thank you and welcome all.

1. Public Comment

Chair Goodman said the public will be provided an opportunity at this time to address the Committees on non-agenda items and all action items. Three minutes provided per speaker unless the Chair allows for more at his or her discretion. A total of 15 minutes for all speakers will be provided. Pat, do we have any public speaker requests?

Ms. Dillon said no, sir.

Chair Goodman said thank you.

2. Chief Financial Officer's Update

Mr. Kessler said thank you, Chair. Members of the Subcommittee. Just one item to address this month, the Public Transportation Fund revenues for the month of March. We continue to see growth year over year. For the month of March, revenues are up about just under two percent compared to prior year and overall, we're about three percent over budget and about nearly five percent over last year's actuals through March. So again, continued growth in the sales tax revenues but the growth is a bit smaller than we had experienced earlier in the fiscal year and we will continue to monitor this on a monthly basis to see where it goes from here.

Happy to answer any questions.

Chair Goodman said any questions for Mr. Kessler? Hearing none. That item was for information.

3. Minutes

Minutes from the April 4, 2024, Audit and Finance Subcommittee meeting are presented for approval.

Chair Goodman said you've all had a chance to review those minutes. Can I have a motion and a second to approve?

Motion by Councilmember White, second by Mayor Peterson. All those in favor? Any opposed? Thank you. Minutes are approved.

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

4. Internal Audit Update

Chair Goodman said Chief Auditor Sebrina Beckstrom will provide an update on the actions taken in the internal audit, external reviews of prior audit findings and recommendations. Ms. Beckstrom.

Ms. Beckstrom said hank you, Mr. Chair. I'd like to invite Larry Kondrat our Internal Audit Manager to provide our update this month.

Mr. Kondrat said thank you, Mr. Chair.

In the past month, Internal Audit completed its Internal Safety and Security Audit of Safety Element number six which had to do with Valley Metro Rail's hazard management plan. And additionally, we have two more safety and security audits in progress right now.

The Conflict of Interest and the IT Authentication Audits are in the final stages right now. We are drafting the final audit reports for both of those.

We are currently working on the annual audit risk assessment and also, we are completing test work for the federal grant draw down process audit and we hope to have that completed within the next month or so.

In the past month, one recommendation was implemented. It was pertaining to the Contract Change Order and Contract Authority audit. And it had to do with the contract authority that was entered into the system incorrectly. Procurement conducted multiple trainings this past month for all Valley Metro staff that are involved with procurement, purchasing and vendor management. And additionally, procurement staff were retrained on entering multiple vendor awards.

And then we have 10additional recommendations that we currently are still tracking and are in progress of being completed.

So that completes my portion. Are there any questions?

Chair Goodman said any questions? I do have one on the IT Authentication Audit, can you describe that briefly?

Mr. Kondrat said that was added when we hired the Senior IT Internal Auditor. And it has to do with, basically, logging into Valley Metro systems whether multi-factor authentication is being utilized, what kind of controls are in place for authenticating the users. That kind of sums it up in a nutshell. Is that sufficient?

Chair Goodman said yes, that is. That's what I thought but just wanted to confirm.

Chair Goodman said Councilmember White.

Councilmember White said I had a question for Mr. Kondrat.

That audit you said is in progress and will be completed. What is the ETA for completion on that one? I heard you say it was almost done.

Mr. Kondrat said yes, thank you for the question. We hope to present at the next AFS meeting in June. Right now, we're working on the draft audit report, and we hope to have that finalized within the next two weeks or so. And then we hope to present it to the Audit & Finance Subcommittee next month for approval.

Councilmember White said thank you.
Chair Goodman said thank you. Any other questions? Thank you very much.

5. FY24 Third Quarter Budget Review

Mr. Olson said thank you, Mr. Chair. Members of the Subcommittee. I will quickly walk us through the third quarter of our fiscal year '24 budget versus actuals and if we're right on target we would be at 75 percent.

As most of you know, we begin our budget process about nine months ahead of schedule so plan can be a little bit different than reality. We do have some variances noted. Most of these variances you all have seen before. We have absolutely no concerns and are well within the Board's annual appropriation.

So starting with RPTA. Total sources of funds for operating and these tend to lag a little bit, at least 30 days and then even more so for the federal reimbursements that come later on. Excluding passthroughs to Valley Metro Rail we have 265 million budgeted. Recorded about 192 in revenues for RPTA.

Fares are slightly lower than planned and federal funds are anticipated to be fully drawn down by year end.

And we do have great interest earnings this year. Unfortunately, that's tough for most consumers but it does benefit our cash investments.

On the capital side of things, not much received in the way of capital primarily due to some of the fleet and other projects being deferred into '25 or the delivery schedule has changed a bit.

All operating activities categories are within plan as a whole. You can see we've spent 68 percent for the RPTA operated services and 66 percent for the passthroughs that go to Valley Metro Rail.

Again, capital side of things underrunning mostly due to the delivery schedules and deferrals I mentioned.

Vice Mayor Adams said Chair, this is Vice Mayor Adams, a question. I just had a quick question just about the delivery schedule. What's the reason for the delay?

Mr. Olson said Mr. Chair, Vice Mayor Adams. It's very typical that some of the fleet gets delayed based upon how complex and the technology involved with some of these vehicles. And it's very consistent with what we've seen in years past. We are working on a fleet improvement plan which includes electric vehicles and trying to make our purchases most efficient for operations and provide the best service for our customers, so we're trying to kind of readjust our capital plan and make those purchases each year a little bit more consistent.

Vice Mayor Adams said thank you.

Councilmember White said Mr. Chair, I have a question.

Chair Goodman said Councilmember White.

Councilmember White said thank you so much, Chair. I'm just looking at member agency disbursements and the percentage spent shows zero percent, but that percentage doesn't reflect the $2.5 million spent in the FY actuals.

Mr. Olson said Chair Goodman, Councilmember White, thank you for pointing that out. You're absolutely correct. We'll make sure that's updated. It's probably just a formula error in our percent spent column. Sorry about that.

Councilmember White said thank you.

Chair Goodman said any other questions?

Ms. Mefford-Miller said if I may, Mr. Chair, I want to just add to Vice Mayor Adams' question regarding regional fleet. There is an annual budget amount for regional fleet. Those funds are actually drawn down not on equal parts every month but rather in large tranches that correspond with taking delivery of vehicle orders. And so those funds will be expended but it will come in large swoops. And I would point back to the other that the Board authorized back in February of this year to purchase buses. So they're coming.

Vice Mayor Adams said thank you.

Chair Goodman said any other questions? Tyler.

Mr. Olson said Mr. Chair, thank you.

So variance notes have been included in the handouts. As mentioned before, most of these you've seen before so I'm not going to go through each one of them, but we are well within our annual budget as a whole and same thing on the capital side of things.

Be happy to answer any questions that you have. Any additional questions.

Chair Goodman said no questions for Mr. Olson? Thank you. And again, thank you for all your hard work.

Mr. Olson said Mr. Chair, thank you so much. I will quickly move through the Valley Metro Rail portion of the presentation here.

So sources for Valley Metro Rail are at $74.3 million recorded to date. On the flip side, fare revenues have been more favorable for light rail exceeding plan. Federal funds are also more than planned primarily due to some remaining COVID relief money that we had a priority to draw that down first which freed up some of our normal annual program federal funding. So that will be passed along to the member cities on Valley Metro Rail.

On the capital side of things. Federal reimbursements, again, tend to lag for some of the capital construction. The local money is spent first and then reimbursed later once that federal is received. We're at 38 percent on sources thus far.

On the operating side of things, you know, all areas are really within plan, very much so. We do have some underrun in these areas and I anticipate they'll be under budget for the remainder of the year.

Capital side of things. Contractor billing sometimes lags, based upon the nature of the work quite a bit of volume from various costs and groups that are building those projects and so we really with the exception of Capital Extension we expect most of these to be much closer to the annual budget by year end.

And again, we have our notes. Most of these you have seen.

Operating budget is well within plan.

Capital side of things. Again, very routine. Tempe Streetcar expected to be within plan but we have revenue vehicle payments and that's really a timing issue. OMC Expansion, same thing, timing. Some of the costs are deferred from '23 into '24 just based upon the nature of those projects.

Be happy to address any questions that you may have on Valley Metro Rail.

Chair Goodman said any questions? Councilmember White.

Councilmember White said on Slide 20, I think it's regional roads about $500,000 on that line item. You have the Regional Area Roads Fund. Is there a spend scheduled or is that funding that is going to roll over into the next operating quarter?

Mr. Olson said Mr. Chair, Councilmember White, the Regional Area Road Funds the budget is $500,000. We receive that amount from MAG each year and we have actually used that or received that money so there's no remainder to be collected for the remainder of the year.

Mr. Olson said thank you for the question.

Chair Goodman said any other questions? Hearing none. Thank you, Tyler.

6. <u>FY 2025 Operating and Capital Budget Information for Valley Metro RPTA and Valley Metro Rail</u>

Chair Goodman said Item number 6, FY 2025 Operating and Capital Budget Information for Valley Metro RPTA and Valley Metro Rail.

This item is for action. Mr. Ken Kessler.

Ms. Dillon said Chair Goodman, this is Pat. I just wanted to remind you that this item is for information only. It was listed in error. The budget will be approved at the Board level. So this is just for information to AFS today.

Chair Goodman said oh, good. I was all geared up for a vote. Takes the pressure off. So for information only, Mr. Kessler.

Mr. Kessler said thank you, Mr. Chair, members of the Subcommittee. I just want to give a high-level recap. I'm not going to run through all the slide deck. All the slides are in your packet. It's largely unchanged from last month.

I'll point out on the RPTA side there are two notable changes from last month. We have Initiative number one was initially a specific VMR marketing effort. Based on comments and feedback we heard from the management committee last month, we have added an additionally $250,000 for marketing on the RPTA side to bolster our marketing efforts on the bus side of the house in response to those comments received. So that's the primary change.

In addition, on the RPTA side, there are three additional FTE's in Initiative number 19. Those are for fare administration. That is a function that Valley Metro is transitioning over from the City of Phoenix. Phoenix has been historically doing that for the region for likely a number of decades going back to when Phoenix was the only provider of service years ago. With the implementation of the new fare system, it was agreed between Phoenix and Valley Metro that that function being regional in nature would transition to Valley Metro as we are the regional agency.

So one note about that. Those three additional FTE's to administer the fare programs is no additional cost to the budget. Phoenix currently providing that service bills Valley Metro for our share of those costs so moving forward into the future as we transition and take over those functions Phoenix will no longer bill us, and we'll be incurring those costs directly through the utilization of these three FTE's. So it's the essential addition of three FTE's for this regional function at no additional cost as we will no longer be billed by the City of Phoenix.

So those are the primary changes for RPTA or the only changes.

And then on the Valley Metro Rail side. Literally, the budget is exactly the same as we previewed last month. So I'll just save you the time in running through all the slides unless someone wants to run through the slides or look at any particular slide I'm happy to do that.

But that's kind of the update of the budget that will be going to the Board later this month for approval.

And I'm happy to take any questions or look at any of the slides that you may want to look at this point.

Chair Goodman said thank you. Any questions? Hearing none. Thank you, Ken, appreciate the update.

Mr. Kessler said thank you, Mr. Chair.

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

Chair Goodman said this item is presented for information. Please reach out to Valley Metro staff if you have any questions.

8. Report on Current Events and Suggested Future Agenda Items

Chair Goodman said anybody have a current event or a suggested agenda item? All right. I do have one thing to share. I was really happy on the Internal Audit that there's IT authentication work that's happening. There have been some ransomware attacks. Some municipalities have been hit and rumors have it that it had to do with the lack of two factor authentication, so again, kudos for doing that work and godspeed on getting it implemented and adhered to quickly.

Anything else for the good of the order? Mayor Peterson is being very animated on the camera. Lots of nodding and shaking of heads.

Ms. Dillon said I was just going to make a note for the June agenda. On the June AFS meeting agenda, there will be an executive session to conduct the performance review of the Chief Audit Officer. So we're encouraging everyone to attend in person, if possible.

Chair Goodman said thank you.

Councilmember White said what's that date, Pat?

Ms. Dillon said June 6th at 12.

Chair Goodman said come in person, please. Thank you.

Councilmember White said I will not be available to attend in-person.

Mayor Peterson said can I just follow up with something too? Did we cancel all of our meetings for July, AFS and the Board meetings?

Ms. Dillon said yes, ma'am.

Ms. Dillon said I'll send a note out after the June board meeting to create less confusion.

Chair Goodman said that's a good idea. Thank you. I like the less confusion part of that statement, Pat.

The next meeting of the Audit and Finance Subcommittee is scheduled for May 2, 2024, at 12:00 p.m.

Without further discussion, the meeting was adjourned at 12:26 p.m.

Minutes

May 9, 2024 **AGENDA ITEM 4A**

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

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

Members Not Present
Councilmember Lauren Tolmachoff, City of Glendale
Councilmember Jeff Brown, Town of Queen Creek
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 (phone)
Vice Mayor Jennifer Adams, City of Tempe (phone)

The Chair called the meeting to order.

Chair Stipp called the meeting to order at 11:19 a.m.

Chair Stipp said we'll go ahead and call the joint meeting of the Valley Metro RPTA and Valley Metro Rail meeting to order. Thank you all for being here. Pat, would you please conduct the roll?

Ms. Dillon said good morning, everyone.

Roll call by Dillon.
Ms. Dillon said City of Avondale, Councilmember Maxine -- Max White? Present.
Ms. Dillon said City of Buckeye, Vice Mayor Clay Goodman? Present.
Ms. Dillon said City of Chandler, Vice Mayor OD Harris?
Ms. Dillon said City of El Mirage, Councilmember Monica Dorsey? Present.
Ms. Dillon said Town of Fountain Hills, Councilmember Peggy McMahon? Present.
Ms. Dillon said Town of Gilbert, Mayor Brigette Peterson? Present.
Ms. Dillon said City of Glendale, Councilmember Lauren Tolmachoff?
Ms. Dillon said City of Goodyear, Councilmember Bill Stipp? Present.
Ms. Dillon said Maricopa County, Chairman Jack Sellers? Here.
Ms. Dillon said City of Mesa, Vice Mayor Francisco Heredia? I did receive a note that he'll be joining us later in the meeting.
Ms. Dillon said City of Peoria, Vice Mayor John Edwards? Present.
Ms. Dillon said City of Phoenix, Councilmember Laura Pastor? I believe that she will also be joining us.
Ms. Dillon said Town of Queen Creek, Councilmember Jeff Brown?
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? Present.
Ms. Dillon said City of Tolleson, Vice Mayor Lupe Bandin?
Ms. Dillon said Town of Wickenburg, Mayor Rui Pereira?
Ms. Dillon said And Town of Youngtown, Mayor Michael LeVault? Yes, Pat. I'm here.

Ms. Dillon said then we're ready to proceed.

Chair Stipp said I see OD has joined us as well. And I know Councilmember Tolmachoff may be joining us later via web. She's had an emergency.

1. Public Comment

Chair Stipp said first item on the agenda is public comment. Do we have any public comment cards?

Ms. Dillon said no, sir. Not today.

2. Chief Executive Officer's Report

Chair Stipp said Item 2 is the chief executive officer's report.

Ms. Mefford-Miller said good morning, Mr. Chair, members of the Board. I have a number of items I'd like to provide you with brief updates on this morning.

I am pleased to share that Valley Metro will receive congressionally directed funding for fleet purchases. These purchases are largely concentrated in the West Valley and include an earmark of $1.3 million for accessible microtransit vehicles and related infrastructure.

We know that for a number of our communities, microtransit has become an increasingly important service to provide first last mile access as well as local circulation. Piloting this technology will also give us more experience and data, particularly on lower, smaller vehicles with respect to zero emissions technology.
We also received an additional $500,000 in congressionally directed funding to put toward our overall zero emissions fleet transition program. And Councilwoman Tolmachoff is not here, and I thought this slide might should have fireworks because we've been talking the City of Glendale for some time about Ride Choice.

And Councilmember Cline, I know you are a great champion of Ride Choice in the West Valley. City of Glendale has decided that they will initiate a Ride Choice pilot program with Valley Metro. That's going to begin this July 1st. Together with Glendale, we anticipate serving almost 10,000 Ride Choice trips in that first year.

Each city decides who is eligible for Ride Choice service. Some cities make only ADA eligible customers. Other cities actually offer the service to seniors age 62 and up. The Glendale pilot is going to be limited in its inception to our ADA eligible customers.

I want to note, too, that of late, Ride Choice has actually surpassed our ADA paratransit in terms of the number of trips. We think this is a good thing. Ride Choice has an overall lower cost per trip. Then also, very critical ADA paratransit service. This depends on the availability of Ride Choice services in a given community, and also the mobility capability of our specific customers. So it's a very tailored program. We think this is a great expansion.

Continuing on the topic of expanding accessibility, we have talked in this room on a number of occasions about the ADA assessment process, which is a process, it's compliant with the Americans with Disability Act and Federal Transit Administration requirements.

We're performing assessments of our customers each year to determine their ADA eligibility. Historically, those assessments have been undertaken at our Mobility Center, which is in Phoenix. Pursuant to Board direction, particularly that of Councilwoman Cline, we've been exploring other options to make this assessment process more convenient for our ADA customers.

So we're exploring a few different things right now, including community center based assessments. Our staff is working now with City of Surprise staff to explore potential locations within the cities that we serve.

I've been to all of your city halls and many of your community centers for our member communities. They're beautiful facilities. Of course, they're accessible facilities. So we think there's an opportunity for us to partner and host accessibility assessment events. We're also exploring a mobile unit, which would be delivered using a vehicle that travels throughout our service area, as well as expanding our hours of service at our Mobility Center to include Saturdays. Currently, it's Monday through Fridays only.

We're continuing to explore cost and feasibility. This is moving quickly, and we anticipate reporting back to you these next couple of months on progress. We've also discussed, as part of our fare collection modernization, making reduced fares more accessible to our ADA eligible customers.

Again, historically, these reduced fare permits were obtained in person at the Mobility Center. I'm pleased to report that we are now mailing our ADA, so our reduced fare Platinum passes to our customers. This mailing began this month, and we expect that by the end of April, we will have mailed 1500 cards to our ADA Platinum pass holders. So great expansion of accessible services.

Speaking of accessibility, biking and walking is part of the services that we offer. April is Valley Bike Month. As part of that, yesterday was actually Bike to Work day. We had a wonderful time commuting with our friends at City of Phoenix and Maricopa County who sponsored the Bike to Work event.

I enjoy training in an indoor bike for an outdoor bike and a commute with friends yesterday morning. So great event put on by Maricopa County, city of Phoenix and Valley Metro. Speaking of great events, we were pleased to once again host a mega event in the Valley.

We partnered with City of Phoenix and the NCAA to support a Final Four pass program that allowed visitors to the Final Four games and events to utilize the Mobile Pass to get their transit fare, their light rail fare paid for. That fare is actually being supported by the City of Phoenix, and what a great program.

Our ridership varied over the course of that event, and some days we had as much as a 45 percent increase in ridership due to the NCAA events. Great job to Valley Metro staff and City of Phoenix staff for pulling this off.

I'm going to give you a quick update on South Central. We are now at over 80 percent complete in South Central. This last bit of track work at 3rd Avenue in Washington, we pushed to have this done in advance of the Final Four. We were successful in that. This is now open to our customers.

Looking further south, we are laying about a thousand linear -- a thousand track feet a week, I think right, Trevor? We're moving at a very quick clip. Every week, I visit this project, and every week, there is great progress on the stations on the track works. We're finally coming out of the ground.

On Saturday of this week, April 20th, we're going to be celebrating once again with Fiesta on Central with the South-Central community. That's an event from 10:00 a.m. to 1 p.m.

And look at these new machines. These are our ticket vending machines. They have arrived. Next month we're going to begin installation of the ticket vending machines at light rail stations. Our goal is to have each light rail station equipped with one ticket vending machine in the month of May. This is fantastic. This is one of those critical lynchpins for our fare collection modernization.

We have a pretty comprehensive effort out to engage with our customers in the community to put new fare media in their hands and train them about the new equipment, which includes ticket vending machines and also fareboxes aboard our buses. So hooray.

Looking ahead, we'll be back in this room on May 16th for Board of Directors meeting, and on June 20th, the final meeting, for this fiscal year. That concludes my remarks. Mr. Chair, members of the Board, any questions I may answer?

Chair Stipp said does anyone have questions? A lot of good comment. Go ahead.

Councilmember Cline said first of all, I want to thank Valley Metro. I know that I have been asking for greater access to ADA since I've been able to be on this Board. I am so excited that we're going to be able to serve our ADA customers even better.

And I predict if we have more off site availability, that you will have more customers using the services all over the community. So kudos to you guys for both listening and taking action. I so appreciate it. So thank you, thank you, thank you very much.

Ms. Mefford-Miller said thank you, Councilmember Cline. Well done team.

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

3. Audit and Finance Subcommittee Update

Chair Stipp said we'll move on to item three, which is the Audit and Finance subcommittee. It's my understanding Councilmember White is going to give this presentation.

Councilmember White said good morning, Chair and members of the Board. The Audit and Finance Subcommittee met on Thursday, April 4th, and we received our update from Mr. Kessler, our Chief Financial Officer, on the PTF funds. We also learned about the change order and contract authority audit. This item was just presented for information.

Ms. Beckstrom provided an internal audit update, and Mr. Kessler presented an overview of the FY 25 operating and capital budget for RPTA and Valley Metro. Our next Audit and Finance Subcommittee meeting is scheduled for May 2, 2024, at 12:00 p.m. Thank you so much.

Chair Stipp said thank you for the report. Does anybody have any questions? All right. Seeing none.

4. Consent Agenda

Chair Stipp said we will move on to the Consent Agenda. Consent Agenda is presented for our action Items 4A, 4B and 4C. May I have a motion to approve?

Motion by Vice Mayor Goodman, second by Councilmember Cline.

Chair Stipp said Motion and a second. Any discussion? All in favor say aye. Any opposed? The ayes have it.

IT WAS MOVED BY VICE MAYOR GOODMAN, SECONDED BY COUNCILMEMBER CLINE, AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA, ITEMS 4A-C.

5. Fare Collection System Modernization Community Outreach Plan

Chair Stipp said Item 5 on the agenda is the fare collection system modernization community outreach plan.

Ms. Mefford-Miller said Mr. Chair, thank you. I want to invite Hilary Foose, our Director of Communications and Strategic Initiatives, to provide a presentation which is fundamentally about getting fares in the hands of the people. Hilary?

Ms. Foose said Mr. Chair, members of the Board, thank you for your time. I know you've heard a lot about the fare collection system modernization project over the last several years. It's finally happening over. Really, will be very active over the next several months in helping customers make the transition from the way they currently use their fare media to the future of our system.

Just to remind us of the timeline. Just a couple highlights here. Really, last month, we launched a web page, website that allows people to apply for reduced fare for those that are eligible online. And that application is live now. And we're encouraging our reduced fare eligible customers to take part in that.

As Jessica mentioned, we have brand new fare machines that are underway now. The first pass, meaning there's one machine being installed at all light rail stations now. As you'll see later in the timeline, that second pass will happen later here in the Summer. Obviously, our hardware is largely obsolete, and we're very excited about the new equipment being installed.

This month. Specialty passes, those specialty passes are your Platinum passes, which is the employer-based pass, ASU pass, things of that nature. All of those cards need to be changed out. And so, we're working with all of those organizations and employers to do that.

Retail network. We have hundreds of grocery stores, convenience stores that are part of our retail network, and we're working to onboard those organizations once again, to be able to be retailers as part of where people can in the future, load value onto their mobile account or their copper card.

That reduced fare website will transition to a public website where people will be able to manage their account as we're going towards an account-based system and load value, and ultimately, again, see that account live and in person. In May we'll have a soft launch where all the products will be available. We'll also have the app updated to utilize smart fare, which, as you may recall, when we talked about some of our fare policy changes, smart fare is the pay as you go model. Again, the more you ride, the more you save.

Ultimately, beginning in the Summer, in June and July, all of the full system elements will be available and very active across to the system, where ultimately customers need to transition from the paper fare media, they know today to again that mobile account or the copper card. Again, all those specialty cards will need to transition as well, and that fare box installation, as Jessica mentioned.

So all of those fare boxes on are more than 900 buses today. That installation will begin this Summer as well. That paper MAG stripe fare media will no longer be accepted beginning this summer, again requiring all customers to make that transition, which is why outreach, which I'll talk about here in a second, is incredibly important.

This is really, again, a very important critical phase of our overall fare collection system modernization. But there are future phases, and we'll be talking more about that with you as we move forward here across this year and into next year.

On a related note, on behalf of my colleague Ken Kessler, who's really leading this effort, you may recall we had a fair study session, fare policy study session at the beginning of last year. Related to this new account-based system, how do we really leverage that? How do we really grow ridership? How do we make our system easier and even more accessible and equitable to use?

And so there is a fare policy study underway today. And the consultant on board is working on a variety of things, including a vast peer review. They're looking at various policies and procedures. We will be coming back to this board late Summer, early Fall to talk about those recommendations and possible changes to the fare policy.

The objectives of our overall outreach program, which is vast and extensive; is ultimately to increase awareness and share the benefits of the new system certainly support their adoption and their transition in the changes that are ahead of them, and certainly ease concerns in any confusion as we go through this process.

First things first, certainly a critical group that will be asked a lot of questions from our customers is our front-line teams, our bus operators, we have maintenance teams in the field, customer service, et cetera. So really beginning in the Fall, we spent a lot of time at our garages and our facilities to make sure that our front-line teams are engaged, informed and aware.

And so these are just a couple pieces. We have a dedicated web page where they can go find FAQs. Our staff has been living in these garages to make sure that they are informed and engaged as we move through the various phases of this transition.

Certainly, keeping them informed and making sure that they can answer those customer questions is critical. And we will continue our front-line staff engagement across the next several months.

Also underway relative to engaging with our customers, here's just a couple of the efforts underway. We have started with some signage. All of those orange decals you see there on the right are on all of our more than 900 buses. We have announcements and social engagements starting as well as paid media underway.

We are also starting our vast outreach at events, at different community events and senior centers, et cetera, across the region. As I mentioned, we're also working with hundreds of our employers and organizations who are engaged in some of those specialty programs. Thank you.

Rider engagement, critical. So certainly, we want to be vast and broad. We have hundreds of thousands of riders to engage as part of this transition. Some of those listed there on the left side are some of the harder to reach groups that were very focused on. Certainly, our Spanish language audience are young people who now need to engage as reduced fare eligible audiences, so students, parents, again, our youth, seniors, people with disabilities.

On the right, you'll see some of the tactics that we are currently moving forward with, including fare town halls. We have 13 town halls that we are currently organizing. We had our first yesterday with Ability 360. It will be across our region at different times of day and also hosted in Spanish language as well.

We are also taking part in many community events across your cities to make sure we're engaging again with our riders. We will do a vast marketing campaign, targeted marketing as well. And certainly, your cities have excellent communication channels, and we're working with your city staff, as well as there will be extensive outreach and education on smart fare, which is significant change.

Not only are we asking people to change their fare media, but also that fare media will operate differently moving forward with the pay as you go smart fare model. Eventually, once we have the copper cards in hand, we will also be doing a significant card distribution effort. And I also want to underscore the regional and bilingual nature of our outreach.

Certainly, reduced fare communications will be part of all of our outreach efforts, but we know we need to do an extra heavy lift relative to on boarding our reduced fare audiences into this process. All people who are eligible for reduced fare need to now have a reduced fare account. And that's part of the protections we're putting in place as part of this new program.

So specific efforts that we're doing is, certainly, engaging with those who currently have reduced fare IDs. We're also doing application intake events as part of our fair town halls, where we'll actually be helping people go through that application process and issuing cards, if that's the path they choose.

We're also working with your cities and our Mobility Center to offer what I'm calling office hours, where people will be able to go and get assistance at a variety of regional locations to get help with their online application. Again, that online application is available at www.valleymetrofares.org.

And we're also certainly engaging with partners, certainly disability groups, senior centers, veterans' events and groups, et cetera. We will also have a targeted media by associated with those audiences.

Here's just a sampling of some of the branding that you'll start to see relative to our reduced fare audiences. Again, really focused on getting them to engage and registering with their account online. The next slide is that easy to use website, again, with assistance across the valley to help them navigate this website.

And then the following slide is some of our general rider education pieces that you'll also start to see in the Valley, using photos from our real-life riders. With that, I'm happy to answer any questions.

And this website here, I'll underscore valleymetro.org/fare technology. We continue to update it. It's a great resource for you and your staff and certainly your residents. And it has a great FAQ, a place to ask questions, a place to sign up for our email system to receive continual updates, and also upcoming events where riders can engage. With that, Mr. Chair, I'm happy to answer any questions.

Chair Stipp said thank you for the presentation, Hilary. Does anybody have questions? Councilmember Pastor?

Councilmember Pastor said can you remind me who is the media person or who is the third party helping with this?

Ms. Foose said Mr. Chair, Councilmember Pastor, certainly it's a heavy lift from the whole Valley Metro organization. We also have a community outreach firm Calibri is helping us with extra hands-on deck relative to the community outreach strategy and labor associated with that.

Councilmember Pastor said the other piece that I have is the fare town halls. Do we have a list of all the fair town halls so that we know all the different cities that you're hitting, but also for us to be aware, just in case we want to show up?

Ms. Foose said Mr. Chair, Councilmember Pastor, we're happy to share that we're just organizing those right now, and we have, I think, 13 in total, and I think almost ten are already organized. So I'm happy to share with the board the 10 that we have, and certainly get you the full list.

Councilmember Pastor said and then my third question is the engagement with youth, senior and disability groups. I heard about the disability groups. I believe every one of our cities has senior centers.

Councilmember Pastor said so how is that going to be coordinated or will it be coordinated through the town halls?

Ms. Foose said Mr. Chair, Councilmember Pastor. We actually just had a meeting with your city staff, so we're engaging through our transit staff at your cities to engage with the senior center coordination staff to make sure that we actually send a letter to all the senior centers across the community to offer resources, handouts, opportunities for presentations. And then we're also working through the transit staff to engage with the senior centers as well.

Councilmember Pastor said I appreciate that, but I would like, kind of in a global manner, because each one of us has a senior center, and we probably would like to go out to our senior centers to say, hey, this is happening, or go. Sometimes, I'm sure all of us do this, but what I do is I go out to the senior centers usually when they're doing a dance a thon. And so I like to go to engage. But I'm sure many of our colleagues would like that, like to see that or at least get it out.

Councilmember Pastor the other piece is what I'm being asked, and I'm sure my colleagues, I'm being asked for a free fare system. And the response from our staff, Phoenix staff, was it's a Valley Metro regional line. And to do free fares, you have to get an agreement with Valley Metro.

So I asked the group to start scheduling meetings with those that sit on the Board to discuss free fare, because I can't lift it by myself even if I wanted to. And so that dialogue, I'm just letting you know is going to come. I did tell them about student reduced pieces, but I believe where it's coming from is Tucson offered a free fare for a year, and now the movement is moving over here.

I'm just letting everybody know that it's coming, or they will be presenting at public outreach. And so I just want to put that up and have everybody understand why that is happening if they're making a request, so. Thank you.

Ms. Mefford-Miller said if I may, Mr. Chair? We did host a fare study session in 2023. We'd be happy to recirculate that content. I know we have a number of new board members. Since that time, one of the directives from the Board to staff at that time was for staff to conduct a fare policy study. And that's the study that Hillary mentioned at the top of her presentation that's underway now. We will be coming back to this Board with the findings and recommendations from that fare policy study. Remind me of the date, I think probably early 2024 or ?

Ms. Foose said later Fall of this year.

Ms. Mefford-Miller said late Fall. I thought it was late Fall. I thought it was at the end of the calendar year of 2024. So that's underway now. Thank you.

Chair Stipp said I know I'm not supposed to ask questions, so I'm not directing it to the speaker. But on that note, will we be confusing any issues by sending the content from 18 months ago out while we're waiting for an actual study, which is going to say something, I don't want to say completely different, but I don't want to confuse the issue for the board members that weren't here during that time period.

Ms. Mefford-Miller said the fare policy study is really focused on recommendations around what types of fares we offer and their pricing. So the fare study session was really information about here's how fares are paid. Some of the information has changed because we've just reviewed today the arrival of new equipment. So we could perhaps avoid that if we can wait to continue the discussion until late this calendar year about fare.

Chair Stipp said my suggestion for the Board would be that we wait to do that. And if you have specific questions regarding the fare, let's have you or your staff reach back to Valley Metro. But let's leave what was in the past in the past, and let's wait for the actual study to take place. Any other questions of Hillary from the room? Anybody online with any questions? Seeing or hearing none.

Hillary, the only question that I have on the fare collection outreach is that are we doing the same outreach? And again, this is a broken record, but for the bus folks as well, I mean, I know we're doing a lot of light rail and everything is very focused on that, and that's obviously where the machines are going. But are we intending to get that out.

Ms. Foose said Mr. Chair, that's our emphasis. So we are making sure that the locations of these town halls are very bus transit accessible. And they are spread out across the region, from Peoria to Chandler to Scottsdale to Avondale.

Ms. Mefford-Miller said I want to add, Mr. Chair, that the ticket vending machines are being replaced, but so too are fare boxes and all of the region wide buses, including Valley Metro and City of Phoenix.

Chair Stipp said thank you. Thank you for the presentation.

Chair Stipp said Hillary, I guess you're staying up there?

6. Valley Metro Heat Mitigation Efforts

Chair Stipp said Valley Metro heat efforts. Jessica, go ahead.

Ms. Mefford-Miller said this item is also a board requested informational item. The Board asked the question, what is Valley Metro doing to prepare for the extreme heat? And we have a lot of wonderful sunshine here in the valley of the sun, but we also have extreme heat. We work very closely with our partners at Maricopa County, City of Phoenix, Susan Tierney, our Manager of Communications, is here to provide you with the presentation.

And I do want to extend an invitation to any of our member communities who would like to seek collaboration between your community and Valley Metro as we aim to mitigate heat impacts, particularly for customers who are waiting for the bus or train. Thank you, Susan.

Ms. Tierney said thank you, Jessica, and thank you, Madam Chair and Mr. Chair and members of the Joint Board. So I have a very brief presentation about heat mitigation and our relief campaign. So this campaign will start May 1st and it will go through September 30th. Our objective here is to work with our regional partners to support the health, safety and wellness of our riders and our employees by providing them with helpful heat information as well as connecting them to the resources that they need. And you'll see we have the Heat Relief Network logo on this slide. We are partnering with the Maricopa County Department of Public Health, as well as our member cities and the Maricopa Association of Governments in this effort. So we're focusing on three key efforts. Number 1, we partner with the local agencies to further the messaging that they have to support the health, safety and wellness of the riders that we serve across the valley.

We're also looking at our front-line employees and our front-line teams that they're provided with the tools that they need to stay safe while they're out on the system. And finally, we look at the design of our system. We're very proactive with our system as well as our fleet because we do operate in one of the warmest, maybe hottest areas of the world, certainly in the United States.

So our system is designed to withstand that heat as well as our fleet. So what do we do for our frontline teams? Well, first of all, we provide them with information cards that have a QR code that will direct them to a heat relief map that is provided by MAG. And that way, no matter where they are, when they come into contact with someone that needs help or needs resources, we could direct them to that map and to those locations.

We also know it's very important to provide our frontline teams with access to water and hydration supplies, so they receive those on a continual basis over the Summer. We also provide safety training on heat illness, and if they're being over exposed to heat, what the signs are and how to stay safe. You know, we have a lot of front-line people that are out in the heat all day long, so we need them to stay safe so we can operate the system safely.

And also, we adjust our shift schedules to accommodate more work happening at night and early in the morning instead of the heat of the day. Now for our riders, we utilize our communications tools that we have here at Valley Metro in order to message out where they can go for heat and just provide them with heat tips.

So that means our social media, our Valley Metro app, putting something on our website, of course, utilizing the car card space and light rail, our bus shelter posters we make available across the valley with heat tips and directives to go back to that heat relief network, at the rail station kiosk posters, of course.

We also utilize our customer experience coordinators as you can see in this picture. They have bottles of water with them. They go out on the system, and they provide water to our riders and some other cool things that help people such as ChapStick and sunscreen and cooling towels, anything that makes their ride a little more comfortable or more comfortable while they're waiting at a station or a stop.

And then we also, we'll be providing heat relief information at the fare outreach events that are happening across the summer that you just heard Hillary talk about. And of course, we're in an active construction area with the South Sentral extension, and we need to keep both the workers safe as well as the riders that are safe along that corridor.

So we are looking at temporary shade structures, which we've done the past few years at the bus stops. I'm happy to say that about 20 of the bus shelters out of 35 permanent bus shelters have been installed along the South-Central extension. However, we will continue to go down there with water donations to local cooling centers as well as neighborhood groups to make sure that we're -- our riders are staying hydrated in those areas.

And then also we will be doing just outreach events along that area as well, giving the community any kind of resources that they need in order to access support and stay safe. So this is an example of a poster that will be going up at the Phoenix bus shelters. I welcome any questions that you might have for me today. Thank you.

Chair Stipp said anybody have questions? Councilmember Pastor?

Councilmember Pastor said the temporary shade structures at the bus stops, do you have those marked or do you have a map to indicate where the temporary bus shelters are going? The shade structures.

Ms. Tierney said they're very visible from the street. They are actually where the bus stop shelter would be located at if you were on a bus riding along South Central. So while we have more than half of the bus shelters permanently installed, they are very visible from the street if you're traveling along South Central.

Councilmember Pastor said what I'm asking is, where are the temporary shades? Do you have a list or a map of where the temporary shade structures are located?

Ms. Tierney said yes, Madam Chair, we do not have a map because they are like the bus stops areas where you would be normally catching a bus. So they are located in the areas where the bus stops are.

Councilmember Pastor said let me just give you history as why I'm asking this question. My history with South Central is that there was lack of shade structures until the community decided to contact me and others. So I was physically out at South Central looking at how we would shade South Central.

I worked with a gentleman, I want to say Mota as a last name, Luis. I worked with Luis on different pieces. He demonstrated different type of shading types that I was looking at. As a person from here understands the need for shade and how quickly you can get really hot, your body can get hot, and how you need to cool yourself down. So those shade structures, I'm very much aware. I want to know where they're located.

Ms. Tierney said we certainly could put a map together and provide that on our South-Central Extension page and provide it to the Board.

Councilmember Pastor said and the other thing, because of the wear and tear, I was just out there last Sunday. The wear and tear of these shade structures, are they being replaced?

Ms. Tierney said yes. We're working with our contractor to ensure that they are being replaced.

Councilmember Pastor said and then can you provide me the installation of where the permanent bus shelters are at? I'll be out there Saturday, so yeah, I can drive.

Ms. Mefford-Miller said we can provide a map that shows where the permanent structures are already installed, as well as where we have temporary structures in place. Now, those will be replaced in the same location with permanent structures. We can do that.

Councilmember Pastor said I was physically out there climbing these things. Thank you.

Chair Stipp said anybody else in the room have questions? Councilmember White?

Vice Mayor Edwards said Mr. Chair, this is Mr. Edwards. When it's available, I have a question.

Chair Stipp said just go ahead as long as you've got your mic on. Sorry.

Vice Mayor Edwards said I had a question Jessica, is it possible these new shade structures to install misters on them to help people keep cool?

Ms. Mefford-Miller said thank you for your question, Councilmember Edwards. So the shade structures within our communities, as well as the bus stops overall, are actually installed and maintained by your member communities, not by Valley Metro. I don't want to speak on behalf of those communities.

Chair Stipp said Councilmember White?

Councilmember White said thank you so much, Chair Stipp. Thank you so much for the presentation as well. I just wanted to share that I know here in Avondale because we want to partner in this process, one of the bus stops for Route 3 is at our civic center library and our civic center complex. So we will do what we can to partner with you to make this a more efficient process.

I also know that there are quite a few stops in our area that don't have coverings. So I know that it is definitely left to each member city to kind of manage the stops in our area. I have seen myself that our public services, fire, police, our community services officers are often frequenting the area and they keep water with them as well.

So part of that heat relief, we could take it down to the municipal level and make sure that any of our first responders have water on them at all times. And I have reached out to our transportation department to make sure our microtransit will have water available when folks get in those vehicles. So anything that we can do to keep folks hydrated during this upcoming summer heat is really warranted. Thank you so much, Hillary, for the presentation. I appreciate it.

Chair Stipp said thank you for the questions. I think that needs to be reiterated just one more time, is that we all, as individual member cities, have the responsibility to provide the shade at our bus stops. And I think sometimes we forget about that as we have this conversation over and over again. So it's a great reminder for that.

I also noticed you talked during the presentation about the poster going up. And I may have misunderstood this, but you said it's only going up in -- on City of Phoenix bus stops. It was like a hypersensitive.

Ms. Tierney said thank you for that question. I did say that. That is correct. This version of the poster will go up on Phoenix. We do have another version that will go up on the system outside of Phoenix. And that one will have the Heat Relief Network logo. And the QR code will direct people to that map for MAG.

So this is actually the version that will go up on the Phoenix bus shelters. But we also will be placing a very similar version on all of the shelters that have available space around the county, the cities. We'll be making those available to the cities.

Chair Stipp said is that because the QR code is different, or is there some reason that we've got two different strategies?

Ms. Tierney said that's a great question too. Thank you, Chair. So Phoenix does have a stipulation where they cannot have anything other than a transit related message on their posters. So that's why we stuck to that messaging of the stay cool by staying hydrated.

Chair Stipp said you know me I'm super practical, so tell me why what would the difference be?

Chair Stipp said I need to stay cool and hydrated in Goodyear and Avondale, just like we need to in Phoenix.

Ms. Mefford-Miller said I think that we're directing back to a city of Phoenix landing page here. And the bus stops outside the city of Phoenix community will be redirected to the heat relief network, which is regional. So this is a preference of the city of Phoenix that they have different messaging.

Chair Stipp said I guess just from an efficiency standpoint, I would hope that maybe in the future we look at the same thing. And if we're changing the QR code on the thing, then I get it, or the website.

Ms. Tierney said it is an advertising policy that is within the city of Phoenix. And that is, you know, we're following their guidelines.

Chair Stipp said I get it. That there's no question in my mind who is the literal driver of this? I don't question that. And I don't think anybody really does. I think when we start talking about system continuity, we start talking about, you know, one system. I don't think anybody in an outlying jurisdiction would have a problem with this sign.

So I think in the future we need to be thinking about that from a very regional perspective, even though we know who the driver is. I hate to have a bus analogy on that. I'm all done being hypersensitive.

Councilmember Pastor said my question is the QR code. If I go to that QR code, where will it take me?

Ms. Tierney said that QR code will take you back to a page of resources on the heat relief page, valleymetro.org/heatrelief.

Councilmember Pastor said the code for the other players, where does that take them?

Ms. Tierney said the heat relief network QR code is on our other poster.

Councilmember Pastor said I would like to see the difference between this poster and the other poster.

Ms. Tierney said absolutely.

Councilmember Pastor said then I would like to see is it the logo that's different because it sounds like the QR code is the same QR code. What is it that is different that Phoenix is prohibiting versus the other poster because we are a Valley Metro driven. We are asking for a consistent message.

And if that's the one little piece that's hindering a one poster, then as the representative on the Valley Metro Board, I can go back and say, please explain this to me. What can we do in order to make it a seamless poster or one poster? Because I find it interesting that we're partnership, so there should be a little declaration in there saying, okay, if we're working with Valley Metro, whatever or something that we are partners with and contribute to, we should be able to engage.

Ms. Tierney said thank you, Madam Chair. And we completely agree. And we would love to have consistency across the valley. The branding is all the same. The posters do look very similar, but the QR codes will point you to valleymetro.org/heatrelief. The other poster just points you to the heat relief network map.

Councilmember Pastor said but that says valleymetro.org/heatrelief.

Ms. Tierney said correct.

Councilmember Pastor said this is the Phoenix one, right?

Ms. Tierney said yes.

Councilmember Pastor said the other one will say valleymetro.org slash what?

Ms. Tierney said it will actually take you to a different the website that. It's the MAG website that has the heat relief network map on it. And if we can adjust the poster so that they all direct everyone to that heat relief map, we would be happy to do that.

Councilmember Pastor said so I think my City of Phoenix peeps are here. And I think they hear what I'm going to try to do.

Chair Stipp said we're all looking at you, Mario.

Councilmember Pastor said yes, Mario. You know what that means. So, all right, I understand we have our own heat relief mitigation office, so I believe that's probably what they're trying to move that traffic in Phoenix. But I think there's probably a way we could do it with the MAG site. And then maybe if the address is Phoenix or however, then it automatically moves them to the other site. I don't know, but we'll talk about the behind the scenes. Thank you.

Chair Stipp said we have one more question.

Councilmember Cline said I'm on the west side. We only have a couple buses, so we don't have a lot, but we do have a heat relief process going on in the city of Surprise. So I guess what I'm trying to get my head around is for those of us that have no rail and not as many buses, how we're able to participate. I'm thinking like a restaurant guide in my head.

So just so you know where I'm going. Where somebody can say, hey, I'd like to have something near me so that when you put your QR code, it doesn't make you go to Phoenix if you live in Goodyear or Surprise. It takes you to whatever would be the heat relief where you are. Is that something that's possible or something that is even likely?

Because I can hear it now, it's going to be -- well, I don't care what the heat relief is in Phoenix. But I'm in Surprise, where's the heat relief here?

Ms. Mefford-Miller said I'd be happy to answer that question, Susan. So the MAG heat relief, it actually has an interactive map. If you go to easy map, I think it's also backslash heat relief. It does have an interactive map with heat relief stations across the Valley.

Councilmember Cline said I think that's something that we would want to promote on our side as well for those folks that are out in the in the heat so that we can have the places that we're supporting these efforts be for the people who are on our side of town, because we're not going to send them to Phoenix to go get water. That's just not going to work out for us.

Councilmember White said Mr. Chair, I do have one more question. As we go through the advertisement and talk through it a little bit more and differentiate, I definitely appreciate what Phoenix does for the entire metro area, but I know Phoenix has some stipulations on advertisements for the express buses. Do we have the same limitation to put these marketing pieces on our rapid buses?

I know one comes out of Avondale. I'm sure something comes out of Goodyear. Are these going to be appearing on those rapid buses because I'm not sure how much we can do in regard to marketing with express routes?

Ms. Tierney said Madam Chair, Mr. Chair, and Councilmember White, I believe, thank you so much for that question. We currently do not have plans for this information to go up on the inside of buses, but our plan is to have these posters to go up on the bus shelters around the valley. So that includes every city that has bus shelters. We'll have the option to have these posters so that anyone can see them that is waiting at a stop or even driving by.

Councilmember White said I was just thinking about that because when I think about our transit center that we have out here in Avondale, we're going to be rearranging how that rapid bus does the pickup. I don't want to miss an opportunity. And I think it is an opportunity for folks once they get in the vehicle to know that more than standing outside of it, because they might be realizing it once they're inside and feel the cool air, but their body's not cooling down.

So I just want us to be creative, think a little bit more in terms of the person who might be impacted by the heat instead of the resources we're providing. We have to think about the outcome. Thank you.

Chair Stipp said you're welcome. And I think you're referring to park and ride facilities. Is that included in this park?

Ms. Tierney said yes. Park and rides are included.

Chair Stipp said so we are maybe singing exactly the same thing?

Councilmember Pastor said with different words.

Ms. Tierney said correct. We do have several communication channels that we are publishing this information on. So we're going to spread out the information as much as we can before the Summer.

Chair Stipp said so last year was the first year it was ever hot here. So I think we're all really eye where this goes. So thank you for the presentation.

7. Travel, Expenditures, and Solicitations

Chair Stipp said Item 7 is the travel and expenditures presented for information. That information was included in our packet. I have one observation because I have two meetings left in my tenure here. The travel reimbursement report, we've got four people that went to the same conference in New Orleans, and they all have wildly different total travel costs.

I think those of us that have been on the Board through the pain and suffering of the travel years are super sensitive to that. So I just ask that the Valley Metro staff keep an eye on how those things are becoming completely different. I don't want to take up a lot of meeting time just to throw it out there.

Ms. Mefford-Miller said It's a quick one. It's a quick answer. It just relates to the duration of visits. Sometimes visits are much shorter. I might attend. I'll attend a conference later this month. Other staff will attend. I'll be touching down pretty quickly and getting back out so my costs will be lower for each example.

Chair Stipp said but I'm going to argue with you on that because you've got two people that went from 2/11 to 2/14, and one is $4,400 and the other is $3,600. So they stayed the same amount of time. They traveled on the same airplane.

Ms. Mefford-Miller said the flight and the airfare is constant.

Chair Stipp said the airfare is not even. I mean, they're $400 apart in airfare. I mean, so I don't want to be belabor it. I just want to call it to everyone's attention and just ask that we don't get caught up in the way we used to do it. We get caught up in the way we need to be doing it. That's all I'm -- that -- for those of us that suffered. Go ahead.

Councilmember Pastor said I wasn't part of the suffering. Our city who was representing was part of the suffering and putting in the boundaries or what was needed. So I feel like there's been a lot of new people that have been hired that probably don't know the history as to why we're so adamant at looking at the budget.

And so we can have probably something offline to discuss with a history and why, what it means to us. So I understand, but you're correct. Because then we're going to be held accountable to the public.

8. Report on Current Events and Suggested Future Agenda Items

Chair Stipp said Item 8 is report on current events and suggested future agenda items. I do want to call out before I open this up to the floor. Last month, there was the request for an answer to a number of questions related to the Low/no, I just want to say go/no. The low/no bus presentation or works study session that we had in February, I want to assure my peers that the response to those questions is just about final.

I have actually seen it. I've been working with the Valley Metro staff to make sure that we have the answers complete. We should potentially see that by the end of this week or the first part of next week. But I asked that we not rush the answers and then we get them correct.

So any delay in that you can blame wholly and solely on me. But it was to make sure that we got the answers to the questions that were asked. So does anybody else have any other report on current events or suggested future agenda items?

Councilmember Pastor said have a suggestion? So my suggestion is that if it's possible in the next couple of months, that we get an update on, as you presented this morning, on the ADA certification process and where you are on that and hoping that Surprise will be finished by then, so you can say we're already set to go. But I'd love to have that if you're working with anyone else or any other location, so that all of the outreach efforts on ADA certification are provided at some point when it's ready.

Chair Stipp said great. And Councilmember White, is your hand up from before, or is it?

Councilmember White said yes. I just wanted to thank you, Chair. I wanted to celebrate our WeRide efforts out here in the city of Avondale. We hit 50,000 riders. And at the same time, in partnership with Goodyear and Surprise, the whole system of WeRide has hit 100,000 riders. So just want to celebrate MicroTransit out in the West Valley partner cities. I see you folks in the room there. We're doing an awesome job.

And I wanted to thank Valley Metro for the support that we've received up to this point for microtransit, as we forge ahead and doing more to make rides accessible and finishing that transit journey on that last mile. Thank you so much.

Chair Stipp said great. Thank you for updating us on that. Seeing no other information.

9. Next Meeting

The next meeting of the Joint Boards is scheduled for Thursday, May 16, 2024, at 11:15 a.m.

Without further discussion, the meeting was adjourned at 12:17 p.m.

Information Summary

DATE **AGENDA ITEM 4B**

May 9, 2024

SUBJECT
Real-Time Operations Performance Reporting Software

PURPOSE
Request to authorize the Chief Executive Officer (CEO), or designee, to enter into a cooperative contract by and between Regional Public Transit Authority ("RPTA") and Valley Metro Rail, Inc. ("VMR"), jointly and severally (the "Agency"), and Carahsoft Technology Corporation for real-time operations performance reporting software. The total value of this contract will not exceed $1,256,680.

RECOMMENDATION
Staff recommends that the TMC/RMC forward to the Boards of Directors authorization for the CEO to procure a two-year Swiftly subscription. The period of authorization will cover FY 2024 and FY 2025 in a total amount not to exceed $1,256,680 including a 5% contingency.

BACKGROUND I DISCUSSION I CONSIDERATION
Agency operations staff recognized the need for a system capable of providing fleet-wide individual vehicle real-time analysis and service performance reporting. In late January 2024, Agency and City of Phoenix Public Transit Department (the "City") developed a joint recommendation to adopt technology offered by Swiftly, Inc. ("Swiftly"), for the combined fleet operating under the Valley Metro brand, including bus, light rail, and streetcar.

Swiftly will supplement the bus fleet's existing Clever Devices computer-aided dispatch / automatic vehicle location (CAD/AVL) and the light rail and streetcar fleet's supervisory control and data acquisition (SCADA) application, providing new capabilities including:

- Live monitoring of on-time performance, dwell time, service coverage issues, and in-flight adjustments to service.
- More accurate measurement of light rail and streetcar on-time performance (OTP) than currently available.
- Instant accountability through live verification of contractor performance.
- Historical on-time performance repository to assess liquidated damages for early/late service, missing service, and validation of customer complaints, as well as identifying service deficiencies and trends.
- Performance review at the driver, vehicle, route, and stop level allows for a more granular analysis of factors affecting route performance.

- Robust run-time analysis allows scheduling to rapidly identify environmental factors and adjust schedules to help achieve on-time performance goals.
- Member city and contractor real-time access to foster transparency and accountability for more effective service monitoring.

First Year Cost Detail:

Cost for the Initial term	
Live Operations Module	$130,415
GPS Playback Module	$130,415
On-Time Performance Module	$130,415
Run Time Module	$130,415
Implementation	$47,136
Subtotal	$568,796
Tax	$44,497
Total	**$613,293**

Option Year Cost Detail:

Price per optional year	
Live Operations Module	$134,334
GPS Playback Module	$134,334
On-Time Performance Module	$134,334
Run Time Module	$134,334
Subtotal	$537,336
Tax	$46,210
Total	**$583,546**

This item serves the Agency’s strategic plan to leverage best practices on data and technology, deliver excellent customer service, and achieve operational excellence.

Procurement Information
A contract will be procured through a State of Arizona cooperative contract in accordance with the Agency’s Joint Procurement Manual.

Contract Type and Term
The contract is a fixed price contract. The contract will begin on or about June 1, 2024, with an in-service date of July 1, 2024, for an initial one-year term with one (1) one-year option to extend, for term not to exceed two (2) years.

Cost and Budget
Cost for the initial term is $613,293. Cost for the option year is $583,546. A contingency of $59,842, or five percent (5%) of the full-term cost. The aggregate contract value will not exceed $1,256,680.

This purchase obtains Swiftly licensing and support for Agency and City fleets. City will reimburse Agency via an intergovernmental agreement for the costs associated with its fleet. Based on the number of vehicles (933) and module usage, Agency and City will split the overall costs evenly. The allocated costs over the maximum term is $509,585 to RPTA, $118,755 to VMR, and $628,340 to the City.

The Agency funds for software licensing and support are included in the RPTA and VMR FY2024 Operating and Capital Budget mid-year adjustment and are included in the FY2025 Operating and Capital Budget request.

The source of funds are member city contributions and public transit funds.

COMMITTEE PROCESS
RTAG: April 16, 2024, for information
TMC/RMC: May 1, 2024, approved
Boards of Directors: May 16, 2024, for action

CONTACT
Phil Ozlin
Chief Information Officer
pozlin@valleymetro.org

ATTACHMENT(S)
None

Information Summary

DATE **AGENDA ITEM 5**
May 9, 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.
Emergency Manager	Transit Bus System Safety	Minneapolis, MN	3/17/24-3/22/24	$2,149.65	$863.95		$851.20	$434.50	

Total this reporting period $2,149.65

Year to Date **$84,512.92**

Report reflects Out of State (AZ) Travel

** Misc*

[1] Baggage + Resort Fee

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

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
10002135	3/1/2024	City of Phoenix	Fixed Route Bus Service	5,412,142.90
10002150	3/8/2024	City of Phoenix	Fixed Route Bus Service	5,412,142.90
10002151	3/8/2024	City of Phoenix	Fixed Route Bus Service	5,412,142.90
10002190	3/22/2024	City of Phoenix	Fixed Route Bus Service	5,393,971.90
10002132	3/1/2024	Keolis Transit Services LLC	Fixed Route Bus Operations/Maintenance	1,926,518.06
90000270	3/8/2024	ADP LLC	PPE 03/03/2024 Payroll Liabilities	1,311,162.83
90000273	3/22/2024	ADP Inc	PPE 03/17/2024 Payroll Liabilities	1,287,145.01
10002184	3/22/2024	MTM Transit LLC	Paratransit/Mobility Service and Fuel	1,092,730.62
10002197	3/28/2024	Scheidt & Bachmann USA Inc	Regional Farebox Project	993,745.94
10002189	3/22/2024	City of Phoenix	RTP Reimbursement	733,062.15
90000272	3/22/2024	Cigna Health and Life Insurance Company	Health Insurance Premiums	563,502.09
10002134	3/1/2024	MJM Innovations	Ridechoice Management Services	562,619.06
90000269	3/8/2024	ASRS	PPE 03/03/24 ASRS Contributions & LTD	348,831.30
10002123	3/1/2024	Scheidt & Bachmann USA Inc	Regional Farebox Project	346,796.90
90000271	3/22/2024	ASRS	PPE 03/17/24 ASRS Contributions & LTD	343,119.41
10002153	3/15/2024	MJM Innovations	Ridechoice Management Services	294,090.90
10002203	3/28/2024	National Express Transit Corporation	West Valley Contracted Fixed Route and Maintenance Services	277,616.18
10002191	3/28/2024	101 North First Ave LLC	101 Building Rent	189,226.03
10002117	3/1/2024	101 North First Ave LLC	101 Building Rent	187,713.64
10002170	3/22/2024	Creative Software Solutions LLC	Subcontracted/Overflow Transportation Providers	144,872.26
90000275	3/31/2024	Surepays	RPTA Monthly Utilities	123,480.91
10002130	3/1/2024	MTM Transit LLC	Paratransit Eligibility Assessment/Travel Training Services	104,204.05
10002124	3/1/2024	Second Generation Inc, dba Ajo Transpor	Monthly Rural Connector Services	79,725.47
90000274	3/31/2024	Wells Fargo Bank	Monthly Credit Card Charges	72,330.92
1002220	3/22/2024	CopperPoint Insurance Company	April 2024 Rent and CAM Charges	68,668.40
1002178	3/1/2024	CopperPoint Insurance Company	March 2024 Rent and CAM Charges	68,586.08
10002175	3/22/2024	QCM Technologies Inc	Cybersecurity Program Support	65,832.08
10002138	3/8/2024	ACRO Service Corporation	Staffing Services	61,916.05
1002211	3/15/2024	Convergent Print Group LLC	Printing Services	56,825.53
1002194	3/8/2024	Clifton Larson Allen LLP	Federal Funds/CAFR Audit	56,128.77

10002118	3/1/2024	ACRO Service Corporation	Staffing Services	53,976.90
10002127	3/1/2024	Senergy Petroleum LLC	Bulk Fuel	53,769.68
10002182	3/22/2024	Senergy Petroleum LLC	Bulk Fuel	50,588.66
10002167	3/22/2024	ACRO Service Corporation	Staffing Services	43,851.80
1002191	3/1/2024	Guidehouse Inc	Strategic Planning Services-Strategic Plan Consultants	41,000.00
10002192	3/28/2024	ACRO Service Corporation	Staffing Services	33,224.80
10002186	3/22/2024	LAZ Parking Southwest LLC	Employee Monthly Parking	32,777.83
10002180	3/22/2024	Dell Marketing LP	Computer Equipment, Peripherals and Supplies	30,822.98
10002146	3/8/2024	Senergy Petroleum LLC	Bulk Fuel	26,819.31
				33,357,683.20

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

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
50001958	3/1/2024	City of Phoenix	Repayment of Match for SCE	25,000,000.00
50002008	3/22/2024	Kiewit Infrastructure West Co	CMAR Services for South Central-Downtown Hub	11,341,001.00
50001984	3/15/2024	Kiewit-McCarthy, a Joint Venture	CMAR Services for Northwest Phase II	3,099,008.07
50001980	3/15/2024	DMS Facility Services Inc	Cleaning Services-Janitorial Facility Cleaning	862,362.47
50001993	3/22/2024	Allied Universal Security Services	Fare Inspection and Security Services	802,427.66
50001983	3/15/2024	Hill International Inc	PMCM Services	762,889.48
50001938	3/1/2024	Hill International Inc	PMCM Services	716,230.14
50001961	3/4/2024	RailPod Inc	Rail Inspection Vehicle	677,000.00
50001995	3/22/2024	Brookville Equipment Corp	Streetcar Vehicle -Manuals and Catalogs	546,174.96
50001952	3/1/2024	Builders Guild Inc	Construction Services - JOC	496,244.34
50002000	3/22/2024	DMS Facility Services Inc	Cleaning Services-Janitorial Facility Cleaning	433,038.69
90000033	3/31/2024	Surepays	VMR Monthly Utilities	387,700.67
50001959	3/1/2024	SRP	Construction Utilities SCE	240,760.51
50001978	3/15/2024	AECOM Technical Services Inc	Design Services for SCE-Downtown Hub	236,485.52
50001944	3/1/2024	Siemens Mobility Inc	LRV Vehicle Communication and Video System Upgrade	206,457.39
50001947	3/1/2024	Centurylink	Third Party Construction Utilities	173,389.58
50001948	3/1/2024	AECOM Technical Services Inc	Design Services for SCE-Downtown Hub	169,310.00
50001969	3/8/2024	Centurylink	Third Party Construction Utilities	167,087.53
50002005	3/22/2024	HDR Engineering Inc	Community Relations Support Services On-Call	159,396.77
50001966	3/8/2024	PGH Wong Engineering Inc	System Design Services - SCE	132,499.04
50001942	3/1/2024	Penn Machine Company LLC	Tire and Tire Kit	107,680.00
50001992	3/15/2024	Alliant Insurance Services Inc	Travelers Property - Addition of NWEII	101,269.08
50001937	3/1/2024	HDR Engineering Inc	Service Planning Support	99,596.25
50001951	3/1/2024	Brookville Equipment Corp	Street Car Spare Parts	99,144.04
50001979	3/15/2024	ARCADIS	Consulting Support Services	95,120.20
50001949	3/1/2024	ARCADIS	Consulting Support Services	91,637.31
50002010	3/22/2024	PGH Wong Engineering Inc	System Design Services - NWE II	76,765.59
50002031	3/28/2024	Scheidt & Bachmann USA Inc	Ticket Validation Audit Unit	72,813.51
5002445	3/15/2024	Magnetry LLC	Marketing and Advertising Services	65,061.00
50002038	3/28/2024	Alliant Insurance Services Inc	LRV Endorsement	62,739.16

50002006	3/22/2024	J Banicki Construction Inc	Construction Services - JOC	59,378.85
5002468	3/22/2024	The Colibri Collective	Community Relations Support Services On-Call	53,873.75
50002026	3/28/2024	HDR Engineering Inc	Service Planning Support	51,411.14
50001968	3/8/2024	Prestamos CDFI LLC	Small Business Financial Assistance Program	49,148.76
50002023	3/22/2024	City of Phoenix	Fare Handling Fee	45,436.00
50002012	3/22/2024	URW LLC	Landscape Maintenance Services	44,418.50
5002449	3/15/2024	Nelson Engineering Company	Articulation Cap	40,841.44
50001996	3/22/2024	Builders Guild Inc	Construction Services - JOC	39,441.55
50002007	3/22/2024	Jacobs Engineering	Service Planning Support	38,130.89
50001962	3/4/2024	City of Phoenix	Regional Wireless Billing	35,368.62
50002024	3/28/2024	Award Winning Restorations	LRV color scheme change painting	35,040.00
50001963	3/8/2024	AECOM Technical Services Inc	Service Planning Support - West Valley	31,386.00
50002022	3/22/2024	Alliant Insurance Services Inc	Risk Management Consulting Services	28,125.00
50002013	3/22/2024	Prestamos CDFI LLC	Small Business Financial Assistance Program	25,526.45
50001946	3/1/2024	Westinghouse Air Brake Technologies Cor	LRV Repairs	25,415.00
				48,084,231.91

Information Summary

DATE	**AGENDA ITEM 6**
May 9, 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

May 9, 2024

Valley Metro RPTA
Thursday, May 16, 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 April 18, 2024, Board meeting are presented for approval.

1B. Microtransit Services Intergovernmental Agreement (IGA) with the City of Avondale — 1B. For action

Staff recommends that the Board of Directors authorize the CEO to execute an IGA with the City of Avondale for the use of these accessible vehicles to be used by their Microtransit Service providers. The IGA Agreement will allow the city to conduct bus service operations as set forth in each City IGA agreement.

1C. Microtransit Services Intergovernmental Agreement (IGA) with the City of Goodyear — 1C. For action

Staff recommends that the Board of Directors authorize the CEO to execute an IGA with the City of Goodyear for the use of these accessible vehicles to be used by their Microtransit Service providers. The IGA Agreement will allow the city to conduct bus service operations as set forth in each City IGA agreement.

1D. 2024 Transit Life Cycle Program (TLCP) - Bus Update — 1D. For action

Staff recommends that the Board of Directors approve the Transit Life Cycle Program Update.

1E.	<u>FY24-28 Short Range Transit Program</u>	1E.	For action

Staff recommends that the Board of Directors accept the FY24-28 Short Range Transit Program report and direct the CEO to share it with MAG in support of the Transportation Improvement Program process.

REGULAR AGENDA

2.	<u>Valley Metro RPTA Fiscal Year 2025 (FY25) Proposed Operating and Capital Budget and Five-Year Operating Forecast and Capital Program (FY25 through FY29)</u>	2.	For action

Staff recommends that the Board of Directors approve the Valley Metro RPTA FY25 Proposed Operating and Capital Budget, and acceptance of the Five-Year Operating Forecast and Capital Program (FY 2025 thru 2029).

3.	<u>Election of FY25 Board Officers and Subcommittee Members</u>	3.	For information

In June of each fiscal year, the Regional Public Transportation Authority (RPTA) elects Board officers, in addition to electing members to the two standing committees of the Board: The Joint Board Subcommittee (JBS) and Audit and Finance Subcommittee (AFS). Board and Subcommittee members must be elected officials and participation on the respective subcommittees are limited to elected officials only.

4.	<u>Report on Current Events and Suggested Future Agenda Items</u>	4.	For information

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

5.	<u>Next Meeting</u>	5.	For information

The next Board meeting is scheduled for **Thursday, June 20, 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

May 9, 2024 **AGENDA ITEM 1A**

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

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

Members Not Present
Councilmember Lauren Tolmachoff, City of Glendale
Councilmember Jeff Brown, Town of Queen Creek
Vice Mayor Lupe Bandin, City of Tolleson
Mayor Rui Pereira, Town of Wickenburg

Chair Stipp called the meeting to order at 12:17 p.m.

1. Minutes

Chair Stipp said with that, we will adjourn the joint meeting and begin the Valley Metro RPTA meeting with Item 1 on the agenda, which is approval of the minutes from the March 21st meeting. Those have been presented to us. If there are no questions, I'll entertain a motion and a second.

Motion by Vice Mayor Clay Goodman, second by Councilmember Laura Pastor.

Chair Stipp said I have a motion by Vice Mayor Goodman, seconded by Councilmember Pastor. Any discussion? All in favor, say aye.

Chair Stipp said any opposed? Ayes have it.

IT WAS MOVED BY VICE MAYOR GOODMAN, SECONDED BY COUNCILMEMBER PASTOR, AND UNANIMOUSLY CARRIED TO APPROVE THE MARCH 21, 2024 MINUTES.

2. <u>Paratransit Eligibility Assessment and Travel Training Services Contract</u>

Chair Stipp said Item 2 is the paratransit eligibility assessment and travel training services contract award. No presentation is what my notes said.

Ms. Mefford-Miller said we are here to answer questions. Mr. Chair, would you like me to provide a quick overview of this item?

Chair Stipp said well, I think we should. For $18 million, we should probably.

Ms. Mefford-Miller said I think so. And I want to make sure Tom Young, our Deputy Chief of Bus and Paratransit. This item, before you continue in the theme of expanding access to accessible transportation. This is award of a contract to MTM Transit, LLC for the services of paratransit eligibility assessment.

So when we talked about the process of actually interacting with our customers to provide those one on one assessments, that work is actually delivered through a contract or MTM holds the current contract. Today, we're nearing the end of that period of performance.

And so we have re procured those services, and we are seeking Board approval for the award of the next contract, which will take us through June of 2034. So this is a big dollar amount at over $18 million. This does take us out for the next ten years. Tom, any salient information you'd like to add?

Mr. Young said yes. Thank you, Jessica. Chairman Stipp, members of the Board, as Jessica said, this is to seek authorization for the CEO to execute the contract with MTM Transit for the ADA eligibility assessments, which is required under the Americans with Disabilities Act and FTA. And it also includes our travel training program, where we teach individuals with disabilities and seniors how to use bus and light rail, and not necessarily have to be dependent on the paratransit program.

This contract is a five-year base contract with up to five one-year extensions. Eligibility makes up about 61 percent of the contract, as travel training makes up the remaining 39 percent. One of the important pieces of this contract is it's about a 99 percent staff contract. So it's almost all personnel. The contract is designed as a cost-plus contract.

They have proposed some additional staff to keep up with the current demand in this next contract. We've retained the mutual agreement before those staffs added. So as they invoice us, they only invoice us for the staff that is on board at the time each month. And it's not the full contract amount. So it does give us a lot of tools to manage, and it gives us flexibility as we're moving forward in some of the new endeavors of community assessments. So I can answer any other specific questions at this time.

Chair Stipp said so what I'm going to do is we're going to do a motion and a second, then we're going to open it up for discussion and which will be questions from there. So with that, I'd like a motion to authorize the CEO to execute a contract change order with MTM Transit, LLC for the services of paratransit eligibility assessment and travel training services in the amount not to exceed $18,075,687 through June 30th of 2034. Do I have that motion?

Motion moved by Councilmember Cline, second by Councilmember McMahon.

Chair Stipp said I have a motion by Councilmember Cline, a second by Councilmember McMahon. Now open for discussion.

Councilmember Pastor said I have one question. What is the eligibility to ride paratransit? What do you need?

Mr. Young said Councilmember Pastor, the eligibility process is, it's kind of a two-pronged process. The first, an individual has to have a disability that's recognized through the Americans with Disabilities Act. Once we have that validation of the disability, then we look at a person's functional ability to actually use either regular bus or light rail service. If their disability prevents them from using the regular bus or light rail, then they become eligible for paratransit or dial-a-ride.

Chair Stipp said any other questions? Anyone online?

Councilmember Cline said I have one. So in in your certification process things that have happened in the past. Surprise does provide ADA paratransit in Surprise, even though we do not have a light rail or a bus rail that goes through Tampa. So we do participate in that.

So my question has to do with as we do the outreach to have people access the vehicles. One of the things that comes up probably the most is folks with motorized wheelchairs. And that might work with some of the drop-down buses that you have in Phoenix. But since we don't have any of those, that's not an issue for us. And some of the other issues are expiration of their disability time.

So and I think this was explained to me once before, but just to be certain, I understand it. We have someone who's blind who may have difficulty initially, and obviously you have the how to travel classes that can help people with that. But the blindness does not ever go away once that's been designated, so.

I'm just wondering how this whole process will assist those people with a permanent disability, whether they're permanently in a wheelchair or they're permanently blind. So this isn't a temporary access for those folks.

Mr. Young said thank you, ma'am, Councilmember Cline. To address that specifically and then I'm going to talk about another item that we're working on right now. So the original disability or the original eligibility is not based on a person's disability. It's based off of their ability to function in the community on their own with that disability.

So using an example of an individual that is visually impaired at this point, through some of their own mobility training, through the association of the blind, that their abilities could improve over time. Even though their disability doesn't, their abilities could, which is why under the requirements, our policy right now we set is every five years, there needs to be a recertification.

What we are working on currently, and we just completed reaching out to five of our peer agencies just to get an idea of how the rest of the some of our peers dealing with the recertification of individuals. Right now, it's real early on into what we're collecting at this point, but we do plan within the next month to come back with a potential change in that hard line. Everybody must go through recertification in five years and come up with a different version.

Councilmember Cline said I appreciate that because I'm just thinking of a couple people whose vision is never going to get any better. And actually, their ability is getting worse because of their age. So and then I've already said this with the recertification process having been as challenging as it has been in the past, that possibly a way to mitigate that for some folks would be helpful for them. So thank you. You know, I'm going to be on this forever. So just thank you for your understanding.

Chair Stipp said awesome. No other questions. That ends the discussion. So we'll vote. All in favor, say aye.

Chair Stipp said any opposed? Ayes have it.

IT WAS MOVED BY COUNCILMEMBER CLINE, SECONDED BY COUNCILMEMBER MCMAHON, AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CEO TO EXECUTE A CONTRACT CHANGE ORDER WITH MTM TRANSIT, LLC FOR THE ERVICES OF PARATRANSIT ELIGIBILITY ASSESSMENT AND TRAVEL TRAINING SERVICES IN AN AMOUNT NOT TO EXCEED $18,075,687 THROUGH JUNE 30, 2034.

3. <u>Proposed October 2024 Service Changes</u>

Chair Stipp said Item 3 is the proposed October 2024 service changes. Those were included in our Board packet, and it is just for information. Does anybody have any questions they'd like to ask the staff that they didn't already do?

4. <u>Valley Metro RPTA Fiscal Year 2025 (FY25) Preliminary Operating and Capital Budget and Five-Year Operating Forecast and Capital Program (FY25 through FY29)</u>

Chair Stipp said Item 4 is the Valley Metro RPTA fiscal year 2025 preliminary operating and capital budget and five-year operating forecast and capital program. This is being presented for information. And this is our first look at the budget.

Ms. Mefford-Miller said while they're setting up, Mr. Chair, members of the Board, this is part of a relatively long but important engagement process. We are working very closely with RTAG, the Financial Working Group and TMC-RMC. We are responsive to the comments at all of those levels, including this Board.

We've got a few changes to the budget today in response to board member city feedback. You will see an expanded marketing initiative which Ken will introduce. We have also adjusted the amount downward for merit and COLA. The presentation itself has changed a little bit.

Ken is going to walk you through the mechanics of the presentation. It's a lot to digest and you have not only the slides, but you have a detailed list of the initiatives he's going to review. So, I'd like to invite Ken Kessler, Chief Financial Officer, to present.

Mr. Kessler said thank you, Jessica. Chair, members of the Board, so this is the detailed initiatives in your packet that Jessica referred to. I just wanted to point that out to you. It's got all the details as far as the description of each of those initiatives.

I want to start out a couple of things as Jessica mentioned, we've engaged with your member city staff as well as the management committees. We've got a lot of great feedback. Really appreciate the efforts of everybody to participate and help us as we build out the budget. Mentioning just a few of those changes, Jessica touched on the marketing and the merit and COLA.

We updated some language and a handful of those initiatives based on the feedback we got to help us better, more clearly explain those initiatives within the packet. So I just wanted to point that out, that and again, appreciate all the input from the management committee and your member city staff that provided that feedback to help us make those improvements.

I'll just stay there. And just want to mention, you know, the this is our sort of our strategic plan framework here. So the structure of our strategic plan, you know, with deliver excellent customer service as the overarching goal of our strategic plan and all those other goals and foundational elements that support it.

The budget is really built to support this strategic plan, and we've tied all the budget initiatives to a strategic plan goal to show you how those different items do support the strategic plan and the goals.

And just want to real quickly run you through. This is an example of the initiative page, just so you can kind of follow through if you can click against. Okay. So here, we have there's an issue of number there at the top of that correlates. You see in each individual's presentation slide correlates back to the right up sheet that's in the detail in the packet.

And then next the agency. So we have initiatives that are RPTA specific, some that are VMR specific and some that are combined agency initiatives. We have color coded those and indicated that at the top of each sheet as shown here. So orange is combined, purple is RPTA, and green is Valley Metro Rail.

And then as well here, we have identified the initiative categories. So we have Valley Metro recommended initiatives. Those are sort of the new things that we're really diving into here deeply today to have those discussions and make decisions. Then we also have ongoing obligations that are continuing commitments and inflationary items.

But really those items we don't have much control over. They're just contract, year over year rate changes, maybe inflation and fuel or utility prices, things like that. Next. Okay. And just do want to kind of highlight how we build and present the budget here for the last few years. This is, I think, the third year we've taken this approach. We start with the base budget, which is the current year budget, and that's sort of the starting point.

We look at efficiencies or any areas of underrun or one-time items that don't need to carry forward into the next year. So we make those adjustments to the base and take those out, and then we add in those ongoing obligations. Again, those things that are just those that we don't have a whole lot of control over; contractual rate increases year over year, utility rate increases, fuel prices, things like that.

And then lastly, we add in there the Valley Metro staff recommended initiatives. And so those are really the things that we are focusing on through the budget process as far as making decisions and, you know, what should move forward in the process. And all those things put together then drive our total operations budget.

And then here's sort of that that breakdown of how we build the budget and how we present it in high level numbers. So you can see with our base budget, we actually had an $8.3 million reduction. And that's mostly through identifying some of those one-time items that don't carry through into next year. And some of those areas where historically had underruns.

And, you know, we've determined we really don't need as much budget as we've had in previous years, because we haven't been using it, and we wanted to make sure we sharpen our pencils as much as we can and make sure that that base budget is as skinny as possible.

And then you'll see here an overall budget of $277.7 million represents about a 4.7 percent increase year over year. And then in the pie chart there really shows how the ongoing obligations is by far the vast majority of the overall change from year to year, from FY 24 to FY 25.

And here are just a first a high-level look at the budget. Looking at that overall budget of $277.7 million, primarily made up of fixed out operations costs and the demand service operations. And I just do want to point out here with the Vanpool operations, you'll note this has a substantial increase. This is primarily due to the new contracting model, whereby the new contractor that started in January provides the vehicles.

Previously, Valley Metro provided the vehicles. And so we're replacing those vehicles. We're in the capital budget. But now as part of the contract and the Vanpool operator providing those. This is a full year impact of them providing vehicles as we're transitioning from Valley Metro vehicles to the contractor's vehicles next year.

So paying for the amortization of the cost of the vehicles now in the operating budget, as opposed to the purchase or acquisition of those vehicles in the capital budget. And then just quickly on the sources of funds for operating budget. Again, the operating budget, primarily is supported by public transportation funds and member city contributions, as well as some federal funds and fares.

So now I'll move on to some of the details and we'll start with the recommended initiatives first. And then we'll go through those sort of obligations items after we get through these Valley Metro recommended initiatives.

So first on the strategic plan goal of deliver excellent customer experience, a few items here. The first item here is service promotions. This is that marketing initiative that Jessica had alluded to. So in hearing feedback from folks throughout the process here in the last couple of months, we've added $250,000 to bolster our budget for marketing on the RPTA side, recognizing the need to really beef up those efforts to help, you know, promote our service and the benefits of our service, as well as, you know, with the goal of increasing ridership on our system.

And then we have the second thing there is really additional website features to make it consistent with our new mobile app, as well as including integration with third party services, with the mobile app for a more convenient rider experience.

And then the last item there, Number 3 is audit of regional bus stop signage. There's been some discussion about the bus stop signage across the region. There’s been some inconsistency, and it really doesn't, you know, present the Valley Metro brand.

And so this is an initiative to kind of take a look at that and see how we might better design bus stops across the region to be more convenient and attractive to the customers and really catch the attention and make it noticeable that it's a Valley Metro bus stop. And then deliver on stakeholder collaboration goal of the strategic plan.

Chair Stipp said are you just going to blast through all of this and then have us go back and ask questions or did you want questions along the way?

Mr. Kessler said I could do it either way. But if you want to ask questions on each slide, that works for me.

Chair Stipp said I don't want to ask questions on each slide, but I do want to make sure that we don't have to go, all right, well, back on Slide 1.

Mr. Kessler said this initiative here, enhanced stakeholder collaboration. This is data portal publication that will provide member city staff real time access to data as well as SMS texting tool to reach stakeholders and riders and really intended to reach those that really are not currently engaged or subscribed with current volumetric communication channels.

Okay for invest in our talent goal of the strategic plan, this is the proposed merit and COLA. It's a 2.5 percent cost of living adjustment with an overall average of 3.5 percent merit. And again, merit based on performance. So that number will fluctuate, obviously, from individual to individual based on their performance.

And we did some surveying of member cities a couple a few months ago to see what they were considering for next year. The data was really kind of varied quite widely. But what we're proposing here kind of falls in line with kind of the overall average of what we're seeing across the valley.

And it's obviously really to keep us competitive in the labor market ahead of our class and comp study, recognizing we won't have results or implementation of any of those results for probably about a year. So we want to make sure, in the meantime, that we're able to retain current employees and attract employees as we move towards filling our vacant positions.

So for data and technology strategic plan goal, a few items here. The automated passenger counter validation is really to certify our current APCs on our vehicles now that we have 100 percent of our fleet with APCs, as well as the city of Phoenix. We want to certify those APCs so that we are able to use them for ridership reporting and specifically for National transit database ridership reporting.

It's a federal requirement that you have those APCs certified before you can use them for that type of reporting. And then for Number 8 there, that's really about enhancing our current enterprise asset management system to improve efficiencies and really increase that operational reliability of our assets on the system and better maintain them in a state of good repair.

And then Number 9 there is just really the replacement of hardware that's reached end of life which will help us keep our IT systems in a state of good repair and help us improve our disaster recovery efforts as well.

And then for the operational excellence strategic plan goal, this is a recommendation for automated fuel management system. This is really to help us more efficiently use our fuel and specifically better tracking for fuel and coolant and tracking mileage.

And this really provides us more accurate and timely data so that we can react to any variations in consumption of those types of commodities to identify where we may have leaks or need some, you know, repairs done to kind of mitigate any of those over use situations.

And then this is the last strategic plan goal with the recommended initiative here. So cyber security risk reduction is really about, on the IT side, endpoint detection and response as well as better email security. And on the operational technology side of the house, it's really updating our OT server and workstations operating systems and really expand the use of what we're doing on the IT systems to the operational technology systems to increase the security there.

And also as a result of the cybersecurity audit that was conducted a little while back to address that finding. So that's all of the recommended initiatives, and I'll pause here for any questions.

Chair Stipp said thank you, Ken. Anybody here in the room have questions? Anybody online have questions to this point? Not seeing any. I do have just one comment, one. If you go back to the initiative on the transit marketing.

Mr. Kessler said marketing.

Chair Stipp said some call it that. There we go. Service promotion. That was not in the original, from what I understand the original budget. While I appreciate seeing monies added in there and I, kind of moving forward, I think it's very important that we continue to promote the return to ridership. I've been very encouraged over the last several months to see the increase in ridership year over year as we've been coming back. That's been very encouraging.

Mr. Kessler said that's correct.

Chair Stipp said and I'm going to overgeneralize it by saying that's with no marketing. So with an opportunity for us to enhance that, I think that bodes well for the future. I guess the question is, can we get a follow up on what we have been doing so I have some idea?

I don't need to write this second if it's something we can just throw in a memo later. If it's a two second thing, that's great. But I know we spent a great deal of time. I think it was two fiscal years ago, maybe three, talking about this, these promotions and what are we going to do and how are we going to move that forward.

And as we talked a couple of months ago, it seems to have been all focus on the light rail. So I'm appreciative of that. I'm excited that we're seeing some return. And I just wanted to say thank you for throwing this in there.

Ms. Mefford-Miller said Mr. Chair, we actually do have an internal memo that staff has prepared for me that addresses how we've spent our past marketing dollars. We'd be happy to provide that.

Chair Stipp said perfect.

Ms. Mefford-Miller said in the future, we would be happy to provide a marketing plan. We will be working with city staff to get feedback on that marketing plan before we finalize that. So we can provide that at a later date.

Chair Stipp said that's even better. Give us something initially and then later on very, very important for us if we're going to grow this system regionally. So thank you.

Mr. Kessler said I will move forward. So we'll move into those obligations items within our budget. Here's a summary really largely driven by contract rate changes, fuel utilities, those types of things. Of note in here, the West Valley bus contract is a big impact as current year is a half year.

So in the next fiscal year, it'll be a full year impact of that new contract. That's really kind of driving that number there on the bus rate increase. So that's everything on the operating budget capitals. Let's pause here and see if there's any additional questions on operating budget.

Chair Stipp said questions? Okay.

Mr. Kessler said and the capital. So the use of funds in the capital budget on the RPTA side, largely driven by fleet replacement. There are some timing issues there. One thing of note is that in our budget, it is kind of a cash basis in terms of how we recognize that.

So maybe different from member cities who mostly recognize those types of things in their budget on an encumbrance basis.

So when you issue a PO for something, you recognize that here is when we pay for the vehicle. So due to the timing of manufacturing as well as, you know, just the situation now with fleet manufacturing across the industry, you know, it's taken a little longer.

So that's why a little bit of a change there will probably be worse in buses real soon here and probably see those probably, maybe hitting at the end of next fiscal year, possibly into fiscal year 26, in terms of the budgetary impact. So just kind of wanted to point that out.

And the sources of funds for our capital program, largely funded by federal funds as well as public transportation funds. I just point out the carryforwards and reserves. That's really the fund balances of PTF. So those are revenues that we've earned. Previously that have not been used; they're sitting there in fund balance. So next year you'll see those two first lines in total are about the same amount year over year.

So it's really just a matter of in the current year, we're programmed to use more of the current year funds, and next year we're programmed to use more of the carryovers and reserves of the fund balances. And then moving on to pass through funds, so again, reminding folks that all employees of Valley Metro Rail and RPTA -- are RPTA employees, so we do have pass throughs for VMR personnel as well as the passes for the capital program for VMR.

Again, RPTA administers the public transportation funds and pass through those PTF funds for the Rail Capital program to VMR. And then for the sources, as (inaudible) in mentioning, also we do pass through Arizona Lottery funds to our member agencies as well. So that's administered by RPTA. And here you see the lottery funds as a source, as well as the two primary sources are reimbursements for the personnel. So VMR paying back RPTA through their member city contributions for staffing costs.

And then the allocation of the PTF revenues for the capital program through the split of the PTF between RPTA and VMR. So that is pass through. Any questions there before I move on to the five year?

Chair Stipp said I'm not hearing or seeing any.

Mr. Kessler said so I'll move on to the five-year forecast. So first, we have the five-year forecast for our operating program, about a $1.7 billion program. Primarily on the source side, funded by PTF and member city contributions. And on the use side, the five-year operating is mostly focused on the fixed route operations and demand service operations.

Obviously, that's the primary purposes of RPTA is providing those primary services. And then on the capital side, about a little under $540 million, five-year program there, primarily funded through federal funds as well as PTF funds as well. And then on the uses again, we have a regional fleet in our capital program as one of the bigger items as well as the disbursements through the VMR for the Rail program. Any questions on the five-year forecast?

Okay. So last slide here. Just a timeline of the budget process. So we've gone through a few cycles here with some of the groups coming here through the full board for the second time. Looking at May for potential action or possibly action to adopt the budget may move into June. I just wanted to point that out. That concludes my presentation. Happy to take any additional questions.

Chair Stipp said I'm kind of stunned, so any questions? I'm stunned because we've come through a very long way over a long period of time to get to a point where we don't have a lot of questions, but we're also not overextending our initiatives. We're also kind of keeping things moving together.

I realize we're at the end of Prop 400, we're looking for the extension of 479. So I think this is a huge testament to the Valley Metro staff for picking this up and bringing it to a point where here we are in April, we don't have a lot of questions we don't have -- we look at (inaudible) were 98.

Three years ago, we had 98 questions come through. This year, we obviously have zero. And I think that's a huge testament to the learning of the organization of Valley Metro and responding to the needs of the Board and the member city communities.

In addition to that, I think the member city communities have really come together and really helped guide through the Financial Working Group and to help guide this process forward to get us to the point where this isn't a bloodbath. And I'm grateful for that.

I think we all are, probably, to be very honest with you. So I would anticipate, unless there are major questions, that come forward, that we will see this in -- in May for budget adoption. Is that the plan?

Ms. Mefford-Miller said I would expect so I don't want to speak for the VMR Board, though.

Chair Stipp said I'm only speaking for the RPTA Board.

Ms. Mefford-Miller said I would expect so if there are no other things that come up.

Chair Stipp said I think it's a great way forward. I'm going to relay a question from Councilmember Tolmachoff that was included in the packet of information that I did not recall, but that doesn't mean a thing. She had asked about the 14 percent vacancy rate. Was that somewhere? I don't remember seeing that. It's a pretty specific detail. I don't remember seeing that. But there's a 14 percent vacancy rate. Is that in Valley Metro staff? Is that a combined, is that a contractor piece? How does that break down?

Ms. Mefford-Miller said that's a Valley Metro stat. And I don't believe it's imprinted information. The question was asked at TMC-RMC on April 3rd.

Chair Stipp said so will we get a year-end, or a fiscal year end round up on where we at staffing wise? A year ago, that was all the rage and we've been, you know, no news is good news. But I think maybe by the end of this fiscal year we have some roundup on that.

Ms. Mefford-Miller said we'd be happy to provide that, Mr. Chair, for RPTA, VMR, I think for our contractors as well, since they make up the lion's share of the people that deliver Valley Metro service.

Chair Stipp said that would be great. So, Ken and everybody, thank you very much. Certainly, made my year as Chair easy. So, this has been presented for information only. There is no action on it at this meeting. Pending any questions from anyone else, we'll move on. Thank you.

5. Report on Current Events and Suggested Future Agenda Items

Chair Stipp said Item 5 is report on current events and suggested future agenda items. Does anybody have anything to add for RPTA? Seeing none.

6. Next Meeting

The next Board meeting is scheduled for Thursday, May 16, 2024, at 11:15 a.m.

With no further discussion the meeting adjourned at 12:51 p.m.

Information Summary

DATE
May 9, 2024

AGENDA ITEM 1B

SUBJECT
Microtransit Services Intergovernmental Agreement (IGA) with the City of Avondale

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute an Intergovernmental Agreement (IGA) with the City of Avondale that will allow the use of four RPTA owned accessible vehicles in support of their Microtransit Services program.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute an IGA with the City of Avondale for the use of these accessible vehicles to be used by their Microtransit Service providers. The IGA Agreement will allow the city to conduct bus service operations as set forth in each City IGA agreement.

BACKGROUND | DISCUSSION | CONSIDERATION
The City of Avondale has implemented microtransit services within its geographic authority and contracts the service to Transdev, Inc. as a turnkey provider to include providing vehicles. Service levels are exceeding its current vehicle capacity and RPTA has accessible vehicles that are appropriate and available to operate the microtransit services. To ensure adequate resources are available for the City of Avondale, and to prepare for the planned transfer of the management of the services within the next few years, RPTA will provide four accessible vehicles to the City of Avondale for operation of the microtransit service. The City of Avondale will ensure their provider meets all RPTA insurance, operating, and maintenance standards required of transportation providers. The City of Avondale will be responsible for all "make-ready" costs, including vehicle wrap, bicycle hitch/rack, fold down seat, and any applicable technology to get it ready for service.

COST AND BUDGET
IGAs with the City of Avondale are within the current budget authorization.

COMMITTEE ACTION
RTAG: April16, 2024, for information
TMC: May 1, 2024, approved
Board of Directors: May 16, 2024, for action

CONTACT
Tom Young
Deputy Chief, Bus and Paratransit Operations
tyoung@valleymetro.org

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 1C**
May 9, 2024

SUBJECT
Microtransit Services Intergovernmental Agreement (IGA) with the City of Goodyear

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute an IGA with the City of Goodyear that will allow the use of two RPTA owned accessible vehicles in support of their Microtransit Services program.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute an IGA with the City of Goodyear for the use of these accessible vehicles to be used by their Microtransit Service providers. The IGA Agreement will allow the city to conduct bus service operations as set forth in each City IGA agreement.

BACKGROUND | DISCUSSION | CONSIDERATION
The City of Goodyear has implemented microtransit services within its geographic authority and contracts the service to Transdev, Inc. as a turnkey provider to include providing vehicles. Service levels are exceeding its current vehicle capacity and RPTA has accessible vehicles that are appropriate and available to operate the microtransit services. To ensure adequate resources are available for the City of Goodyear, and to prepare for the planned transfer of the management of the services within the next few years, RPTA will provide two accessible vehicles to the City of Goodyear for operation of the microtransit service. The City of Goodyear will ensure their provider meets all RPTA insurance, operating, and maintenance standards required of transportation providers. The City of Goodyear will be responsible for all "make-ready" costs, including vehicle wrap, bicycle hitch/rack, fold down seat, and any applicable technology to get it ready for service.

COST AND BUDGET
IGAs with the City of Goodyear are within the current budget authorization.

COMMITTEE ACTION
RTAG: April16, 2024, for information
TMC: May 1, 2024, approved
Board of Directors: May 16, 2024, for action

CONTACT
Tom Young
Deputy Chief, Bus and Paratransit Operations
tyoung@valleymetro.org

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 1D**
May 9, 2024

SUBJECT
2024 Transit Life Cycle Program (TLCP) - Bus Update

PURPOSE
To present the 2024 TLCP Bus Update for approval.

RECOMMENDATION
Staff recommends that the Board of Directors approve the Transit Life Cycle Program Update.

BACKGROUND | DISCUSSION | CONSIDERATION
The TLCP was developed in 2005 to provide guidance for the implementation of the transit component of the Regional Transportation Plan (RTP). The TLCP includes Guiding Principles, policies, procedures, and financial forecasts to ensure that the program is balanced. Information presented in the TLCP is a 20-year summary encompassing the life of the Maricopa County Transportation Excise Tax authorized by Proposition 400.

The most recent Board-approved update to the TLCP was in April 2023. ADOT released its most recent official revenue forecast in October 2023. The 2024 TLCP Update, which uses the updated forecast has an increase of $1.4 million in total RPTA Public Transportation Fund (PTF) revenues compared to the 2023 update.

Fiscal Year	2022 Forecast	2023 Forecast	$ Change	% Change
FY23 (Actuals)	$136,107,000	*$136,508,000*	$ 401,000	0.3%
FY24	140,397,000	140,964,000	567,000	0.4%
FY25	147,599,000	148,071,000	472,000	0.3%
FY26	90,574,000	90,517,000	(57,000)	(0.1)%
Total	**$514,677,000**	**$516,060,000**	**$1,383,000**	**0.3%**

NOTE: Numbers in italics indicate actuals.

Short Range Transit Plan

The current Short Range Transit Plan (SRTP) has identified some service and/or funding changes that are requested to be incorporated into the bus program within the TLCP. The SRTP was developed cooperatively with member city transit staff and includes service improvements that are ready to be implemented in the next two years. It also includes many potential improvements that are not ready for implementation. These improvements will continue to be analyzed and developed and could be recommended for regional funding in a future TLCP Update.

Bus Program

<u>Capital Program</u>
In this update, RPTA fleet acquisitions in Prop 400 are reduced by $126 million largely due to zero emissions fleet acquisitions being deferred beyond FY2026.

This update also includes $600,000 in additional PTF funding for Avondale capital costs including, $100,000 in additional funding for the Avondale Transit Center and $500,000 for bus stop improvements.

<u>Operating Program</u>
Valley Metro planning staff developed the SRTP to guide the implementation of new service improvements, including those funded with PTF. The attached *Table 1* and *Table 2* show the current year and future year service improvements and funding shifts from the 2024 SRTP that were included in the financial model. *Table 1* includes items that were previously approved by the board and *Table 2* includes items that have not yet been approved by the board.

The fund balance at the end of the program is anticipated to be about $36.5 million, up from $32.2 million in the 2023 update. The model is balanced for the life of Prop 400 and annual cash flow shows that the fund balance is positive in all remaining years. The following table summarizes the changes in fund balance.

Comparison of Net Revenues		**2023 Update**	**2024 Update**	**Change**
	Operations Revenues	$2,161.5	$2,186.2	$24.7
	Capital Revenues	$1,046.2	$933.7	($112.5)
Total Revenue		$3,207.7	$3,119.9	$ (87.8)
	Operations Expenditures	$1,909.7	$1,941.9	$32.2
	Capital Expenditures	$1,265.8	$1,141.6	$(124.2)
Total Expenditures		$3,175.5	$3,083.4	$(92.1)
Net Revenues less Expenditures		$32.2	$36.5	$4.3

In the 2024 update, the growth in operations expenditures has outpaced the growth in operations revenues. This is due to higher contractor rates. However, the deferrals of fleet acquisitions during Prop 400 have resulted in Prop 400 savings and a higher projected ending balance.

The TLCP Guiding Principles require that jurisdictional equity be maintained for the bus program. The policy requires that each sub-region have a positive jurisdictional equity balance and be no more than 2.5 percent under their policy allocation. In the current model, each of the sub-regions meets these requirements. No sub-region is currently over-allocated. Additionally, the policy stipulates that, regardless of sub-regional percentages, no jurisdiction can be under-allocated by $7.5 million or more without explicit approval of that city. In the current model, every jurisdiction is within policy.

Moreover, as was clarified by the Board action in April 2023, Prop 400 rules apply to all PTF revenues collected during Prop 400. Any PTF balance remaining at the end of Prop 400 shall be spent in accordance with Prop 400 TLCP Jurisdictional Equity policies.

Jurisdictional Equity Summary by Sub-Region in 20 Year Plan				
($ in millions)				
March 25, 2024				
Sub-Region	Total Revenue Allocation	Total Costs Allocated	Allocation Under (Over)	Percent Under (Over)
Central	$473.4	$470.2	$3.2	0.7%
East	$845.5	$844.9	$0.6	0.1%
West	$172.8	$172.7	$0.2	0.1%
Total	**$1,491.8**	**$1,487.8**	**$4.0**	**0.3%**

These numbers do not include a $7.0 million set-aside by Scottsdale and temporary cost shifts from local funding to PTF funding for various cities.

OUTSTANDING ISSUES/RISKS
The West Valley contract extension negotiations are underway, so the new contractor rates are not yet known. The model does, however, use conservative West Valley contract estimates that correspond with the FY2025 budget. Likewise, costs incorporated into the model for the new Paratransit and RideChoice contracts also correspond with the estimates in the FY2025 budget.

One major risk for the future is the uncertainty pertaining to the passage of Prop 479, which would extend PTF revenues from January 1, 2026 to December 31, 2045. Another risk is PTF revenue uncertainty. With many economists still predicting a recession, PTF revenue growth in FY25 and FY26 is still uncertain.

COST AND BUDGET
The proposed changes to the TLCP bus model have already been incorporated into the proposed FY2025 Operating and Capital Budgets and the Five-Year Operating and Capital Forecasts. Revenues and expenditures forecast within the TLCP are balanced as required by State Statute.

COMMITTEE PROCESS
RTAG/FWG: April 16, 2024 for information
TMC/RMC: May 1, 2024 approved
Boards of Directors: May 16, 2024 for action

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

ATTACHMENT
Tables 1 and 2

Table 1

Route Number	Route	Fiscal Year	Description	Status
41	Indian School Road	2024	Replace local funding, existing service levels in Phoenix	Approved
45	Broadway Road	2024	Replace local funding, existing service levels in Mesa	Approved
48	48th Street/ Rio Salado	2024	Extend to Mesa Riverview along Rio Salado; match Tempe days of operation, span of service, and frequency	Approved
48	48th Street/ Rio Salado	2024	Replace local funding, existing service levels in Tempe	Approved
50	Camelback Road	2024	Replace local funding, existing service levels in Phoenix	Approved
59	59th Avenue	2024	Replace local funding, existing service levels in Phoenix	Approved
67	67th Avenue	2024	Replace local funding, existing service levels in Phoenix	Approved
70	Glendale/ 24th Street	2024	Replace local funding, existing service levels in Phoenix	Approved
80	Northern/ Shea	2024	Replace local funding, existing service levels in Phoenix	Approved
112	Country Club/ Arizona Avenue	2024	Extend to Hamilton High School or Snedigar Sports Center **(Deferred until FY25)**	Approved
136	Gilbert Road	2024	Extend evening service on weekdays and Saturdays to Chandler **(Deferred until FY25)**	Approved
156	Chandler Boulevard	2024	Increase peak frequency to 15 minutes to Gilbert Road **(Deferred until FY25)**	Approved
77	Baseline Road	2025	Weekday, improve peak frequency to every 15 minutes between 51st Avenue and 48th Street **(Deferred)**	Approved
96	Dobson Road	2025	Weekday, improve service in Chandler by extending current service to add one evening round trip	Approved
104	Alma School Road	2025	Add Saturday service until 9 PM in Chandler	Approved
136	Gilbert Road	2025	Improve peak weekday frequency in Gilbert and Mesa (Main to Elliot) **(Removed)**	Approved
77	Baseline Road	2026	Extend East to Gilbert Road	Approved
112	Country Club/ Arizona Avenue	2026	Improve frequency to 15 minutes from Main Street to end of line	Approved
136	Gilbert Road	2026	Extend Sunday service to Chandler end of line	Approved

Table 2

Route Number	Route	Fiscal Year	Description	Status
50	Camelback Road	2025	End PTF funding of route in Phoenix	Programmed
41	Indian School Road	2026	End PTF funding of route in Phoenix	Programmed
70	Glendale/ 24th Street	2026	End PTF funding of route in Phoenix	Programmed
542	Chandler Express	2026	Add one morning trip and one evening trip	Programmed

Valley Metro RPTA Transit Life Cycle Program 2024 Model Update

May 2024

1

Transportation Excise Tax

Proposition 400 approved in November 2004

- Half-cent sales tax for Maricopa County
  - Extension of tax approved in 1985 for freeway improvements
  - Provides funding for freeway, arterial and transit improvements
  - Funding allocations are in State statutes and revenues cannot be transferred between programs
    - 33.3% for transit program
    - 56.2% for freeway program
    - 10.5% for arterial program

2

2

2

TLCP Policy Allocations

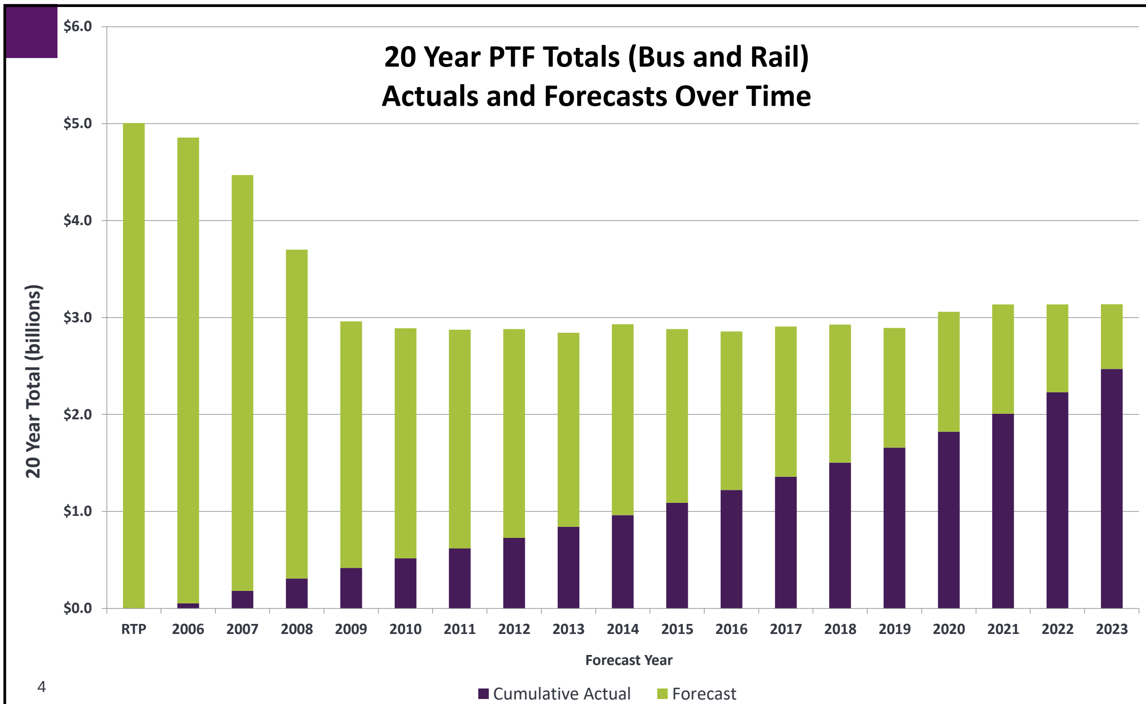
RPTA Board adopted policies for TLCP Oct 2005

- Transit PTF allocated to bus and rail programs
  - 56.76% annually to bus program
  - 43.24% annually to rail program
- Each program has a financial model to ensure balanced revenues and expenditure

3

VALLEY METRO 3

3



4

VALLEY METRO 4

4

Overview

- Most recent approved update to the TLCP was April 2023
- New ADOT PTF Forecast in Fall 2023
- Higher contract rates for service
- Deferred vehicle acquisitions
- New capital items
- Updated actuals and projections
- SRTP adjustments
- West Valley contract extension

5

VALLEY METRO 5

5

Bus PTF: 2023 vs. 2022 ADOT Forecasts

$ in Millions

Fiscal Year	2022 Forecast	2023 Forecast	$ Change	% Change
FY23 *(Actuals)*	$136,107,000	*$136,508,000*	$ 401,000	0.3%
FY24	140,397,000	140,964,000	567,000	0.4%
FY25	147,599,000	148,071,000	472,000	0.3%
FY26	90,574,000	90,517,000	(57,000)	(0.1)%
Total	**$514,677,000**	**$516,060,000**	**$1,383,000**	**0.3%**

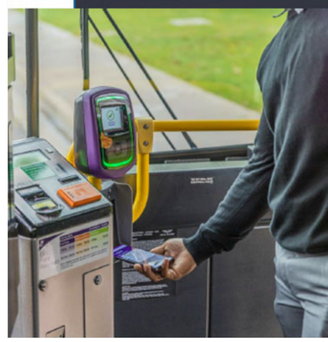
6

VALLEY METRO 6

6

RPTA Assumptions

- Increased contractor rates
- SRTP
- Planned fleet acquisitions
- Fare Collection System Modernization



7

7

Operating Program Changes

Revenues

- 2023 Official ADOT PTF Forecast

Expenses

- Updated actuals and projections
- Set-aside
- SRTP adjustments
  - Committed in first 2 years
  - Adjustments programmed
  - Temporary cost shifts to PTF

8

8

Service & Funding Adjustments

Route Number	Route	Fiscal Year	Description
50	Camelback Road	2025	End PTF funding of route in Phoenix
41	Indian School Road	2026	End PTF funding of route in Phoenix
70	Glendale/ 24th Street	2026	End PTF funding of route in Phoenix
542	Chandler Express	2026	Add one morning trip and one evening trip to service

9

9

VALLEY METRO

Capital Program Changes Since 2023 TLCP

Facilities plan changes

- Increased allocation for the Avondale Transit Center
- New bus stop improvements in Avondale

Fleet plan changes

- Updated fleet replacement plans

10

10

VALLEY METRO

Regional PTF Costs in 20-Year Plan

Category	Amount
Regional services	$171.7
ADA certification	$39.3
Planning and administration	$5.4
Regional ITS	$22.5
Vanpool vans	$2.5
Debt service	$19.1
Minimum cash balance	$32.5
Total Regional Costs	**$293.0**

11

VALLEY METRO 11

11

Comparison of Net Revenues & Expenditures

$ in Millions

Comparison of Net Revenues & Expenditures		2023 Update	2024 Update	Change
	Operations Revenue	$2,161.5	$2,186.2	$24.7
	Capital Revenue	$1,046.2	$933.7	($112.5)
Total Revenue		$3,207.7	$3,119.9	$ (87.8)
	Operations Expenditures	$1,909.7	$1,941.9	$32.1
	Capital Expenditures	$1,265.8	$1,141.6	$(124.2)
Total Expenditures		$3,175.5	$3,083.4	$(92.1)
Net Revenues less Expenditures		$32.2	$36.5	$4.3

12

12

VALLEY METRO

12

Jurisdictional Equity

TLCP Guiding Principle to maintain jurisdiction equity

- Applies to Prop 400 revenues for the bus program only
- Policy allocations were determined based on projects and planning cost estimates from 2003 Regional Transportation Plan
- Actual and forecasted costs for services, fleet, and capital facilities are allocated to cities
- Each sub-region to have a positive balance and be less than 2.5% underallocated
- Each jurisdiction to be within $7.5 M of policy allocation

13

VALLEY METRO 13

13

JE by Subregion (20 Year Plan)

$ in Millions

Sub-Region	Total Revenue Allocation	Total Costs Allocated	Allocation Under (Over)	Percent Under (Over)	Amount to Program
Central	$473.4	$470.2	$3.2	0.7%	$0.0
East	$845.5	$844.9	$0.6	0.1%	$0.0
West	$172.8	$172.7	$0.2	0.1%	$0.0
Total	**$1,491.8**	**$1,487.8**	**$4.0**	**0.3%**	**$0.0**

NOTE: The available balances do not include a $7M set-aside for Scottsdale.

14

VALLEY METRO 14

14

JE by Jurisdiction

Central Valley

Jurisdiction	Total Revenue Allocation	Total Costs Allocated	Allocation Under (Over)	Percent Under (Over)
County C	$0	$90,147	($90,147)	N/A
Phoenix	$473,411,185	$470,111,853	$3,299,332	0.7%
Total	**$473,411,185**	**$470,202,000**	**$3,209,185**	**0.7%**

15 VALLEY METRO 15

15

JE by Jurisdiction

East Valley

Jurisdiction	Total Revenue Allocation	Total Costs Allocated	Allocation Under (Over)	Percent Under (Over)
Chandler	$141,165,591	$142,022,216	($856,625)	-0.6%
County E	$0	$2,281,953	($2,281,953)	N/A
Fountain Hills	$1,267,999	$686,728	$581,271	45.8%
Gilbert	$91,251,181	$90,025,441	$1,225,740	1.3%
Guadalupe	$104,423	$3,672,336	($3,567,913)	-3,416.8%
Mesa	$290,013,765	$289,377,139	$636,626	0.2%
Paradise Valley	$7,980,935	$3,985,702	$3,995,233	50.1%
Queen Creek	$909,976	$416	$909,560	100.0%
Scottsdale	$155,247,840	$154,497,600	$750,240	0.5%
Tempe	$157,589,909	$158,375,456	($785,547)	-0.5%
Total	**$845,531,619**	**$844,924,987**	**$606,632**	**0.1%**

NOTE: The available balances do not include a $7M set-aside for Scottsdale

16 VALLEY METRO 16

16

JE by Jurisdiction
West Valley

Jurisdiction	Total Revenue Allocation	Total Costs Allocated	Allocation Under (Over)	Percent Under (Over)
Avondale	$22,943,324	$19,797,235	$3,146,090	13.7%
Buckeye	$1,088,987	$4,776,404	($3,687,417)	-338.6%
County W	$9,726,299	$14,349,847	($4,623,548)	-47.5%
El Mirage	$3,371,386	$1,382,485	$1,988,901	59.0%
Gila Bend	$2,028,799	$0	$2,028,799	100.0%
Glendale	$84,717,256	$87,151,367	($2,434,111)	-2.9%
Goodyear	$3,863,668	$4,809,106	($945,438)	-24.5%
Litchfield Park	$3,386,303	$3,020	$3,383,283	99.9%
Peoria	$33,072,399	$29,472,971	$3,599,428	10.9%
Surprise	$3,460,892	$5,592,102	($2,131,211)	-61.6%
Tolleson	$4,594,632	$4,702,539	($107,907)	-2.3%
Wickenburg	$328,188	$0	$328,188	100.0%
Youngtown	$238,682	$617,069	($378,387)	-158.5%
Total	**$172,820,815**	**$172,654,145**	**$166,670**	**0.1%**

17

VALLEY METRO 17

17

Risks/Outstanding Issues

- WV contractor rates procurement
- New ADOT Forecast in Fall 2024
- Prop 400 Extension (Prop 479) on the ballot in November

18

VALLEY METRO 18

18

Recommendation

Staff recommends the Board of Directors approve the Transit Life Cycle Program Update.

19

19

Information Summary

DATE **AGENDA ITEM 1E**
May 9, 2024

SUBJECT
FY24-28 Short Range Transit Program

PURPOSE
To request acceptance of the FY24-28 Short Range Transit Program (SRTP) report and direction for the Chief Executive Officer (CEO) to share it with the Maricopa Association of Governments (MAG) in support of the Transportation Improvement Program (TIP) process.

RECOMMENDATION
Staff recommends that the Board of Directors accept the FY24-28 Short Range Transit Program report and direct the CEO to share it with MAG in support of the Transportation Improvement Program process.

BACKGROUND | DISCUSSION | CONSIDERATION
The SRTP documents potential transit service modifications throughout the region over the next five years and builds upon previous planning efforts. It identifies regional and local transit service improvements programmed in the Transit Life Cycle Program (TLCP) and includes services proposed and funded by member cities. This document provides a platform on which all short-range transit plans for the region may be shared, collectively coordinated, and integrated to maximize efficiency and effectiveness in service provided to the public. It also serves as input for the TLCP, Fleet Management Plan (FMP), bi-annual service changes and the TIP.

The SRTP includes two planning periods, the short-term (one to three years), known as production years, and the long-term (four to five years), known as development years. Production year services must have committed funding sources and an implementation schedule. Development year services may require further analysis. For the production years, the SRTP analyzes all potential regionally funded modifications through a set of guiding principles and city feedback. The recommendations are developed concurrently with the annual TLCP update and are included therein. Any PTF funded service listed on the inventory after Dec 2025 (beyond the expiration date of current Prop 400 funding) is contingent on the extension of regional funding.

SRTP Annual Update Process and Guiding Principles:
Staff worked with Valley Metro cities to document service modification requests and analyze, if applicable, the service requests using six Guiding Principles, which are built around the TLCP and Board adopted Transit Standards and Performance Measures. The Principles consider the following:

1. Financially Sustainable (Operations)
2. Financially Sustainable (Capital)
3. Current Transit Performance Threshold Quartile
4. Route in Original Proposition 400 Plan
5. Supports Major High-Capacity Transit Investments
6. Future Performance

The principles are used to evaluate regionally funded service changes requested, by fiscal year, for consideration to include them in the SRTP, as well as to update priorities. The principles are only used for significant service changes such as route extensions or new routes, and do not analyze minor modifications, such as small trip or weekend adjustments. Fleet availability is also an important consideration in determining the ability to implement service changes and the year in which to include them.

As called for in Guiding Principle 3, performance threshold quartiles are developed using five performance measures to evaluate existing transit services:

- On-Time Performance
- Boardings per revenue mile
- Boardings per revenue trip
- Farebox Recovery

Staff met several times with the Service Planning Working Group and held four rounds of sub-regional meetings to collectively review proposed changes and related analysis (mileage, costs, etc.), and to determine production and development year services for the FY24-28 SRTP update. Production year services will be considered for the bi-annual service change process and annual TLCP updates.

COST AND BUDGET
The costs of service and funding changes will be reflected in the annual TLCP and bi-annual service change process.

COMMITTEE PROCESS
RTAG: April 16, 2024 for information
TMC: May 1, 2024 approved
Board of Directors: May 16, 2024 for action

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

Attachment
Short Range Transit Report Inventory

Route	Route #	Service Type	Impacted City/ Town	Operator	Change Type	Change Month	Change Year	Fiscal Year	Potential Service Change Concept	Funding Source
Production Years										
Camelback	50	Key Local	Phoenix	Phoenix	Cost Allocation	July	2024	**FY25**	END PTF funding of route in Phoenix	PTF
Baseline Rd	77	Local	Mesa, Gilbert	Valley Metro	Route Extension	April	2025	**FY25**	Extend East to Gilbert Rd	PTF
Dobson	96	Local	Chandler, Mesa	Valley Metro	Service Increase	April	2025	**FY25**	Weekday, improve service in Chandler by extending current service to add one evening round trip	PTF
Alma School	104	Local	Chandler, Mesa	Valley Metro	Service Increase	April	2025	**FY25**	Add Saturday service until 9pm in Chandler	PTF
Country Club/ Arizona Ave	112	Local	Chandler	Valley Metro	Route Extension	April	2025	**FY25**	Extend Route 112 to Hamilton High School or Snedigar Sports Center	PTF
Chandler Blvd	156	Local	Chandler	Valley Metro	Service Increase	April	2025	**FY25**	Increase peak frequency to 15 minutes to Gilbert Rd.	Local (Phoenix)/ PTF (Chandler)
Gilbert Rd	136	Local	Chandler, Gilbert	Valley Metro	Service Increase	April	2025	**FY25**	Extend evening service weekdays and Saturdays to Chandler	PTF
Indian School	41	Key Local	Phoenix	Phoenix	Cost Allocation	July	2025	**FY26**	END PTF funding of route in Phoenix	PTF

Route	Route #	Service Type	Impacted City/ Town	Operator	Change Type	Change Month	Change Year	Fiscal Year	Potential Service Change Concept	Funding Source
Chandler Express	542	Express	Chandler	Valley Metro	Service Increase	October	2025	**FY26**	Add one morning trip and one evening trip to service	PTF
Peoria Ave	106	Local	El Mirage	Phoenix	Route Extension	October	2025	**FY26**	Extend route west through El Mirage	Local
Gilbert Rd	136	Local	Chandler, Gilbert	Valley Metro	Service Increase	October	2025	**FY26**	Extend Sunday service to Chandler end of line	PTF
56th St	New	Local	Phoenix	Phoenix	New Route	October	2025	**FY26**	New Route 56A from Shea Blvd to Deer Valley Road (Desert Ridge Mall area)	Local
83rd Ave	83	Local	Phoenix	Phoenix	Route Extension	October	2025	**FY26**	Extend route to Lower Buckeye Road	Local
91St Ave	New	Local	Phoenix	Phoenix	New Route	October	2025	**FY26**	New Route 91 from Camelback Rd to Lower Buckeye Rd.	Local
Buckeye Circulator	New	Circulator	Buckeye	Valley Metro	New Route	October	2025	**FY26**	New, ca. 10-mile circulator in Buckeye. From Buckeye Transit Plan	Local

Route	Route #	Service Type	Impacted City/ Town	Operator	Change Type	Change Month	Change Year	Fiscal Year	Potential Service Change Concept	Funding Source
Gilbert Express	New	Express	Gilbert, Phoenix	Valley Metro	New Route	October	2025	**FY26**	Add new commuter Express from Williams Field Rd. and Greenfield Rd. to Downtown Phoenix	Local
Baseline Rd	77	Local	Phoenix	Valley Metro	Service Increase	October	2025	**FY26**	Weekday, improve peak frequency to every 15 minutes between 51st Ave and 48th St in coordination with opening of South Central Rail	Local
Country Club	112	Local	Mesa	Valley Metro	Service Increase	October	2025	**FY26**	Improve frequency to 15 minutes from Main Street to end of line	PTF
24th St	70	Local	Phoenix	Phoenix	Cost Allocation	October	2025	**FY26**	Shift funding from PTF to City of Phoenix	Local
Bell Rd	170	Local	Glendale, Peoria	Phoenix	Route Extension	October	2026	**FY27**	Extend service to 91st Ave.	PTF*
McDowell	17	Key Local	Avondale, Phoenix, Goodyear, Tolleson	Phoenix	Service Increase	October	2026	**FY27**	Add Sunday service beyond 99th Ave. into Avondale & Goodyear	Local

Thomas	29	Key Local	Avondale, Phoenix	Phoenix	Route Extension	October	2026	**FY27**	From Avondale mid-term Transit Plan, extend to Avondale Civic Center	Local
Indian School	41	Key Local	Avondale	Phoenix	Route Extension	October	2026	**FY27**	From Avondale mid-term Transit Plan, extend to Litchfield Rd.	Local
Northern/ Shea	80	Local	Peoria, Glendale	Phoenix	Route Extension	October	2026	**FY27**	Extend route 80 to 99th Avenue	Local
Dunlap/ Cave Creek	90	Local	Peoria	Phoenix	Route Extension	October	2026	**FY27**	Extend route 90 to 99th Avenue	Local
Thunderbird	138	Local	Surprise, El Mirage	Phoenix	Route Extension	October	2026	**FY27**	Extend service to Litchfield Rd.	Local
Ray Rd	140	Local	Gilbert	Valley Metro	Route Extension	October	2026	**FY27**	Extend 140 from Gilbert Rd to Power Rd.	PTF*
Bell Rd	170	Local	Surprise, Glendale, Peoria, County	Phoenix	Route Extension	October	2026	**FY27**	Extend service to Surprise Civic Center	Local
Union Hills	186	Local	Glendale, Phoenix	Phoenix	Service Increase	October	2026	**FY27**	All weekday trips go to Arrowhead.	Local
Avondale/ Buckeye Express	563	Express	Buckeye	Valley Metro	Service Increase	October	2026	**FY27**	Add one additional trip to Buckeye PNR.	Local
Luke Circulator	New	Circulator	Surprise	Valley Metro	New Route	October	2026	**FY27**	Consider local circulator down to Luke Air Base.	Local
Surprise Circulator	New	Circulator	Surprise	Valley Metro	New Route	October	2026	**FY27**	Develop a new circulator route for downtown Surprise.	Local

*Any PTF funded service listed here after Dec 2025 (beyond Prop 400) is contingent on the extension of regional funding.

Information Summary

DATE **AGENDA ITEM 2**
May 9, 2024

SUBJECT
Valley Metro RPTA Fiscal Year 2025 (FY25) Proposed Operating and Capital Budget and Five-Year Operating Forecast and Capital Program (FY25 through FY29)

PURPOSE
To request approval of the FY25 Proposed Operating and Capital Budget and acceptance of the Five-Year Operating Forecast and Capital Program (FY25 thru FY29).

RECOMMENDATION
Staff recommends that Board of Directors approve the Valley Metro RPTA FY25 Proposed Operating and Capital Budget, and acceptance of the Five-Year Operating Forecast and Capital Program (FY 2025 thru 2029).

BACKGROUND/DISCUSSION/CONSIDERATION
The Valley Metro Regional Public Transportation Authority (RPTA) FY25 proposed combined operating and capital budget (the budget) is $495.8 million and includes $94.6 million of expenses for light rail/high-capacity transit capital. The proposed 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.

Valley Metro began the FY25 budget process by carefully reviewing its operations to identify efficiencies and other potential reductions to the FY25 base operating budget. This resulted in a proactive reduction in the RPTA base operating budget of $8.3 million. The largest areas of reduction include one-time items in the FY24 budget not continuing into FY25, reductions in service due to cancellation of POGO and ZOOM routes, and City of Phoenix operated bus service funded with PTF.

From this starting point, ridership, economic factors outside the agency's control, contractual commitments, and the continued implementation of previously approved Board actions must be incorporated. For FY25, these non-discretionary items total $17.9 million, comprising 86% of the total increase, excluding base change, in the FY25 operating budget. Of this amount, four issues – contract rate increases (including Board-approved contract adjustments), ADA ridership growth, bus fuel costs, and implementation of the new fare collection system – comprise 88% of the total non-discretionary increase.

Additionally, Valley Metro recommends the Board adopt $2.7 million of increased spending for new initiatives in FY25. This includes funding for nine initiatives, listed below.

FY25 Valley Metro Staff Recommended Initiatives

Initiative#	Description	Amount
1	Service Promotions (3)	$ 250,000
2	Customer Digital Tools Enhancement (3)	$ 570,000
3	Enhanced Passenger Wayfinding and Communication (1)	$ 50,000
4	Enhanced Stakeholder Collaboration (3)	$ 39,000
6	Agency Cost of Living Adjustment (COLA) & Merit Award (2)	$ 1,062,000
7	Automated Passenger Counters (APCs) Validation (1)	$ 300,000
8	Improve Enterprise Asset Mgmt (EAM) System Utility (3)	$ 169,000
9	Replace End of Life IT Hardware (1)	$ 125,000
11	Automated Fuel Management System Implementation (3)	$ 300,000
15	Cybersecurity Risk Reduction (3)	$ 110,000
Total		**$ 2,975,000**

(1) One-time cost for FY25
(2) Annual ongoing cost
(3) Part one-time cost for FY25, part annual ongoing cost

*Initiative numbers are not sequential as some initiatives pertain to RPTA only, some VMR only, and some both RPTA and VMR. Initiatives listed here are those pertaining to RPTA only and the RPTA portion of those pertaining to both RPTA and VMR.

COMMITTEE PROCESS
Preliminary Budget Review:
Financial Working Group: February 20, 2024 for information
RTAG: February 20, 2024 for information
All Committees: March Cycle
Financial Working Group: March 19, 2024 for information
RTAG: March 19, 2024 for information
All Committees: April Cycle

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

CONTACT
Ken Kessler
Chief Financial Officer
kkessler@valleymetro.org

ATTACHMENT
FTE Summary Sheet
Budget Initiatives

Valley Metro RPTA Fiscal Year 2025 (FY25) Proposed Operating and Capital Budget & 5-Year Forecast

1

RPTA

FY25 Proposed Budget

2

Strategic Framework

Connecting Communities & Enhancing Lives

Deliver Excellent Customer Experience

Invest in Our Talent	Prioritize Security on Transit	Leverage Data and Technology	Deliver on Stakeholder Collaboration

Strong Leadership

Board Governance

Operational Excellence

Financial Sustainability

3

3

Detailed Initiative Write-Ups

Initiative #

Agency

Category

8	**Improve Enterprise Asset Management (EAM) System Utility** Leverage Data and Technology	
	Combined	VM Recommended

Description

In support of strategic plan goal to "Leverage Industry Best Practices and Innovations on Data and Technology" this initiative will enhance the Enterprise Asset Management (EAM) system to improve system utility. An enhanced EAM system will reduce time, error rates, and associated cost of rework of manual processes entering and transferring data between the EAM and associated systems. This will result in optimized maintenance strategies, increased operational reliability and efficiency of Valley Metro assets, and minimized asset downtimes. This translates into substantial cost savings over the asset lifecycle. Furthermore, compliance management will improve, helping ensure alignment with regulatory standards, mitigating risks and fostering a safer operational environment. Implementation and customization development support will be required from various vendors, however, $55,300 in annual Ellipse system maintenance costs will be eliminated once data transition is completed.

Item	RPTA	VMR	Note
EAM System Improvement	$169,000	$122,000	Trapeze and third-party professional services and customized development
Total	**$169,000**	**$122,000**	

4

4

FY25 Operating Budget Format

Base Budget – FY 2024's approved services less efficiencies identified by Valley Metro.

+

Obligations

- Inflation/Market & Ridership – price, wage, and ridership changes.
- Continuing Commitments – continued implementation of actions or contractual terms previously approved by the Board.

+

Valley Metro Recommendations – changes Valley Metro recommends the Board make for FY 2025

=

FY 2025 Total Operating Budget

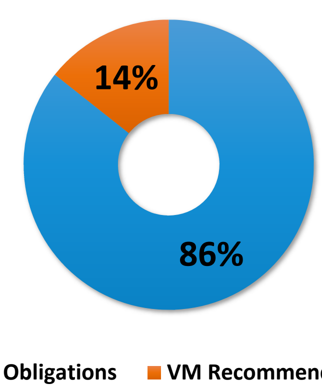
5

VALLEY METRO

5

Operating Budget Overview ($ millions)

RPTA				Obligations					
	FY 2024 Budget	FY 2025 Base	Change v FY24	Cont Commit	Inflation & Ridership	Total Obligations	VM Recommend	FY 2025 Budget	Total Change
Total	$ 265.2	$ 256.9	$ (8.3)	$ 16.2	$ 1.7	$ 17.9	$ 3.0	$ 277.7	$ 12.4



6

6

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

Uses of Funds	FY24	FY25	Change $	Change %
Fixed Route Operations	$174.4	$182.5	$8.1	5%
Demand Service Operations	54.9	56.9	2.0	4%
Vanpool Operations [1]	2.5	4.6	2.1	82%
Planning	4.4	4.3	(0.1)	-2%
Commute Solutions	1.5	1.6	0.1	8%
Administration and Finance	5.4	5.4	0.0	0%
Regional Services	22.1	22.3	0.2	1%
RPTA Operating	**$265.2**	**$277.7**	**$12.5**	**5%**

[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.

7

VALLEY METRO

7

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

Source of Funds	FY24	FY25	Change $	Change %
Public Transportation Funds	$179.6	$166.1	($13.5)	-8%
Regional Area Road Funds	5.1	5.2	0.1	2%
Member City Contributions	57.8	57.7	(0.1)	0%
Bus Advertising	0.8	0.8	0.0	0%
Federal Funds	12.6	15.5	2.9	23%
Federal Funds - COVID Relief	0.9	0.0	(0.9)	-100%
Fares	8.4	11.0	2.6	31%
MAG Funds	0.2	0.2	0.0	0%
Other	0.1	0.1	0.0	0%
Carry Forward & Reserves	0.0	21.1	21.1	0%
RPTA Operating	**$265.2**	**$277.7**	**$12.5**	**5%**

8

VALLEY METRO

8

RPTA Recommended Initiatives

9

Deliver Excellent Customer Experience

VM Recommended

Initiative #	Name	VM Recommended
1	Service Promotions	$ 250,000
2	Customer Digital Tools Enhancement	$ 570,000
3	Enhanced Passenger Wayfinding and Communication	$ 50,000
Category Total		$ 870,000

10

10

Deliver on Stakeholder Collaboration
VM Recommended

Initiative #	Name	VM Recommended
4	Enhanced Stakeholder Collaboration	$ 39,000
Category Total		$ 39,000

11

11

Invest In Our Talent
VM Recommended

Initiative #	Name	VM Recommended
6	Agency Cost of Living Adjustment (COLA) & Merit Award	$ 1,062,000
Category Total		$ 1,062,000

12

12

Leverage Data and Technology
VM Recommended

Initiative #	Name	VM Recommended
7	Automated Passenger Counters (APCs) Validation	$ 300,000
8	Improve Enterprise Asset Mgmt (EAM) System Utility	$ 169,000
9	Replace End of Life IT Hardware	$ 125,000
Category Total		**$ 594,000**

13

13

Operational Excellence
VM Recommended

Initiative #	Name	VM Recommended
11	Automated Fuel Management System Implementation	$ 300,000
Category Total		**$ 300,000**

14

14

Prioritize Security on Transit
VM Recommended

Initiative #	Name	VM Recommended
15	Cybersecurity Risk Reduction	$ 110,000
Category Total		$ 110,000

15

15

RPTA Obligations

16

Deliver Excellent Customer Experience
Obligations

Initiative #	Name	Continuing Commitment	Inflation/ Market & Ridership	Grand Total
17	Bus System Comprehensive Operational Analysis	$ 500,000	$ -	$ 500,000
Category Total		**$ 500,000**	**$ -**	**$ 500,000**

17

17

Leverage Data and Technology
Obligations

Initiative #	Name	Continuing Commitment	Inflation/ Market & Ridership	Grand Total
18	IT Contract Rate Annualization Increase	$ 162,000	$ -	$ 162,000
Category Total		**$ 162,000**	**$ -**	**$ 162,000**

18

18

Operational Excellence
Obligations

Initiative #	Name	Continuing Commitment	Inflation/ Market & Ridership	Grand Total
19	Fare Collection System Implementation	$ 1,168,000	$ -	$ 1,168,000
	New Vanpool Contract	$ 2,103,000	$ -	$ 2,103,000
	Insurance Premium	$ 52,000	$ -	$ 52,000
	Claims Management and Insurance Brokerage	$ 6,000	$ -	$ 6,000
	Bus Service Rate Increase	$ 9,129,000	$ -	$ 9,129,000
	Demand Service Rate Increase	$ 1,503,000	$ -	$ 1,503,000
	Demand-Response Svc Mgmt System Implementati	$ 1,618,000	$ -	$ 1,618,000
	Fare Administration and Programs	$ -	$ -	$ -
21	ADA Ridership Growth	$ -	$ 885,000	$ 885,000
	Bus Fuel	$ -	$ 795,000	$ 795,000
Category Total		$ 15,579,000	$ 1,680,000	$ 17,259,000

19

19

Prioritize Security On Transit
Obligations

Initiative #	Name	Continuing Commitment	Inflation/ Market & Ridership	Grand Total
20	Security Contract Rate Increase	$ 7,000	$ -	$ 7,000
Category Total		$ 7,000	$ -	$ 7,000

20

20

Obligations Summary

Initiative #	Name	Continuing Commitment	Inflation/ Market & Ridership	Grand Total
17	Bus System Comprehensive Operational Analysis	$ 500,000	$ -	$ 500,000
18	IT Contract Rate Annualization Increase	$ 162,000	$ -	$ 162,000
19	Fare Collection System Implementation	$ 1,168,000	$ -	$ 1,168,000
	New Vanpool Contract	$ 2,103,000	$ -	$ 2,103,000
	Insurance Premium	$ 52,000	$ -	$ 52,000
	Claims Management and Insurance Brokerage	$ 6,000	$ -	$ 6,000
	Bus Service Rate Increase	$ 9,129,000	$ -	$ 9,129,000
	Demand Service Rate Increase	$ 1,503,000	$ -	$ 1,503,000
	Demand-Response Svc Mgmt System Implementati	$ 1,618,000	$ -	$ 1,618,000
	Fare Administration and Programs	$ -	$ -	$ -
20	Security Contract Rate Increase	$ 7,000	$ -	$ 7,000
21	ADA Ridership Growth	$ -	$ 885,000	$ 885,000
	Bus Fuel	$ -	$ 795,000	$ 795,000
Category Total		**$ 16,248,000**	**$ 1,680,000**	**$ 17,928,000**
Category % of Total		***91%***	***9%***	

21

VALLEY METRO

21

Uses & Sources of Funds: Capital ($,000,000)

Uses of Funds	FY24	FY25	Change $	Change %
Regional Fleet	$64.1	$18.1	($46.0)	-72%
Regional Facilities	1.4	6.2	4.8	346%
Other Regional Projects	5.5	8.4	2.9	53%
Member Agency Disbursements	9.7	12.3	2.6	26%
Debt Service	22.9	22.3	(0.6)	-2%
RPTA Capital	**$103.5**	**$67.3**	**($36.2)**	**-35%**

Source of Funds	FY24	FY25	Change $	Change %
Public Transportation Funds	$8.2	$0.1	($8.1)	-98%
Carry Forward & Reserves	35.5	43.8	8.3	23%
Federal Funds	59.6	23.3	(36.3)	-61%
Other	0.2	0.1	(0.1)	-52%
RPTA Capital	**$103.5**	**$67.3**	**($36.2)**	**-35%**

22

VALLEY METRO

22

Uses & Sources of Funds Pass-thru: ($,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	44.5	4.5	11%
VMR PTF Capital Funding	66.8	71.6	4.8	7%
VMR PTF Capital Reserve for Future Use	21.7	23.0	1.3	6%
RPTA Pass-Thru	**$140.1**	**$150.8**	**$10.7**	**8%**

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	44.5	4.5	11%
VMR PTF Capital Funding Allocation	88.5	94.6	6.1	7%
RPTA Pass-Thru	**$140.1**	**$150.8**	**$10.7**	**8%**

23

VALLEY METRO

23

RPTA

FY25-29 Five-Year Forecast

24

5-Year Operating Sources and Uses

Operating ($,000)	FY25	FY26	FY27	FY28	FY29	Total
Sources of Funds						
Advertising	$ 750	$ 825	$ 908	$ 999	$ 1,100	$ 4,582
Public Transportation Funds	166,123	189,241	192,905	196,617	201,084	945,971
Regional Area Road Funds	5,678	5,256	5,335	5,415	5,496	27,178
Member City Contributions	57,717	61,519	63,050	65,734	68,252	316,272
VMR Reimbursements	44,508	49,161	50,636	52,155	53,720	250,179
AZ Lottery Funds	11,200	11,200	11,200	11,200	11,200	56,000
Federal Funds	15,545	15,840	16,141	16,448	16,761	80,735
Carry Forwards & Reserves	21,072	-	-	-	-	21,072
Fares	11,036	11,842	12,702	13,324	13,976	62,879
MAG Funds	175	175	175	175	175	875
Other	80	1,133	2,207	3,303	4,421	11,144
Total Sources of Funds	**333,884**	**346,192**	**355,260**	**365,369**	**376,183**	**1,776,888**
Uses of Funds						
Fixed Route Operations	182,500	187,976	193,615	199,423	205,405	968,919
Demand Service Operations	56,944	58,907	60,092	62,536	64,949	303,428
Vanpool Operations	4,625	5,070	5,222	5,378	5,540	25,834
Planning	4,330	4,417	4,505	4,595	4,687	22,533
Commute Solutions	1,564	1,595	1,627	1,660	1,693	8,139
Regional Services and Administration	22,298	22,696	23,113	23,589	24,075	115,772
Adminstration and Finance	4,915	4,503	4,593	4,685	4,779	23,476
Operating Contingency	500	500	500	500	500	2,500
Pass-through Disbursements	56,208	60,528	61,493	63,002	64,556	305,787
Total Uses of Funds	**$ 333,884**	**$ 346,192**	**$ 354,760**	**$ 365,369**	**$ 376,183**	**$ 1,776,388**

25

VALLEY METRO

25

5-Year Capital Sources and Uses

Capital ($,000)	FY25	FY26	FY27	FY28	FY29	Total
Sources of Funds						
Public Transportation Funds	$ 125	$ 29,348	$ 9,457	$ 15,540	$ 15,886	$ 70,356
Federal Funds	23,252	23,686	29,937	32,763	32,700	142,338
Other	88	95	117	120	111	531
Carry Forward & Reserves	43,833	3,493	-	-	-	47,326
VMR Public Transportation Funds Program	94,624	54,794	9,999	10,449	10,919	180,785
VMR Public Transportation Funds Reserve	-	96,592	-	-	-	96,592
Total Sources of Funds	**161,922**	**208,008**	**49,510**	**58,872**	**59,616**	**537,928**
Uses of Funds						
Regional Fleet	18,149	20,750	28,757	31,934	32,757	132,347
Regional Facilities	6,153	2,004	2,026	2,056	1,076	13,315
Other Regional Projects	8,400	5,974	5,305	5,464	5,628	30,771
Member Agency Disbursements	12,312	5,650	3,423	8,969	9,236	39,590
Debt Service	22,284	22,244	-	-	-	44,528
Rail Program Disbursements	71,589	151,386	1,391	1,302	641	226,309
VMR Reserve for Future Use	23,035	-	8,608	9,147	10,278	51,068
Total Uses of Funds	**$ 161,922**	**$ 208,008**	**$ 49,510**	**$ 58,872**	**$ 59,616**	**$ 537,928**

26

VALLEY METRO

26

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

27

VALLEY METRO

27

Recommendation

Staff recommends that the Board of Directors approve the Valley Metro RPTA FY25 Proposed Operating and Capital Budget, and accept the Five-Year Operating Forecast and Capital Program (FY 2025 thru 2029).

28

VALLEY METRO

28

1	Service Promotions Deliver Excellent Customer Experience	
	Combined	VM Recommended

Description

In support of strategic plan goal to "Deliver Excellent Customer Experience," this initiative would focus on marketing strategies and tactics to promote our services and their benefits, helping to create positive brand awareness as well as seek to increase ridership and usage of our modes and tools.

Bus Ridership Campaign

Valley Metro is recommending this campaign to seek to increase brand awareness, understanding of system availability and benefits and ridership on Express/RAPID (commuter) bus service and select local bus routes where there's identified ridership potential. There are many new residents to the Valley who may not be aware of VM and that we provide an affordable, reliable and safe transportation option for some/all of their travel needs. In addition, there are new densities, growing employment centers and other ridership-rich corridors that will also be explored as potential target markets. Bus ridership remains sluggish following the pandemic on local service as well as most markedly on our Express/RAPID routes. Informed by data from Service Planning and market research (possibly focus groups), and in collaboration with member cities, this campaign will be active across the first half of FY25 (~July – Nov. 2024) and evolve, as determined by data/trends, into 2025 and beyond. While a detailed plan will be developed, audiences will likely entail new residents/households/residential communities, industries/employment centers/employers, developing corridors, geo-targeted markets, current or recently former riders/commuters and general public. Tactics will include a mix of print materials, print advertising, geo-targeted digital/social media buy, outreach, partnerships, etc.

Dbacks Ticket Partnership Marketing Campaign

Valley Metro Rail directly connects to several major entertainment and sports venues and/or special events, providing convenient, easily accessible, safe one-seat rides to a broad cross-section of current and potential rail riders. Events are also a way get on board with public transit, with a crowd of like-minded fans and easy-to-navigate experiences, paving the way for return ridership. Special event-based ticket partnership have proven to drive ridership, with some of our highest ridership days being those with major events at our partner venues, and they help with brand visibility and provide a guaranteed revenue stream. VMR has had success with ticket partnerships with Footprint Center and Phoenix Rising Football Club and we're seeking a similar agreement with the Arizona Diamondbacks (Dbacks) beginning in their 2024 season. The Dbacks organization has also expressed interest, so if/when a ticket partnership is crafted (generating the required fare revenue), these marketing dollars would be deployed to launch the inaugural program, market our partnership and push ridership. The budgeted amount would be used to create marketing material, including but not limited to videos and graphics to co-brand the new partnership shared via Dbacks, Chase Field, and Valley Metro communication channels. This initiative is contingent upon a revenue-generating ticket partnership and this level of support (at $100k) would be for the inaugural year of the program. Ongoing marketing does remain at a lower level.

Item	RPTA	VMR	Note
Bus Ridership Campaign	$250,000		
Dbacks Ticket Partnership Marketing Campaign		$100,000	Market ticket partnership within stadium and throughout Valley to expand ridership and excellent customer experiences on the rail system
Total	**$250,000**	**$100,000**	

2	Customer Digital Tools Enhancement Deliver Excellent Customer Experience	
	RPTA	VM Recommended

Description

In support of strategic plan goal to "Deliver Excellent Customer Experience" this initiative would support enhancements of the digital tools used by riders to provide for more convenient and seamless experiences for transit journeys across the Valley. Improvements and additional features are recommended for the Valley Metro website as well as additional features and integration of the Valley Metro mobile app.

Website Feature Additions and Improvements

In 2021, Valley Metro's mobile app was replaced with a new app from the new Fare Collection System to support trip planning, mobile payments, etc. As a result, Valley Metro's existing website and mobile app now have different appearances and functionality. This initiative will allow modifications the website to make it consistent with the mobile app and add new features and improvements to the customer experience by providing a unified customer experience ensuring customers receive consistent information and digital features.

Third Party Mobile Services Integration - Mobile App

Valley Metro will work with mobile app vendor Vix to improve the user experience, add new features, and integrate micro transit into Valley Metro's mobile app to allow riders to use this mode as a component of the regional transit network. This will eliminate the need for riders to navigate multiple apps and payment portals, including third-party apps, in order to successfully plan, pay for, and execute multi-modal trips involving services outside of bus and rail (e.g. paratransit, micro transit).

Item	RPTA	VMR	Note
Vix VM mobile app customized development	$500,000	$0	
Kirschbaum Development Services Expansion	$70,000	$0	
Total	**$570,000**	**$0**	

3	**Enhanced Passenger Wayfinding and Communication** Deliver Excellent Customer Service	
	Combined	**VM Recommended**

Description

In support of strategic plan goal to "Deliver on Stakeholder Collaboration" this initiative will evaluate current system signage with a focus to improve passenger wayfinding. Additionally, a education program is recommended to inform customers about how to effectively navigate the new two-line rail system that will begin revenue service in mid-2025.

Bus Stop Regional Signage Audit, Design & Coordination

Updating bus stop signage provides at-stop communications with riders and will help create a process to unify signage and the rider experience across the entire system. With the evolution of NextRide, discussions with member agency staff have begun regarding existing bus stop signage, improvements and placement at more than 8,000 bus stops.

This initiative would commence in FY 2024 with Valley Metro's wayfinding/signage vendor to develop bus stop signage concepts, including additional research and coordination with member agencies on how each jurisdiction currently creates, produces and installs bus stop signage. Potential cost saving and coordination benefits include producing consistent regionally branded signage with a single manufacturer and creating volume discounts across the region. This initiative does not include the costs to replace or install signage for over 8,000 bus stops across the region.

Rail System Signage Audit

Valley Metro staff recommends conducting an audit of rail system signage to inventory what is currently posted, sign conditions, ADA accessibility, and passenger comprehension ahead of installation of additional signage for two-line system wayfinding. Signage clutter impacts customer comprehension and ease of use of the system, creating confusion, decreasing satisfaction and creating barriers to increasing ridership. Signage in poor condition creates a negative impression of system, impressions regarding overall safety and impacts overall customer experience. The audit will also help track and manage lifecycle maintenance costs.

Two Line Rail System Educational Campaign

The light rail system in existence since December 2008 will go from a one-line to a two-line operation in mid-2025. There has been a lot of work over the years, including into this fiscal year, to develop a signage and wayfinding program incorporating rider and community feedback. This effort includes communicating upcoming service changes so riders understand how to navigate the new system and access their destinations with ease. Without a marketing and communication program, riders will have little education on how to effectively navigate the new system, leading to confusion and overall dissatisfaction with the regional system Effective messaging helps create a more user-friendly regional transit system, making service more efficient and enhancing the rider experience.

Item	RPTA	VMR	Note
Rail System Signage Audit		$100,000	
Bus Stop Regional Signage Design	$50,000		Design would occur through current Wayfinding consultant
Two-line Rail System Educational Campaign	$0	$200,000	Marketing campaign to educate on two-line system passenger and wayfinding changes
Total	**$50,000**	**$300,000**	

4	**Enhanced Stakeholder Collaboration** Deliver on Stakeholder Collaboration	
	Combined	**VM Recommended**

Description

In support of strategic plan goal to "Deliver on Stakeholder Collaboration" this initiative includes additional licensing to provide member jurisdictions better access and usability of data and a new tool to connect with diverse, hard to reach, underserved communities in the region.

Data Portal Publication

This initiative seeks to acquire additional licensing to allow the existing Tableau data portal to be provided to member agency staff allowing them access to real-time reports and dashboards, including the ability to download and review the raw data. Currently, these capabilities are restricted and assigned to certain agency staff; data is reserved and published in static snapshot reports published periodically via the Valley Metro website.

SMS Stakeholder & Rider Outreach

Staff recommends implementing an SMS text-based outreach tool with a focus on existing riders in addition to establishing communication with stakeholders whom we do not have an existing relationship with and are not subscribed to one of our existing communication channels. This initiative is focused on connecting with, and incorporating feedback from, diverse, hard-to-reach and underserved communities.

Item	RPTA	VMR	Note
Additional reporting platform licensing	$19,000	$14,000	Additional Tableau licensing to allow internal users and external stakeholders to view real-time, filterable reports
Third Party Outbound Texting	$20,000	$0	A third-party solution allowing cold SMS outreach to potential riders/stakeholders without the risk of our established digital communication channels being censored for SPAM
Total	**$39,000**	**$14,000**	

5	Construction Contract Performance Audit Financial Sustainability	
	VMR	**VM Recommended**

Description
In support of strategic plan goal "Financial Sustainability" this initiative will help Valley Metro ensure construction costs charged by contractors are appropriate and comply with contract terms. Construction projects are an area of high risk in the public transit industry due to the size and scope of these projects and the expense associated with completing these types of projects. This audit would allow Internal Audit function to engage a consultant with expertise in the public transportation construction area to determine whether Valley Metro performance metrics and management practices for construction contracts meet industry best practices and that performance metrics are working as intended in current light rail projects. This exercise will provide benchmarking Valley Metro performance with the performance of peer agencies and identify recommendations for improvement within construction contracting.

Item	RPTA	VMR	Note
Construction Contract Audit		$125,000	
Total	**$0**	**$125,000**	

6	Agency Cost of Living Adjustment (COLA) & Merit Award Invest in Our Talent	
	Combined	VM Recommended

Description

In support of the strategic plan goal to "Invest in Our Talent" this initiative would allow Valley Metro to be more competitive in the labor market to attract and retain employees critical to effectively and efficiently provide and manage regional transit service. Until recent months inflation in the Phoenix Metropolitan Area had been consistently among the highest in the country. Inflation reached 13.0% in the Valley in August 2022 and gradually decreased to 8.5% in February 2023. From December 2020 to February 2023, inflation increased by 21.6% in aggregate. While inflation has slowed recently, year over year inflation in the region was 2.7% for January 2024. The January 2024 unemployment rate of 3.4% is still well below the 30-year average of 5.0% in the Valley.

Valley Metro's workforce has improved slightly over the first six months of the year as compared to last year, however it continues to face challenges. Valley Metro's annualized 90-day average turn-over rate was 22% for FY23 and is 14% thus far this year. Additionally, local member agencies have been surveyed and some have indicated planned modest wage adjustments for FY25 in order to enhance employee recruitment and retention competitiveness. Consistent and commensurate with adjustments being considered by member agencies, Valley Metro staff recommends an employee market adjustment comprised of a 2.5% cost of living adjustment and up to 5% merit award.

Item	RPTA	VMR	Note
3.5% Merit Increase	$620,000	$916,000	
2.5% COLA Increase	$442,000	$652,000	
Total	**$1,062,000**	**$1,568,000**	

7	Automated Passenger Counters (APCs) Validation Leverage Data and Technology	
	RPTA	VM Recommended

Description

In support of strategic plan goal to "Leverage Industry Best Practices and Innovations on Data and Technology" this initiative would involve the validation of Clever Devices bus automatic passenger counters (APCs) on RPTA operated buses. This will establish that the accuracy level of the data produced by the APCs is acceptable for National Transit Database (NTD) reporting, and by extension monthly regional and other ad hoc reporting to member cities for budgeting and accounting purposes. Until these counters are certified, Valley Metro is required to report and rely on farebox data, which is typically subject to more errors than APC technology. Once the APCs are validated, we can transition from farebox-based ridership to APC-based ridership. The bus APCs are currently reporting higher ridership than the fareboxes. Yet we are unable to use bus APC ridership data to ascertain more accurate ridership numbers for reporting purposes because the APCs are not validated and certified. APC certification will also eliminate the need for operators to collect hand counts on circulator routes without fareboxes, and will provide the agency the utility of a reliable APC system that has been lacking.

This initiative is critically important and necessary because extensive time and resources have been invested in the installation and maintenance of the Clever APC system to produce reports for which the reliability has not yet been validated. This initiative will also complement the City of Phoenix's similar forthcoming effort on their bus fleet, which is also equipped with the Clever APCs and requires validation.

The long-term benefits are many, including but not limited to having a better representation of actual ridership, operational costs and service demand. APCs provide data about where riders get off of the bus, in addition to where they get on. Additionally, Planning staff will free up substantial resources currently spent on statistical adjustments needed to massage APC data into presentable reports and maps and gain access to more accurate ridership data for use in service planning and decision making; for NTD reporting; and for general reporting to the public.

Item	RPTA	VMR	Note
Validate APCs for NTD Reporting	$300,000		
Total	**$300,000**	**$0**	

8	Improve Enterprise Asset Management (EAM) System Utility Leverage Data and Technology	
	Combined	**VM Recommended**

Description

In support of strategic plan goal to "Leverage Industry Best Practices and Innovations on Data and Technology" this initiative will enhance the Enterprise Asset Management (EAM) system to improve system utility. An enhanced EAM system will reduce time, error rates, and associated cost of rework of manual processes entering and transferring data between the EAM and associated systems. This will result in optimized maintenance strategies, increased operational reliability and efficiency of Valley Metro assets, and minimized asset downtimes. This translates into substantial cost savings over the asset lifecycle. Furthermore, compliance management will improve, helping ensure alignment with regulatory standards, mitigating risks and fostering a safer operational environment. Implementation and customization development support will be required from various vendors, however, $55,300 in annual Ellipse system maintenance costs will be eliminated once data transition is completed.

Item	RPTA	VMR	Note
EAM System Improvement	$169,000	$122,000	Trapeze and third-party professional services and customized development
Total	**$169,000**	**$122,000**	

9	**Replace End of Life IT Hardware** Leverage Data and Technology	
	Combined	**VM Recommended**

Description

In support of strategic plan goal Leverage industry best practices and innovations on data and technology this recommendation seeks to update critical information technology (IT) tools. Maintaining modern technology systems and hardware is vital to the efficient operation of Valley Metro, and it is recommended that the agency replace aging digital storage hardware and end-user IT equipment.

Agency Digital Storage Hardware Refresh

Enterprise storage hardware that was implemented in the mid-2010's will reach the manufacturer's end-of-life in October 2024, and therefore, must be replaced. This initiative also includes software providing for the implementation of a more robust, rapid disaster recovery ability allowing us to fail over more quickly in the event of a significant issue such as a power or network failure.

Without this initiative we will be in a position where the manufacturer will no longer support or provide parts for the storage hardware, meaning that we may be unable to recover from any firmware, software, or hardware failures past that point, depriving agency staff of access to data and mission-critical internal applications. In the event of a significant failure, it will require hours to shift digital operations to our backup site rather than a matter of minutes.

End-User IT Equipment Refresh

This initiative replaces end-user IT equipment that has exceeded its standard useful lifecycle (four years for mobile devices, five years for desktops) or whose manufacturer has declared it end-of-life. This covers 53 computers and laptops along with 13 VoIP phones, the majority of which were purchased at the beginning of the pandemic and will reach or have exceeded their replacement cycle in FY25. Replacing this equipment is essential to avoiding reduced productivity caused by the use of slow, unreliable computers and laptops.

Agency Digital Storage Hardware (Storage Area Network) Refresh	$63,000	$45,000	Hardware maintenance, software updates, and service subscriptions for four Enterprise SAN units, along with software allowing automated and rapid disaster recovery failover of mission-critical systems from the primary data center (Aligned Energy) to the secondary site (OMC)
End-user IT Equipment Refresh	$62,000	$45,000	Computers (53) and phones (13) that have reached the end of their useful lifecycle
Total	**$125,000**	**$90,000**	

10	Audit Recommended SCADA Specialist (Cyber-Security) Operational Excellence	
	VMR	**VM Recommended**

Description

In support of strategic plan goal of "Operational Excellence" this initiative would support adding a SCADA Specialist to provide more effective and efficient management of the SCADA system. SCADA (Supervisory Control and Data Acquisition) systems are essential for improving rail transportation safety and efficiency. This initiative is an OT cybersecurity audit recommendation for continued SCADA and IT/OT assessments.

There is currently two SCADA administrators that support the SCADA system. These two individuals need to respond to issues that may affect this critical system 24 hours a day, 365 days a year. In addition to the regular support of this system they must also support a vast majority of integration testing that is needed for our rail expanding system. This workload is not reasonable for two individuals, and additional resources are needed for adequate coverage and succession planning purposes. This is a critical role that takes a significant amount of site-specific training and Valley Metro must be prepared to support an expanding SCADA system.

Item	RPTA	VMR	Note
Salary and Fringe		$119,000	
Equipment		$9,000	Workspace, Laptop, monitor, keyboard, etc.
Total	**$0**	**$128,000**	

11	Automated Fuel Management System Implementation Operational Excellence	
	RPTA	**VM Recommended**

Description

In support of strategic plan goal for "Operational Excellence" this initiative is to implement an automated fuel management system for the Valley Metro bus fleet recommended to optimize the refueling process and realize associated efficiencies. This system would automate the current manual process for tracking fueling, coolant, diesel exhaust fluid (DEF) and mileage, providing significantly more accurate and timely data on buses' consumption of commodities. This will allow maintenance staff to better identify issues with buses consuming greater than expected commodities and more promptly make needed repairs.

Item	RPTA	VMR	Note
Fuel Focus Implementation	$300,000	$0	Implementation of an automated fuel management system including pump and vehicle hardware and management software
Total	**$300,000**	**$0**	

12	Blue Stake Base Map Updates Operational Excellence	
	VMR	**VM Recommended**

Description

In support of strategic plan goal of "Operational Excellence" this initiative would update our utility base files with 811 services to ensure we are notified anytime anyone plans to dig near VMR's underground utilities. This update is needed to mitigate the risk of 811 locating services providing the public with outdated or incomplete information on Valley Metro's underground utilities, as well as ensuring we are notified to locate our utilities when underground contractors call in a Blue Stake ticket. Updating the Blue Stake maps will help protect our underground utilities and avoid any costly repairs due to an unmarked utility strike. Valley Metro will gain efficiency in labor costs for in-house blue stake locating efforts. The base file updates to aerial mapping and known existing conditions will enable staff faster and more accurate locating.

Item	RPTA	VMR	Note
Utility Consultant		$200,000	The amount was based on dollar amounts spent in previous years and related projects
Total	**$0**	**$200,000**	

13	Enhanced Facility Cleaning and Oversight Operational Excellence	
	VMR	VM Recommended

Description

In support of strategic plan goal of "Operational Excellence" this initiative will enhance the cleanliness of light rail and streetcar platforms addressing the perception of safety and cleanliness, making the system more appealing to riders. To provide better oversight and quality assurance/quality control for cleaning services over the entire rail system, staff recommends bringing pressure washing services in-house and adding a Cleaning Services Coordinator.

Pressure Washing Staff and In-House Resources

Hire three (3) Pressure Washers to better clean and maintain the current alignment. This will reduce the DMS Cleaning Services contract by $324,000 to initially fund this initiative in FY25. In-house cleaning services will also require three Ford F-250 trucks, three pressure washers/trailers along with the required fuel, insurance, supplies and uniforms. Although this effort requires an up-front investment in equipment in addition to the ongoing costs for the positions, equipment maintenance, fuel and insurance, this initiative will generate savings after this work is performed in house for four years. Annual savings after year four is estimated to be $80,000 - $90,000, which will generate the funding needed to replace equipment at the end of its useful life and still result in a net annual savings of approximately $50,000. Also, bringing this work in-house will provide more timely response to graffiti removal, cleaner stations and improved customer experience by addressing the perception of safety and cleanliness of the system by providing better management and oversight of in-house employees versus contract staff.

Cleaning Services Coordinator

Adding a Cleaning Services Coordinator will allow Valley Metro to better serve our customers and assume a higher level of oversight and ownership of the services performed by our facilities maintenance cleaning services contractor. Currently we have oversight of the first shift contracted cleaning services while the second shift represents an area of improvement. A Cleaning Services Coordinator staffed on second shift will provide Valley Metro and our customers with much needed QA/QC of the cleaning services performed at our passenger stations, rolling stock and support facilities. Currently, most of our cleaning effort is performed on the second shift. Weekly hours of cleaning services performed:

First shift – 34%
Second shift – 66%

Item	RPTA	VMR	Note
Salary and Fringe		$280,000	
Three (3) Ford F-250 Trucks, Pressure washers, Trailers		$273,000	
Equipment		35,000	Workspace, Laptop, monitor, keyboard, etc.
Total	**$0**	**$588,000**	

14	South Central Extension Staffing for Revenue Service Operational Excellence	
	VMR	VM Recommended

Description

In support of strategic plan goal of "Operational Excellence" this initiative includes the additional staffing needed for revenue service of the South Central Extension/Downtown Hub (SCE/DH) light rail project. These positions will increase oversight and quality assurance/quality control over the service management and contractor operations to improve the overall customer experience, increase engagement with internal/external stakeholders, and allow for increased staff development opportunities. The 5.5-mile SCE/DH will connect with the current light rail system in downtown Phoenix and operate south to Baseline Road. The project also includes a transfer hub in downtown Phoenix, eight new stations and two park-and-rides, transitioning the current one-line system to a two-line system. It is currently anticipated the SCE/DH project will transition from the construction phase to revenue operations in mid- 2025. Since the extension will commence revenue operations in FY26, there are no operating costs associated with these positions in FY25, but they need to be filled ahead of revenue operations for training and system testing and start-up activities. All costs incurred ahead of revenue operations will be funded through the capital project

Transportation Positions:

- Assistant Rail Manager – oversee A line, oversee the CED program, coordinate special events, monitor Guard-Tek system, review video, Safety Committee responsibilities, on call and Rail Activation responsibilities.
- Assistant Rail Manager – oversee and monitor the workflow of OCC and Dispatch to ensure quality oversight and affirm contract compliance, monitor the deliverables of any software upgrades to include SCADA additions to ensure adequate oversight and that the upgrades are fully implemented   As we onboard a two-line system, it is imperative that the oversight of the workflow and transition period is closely monitored for assurance of a smooth transition.
- Rail Operations Coordinator – support SCE integration testing, assist with testing and commissioning of additional LRV's, assist with additional field audits, event support, and auxiliary incident review.
- Customer Experience Coordinator (2) - Customer Experience Coordinators serve as the "eyes and ears" on the system, interacting with customers and the public also while working with operations and security personnel to monitor, report and make decisions on service, security and maintenance activities to support a positive customer experience along the light rail line.

Maintenance Positions:

- Traction Power (3) - support the additional inspections and maintenance of substations and overhead catenary to support the opening of the South Central project.
- Signal Technician (2) – support the additional inspections and maintenance of signaling equipment (switches, grade crossings, and TVM's) that will be added to the alignment from the opening of the South Central project. This position will also be responsible for the new Mobile fare validator maintenance and repair.
- Track Maintainer (2) – these positions are to support the additional track inspections and maintenance to support the opening of the South Central project.
- Communication Technician (2) - support the additional inspections and maintenance of communications equipment (TVM's, Cameras, Emergency Call Boxes, VMB's) that will be added to the alignment from the opening of the South Central project. This position will also be responsible for the new Mobile fare validator maintenance and repair.

- Electro Mechanic (3) – performs a variety of skilled mechanical and electrical duties involved in performing inspections, preventive and corrective maintenance, and troubleshooting on all mechanical and electrical systems for rail vehicles.
- Mechanic – performs a variety of skilled mechanical and minor electrical duties involved in performing inspections, preventive and corrective maintenance, and troubleshooting on all mechanical and electrical systems for rail vehicles.
- SCADA Specialist – this position is to support a 24 hour, 7 days a week Operations Control Center. This position will be onsite during off hours to support Maintenance of Way and OCC personnel. Having this person on site will expedite SCADA trouble calls timelier and more efficient.

Administrative Position:
Public Information Specialist - As transit service continues to expand and we move into a multi-line rail system, additional staffing is required to manage the communications needs for the expansion of our regional transit system. This includes supporting increased needs in media relations, social media and the continual expansion of digital platforms. The existing Communications staffing of two public information staff has remained static since 2012, while the system has grown significantly as well as the needs of riders, stakeholders and expectations for increased and more transparent and real-time communications.

South Central Extension / Downtown Hub Transportation and Maintenance new FTE Request

Position [(1)]	Qty	Salary & Benefits	Equipment	Total
Transportation				
Assistant Rail Manager	1	$ 146,000	$ 9,000	$ 155,000
Assistant Rail Manager [(2)]	1	75,000	9,000	84,000
Rail Coordinator	1	101,000	9,000	110,000
Customer Experience Coordinator [(2)]	2	182,000	4,000	186,000
Maintenance				
Communications Systems Technician [(2)]	2	144,000	4,000	148,000
Electro-Mechanical Technician (Rail Vehicle) [(2)]	3	228,000	6,000	234,000
Rail Vehicle Mechanic [(2)]	1	66,000	2,000	68,000
SCADA Specialist [(2)]	1	89,000	9,000	98,000
Signal Systems Technician [(2)]	2	144,000	4,000	148,000
Track Maintainer [(2)]	2	122,000	4,000	126,000
Traction Power Systems Technician	3	318,000	6,000	324,000
Administrative				
Public Information Specialist	1	98,000	9,000	107,000
Total		**$ 1,713,000**	**$ 75,000**	**$ 1,788,000**
		Less Capital Allocation		$ (1,788,000)
		Total Operating Cost		**$ -**

[(1)] Will charge to SCE/DH capital project until revenue SCE is in revenue operations (est. July 25)

[(2)] Partial year hire, will charge to SCE/DH once in revenue operations (est. July 25)

Item	RPTA	VMR	
Salary and Benefits		$1,713,000	
Equipment		75,000	Workspace, Laptop, monitor, keyboard, etc.
Less Capital		-$1,788,000	
Total	**$0**	**$0**	

15	**Cybersecurity Risk Reduction** Prioritize Security on Transit	
	Combined	**VM Recommended**

Description

In support of strategic plan goal to “Prioritize Security on Transit” this initiative will enhance Valley Metro’s efforts in mitigating cybersecurity risk. This initiative addresses multiple findings from the 2023 Operational Technology (OT) Systems Cybersecurity Audit. Currently we have systems that are vulnerable to well-established malicious attacks and may not be able to run modern applications, as well as the increased risk of an OT network that is monitored only for operational failures (is the device online) and not security events (is the device compromised).

Information Technology Cybersecurity Tool Refresh
The Information Security team is seeking to replace two key tools that are lacking capabilities: Endpoint Detection and Response and Email Security. These tools work together to protect agency technology including computers from being compromised by phishing attacks, ransomware, and other forms of malware. Moving to better preforming tools will improve our capability to detect malicious activity and reduce the number of false positive events that result in legitimate emails ‘disappearing’ into quarantine or cause other applications to perform poorly.

Operational Technology Cybersecurity Updates
The Information Security and Maintenance of Way teams need to update the existing OT server and workstation operating systems as well as expand the cybersecurity monitoring tools used to secure the IT network to cover the OT network as well.

Item	RPTA	VMR	Note
IT Security Enhancements	$77,000	$55,000	Subscription and implementation services for a replacement Endpoint Detection & Response (EDR, functionality of an antivirus software plus advanced protection against a wider range of threats) and Email Security Appliance.
OT Security Enhancements	$33,000	$71,000	Additional licensing to expand EDR, vulnerability scanning, and log monitoring to the OT network, as well as upgrading OT’s expired VMware platform, Windows Server (10), and Windows (50) operating systems to supported versions.
Total	**$110,000**	**$126,000**	

16	Rail Safety Specialists Prioritize Security on Transit	
	VMR	VM Recommended

Description

In support of strategic plan goal to "Prioritize Security on Transit" this initiative adds two Rail Safety Specialist II's to support system safety, resulting in greater system safety oversight to reduce system safety risk. These positions are elevated Safety Specialist roles in the Safety, Security, Quality Assurance Division, and will be specifically required to support and interact with the Arizona Department of Transportation (ADOT) Risk Based Inspection Program as directed by the Federal Transit Administration. The objective of these positions is to work the system in line segments, assigning each specialist to an area to assess, track and trend incidents, events and apply proper mitigations/recommendations in concert with the operations and maintenance personnel.

State and Federal safety requirements for transit agencies have significantly increased with the CFR 49 Parts 670, 671, 672, 673, 674 and the Bipartisan Infrastructure Law. By industry standards, and as noted in the 2023 APTA Safety and Security Peer Review, Valley Metro's Safety Department is significantly understaffed. Allocating additional personnel who are tasked and responsible for identifying hazards and mitigating risks may reduce the likelihood of costly investigations or reviews by FTA/ADOT.

Item	RPTA	VMR	Note
Salary and Benefits	$0	$206,000	Two positions
Equipment	$0	$18,000	Workspace, Laptop, monitor, keyboard, etc.
2 Vehicles		$68,000	Ford Escape and extended warranty
Total	**$0**	**$292,000**	

17	**Continuing Commitments** Deliver Excellent Customer Experience	
	Combined	**Continuing Commitment**

Description

Rail Vehicle and Facility Cleaning Costs
Valley Metro contracts with DMS to provide cleaning services for rail vehicles and facilities for both light rail and streetcar. This contract has an annual escalation rate defined in the existing contract.

Comprehensive Operational Analysis (COA)
The Valley Metro Board of Directors previously approved the solicitation for a Comprehensive Operational Assessment (COA) of the existing regional transit network to evaluate of the service area in Maricopa County for the purpose of increasing mobility value, effectiveness, resource efficiency and equity for residents and riders. This effort will support recommendations to improve transit service with a focus on productivity, regional travel, and emerging transit markets, in addition to future improvements aimed at addressing unmet transit needs and regional transit priorities. This effort will be led by Valley Metro, in coordination with MAG and in partnership with the City of Phoenix. It will provide the most efficient and effective service with available resources and help induce ridership across our communities. This is a continuation of the previously approved FY24 VM Recommended initiative.

Item	RPTA	VMR	Note
Rail Vehicle and Facility Cleaning Costs	$0	$212,000	
Transit System Comprehensive Operational Analysis	$500,000	$0	
Total	**$500,000**	**$212,000**	

18	Continuing Commitments Leverage Data and Technology	
	Combined	Continuing Commitment

Description

Information Technology Contract Rate Annualization Increase

Valley Metro uses a range of software and services in its daily operations. All of the software and services listed below reflect the continued use of products previously approved by the Board. Their FY25 costs are increasing for several reasons:

- Annual rate increases included in multi-year contracts (e.g., AccountabilIT, Cisco, Microsoft)
- Annualization of partial year increases in FY 24 (e.g., Swiftly, OpenGov)
- Increased usage (Oracle ERP, Manage Engine)

Item	RPTA	VMR	Note
IT Contract Rates and Annualization	$162,000	$282,000	
Total	**$162,000**	**$282,000**	

19	Continuing Commitments Operational Excellence	
	Combined	Continuing Commitment

Description

Claims Management Services and Insurance Brokerage and Consulting Services
The contract with Valley Metro's current insurance broker is expiring May 2024. A new RFP was authorized by the Board of Directors in August 2023, with a contract anticipated in FY25. To secure an agency broker to meet agency needs, staff recommends a budget increase consistent with the Board approved amount of $675,000 (5 years). For claims management services, staff estimates an amount of $72,000 for a one (1) year contract term. These services include property and casualty insurance coverage brokerage, workers compensation, risk mitigation consultation, and resolution of various property damage subrogation claims for VMR and RPTA.

Fare Collection System Implementation
The regional Fare Collection System Modernization (FCSM) project will enter Phase II, beginning in early summer of 2024, in which reloadable account-based smartcards and other features will be available to the general public. Valley Metro has existing contracts in place with Vix (to provide customer service) and InComm (retail network and fare media supplier). Vix will bring on additional contracted staff to support the additional sales channels and InComm will provide fare media to retail networks ahead of the launch, therefore requiring additional funding for the year.

Fare Administration & Programs
In conjunction with the FCSM project, fare administration and management of the regional fare programs, such as the Platinum Pass, ASU U-Pass and the other group programs, regional fare revenue administration will transition from the City of Phoenix to Valley Metro. Administration of regional fares and regional fare programs has historically been performed by Phoenix, and this regional function will be carried out by Valley Metro as the new fare system comes online. To perform this function for the region it has been determined three new positions will need to be added to Valley Metro/RPTA; however, no additional cost will result since Valley Metro has historically reimbursed Phoenix for its proportionate share of the cost to perform this regional function to ensure the cost was shared across all regional transit partners. With this transition, Valley Metro will no longer pay Phoenix for this cost, but rather, incur the cost directly to fund the positions, resulting in a net zero impact to the RPTA budget.

Insurance Premium
The annual renewal of Valley Metro's property and liability coverage was authorized by the Board of Directors in November 2023. Staff recommends a budget increase to account for the Valley Metro Insurance program to ensure Valley Metro's assets are adequately protected. Insurance impacts both VMR and RPTA.

New Vanpool Contract
The current vanpool service contract, operated by Enterprise, was awarded by the Board of Directors in October 2023 with an effective start-date of January 1, 2024. The FY25 increase of $2.1M is made up of: Annualizing the new contract that starts 1/1/24 - $1.4M, annualizing the cost to fully transition to contractor owned and supplied vehicles - $0.6M, and estimated contract rate escalation of 3.5% in FY25 (January 2025) - $0.1M.

Light Rail NWEII Operations Annualization
The Northwest Extension Phase II officially entered revenue service on January 27, 2024. The FY24 budget only contained six months of operations, therefore this initiative will annualize the costs of transportation and maintenance for the 12 months in FY25.

Demand-Response Service Management System Implementation
In its January 2024 meeting, the RPTA Board of Directors approved the issuance of a RFP for the competitive solicitation of demand response scheduling and dispatch software to support service provisioning and operations for the joint administration of Paratransit, Ride Choice, and future micro-transit services. This solution would replace both Trapeze PASS and its associated supporting modules as well as the current vendor proprietary system being used to manage the Ride Choice program. This effort will begin in FY24 and continue through some or all of FY25 depending on the implementation timeline of the resulting solution.

Rail Operator Rate Increase
Valley Metro contracts its operations of both light rail and streetcar to Alternate Concepts, Inc. (ACI). The ACI contract includes a standard annual wage increase effective July 1, 2024. For FY25, the increase for ACI includes $0.8M for the annual increase of the base contract.

- Light Rail, $0.7M
- Streetcar, $0.1M

Bus Service and Rate Increase
Valley Metro contracts its local, express, and circulator bus service out to two different providers. Each contract has annual escalation rates defined in the existing contracts, combined with service mile adjustments requested by member cities.
Keolis provides services for East Valley bus, while National Express provides service for West Valley bus. West Valley bus costs are significantly down year to year, due to the cancellation of both POGO and ZOOM circulators, effective October 2023.

- East Valley (Keolis), $11.716M
- West Valley (National Express), -$2.587M

Demand Service Rate Increase
Valley Metro contracts its Paratransit service delivery out to one provider (MTM). The Administration of trip assignment and brokerage is done by another contractor, MJM. RideChoice trips are delivered by local vendors who contract with MJM. Each Valley Metro contract has annual escalation rate defined in the existing contracts. The annual contract rate increases, combined with the annualization of these new contracts authorized in FY24, results in the following increases:

- Paratransit (MJM/MTM), $1.1M
- RideChoice (MJM), $0.4M

Item	RPTA	VMR	Note
Claims Management and Insurance Brokerage and Consulting Services	$6,000	$192,000	
Fare Collection System Implementation	$1,168,000	$0	
Fare Administration & Programs	$0	$0	
Insurance Premium	$52,000	$1,032,000	
New Vanpool Contract	$2,103,000	$0	
Light Rail NWEII Operations Annualization	$0	$1,675,000	

Demand-Response Service Management System Implementation	$1,618,000	$0	
Rail Operator Rate Increase	$0	$802,000	
Bus Service and Rate Increase	$9,129,000	$0	
Demand Service Rate Increase	$1,503,000	$0	
Total	**$15,579,000**	**$3,701,000**	

20	**Continuing Commitments** Prioritize Security on Transit	
	Combined	**Continuing Commitment**

Description

Light Rail NWEII Security Annualization
The Northwest Extension Phase II officially entered revenue service on January 27, 2024. The FY24 budget only contained 6 months of operations, therefore this initiative will annualize fare inspection and security for the 12 months in FY25.

Security Contract Rate Increase
Valley Metro contracts its fare inspection and security for rail modes and Valley Metro transit facilities to Allied Universal. The Allied Universal contract includes a standard annual wage increase effective July 1, 2024. For FY25, the increase for ACI includes $0.8M for the annual increase of the base contract.

Security Re-Deployment
The Re-Deployment plan for Allied Universal includes an increase in the supervision of field teams by adding 2 additional field supervisors working in a walking beat capacity, an additional rover team with a vehicle and an additional shift supervisor with vehicle. During the 2022 and 2023 APTA Peer Review, it was concluded the current security contract lacks appropriate levels of supervision and oversight. By utilizing the existing underrun on the contract, we have allowed for additional hiring to boost the field, shift supervisory oversight, layer the supervision to foot patrols as well as vehicle patrol capability and add an additional rover team to cover gaps in coverage along the alignment.

OMC Yard Entrance
Upon completion of the Operations and Maintenance Center (OMC) yard security entrance kiosk in 2023, Valley Metro utilized existing contract authority to staff this building. This security element is designed to enhance the security elements to this facility as well as the efficient card access pass through of contractors and staff.

Item	RPTA	VMR	Note
Light Rail NWEII Security Annualization	$0	$575,000	
Security Contract Rate Increase	$7,000	$224,000	
Security Re-Deployment	$0	$902,000	
OMC Yard Entrance	$0	$477,000	
Total	**$7,000**	**$2,178,000**	

21	Inflationary/Market & Ridership Operational Excellence	
	Combined	**Inflationary/Market & Ridership**

Description

ADA Ridership Growth

Paratransit

In FY25, Valley Metro anticipates a decrease in trips of (4.6%), as a shift from Paratransit to RideChoice ridership continues. The decrease in ridership results in a decrease of $(0.5)M.

RideChoice

In FY25, Valley Metro anticipates a ridership increase of 22%, as trips based on the trend mentioned above from Paratransit to RideChoice ridership, resulting in an increase of $1.4M.

Bus Fuel

Tempe fuel (diesel and natural gas) prices continue to fluctuate. The Tempe facility, owned by the City of Tempe, provides approximately 200,000 gallons of Diesel and unleaded fuel, and 2.4M gallons of natural gas (LNG & CNG, which is trucked to the facility). The anticipated increase in cost for FY25 is estimated to be $0.8M. Prices at the Mesa Facility have remained relatively stable.

Rail System Maintenance

The cost of equipment, parts and supplies for rail system maintenance continues to rise. Also, with aging non-revenue maintenance fleet, related maintenance and fuel costs are increasing. Additionally, the cost of third-party repairs for vandalism and accidents have increased, as well as the contractual obligations for the SCADA system and the Phoenix Regional Wireless Network.

Light Rail Operations Utility Increase

Both major utility providers have passed rate increases recently. SRP and APS's increases will be approximately 9.6% and almost 10% for APS. The FY25 increase is estimated to be $1.1M

Item	RPTA	VMR	Note
ADA Ridership Growth	$885,000	$0	
Bus Fuel	$795,000	$0	
Rail System Maintenance	$0	$397,000	
Light Rail Operations Utility Increase	$0	$1,114,000	
Total	**$1,680,000**	**$1,511,000**	

FTEs by Agency

FY24 Adopted FTEs	**174.3**	**312.7**	**487.0**
Proposed New Positions	**RPTA**	**VMR**	**Total FTEs**
SCADA Specialist	-	1.00	1.00
Cleaning Services Coordinator	-	1.00	1.00
Utility Worker (Pressure Washer)	-	3.00	3.00
Rail Safety Specialist II	-	2.00	2.00
Assistant Rail Manager - OCC	-	1.00	1.00
Assistant Rail Manager	-	1.00	1.00
Rail Coordinator	-	1.00	1.00
Customer Experience Coordinator	-	2.00	2.00
Public Information Specialist	-	1.00	1.00
Traction Power Systems Technician	-	3.00	3.00
Signal Technician	-	2.00	2.00
Track Maintainer	-	2.00	2.00
Communication System Technician	-	2.00	2.00
Electro Mechanic	-	3.00	3.00
Mechanic	-	1.00	1.00
SCADA Specialist	-	1.00	1.00
Manager, Fare Administration and Programs	1.00	-	1.00
Fare Programs Coordinator	2.00	-	2.00
Existing staff change in effort for FY25	(2.58)	2.58	-
Change	**0.4**	**29.6**	**30.0**
FY25 Proposed FTEs	**174.7**	**342.3**	**517.0**

VALLEY METRO

Memo

To:	Valley Metro RPTA Board of Directors	**Agenda Item 3**
Date:	May 9, 2024	
From:	Councilmember Bill Stipp, RPTA Chair, City of Goodyear	
Re:	Election of FY25 Board Officers and Subcommittee Members	

In June of each fiscal year, the Regional Public Transportation Authority (RPTA) elects Board officers, in addition to electing members to the two standing committees of the Board: The Joint Board Subcommittee (JBS) and Audit and Finance Subcommittee (AFS). Board and Subcommittee members must be elected officials and participation on the respective subcommittees are limited to elected officials only.

Listed below are the positions available for FY 2025 (July 1, 2024 – June 30, 2025).

<u>RPTA Board Officers</u>

- Chair: one-year term
- Vice Chair: one-year term
- Treasurer: one-year term

<u>Audit and Finance Subcommittee</u>

- Two AFS members representing RPTA (Goodman and Peterson) have an expiring term in 2024, however they are eligible for re-election should they choose to seek another term.

The purpose of the AFS is to provide oversight of the financial activities and internal audit functions of the RPTA and VMR. The AFS shall meet no less than once each calendar quarter or as frequently as the committee deems necessary. The AFS consists of up to five (5) members; terms of membership are for two years. No member shall serve more than four years, except the elected official representing the City of Phoenix. Two (2) of the members will represent both RPTA and VMR (with the aforementioned Phoenix elected official retaining one of the two VMR positions). No more than two members of the AFS will be from the VMR Board due to quorum requirements. The Chair of the AFS is appointed by the Chairs of the RPTA and VMR Boards.

<u>Joint Boards Subcommittee (no term limits)</u>

- Two RPTA positions available for a one-year term.

The JBS meets annually, or as needed. It is comprised of four members represented by two elected officials from RPTA and two elected officials from VMR. The members are responsible for the following:

- Resolving conflicting direction that the CEO may receive from the RPTA Board and the VMR Board.

- Establishing recommended annual goals for the CEO that are subject the approval of the RPTA Board and the VMR Board.
- Providing the annual evaluation of the CEO's achievement of assigned goals with such evaluation subject to the approval of the RPTA Board and the VMR Board.

If you are interested in serving as a **RPTA Board Officer, AFS or JBS member for FY 2025**, please send a letter of interest, via email, to Pat Dillon at pdillon@valleymetro.org expressing your desire to serve.

Letters of interest are due no later than **5:00 p.m. on June 11, 2024**. Your letter should indicate the position sought and the reason(s) for your interest, and qualifications you possess. If you are interested in serving on more than one committee, please list each position separately in the letter.

Thank you for your help in this matter. If you have any questions, please contact Pat Dillon at 602-523-6006.

Attachment:
RPTA and VMR Current Board Officers and Subcommittee Members FY 2024

BOARDS/COMMITTEES FY 2024

RPTA Board Officers		
Name	**City**	**Position**
Councilmember Bill Stipp	City of Goodyear	Chair
Vice Mayor OD Harris	City of Chandler	Vice Chair
Vice Mayor Jennifer Adams	City of Tempe	Treasurer

VMR Board Officers		
Name	**City**	**Position**
Councilmember Laura Pastor	City of Phoenix	Chair
Vice Mayor Francisco Heredia	City of Mesa	Vice Chair

Valley Metro RPTA/VMR Audit and Finance Subcommittee			
Name	**City**	**Representing**	**Term Expires**
Vice Mayor Clay Goodman	City of Buckeye	RPTA	June 2024
Mayor Brigette Peterson	Town of Gilbert	RPTA	June 2024
Councilmember Maxine White	City of Avondale	RPTA	June 2025
Vice Mayor Jennifer Adams	City of Tempe	VMR	June 2025
Councilmember Laura Pastor	City of Phoenix	VMR	Permanent
Note: Requires two members from VMR (City of Phoenix is permanent VMR representative) Chair to be designated by RPTA and VMR Board Chairs at the beginning of the fiscal year.			
** Eligible for reelection (total of 4 years can be served)			

Joint Board Subcommittee	
RPTA Members	**City**
Vice Mayor OD Harris	City of Chandler
Councilmember Bill Stipp	City of Goodyear
VMR Members	**City**
Councilmember Laura Pastor	City of Phoenix
Vice Mayor Francisco Heredia	City of Mesa

TMC/RMC Chair/Vice Chair		
Name	**City**	**Position**
Wynette Reed	City of Goodyear	Chair – TMC
Ryan Peters	City of Chandler	Vice Chair - TMC
Mario Paniagua	City of Phoenix	Chair - RMC
Chris Brady	City of Mesa	Vice Chair - RMC

Information Summary

DATE **AGENDA ITEM 4**
May 9. 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

May 9, 2024

Valley Metro Rail
Thursday, May 16, 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 April 18, 2024, Board meeting are presented for approval.

1B. Light Rail Vehicle (LRV) Window Glass Five-Year Supply Contract Award — 1B. For action

Staff recommends that the Board of Directors authorize the CEO to execute a five-year supply contract for LRV window glass requirements from Custom Glass Solusions Trumbauersville, LLC in an amount not to exceed $1,000,000.

1C. 2024 Transit Life Cycle Program (TLCP) - Rail Update — 1C. For action

Staff recommends that the Board of Directors approve the Transit Life Cycle Program Update for rail.

REGULAR AGENDA

2. Valley Metro Rail, Inc. Fiscal Year 2025 (FY25) Proposed Operating and Capital Budget and Five-Year Operating Forecast and Capital Program (FY25 through FY29) — 2. For action

Staff recommends that the Board of Directors approve the Valley Metro Rail, Inc. FY25 Proposed Operating and Capital Budget, and acceptance of the Five-Year Operating Forecast and Capital Program (FY 2025 thru 2029).

3. Election of FY25 Board Officers and Subcommittee Members — 3. For information

In June of each fiscal year, the Regional Public Transportation Authority (RPTA) elects Board officers, in addition to electing members to the two standing committees of the Board: The Joint Board Subcommittee (JBS) and Audit and Finance Subcommittee (AFS). Board and Subcommittee members must be elected officials and participation on the respective subcommittees are limited to elected officials only.

4. Executive Session — 4. For action

The Valley Metro Rail Board of Directors may vote to enter into Executive session according to A.R.S. 38-431.03 Section (A)(3) Discussion or consultation for legal advice with the attorney or attorneys of the public body; (A)(4) discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's positions regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation; and (A)(9) - discussions or consultations with designated representatives of the public body in order to discuss security plans, procedures, assessments, measures or systems relating to, or having an impact on, the security or safety of buildings, facilities, operations, critical infrastructure information and information technology maintained by the public body.

5. Executive Session Action Item — 5. For action

The Board may vote to direct staff to implement items discussed in executive session.

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

Chair Pastor 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 Board is scheduled for **Thursday, June 20, 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. The supporting information for this agenda can be found on our web site at www.valleymetro.org

Minutes

May 9, 2024 **AGENDA ITEM 1A**

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

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

Chair Pastor called the meeting to order at 12:55 p.m.

Chair Pastor said I'm going to convene the meeting and welcome members to the April meeting.

1. Minutes

Chair Pastor said Item Number 1 are the minutes of the agenda. Minutes from the March 21st, 2024, Board meeting are presented for approval. I request a motion and a second to approve the March 21st, 2024, Board meeting minutes.

There is a motion. Do I have a second from Vice Mayor OD Harris. Do I get a second. Jennifer? It's a motion and a second.

Motion by Vice Mayor OD Harris, second by Vic Mayor Jennifer Adams.

Chair Pastor said any discussion? All those in favor, please say aye. Do we have a quorum? Okay. Those that don't accept the minutes, please say nay. The ayes carry.

Ms. Dillon said Vice Mayor Adams is online, and so is Vice Mayor Harris.

Chair Pastor said Harris is responding.

Vice Mayor Harris said yes.

IT WAS MOVED BY VICE MAYOR HARRIS, SECONDED BY VICE MAYOR ADAMS, AND UNANIMOUSLY CARRIED TO APPROVE THE MINUTES OF THE MARCH 21, 2024 MEETING.

2. Valley Metro Rail, Inc. Fiscal Year 2025 (FY25) Preliminary Operating and Capital Budget and Five-Year Operating Forecast and Capital Program (FY25 through FY29)

Chair Pastor said Item Number 2, Valley Metro Rail fiscal year 2025 preliminary operating and capital budget in a five-year operating forecast and capital program, Fiscal year 25 through fiscal year 29. Jessica Mefford-Miller will introduce this item.

Ms. Mefford-Miller said thank you. I'm going to turn it over to Ken Kessler, Chief Financial Officer.

Mr. Kessler said thank you, Jessica. Madam Chair, members of the Board, so won't go over the duplicate slides. Obviously, we've already shared this information. I'll move right into the VMR specific information. So here's that buildup of the budget again for Valley Metro Rail. The base for 25 has a $3.5 million reduction identifying some savings.

There are some areas of underrun and one time cost not continuing into FY 25 with an overall $8 million change from year to year and against the pie chart there showing obligations being over two thirds of the overall increase from year to year. And then on the operating budget, the $86.1 million for rail, streetcars at $7.4 million, and the agency operating at $3.4 million, representing a 9 percent overall agency year over year increase.

I'll mention a big part of that on the rail side, and the light rail side is a full year operation of Northwest Phase II. In the current year, we only have a half year or a little less than a half year with it opening in late January and of course, into the new fiscal year. The budget reflects a full year operation of that extension.

And on the source of funds for our operating program, primarily funded by member city contributions and fares collected on the system. And so moving into the Valley Metro recommended initiatives for the operating budget, starting with deliver excellent customer experience goal. Again, the Valley Metro rail portion of the service promotions or marketing effort, this is focused around a promotion with the Arizona Diamondbacks.

We're looking to join in a ticket partnership with them. And this would be a marketing program to support that. And then on the second item listed there, this is a rail system signage audit and really an educational campaign as well as we transition from a one-line system to a two-line system as South Central nears completion and enters revenue service in Calendar Year 25.

The next goal for delivers on stakeholder collaboration, this is the same initiative from RPTA. This is just the VMR share of that initiative at $14,000. For financial sustainability goal, we have one initiative here; construction contract performance audit. This is recommended by our chief auditor.

Would be to engage outside auditors with specific experience in construction contract area to look at our construction contracting practices and look to where we might gain efficiencies by improving our contracting practices with the VMR types of construction contracts are typically large in terms of cost and just in scope of the work. So there's a lot of risk there. So we're looking to find some efficiencies in the way we deliver those projects going forward.

And again, invest in our talent. This is just our share of the proposed merit and cost of living adjustment for FY 25. And for data and technology, again, the same initiatives just the Valley Metro rail share here shown on this slide here. For operational excellence, a number of things here. Recommend adding a SCADA specialist. This is part of the cybersecurity audit recommendations to add that additional resource.

Blue stake base map updates. This is to ensure that we have utility-based files that are up to date to make sure that underground utilities along our alignment are properly located so that if there's any underground activities, we avoid having any strikes there, making sure that data is up to date.

For Number 13, this is providing better oversight and quality for our cleaning services through bringing in-house pressure washing from our current contractor that provides that in addition to other cleaning services. As well, adding a cleaning service coordinator position to better oversee our cleaning efforts, both in-house and those that will continue to be provided by a third-party contractor. Certainly.

Chair Pastor said Item 10. Is it SCADA or SCADA specialist cyber security? What exactly is that specialist? Is that a specialist counteracting cyber technology or?

Ms. Mefford-Miller said I'd be happy to take that one. Thank you, Madam Chair. The response to that, and I understand it's not clear. SCADA is supervisory control and data acquisition. It is the control system that we utilize to monitor the movements of our light rail vehicles on the system. And this is a result of our operations technology or OT cybersecurity audit. And we have two little resources devoted to maintaining the SCADA system today. And it is a business-critical safety sensitive system.

Chair Pastor said I was just curious.

Mr. Kessler said we'll move on from that slide. Oh, the last time there 14 South Central. So we have in here is the initiative to add that staffing. There's a zero cost here to the operations budget because at this point, it's that cost of onboarding those additional staff will be in the capital program until revenue service stats.

And then for prioritizing security on transit, the first one there, Number 15, this is shared with RPTA. So this is just the Valley Metro rail share of that at $126,000. And then Number 16, rail safety specialist. So this is adding two rail safety specialists. We have a very small safety and security staff here. And this is really to help support, you know, increasing safety around the system and also to make sure that we are in compliance with state and federal safety requirements.

Chair Pastor said 16. Rail safety. What exactly is rail safety? Is that security?

Ms. Mefford-Miller said no. Safety would be things like unintentional harm caused by collisions. For example, operator behavior. A rail safety team works very closely with our operating provider ACI. So we're doing things like training, drug and alcohol, collision investigation, et cetera.

Chair Pastor said so it's keeping the system safe or making sure the equipment and everything is running correctly.

Ms. Mefford-Miller said that's right. And responding to things like collisions.

Mr. Kessler said so that's it for the Valley Metro recommendations. Moving on to the obligations. Here's a list of those items within the VMR budget that are again the annualization of northwest Phase 2 operations, some contractual rate increases year over year and some utility rate increases as well. Happy to answer any questions. We're good? Okay.

So I'll move on to our capital program. So in the FY 25 budget, the capital program South Central continues, as well as the ramp up of the capital extension. Those will be the two biggest projects within that capital program. And then looking at the sources that support the capital program, federal funds, member city contributions and public transportation funds being the primary sources that support the capital program. We're good? Okay.

So I'll move on then to our five year forecast for VMR. And again, start with the five-year operating program, about a $592 million program over the five years. The primary sources, member city contributions and fares and obviously, operations and maintenance and security being the primary drivers on the use of fund size for the operating program.

And then the five-year capital program, about a $690 million program over five years, primarily supported by fund sources from federal funds as well as the PTF. And you can see that drop off as we move beyond Fiscal Year 2026 as we all know, the restrictions on PTF going forward in the extension through Prop 479. So we'll see the member city contributions kind of go up from there.

And then on the use other side, again, the same projects, South Central and the Capital extension are the biggest projects in the program for -- over the next five years. Any questions on the five-year program? All right. And here's the recap of the timeline for the budget process. Maybe, I guess more potential for June adoption here on the VMR side, but if not, we're obviously ready to go for May if that's the Board's choice. That's the end of my presentation. Happy to take any additional questions.

Chair Pastor said thank you. Are there any questions? This item is presented for information only. No action is required. I don't see any questions.

I have no questions. Thank you. Appreciate it. All right. I'm going to move Item 4 and Item 5 up.

4. Future Report on Current Events and Suggested Future Agenda Items

Chair Pastor said Item 4 is report on current events and suggested future agenda items. Are there any future agenda items for any requests. Looks like I don't have any.

5. Next Meeting

The next meeting of the Board is scheduled for Thursday, May 16, 2024, at 11:15 a.m.

Without further discussion, the meeting was adjourned at 1:08 p.m.

3. Executive Session

Chair Pastor said I am now moving to Item Number 3. We're going into executive session. I'm going to request a motion and a second to enter into executive session as listed on today's agenda. May I have a motion? Odie Harris made a motion. I need a second.

Motion by Vice Mayor Harris, second by Councilmember Pastor.

Chair Pastor said there's a motion and a second. Any discussion? Don't hear any discussion. All those in favor, please say aye. Those not in favor, they say nay. Ayes pass. Thank you. We'll be going into executive session. I'll come back out and then close the meeting. Thank you.

IT WAS MOVED BY VICE MAYOR HARRIS, SECONDED BY COUNCILMEMBER PASTOR, AND UNANIMOUSLY CARRIED TO ENTER INTO TO EXECUTIVE SESSION.

Information Summary

DATE **AGENDA ITEM 1B**
May 9, 2024

SUBJECT
Light Rail Vehicle (LRV) Window Glass Five-Year Supply Contract Award

PURPOSE
Request to authorize the Chief Executive Officer (CEO) to enter into a contract by and between Valley Metro Rail, Inc. (the "Agency"), and Custom Glass Solutions Trumbauersville, LLC ("Contractor"), for light rail vehicle (LRV) window glass. The total value of this contract will not exceed $1,000,000.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute a five-year supply contract for LRV window glass requirements from Custom Glass Solusions Trumbauersville, LLC in an amount not to exceed $1,000,000.

BACKGROUND | DISCUSSION | CONSIDERATION
The total fleet includes 49 Kinkisharyo (KI) LRVs. Agency maintains an inventory of windshield and other window glass for the LRV sides. Glass usage is dependent on the occurrence of vandalism incidents and/or accidents.

The LRV glass components have a special film between them to reduce the solar load on the vehicles. Also, the windshield has a compound curvature that makes it difficult to replicate. The recommended vendor is NASG Holdings, LLC, the original equipment manufacturer (OEM).

The price schedule for June 1, 2024, to May 31, 2025, is included in Attachment A

Procurement Information
A contract will be established through a non-competitive process using a sole source method in accordance with the Agency's Joint Procurement Manual.

Contract Type and Term
The contract is a fixed-price contract. The contract is for materials/parts only. All labor will be completed in-house by Agency maintenance staff. The contract will begin on or about June 1, 2024, for an initial one-year term with four (4) one-year options to extend, for a maximum term of five (5) years.

COST AND BUDGET
The aggregate contract value will not exceed $1,000,000.

The cost of purchasing the glass components is included in the Valley Metro Rail Adopted FY2024 Operating and Capital Budget. Contract obligations beyond FY2024 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2024 through FY2028).

The source of funds is member cities.

COMMITTEE PROCESS
RTAG: April 16, 2024, for information
RMC: May 1, 2024, approved
Board of Directors: May 16, 2024, for action

CONTACT
Darren Curry
Chief Maintenance Officer
dcurry@valleymetro.org

ATTACHMENT:
Attachment A - Price Schedule for June 1, 2024 to May 31, 2025

Attachment A - Price Schedule

June 1, 2024 to May 31, 2025

Price Schedule			*Pricing 6/1/2024 - 5/31/2025		
Part ID#	Stock Code	Packed Description	**4 pcs**	**12 pcs**	**16 pcs**
SSCP0022	1001924	WINDSHIELD; Cab windshield, heated	$8,637.00	$7,537.00	$7,118.00
			5 pcs	**10 pcs**	**15 pcs**
SSCP0023ALX	1003458	WINDOW; Side, high floor, LH	$2,684.00	$1,928.00	$1,756.00
SSCP0024RHX	1001973	WINDOW; Side, low floor (dest. sign) RH	$3,446.00	$2,482.00	$2,345.00
SSCP0024LHGL	1001965	WINDOW; Side, Low Floor (Destination Sign), LH	$3,238.00	$2,493.00	$2,223.00
SCCP0023DNVS	1002013	WINDOW; C-Car, RH, Side Window	$2,699.00	$2,018.00	$1,914.00
SSCP0023CGL	1001957	WINDOW; C-Car, LH, Side Window, Bicycle Decal	$2,914.00	$2,049.00	$1,942.00
SSCP0023BRX	1001932	WINDOW; Side, low floor, RH	$2,815.00	$2,040.00	$1,930.00
SSCP0023BLX	1001940	WINDOW; Side, low floor, LH	$2,815.00	$2,040.00	$1,930.00
SSCP0023ARGL	1003441	WINDOW; Side, high floor, RH	$2,737.00	$1,970.00	$1,803.00
447307021PT1	1044593	WINDOW; Glass, Passenger Door	$283.00	$216.00	$182.00
SSCP0023G	1000678	Cab door glass	$316.00	$267.90	$250.00
SSCP0023HL	1000660	Cab partition glass, LH	$310.30	$283.00	$265.25
SSCP0023HR	1000652	Cab partition glass, RH	$310.30	$283.00	$265.25
FRHA50834	1042506	Cab, Side, Window, Locking Handle	$93.45	$93.45	$93.45
SSCP0025LH**	1000603	LH Cab side window assembly	N/A	$7,010.00	N/A
SSCP0025RH**	1000595	RH Cab side window assembly	N/A	$7,010.00	N/A
80519	1000629	LH Cab side window slider glass	$317.20	$288.35	$264.35

80522	1000611	RH Cab side window slider glass	$285.05	$298.05	$326.85
Notes:					
Pricing includes crate/box and packaging, it does not include freight.					
These items use Southwall Film. Lead-time 36-38 weeks for production if Southwall needs to be ordered.					
*This is pricing effective June 1, 2024. The first year will be fixed pricing. Thereafter each subsequent year may be adjusted in accordance with price based on US Department of Labor, Bureau of Labor Statistics, PPI, however no increase shall be above 4% from previous year.					
** Min buy 10 units - can be combined RH & LH.					

Information Summary

DATE **AGENDA ITEM 1C**
May 9, 2024

SUBJECT
2024 Transit Life Cycle Program (TLCP) - Rail Update

PURPOSE
To present the 2024 TLCP Rail Update for approval.

RECOMMENDATION
Staff recommends that Board of Directors approve the Transit Life Cycle Program Update.

BACKGROUND | DISCUSSION | CONSIDERATION
The TLCP was developed in 2005 to provide guidance for the implementation of the transit component of the Regional Transportation Plan (RTP). The TLCP includes Guiding Principles, policies, procedures, and financial forecasts to ensure that the program is balanced. Information presented in the TLCP is a 20-year summary encompassing the life of the Maricopa County Transportation Excise Tax authorized by Proposition 400.

The most recent Board-approved update to the TLCP was in April 2023. ADOT released its most recent official revenue forecast in October 2023. The 2024 TLCP Update, which uses the updated forecast has an increase of $1.1 million in total VMR Public Transportation (PTF) revenues compared to the 2023 update.

Fiscal Year	2022 Forecast	2023 Forecast	$ Change	% Change
FY23 (Actuals)	$103,687,000	*$103,992,000*	$ 305,000	0.3%
FY24	106,955,000	107,387,000	432,000	0.4%
FY25	112,441,000	112,801,000	360,000	0.3%
FY26	69,000,000	68,956,000	(44,000)	(0.1)%
Total	**$392,083,000**	**$393,136,000**	**$1,053,000**	**0.3%**

NOTE: Numbers in italics indicate actuals.

Rail/High-Capacity Transit Program
This update makes changes to the adopted 2023 TLCP Update. Among the major changes are in the cost estimates for the Capitol Extension, South Central/Downtown Hub, and project development.
Senate Bill 1102

On August 1, 2023, Governor Hobbs signed SB 1102 into law, authorizing Maricopa County to put the extension of Prop 400 on the November 2024 ballot for consideration by County voters. The legislation prohibits PTF from being used for light rail extensions and continues the prohibition of PTF from being used for light rail operations. For light rail, the only allowable expenditures of PTF would be for State of Good Repair (SOGR) projects. The legislation also has restrictions on how close a light rail alignment may be to the State Capitol building. This necessitated a realignment of the Capitol Extension.

Below is a summary of the proposed changes to the projects.

Capitol Extension – The project cost has decreased from $531 million to $380 million. To comply with SB 1102 restricting light rail's proximity to the State Capitol, Valley Metro is modifying the Capitol Extension light rail route design. The modified route would connect to the current light rail line at Third Avenue and Washington Street and head west on Washington Street, turning south on 15th Avenue before returning east on Jefferson Street, again connecting to the existing light rail system at Third Avenue and Jefferson Street.

South Central/Downtown Hub – A $3 million fiber optic project has been added as a concurrent non-project activity (CNPA). The Valley Metro Operations team identified damage and a shortage of spare VM system backbone fibers necessitating the installation of new fiber from downtown to the Operations Control Center. This unforeseen requirement, due to the lack of spare fibers and damage to existing ones, prompts a budget update for the TLCP to accommodate the installation of additional fiber infrastructure essential for the project's completion.

Project Development – The TLCP includes increased costs in planning activities related to future corridors and system planning.

The remaining Prop 400 projects are shown below.

Prop 400 Projects Remaining	2023 TLCP Open Year	2024 TLCP Open Year
Tempe Streetcar	2022	2022
Northwest Phase II	2024	2024
South Central	2024	2025
Capitol*	2027	2027*

NOTE: Calendar years are shown. Tempe Streetcar and Northwest Extension II are currently in revenue service but still have outstanding costs.

**Capitol Extension is in the project development phase. The project schedule will be refined as development continues.*

OUTSTANDING ISSUES/RISKS
Currently, the rail program financial model is balanced, with a surplus of $21 million of PTF remaining at the end of Prop 400, which is reserved for the Working Capital Requirement.

If PTF or federal revenues are insufficient to cover project costs, capital costs may shift to the relevant member cities.

COST AND BUDGET
The proposed changes to the TLCP rail model have already been incorporated into the proposed FY2025 Operating and Capital Budgets and the Five-Year Operating and Capital Forecasts. Revenues and expenditures forecast within the TLCP are balanced as required by State Statute.

COMMITTEE PROCESS
RTAG/FWG: April 16, 2024 for information
RMC: May 1, 2024 approved
Board of Directors: May 16, 2024 for action

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

ATTACHMENT
None

1

Transportation Excise Tax

Proposition 400 approved in November 2004

- Half-cent sales tax for Maricopa County
  - Extension of tax approved in 1985 for freeway improvements
  - Provides funding for freeway, arterial and transit improvements
  - Funding allocations are in State statutes and revenues cannot be transferred between programs
    - 33.3% for transit program
    - 56.2% for freeway program
    - 10.5% for arterial program

2

VALLEY METRO 2

2

TLCP Policy Allocations

RPTA Board adopted policies for TLCP Oct 2005

- Transit PTF allocated to bus and rail programs
  - 56.76% annually to bus program
  - 43.24% annually to rail program
- Each program has a financial model to ensure balanced revenues and expenditure

3

VALLEY METRO 3

3

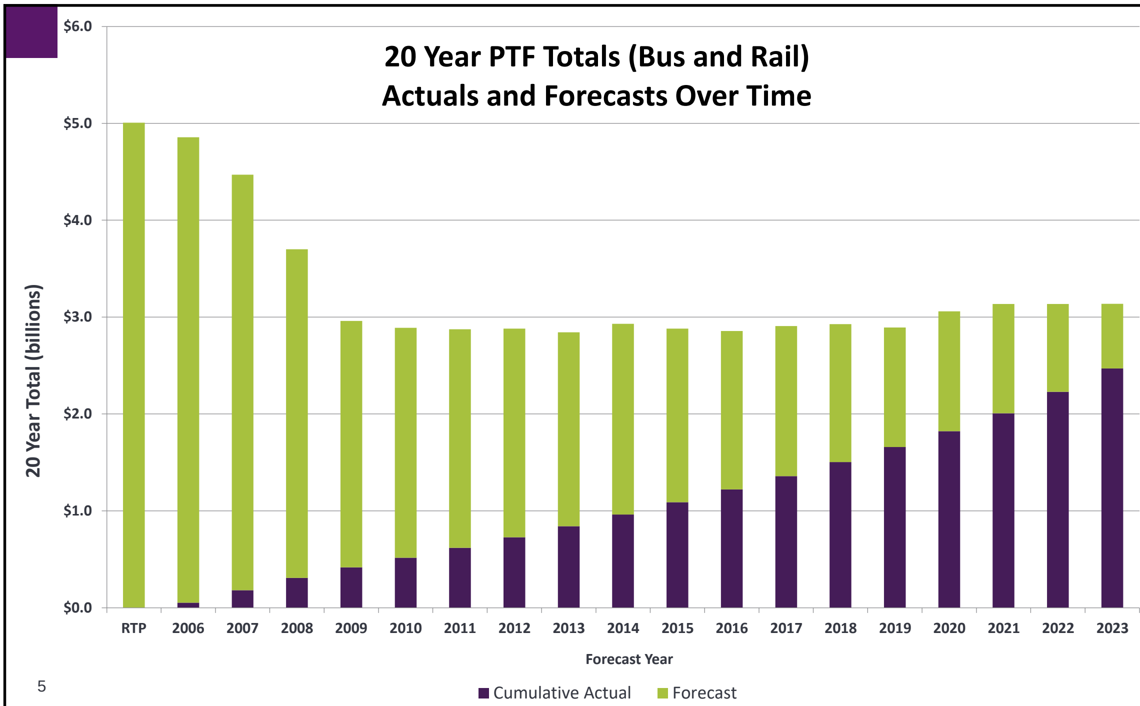
Overview

- Most recent approved update to the TLCP was April 2023
- Updated ADOT PTF Forecast in Fall 2023
- Updated revenue and expenditure estimates
- Prop 400 Extension (Prop 479)
- Realignment of the Capitol Extension
- SCE/DH – Fiber Optic CNPA

4

VALLEY METRO 4

4



5

VALLEY METRO 5

5

Rail PTF: 2023 vs. 2022 ADOT Forecasts

($ in Millions)

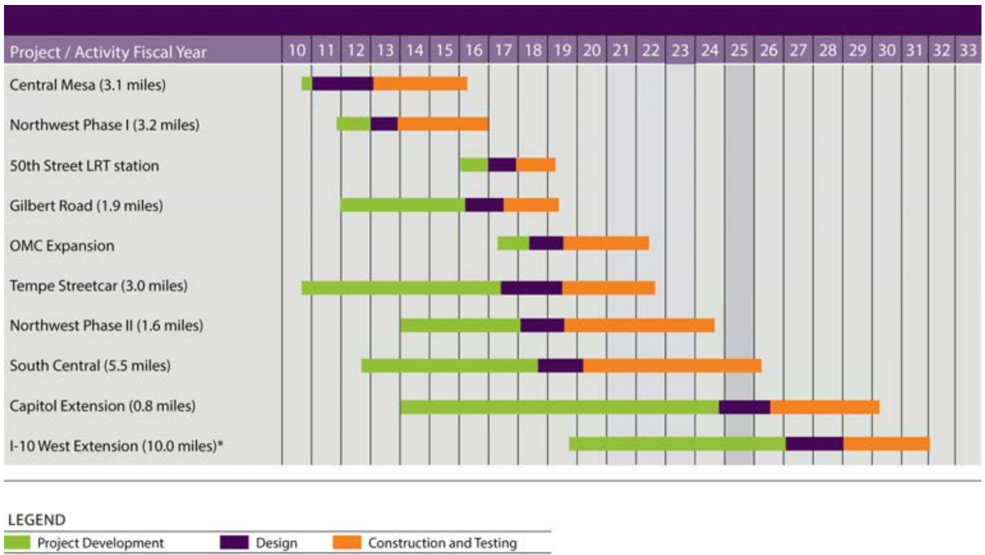
Fiscal Year	2022 Forecast	2023 Forecast	$ Change	% Change
FY23 *(Actuals)*	103,687,000	*$103,992,000*	$ 305,000	0.3%
FY24	106,955,000	107,387,000	432,000	0.4%
FY25	112,441,000	112,801,000	360,000	0.3%
FY26	69,000,000	68,956,000	(44,000)	(0.1)%
Total	**$392,083,000**	**$393,136,000**	**$1,053,000**	**0.3%**

6

VALLEY METRO 6

6

Capital Project Schedule



*I-10 West Extension is in the project development phases. Project schedules will be refined as development continues.

7

VALLEY METRO 7

7

Start of Revenue Service

Changes Since 2023 Update

Prop 400 Projects Remaining	2023 TLCP Open Year	2024 TLCP Open Year
Tempe Streetcar	2022	2022
Northwest Phase II	2024	2024
South Central/DH	2024	2025
Capitol	2027	2027

NOTE: Calendar years are shown. Tempe Streetcar and Northwest Extension II are currently in revenue service but still have outstanding costs.

8

VALLEY METRO

8

Prop 479/ SB 1102

- August 1, 2023: Gov. Hobbs signed SB 1102 into law
- SB 1102 authorizes the extension of Prop 400 (Prop 479) to go to the ballot for approval by Maricopa County voters
- SB 1102 prohibits PTF for light rail extensions
- SB 1102 continues prohibition of PTF for light rail operations
- Only allowed light rail expenditures: SOGR
- SB 1102 restricts proximity of a rail alignment to the Capitol

9

VALLEY METRO 9

9

Changes from 2023

- Capitol Extension – reduced scope; 15th Ave terminus
  - Total project amount reduced from $531M to $380M
  - FTA 5309 (CIG) and Phoenix T2050 revenues reduced
- South Central – add $3M fiber infrastructure project (CNPA)
- SOGR and planning estimates revised upward

10

VALLEY METRO 10

10

2024 Corridor Cost Estimates

	2023 Update	Base	Utilities	2024 Total	Change
Central Mesa	$181.6	$181.0	$0.6	$181.6	$0.0
Northwest Phase I	$323.1	$292.0	$31.1	$323.1	$0.0
Gilbert Road	$179.0	$179.0	$0.0	$179.0	$0.0
Tempe Streetcar	$198.9	$193.7	$5.7	$199.4	$0.5
Northwest Phase II	$402.0	$320.0	$83.2	$403.2	$1.2
South Central/DH	$1,362.4	$1,140.8	$226.4	$1,367.2	$4.8
Capitol*	$531.3	$379.5	$0.0	$379.5	($151.8)
I-10 West	$0.0	$0.0	$0.0	$0.0	$0.0
West Phoenix	$0.0	$0.0	$0.0	$0.0	$0.0
Subtotal Corridor Extensions	**$3,178.3**	**$2,686.0**	**$347.0**	**$3,033.0**	**($145.3)**

**Capitol Extension costs adjusted in 2023 Update column to reflect the full project amount (including costs extending beyond FY26) to match 2024 Update methodology.*

11

VALLEY METRO 11

11

2024 Other Capital Costs

Other Capital Expenditures	2023 Update	Base	Utilities	2024 Total	Change
LRV Acquisition	$101.6	$102.9	$0.0	$102.9	$1.3
50th Street Station	$23.6	$23.6	$0.0	$23.6	$0.0
OMC Expansion	$59.6	$60.5	$0.0	$60.5	$0.9
CP/EV Regional Reimbursements	$272.4	$198.8	$73.6	$272.4	$0.0
State of Good Repair	$58.2	$64.3	$0.0	$64.3	$6.1
Systemwide Improvements	$35.1	$35.5	$0.0	$35.5	$0.4
Corridor Planning/CPDA	$73.5	$80.8	$0.0	$80.8	$7.3
Design Standards & System Planning	$106.3	$102.5	$0.0	$102.5	($3.8)
Subtotal Other Capital	**$730.3**	**$668.9**	**$73.6**	**$742.5**	**$12.2**

12

VALLEY METRO 12

12

2024 Capital Revenues

Revenues	2023 Update	2024 Update	Change	% Change
PTF	$1,355.6	$1,356.7	$1.1	0.1%
FTA 5309*	$1,218.4	$1,142.9	($75.5)	-6.2%
CMAQ	$431.5	$446.1	$14.6	3.4%
Other federal	$42.0	$43.6	$1.6	3.8%
Phoenix T2050*	$860.4	$777.6	($82.8)	-9.6%
Mesa	$15.2	$15.5	$0.3	2.0%
Glendale	$0.1	$0.1	$0.0	0.0%
Tempe	$16.3	$16.6	$0.3	1.8%
Chandler	$0.8	$0.8	$0.0	0.0%
MAG / RPTA	$19.9	$19.9	$0.0	0.0%
Interest / Other	$3.8	$19.0	$15.2	400.0%
Subtotal Capital Revenue	**$3,964.0**	**$3,838.8**	**($125.2)**	**-3.2%**

**Revenues adjusted in 2023 Update column to reflect funding for the full Capitol Extension project (including revenues beyond FY26) to match 2024 Update methodology.*

13

VALLEY METRO 13

13

2024 Cash Flow Summary

				TLCP Totals	Funding Surplus/ (Shortfall)
Total Program Revenues				$3,834.8	
Total Base Program Cost				($3,350.9)	
Funding surplus before PTF utility expenses and financing					$483.9
Non-Prior Right Utility Relocations				($420.6)	$63.3
	Financing	Proceeds	Debt Service		
	Series 2009/2016/2019	$83.6	($102.2)		
	Series 2014	$134.8	($156.4)		
	Advance Funds by Phoenix	$60.0	($62.3)		
Total Financing		$251.7	($321.9)	($42.5)	
Total Program Cost 2026				($3,814.0)	
Net Fund Balance					**$20.8**

14

VALLEY METRO 14

14

Risks/Outstanding Issues

- PTF fully programmed
  - Ending balance of $21M reserved for Working Capital Requirement
- New ADOT Forecast in Fall 2024
- Any significant shortfall in PTF collections would result in capital cost shifts to the relevant member cities
- Prop 479 (Prop 400E) on the ballot in November

15

15

15

Recommendation

Staff recommends that the Board of Directors approve the Transit Life Cycle Program Update.

16

16

16

Information Summary

DATE **AGENDA ITEM 2**

May 9, 2024

SUBJECT

Valley Metro Rail, Inc. Fiscal Year 2025 (FY25) Proposed Operating and Capital Budget and Five-Year Operating Forecast and Capital Program (FY25 through FY29)

PURPOSE

To request approval of the FY25 Proposed Operating and Capital Budget and acceptance of the Five-Year Operating Forecast and Capital Program (FY25 thru FY29).

RECOMMENDATION

Staff recommends that the Board of Directors approve the Valley Metro Rail, Inc. FY25 Proposed Operating and Capital Budget, and acceptance of the Five-Year Operating Forecast and Capital Program (FY 2025 thru 2029).

BACKGROUND | DISCUSSION | CONSIDERATION

The Valley Metro Rail, Inc. (VMR) FY25 combined operating and capital budget (the budget) is $358.7 million. The proposed 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.

Valley Metro began the FY25 budget process by carefully reviewing its operations to identify efficiencies and other potential reductions to the FY25 base operating budget. This resulted in a proactive reduction in the VMR base operating budget of $3.5 million. The largest areas of reduction include one-time items in the FY24 budget not continuing into FY25, staffing vacancies, increased recovery of property damage, and reductions in maintenance costs.

From this starting point, ridership, economic factors outside the agency's control, contractual commitments, and the continued implementation of previously approved Board actions must be incorporated. For FY25, these non-discretionary items total $7.9 million, comprising 68% of the total increase, excluding base change, in the FY25 operating budget. Of this amount, four issues – contract rate increases (including Board-approved contract adjustments), NWEII revenue service annualization, insurance and utilities increases, and security enhancements – comprise 92% of the total non-discretionary increase.

Additionally, Valley Metro recommends the Board adopt $3.7 million of increased spending for new initiatives in FY25. This includes funding for thirteen initiatives, listed below.

FY25 Valley Metro Staff Recommended Initiatives

Initiative#	Description	Amount
1	Service Promotions (3)	$ 100,000
3	Enhanced Passenger Wayfinding and Communication (1)	$ 300,000
4	Enhanced Stakeholder Collaboration (3)	$ 14,000
5	Construction Contract Performance Audit (1)	$ 125,000
6	Agency Cost of Living Adjustment (COLA) & Merit Award (2)	$ 1,568,000
8	Improve Enterprise Asset Mgmt (EAM) System Utility (3)	$ 122,000
9	Replace End of Life IT Hardware (1)	$ 90,000
10	Audit Recommended SCADA Specialist (Cyber-Security) (2)	$ 128,000
12	Blue Stake Base Map Updates (1)	$ 200,000
13	Enhanced Facility Cleaning and Oversight (3)	$ 588,000
14	South Central Extension Staffing for Revenue Service (2)	$ -
15	Cybersecurity Risk Reduction (3)	$ 126,000
16	Rail Safety Specialists (2)	$ 292,000
Total		**$ 3,653,000**

(1) One-time cost for FY25
(2) Annual ongoing cost
(3) Part one-time cost for FY25, part annual ongoing cost

*Initiative numbers are not sequential as some initiatives pertain to RPTA only, some VMR only, and some both RPTA and VMR. Initiatives listed here are those pertaining to RPTA only and the RPTA portion of those pertaining to both RPTA and VMR.

COMMITTEE PROCESS
Preliminary Budget Review:
Financial Working Group: February 20, 2024 for information
RTAG: February 20, 2024 for information
All Committees: March Cycle
Financial Working Group: March 19, 2024 for information
RTAG: March 19, 2024 for information
All Committees: April Cycle

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

CONTACT
Ken Kessler
Chief Financial Officer
kkessler@valleymetro.org

ATTACHMENT
FTE Summary Sheet
Budget Initiatives

Valley Metro VMR Fiscal Year 2025 (FY25) Proposed Operating and Capital Budget & 5-Year Forecast

1

VMR

FY25 Proposed Budget

2

Strategic Framework

Connecting Communities & Enhancing Lives

Deliver Excellent Customer Experience			
Invest in Our Talent	Prioritize Security on Transit	Leverage Data and Technology	Deliver on Stakeholder Collaboration

Strong Leadership

Board Governance

Operational Excellence

Financial Sustainability

3

3

Detailed Initiative Write-Ups

Initiative #

Agency

Category

8	Improve Enterprise Asset Management (EAM) System Utility Leverage Data and Technology	
	Combined	VM Recommended

Description

In support of strategic plan goal to "Leverage Industry Best Practices and Innovations on Data and Technology" this initiative will enhance the Enterprise Asset Management (EAM) system to improve system utility. An enhanced EAM system will reduce time, error rates, and associated cost of rework of manual processes entering and transferring data between the EAM and associated systems. This will result in optimized maintenance strategies, increased operational reliability and efficiency of Valley Metro assets, and minimized asset downtimes. This translates into substantial cost savings over the asset lifecycle. Furthermore, compliance management will improve, helping ensure alignment with regulatory standards, mitigating risks and fostering a safer operational environment. Implementation and customization development support will be required from various vendors, however, $55,300 in annual Ellipse system maintenance costs will be eliminated once data transition is completed.

Item	RPTA	VMR	Note
EAM System Improvement	$169,000	$122,000	Trapeze and third-party professional services and customized development
Total	**$169,000**	**$122,000**	

4

4

FY25 Operating Budget Format

Base Budget – FY 2024's approved services less efficiencies identified by Valley Metro.

➕

Obligations

- Inflation/Market & Ridership – price, wage, and ridership changes.
- Continuing Commitments – continued implementation of actions or contractual terms previously approved by the Board.

➕

Valley Metro Recommendations – changes Valley Metro recommends the Board make for FY 2025

🟰

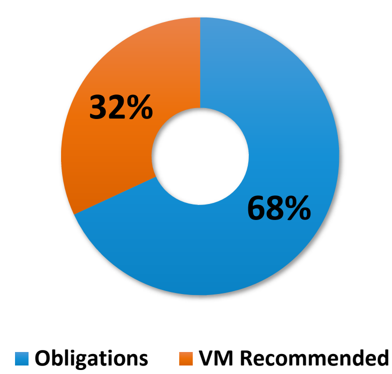
FY 2025 Total Operating Budget

5

5

Operating Budget Overview ($ millions)

VMR	FY 2024 Budget	FY 2025 Base	Change v FY24	Obligations: Cont Commit	Obligations: Inflation & Ridership	Total Obligations	VM Recommend	FY 2025 Budget	Total Change
Total	$ 89.0	$ 85.5	$ (3.5)	$ 6.4	$ 1.5	$ 7.9	$ 3.7	$ 97.0	$ 8.0



6

6

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

Uses of Funds	FY24	FY25	Change $	Change %
Light Rail Operations & Maintenance	$66.2	$71.7	$5.5	8%
Light Rail Security	12.2	14.4	2.2	18%
Subtotal Light Rail	*78.5*	*86.1*	*7.7*	*10%*
Streetcar Operations & Maintenance	6.3	6.4	0.1	2%
Streetcar Security	1.0	1.0	0.0	0%
Subtotal Streetcar	*7.3*	*7.4*	*0.2*	*2%*
Agency Operating	3.3	3.4	0.1	4%
Total Operating Uses	**$89.0**	**$97.0**	**$8.0**	**9%**

7

VALLEY METRO

7

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

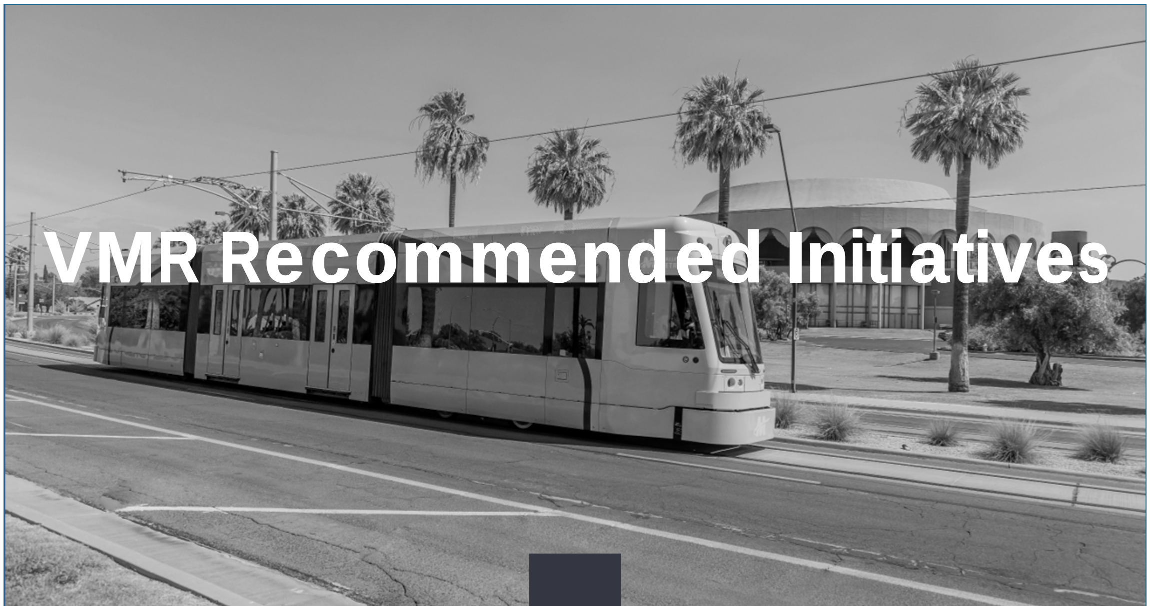
Sources of Funds	FY24	FY25	Change $	Change %
Advertising	$0.9	$1.3	$0.4	47%
Fares	6.0	6.8	0.8	13%
Federal Funds	1.6	1.6	0.0	0%
Member City Contributions	80.4	87.2	6.8	8%
Other	0.1	0.1	0.0	0%
Total Operating Sources	**$89.0**	**$97.0**	**$8.0**	**9%**

8

VALLEY METRO

8

VMR Recommended Initiatives



9

Deliver Excellent Customer Experience

VM Recommended

Initiative #	Name	VM Recommended
1	Service Promotions	$ 100,000
3	Enhanced Passenger Wayfinding and Communication	$ 300,000
Category Total		**$ 400,000**

10

VALLEY METRO

10

Deliver on Stakeholder Collaboration

VM Recommended

Initiative #	Name	VM Recommended
4	Enhanced Stakeholder Collaboration	$ 14,000
Category Total		**$ 14,000**

11

11

Financial Sustainability

VM Recommended

Initiative #	Name	VM Recommended
5	Construction Contract Performance Audit	$ 125,000
Category Total		**$ 125,000**

12

12

Invest In Our Talent
VM Recommended

Initiative #	Name	VM Recommended
6	Agency Cost of Living Adjustment (COLA) & Merit Award	$ 1,568,000
Category Total		**$ 1,568,000**

13

13

Leverage Data and Technology
VM Recommended

Initiative #	Name	VM Recommended
8	Improve Enterprise Asset Mgmt (EAM) System Utility	$ 122,000
9	Replace End of Life IT Hardware	$ 90,000
Category Total		**$ 212,000**

14

14

Operational Excellence

VM Recommended

Initiative #	Name	VM Recommended
10	Audit Recommended SCADA Specialist (Cyber-Security)	$ 128,000
12	Blue Stake Base Map Updates	$ 200,000
13	Enhanced Facility Cleaning and Oversight	$ 588,000
14	South Central Extension Staffing for Revenue Service	$ -
Category Total		**$ 916,000**

15

15

Prioritize Security on Transit

VM Recommended

Initiative #	Name	VM Recommended
15	Cybersecurity Risk Reduction	$ 126,000
16	Rail Safety Specialists	$ 292,000
Category Total		**$ 418,000**

16

16

17

Deliver Excellent Customer Experience
Obligations

Initiative #	Name	Continuing Commitment	Inflation/ Market & Ridership	Grand Total
17	Rail Vehicle and Facility Cleaning Costs	$ 212,000	$ -	$ 212,000
Category Total		**$ 212,000**	**$ -**	**$ 212,000**

18

VALLEY METRO

18

Leverage Data and Technology
Obligations

Initiative #	Name	Continuing Commitment	Inflation/ Market & Ridership	Grand Total
18	IT Contract Rate Annualization Increase	$ 282,000	$ -	$ 282,000
Category Total		**$ 282,000**	**$ -**	**$ 282,000**

19

19

Operational Excellence
Obligations

Initiative #	Name	Continuing Commitment	Inflation/ Market & Ridership	Grand Total
19	Light Rail NWEII Operations Annualization	$ 1,675,000	$ -	$ 1,675,000
	Insurance Premium	$ 1,032,000	$ -	$ 1,032,000
	Claims Management and Insurance Brokerage	$ 192,000	$ -	$ 192,000
	Rail Service Rate Increase	$ 802,000	$ -	$ 802,000
21	Rail System Maintenance	$ -	$ 397,000	$ 397,000
	Light Rail Operations Utility Increase	$ -	$ 1,114,000	$ 1,114,000
Category Total		**$ 3,701,000**	**$ 1,511,000**	**$ 5,212,000**

20

20

Prioritize Security on Transit

Obligations

Initiative #	Name	Continuing Commitment	Inflation/ Market & Ridership	Grand Total
20	Security Contract Rate Increase	$ 224,000	$ -	$ 224,000
	Light Rail NWEII Security Annualization	575,000	-	$ 575,000
	Security Re-Deploy	901,000	-	$ 901,000
	OMC Yard Entrance	478,000	-	$ 478,000
Category Total		**$ 2,178,000**	**$ -**	**$ 2,178,000**

21

VALLEY METRO

21

Obligations Summary

Initiative #	Name	Continuing Commitment	Inflation/ Market & Ridership	Grand Total
17	Rail Vehicle and Facility Cleaning Costs	$ 212,000	$ -	$ 212,000
18	IT Contract Rate Annualization Increase	$ 282,000	$ -	$ 282,000
19	Light Rail NWEII Operations Annualization	$ 1,675,000	$ -	$ 1,675,000
	Insurance Premium	$ 1,032,000	$ -	$ 1,032,000
	Claims Management and Insurance Brokerage	$ 192,000	$ -	$ 192,000
	Rail Service Rate Increase	$ 802,000	$ -	$ 802,000
20	Security Contract Rate Increase	$ 224,000	$ -	$ 224,000
	Light Rail NWEII Security Annualization	$ 575,000	$ -	$ 575,000
	Security Re-Deploy	$ 901,000	$ -	$ 901,000
	OMC Yard Entrance	$ 478,000	$ -	$ 478,000
21	Rail System Maintenance	$ -	$ 397,000	$ 397,000
	Light Rail Operations Utility Increase	$ -	$ 1,114,000	$ 1,114,000
Category Total		**$ 6,373,000**	**$ 1,511,000**	**$ 7,884,000**
Category % of Total		***81%***	***19%***	

22

VALLEY METRO

22

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

Uses of Funds	FY24	FY25	Change $	Change %
Future Project Development	$13.4	$14.8	$1.4	11%
South Central Ext/Downtown Hub	285.6	196.0	(89.6)	-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	4.4	(7.7)	-64%
State of Good Repair	17.2	17.4	0.2	1%
Total Capital Uses	**$405.4**	**$261.6**	**($143.8)**	**-35%**

23

VALLEY METRO 23

23

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	65.4	(116.2)	-64%
Public Transportation Funds	74.3	71.6	(2.7)	-4%
Regional Area Road Funds	0.5	0.5	0.0	0%
Total Capital Sources	**$405.4**	**$261.6**	**($143.8)**	**-35%**

24

VALLEY METRO 24

24

VMR

FY25-29 Five-Year Forecast

25

5-Year Operating Sources and Uses

	FY25	FY26	FY27	FY28	FY29	Total
Operating ($,000)						
Sources of Funds						
Advertising	$ 1,250	$ 1,288	$ 1,326	$ 1,366	$ 1,407	$ 6,637
Fares	6,810	8,701	9,887	11,184	12,655	49,237
Federal Funds	1,627	1,651	1,676	1,701	1,727	8,382
Member City Contributions	87,249	106,721	109,027	111,323	113,556	527,876
Other	100	100	100	100	100	500
Total Sources of Funds	**97,036**	**118,461**	**122,016**	**125,674**	**129,445**	**592,632**
Uses of Funds						
Operations & Maintenance	78,117	96,939	99,849	102,842	105,928	483,675
Security	15,476	17,976	18,515	19,070	19,642	90,679
Agency Operating	3,443	3,546	3,652	3,762	3,875	18,278
Total Uses of Funds	**$ 97,036**	**$ 118,461**	**$ 122,016**	**$ 125,674**	**$ 129,445**	**$ 592,632**

26

VALLEY METRO

26

5-Year Capital Sources and Uses

Capital ($,000)	FY25	FY26	FY27	FY28	FY29	Total
Sources of Funds						
Federal Funds	$ 123,592	$ 125,780	$ 23,131	$ 55,515	$ 55,515	$ 383,533
MAG Funds	500	500	-	-	-	1,000
Member City Contributions	65,447	(108,630)	67,350	30,014	23,350	77,531
Public Transportation Funds	71,589	151,386	1,391	1,302	641	226,309
Regional Area Road Funds	500	500	-	-	-	1,000
Total Sources of Funds	**261,628**	**169,536**	**91,872**	**86,831**	**79,506**	**689,373**
Uses of Funds						
Future Project Development	14,792	17,505	10,466	8,359	8,516	59,638
South Central Ext./Downtown Hub	195,951	68,058	-	-	-	264,009
Capitol Extension	18,396	55,177	76,253	74,235	67,211	291,272
Northwest Extension Phase II	10,769	26,175	-	-	-	36,944
Systemwide Improvements	4,359	75	79	83	87	4,683
State of Good Repair	17,361	2,546	5,074	4,154	3,692	32,827
Total Uses of Funds	**$ 261,628**	**$ 169,536**	**$ 91,872**	**$ 86,831**	**$ 79,506**	**$ 689,373**

27

VALLEY METRO

27

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

28

VALLEY METRO

28

Recommendation

Staff recommends that the Board of Directors approve the Valley Metro VMR FY25 Proposed Operating and Capital Budget and accept the Five-Year Operating Forecast and Capital Program (FY 2025 thru 2029).

29

1	**Service Promotions** Deliver Excellent Customer Experience	
	Combined	**VM Recommended**

Description

In support of strategic plan goal to "Deliver Excellent Customer Experience," this initiative would focus on marketing strategies and tactics to promote our services and their benefits, helping to create positive brand awareness as well as seek to increase ridership and usage of our modes and tools.

Bus Ridership Campaign

Valley Metro is recommending this campaign to seek to increase brand awareness, understanding of system availability and benefits and ridership on Express/RAPID (commuter) bus service and select local bus routes where there's identified ridership potential. There are many new residents to the Valley who may not be aware of VM and that we provide an affordable, reliable and safe transportation option for some/all of their travel needs. In addition, there are new densities, growing employment centers and other ridership-rich corridors that will also be explored as potential target markets. Bus ridership remains sluggish following the pandemic on local service as well as most markedly on our Express/RAPID routes. Informed by data from Service Planning and market research (possibly focus groups), and in collaboration with member cities, this campaign will be active across the first half of FY25 (~July – Nov. 2024) and evolve, as determined by data/trends, into 2025 and beyond. While a detailed plan will be developed, audiences will likely entail new residents/households/residential communities, industries/employment centers/employers, developing corridors, geo-targeted markets, current or recently former riders/commuters and general public. Tactics will include a mix of print materials, print advertising, geo-targeted digital/social media buy, outreach, partnerships, etc.

Dbacks Ticket Partnership Marketing Campaign

Valley Metro Rail directly connects to several major entertainment and sports venues and/or special events, providing convenient, easily accessible, safe one-seat rides to a broad cross-section of current and potential rail riders. Events are also a way get on board with public transit, with a crowd of like-minded fans and easy-to-navigate experiences, paving the way for return ridership. Special event-based ticket partnership have proven to drive ridership, with some of our highest ridership days being those with major events at our partner venues, and they help with brand visibility and provide a guaranteed revenue stream. VMR has had success with ticket partnerships with Footprint Center and Phoenix Rising Football Club and we're seeking a similar agreement with the Arizona Diamondbacks (Dbacks) beginning in their 2024 season. The Dbacks organization has also expressed interest, so if/when a ticket partnership is crafted (generating the required fare revenue), these marketing dollars would be deployed to launch the inaugural program, market our partnership and push ridership. The budgeted amount would be used to create marketing material, including but not limited to videos and graphics to co-brand the new partnership shared via Dbacks, Chase Field, and Valley Metro communication channels. This initiative is contingent upon a revenue-generating ticket partnership and this level of support (at $100k) would be for the inaugural year of the program. Ongoing marketing does remain at a lower level.

Item	RPTA	VMR	Note
Bus Ridership Campaign	$250,000		
Dbacks Ticket Partnership Marketing Campaign		$100,000	Market ticket partnership within stadium and throughout Valley to expand ridership and excellent customer experiences on the rail system
Total	**$250,000**	**$100,000**	

2	**Customer Digital Tools Enhancement** Deliver Excellent Customer Experience	
	RPTA	**VM Recommended**

Description

In support of strategic plan goal to "Deliver Excellent Customer Experience" this initiative would support enhancements of the digital tools used by riders to provide for more convenient and seamless experiences for transit journeys across the Valley. Improvements and additional features are recommended for the Valley Metro website as well as additional features and integration of the Valley Metro mobile app.

Website Feature Additions and Improvements

In 2021, Valley Metro's mobile app was replaced with a new app from the new Fare Collection System to support trip planning, mobile payments, etc. As a result, Valley Metro's existing website and mobile app now have different appearances and functionality. This initiative will allow modifications the website to make it consistent with the mobile app and add new features and improvements to the customer experience by providing a unified customer experience ensuring customers receive consistent information and digital features.

Third Party Mobile Services Integration - Mobile App

Valley Metro will work with mobile app vendor Vix to improve the user experience, add new features, and integrate micro transit into Valley Metro's mobile app to allow riders to use this mode as a component of the regional transit network. This will eliminate the need for riders to navigate multiple apps and payment portals, including third-party apps, in order to successfully plan, pay for, and execute multi-modal trips involving services outside of bus and rail (e.g. paratransit, micro transit).

Item	RPTA	VMR	Note
Vix VM mobile app customized development	$500,000	$0	
Kirschbaum Development Services Expansion	$70,000	$0	
Total	**$570,000**	**$0**	

3	**Enhanced Passenger Wayfinding and Communication** Deliver Excellent Customer Service	
	Combined	**VM Recommended**

Description

In support of strategic plan goal to "Deliver on Stakeholder Collaboration" this initiative will evaluate current system signage with a focus to improve passenger wayfinding. Additionally, a education program is recommended to inform customers about how to effectively navigate the new two-line rail system that will begin revenue service in mid-2025.

Bus Stop Regional Signage Audit, Design & Coordination

Updating bus stop signage provides at-stop communications with riders and will help create a process to unify signage and the rider experience across the entire system. With the evolution of NextRide, discussions with member agency staff have begun regarding existing bus stop signage, improvements and placement at more than 8,000 bus stops.

This initiative would commence in FY 2024 with Valley Metro's wayfinding/signage vendor to develop bus stop signage concepts, including additional research and coordination with member agencies on how each jurisdiction currently creates, produces and installs bus stop signage. Potential cost saving and coordination benefits include producing consistent regionally branded signage with a single manufacturer and creating volume discounts across the region. This initiative does not include the costs to replace or install signage for over 8,000 bus stops across the region.

Rail System Signage Audit

Valley Metro staff recommends conducting an audit of rail system signage to inventory what is currently posted, sign conditions, ADA accessibility, and passenger comprehension ahead of installation of additional signage for two-line system wayfinding. Signage clutter impacts customer comprehension and ease of use of the system, creating confusion, decreasing satisfaction and creating barriers to increasing ridership. Signage in poor condition creates a negative impression of system, impressions regarding overall safety and impacts overall customer experience. The audit will also help track and manage lifecycle maintenance costs.

Two Line Rail System Educational Campaign

The light rail system in existence since December 2008 will go from a one-line to a two-line operation in mid-2025. There has been a lot of work over the years, including into this fiscal year, to develop a signage and wayfinding program incorporating rider and community feedback. This effort includes communicating upcoming service changes so riders understand how to navigate the new system and access their destinations with ease. Without a marketing and communication program, riders will have little education on how to effectively navigate the new system, leading to confusion and overall dissatisfaction with the regional system Effective messaging helps create a more user-friendly regional transit system, making service more efficient and enhancing the rider experience.

Item	RPTA	VMR	Note
Rail System Signage Audit		$100,000	
Bus Stop Regional Signage Design	$50,000		Design would occur through current Wayfinding consultant
Two-line Rail System Educational Campaign	$0	$200,000	Marketing campaign to educate on two-line system passenger and wayfinding changes
Total	**$50,000**	**$300,000**	

4	**Enhanced Stakeholder Collaboration** Deliver on Stakeholder Collaboration	
	Combined	**VM Recommended**

Description

In support of strategic plan goal to “Deliver on Stakeholder Collaboration” this initiative includes additional licensing to provide member jurisdictions better access and usability of data and a new tool to connect with diverse, hard to reach, underserved communities in the region.

Data Portal Publication

This initiative seeks to acquire additional licensing to allow the existing Tableau data portal to be provided to member agency staff allowing them access to real-time reports and dashboards, including the ability to download and review the raw data. Currently, these capabilities are restricted and assigned to certain agency staff; data is reserved and published in static snapshot reports published periodically via the Valley Metro website.

SMS Stakeholder & Rider Outreach

Staff recommends implementing an SMS text-based outreach tool with a focus on existing riders in addition to establishing communication with stakeholders whom we do not have an existing relationship with and are not subscribed to one of our existing communication channels. This initiative is focused on connecting with, and incorporating feedback from, diverse, hard-to-reach and underserved communities.

Item	RPTA	VMR	Note
Additional reporting platform licensing	$19,000	$14,000	Additional Tableau licensing to allow internal users and external stakeholders to view real-time, filterable reports
Third Party Outbound Texting	$20,000	$0	A third-party solution allowing cold SMS outreach to potential riders/stakeholders without the risk of our established digital communication channels being censored for SPAM
Total	**$39,000**	**$14,000**	

5	Construction Contract Performance Audit Financial Sustainability	
	VMR	**VM Recommended**

Description

In support of strategic plan goal “Financial Sustainability” this initiative will help Valley Metro ensure construction costs charged by contractors are appropriate and comply with contract terms. Construction projects are an area of high risk in the public transit industry due to the size and scope of these projects and the expense associated with completing these types of projects. This audit would allow Internal Audit function to engage a consultant with expertise in the public transportation construction area to determine whether Valley Metro performance metrics and management practices for construction contracts meet industry best practices and that performance metrics are working as intended in current light rail projects. This exercise will provide benchmarking Valley Metro performance with the performance of peer agencies and identify recommendations for improvement within construction contracting.

Item	RPTA	VMR	Note
Construction Contract Audit		$125,000	
Total	**$0**	**$125,000**	

6	**Agency Cost of Living Adjustment (COLA) & Merit Award** Invest in Our Talent	
	Combined	**VM Recommended**

Description

In support of the strategic plan goal to "Invest in Our Talent" this initiative would allow Valley Metro to be more competitive in the labor market to attract and retain employees critical to effectively and efficiently provide and manage regional transit service. Until recent months inflation in the Phoenix Metropolitan Area had been consistently among the highest in the country. Inflation reached 13.0% in the Valley in August 2022 and gradually decreased to 8.5% in February 2023. From December 2020 to February 2023, inflation increased by 21.6% in aggregate. While inflation has slowed recently, year over year inflation in the region was 2.7% for January 2024. The January 2024 unemployment rate of 3.4% is still well below the 30-year average of 5.0% in the Valley.

Valley Metro's workforce has improved slightly over the first six months of the year as compared to last year, however it continues to face challenges. Valley Metro's annualized 90-day average turn-over rate was 22% for FY23 and is 14% thus far this year. Additionally, local member agencies have been surveyed and some have indicated planned modest wage adjustments for FY25 in order to enhance employee recruitment and retention competitiveness. Consistent and commensurate with adjustments being considered by member agencies, Valley Metro staff recommends an employee market adjustment comprised of a 2.5% cost of living adjustment and up to 5% merit award.

Item	RPTA	VMR	Note
3.5% Merit Increase	$620,000	$916,000	
2.5% COLA Increase	$442,000	$652,000	
Total	**$1,062,000**	**$1,568,000**	

7	**Automated Passenger Counters (APCs) Validation** Leverage Data and Technology	
	RPTA	**VM Recommended**

Description

In support of strategic plan goal to "Leverage Industry Best Practices and Innovations on Data and Technology" this initiative would involve the validation of Clever Devices bus automatic passenger counters (APCs) on RPTA operated buses. This will establish that the accuracy level of the data produced by the APCs is acceptable for National Transit Database (NTD) reporting, and by extension monthly regional and other ad hoc reporting to member cities for budgeting and accounting purposes. Until these counters are certified, Valley Metro is required to report and rely on farebox data, which is typically subject to more errors than APC technology. Once the APCs are validated, we can transition from farebox-based ridership to APC-based ridership. The bus APCs are currently reporting higher ridership than the fareboxes. Yet we are unable to use bus APC ridership data to ascertain more accurate ridership numbers for reporting purposes because the APCs are not validated and certified. APC certification will also eliminate the need for operators to collect hand counts on circulator routes without fareboxes, and will provide the agency the utility of a reliable APC system that has been lacking.

This initiative is critically important and necessary because extensive time and resources have been invested in the installation and maintenance of the Clever APC system to produce reports for which the reliability has not yet been validated. This initiative will also complement the City of Phoenix's similar forthcoming effort on their bus fleet, which is also equipped with the Clever APCs and requires validation.

The long-term benefits are many, including but not limited to having a better representation of actual ridership, operational costs and service demand. APCs provide data about where riders get off of the bus, in addition to where they get on. Additionally, Planning staff will free up substantial resources currently spent on statistical adjustments needed to massage APC data into presentable reports and maps and gain access to more accurate ridership data for use in service planning and decision making; for NTD reporting; and for general reporting to the public.

Item	RPTA	VMR	Note
Validate APCs for NTD Reporting	$300,000		
Total	**$300,000**	**$0**	

8	**Improve Enterprise Asset Management (EAM) System Utility** Leverage Data and Technology	
	Combined	**VM Recommended**

Description

In support of strategic plan goal to "Leverage Industry Best Practices and Innovations on Data and Technology" this initiative will enhance the Enterprise Asset Management (EAM) system to improve system utility. An enhanced EAM system will reduce time, error rates, and associated cost of rework of manual processes entering and transferring data between the EAM and associated systems. This will result in optimized maintenance strategies, increased operational reliability and efficiency of Valley Metro assets, and minimized asset downtimes. This translates into substantial cost savings over the asset lifecycle. Furthermore, compliance management will improve, helping ensure alignment with regulatory standards, mitigating risks and fostering a safer operational environment. Implementation and customization development support will be required from various vendors, however, $55,300 in annual Ellipse system maintenance costs will be eliminated once data transition is completed.

Item	RPTA	VMR	Note
EAM System Improvement	$169,000	$122,000	Trapeze and third-party professional services and customized development
Total	**$169,000**	**$122,000**	

9	**Replace End of Life IT Hardware** Leverage Data and Technology	
	Combined	**VM Recommended**

Description

In support of strategic plan goal Leverage industry best practices and innovations on data and technology this recommendation seeks to update critical information technology (IT) tools. Maintaining modern technology systems and hardware is vital to the efficient operation of Valley Metro, and it is recommended that the agency replace aging digital storage hardware and end-user IT equipment.

Agency Digital Storage Hardware Refresh

Enterprise storage hardware that was implemented in the mid-2010's will reach the manufacturer's end-of-life in October 2024, and therefore, must be replaced. This initiative also includes software providing for the implementation of a more robust, rapid disaster recovery ability allowing us to fail over more quickly in the event of a significant issue such as a power or network failure.

Without this initiative we will be in a position where the manufacturer will no longer support or provide parts for the storage hardware, meaning that we may be unable to recover from any firmware, software, or hardware failures past that point, depriving agency staff of access to data and mission-critical internal applications. In the event of a significant failure, it will require hours to shift digital operations to our backup site rather than a matter of minutes.

End-User IT Equipment Refresh

This initiative replaces end-user IT equipment that has exceeded its standard useful lifecycle (four years for mobile devices, five years for desktops) or whose manufacturer has declared it end-of-life. This covers 53 computers and laptops along with 13 VoIP phones, the majority of which were purchased at the beginning of the pandemic and will reach or have exceeded their replacement cycle in FY25. Replacing this equipment is essential to avoiding reduced productivity caused by the use of slow, unreliable computers and laptops.

Agency Digital Storage Hardware (Storage Area Network) Refresh	$63,000	$45,000	Hardware maintenance, software updates, and service subscriptions for four Enterprise SAN units, along with software allowing automated and rapid disaster recovery failover of mission-critical systems from the primary data center (Aligned Energy) to the secondary site (OMC)
End-user IT Equipment Refresh	$62,000	$45,000	Computers (53) and phones (13) that have reached the end of their useful lifecycle
Total	**$125,000**	**$90,000**	

10	**Audit Recommended SCADA Specialist (Cyber-Security)** Operational Excellence	
	VMR	**VM Recommended**

Description

In support of strategic plan goal of "Operational Excellence" this initiative would support adding a SCADA Specialist to provide more effective and efficient management of the SCADA system. SCADA (Supervisory Control and Data Acquisition) systems are essential for improving rail transportation safety and efficiency. This initiative is an OT cybersecurity audit recommendation for continued SCADA and IT/OT assessments.

There is currently two SCADA administrators that support the SCADA system. These two individuals need to respond to issues that may affect this critical system 24 hours a day, 365 days a year. In addition to the regular support of this system they must also support a vast majority of integration testing that is needed for our rail expanding system. This workload is not reasonable for two individuals, and additional resources are needed for adequate coverage and succession planning purposes. This is a critical role that takes a significant amount of site-specific training and Valley Metro must be prepared to support an expanding SCADA system.

Item	RPTA	VMR	Note
Salary and Fringe		$119,000	
Equipment		$9,000	Workspace, Laptop, monitor, keyboard, etc.
Total	**$0**	**$128,000**	

11	Automated Fuel Management System Implementation Operational Excellence	
	RPTA	VM Recommended

Description

In support of strategic plan goal for "Operational Excellence" this initiative is to implement an automated fuel management system for the Valley Metro bus fleet recommended to optimize the refueling process and realize associated efficiencies. This system would automate the current manual process for tracking fueling, coolant, diesel exhaust fluid (DEF) and mileage, providing significantly more accurate and timely data on buses' consumption of commodities. This will allow maintenance staff to better identify issues with buses consuming greater than expected commodities and more promptly make needed repairs.

Item	RPTA	VMR	Note
Fuel Focus Implementation	$300,000	$0	Implementation of an automated fuel management system including pump and vehicle hardware and management software
Total	**$300,000**	**$0**	

12	Blue Stake Base Map Updates Operational Excellence	
	VMR	**VM Recommended**

Description

In support of strategic plan goal of "Operational Excellence" this initiative would update our utility base files with 811 services to ensure we are notified anytime anyone plans to dig near VMR's underground utilities. This update is needed to mitigate the risk of 811 locating services providing the public with outdated or incomplete information on Valley Metro's underground utilities, as well as ensuring we are notified to locate our utilities when underground contractors call in a Blue Stake ticket. Updating the Blue Stake maps will help protect our underground utilities and avoid any costly repairs due to an unmarked utility strike. Valley Metro will gain efficiency in labor costs for in-house blue stake locating efforts. The base file updates to aerial mapping and known existing conditions will enable staff faster and more accurate locating.

Item	RPTA	VMR	Note
Utility Consultant		$200,000	The amount was based on dollar amounts spent in previous years and related projects
Total	**$0**	**$200,000**	

13	**Enhanced Facility Cleaning and Oversight** Operational Excellence	
	VMR	**VM Recommended**

Description
In support of strategic plan goal of "Operational Excellence" this initiative will enhance the cleanliness of light rail and streetcar platforms addressing the perception of safety and cleanliness, making the system more appealing to riders. To provide better oversight and quality assurance/quality control for cleaning services over the entire rail system, staff recommends bringing pressure washing services in-house and adding a Cleaning Services Coordinator. **Pressure Washing Staff and In-House Resources** Hire three (3) Pressure Washers to better clean and maintain the current alignment. This will reduce the DMS Cleaning Services contract by $324,000 to initially fund this initiative in FY25. In-house cleaning services will also require three Ford F-250 trucks, three pressure washers/trailers along with the required fuel, insurance, supplies and uniforms. Although this effort requires an up-front investment in equipment in addition to the ongoing costs for the positions, equipment maintenance, fuel and insurance, this initiative will generate savings after this work is performed in house for four years. Annual savings after year four is estimated to be $80,000 - $90,000, which will generate the funding needed to replace equipment at the end of its useful life and still result in a net annual savings of approximately $50,000. Also, bringing this work in-house will provide more timely response to graffiti removal, cleaner stations and improved customer experience by addressing the perception of safety and cleanliness of the system by providing better management and oversight of in-house employees versus contract staff. **Cleaning Services Coordinator** Adding a Cleaning Services Coordinator will allow Valley Metro to better serve our customers and assume a higher level of oversight and ownership of the services performed by our facilities maintenance cleaning services contractor. Currently we have oversight of the first shift contracted cleaning services while the second shift represents an area of improvement. A Cleaning Services Coordinator staffed on second shift will provide Valley Metro and our customers with much needed QA/QC of the cleaning services performed at our passenger stations, rolling stock and support facilities. Currently, most of our cleaning effort is performed on the second shift. Weekly hours of cleaning services performed: First shift – 34% Second shift – 66%

Item	RPTA	VMR	Note
Salary and Fringe		$280,000	
Three (3) Ford F-250 Trucks, Pressure washers, Trailers		$273,000	
Equipment		35,000	Workspace, Laptop, monitor, keyboard, etc.
Total	**$0**	**$588,000**	

14	South Central Extension Staffing for Revenue Service Operational Excellence	
	VMR	VM Recommended

Description

In support of strategic plan goal of "Operational Excellence" this initiative includes the additional staffing needed for revenue service of the South Central Extension/Downtown Hub (SCE/DH) light rail project. These positions will increase oversight and quality assurance/quality control over the service management and contractor operations to improve the overall customer experience, increase engagement with internal/external stakeholders, and allow for increased staff development opportunities. The 5.5-mile SCE/DH will connect with the current light rail system in downtown Phoenix and operate south to Baseline Road. The project also includes a transfer hub in downtown Phoenix, eight new stations and two park-and-rides, transitioning the current one-line system to a two-line system. It is currently anticipated the SCE/DH project will transition from the construction phase to revenue operations in mid- 2025. Since the extension will commence revenue operations in FY26, there are no operating costs associated with these positions in FY25, but they need to be filled ahead of revenue operations for training and system testing and start-up activities. All costs incurred ahead of revenue operations will be funded through the capital project

Transportation Positions:

- Assistant Rail Manager – oversee A line, oversee the CED program, coordinate special events, monitor Guard-Tek system, review video, Safety Committee responsibilities, on call and Rail Activation responsibilities.
- Assistant Rail Manager – oversee and monitor the workflow of OCC and Dispatch to ensure quality oversight and affirm contract compliance, monitor the deliverables of any software upgrades to include SCADA additions to ensure adequate oversight and that the upgrades are fully implemented As we onboard a two-line system, it is imperative that the oversight of the workflow and transition period is closely monitored for assurance of a smooth transition.
- Rail Operations Coordinator – support SCE integration testing, assist with testing and commissioning of additional LRV's, assist with additional field audits, event support, and auxiliary incident review.
- Customer Experience Coordinator (2) - Customer Experience Coordinators serve as the "eyes and ears" on the system, interacting with customers and the public also while working with operations and security personnel to monitor, report and make decisions on service, security and maintenance activities to support a positive customer experience along the light rail line.

Maintenance Positions:

- Traction Power (3) - support the additional inspections and maintenance of substations and overhead catenary to support the opening of the South Central project.
- Signal Technician (2) – support the additional inspections and maintenance of signaling equipment (switches, grade crossings, and TVM's) that will be added to the alignment from the opening of the South Central project. This position will also be responsible for the new Mobile fare validator maintenance and repair.
- Track Maintainer (2) – these positions are to support the additional track inspections and maintenance to support the opening of the South Central project.
- Communication Technician (2) - support the additional inspections and maintenance of communications equipment (TVM's, Cameras, Emergency Call Boxes, VMB's) that will be added to the alignment from the opening of the South Central project. This position will also be responsible for the new Mobile fare validator maintenance and repair.

- Electro Mechanic (3) – performs a variety of skilled mechanical and electrical duties involved in performing inspections, preventive and corrective maintenance, and troubleshooting on all mechanical and electrical systems for rail vehicles.
- Mechanic – performs a variety of skilled mechanical and minor electrical duties involved in performing inspections, preventive and corrective maintenance, and troubleshooting on all mechanical and electrical systems for rail vehicles.
- SCADA Specialist – this position is to support a 24 hour, 7 days a week Operations Control Center. This position will be onsite during off hours to support Maintenance of Way and OCC personnel. Having this person on site will expedite SCADA trouble calls timelier and more efficient.

Administrative Position:
Public Information Specialist - As transit service continues to expand and we move into a multi-line rail system, additional staffing is required to manage the communications needs for the expansion of our regional transit system. This includes supporting increased needs in media relations, social media and the continual expansion of digital platforms. The existing Communications staffing of two public information staff has remained static since 2012, while the system has grown significantly as well as the needs of riders, stakeholders and expectations for increased and more transparent and real-time communications.

South Central Extension / Downtown Hub Transportation and Maintenance new FTE Request

Position (1)	Qty	Salary & Benefits	Equipment	Total
Transportation				
Assistant Rail Manager	1	$ 146,000	$ 9,000	$ 155,000
Assistant Rail Manager (2)	1	75,000	9,000	84,000
Rail Coordinator	1	101,000	9,000	110,000
Customer Experience Coordinator (2)	2	182,000	4,000	186,000
Maintenance				
Communications Systems Technician (2)	2	144,000	4,000	148,000
Electro-Mechanical Technician (Rail Vehicle) (2)	3	228,000	6,000	234,000
Rail Vehicle Mechanic (2)	1	66,000	2,000	68,000
SCADA Specialist (2)	1	89,000	9,000	98,000
Signal Systems Technician (2)	2	144,000	4,000	148,000
Track Maintainer (2)	2	122,000	4,000	126,000
Traction Power Systems Technician	3	318,000	6,000	324,000
Administrative				
Public Information Specialist	1	98,000	9,000	107,000
Total		**$ 1,713,000**	**$ 75,000**	**$ 1,788,000**
		Less Capital Allocation		$ (1,788,000)
		Total Operating Cost		**$ -**

(1) Will charge to SCE/DH capital project until revenue SCE is in revenue operations (est. July 25)

(2) Partial year hire, will charge to SCE/DH once in revenue operations (est. July 25)

Item	RPTA	VMR	
Salary and Benefits		$1,713,000	
Equipment		75,000	Workspace, Laptop, monitor, keyboard, etc.
Less Capital		-$1,788,000	
Total	**$0**	**$0**	

15	**Cybersecurity Risk Reduction** Prioritize Security on Transit	
	Combined	**VM Recommended**

Description

In support of strategic plan goal to "Prioritize Security on Transit" this initiative will enhance Valley Metro's efforts in mitigating cybersecurity risk. This initiative addresses multiple findings from the 2023 Operational Technology (OT) Systems Cybersecurity Audit. Currently we have systems that are vulnerable to well-established malicious attacks and may not be able to run modern applications, as well as the increased risk of an OT network that is monitored only for operational failures (is the device online) and not security events (is the device compromised).

Information Technology Cybersecurity Tool Refresh
The Information Security team is seeking to replace two key tools that are lacking capabilities: Endpoint Detection and Response and Email Security. These tools work together to protect agency technology including computers from being compromised by phishing attacks, ransomware, and other forms of malware. Moving to better preforming tools will improve our capability to detect malicious activity and reduce the number of false positive events that result in legitimate emails 'disappearing' into quarantine or cause other applications to perform poorly.

Operational Technology Cybersecurity Updates
The Information Security and Maintenance of Way teams need to update the existing OT server and workstation operating systems as well as expand the cybersecurity monitoring tools used to secure the IT network to cover the OT network as well.

Item	RPTA	VMR	Note
IT Security Enhancements	$77,000	$55,000	Subscription and implementation services for a replacement Endpoint Detection & Response (EDR, functionality of an antivirus software plus advanced protection against a wider range of threats) and Email Security Appliance.
OT Security Enhancements	$33,000	$71,000	Additional licensing to expand EDR, vulnerability scanning, and log monitoring to the OT network, as well as upgrading OT's expired VMware platform, Windows Server (10), and Windows (50) operating systems to supported versions.
Total	**$110,000**	**$126,000**	

16	Rail Safety Specialists Prioritize Security on Transit	
	VMR	**VM Recommended**

Description

In support of strategic plan goal to "Prioritize Security on Transit" this initiative adds two Rail Safety Specialist II's to support system safety, resulting in greater system safety oversight to reduce system safety risk. These positions are elevated Safety Specialist roles in the Safety, Security, Quality Assurance Division, and will be specifically required to support and interact with the Arizona Department of Transportation (ADOT) Risk Based Inspection Program as directed by the Federal Transit Administration. The objective of these positions is to work the system in line segments, assigning each specialist to an area to assess, track and trend incidents, events and apply proper mitigations/recommendations in concert with the operations and maintenance personnel.

State and Federal safety requirements for transit agencies have significantly increased with the CFR 49 Parts 670, 671, 672, 673, 674 and the Bipartisan Infrastructure Law. By industry standards, and as noted in the 2023 APTA Safety and Security Peer Review, Valley Metro's Safety Department is significantly understaffed. Allocating additional personnel who are tasked and responsible for identifying hazards and mitigating risks may reduce the likelihood of costly investigations or reviews by FTA/ADOT.

Item	RPTA	VMR	Note
Salary and Benefits	$0	$206,000	Two positions
Equipment	$0	$18,000	Workspace, Laptop, monitor, keyboard, etc.
2 Vehicles		$68,000	Ford Escape and extended warranty
Total	**$0**	**$292,000**	

17	**Continuing Commitments** Deliver Excellent Customer Experience	
	Combined	**Continuing Commitment**

Description

Rail Vehicle and Facility Cleaning Costs
Valley Metro contracts with DMS to provide cleaning services for rail vehicles and facilities for both light rail and streetcar. This contract has an annual escalation rate defined in the existing contract.

Comprehensive Operational Analysis (COA)
The Valley Metro Board of Directors previously approved the solicitation for a Comprehensive Operational Assessment (COA) of the existing regional transit network to evaluate of the service area in Maricopa County for the purpose of increasing mobility value, effectiveness, resource efficiency and equity for residents and riders. This effort will support recommendations to improve transit service with a focus on productivity, regional travel, and emerging transit markets, in addition to future improvements aimed at addressing unmet transit needs and regional transit priorities. This effort will be led by Valley Metro, in coordination with MAG and in partnership with the City of Phoenix. It will provide the most efficient and effective service with available resources and help induce ridership across our communities. This is a continuation of the previously approved FY24 VM Recommended initiative.

Item	RPTA	VMR	Note
Rail Vehicle and Facility Cleaning Costs	$0	$212,000	
Transit System Comprehensive Operational Analysis	$500,000	$0	
Total	**$500,000**	**$212,000**	

18	**Continuing Commitments** Leverage Data and Technology	
	Combined	**Continuing Commitment**

Description

Information Technology Contract Rate Annualization Increase

Valley Metro uses a range of software and services in its daily operations. All of the software and services listed below reflect the continued use of products previously approved by the Board. Their FY25 costs are increasing for several reasons:

- Annual rate increases included in multi-year contracts (e.g., AccountabilIT, Cisco, Microsoft)
- Annualization of partial year increases in FY 24 (e.g., Swiftly, OpenGov)
- Increased usage (Oracle ERP, Manage Engine)

Item	RPTA	VMR	Note
IT Contract Rates and Annualization	$162,000	$282,000	
Total	**$162,000**	**$282,000**	

19	**Continuing Commitments** Operational Excellence	
	Combined	**Continuing Commitment**

Description

Claims Management Services and Insurance Brokerage and Consulting Services
The contract with Valley Metro's current insurance broker is expiring May 2024. A new RFP was authorized by the Board of Directors in August 2023, with a contract anticipated in FY25. To secure an agency broker to meet agency needs, staff recommends a budget increase consistent with the Board approved amount of $675,000 (5 years). For claims management services, staff estimates an amount of $72,000 for a one (1) year contract term. These services include property and casualty insurance coverage brokerage, workers compensation, risk mitigation consultation, and resolution of various property damage subrogation claims for VMR and RPTA.

Fare Collection System Implementation
The regional Fare Collection System Modernization (FCSM) project will enter Phase II, beginning in early summer of 2024, in which reloadable account-based smartcards and other features will be available to the general public. Valley Metro has existing contracts in place with Vix (to provide customer service) and InComm (retail network and fare media supplier). Vix will bring on additional contracted staff to support the additional sales channels and InComm will provide fare media to retail networks ahead of the launch, therefore requiring additional funding for the year.

Fare Administration & Programs
In conjunction with the FCSM project, fare administration and management of the regional fare programs, such as the Platinum Pass, ASU U-Pass and the other group programs, regional fare revenue administration will transition from the City of Phoenix to Valley Metro. Administration of regional fares and regional fare programs has historically been performed by Phoenix, and this regional function will be carried out by Valley Metro as the new fare system comes online. To perform this function for the region it has been determined three new positions will need to be added to Valley Metro/RPTA; however, no additional cost will result since Valley Metro has historically reimbursed Phoenix for its proportionate share of the cost to perform this regional function to ensure the cost was shared across all regional transit partners. With this transition, Valley Metro will no longer pay Phoenix for this cost, but rather, incur the cost directly to fund the positions, resulting in a net zero impact to the RPTA budget.

Insurance Premium
The annual renewal of Valley Metro's property and liability coverage was authorized by the Board of Directors in November 2023. Staff recommends a budget increase to account for the Valley Metro Insurance program to ensure Valley Metro's assets are adequately protected. Insurance impacts both VMR and RPTA.

New Vanpool Contract
The current vanpool service contract, operated by Enterprise, was awarded by the Board of Directors in October 2023 with an effective start-date of January 1, 2024. The FY25 increase of $2.1M is made up of: Annualizing the new contract that starts 1/1/24 - $1.4M, annualizing the cost to fully transition to contractor owned and supplied vehicles - $0.6M, and estimated contract rate escalation of 3.5% in FY25 (January 2025) - $0.1M.

Light Rail NWEII Operations Annualization
The Northwest Extension Phase II officially entered revenue service on January 27, 2024. The FY24 budget only contained six months of operations, therefore this initiative will annualize the costs of transportation and maintenance for the 12 months in FY25.

Demand-Response Service Management System Implementation
In its January 2024 meeting, the RPTA Board of Directors approved the issuance of a RFP for the competitive solicitation of demand response scheduling and dispatch software to support service provisioning and operations for the joint administration of Paratransit, Ride Choice, and future micro-transit services. This solution would replace both Trapeze PASS and its associated supporting modules as well as the current vendor proprietary system being used to manage the Ride Choice program. This effort will begin in FY24 and continue through some or all of FY25 depending on the implementation timeline of the resulting solution.

Rail Operator Rate Increase
Valley Metro contracts its operations of both light rail and streetcar to Alternate Concepts, Inc. (ACI). The ACI contract includes a standard annual wage increase effective July 1, 2024. For FY25, the increase for ACI includes $0.8M for the annual increase of the base contract.

- Light Rail, $0.7M
- Streetcar, $0.1M

Bus Service and Rate Increase
Valley Metro contracts its local, express, and circulator bus service out to two different providers. Each contract has annual escalation rates defined in the existing contracts, combined with service mile adjustments requested by member cities.
Keolis provides services for East Valley bus, while National Express provides service for West Valley bus. West Valley bus costs are significantly down year to year, due to the cancellation of both POGO and ZOOM circulators, effective October 2023.

- East Valley (Keolis), $11.716M
- West Valley (National Express), -$2.587M

Demand Service Rate Increase
Valley Metro contracts its Paratransit service delivery out to one provider (MTM). The Administration of trip assignment and brokerage is done by another contractor, MJM. RideChoice trips are delivered by local vendors who contract with MJM. Each Valley Metro contract has annual escalation rate defined in the existing contracts. The annual contract rate increases, combined with the annualization of these new contracts authorized in FY24, results in the following increases:

- Paratransit (MJM/MTM), $1.1M
- RideChoice (MJM), $0.4M

Item	RPTA	VMR	Note
Claims Management and Insurance Brokerage and Consulting Services	$6,000	$192,000	
Fare Collection System Implementation	$1,168,000	$0	
Fare Administration & Programs	$0	$0	
Insurance Premium	$52,000	$1,032,000	
New Vanpool Contract	$2,103,000	$0	
Light Rail NWEII Operations Annualization	$0	$1,675,000	

Demand-Response Service Management System Implementation	$1,618,000	$0	
Rail Operator Rate Increase	$0	$802,000	
Bus Service and Rate Increase	$9,129,000	$0	
Demand Service Rate Increase	$1,503,000	$0	
Total	**$15,579,000**	**$3,701,000**	

20	**Continuing Commitments** Prioritize Security on Transit	
	Combined	**Continuing Commitment**

Description

Light Rail NWEII Security Annualization
The Northwest Extension Phase II officially entered revenue service on January 27, 2024. The FY24 budget only contained 6 months of operations, therefore this initiative will annualize fare inspection and security for the 12 months in FY25.

Security Contract Rate Increase
Valley Metro contracts its fare inspection and security for rail modes and Valley Metro transit facilities to Allied Universal. The Allied Universal contract includes a standard annual wage increase effective July 1, 2024. For FY25, the increase for ACI includes $0.8M for the annual increase of the base contract.

Security Re-Deployment
The Re-Deployment plan for Allied Universal includes an increase in the supervision of field teams by adding 2 additional field supervisors working in a walking beat capacity, an additional rover team with a vehicle and an additional shift supervisor with vehicle. During the 2022 and 2023 APTA Peer Review, it was concluded the current security contract lacks appropriate levels of supervision and oversight. By utilizing the existing underrun on the contract, we have allowed for additional hiring to boost the field, shift supervisory oversight, layer the supervision to foot patrols as well as vehicle patrol capability and add an additional rover team to cover gaps in coverage along the alignment.

OMC Yard Entrance
Upon completion of the Operations and Maintenance Center (OMC) yard security entrance kiosk in 2023, Valley Metro utilized existing contract authority to staff this building. This security element is designed to enhance the security elements to this facility as well as the efficient card access pass through of contractors and staff.

Item	RPTA	VMR	Note
Light Rail NWEII Security Annualization	$0	$575,000	
Security Contract Rate Increase	$7,000	$224,000	
Security Re-Deployment	$0	$902,000	
OMC Yard Entrance	$0	$477,000	
Total	**$7,000**	**$2,178,000**	

21	Inflationary/Market & Ridership Operational Excellence	
	Combined	**Inflationary/Market & Ridership**

Description

ADA Ridership Growth

Paratransit

In FY25, Valley Metro anticipates a decrease in trips of (4.6%), as a shift from Paratransit to RideChoice ridership continues. The decrease in ridership results in a decrease of $(0.5)M.

RideChoice

In FY25, Valley Metro anticipates a ridership increase of 22%, as trips based on the trend mentioned above from Paratransit to RideChoice ridership, resulting in an increase of $1.4M.

Bus Fuel

Tempe fuel (diesel and natural gas) prices continue to fluctuate. The Tempe facility, owned by the City of Tempe, provides approximately 200,000 gallons of Diesel and unleaded fuel, and 2.4M gallons of natural gas (LNG & CNG, which is trucked to the facility). The anticipated increase in cost for FY25 is estimated to be $0.8M. Prices at the Mesa Facility have remained relatively stable.

Rail System Maintenance

The cost of equipment, parts and supplies for rail system maintenance continues to rise. Also, with aging non-revenue maintenance fleet, related maintenance and fuel costs are increasing. Additionally, the cost of third-party repairs for vandalism and accidents have increased, as well as the contractual obligations for the SCADA system and the Phoenix Regional Wireless Network.

Light Rail Operations Utility Increase

Both major utility providers have passed rate increases recently. SRP and APS's increases will be approximately 9.6% and almost 10% for APS. The FY25 increase is estimated to be $1.1M

Item	RPTA	VMR	Note
ADA Ridership Growth	$885,000	$0	
Bus Fuel	$795,000	$0	
Rail System Maintenance	$0	$397,000	
Light Rail Operations Utility Increase	$0	$1,114,000	
Total	**$1,680,000**	**$1,511,000**	

FTEs by Agency

	RPTA	VMR	Total FTEs
FY24 Adopted FTEs	**174.3**	**312.7**	**487.0**
Proposed New Positions	**RPTA**	**VMR**	**Total FTEs**
SCADA Specialist	-	1.00	1.00
Cleaning Services Coordinator	-	1.00	1.00
Utility Worker (Pressure Washer)	-	3.00	3.00
Rail Safety Specialist II	-	2.00	2.00
Assistant Rail Manager - OCC	-	1.00	1.00
Assistant Rail Manager	-	1.00	1.00
Rail Coordinator	-	1.00	1.00
Customer Experience Coordinator	-	2.00	2.00
Public Information Specialist	-	1.00	1.00
Traction Power Systems Technician	-	3.00	3.00
Signal Technician	-	2.00	2.00
Track Maintainer	-	2.00	2.00
Communication System Technician	-	2.00	2.00
Electro Mechanic	-	3.00	3.00
Mechanic	-	1.00	1.00
SCADA Specialist	-	1.00	1.00
Manager, Fare Administration and Programs	1.00	-	1.00
Fare Programs Coordinator	2.00	-	2.00
Existing staff change in effort for FY25	(2.58)	2.58	-
Change	**0.4**	**29.6**	**30.0**
FY25 Proposed FTEs	**174.7**	**342.3**	**517.0**

Memo

To:	Valley Metro Rail (VMR) Board of Directors	**Agenda Item 3**
Date:	May 9, 2024	
From:	Councilmember Laura Pastor, VMR Chair, City of Phoenix	
Re:	Election of FY25 Board Officers and Subcommittee Members	

In June of each fiscal year, the Valley Metro Rail Board of Directors elects Board Officers in addition to electing members to the two standing committees of the Board: The Joint Board Subcommittee (JBS) and Audit and Finance Subcommittee (AFS). Subcommittee members must be elected officials and participation on the respective subcommittees are limited to elected officials only.

Listed below are the positions available for FY 2025 (July 1, 2024 – June 30, 2025).

VMR Board Officers

- Chair: one-year term
- Vice Chair: one-year term

Audit and Finance Subcommittee

- *No VMR positions are currently open.*

The purpose of the AFS is to provide oversight of the financial activities and internal audit functions of the RPTA and VMR. The AFS shall meet no less than once each calendar quarter or as frequently as the committee deems necessary. The AFS consists of up to five (5) members; terms of membership are for two years. No member shall serve more than four years, except the elected official representing the City of Phoenix. Two (2) of the members will represent both RPTA and VMR (with the aforementioned Phoenix elected official retaining one of the two VMR positions). No more than two members of the AFS will be from the VMR Board due to quorum requirements. The Chair of the AFS is appointed by the Chairs of the RPTA and VMR Boards.

Joint Boards Subcommittee (no term limits)

- Two positions available for a one-year term.

The JBS meets annually, or as needed. It is comprised of four members represented by two elected officials from RPTA and two elected officials from VMR. The members are responsible for the following:

- Resolving conflicting direction that the CEO may receive from the RPTA Board and the VMR Board.
- Establishing recommended annual goals for the CEO that are subject the approval of the RPTA Board and the VMR Board.

Providing the annual evaluation of the CEO's achievement of assigned goals with such evaluation subject to the approval of the RPTA Board and the VMR Board.

If you are interested in serving as a **Board Officer or Joint Board Subcommittee member for FY 2025**, please send a letter of interest, via email, to Pat Dillon at pdillon@valleymetro.org expressing your desire to serve.

Letters of interest are due no later than **5:00 p.m. on June 11, 2024**. Your letter should indicate the position sought and the reason(s) for your interest, and qualifications you possess that may assist the nominating committee in the selection process for the position(s) of interest. If you are interested in serving on more than one committee, please list each position separately in the letter.

Thank you for your help in this matter. If you have any questions, please contact Pat Dillon at 602-523-6006.

Attachment:
RPTA and VMR Current Board Officers and Subcommittee Members FY 2024.

BOARDS/COMMITTEES FY 2024

FY2024 RPTA Board Officers		
Name	**City**	**Position**
Councilmember Bill Stipp	City of Goodyear	Chair
Vice Mayor OD Harris	City of Chandler	Vice Chair
Vice Mayor Jennifer Adams	City of Tempe	Treasurer

FY2024 VMR Board Officers		
Name	**City**	**Position**
Councilmember Laura Pastor	City of Phoenix	Chair
Vice Mayor Francisco Heredia	City of Mesa	Vice Chair

Valley Metro RPTA/VMR Audit and Finance Subcommittee			
Name	**City**	**Representing**	**Term Expires**
Vice Mayor Clay Goodman**	City of Buckeye	RPTA	June 2024
Mayor Brigette Peterson**	Town of Gilbert	RPTA	June 2024
Councilmember Maxine White	City of Avondale	RPTA	June 2025
Vice Mayor Jennifer Adams	City of Tempe	VMR	June 2025
Councilmember Laura Pastor	City of Phoenix	VMR	Permanent
Note: Requires two members from VMR (City of Phoenix is permanent VMR representative) Chair to be designated by RPTA and VMR Board Chairs at the beginning of the fiscal year.			
** Eligible for reelection (total of 4 years can be served)			

FY2024 Joint Board Subcommittee	
RPTA Members	**City**
Vice Mayor OD Harris	City of Chandler
Councilmember Bill Stipp	City of Goodyear
VMR Members	**City**
Councilmember Laura Pastor	City of Phoenix
Vice Mayor Francisco Heredia	City of Mesa

TMC/RMC Chair/Vice Chair		
Name	**City**	**Position**
Wynette Reed	City of Goodyear	Chair – TMC
Ryan Peters	City of Chandler	Vice Chair - TMC
Mario Paniagua	City of Phoenix	Chair - RMC
Chris Brady	City of Mesa	Vice Chair - RMC

Information Summary

DATE **AGENDA ITEM 4**
May 9, 2024

SUBJECT
Executive Session

PURPOSE
The Valley Metro Rail Board of Directors may vote to enter into Executive session according to A.R.S. 38-431.03 Section (A)(3) Discussion or consultation for legal advice with the attorney or attorneys of the public body; (A)(4) discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's positions regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation; and (A)(9) - discussions or consultations with designated representatives of the public body in order to discuss security plans, procedures, assessments, measures or systems relating to, or having an impact on, the security or safety of buildings, facilities, operations, critical infrastructure information and information technology maintained by the public body.

COST AND BUDGET
None

RECOMMENDATION
Staff recommends that the Board of Directors vote to enter into Executive Session.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COMMITTEE PROCESS
None

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

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 5**
May 9, 2024

SUBJECT
Executive Session Action Item

PURPOSE
To allow the Board to take action, if needed, on items discussed in Executive Session.

COST AND BUDGET
None

RECOMMENDATION
The Board may vote to direct staff to implement items discussed in Executive Session.

BACKGROUND/DISCUSSION/CONSIDERATION
None

COMMITTEE ACTION
None

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

ATTACHMENT
None

Information Summary

DATE
May 9, 2024

AGENDA ITEM 6

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