

Meetings of BOARDS OF DIRECTORS



VALLEY METRO RPTA / VALLEY METRO RAIL JOINT MEETING

Valley Metro RPTA

Valley Metro Rail

Date:
November 21, 2024

Starting Time:
11:15 a.m.

Meetings to occur sequentially

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

**If you require assistance accessing the meetings on the
10th floor, call 602.262.7433.**

Agenda

November 14, 2024



Joint Meeting Agenda

Valley Metro RPTA

And

Valley Metro Rail

Thursday November 21, 2024

Valley Metro, 101 N. 1st Avenue, 10th Floor

Boardroom

11:15 a.m.

Action Recommended

1. Public Comment

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.

1. For Information

2. Chief Executive Officer's Report

Jessica Mefford-Miller, CEO, will brief the Joint Boards of Directors on current issues.

2. For information

3. Minutes

Minutes from the September 19, 2024, Joint Boards meeting are presented for approval.

3. For action

4. Audit and Finance Subcommittee

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

4. For information

5. Annual Insurance Coverage Renewal

Staff recommends that the Boards of Directors authorize the Chief Executive Officer to purchase renewal coverage for Valley Metro's insurance policy needs for December 1, 2024, to November 30, 2025, in an amount not to exceed \$7,135,730. RPTA's obligation will not exceed \$486,185. VMR's obligation will not exceed \$6,649,545.

5. For action



6. Printing Services Contract Authorization Increase and Contract Extension

6. For action

Staff recommends that the Boards of Directors authorize the Chief Executive Officer to extend the current printing services contracts with Artisan Colour, BP Graphics, Capitol Litho Corp, Courier Graphics, Image Craft, Ironwood and Prisma Graphics to January 16, 2027. The contract authority increase requested for this extension is \$990,000 for contract total of \$2,314,000 where the RPTA portion will not exceed \$1,604,400 and the VMR portion will not exceed \$709,600.

7. Strategic Plan Actions for FY 2025 (Part 2)

7. For information

Staff will provide an overview of the approved Valley Metro FY 2025 – FY 2030 Strategic plan (Part 2).

8. Fare Technology Modernization Update

8. For information

Staff will provide an update on the Fare Media Outreach program.

9. Travel and Expenditures

9. For information

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

10. Report on Current Events and Suggested Future Agenda Items

10. For information

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

11. Next Meeting

11. For information

The next meeting of the Joint Boards of Directors is scheduled for **January 23, 2025 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.



Executive Summary

DATE

November 14, 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.

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COST AND BUDGET

None

COMMITTEE PROCESS

None

CONTACT

Jessica Mefford-Miller

[Jmeffordmiller@valleymetro.org](mailto:jmeffordmiller@valleymetro.org)

ATTACHMENT

None

Executive Summary

**DATE**

November 14, 2024

AGENDA ITEM 2**SUBJECT**

Chief Executive Officer's Report

COST AND BUDGET

There are no costs associated with this item

RECOMMENDATION

This item is presented for information only.

CONTACT

Jessica Mefford-Miller

Chief Executive Officer

jmeffordmiller@valleymetro.org

ATTACHMENT

None

Meeting Minutes



November 14, 2024

AGENDA ITEM 3

Joint Boards of Directors
Thursday, September 19, 2024
Boardroom/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

RPTA Meeting Participants

Vice Mayor O.D. Harris, City of Chandler – **Chair**
Councilmember Jennifer Adams, City of Tempe – **Vice Chair** (phone)
Councilmember Max White, City of Avondale - **Treasurer** (phone)
Vice Mayor Clay Goodman, City of Buckeye
Councilmember Monica Dorsey, City of El Mirage (phone)
Councilmember Peggy McMahon, Town of Fountain Hills
Mayor Brigitte Peterson, Town of Gilbert
Councilmember Lauren Tolmachoff, City of Glendale (phone)
Vice Mayor Laura Kaino, City of Goodyear
Councilmember Francisco Heredia, City of Mesa (phone)
Vice Mayor Jon Edwards, City of Peoria (phone)
Councilmember Kathy Littlefield, City of Scottsdale (phone)
Councilmember Aly Cline, City of Surprise (phone)
Councilmember Jimmy Davis, City of Tolleson
Mayor Rui Pereira, Town of Wickenburg (phone)
Mayor Michael LeVault, Town of Youngtown (phone)

Members Not Present

Chairman of the Board, Jack Sellers, Maricopa County
Councilmember Laura Pastor, City of Phoenix (phone)
Councilmember Jeff Brown, Town of Queen Creek

Valley Metro Rail Participants

Vice Mayor Francisco Heredia, City of Mesa – **Chair** (phone)
Jesus Sapien for Councilmember Laura Pastor, City of Phoenix – **Vice Chair** (phone)
Vice Mayor O.D. Harris, City of Chandler
Councilmember Jennifer Adams, City of Tempe

The Chair called the meeting to order at 11:15 a.m.

Chair Harris said welcome everyone to the September meeting, board of directors meeting. I will have Pat go ahead and call the roll.

Ms. Dillon said good morning, everyone.



City of Avondale, Councilmember Maxine White? Here.
City of Buckeye, Vice Mayor Clay Goodman? Present.
City of Chandler, Vice Mayor OD Harris? Here.
City of El Mirage, Councilmember Monica Dorsey? Here.
Town of Fountain Hills, Councilmember Peggy McMahon? Here.
Town of Gilbert, Mayor Brigette Peterson? Here.
Swift City, Councilmember Lauren Tolmachoff? Here.
City of Goodyear, Vice Mayor Laura Kaino? Here.
Maricopa County, Chairman of the Board of Supervisors, Jack Sellers?
City of Mesa, Vice Mayor Francisco Heredia? Here.
City of Peoria, Vice Mayor Jon Edwards? Here.
City of Phoenix, Councilmember Laura Pastor? We are expecting her to join online today.
Town of Queen Creek, Councilmember Jeff Brown?
City of Scottsdale, Vice Mayor Kathy Littlefield? Here.
City of Surprise, Councilmember Aly Cline? Here.
City of Tempe, Councilmember Jennifer Adams? Here.
City of Tolleson, Councilmember Jimmy Davis? Here.
Town of Wickenburg, Mayor Rui Pereira? Here.
Town of Youngtown, Mayor Michael LeVault? Yes, Pat, I'm here.

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

Chair Harris said thank you, Pat, for the roll call. We have a quorum. I will convene the meeting.

Just a few housekeeping rules. Online if you raise your hand or type your comment inside of the comment chat, we will make sure that you are recognized and acknowledged. And to my colleagues to my left and right you guys know what the drill is just get my attention.

1. Public Comment

Chair Harris said we're going to start with public comment. For public comments, it's three minutes. This will provide an opportunity for individuals to address the Committees on non-agenda items and all action agenda items for Joint RPTA and meeting and agendas. Up to three minutes will be provided per speaker unless, I, the Chair allows for more than that time. For a total of 15 minutes for the speakers. Today, we have two people, two speaker cards. So at time I will call up Ms. Candice to come and share with the committee thoughts and remember we can't respond so you have three minutes.

Ms. Candice said good morning. I am one of your disabled passengers. I came because about a week ago I asked for a bus to be lowered for me and a bus driver did not want to do that, closed the doors in my face and pulled off. This is something that happens quite often, not where I'm left but where drivers just don't want to do their job. I've been here before for the same issue. Nothing has changed.



So I was trying to figure out what ADA means and who sets that rule or tone. I know it's a federal law. It doesn't seem to phase anyone at Valley Metro. So I did a deep dive and I tried calling Valley Metro to find out how this works. No one seems to know. They want to send me to 44th and Washington Mobility Center. That has nothing to do with it. I called this office, and I was transferred to Justin Sheldon, the manager of accessible transit services. He called me back. We spoke. He told me Tom Young, who is the deputy chief of paratransit and bus would be calling me back because he would be in a meeting with him.

This was something that took place on Monday, September 16th. I never heard back from Mr. Young. Instead, I got a call from a subordinate at Keolis named Andrea who's a customer service manager who was unable to provide me with any further information. This is quite disappointing that no one here seems to know what to do. I got a call from the general manager at Keolis Chris Langmire. He said, well, we don't know we get our instruction from Valley Metro. So just a round robin this. I don't know who's in charge of ADA compliance or how that works but that's what I came down here to find out.

Since I couldn't get any answers from Valley Metro, I ended up calling Washington D.C. to figure out how ADA even started, and I understand it falls under the Equal Employment Opportunity Center which is underneath the looming umbrella of the U. S. Department of Labor. It is near impossible to get anyone in the District of Columbia to pick a phone or return a call. So I hope be coming here today will render an answer for me by the end of this meeting on who I need to contact because this is extremely frustrating for me. I'm not asking for special treatment. I'm not asking for anything other than to be able to take the bus like anyone else. Thank you.

Chair Harris said thank you. Looks like she's going to be taken care of. Let's go ahead and go to Mr. John Hines. You have three minutes and remember our committee cannot respond to you.

Mr. Hines said good morning. My name is John Hines. I'm a Phoenix native. I appreciate this opportunity to address the board and give you a few comments. All I have are comments. I know you can't respond.

Comment number one, I didn't find out there was going to be a change in the fare schedule, procedure until I got my March water bill with the City of Phoenix and their flyer said something about things were going to be changing. Well, I was concerned and on May 20th, I wrote a letter to the CEO at least who I thought was the CEO of Valley Metro. On July 10th when I hadn't gotten a response, I wrote a follow-up letter. I still never got a response. So last week I came down here, floor above, spoke to someone there, she said the board was meeting here today at 11:30 so I came here so I got here early. Anyway, and at that point I filled out a comment card, I guess, with the two letters and I'm disappointed no one still has gotten back to me although I gave my phone number.



I don't know how the board arrived at its decision to upgrade, if that's the right word, our fare system. I don't know if you have any citizen input. I never saw any notices. There were none in any of the buses I rode that you were going to do this. I would have been glad to give citizen input, but I didn't. And the reason I wrote the letter is because I happened to be visiting Los Angeles when they also had a change in fare system, and I experienced numerous problems. And that was my letter to the CEO about these problems that occurred there, and I hoped that would not occur here.

So overall, I'm just generally disappointed and those are my comments. Thank you very much.

Chair Harris said thank you, Mr. Hines. That will conclude our public comment section.

2. Chief Executive Officer's Report

Chair Harris said we'll go next to our CEO report. Jessica, take it away.

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

The first being one of those items that are certainly to of mind for those of us who work in public service around the transportation space across Maricopa County. As you know as a public agency Valley Metro and our staff are not permitted to become involved in the Prop 479 campaign otherwise as Connect Maricopa nor can we advise the public on how to vote on this particular measure. What we can do is inform and engage the public about the important role that Valley Metro and the mobility services that we deliver provide to the community.

That being said, I would like to share with you and I shared this via email I think it was last week or the week before recent polling data published by Noble Predictive Insights and this data really found a continued trend with respect to what we've seen over the last year or so regarding support for the renewal of Proposition 479 our current measure is known as Prop 400, the half-cent sales tax funding transportation projects and service across Maricopa County. We have seen voter support, relatively strong voter support for Prop 479 for more than a year and notably we have not seen a change in opposition to this particular measure. Today about 56 percent of Republicans support renewal of Prop 400 of the approval of Prop 479 with 73 percent of Democratic support, 62 percent of independent support and about 18 percent opposition. This is a sample, of course, and like any polling sample it does include a confidence interval. This one about plus or minus 4 percent. So even within that confidence interval we are feeling very optimistic about the passage of Prop 479 and that trends pretty consistently with recent polls. So this one was August 2024, 64 percent approval. May 2024, 68 percent approval. And in July 2023, 23 percent approval. As a reminder this measure requires a simple majority so 50 percent plus 1 to pass. I know we're all watching closely. Should we receive any additional information on polling or other relevant content we will be sure to pass that on to the boards. Fare technology. Speaking of fare technology, I want to give you an update on the fare technology modernization project as we're really nearing the last lap of this multi-year effort. We



know have a new version of the Valley Metro app and that's the same app that you can use to plan your trip aboard Valley Metro light rail or a bus. This allows customers to load value to their account whether that's their mobile account or their Copper card and then automatically daily, weekly and monthly fare prices with Smart Fare.

Remember Smart Fare is the policy that now allows us to cap an individual's fare at whatever that daily pass, monthly pass or a weekly pass would be. This is so important because many of our customers historically paid cash or purchased one ride tickets for their travel aboard Valley Metro and if you're not positioned or choose not to outlay the expense of a monthly pass then you're paying more per boarding if you're riding often enough. So now once you hit that value over the course of the month your account stops being charged. This is a wonderful benefit offered to our customers. We haven't been able to do Smart Fare in the past because we haven't had a mechanism for tracking an individual's utilization aboard the system. Those rides are tracked when someone taps before they board Valley Metro light rail at a validator or when they board bus at the fare box itself.

The passes are now also being distributed through our third party retail partners of which there are many in communities across the Valley and we've taken great care to make sure that we have adequate geographic coverage especially in communities that are not proximal to a light rail platform where we have a ticket vending machine and especially in some of our disadvantaged communities where we have higher proportions of individuals who are lower income or minorities. Our vendors today include Circle K, Albertson's, Safeway and 20 different single stores, so smaller retailers throughout the Valley for a total of 250 unique retail locations. And in the first month those 250 locations sold more than 2,000 Copper cards.

We're continuing to host pop-up events. This really is an all hands on-deck effort at transit centers, park rides, senior centers and other community locations throughout the month of September and we're going to continue this into the month of October. We've also been mailing our ADA and our reduced fare Platinum cards to our VIP customers and to date we have mailed over 2600 cards to our ADA Platinum passholders and over 5,000 applications for reduced fare have been processed. Almost half of those reduced fares have come from seniors who are our very important citizens who are aged over 65.

We're also continuing senior specific engagement in communities. To date we've conducted 16 different events. At these events in addition to distributed fare media we're also providing information regarding the ADA certification process as well as an overview of our paratransit and Ride Choice programs.

And speaking of paratransit and Ride Choice, we've been periodically providing updates on our paratransit and Ride Choice ridership. This is especially important because we've seen Ride Choice grow in volume and I want you to be aware of what that is looking like in terms of ridership trends. For the past year we've seen paratransit ridership grow at a modest 1.78 percent, but that growth has been offset by tremendous growth in our Ride Choice program which is up by more than 40 percent for the same period last year.



When we look at the array of customers who are using our ADA services across communities, we see that many of these customers would prefer to use a Ride Choice platform rather than an ADA paratransit. A little over 60 percent of our customers are ambulatory, that means they are not using a mobility device that would require the large vehicle and the lift that all of our paratransit vehicles are equipped with. So we're deploying different services, different types of vehicles so that we can best meet the needs of our customers and move toward having a more demand expansive immediate service and source of mobility for customers regardless of their physical ability.

We've also begun conducting mobile ADA assessments rather than having our ADA customers come to our Mobility Center at 44th Street in the city of Phoenix. We piloted this as a partnership with the City of Surprise. We ended up having to schedule a second event because of demand and in total we had 22 customers assessed and I should mention that those customers are coming from communities across West Valley. We think that this is an important tool for us as we look at how we do ADA assessments in the future which might include a mix of mobile assessments, onsite assessments at our 44th Street Mobility Center and then reassessments that don't require a physical in-person visit for some of our customers who not need it because their condition has not changed.

Looking to our fixed route service. Valley Metro bus and Valley Metro rail we have a service change coming up on October 28th. There's information in your packet about an extension of the 77 Baseline route. We have been out in the field conducting surveys with customers finding out about whether or not their trips work for them. We've got an express customer survey going on right now and we've also been working with major employers most notably the vendors at Sky Harbor Airport. We're making some changes to our Valley Metro light rail schedule on that date as well and this is to add some short trips in the middle of the day as well as add additional trips early in the morning at the beginning of service so that we can bring airport employees to Sky Harbor in advance of the beginning of our travel day at the time their shifts start. We're going to continue this engagement. This is ongoing. It never stops because we know that the mobility of our needs of our communities are changing rapidly.

Over on the capital side, we are full speed ahead on the South Central Extension Downtown Hub. Today, we're at about 90 percent complete. The vast majority of the track has been laid; the concrete has been poured. We're also working on exterior roadway improvements. We've really transitioned from a heavy civil project to a largely electrical project. We've got work underway now at all eight of our stations, our two Park and Ride lots. All of our traction power substations and signal building sites have been constructed. We're quickly beginning testing. We look forward to opening the South Central Extension for the community next year.

We've also begun installing artwork which is really one of the favorite parts of these construction projects for us and it signals to the community that we're almost there and now we can bring in those elements that celebrate the unique culture and spirit of each neighborhood surrounding those eight stations. My favorite photo. This was a sunrise photo looking east and this artist is Diego Perez, and the sculpture is Animalia. There are several more out at the station and I just



love it. If you have not had the opportunity, I encourage you to take a trip down south to Baseline to view these eight unique stations.

Chair Harris said thank you Jessica. Going back to the other presentations I know that we were giving out grants to small businesses that were being impacted from the lane closures and because of, you know, the rails being built. I know a lot of individuals in southern part of Phoenix have been experiencing a lot of issues and downtown just kind of wanted to know do you happen to know, are we still doing grants for those businesses? Can they still apply? Has that closed? Do we know where we at on that?

Ms. Mefford-Miller said so that's our Business Assistance Program. This is a program funded by the City of Phoenix. Valley Metro administers the program. To date we've awarded over \$1 million in grants to small businesses. A million dollars is a lot considering the grants themselves are not very large and the businesses must be relatively small. We're continuing to make awards under the Business Assistance Program. I really think this is a best in class effort and what we have seen is while during construction we've seen a global pandemic, heavy construction, a lot of impacts to the South Central community the overwhelming majority of those businesses that were there when we began construction are still there today and we aim to see them through the start of the project when the construction is gone.

We also have other programs like an arts grant program. We awarded \$75,000 in small grants to artists impacting the community. Think of things like murals at schools, live performances by dance troops and mariachi bands in the corridor to enliven the culture and continue to see it thrive even during construction activities. And that's in addition to the artwork at the stations and along the corridor itself.

Chair Harris said and we have that information available on the website? How do other businesses know?

Ms. Mefford-Miller said we do have the information on Business Assistance available on our website, but we also have staff embedded throughout the corridor who maintain relationships with our small businesses, so they don't have to seek this out and find it. So that staff is through Hillary Foose's communications team. And so, we're out there. We've got a field office in the corridor itself where these team members are based.

Chair Harris said so we're continuing to reach out to the businesses even though some of the construction -- now do they get -- is there a -- there's a method to it, right? Do they get more money if it's in high construction, do they get less money or is it just?

Ms. Mefford-Miller said you know what, I'm going to invite Hillary Foose up to the podium to address the details of the award.

Ms. Foose said thank you, Mr. Chair, members of the Board. Happy to talk about our Small Business Financial Assistance Program, a part of our larger Business Assistance Program. The



way the grants are distributed there's two tiers. There's a \$4,000 tier and there's an up to \$9,000 tier. To get that second tier, that higher value, you have to show -- A -- I should say that the businesses we're focused on are small locally owned immediately adjacent to the construction and they also have to have been there prior to the start of construction. Again, we're looking to make sure that those businesses continue and we can see them once we're into revenue service. And so, the up to \$9,000 there's a few more steps because we are using public dollars from the City of Phoenix. They have to show business impacts, impacts to their sales, to be able to recoup that up to \$9,000. The \$4,000 tier 1 is very accessible. It's a very simple application requiring very limited information on behalf of the business and again, they can apply each year. So we have a lot of repeat businesses year over year applying for either tier 1 or tier 2.

Chair Harris said so is that like a calendar year or do they look at 12 months? What's your --

Ms. Foose said it's a program year. So when we started the program it was in April and so it's April through March. And so, again, our team is out there boots on the ground to assist the businesses when there is a new year and a new funding opportunity and they continue to be out there today.

Chair Harris said and is that accessible for Tempe and Mesa or is it just for Phoenix?

Ms. Foose said so it's just for those businesses adjacent to light rail construction in the city of Phoenix so the program has been active along our South Central Extension Downtown Hub project that Jessica just showed you and was also active on our Northwest Extension Phase II that we opened in January.

Chair Harris said I guess my only thoughts behind it and I know we may or may not have much control over it is that, you know, like the rents for businesses is so expensive \$4,000 maybe just one month.

Ms. Foose said right.

Chair Harris said I guess I would just like to probably know is that the 1 million is coming from Phoenix with specific guidelines.

Ms. Foose said right.

Chair Harris said are we not matching that or do we not have the ability to help match it or to extend it or to do more or less or just share that?

Ms. Foose said it is funded by two programs coming out of the City of Phoenix, their transportation 2050 dollars as well as a PCDIC which is a community development grant coming from the City of Phoenix. So all funding for this program is coming from the City and we're very grateful for it.



We were unable to use project dollars like for South Central Extension or Northwest II because our federal requirements and governs that we can't use it for that particular purpose. So we weren't able to use some of the project funds that we use to build some of these extensions, which is why we went the local funding route working through the City of Phoenix.

Chair Harris said and we're continuing to look at other funding because, you know, because businesses are reaching out and they're asking like hey this is impacting my business. And, you know, obviously \$4,000 is not a lot of money. Nine thousand dollars is probably maybe a little bit but just kind of want to make sure there's some more dollars or we're advocating or making sure we're looking into grants and other ways to help those business because they're being largely impacted and one year for \$4,000 seems to be rather low but just want to make sure that we're consistently looking at trying to help those businesses so they don't close in the midst of doing increase traffic.

Ms. Foose said Mr. Chair, I'll say that we're coming to the tail end of South Central Extension. This program continues through the major construction and then we will reassess the program as we think about building light rail in other communities. Certainly, we have expansion projects within the City of Phoenix and so we will reassess the whole program to make sure that it's fitting the businesses needs and tailored to the business needs of that particular community. And certainly, more funding would be valuable, and we have looked and talked about maybe third party or private sector or other grants.

Chair Harris said I just want to make sure that we're reaching out to the local cities as well like Tempe or Mesa just getting them, you know, getting their grant writers on board. Phoenix is already on board so maybe there's some opportunities so wherever the rail's going to touch we need to reach to the local cities and ask them for support because they may have CBG funds or things of that nature, so.

Ms. Foose said right, yes.

Chair Harris said do any of my colleagues have any questions?

Councilmember Tolmachoff said thank you, Mr. Chair. I do. Thank you for the additional information. So the boots on the ground that are basically embedded are they able to point businesses in the direction of maybe other grant opportunities?

Ms. Foose said yes. Mr. Chair, Councilmember Tolmachoff. Yes. So we work closely with the city that we are working within and the City offers many grant opportunities for small businesses particularly coming out of the pandemic there were several grant opportunities. And so, our team was informed working alongside the city and their resources and we're actually helping businesses actively apply for other grants. We even sitting there on a computer with them helping them to apply. So yes, we are informed about the other opportunities, and we do make those available to the businesses as well and assist them as needed.



Councilmember Tolmachoff said very good. Thank you.

Vice Mayor Edwards said thank you, Mr. Chair. Jessica, I have a question on the ADA when you were going out to Surprise. Are you rolling that out to other cities because, you know, people with ADA disabilities that are in Peoria can't necessarily get to Surprise. So are going to different cities or having a website or something so that we can publish that out there to let people know where they can go out and do those assessments?

Ms. Mefford-Miller said yes. Thank you, Mr. Chair, Vice Mayor Edwards. This was a pilot program. We were waiting to see how demand worked and how it went. We would be happy to partner with any of our member communities to support mobile assessments. I think it's a fantastic idea to leverage our member communities already great and accessible civic spaces to conduct these assessments. So, if the City of Peoria were so interested, we would be happy to have a conversation please reach out to me and I'll introduce you to our accessible transportation staff that supported this event. Again, we are learning new and different ways to try and go to where our customers are and make it more accessible for those who need it. And looks like we had two Peoria residents at our August 26th event but I'm sure we could get more if we were embedded within Peoria itself.

Vice Mayor Edwards said thank you so much.

Ms. Dillon said Chair Harris, Vice Mayor Kaino has a question.

Chair Harris said Chair recognizes Vice Mayor.

Vice Mayor Kaino said hi, this is Laura Kaino, and I think my screen says it's the conference room, but I really appreciated the information on the Prop 479 polling that's certainly very encouraging. While you were talking, we were looking at the website, I didn't see anything on the Valley Metro website, and I was just wondering if you were planning to put some educational material out there.

Ms. Mefford-Miller said you know, thank you, Vice Mayor Kaino and Mr. Chair for that question. We currently don't have any information on the Valley Metro website. We've been trying to be very careful about our respective side of that line, if you will. I do know that so many of our member communities do have Prop 479 information on your sites which is much appreciated. Perhaps we could put a small landing page linking back to other resources that are not our own. I think that would be -- and I'm looking at our attorney, Mr. Wawro, here to ensure I'm staying on that right side of the line, but I think that is something that we can do. We appreciate that inquiry and suggestion.

Chair Harris said thank you and go ahead.



Councilmember Tolmachoff said thank you. Vice Mayor Kaino I was going to ask the same question. I mean, I don't know whether the guidelines for what Valley Metro is allowed to do is different than what the cities are allowed to do but we are allowed to educate. We are not allowed to advocate. So I think that absence of any information is a little bit far beyond what's required unless I misunderstand that maybe Valley Metro's got -- you know, I think most cities are providing information and just basically educational pieces that this is, you know, there's all kinds of tidbits of information that would be relevant to educate the public on what is actually in this proposition. We're looking at a four-page ballot, the selection cycle with lots of propositions so any opportunities that we have in, you know, in sound bite type media to educate the public is incredibly -- and I mean, I know Prop 479 is polling well. I think we all understand that, but we still have a four-page ballot to get through. So I don't know whether there's, you know, some other requirements that Valley Metro has but I also am wondering why aren't we at least pushing out data information the amount of money that's at stake for things like that that provides real services to people that need in the community. Not saying whether you should or shouldn't vote for it this is just information. So are we not doing that?

Ms. Mefford-Miller said we can do that, and I also think we've got other information on our website that we can link back to on that page. We have a wonderful quality of life report that demonstrates by the numbers the impact in terms of quality of life as well as economic development of the service Valley Metro provides. And then we could link back to other resources including some of those of our member communities. So we can do some things. I appreciate that nudge. We'll get to work very quickly on that Councilmember, Mr. Chair.

Chair Harris said Councilmember Max White.

Councilmember White said thank you so much, Chair. Thank you so much, Jessica. I would just like to admonish the team and encourage all of us to go back to our cities and our staff to ask them to make sure we have information. For example, if you go to www.avondaleaz.gov/government/departments/cities/clerk/elections on that page you will see a pictorial and that's a link so hopefully, you'll be able to have that link in there, Pat, for my Avondale residents. You'll be able to see a pictorial that will talk to you about what that half cent sale tax does.

Councilmember White said we've got to make sure we get the information out there because we're right. We're not allowed to advocate but we do have to inform our public and I think that's the most important part about it. Not only do we ask this of Valley Metro but each of our member cities here we need to make sure we go back, and our cities have that on our websites and we talked about that before in our Audit and Finance Committee meeting. But I think this is something and this is the time and place for those who are at home to make sure it's done today. And if you need a site to reference again I can give it to you.

Mayor Peterson said just one thing to add. Besides it being a four-page ballot this is going to be probably the next to last thing on the ballot. So I'm going to say to everybody, everybody in this room go back to your family and friends and tell them to start at the end and go backwards,



right? Everybody's going to start at president and maybe only check that box and then stop and move away because it's going to be so overwhelming. So I'm going to encourage everyone to go to the end and work backwards. And Gilbert will be adding a page to our Town of Gilbert page that will have information and education about Prop 479. But you can just go to our search bar and put in Prop 479, so you don't have to do backslashes. Councilmember White, thank you.

Chair Harris said I'm going to call on Councilmember Jimmy Davis and then go back to Councilmember Laura.

Councilmember Davis said I might suggest that you also put some information on your social media platforms because no one younger than me is looking at your website just to let you know. I just followed your Instagram, by the way, so you do have one, so, definitely utilizing that platform. I think young people are especially engaged this time around, thank you, Taylor Swift.

Ms. Mefford-Miller said thank you, Mr. Chair, Councilman Davis, yes, we do have Instagram, Facebook, LinkedIn. We are out there.

Chair Harris said Chair recognizes Lauren and then Aly.

Councilmember Tolmachoff said I'm going to be holding a public meeting about Prop 479 basically just to provide information. It's the same thing we would do if we had bonds on the ballot that we would just educate our residents that exactly what's included, what's at stake for specifically voters in Glendale, voters throughout the county, so I would challenge everybody, you have the opportunity to invite your most engaged residents to a public meeting. We're going to have our attorney there to make sure that we don't, you know, do anything wrong and we're just going to provide information. But fair is the enemy of progress so don't be afraid to provide the information to the voters because, you know, I mean, the alternative is devastating to the region. So don't be afraid to provide information and education and in Glendale, we're holding a meeting, we're going to have residents, we're going to educate them and make sure that they understand what's included.

The information in the election book that's going to probably look like a phone book when it comes out, so it's really doubtful that people are going to read that. So I think we need to take it upon ourselves to provide information. To assume somebody's going to read, you know, an election guide that's, you know, this thick is not really realistic, so all we can do to educate people I think is, you know, that's our charge as board members, as Valley Metro, as everybody is to do our very best at every opportunity to educate the public. Thank you. And I was texted that MAG does have a Prop 479 page so I'm sure you guys would be comfortable in at least using that link, so thank you.

Chair Harris said online, Aly. You're on mute. Take yourself off mute.



Councilmember Cline said first of all, two things. On the Prop 479, like Lauren, I have two community meetings this month because I wanted to get the information out before the ballots dropped since they'll probably drop in October to the residents. And I utilized our intergov Jodi Tas to reach out the Prop 479 folks so they will be making the presentation instead of us to make sure that it's separate and it's informational and not taking a side one way or the other. So that's something that I used for my community meetings so I hope that if you haven't thought of doing that, they should be available to come and speak on behalf of Prop 479.

And secondarily, I wanted to thank everyone from Valley Metro who came out to do the offsite pilot program to see if anyone would come to a meeting if we offered a way to get certified. We did have folks not just from Peoria, but we had folks from Goodyear and Avondale and all-around town and the original plan was that we would have something mobilized on the west side of town going to different cities at different times of the month or quarter so that we could all share in the benefit and so we volunteered to go first. And the signup was so overwhelming on the first day that they put in a second day.

So thank you to Valley Metro for listening to this crazy idea of doing something on the west side so folks don't have to go all the way to Phoenix or Tempe to get certified and I think as each individual city makes space available that it's something that we can all use in all of our west side cities for our residents who may want to be able to take advantage particularly of Ride Choice. I was really excited to see that go up 40%. It's gone up more than 40% in Surprise. But again, making sure that people have access to transportation where you may or may not have a bus line that's available for them and we don't have buses other than the flyer that goes down to Phoenix in the morning out in the area of Surprise. So it was an overwhelmingly positive thing. The people did a great job and I'm really thankful that Valley Metro was able to support that idea and see that if you build it they will come. The residents will come to those events. So thank you very much for putting that together for us and I hope to have the City of Surprise participate with any other city that's doing it close to us so that our residents can get certified. So thank you and thank you.

Ms. Mefford-Miller said thank you for your support, Councilmember Cline.

Chair Harris said absolutely. I just want to add to the record that Councilmember Pastor just wanted to weigh in on the 479. She said that we can educate and inform. I want to make sure that we add that to the meeting notes.

Ms. Mefford-Miller said I've got a few more updates for you. As part of the important services that Valley Metro delivers to the community, we are our regional commute solutions entity. So that means that not only do we operate our regional van pool, we also connect commuters with carpool program. We also help people find safe paths to work who are biking and walking. We get together once a year at our annual Clean Air Campaign lunch and you should have received an invitation in the mail board members. And this is Wednesday, October 30th. And at this luncheon we celebrate our clean air champions.



These are people who are taking transit to work every day or most days or who have developed lifelong friendships as part of their vanpool program or made positive impacts on their personal health and life by biking to work sometimes over very long distances over a period of many years. This is a wonderful event. If you'd like to attend, please do reach out to Pat and we'll ensure that we got space for you at that event.

We also for the first time participated in the Arizona Cities and Towns Showcase of Cities last month. What an event that was. Boy, you cities know how to celebrate. I wasn't quite sure what to expect but it was such a wonderful event, and each city brought their unique character. They celebrated their local economies, their cultures, their businesses and we were pleased to participate in that. So when the League of Cities and Towns Showcase comes back to the Phoenix region, we'll participate in that again but I did so enjoy encountering many of you at that event. We aim to be embedded in the communities and right there with you.

You know Valley Metro's Marketing and Communications Team does a fantastic job promoting our services and providing connections to communities and when we hosted Super Bowl LVII back in 2023 really another all hands on-deck effort to make sure we were moving people efficiently and offered a fantastic service and we certainly excelled in that. The American Public Transit Association as a very coveted program from marketing, communications and customer service and for the first time ever this year, we won the Grand Award for marketing, communications and customer service from APTA for our Super Bowl marketing campaign. So we'll be there with our colleagues at APTA's annual conference in early October to accept this award. So I congratulate Hillary Foose and her marketing and communications teams for promoting this effort and as ever, I am grateful for the steadfast work of the entire Valley Metro team who made the service happen over that week in 2023. Well done.

Not to be outdone, our Capital and Service Development and our contract partners were recognized with two awards from Engineering News Record for the Northwest Phase II light rail extension including the airport transit bus project and the excellent in safety bus project. This adds to awards we've already received for the incredibly innovative beautiful project that is the Northwest Extension Phase II. So it also sets us up to be competitive with our South Central project so that we can rack up the awards and honors for that as well.

For October cycle, I want to take a note that I did confer with Chair Harris, we will not have a Joint meeting or an RPTA meeting in the October cycle. It will be a Valley Metro Rail meeting. All of the items on the, and there was one additional item added to the agenda today that would have otherwise been in October. So any board members are welcome to participate in the Valley Metro board meeting on October 17th. It's just Valley Metro Rail board members that are permitted to vote on agenda items, so do take note of that. And we'll be communicating that with city staff as well.

We'll be back in November and we're sure to have a full agenda since we won't have had an October cycle. So our November Joint boards meeting is November 21st.



That concludes my remarks, Mr. Chair, members of the board.

Chair Harris said thank you. Just wanted to take a moment, all the awards that we're winning I wanted to take time to acknowledge Jessica Medford-Miller who just received the AZ Business Most Influential Woman in Arizona of 2024 award. You see she continues to perform and do her job very, very well at a very high level. We couldn't be prouder of what you're doing, how you're moving the needle for so many people and our community residents and my constituents. I think all our constituents would say we really appreciate the work that you're doing so thank you and congratulations.

Ms. Mefford-Miller said thank you, Mr. Chair. I think that award is a testament to the important work and the impact that Valley Metro is having in communities across Maricopa County.

Chair Harris said thank you.

3. Audit and Finance Subcommittee Update

Chair Harris said we'll move it on. I'm going to call on Councilmember Max White to give us the Audit and Finance Subcommittee update.

Councilmember White said thank you so much, Chair. I would like to report on the Audit and Finance Subcommittee meeting. We hosted that on Thursday, September 5th. Our committee welcomes Councilmember Peggy McMahon representing Fountain Hills and Councilmember Jimmie Davis representing the City of Tolleson.

During our meeting we received the Chief Financial Officer's update provided for information regarding the Public Transportation Fund and the Regional Maricopa County Transportation sales tax report.

During our meeting, AFS, we accepted the AFS results from the Conflict-of-Interest Oversight audit. We also took action and accepted the results from the procurement process review. AFS approved the FY25 Internal Audit Plan and our next AFS meeting is scheduled for Thursday, October 3rd, 2024.

Any questions or concerns that you may have our Chief Financial Officer and Chief Auditor are available offline to take any questions.

I did want to ask Madam CEO if our meeting on the 3rd is too soon. I know a lot of financial data does not come out until about a week at the end, after the end of the month. And so if the CFO and the CAO would like to adjust the meeting time and date I know that we have a little bit more time and flexibility in October since we are not going to have our whole board meeting. We might want to wait until the numbers are available so that we can have something to review. It can be taken for consideration.



Ms. Mefford-Miller said thank you, Councilmember White. Let me confer with Ken Kessler, Chief Financial Officer, and also Sebrina Beckstrom, Chief Audit Officer on whether pushing that date back will allow us to provide more information. We most certainly won't have our September actuals in at that point so you're right this does give us some flexibility. May I get back with you on that?

Councilmember White said I really appreciate that. Thank you so much.

Chair Harris said thank you, Councilmember for that report. Ms. White for the report.

4. Consent Agenda

Chair Harris said next is our Consent Agenda. You guys have had time to look at the Consent Agenda for Items 4A through 4F. A motion would be in line.

Motion by Councilmember White, second by Councilmember McMahon. All those in favor? Those opposed? I guess I was supposed to say any discussion before that, but if there is let me know. It's passed.

IT WAS MOVED BY COUNCILMEMBER WHITE, SECONDED BY COUNCILMEMBER MCMAHON, AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA ITEMS 4A THROUGH 4F.

5. Travel and Expenditures

Chair Harris said next on the agenda is Travel Expenditures. It doesn't look like there's any. Is there any questions about travel expenditures?

6. Report on Current Events and Suggested Future Agenda Items

Chair Harris said moving on to the next one. Report on Current Events and Suggested Future Agenda Items.

I would like to add for the November or December meeting to discuss more about the grants, how that works. I would like a presentation on that. And also, I would like in that presentation what businesses may have received grants and then if there is any wiggle room, I would like more details about how that works and what we've done and how long have the program been in existence and just kind of a little bit more information about that and how we're servicing that community. So I would like to see that for a later either November or December meeting. November or January meeting.

Councilmember Tolmachoff said Mr. Chair? May I add on to your request?

Chair Harris said yes.



Councilmember Tolmachoff said because we were just discussing to and I'm not sure what the status is but I know Valley Metro along with all of our cities received ARPA money and I can't remember what the name of the first batch of federal funds were and I don't know whether any of that is still remains available and I don't know if any of that would be eligible to be like a passthrough Valley Metro to some of these businesses but that may be an opportunity where that money actually was to help any, you know, because the project began during COVID also so which is kind of a double whammy for those businesses down there, so I don't know whether that's a possibility but I wanted to maybe you could mix that in with what our Chair asked for. Thank you.

Ms. Mefford-Miller said thank you, Councilmember Tolmachoff, Mr. Chair. I can report out on ARPA. In decisions made through the member communities the ARPA funds were actually expended relatively quickly and, in fact, those funds were completely expended before I arrived here in early 2022. I believe they offset city expenditures for operations and maintenance during that time period.

Councilmember White said thank you so much, Chair. I am interested in learning, and this might be a presentation for the board, or this might be information you can provide directly to the member cities and towns, information on what is the end to end for ADA? What does it look like bringing that policy together knowing that in 1991 before I started my professional career Americans with Disabilities Act was signed into law by the first President Bush and knowing that now there are quite a bit of concerns it sounds like for the end user.

And I know that we have a great plan in place as an agency. I know that we're doing the right thing with our partners in Keolis but as a disabled human what if I step out to a bus stop, what is that end to end process look like for me? And what should I be doing if I'm not getting the service that I need from our fixed route buses? I think it would be great for us to understand kind of what that looks like end to end and then identifying the opportunities. There might be a presentation required. There may not be. But it would be great information. I think we as a board have heard numerous ADA concerns and we know the work you're doing in the trenches and we know you're accomplishing big things, but if the end users are still saying that that doesn't hit home for them, I'm very concerned.

Additionally, I would again like to recognize our CEO. When we were at that Influential Women of Arizona awards ceremony, I had the opportunity to connect one of my other favorite CEOs, leaders in the Valley being the president of Phoenix International Raceway with Latasha Causey and so I just want to encourage any type of partnership. Hopefully, you guys will be able to connect offline. Transit is transit and where the wheels go round. We should try and look for a way to bring it together, right.

You know, when I sit out in Avondale, we're looking at opening up WeRIDE services on Saturday's. That's something I'd like to share with you guys in November. But you never know I mean, we might be able to form partnerships in the future that might kind of, you know, take the



hassle of driving down to our race track away during that time of the year and I know we were able to provide that for the Super Bowl and make sure that there was additional transit. But we get NASCAR twice a year. We get the Super Bowl, how many times? So we want to look at those groups that are bringing things to us and bring things to them. So if NASCAR's here in March and in November, maybe we can try and offer enhanced travel services like we did for Super Bowl. And it might become award winning. We might open doors to let people see and recognize how much we're doing in the community. I am now off of my soapbox. Thank you, Chair. And yes, our championship race is going to be November.

Chair Harris said thank you. Is there anything else?

7. Next Meeting

Ms. Dillon said so we generally take December off so there will be no board meeting cycle for December. So we will hit items for November and then we'll be back in January.

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

Without further discussion, the meeting was adjourned at 12:10 p.m.



Executive Summary

DATE

November 14, 2024

AGENDA ITEM 4**SUBJECT**

Audit and Finance Subcommittee (AFS) Update

PURPOSE

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

BACKGROUND | DISCUSSION | CONSIDERATION

The Audit and Finance Subcommittee met on Wednesday, October 3, 2024. The draft minutes are attached.

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 October 3, 2024 AFS meeting minutes

Meeting Minutes



October 31, 2024

AGENDA ITEM X

Audit and Finance Subcommittee
Thursday, October 10, 2024
Via WebEx/Phone
12:00 p.m.

Meeting Participants

Councilmember Max White, City of Avondale - **Chair**
Councilmember Peggy McMahon, Town of Fountain Hills
Councilmember Laura Pastor, City of Phoenix (phone)
Councilmember Jennifer Adams, City of Tempe (phone)
Councilmember Jimmy Davis, City of Tolleson

Chair White called the meeting to order at 12:02 p.m.

Chair White said thank you all for being present today. Today is mental health awareness day and I just want to bring our attention to that you see that I have on green pants. I encourage everybody before I call this meeting to order to just spend a few moments today reflecting on their own mental health and becoming more mentally aware of those around us.

I will go ahead and call our October Audit and Finance Subcommittee meeting to order.

Pat, can you take roll for us, please?

Ms. Dillon said good afternoon, everyone.

Ms. Dillon said

City of Avondale, Councilmember Maxine White? Here.
Town of Fountain Hills, Councilmember Peggy McMahon? Here.
City of Phoenix, Councilmember Laura Pastor?
City of Tempe, Vice Mayor Jennifer Adams? Here. I'm here. She is online.
City of Tolleson, Councilmember Jimmy Davis? Present.

Ms. Dillon said Chair, we are ready to proceed.

Chair White said thank you so much.

Ms. Dillon said Chair, we can proceed.

1. **Public Comment**

Chair White said we will go ahead and move to Item 1 Public Comment.



The public will be provided an opportunity at this time to address the Committee with non-agenda items and all agenda items on our agenda. Up to three minutes will be provided per speaker unless the Chair allows more at his or her discretion. A total of 15 minutes for all speakers will be provided.

Pat, do we have any public comment?

Ms. Dillon said yes, ma'am. Mr. Crowley is here today.

Chair White said thank you so much. Mr. Crowley.

Mr. Crowley, you will have three minutes. Thank you.

Mr. Crowley said when I'm talking to you guys about how the thing is and what is a hole in it and how I continually came up here and said when it this part going to be done and got no response, is that because those were all dropped? Because when I'm looking at the new document that says hey you all need to be supporting the transit part of the -- what is it, 479. It says hey we're going to double what we've got. Well, if they double what they've got what they're doing is getting it all the way up to the level of the 1980's plan that we turned in to you. So, you know, smoke and mirrors.

And then I look at the next part of it and it say, arterial streets and they're all improvements because they're hooking up with the regional freeway system. And I don't see where those are any of the roadways that you're saying that you're going to be getting done because it doesn't have any because you have no plan. And when it comes to what MAG says and does how is it supposed to be done right?

But when you look at the document, you'll see all of those roadways and don't -- if it's congestion and getting to the freeway wouldn't it be something that should have mass transit as one of the ways of getting rid of that. But what happens happens. So what I would like to say to you is that when you go into that voting booth since this is the level of what they're trying to do and since one of the jobs of government is transportation and this is it and obviously, your plan, their plan what I see is zero, I'd like to encourage all of you to be voting no on that.

I'd also like to bring up that whenever I do agenda items with the stuff why is it that it isn't shown on that when it specifically saying this is when you input for those.

I'm going over so I'll just walk away.

Chair White said do we have any additional public comment?

Ms. Dillon said no, ma'am.

Chair White said thank you so much.

2. Chief Financial Officer's Report

Chair White said we'll go move on to Agenda Item number 2 Chief Financial Officer Update. Ken, thank you so much. We're ready for your presentation.

Mr. Kessler said certainly. Thank you, Madam Chair.

So just one item for my report here in October. I wanted to share with you our update on PTF, that's our transit share of the countywide sales tax through September. Through September, we're at about 1 percent under prior year so the growth in the sales tax has slowed and now we're at a point where we're dipping a little bit below prior year actuals. We'll be keeping a very close eye on that as this goes forward and we'll be seeing ADOT's forecast for the remainder of the Prop 400 time horizon coming out here in probably a month or so. It's usually October, November timeframe. And so, we're eager to see where their forecast lands and see how that may impact the remaining balance of our Transit Lifecycle Program through Prop 400. But that's my update. Happy to take any questions.

Chair White said are there any questions? Thank you for your update.

3. Minutes

Chair White said moving into Item number 3, this one's for action. Our prior meeting minutes from September 5th, 2024, require approval. Just take a moment to review those minutes. Are there any corrections, additions or edits to the minutes? I'll entertain a motion to --

Motion by Councilmember McMahon, second by Councilmember Davis.

All those in favor, aye. Any opposition? The motion passes.

We will accept our minutes from September 5th meeting.

IT WAS MOVED BY COUNCILMEMBER MCMAHON, SECONDED BY COUNCILMEMBER DAVIS, AND UNANIMOUSLY CARRIED TO APPROVE THE SEPTEMBER 5, 2024, AFS MINUTES.

4. Fiscal Year 2026 Preliminary service Level Budget Assumptions

Chair White said moving to Item number 4, Fiscal Year 2026 Preliminary Service Level Budget Assumptions. This presentation is going to come from Tyler Olson, Manager Budget and Operation Financial Controls. Thank you so much, Tyler.



Mr. Olson said thank you, Chair. Good afternoon, Audit and Finance Subcommittee members. Last month we went through the budget development process for '26, you know, starting with our preliminary budget, annual and five year. This month I'll be talking about just the high-level assumptions that go into that not really the number so much. We end up sharing that with your member city staff on October 31st so coming up.

Again, the purpose for this budget is really to get into your budget process through your annual IGA really identifying the transit service in your areas and intending your not to exceed amount very early in the process so we'll have some high-level contingency in there and we'll continue to refine those numbers as we move forward in the budget process and ultimately, pull those numbers back a little bit. So we did share this with your city staff during the September Financial Working Group meeting and we'll get started with RPTA.

Taking a look at local forecast. So really these are the cities that have transit funds for their '24 kind of forecast versus actual. Some cities did better than plan, some cities didn't do as well. We are noting, as we've talked about at this meeting and previous meetings, some year over year growth rate. Revenues have been so strong for quite a long time. We're starting to see that pull back a little bit, so we'll be mindful of that as we move forward.

Digging into PTF a little bit further here. Performance for FY24 compared to '23, again, in the green there so positive 9.6 million. They are starting to slow down a bit so again we'll keep an eye out on that.

For federal funds, we're budgeting about a one and half percent increase in the federal PM and operating assistance. Advertising is going to be fairly flat. We do have a minimum annual guarantee of \$700,000 and so we'll plan on using that assumption on the revenue side for '26. All right. So taking a look at fare revenues. This is the performance for FY24 just slightly above plan so pretty good there. Essentially, we'll plan on using the '24 actuals as a base for '26 and as we kind of monitor '25 and move through the budget process we can adjust if needed. We don't want to be over aggressive on fare revenues because if we don't meet fare revenues then the cities have to make up the difference. So we want to be very conservative with that. Obviously, looking forward to our new fare collection system and the impact of that and I'll talk about that a little bit later.

So our base service levels. Everything really starts off with, you know, what does our service look like for FY26. And so really at this point in time we start with our '25 budgeted miles. Some of those are locally funded. Some of those are public transportation funded. And we have kind of the three main contractors or agencies within the region. Phoenix is one of those. They operate their own service, and they submit reimbursement to Valley Metro for public transportation funds. And all that's determined through the Transit Lifecycle Program and available JE to draw down through the remainder of Prop 400 program.

So starting with the '25 budget we'll take the '26 changes. Your city staff works with our Service Planning Group to identify the short-range transit program miles, what service do we want to do



in the future, what type of funding changes do we want to do. We have that opportunity every year. And so in this case, you're seeing Phoenix in '26 pulling back some of that PTF reimbursement. They'll plan on funding some more of that locally for '26 and that's really determined based upon their available JE or PTF fund, so.

Here just an overview of some of the service changes. I'm not going to go through all of those but that's the SRTPT detail if you'd like to take a look at any of that.

Contract rates for the East Valley contractor Keolis we do know those rates for the entire five-year window so not a lot of risk there. Those are predetermined and approved when the Board approved the contract for that.

West Valley, we are re-procuring the service. Essentially, the new contract moves kind of from just being bus to being multi-modal so fixed route, paratransit, microtransit. So that RFP is essentially underway, and we should know rates later this fiscal year so, you know, for this preliminary estimate we're going to put some contingency in there not knowing what the market will bear, you know, it's important that, you know, we do put some healthy contingency in there and then true that up as we get closer.

For fixed route bus, other than contractor, fuel is one of the biggest expenses. You know, contractor and fuel together is about 95% of the bus program. Most of our fleet is natural gas and the remainder is diesel. Really not a whole lot of concern at the moment as far as pricing on that.

And then facilities, this is more information, but we do own the Mesa bus facility. We operate our East Valley contract out of Mesa and Tempe. We perform the facility's maintenance ourselves at Mesa and then Tempe we lease that facility, and Tempe essentially bills us for our portion of that facility and costs as well as fuel.

Contract rates for demand service both paratransit and Ride Choice those rates are known in our five-year window so again, no risk there. They're demand driven. That's part of the risk but rates are known.

Just some current market trends. Some of the positive things, CPI or also inflation have really stabilized so, you know, not as drastic as it has been the last few years. We did see some federal rate cuts and possibly more by the end of this calendar year so those are some positive indicators. We're still monitoring as mentioned the PTF year over year growth and, you know, some other economic indicators out there around savings rates and credit card debt going up for many consumers.

So other initiatives and risks that we want to mention. The strategic plan that was approved by the Board last year, obviously, going to continue to drive our budget process and when we bring initiatives to you as we present this starting in March we'll be identifying, you know, what are the increases in the budget, how do they tie to that plan that the Board approved. And then, of



course, our Fare Collection System Modernization in '26 we'll have 12 months of actuals of using that system. So we'll be monitoring revenues this fiscal year as we continue to roll out those additional sales channels and some of that point of sale control that we're all looking forward to increase our fare revenues.

Obviously, Prop 400 is going to be expiring here at the end of calendar year '25. The extension is going to voters for their approval next month. And another big-ticket item we've talked about previously was the rental sales tax. Essentially, discontinuing in January of this year so coming right up. So that's, you know, we know that that's an impact to member cities and we're being mindful of that as we move this budget forward.

With that, that concludes my presentation on RPTA, I'd be happy to address any questions before I get into VMR.

Chair White said thank you so much, Tyler. I'll pause and first go to our online participants. The Chair wants to acknowledge that we have Councilmember Pastor that has joined meeting with us to ensure her attendance is captured. Any questions from our online participants? Any questions here in the room?

Councilmember McMahon said thank you very much. On your forecast and the 1 percent down, is that normal for this time? Is it cause your anticipating no rental tax? You know, for that reduction and is there a way you're going to try and make it up?

Mr. Olson said I'm sorry, Councilmember McMahon. Thank you for the question.

Councilmember McMahon said when you first started you said the forecast is below average it's down like 1 percent certain areas, so I was wondering what you attributed that to in your forecast?

Mr. Olson said I know fare revenues were slightly above forecast by 1 percent.

Councilmember McMahon said right. Oh, maybe I misunderstood. I thought that it went down. I apologize.

Mr. Kessler said are you referring to the PTF sales tax revenues?

Councilmember McMahon said yes.

Mr. Kessler said so we're currently down about 1 percent through September of this year compared to through September of last fiscal year. As far as making that up, I mean, you know, we have basically our budget is funded with the sales tax and member city contributions and some federal funds. And so as we monitor that if we do come in under we'll have to look at, you know, the other funding sources to help make up that difference.

Councilmember McMahon said I know it's a concern. And it's a concern for everybody because the rental tax is going away, and you can't just attribute it to people not being here in the summer, so I think we're all scrambling for that trying to balance it out and see if there's going to be any future solutions. I just thought do you see that as a trend? I mean I wasn't sure.

Mr. Kessler said I mean, the growth, right, since the pandemic was really good in the sales tax and then over about the last year or so we've seen the growth slow and just in the last couple of months we've seen where it's actually declined to the point where we have year over year negative growth at this point in the sales tax. We'll keep an eye on that. It's a small amount. It's actually a little under a percent, it's like .8 of a percent cumulative through the first quarter so obviously that's something we'll be keeping a real close eye on.

Councilmember McMahon said well, thank you.

Mr. Olson said thanks, Ken. Thank you for the question, Councilmember.

Chair White said I also have a question for you regarding the contract rates for West Valley bus. I know there is a direction there that we have in place that we set up for FY25. I guess, I was wondering why don't we have a placeholder rate for FY26 there as were going to begin that budgeting process right now? It would have just made sense to see that -- is that what the red line is or is there a placeholder?

Mr. Olson said thank you, Chair. So good question. We do have an independent cost estimate as part of this through our contract WSP I believe did that work. It was done some independent cost estimates for Keolis and possibly other providers, but we will include that. We're just getting that from our subject matter experts over this area and so, we will essentially plug something in there that is our best estimate at this time.

Chair White said thank you. That's all I had. I appreciate it. If there are no further questions, we can go on to VMR.

Mr. Olson said so moving into Valley Metro Rail. Kind of going over the same areas here.

For advertising, we do have a minimum annual guarantee of 1.3 million, I think, rounded and so, you know, we're have those revenues in place.

For federal, a very small increase, 1.2 million so, you know, that is helpful for that, those cities. And then on the fare revenue forecast side of things actually higher than plan significantly for Valley Metro Rail. We're continuing to monitor that in '25 and we're going to adjust accordingly and essentially for our '26 budget use those actuals, most recent full year of actuals there for '26.

Real transportation. Our assumptions are going to be 12-minute headways. We do operate 15-minute headways today. We budget for 12. That gives us the flexibility to move to 12-minute



headways should our rail member cities want to do so. Alternate Concepts Incorporated is our operations contractor. They provide the operators and management and oversight of those operators and essentially, they have a 4 and a half percent increase with the current contract. Allied Universal, they provide our fare inspection security today. That contract will be expiring, and we will be entering another contract here in FY26 and possibly even right before '26 I think the Board will approve that, spring of '25 so we don't know those rates right now. So we're going to need some contingency in there. We do have an independent cost estimate for that as well. And then propulsion power, we had a big increase on APS this fiscal year.

We are not aware of an increase for this upcoming fiscal year. SRP will have one that essentially is going to be effective, well, next month.

And then just generally and I forgot to mention this on RPTA because we are so far in front of the fiscal year, we do add some additional contingency again in not to exceed amounts of 5 percent would be reflected in the RPTA service that we went over and as well as rail transportation. And we will pull that number back as we approach that March presentation to the Board.

This is a really big deal for '26. We have a South Central going to be in operation so this will be our first ever two-line system. So essentially, you know, what appears to be on, you know, face value a big increase to the budget for '26 but we'll explain that through our initiative process, the new initiatives, continued commitments and inflationary. And so we're included all the support costs for that whether it's maintenance or security as well.

State of good repair. Looking at what we had programmed for '26 we're currently there's a just a couple of things in the IGA's for '26 right now. Our maintenance team is actively looking at all the different systems and assets we have out there to see if we need to make any adjustments for '26 compared to plan. We came up with this plan a year ago so we'll continue to use this as a placeholder and then again, update before we hit our March presentation.

And so other initiatives and risks here. Most of these you're already familiar -- I apologize, most of these you're already familiar with. You know, the strat plan, obviously, we mentioned that or rather Rio East Dobson continued planning for streetcar. And then we've got a west Phoenix high-capacity continued planning on that and then, of course, our capital projects and fare collection system. As mentioned, the current fare inspection security contract is under procurement, so we don't know those rates. A little bit of risk there. And our Alternative Concepts Incorporated, our contracted operator is renegotiating their bargaining agreement, collective bargaining agreement so we'll know more about that but again, that contingency that we're putting in place we're not concerned that anything would be exceeded there.

So that concludes my presentation for Valley Metro Rail, I'd be happy to answer any questions that you may have.

Chair White said do we have any questions for Mr. Olson? Hearing and seeing none. Thank you so much for your presentation. I appreciate it.

5. Federal Grant Compliance – Expenditure Reimbursement

Chair White said we'll move on to Item 5 Federal Grant Compliance – Expenditure Reimbursement. Sebrina Beckstrom, Chief Audit Officer, will present the results of the Federal Grant Compliance- Expenditure Reimbursement review for acceptance. Ms. Beckstrom.

Ms. Beckstrom said thank you, Madam Chair. Members of the Committee. I am going to present, as you said, the results of our Federal Grant Compliance – Expenditure Reimbursement process audit.

The objective of this audit was to determine whether Valley Metro had effective controls to ensure federal grant expenditure reimbursement requests are timely, accurate and in compliance with the grant requirements. Our team reviewed policies and procedures, analyzed grant agreements, reimbursement request documentation all to determine the compliance with the reimbursement requirements for our grantor agencies. We reviewed the documentation for timeliness of submittals, allowable expenses, proper review and approvals and the required support such as the invoice costs.

The report risk for this audit was determined to be low as Valley Metro had strong controls for compliance with the federal grant passthrough agreement reimbursement requests. There were no findings or recommendations for this audit as the processes were sound. Are there any questions?

Chair White said do we have any questions from our online participants? Any in the room? I just want to recommend that we accept the report with high commendations. There were no finding and no recommendations which is amazing. That's very challenging with federal grant programs and I don't want to kind of fall lightly. That's a lot of work. This is a big agency. We got a lot that we're doing throughout Maricopa County and I'm very proud of that work. Ms. Beckstrom, your entire team, thank you so much.

So we will move forward with the recommendation. This is an action item. Staff recommends that AFS accepts the federal grant compliance expenditure reimbursement request process audit report. I'll entertain a motion and a second.

Motion by Councilmember McMahon, second by Councilmember Davis.

All those in favor, aye. Any opposition? The motion passes.

IT WAS MOVED BY COUNCILMEMBER MCMAHON, SECONDED BY COUNCILMEMBER DAVIS, AND UNANIMOUSLY CARRIED TO ACCEPT THE RESULTS OF THE FEDERAL GRANT COMPLIANCE – EXPENDITURE REIMBURSEMENT AUDIT.

6. Fiscal Year 2024 Annual Audit Report

Chair White said moving on to our next agenda item. I'll turn it back over to you, Ms. Beckstrom, for our Fiscal Year 2024 Annual Audit Report.

Ms. Beckstrom said thank you, Madam Chair. As with every year I've compiled an annual audit report for fiscal year '24 detailing out the work that was completed over the fiscal year.

I'll highlight that during the fiscal year '24 the Internal Audit Division completed seven internal audit and eight safety and security audits, provided assistance to external auditors and followed up on the implementation of 26 internal audit recommendations.

In addition, in this annual audit report, I completed the annual attestation of the organizational independence for internal audit that our internal audit unit remains independent as required by the International Professional Practices Framework for Internal Auditors.

Are there any questions about the report highlighted?

Chair White said any questions for Ms. Beckstrom? I don't have any from the report. I don't see any online. We'll go ahead and accept that for information. If there are any questions, I believe they can follow up with you directly on the back end.

7. Internal Audit Update

Chair White said moving to Item number 7, Internal Audit Update. Ms. Beckstrom, please continue for us and provide an update on actions taken in the internal audit and external reviews and prior audit findings and recommendations.

Ms. Beckstrom said thank you, Madam Chair. As previously mentioned, Internal Audit completed the Federal Grant Compliance Expenditure Reimbursement Request audit in September.

Additionally, we've completed two safety and security audits related to facilities and equipment inspections and maintenance inspections. Internal Audit determined that Valley Metro demonstrated overall compliance with inspection requirements and there were no corrective actions issues.

We also have these audits here on the screen in process. We have the credit card audit, the travel reimbursement audit, and information and cybersecurity training programs audit, and our internal safety and security audits that we do on a cyclical basis.

We follow up on all recommendations that we provide in our audit reports. We currently have 13 open recommendations that are in process and one closed recommendation.

That closed recommendation is related to the Conflict of Interest Oversight audit. A new e-procurement system implemented as of January 1st, 2024, programmatically requires all evaluation panel members to esign the confidentiality and conflict of interest statement prior to being able to access the evaluation materials. And that was sufficient to close that recommendation out.

Are there any questions on the outstanding recommendations or those implemented before I move on?

Chair White said I don't have any questions in the room. Do we have any questions online? Seeing none.

I will just ask a few questions that we have and I'm looking at the contract management recommendations. These are all for the procurement team. I believe this was right ahead of the scheduled prior audits form. I see three that were dates 2021. The finding status and responsible person just refers to the procurement team. I would like to ask if there has been a person assigned to these three items, I guess, contract management TS audit, PCRSS audit, and I guess, there's two for PCRSS audit.

Ms. Beckstrom said so what ended up happening those three audits had very similar recommendations and they're being implemented because there's a new procurement manual that going into effect. So the procurement group, in general, is in charge of it but mostly we work through our procurement manager who is leading that effort to update the procurement manual.

Chair White said I would like to make the recommendation that we add that person's name as the person responsible. I can see implementation that's happened for things that seem to be around the same scope of the findings that happen and get resolved because it's a manual. I understand it's open since 2021 but we're in fiscal year '25 and I'd like to be able to assign a person to make sure we can have that closed out as soon as that's done, and it looks like everything that gets closed has a name and person tied to it.

Ms. Beckstrom said definitely, we can do that.

Chair White said thank you.

Mr. Kessler said and too, Madam Chair, just to clarify a little to that. So from that audit recommendation initially the thought process was going to be to update the manual. After that

audit we subsequently had hired a new procurement director and he has taken a more wholistic approach and basically, we're rewriting the manual using some other transit agencies as kind of a guide or template. So that's why it's taken quite a bit more time. So we want to make sure it's thorough. I mean, we are following the practices that will be reflected in that manual, so I think the processes and practices and controls are in place, it's just a matter of finishing this pretty massive document. It's a really, big document.

Chair White said thank you so much for the clarity and think benchmarking is the best way to get best practices from other agencies and it sounds like a huge undertaking. I think, especially if you've had change in leadership I understand a team would be responsible, but I think having that team leader be at the top here might make it easier for the committee and the public to understand the accountability matrix. Thank you.

Any other questions, concerns? And this report is for information only.

8. Intergovernmental Agreements, contract Change Orders, Amendments, and Awards

Chair White said we'll move forward to Item number 8 Intergovernmental Agreements, Contract Change Orders, Amendments, and Awards. This is included in our packet. If there are any questions, we have Valley Metro staff available in the room or you can send the information over to your city's liaison to have them interact and get those questions answered by a Valley Metro staff. Okay?

9. Report on Current Events and Suggested Future Agenda Items

Chair White said Item number 9 Report on Current Events and Suggested Future Agenda Items. I'll go ahead and open up the floor to give everybody an opportunity to report on current events and recommend suggested future agenda items.

Councilmember McMahon said we had a meeting of about 200 people last week and I had MAG come out and do a presentation on 479 and it was very well received. So I'm happy to say that and a couple people have sent me emails and they're like yes, we're voting yes, so getting the information out there is really important especially since the ballots dropped.

Ms. Mefford-Miller said thank you so much, Councilmember McMahon.

Chair White said I appreciate that information as well. I just want to share something that I know Valley Metro is very proud of but we're going to be attending the Clean Air Campaign luncheon on Wednesday, October 30th and those who are interested please make sure you reach out to the appropriate parties. You have received emails up to this point to go ahead and do so.

And if there are any additional questions or concerns folks have related to items that will be appearing on the ballot, I know that the ballots were mailed and early voting began here in



Arizona, yesterday on October 9th. So if you have not gotten notice from Maricopa County for -- all of us live in Maricopa County. For those of you here at the table that your ballot has been mailed. Know that you can go to many voting locations. I know we have our civic center in the city of Avondale as well as the civic center in the city of Tolleson. They're open and they're staffed for early voting right now. So anywhere in Maricopa County if you are registered to vote you can go and cast your ballot at any of these voting centers so that is very important and we want to make sure everybody gets out and exercises their right to vote by or before Tuesday, November 5th.

Any additional current events or request of future agenda items from our online participants? I don't see any hands raised there.

I do want to share that for some odd reason I had planned for our next committee meeting to be on Wednesday, November 6th.

That's how I calendared it. That's just maybe because I was kind of willing into fruition what I have available, but we may have some additional flexibility with our calendar scheduled time next month and I will work that out with Pat and any changes you will get that via email.

Other than that, I believe our next AFS meeting is scheduled for Thursday, November 7th at 12:00 p.m.

With no additional information, I will go ahead and close out our meeting. Thank you so much.

Without further discussion, the meeting was adjourned at 12:40 p.m.

Executive Summary



DATE

November 14, 2024

AGENDA ITEM 5

SUBJECT

Annual Insurance Coverage Renewal

COST AND BUDGET

Insurance Renewal Costs Are Fully Funded.

**At the time of submitting this Information Summary, Valley Metro's insurance broker, Alliant Insurance Services, Inc. ("Alliant"), has not obtained final insurance premium amounts from insurance carriers for all lines of insurance. This is standard practice because negotiations may proceed until the end of the insurance term, November 30th. The figures today are presented as a not to exceed amount.*

RECOMMENDATION

Staff recommends that the Boards of Directors authorize the Chief Executive Officer to purchase renewal coverage for Valley Metro's insurance policy needs for December 1, 2024, to November 30, 2025, in an amount not to exceed \$7,135,730. RPTA's obligation will not exceed \$486,185. VMR's obligation will not exceed \$6,649,545.

STRATEGIC PLAN ALIGNMENT

This item relates to the ninth goal and strategy of the Five-Year Strategic Plan, Financial Sustainability, by ensuring that Valley Metro's human, business, and property assets are protected from risk exposures through adequate insurance coverage.

COMMITTEE PROCESS

RTAG: October 15, 2024, for information

TMC/RMC: November 6, 2024, approved

Boards of Directors: November 21, 2024, for action

CONTACT

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Chief Legal Officer

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Background Information

AGENDA ITEM

Annual Insurance Coverage Renewal

BACKGROUND DISCUSSION

Valley Metro continues to grow. Since the last insurance renewal, the revenue fleet grew by 22%, property values increased by \$36M, and Valley Metro expanded service and property with the opening of the Northwest Expansion II, with plans for the South-Central Downtown Extension to open in 2025, which is forecast into this renewal. This growth requires additional insurance coverage.

Due to favorable pricing this year, Valley Metro recommends maintaining its current levels of insurance coverage. This information is being provided simultaneously to City Staff, RTAG, TMC/RMC, and the Boards for comments and questions prior to the November 21, 2024, Boards Meeting.

The information provided in this packet was supplied by our broker, Alliant, and is based on industry sources. Alliant will continue to negotiate with our potential insurance providers up to our renewal deadline at the end of November. Therefore, the funds requested by Valley Metro for insurance renewal are presented as “not to exceed”. We appreciate the assistance of our partners at Alliant, especially Rex Jorgenson.

SYNOPSIS

Unprecedented claims activity, environmental disasters, and instability continue to challenge the global insurance industry, making it increasingly difficult to obtain and afford necessary coverages. As a result of the tightening market, underwriters heavily scrutinized all policy holders this year, including Valley Metro, and we expect this trend to continue.

Despite these challenges, Valley Metro has had a very successful renewal cycle, leading to a single digit year over year increase in projected premiums (7%) which is 67% lower than our five-year average (21%), including an almost ten percent premium rate **decrease** in one of our largest policies, Inland Marine – Rolling Stock.

Valley Metro’s insurance premiums for the upcoming 2025 cycle are summarized as:

	2023 Premium	% of total	2024 Projected Premium	% of total	Yr over Yr Premium Change
RPTA	403,367	6%	486,185	7%	16%
VMR	6,264,886	94%	6,649,545	93%	6%
Total	6,668,253	100%	7,135,730	100%	7%



Due to conservative estimates, the actual premiums paid for 2023 were slightly less than the Board-approved projected amount. Similarly, this year's actual renewal cost is expected be less than Valley Metro's current projections.

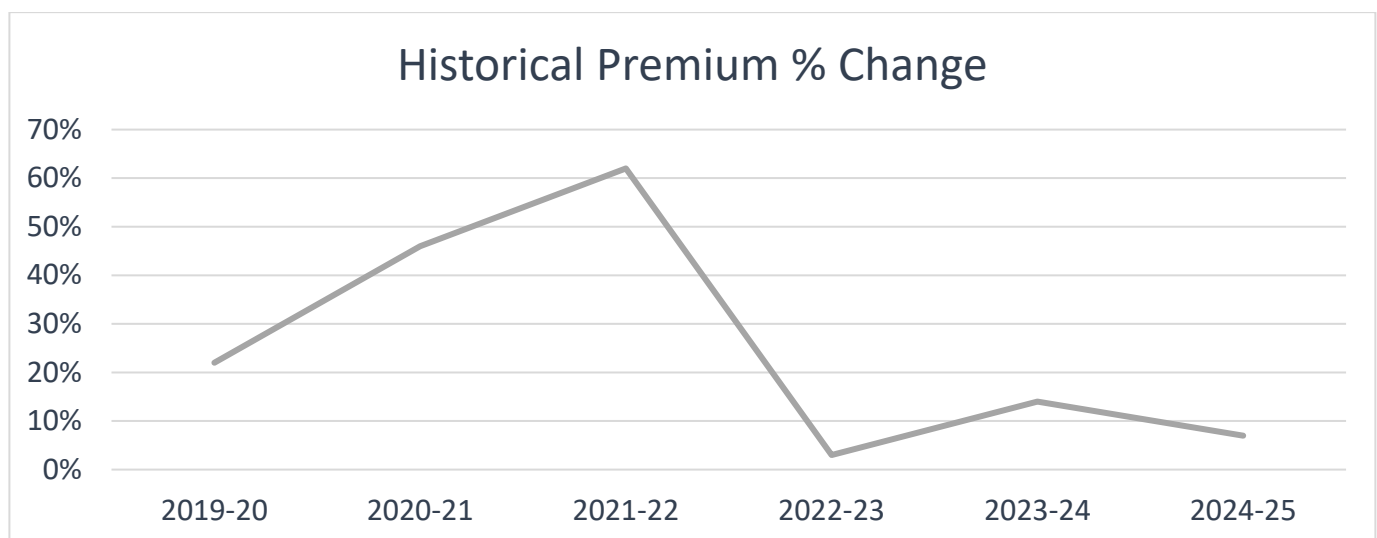
For the past two years, Valley Metro has undertaken actuarial studies that analyze the effectiveness of our insurance coverages, including our Self-Insured Reserve ("SIR" aka Deductibles) limits. Based on this year's study, combined with favorable quotes, we are not recommending any changes to our SIRs or policy coverages, which we believe are fiscally responsible and financially sufficient to meet Valley Metro's insurance needs.

In addition to our current policies, Valley Metro identifies new programs to protect the agency. Last year, Valley Metro added a small Volunteers policy to cover employees and volunteers who take part in Valley Metro's community outreach programs. This year, on the recommendation of our broker, Valley Metro proposes to add a modest Deadly Weapons Response policy which provides up to \$250,000 to handle crisis management, funeral expenses, counselling, medical expenses, and several other services.

The positive results of this renewal cycle are a direct reflection of several factors, including our claim history and excellent negotiations. However, just as Valley Metro earned the confidence of the voters with the recent passage of Proposition 479, the rates being quoted by carriers this year confirm that the international community of underwriters recognize Valley Metro as a good prospect. This renewal is solid financial evidence that the efforts and improvements Valley Metro has made over the past year under the leadership of our Boards and CEO, and the progress in all our Divisions to create a safer and more reliable system - are paying off.

HISTORICAL VIEW

Over the past six years, Valley Metro's insurance premiums have risen an average of 21% year over year. The following charts track the premium changes. Please note that coverage terms have changed over time.





Years	RPTA	VMR	Total	% +/-
2019-2020	\$262,061	\$2,134,276	\$2,396,337	22%
2020-2021	\$424,971	\$3,084,138	\$3,509,109	46%
2021-2022	\$407,348	\$5,264,529	\$5,671,877	62%
2022-2023	\$418,217	\$5,428,687	\$5,846,904	3%
2023-2024	\$403,367	\$6,264,886	\$6, 668,253	14%
2024-2025	\$486,185	\$6,649,545	\$7,135,730	7%

COVERAGE AND PRICING

The following charts show insurance coverage pricing, per agency. All premiums are presented in “not to exceed” amounts.

The cost allocation between RPTA and VMR budgets for annual premiums this year is 7% to the RPTA budget and 93% to the VMR budget based on annual review of the value of assets and financial exposures, a 1% shift from last year.

RPTA

The table below breaks down insurance premium pricing for **RPTA** and compares expiring premiums with the upcoming renewal year. The expiring premium totaled \$403,367. The renewal premium is projected as **\$486,185**.

The 21% year over year increase for RPTA primarily results from the increase in the non-revenue auto fleet, which expanded by over 20 vehicles. The auto line of coverage was the largest change year over year, with exposures (vehicle count) increasing nearly 22% and the premium rate increase nearly 15%. Even with the increase, Alliant found Traveler’s commercial auto renewal to be very much in line with the prevailing market.

Line of Coverage	Policy Limits	Premium - Renewal	Premium – Expiring	% +/-
Property	\$500,000,000	\$27,080	\$22,382	+21%
Crime	\$2,000,000	\$3,753	\$3,767	-.4%
Auto Liability & Physical Damage	\$750,000	\$98,691	\$53,172	+86%
Primary Excess Liability 1st layer \$10M	\$10,000,000	\$24,304	\$22,756	+7%
Excess Liability - multiple layers to reach \$40M x\$10M*	\$40,000,000	\$202,869	\$191,667	+6%
Stand-Alone Terrorism	\$50,000,000	\$1,099	\$1,053	+4%
Cyber/Privacy	\$2,000,000	\$27,348	\$30,960	-11%
Workers Compensation	\$1,000,000	\$98,591	\$75,527	+31%
Volunteer Insurance	\$100,000	\$ 2,450	\$2,083	0%
Grand Total		\$ 486,185	\$403,367	+21%

VMR

The table below breaks down insurance premium pricing for **VMR** and compares expiring premiums with the upcoming renewal year. Total excess liability limits are currently \$100,000,000 with a self-insured retention (SIR) limit of \$750,000. RPTA and VMR share the first \$50,000,000 of excess liability limits, with the second \$50,000,000 dedicated solely to VMR. The expiring premium totaled \$6,264,886. The renewal premium is projected at **\$6,649,545**.

VMR will experience a smaller year over year total premium increase (6%) since they are starting from a much larger dollar allocation than RPTA, plus negotiating a nearly 10% reduction in the premium rates for the inland marine rolling stock. The year over year premium dollar change may be higher than the premium rate change, due to change in the exposures.

Coverage Type	Policy Limits	Premium - Renewal	Premium – Expiring	% +/-
Property	\$500,000,000	\$875,576	\$723,695	+21%
Inland Marine - Rolling Stock	\$100,000,000	\$2,382,000	\$2,500,997	-5%
Inland Marine – Bridges	\$60,629,795	\$269,958	\$250,000	+8%
Crime	\$2,000,000	\$3,753	\$3,767	-.4%
Auto Liability & Physical Damage	\$750,000	\$256,311	\$198,828	+29%
Primary Excess Liability - 1st layer \$10M	\$10,000,000	\$785,816	\$735,764	+7%
Excess Liability multi layers \$90Mx\$10M	\$90,000,000	\$1,779,604	\$1,620,009	+10%
Stand Alone Terrorism	\$50,000,000	\$35,537	\$34,035	+4%
Cyber / Privacy	\$2,000,000	\$27,348	\$30,960	-11%
Pollution Legal Liability (3-yr. term)	\$5,000,000	\$25,514	\$24,799	+3%
Aircraft (Drone)	\$1,000,000	\$5,000	\$6,000	-17%
Workers Compensation	statutory	\$196,593	\$136,032	+45%
Deadly Weapon Response	\$500,000	\$6,535	n/a	n/a
Grand Total		\$6,649,545	\$6,264,886	+6%

COVERAGE NOTES

Property

Valley Metro continues to increase its property portfolio. This year's renewal incorporates the addition of the South-Central Extension.

Inland Marine Rolling Stock

Premium cost dropped nearly 5%, however the insured values of the rolling stock compared to the time of binding last December, rose nearly 12%. Alliant was able to negotiate rate decreases with the insurers, for a total rate decrease over 9% when factoring in all taxes and fees.

Bridges

Incumbent carrier Chubb has offered an 8% premium increase. Due to a tight market, few insurers are willing to quote this coverage, and Chubb continues to be an excellent partner.

Excess Liability

Premium increase due to Valley Metro growth and market pressures. Insurers are increasingly concerned with transit liability risks, including increased assault rates nationwide.



Terrorism

Premium increase of less than 5%, however Valley Metro's total insured values rose by nearly 6%.

Cyber

Cyber continues to show year over year decreases attributable to market adjustment, Valley Metro's claim history, and our level of security.

Pollution

Pollution is a three-year policy showing only an average of a 1% per year increase.

Workers Compensation

CopperPoint continues to offer coverage to us for zero deductible, which is extremely rare for a transit agency with rail exposure.

Employee injury claims have caused the "experience modification rate" to become less favorable, resulting in a 15% increase to the standard premium.

Increased estimated payroll exposure of 18%.

INSURANCE RENEWAL COSTS ARE FULLY FUNDED

For December 1, 2024- November 30, 2025, RPTA's contract obligation is **\$486,185**, and is fully funded within the RPTA Adopted FY 2025 Operating Budget. Contract obligations beyond FY 2024 are incorporated into the RPTA Five-Year Operating Forecast and Capital Program (FY 2023 – FY 2027).

For December 1, 2024- November 30, 2025, VMR's contract obligation is **\$6,649,545**, and is fully funded within the VMR Adopted FY 2025 Operating and Capital Budget. Contract obligations beyond FY 2024 are incorporated into the VMR Five-Year Operating Forecast and Capital Program (FY 2023 – FY 2027).

In line with standard insurance conditions, policy premiums may be subject to audit of payroll, revenues, and insured property values, including railcars. If the audited exposure differs from the estimated exposure, there may be a nominal premium adjustment. Valley Metro will allocate any premium adjustment to RPTA and VMR budgets as necessary and appropriate.



1

Factors

- Valley Metro's services, vehicle fleet, and full-time employees continue to grow, resulting in insurance premium increases.
- External pressures continue to cause market tightening
- **Valley Metro's insurance renewal beats its six-year average by 67%**

2



2

Rolling Stock

- Premium rate decrease 9%

Decreases

- Crime, Cyber, Rolling Stock, Drone

Increases

- Property, Bridges, Auto, Excess, Terrorism, Pollution, Work Comp

3

Renewal Year Over Year

	2023 Premium	% of total	2024 Projected Premium	% of total	Yr over Yr Premium Change
RPTA	\$403,367	6%	\$486,185	7%	16%
VMR	<u>\$6,264,886</u>	94%	<u>\$6,649,545</u>	93%	6%
Total	\$6,668,253	100%	\$7,135,730	100%	7%



3

Recommendation

Staff recommends that the Boards of Directors authorize the Chief Executive Officer to purchase renewal coverage for Valley Metro's insurance policy needs for December 1, 2024, to November 30, 2025, in an amount not to exceed \$7,135,730. RPTA's obligation will not exceed \$486,185. VMR's obligation will not exceed \$6,649,545.

4



4

Executive Summary



DATE

November 14, 2024

AGENDA ITEM 6

SUBJECT

Printing Services Contract Authorization Increase and Extension

COST AND BUDGET

In FY25, Valley Metro is anticipated to spend \$451,276 in printing services. The RPTA portion is \$318,819; the VMR portion is \$132,457, both funded within the adopted budget.

The current Printing Services contract awards with 7 suppliers have base terms of three years with two-year renewals. For the base terms, the not-to-exceed value across all vendors is \$1,324,000, with the RPTA portion being \$794,400 and the VMR portion being \$529,600.

Thus far, \$1,079,134 has been expended through October 21, 2024. Considering the anticipated spend in FY25 and through January 2027, staff is requesting additional authority for the extension of \$990,000. The additional contract authority will be used for ongoing printing services.

For Fiscal Year 2025, \$451,276 is included in the Valley Metro RPTA and Valley Metro Rail Adopted FY25 Operating and Capital Budgets. Contract obligations beyond FY25 are incorporated into the Valley Metro RPTA and Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2025 through FY2029).

The sources of funding are Proposition 400 and member city contributions.

RECOMMENDATION

Staff recommends that the Boards of Directors authorize the Chief Executive Officer to extend the current printing services contracts with Artisan Colour, BP Graphics, Capitol Litho Corp, Courier Graphics, Image Craft, Ironwood and Prisma Graphics to January 16, 2027. The contract authority increase requested for this extension is \$990,000 for contract total of \$2,314,000 where the RPTA portion will not exceed \$1,604,400 and the VMR portion will not exceed \$709,600.

STRATEGIC PLAN ALIGNMENT

This item relates to the following goals and strategies in the Five-Year Strategic Plan:

- Goal 1: Operational Excellence
 - Initiative 9.4: For procurements, define the general scope of work and then support that with flexible language to achieve or meet the general scope and avoid restrictive requirements. Seek opportunities to create transparency of planned procurement activities by providing a two-year look ahead and employ efficiencies that reduce the procurement timeline.



COMMITTEE PROCESS

TMC/RMC: November 6, 2024 approved

Boards of Directors: November 21, 2024 for action

CONTACT

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hfoose@valleymetro.org

ATTACHMENT

Powerpoint

Background Information

Request for Contract Increase and Extension

AGENDA ITEM

Printing Services Contract Authorization Increase and Extension

Valley Metro has met the high demand of procuring for printing services and entered into multiple contracts to meet our printing needs now and into the future. This has enabled us to create greater efficiency, remove redundancy, leverage our buying power to reduce cost, and remain compliant with the Valley Metro Procurement Manual. Current Printing Services contracts exist with Artisan Colour, BP Graphics, Capitol Litho Corp, Courier Graphics, Image Craft, Ironwood and Prisma Graphics.

Printing services are necessary to provide materials to all of Valley Metro's departments and serve member city needs, communicate to passengers and stakeholders and implement strategic marketing efforts. Printed material and collateral continue to be an avenue to allow Valley Metro to communicate to existing riders, notify key communities, target new demographics and develop custom tactics to support and increase overall system ridership and generate community support for transit. For FY25, we will continue to use printing services for posters, bus stop signs, safe place signs, kiosk signs, small format, medium format, large format, system maps, artsline program, bus wraps, train wraps, and all other business needs.

The not-to-exceed (NTE) value through January 2027 of \$2,314,000 will be used as needed and was determined by analyzing actual printing expenses over the past three years and anticipates increases in paper and labor prices based on current trends.

As individual print jobs are identified, the following steps will be used to determine the vendor appropriate for the job:

- Valley Metro will match specific print jobs with the appropriate vendor(s) based on specific expertise, workload and availability.
- Valley Metro will prepare the specifications and request a quote.
- The vendor(s) will prepare and submit quote(s) to Valley Metro.
- Final negotiations occur and the purchase order is initiated.
- If price negotiations are not successful, Valley Metro reserves the right to solicit the other firms on contract.

CONTRACT TYPE AND TERM

The contracts are a firm fixed-price contract at a current not-to-exceed value of \$1,324,000. The contracts began in January 2022 for a three-year base period with two-year renewals. Staff is seeking to extend the contracts both in time (through 1-16-2027) and in value (+\$990,000 for a revised NTE of \$2,314,000).



1

Background Information

- Printing services are necessary to provide materials to all of Valley Metro's departments and serve member city needs, communicate to passengers and stakeholders and implement strategic marketing efforts.
- Anticipate spending \$451,276 for printing services and within the adopted FY25 budget.
- The three-year contract award (with two-year renewals) to 7 printing suppliers was \$1,324,000 and \$1,079,134 expended through October 21, 2024.
- Request is for contract extension through January 16, 2027, with increase authority of \$990,000 for revised NTE of \$2,314,000.

2



2

Recommendation

Staff recommends that the Boards of Directors authorize the Chief Executive Officer to extend the current printing services contracts with Artisan Colour, BP Graphics, Capitol Litho Corp, Courier Graphics, Image Craft, Ironwood and Prisma Graphics to January 16, 2027. The contract authority increase requested for this extension is \$990,000.

3





Executive Summary

DATE

November 14, 2024

AGENDA ITEM 7**SUBJECT**

Strategic Plan Actions for FY 2025 (Part 2)

COST AND BUDGET

There are no costs associated with this update.

RECOMMENDATION

This item is presented for information.

COMMITTEE PROCESS

RTAG: October 15, 2024 for information

TMC/RMC: November 6, 2024, for information

Boards of Directors: November 21, 2024, for information

CONTACT

Jim Hillyard

Chief Administrative Officer

jhillyard@valleymetro.org

ATTACHMENT

Strategic Plan FY 2025 Action – powerpoint



Background Information

The Boards of Directors approved Valley Metro’s FY 2025 – FY 2030 Strategic plan in January 2024. The approved plan includes nine overarching goals for the five-year period. Under each goal, the plan identified four to five “initiatives” to impact the goals. In each of the plan’s five years, Valley Metro will identify and implement specific actions to accomplish the initiatives in pursuit of the goals.

A rotating quarterly reporting cycle has been established to update the Boards of Directors on both the progress and outcomes associated with the Strategic Plan’s implementation. This update will overview the actions being taken in FY 2025 in pursuit of goals 2, 6, 7, and 9. The update provided in August covered the actions intended to impact goals 1, 3, 4, 5, and 8. Corresponding updates in February and May will focus on the status of the FY 2025 actions, the applicable goal indicators, and initiative performance measures.

In the attached presentation, the notation “(\$)” denotes an action explicitly funded in the FY 2025 or FY 2024 budget.



1

Goal Progress Board Reporting Cycle



2



2



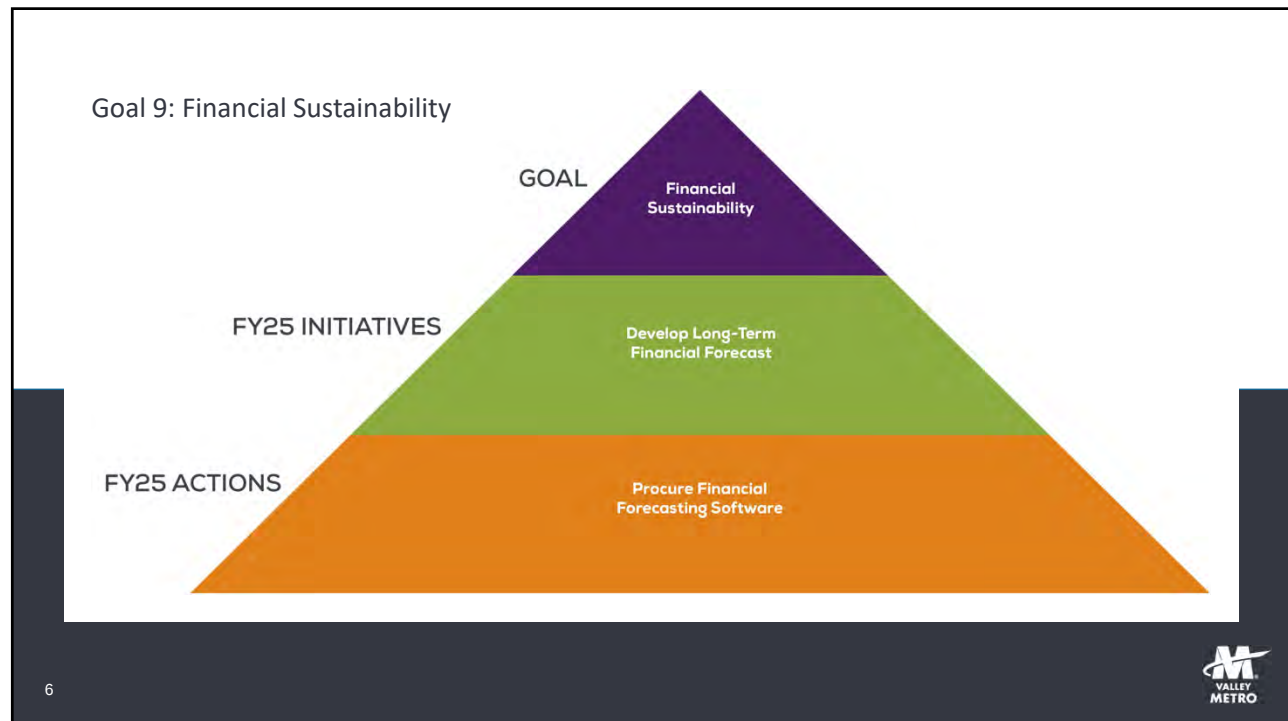
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4



5



6

Agency Strategic Plan

Quarterly Report

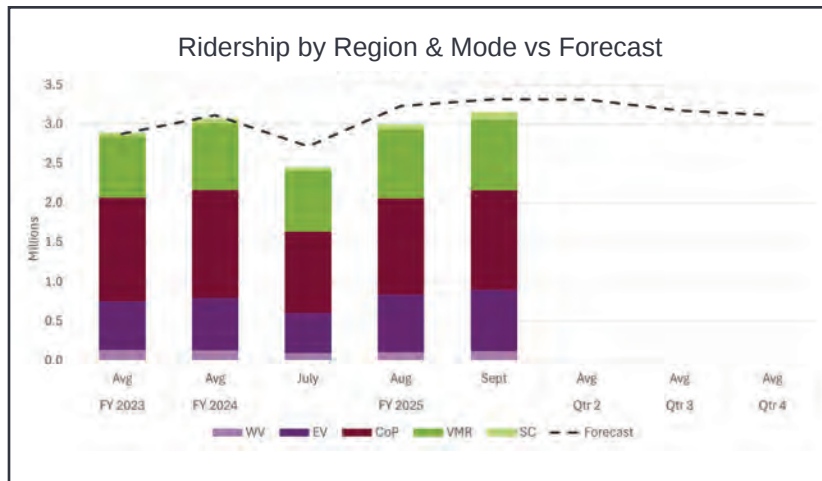
FY25 Q1 | July - September 2024



Goal 1: Excellent Customer Experience

KEY PERFORMANCE MEASURES

COMMENTS

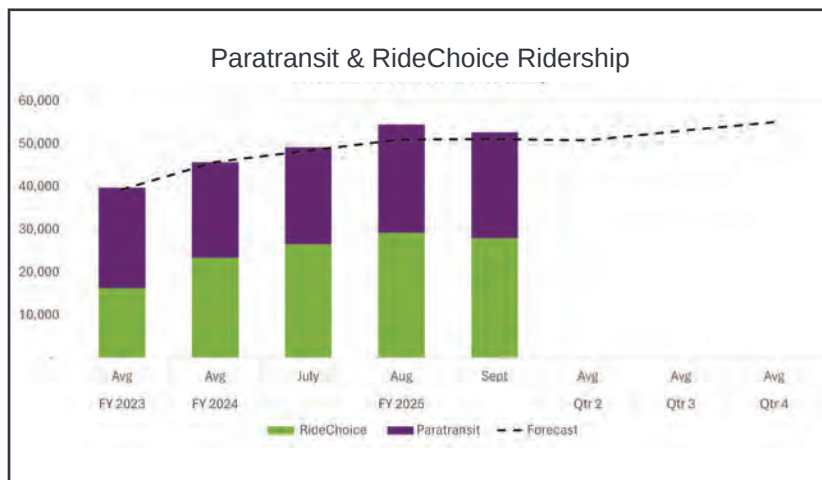


For FY 2025, total fixed-route ridership is forecasted to grow 3% as compared to FY24. The forecast by mode/subregion:

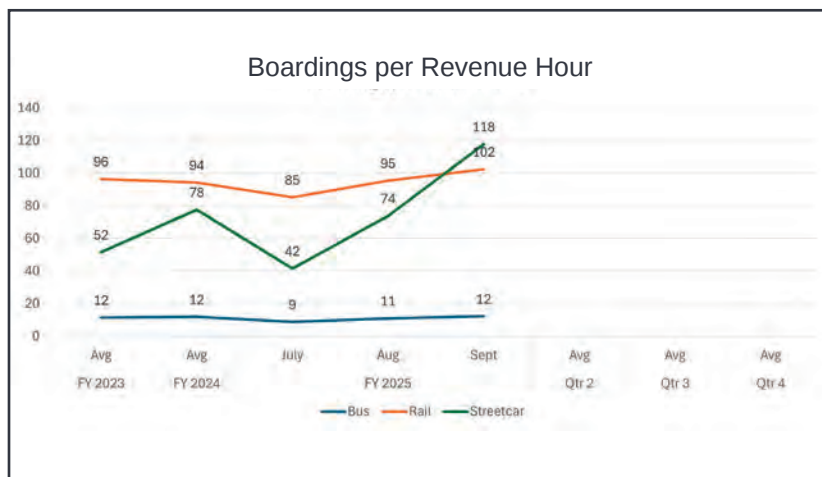
- Central Region Bus = flat
- East Valley Bus = 5.1% growth
- West Valley Bus = flat
- Light Rail = 5.5% growth
- Streetcar = insufficient data

Comparing the first quarters of FY25 and FY24:

- West Valley bus was down 13%
- Central Region's bus was down 6%
- East Valley bus is up 4%
- Light rail is up 7%



- Data reflects Valley Metro provided service only.
- Paratransit is forecasted to decrease 4% while RideChoice ridership increases 32%, for a forecasted combined growth of 18% (as compared to FY24.)
- In the first quarter, both Paratransit and RideChoice ridership were slightly greater than forecasted but well within normal variation.

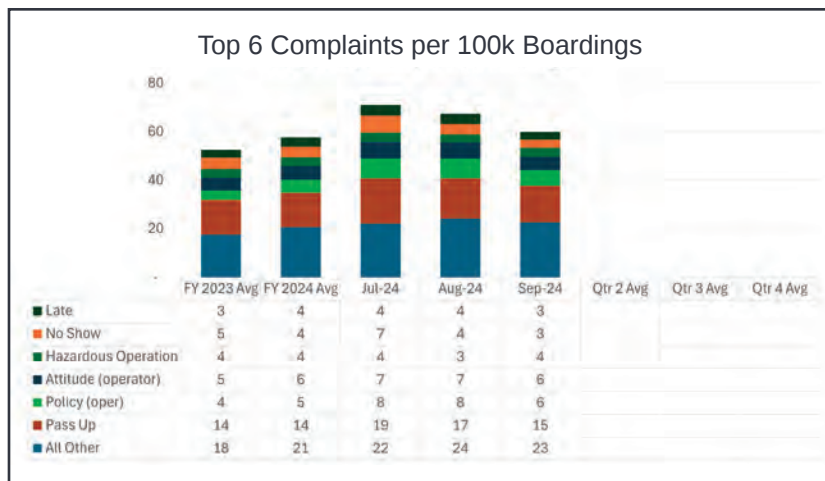


- Reflects all fixed-route service.
- Boardings per revenue hour remain within historic norms.
- Streetcar boardings exhibit large seasonal swings based upon ASU's schedule.

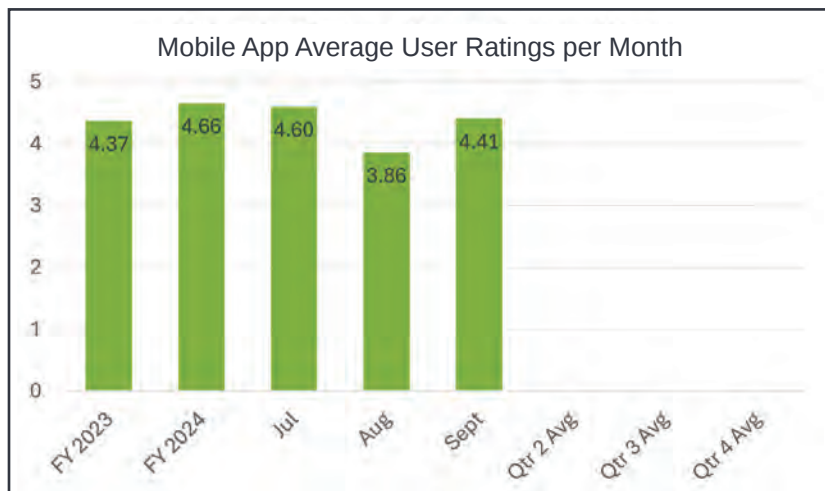
Goal 1: Excellent Customer Experience (continued)

KEY PERFORMANCE MEASURES

COMMENTS



- Data reflects all complaints for the region.
- The total complaints are within historic norms.
- Top complaints by subregion/mode vs Q1 FY24:
 - Light Rail - TVM Refund: down 56%
 - Central Bus - Pass-Up: up 15%
 - EV Bus - Pass-Up: up 18%
 - WV Bus - Bus Stop/Shelters: level



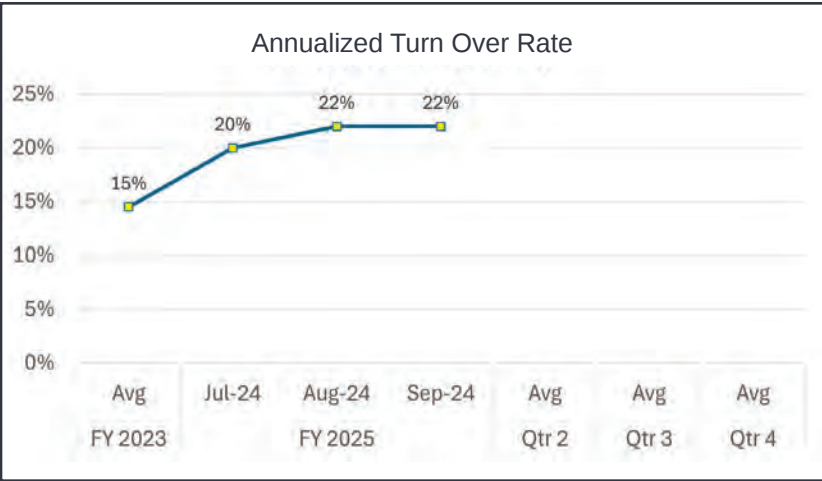
- Only ratings for Android devices are available on a monthly basis but they don't appear to differ significantly from iOS rating.

FY25 INITIATIVE ACTIONS

INITIATIVE	ACTION	STATUS
Unified Customer Experience	Fare system administration to Valley Metro	Complete: Administration of the fare collection system was transferred to Valley Metro in FY25 Q1.
Integrate and Market Mobility Solutions	Integrate microtransit into VM app trip planning	The City of Phoenix has received a grant that includes funding for the integration of microtransit into the mobile app. They are working with their contractor, Vix, on a change order for the implementation and its timing.
Human Center Design	Rail system signage audit	Audit of all current platforms has been completed. An assessment is underway to complete a signage plan for current and new platforms and integrate two-line wayfinding signs.
Human Center Design	Regional bus stop sign design	Valley Metro is conducting national peer research and having preliminary regional conversations to understand the background of current bus stop design and process.

Goal 2: Invest in Talent

KEY PERFORMANCE MEASURES



COMMENTS

- Data reflects an annualized 90-day moving average for Valley Metro staff.

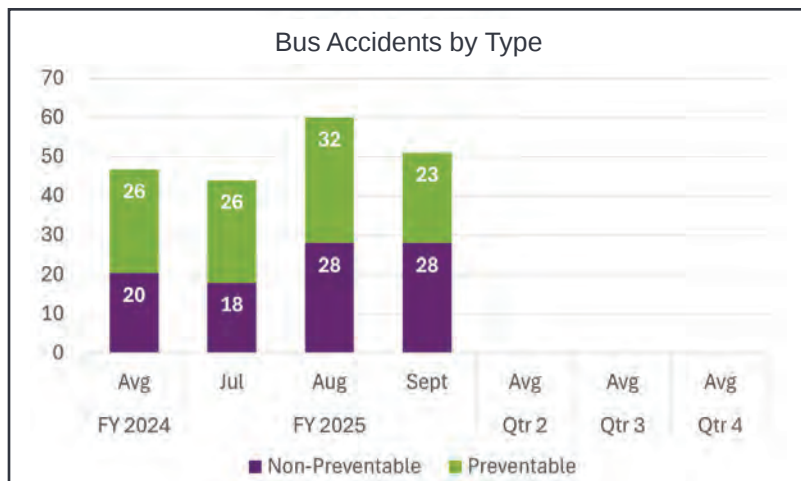
FY25 INITIATIVE ACTIONS

INITIATIVE	ACTION	STATUS
Assess Staffing Needs	Develop framework and talent pipeline strategy	Valley Metro is assessing current vacancies and working with Division leaders on anticipated FY25 needs.
Class and Compensation Study	Produce findings and recommendations	In progress; findings and recommendations are anticipated in CY25 Q1
Career Path and Coaching	Assess programs, utilization and realign with goal	Compiling utilization data
Maintenance Technical Training	Develop FY26 recommendations	Awaiting findings from Class and Compensation Study

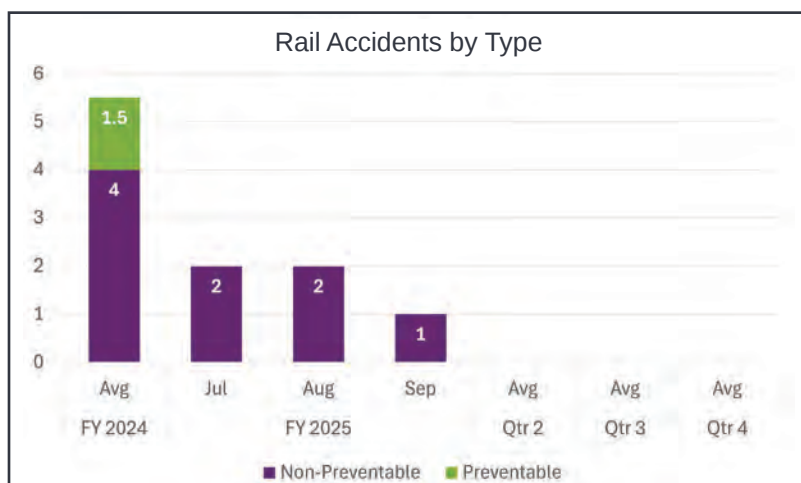
Goal 3: Prioritize Safety & Security on Transit

KEY PERFORMANCE MEASURES

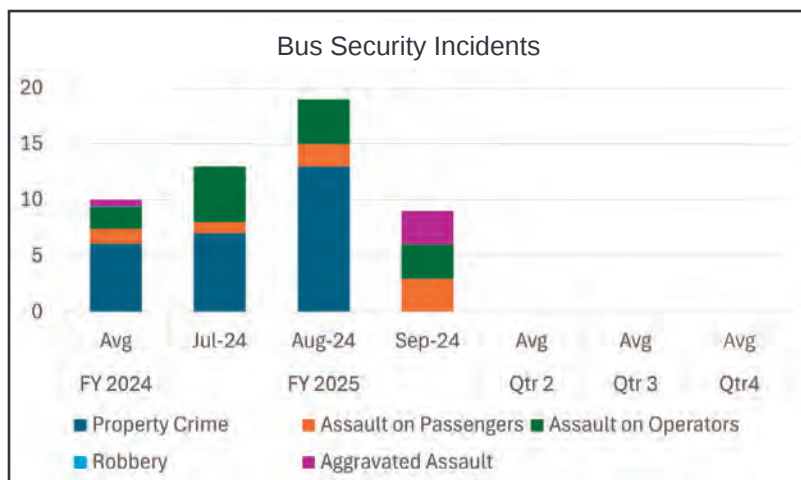
COMMENTS



- Data reflects Valley Metro service only.
- Accidents in the West Valley remain within historic norms.
- In the East Valley, there has been a significant increase in preventable accidents: from an average of 23/month in CY 2023 to an average of 30/month over the last seven months.
- Corrective Actions:
 - New operator training is being improved. New operators are 10% of the workforce but 17% of accidents.
 - Operator assessments were completed in August and will be followed by a 30/60/90-day review with all operators to reinforce defensive driving and operator rules.
 - 10 riskiest operators were identified and a drive cam is in use for weekly coaching and monitoring.



- A significant downward trend in non-preventable rail accidents began in January 2024. Non-preventable accidents average 5/month in CY23. That rate has decreased to 2/month in CYTD24.
- Improvement includes:
 - The 19th Ave corridor speed reduction order has shown a reduction in crashes in that area.
 - A continued focus on defensive driving, expanded training and surveillance/audits by contractor

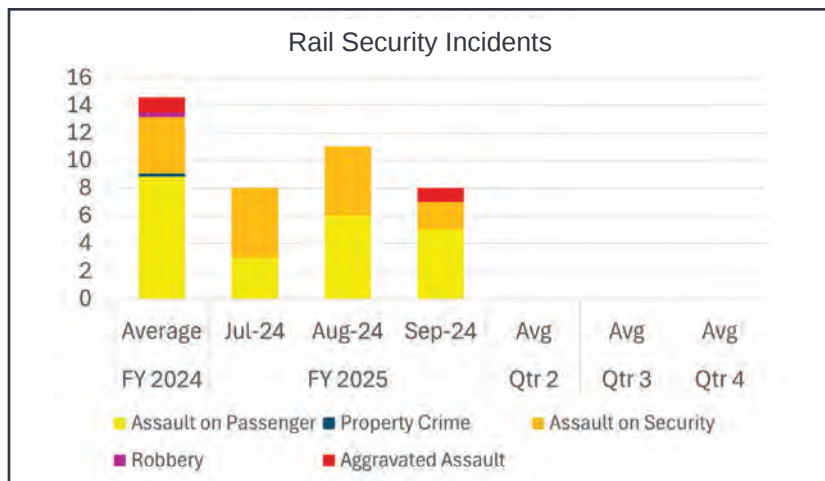


- Data reflects Valley Metro service only.
- The relative rarity of reported security incidents on buses can cause a small number of incidents to create the appearance of a large spike (e.g. August). Despite this, security incidents on buses remain within historic norms.

Goal 3: Prioritize Safety & Security on Transit

KEY PERFORMANCE MEASURES

COMMENTS



- Assaults on passengers appear to have trended down since FY24; however, a portion of that decrease is due to a change in reporting methodology made in October 2023.

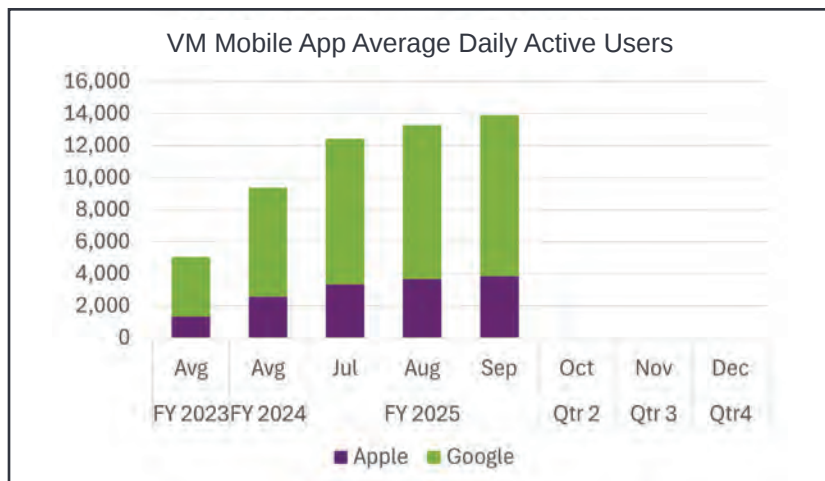
FY25 INITIATIVE ACTIONS

INITIATIVE	ACTION	STATUS
Create a Safety and Security Culture	Cyber security risk Reduction	All IT network implementations that are part of this initiative are underway or completed. The expansion of the information security program to the OT network is on hold as all OT resources are currently occupied with bringing SCE online.
Create a Safety and Security Culture	Rail safety administrators	Complete: both administrators were hired in October.
Create a Safety and Security Culture	Internal safety campaign	Emergency Alert Communication System – Requirements and use cases were developed. Products were evaluated against these requirements and a best-fit system was selected. Approval of the system's configuration is in process. Implementation will occur before the end of the calendar year.
Community Partnerships	Outreach teams	Currently evaluating the progress of a pilot projects at 19th/ Montebello, 19th/Dunlap and Central /McDowell and looking for funding and possible grant opportunities. City of Phoenix has expressed interested in development of a pilot program.
Evaluate Physical Infrastructure	Crime prevention through Environmental Design assessment of rail stations	A task order was issued and work is in progress. Completion is anticipated in Spring 2025.
Partnership with Police Departments	Expand police partnerships	Joint operations continue: - VM collaborated with Chandler PD (9/19) and Mesa PD (9/21) for "Operation Blue Ride." - An upcoming Blue Ride is scheduled for October 29th in Chandler. - VM and Allied Security also participated in 22 Impact Details with Phoenix PD in the quarter. VM also hosted law enforcement partners for a Regional Transportation Security Working Group meeting on September 17th.

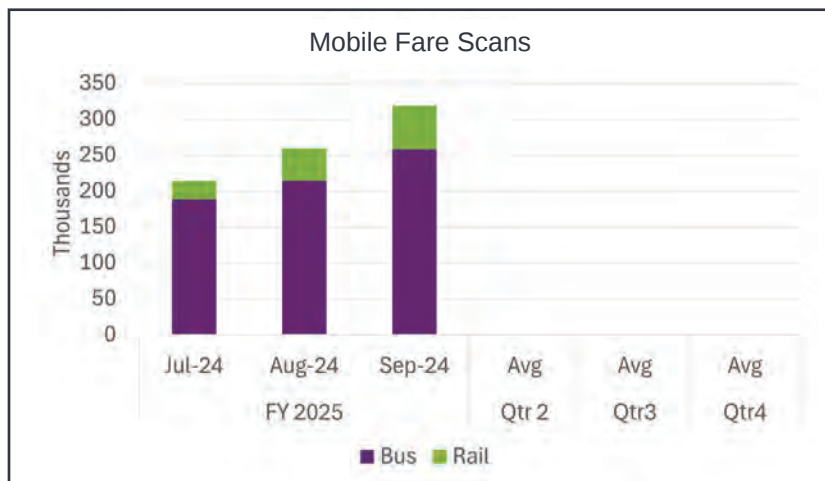
Goal 4: Leverage Data and Technology

KEY PERFORMANCE MEASURES

COMMENTS



- Mobile app usage is up 37% in the first quarter of FY25 (as compared to FY24.)



- Mobile fare usage is off to a strong start—in its first quarter of FY25 it made up more than 9% of total ridership and is growing rapidly month over month.

FY25 INITIATIVE ACTIONS

INITIATIVE	ACTION	STATUS
Improve Performance with EAM	Improve EAM reporting	EAM Analyst hiring is in process. EAM software version update is being updated.
Understand Customer Interactions	Design and procure customer experience system	In the process of obtaining consultant support for the development of use cases and requirements to inform an RFP.
Improve Data Access and Reliability	Improve operational reporting	Complete: The SWIFTLY reporting system was implemented in the first quarter of FY25.
Improve Data Access and Reliability	Bus APC validation	This is currently on-hold pending Phoenix Transit's upgrade of ridership reporting software to Clever Insights.

Goal 5: Deliver on Stakeholder Collaboration

FY25 INITIATIVE ACTIONS

INITIATIVE	ACTION	STATUS
Expand Communication with Staff and Frontline Workers	Evaluate current communication channels, develop plan and feedback loop	VM is conducting an internal communications audit to identify improvement areas and gaps. Some content/channels are being revamped to explore opportunities for increased engagement. Feedback is also being sought by administrative and frontline staff to ultimately build a more comprehensive approach to improve organizational communication.
Incorporate Member Agency and Stakeholder Input	Evaluate current communication channels, develop plan and feedback loop	VM is continuing to focus on strong member agency communication through current channels. Assessment will occur in 2025 with community engagement staffing and member city/board survey.

Goal 6: Leadership & Execution

FY25 INITIATIVE ACTIONS

INITIATIVE	ACTION	STATUS
Diversity, Equity and Inclusion	Conduct culture survey and identify opportunities to increase engagement	Procurement is identifying potential vendors for the culture survey. Framework for Employee Resource Groups is under development.
Embed Problem Solving and Process Improvement	Establish and begin delivery of problem-solving training	The foundation for problem solving is being established by communicating the agency's goals and connecting these goals to performance metrics at all levels.

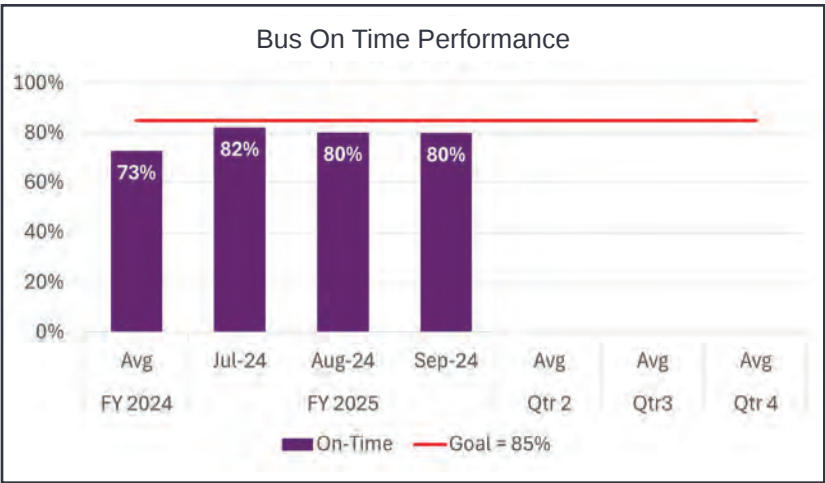
Goal 7: Board Governance

FY25 INITIATIVE ACTIONS

INITIATIVE	ACTION	STATUS
Update Board Member On-Boarding	Assess and update new board member on-boarding	In anticipation of a successful Proposition 479 outcome, the onboarding program is being reviewed and new content is being developed. We will be soliciting board feedback through a survey in December/January, after the Nov. 5 election and in anticipation of new board members onboarding in January/February. The goal is to have a refreshed welcome packet and onboarding materials in the third quarter of FY25. Board members will be surveyed regarding other engagement opportunities at the next board retreat.
Facilitate Work Across Regional Bodies	Coordination with MAG in developing Prop 479 policies, including updating roles and responsibilities between agencies	Coordination and collaboration on Proposition 479/TLCP development is ongoing; we are currently in the data collection and analysis phase. In collaboration with MAG and the City of the Phoenix, evaluations for the Comprehensive Operational Analysis bids are ongoing with an anticipated January contract award.

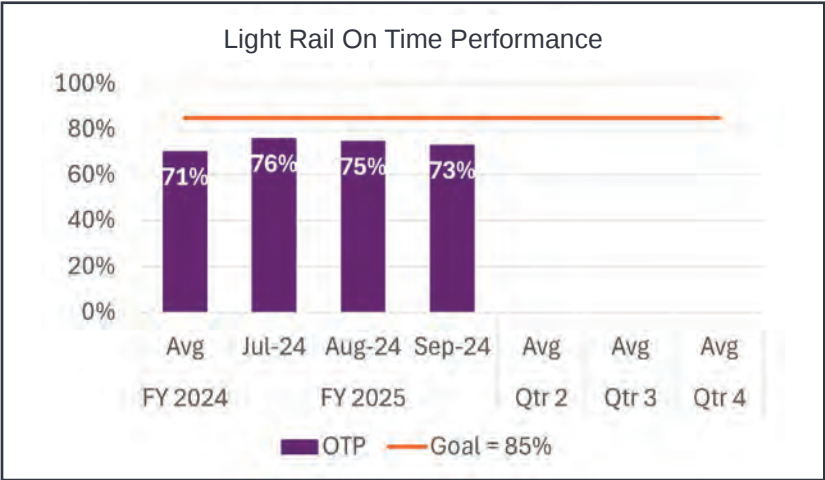
Goal 8: Operational Excellence

KEY PERFORMANCE MEASURES

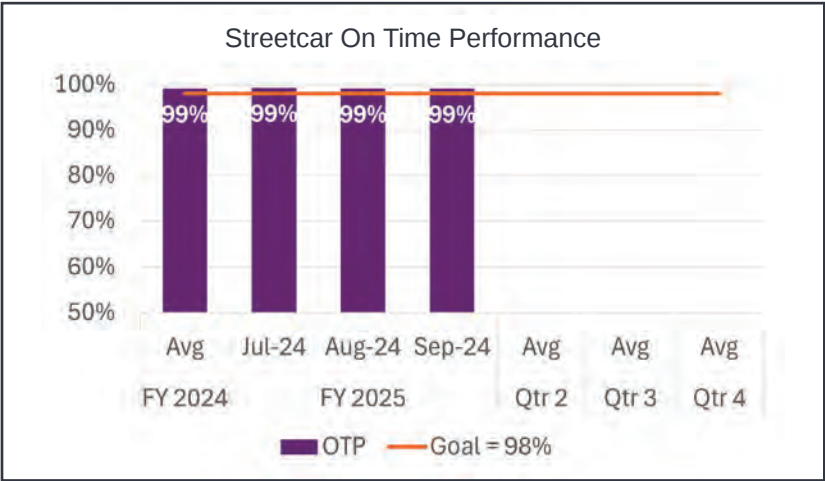


COMMENTS

- Data reflects Valley Metro service only.
- Valley Metro’s East Valley Service on-time performance for the first quarter:
 - Local service: 80% with a goal of 85%
 - Circulator: 85% with a goal of 85%
 - Express: 94% with a goal of 85%
- Valley Metro’s West Valley Service on-time performance for the first quarter:
 - Express: 96% with a goal of 85%
 - Grand Ave Limited: 97% with a goal of 85%



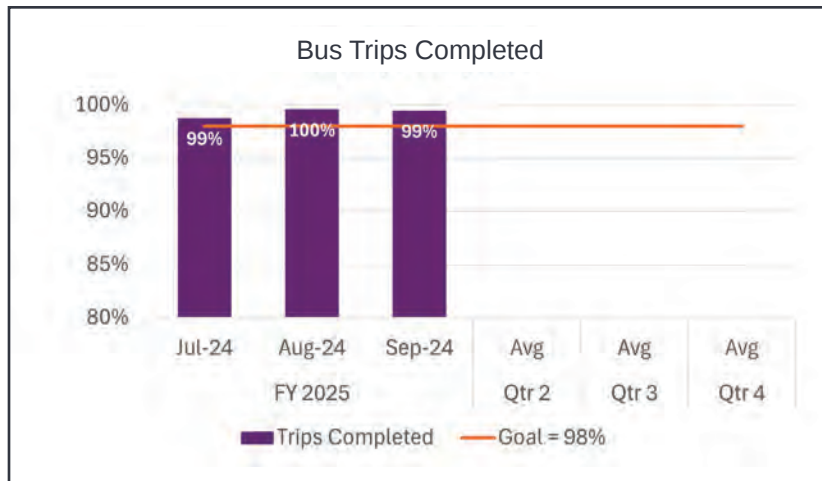
- The average FY24 light rail on-time performance was impacted by the City of Phoenix’s signal communication outage in March 2024.



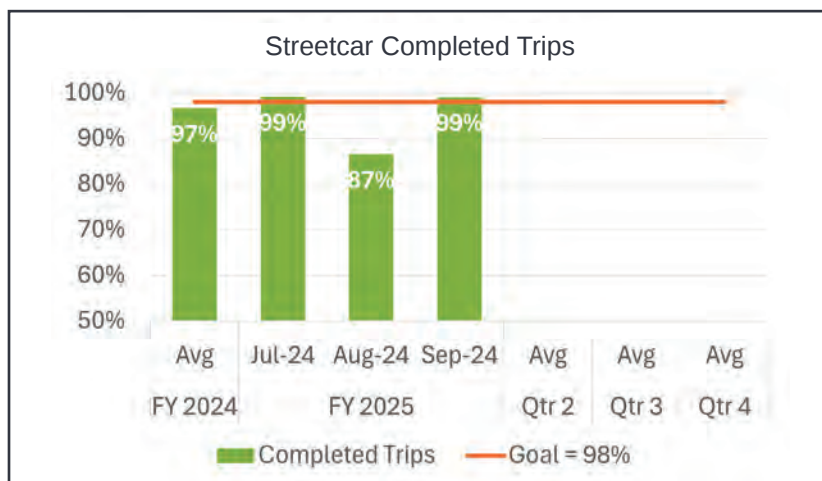
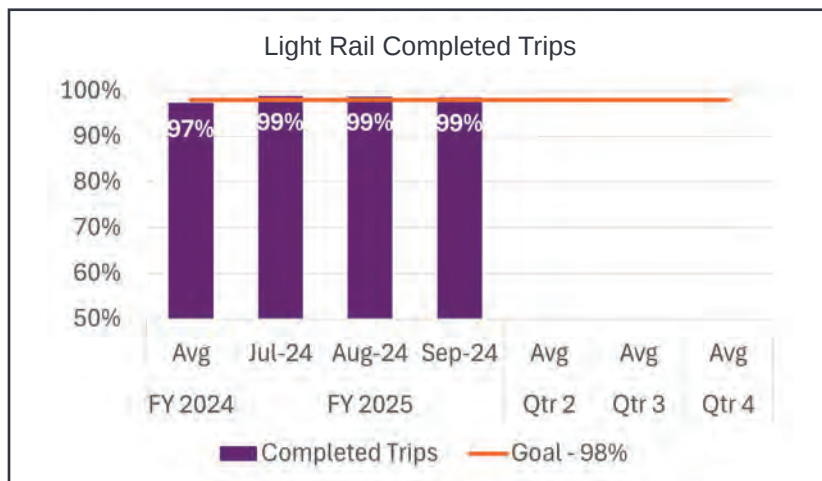
Goal 8: Operational Excellence (continued)

KEY PERFORMANCE MEASURES

COMMENTS



- Data reflects Valley Metro service only.
- The Keolis contract measures trip completion differently than the prior First Transit contract; as a result, a FY24 average is not shown.

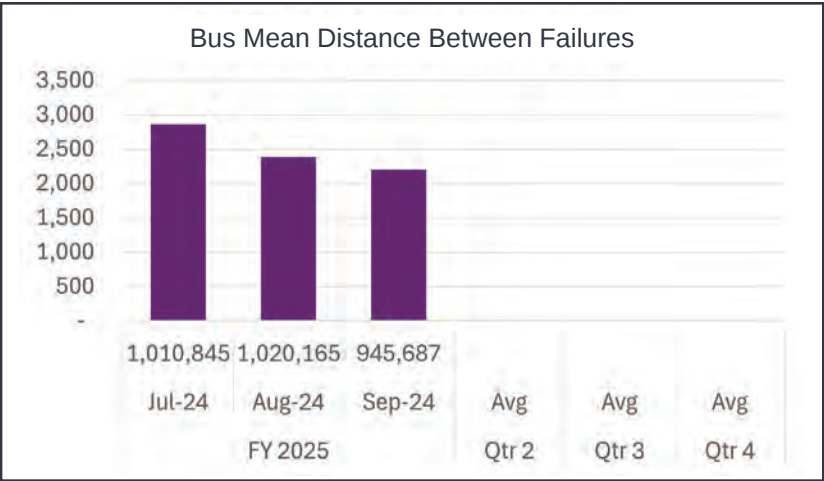


- The increase in missed trips in August was caused by the repaving of the intersection of University/Mill. When this construction is excluded, trip completion was 99% for the quarter.

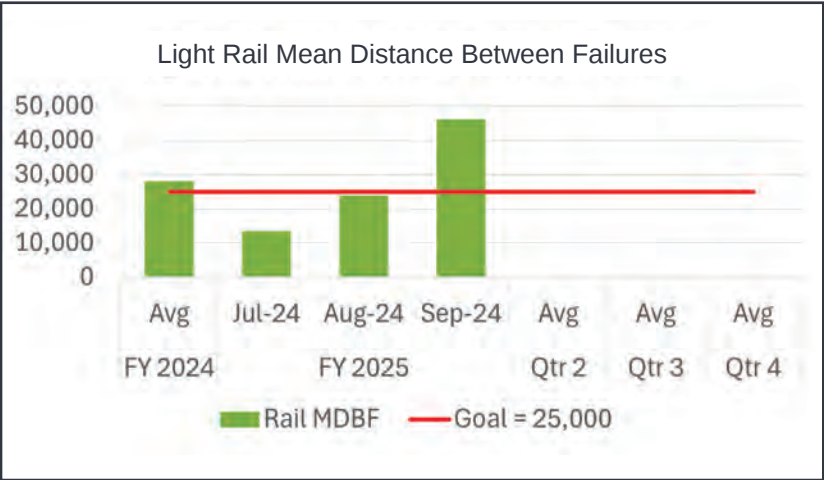
Goal 8: Operational Excellence (continued)

KEY PERFORMANCE MEASURES

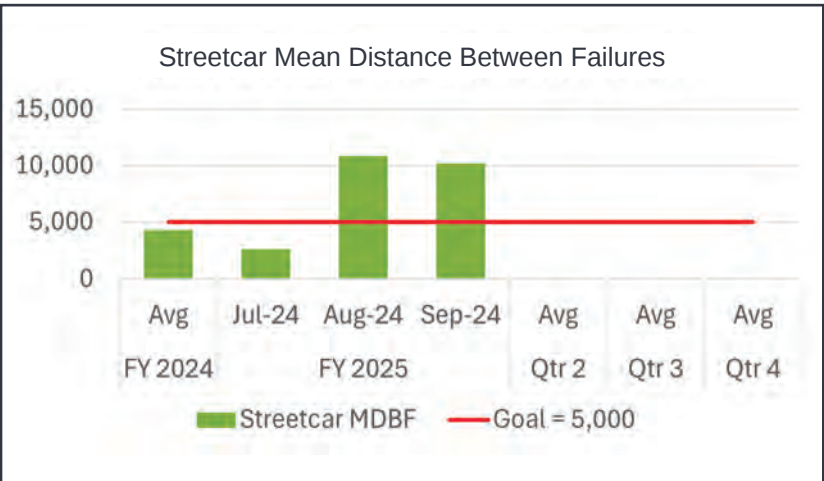
COMMENTS



- Data reflects Valley Metro service only.



- July's dip is reflective of the seasonal impact of summer heat.

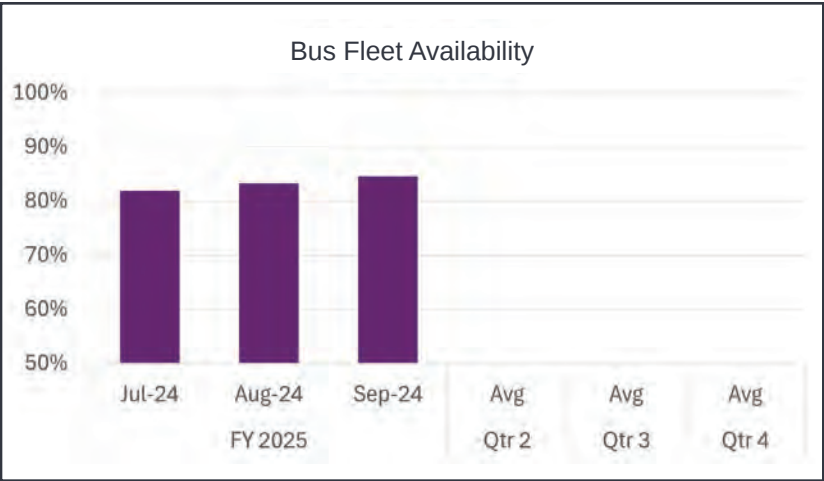


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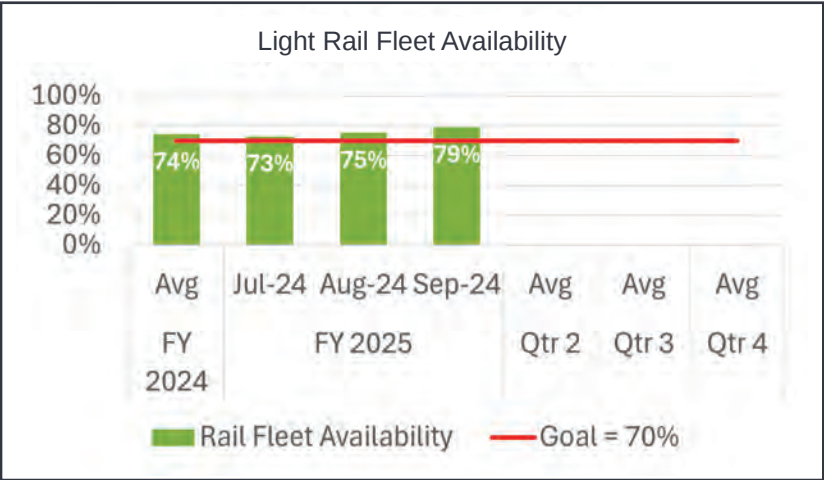
Goal 8: Operational Excellence (continued)

KEY PERFORMANCE MEASURES

COMMENTS



• Data reflects Valley Metro service only.



Goal 8: Operational Excellence (continued)

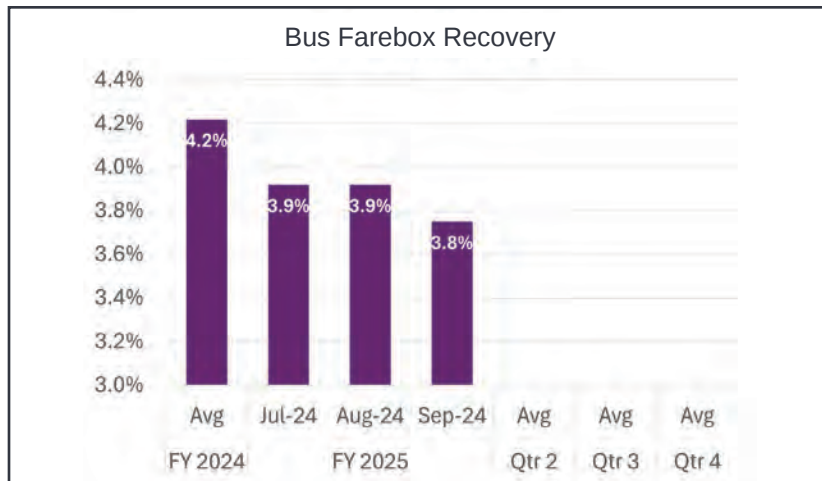
FY25 INITIATIVE ACTIONS

INITIATIVE	ACTION	STATUS
Optimize Service Performance	South Central/ Downtown Hub rail activation	The plan has been developed. Team meeting, as scheduled, to begin 11/17/2024.
Optimize Service Performance	Demand-response mobility scheduling system	Scope of work has been delivered to Procurement to start assembling the RFP. Evaluation criteria and ICE is still in development.
Optimize Service Performance	Comprehensive operational analysis	Currently reviewing solicitation proposals
Optimize Service Performance	Analysis to determine Maintenance Staffing	Complete
Optimize Service Performance	Enhance facility cleaning	The necessary equipment has been ordered and the coordinator will start 10/28. Implementation is anticipated to occur in January.
Codify Maintenance and Operations Programs	Update Blue Stake maps	A task order has been issued to an existing contractor. The timeline for completion is being developed.
Improve Service Quality	Improve contract management practices	• Transparency and Efficiency – To improve transparency and reduce public record requests, completing upload of, and making public, all existing contracts and contract amendments by November 30, 2024. • Identifying Future Needs – A first working draft of the Plan of Contracts for the next two years, with a quarterly update schedule, to be launched by December 31, 2024.
Improve Service Quality	Automated fuel management system	Use cases and requirements are being developed.

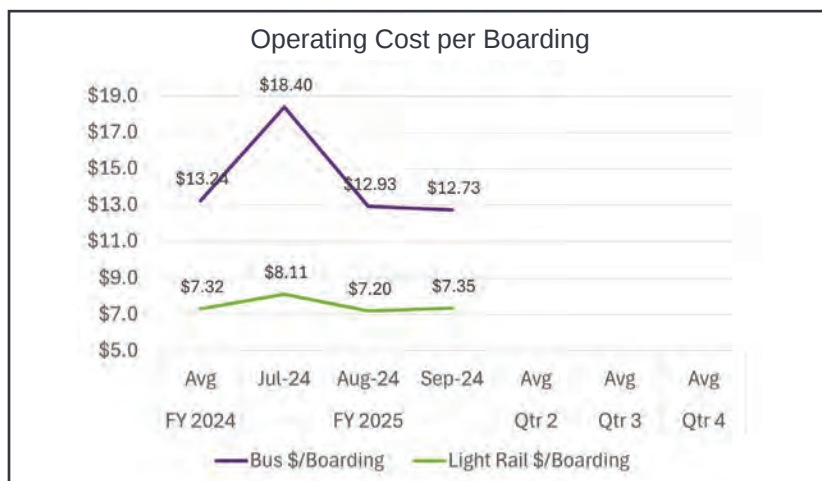
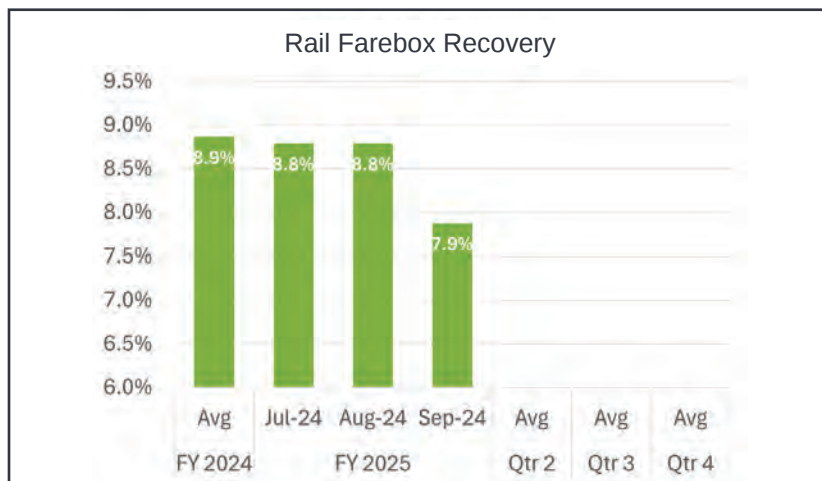
Goal 8: Operational Excellence (continued)

KEY PERFORMANCE MEASURES

COMMENTS



- Data reflects Valley Metro service only.



- Data reflects Valley Metro service only.
- While operating costs were unchanged between July and August, normal seasonality results in July ridership being 10%-20% lower than August.

Goal 9: Financial Sustainability

FY25 INITIATIVE ACTIONS

INITIATIVE	ACTION	STATUS
Develop Long-Term Financial Forecast	Procure financial forecasting software	The solicitation is being finalized and will be released in November. Implementation is targeted for early FY26.



Executive Summary

DATE

November 14, 2024

AGENDA ITEM 8**Subject**

Fare Technology Modernization Update

COST AND BUDGET

This item is presented for information only. There are no costs associated with this update.

RECOMMENDATION

This item is presented for information only.

SUMMARY

The region's previous fare collection system project began in 2005, with new equipment introduced in 2007, and included the installation of new bus fare boxes across the regional transit fleet of almost 500 buses. Fare vending machines were installed at light rail stations and transit centers in 2008 when the initial 20 miles of light rail service began. This technology has become outdated with equipment that is beyond its useful life or cannot be repaired due to unavailability of parts.

The new fare collection system is focused on open architecture technology, rider ease of use, and provides the flexibility to perform updates and adjustments to fare programs and expanded features in the future.

The goals for a new fare collection system include:

- Improved fare payment options for customers.
- Improved data collection and ridership/revenue reconciliation.
- Enhanced capabilities for the management of media distribution and reduced fare programs.
- Availability of long-term alternatives with phased implementation.
- Replacement of aging hardware to provide an improved customer experience.

Of note is that there has been no change to existing fares.

The account-based system provides expanded access to buy and manage fares, along with protecting customers' funds with a registered card and account. The use of cash is still available to all riders to purchase fares or add funds to their account, including:



- Buying a 1-Ride fare onboard buses (780 new fare boxes installed on buses regionally) or at light rail platforms (55 new ticket vending machines installed system-wide, with additional units planned).
- Buying or loading a Copper card at retail locations, light rail stations, or customer service windows.
- Loading funds at retail locations directly to their account on the Valley Metro app.

Currently, transit customers can buy and/or reload funds to their Copper card at more than 850 retail locations Valley-wide. As of October 29, 6,413 Copper cards have been sold at retail locations and 9,453 reload transactions have also occurred at retail locations. The current network includes Circle K, Safeway, Albertsons, Walgreens,

CVS and 30+ single location smaller retail stores, with more locations coming soon.

In addition, the system introduces a new program, Smart Fare (fare capping), which provides all customers with equal access to daily, weekly, and monthly fare pricing. Smart Fare gives riders access to a pay-as-you-go system where fares are charged until a daily, weekly, or monthly fare cap is reached rather than paying the full cost of a pass up front. The new system also provides expanded access to buy and manage bulk fare products for the region's Platinum Program, the Group Fares program (formerly Corporate Program) and the Social Services fare program (formerly Homeless Service Provider Program).

PUBLIC OUTREACH

Outreach for the system launch has included education at community events throughout the region and hosting pop-up events and fare system town halls, as well as conducting on-system outreach throughout the transit network. All information provided during outreach events, online, and on-board transit vehicles has been provided in English and Spanish.

The on-system outreach includes Valley Metro staff boarding buses and light rail trains throughout the region with information about the upcoming transition of the fare collection system, and promotional materials for fare town halls and pop-up events. Fare town halls and pop-up events provide riders with the opportunity to ask questions and, if eligible, apply for reduced fare.

Additionally, Valley Metro staff has attended community events throughout the region with information on the system transition. Events were chosen based on audience, proximity to transit, requests from regional partners/stakeholders, and in collaboration with key organizations.

The following is an overview of the 134 community outreach activities to date:

- 52: On-system outreach (bus & light rail, July - September 2024)
- 19: Fare pop-ups (August - October 2024)
- 13: Fare town halls (April - June 2024)
- 50: Community events attended with fare information

Additionally, beginning in October 2023, staff from Valley Metro and Colibri Collection, an outreach agency for the project, began engagements with frontline transit staff to provide information about the new system and key updates for the transition. This has

resulted in 87 outreach visits and/or presentations, accounting for more than 5,000 engagements.

In an effort to maintain equity for the new system, Valley Metro has worked with regional partners to provide new Copper cards at no cost, while in the transition phase

to the new fare collection system. As some transit riders previously utilized magnetic stripe fare media, all existing fare media value is transferred to the Copper card for future use. The Copper cards normally have a cost of \$4 without any loaded value.

CUSTOMER RESOURCES

To help customers navigate the new fare collection system, multiple resources and channels have been established to assist with customer questions, reduced fare processing, crediting passengers with older fare media, and more.

- Fare Support Call Center: Customer support specific to the new account-based system, including everything from viewing Copper card balances to questions about the new fare machines and public website for managing an account.
- Fare Media Credit Processing: Throughout the transition and until December 31, 2024, Valley Metro and City of Phoenix staff are processing credits from old media (magnetic stripe paper passes) to Copper cards or the Valley Metro app at five transit centers across the Valley, as well as at fare pop-up events.
- In-Person Copper Card/Reduced Fare Assistance: Customers can visit Central Station, Ed Pastor Transit Center, Sunnyslope Transit Center, Tempe Transportation Center, or the Valley Metro Mobility Center to apply for reduced fare, request credits from old media to new, or for any assistance needed to obtain or load a Copper card.
- Online Resources: Customers can find information about the new system on the Valley Metro website at www.valleymetro.org/faretechnology or setup and manage their new fare account at www.valleymetrofares.org.



Fare Technology Modernization Update

1

Old Fare Collection System

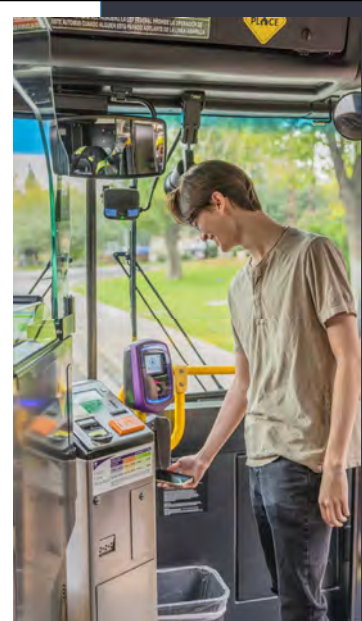
- Project began in 2005
- Proprietary equipment and software
- Difficult to add features and make changes
- System has exceeded its useful life

2

2

Fare Technology Modernization

- Regional Approach
- Project Goals
 - Improved fare payment options for customers and ease of use
 - Improved data collection and ridership/revenue reconciliation
 - Improved tools for fare media distribution and oversight of reduced fare programs
 - Exploration of longer-term alternatives with a phased implementation
 - Making a more equitable transit system



3

3

Features & Benefits of System

- Fare pricing remains the same.
- Cash options remain available to all riders.
- Account-based system for expanded access to buy and manage fares
- Smart Fare (fare capping) provides equity in fare pricing; pay-as-you-go model
- Replacement of aging hardware
- Fare programs remain, with expanded options



4

4

Project Timeline

- **July 2021:** Valley Metro app is launched
- **February 2023:** Mobile fare added
- **March 2024:** Online reduced fare application
- **March/April 2024:** Specialty card rollout begins
- **July/August 2024:** Soft launch
- **September 2024:** Full system launch
- **October 28, 2024:** Full system transition (older passes no longer supported)
- **August/October 2024:** Farebox installation on regional bus fleet
- **August/December 2024:** Fare vending machine installation



5

5

Smart Fare

1. Choose how to pay: **Copper card or Valley Metro app**
2. Load money to your account
3. Tap/scan your fare every time you ride



6



6

You won't be charged more than
these Smart Fare maximums

	DAILY	WEEKLY (MON. - SUN.)	MONTHLY (CALENDAR)
FULL FARE MAXIMUM Local	\$4	\$20	\$64
REDUCED FARE MAXIMUM Local	\$2	\$10	\$32

7



7

Reduced Fare

- Apply online at valleymetrofares.org or in person at Mobility Center or customer service windows
- **Qualifications:**
Certain reduced fares require an evaluation
 - Youth ages 6-18
 - Seniors age 65+
 - People with disabilities
 - Medicare card holders



8



8

Retail Network

- Total of 850+ locations to buy and/or reload
- Circle K, Safeway, Albertsons, Walgreens, CVS and 30+ single location smaller retail stores

Number of retail stores to buy and/or reload cards	850+
Number of retail stores to load app with cash	800+
Cards sold at retail locations (as of Oct. 29)	6,413
Reload only transactions at retail locations (as of Oct. 29)	9,453

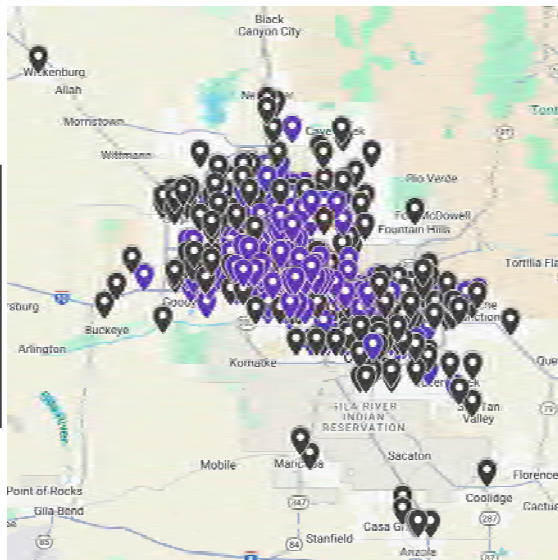


9

9

Retail Network

- Buy and Reload
850+ locations
- Reload only
800+ locations



10

10

Fare Programs Update

Platinum Program

- 260 Platinum accounts transitioned, including 30+ new Platinum organizations since June 1

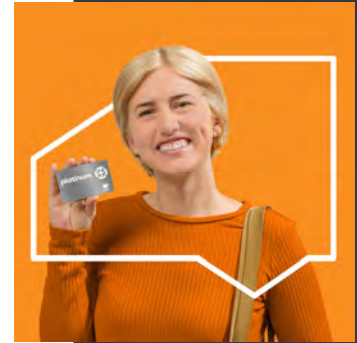
Group Fares

- Provides reloadable or limited-use Copper media to organizations, including schools, employers, etc.
- 200 Group Fares accounts transitioned to new system

Social Services Fare Program

- Provides reloadable or limited-use Copper media to non-profit organizations, schools or government agencies serving individuals experiencing homelessness
- 95 Social Services accounts transitioned to new system

11

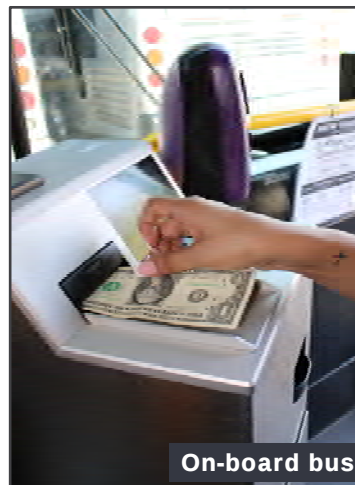


11

Cash Options

- Buy a 1-Ride cash fare on-board buses or at light rail platforms
 - 780 new bus fareboxes
 - Currently, 55 new fare vending machines at light rail platforms with more to come
- Buy/load a Copper Card with cash at retail locations, light rail stations, or customer service windows
- Load the Valley Metro app with cash at retail locations or customer service windows

12



On-board bus



12

Public Outreach Summary

On-System Outreach (Bus/Light Rail, July – Sep. 2024)	52
Fare Pop-Ups (August – October 2024)	19
Fare Town Halls (April – June 2024)	13
Community Events Attended with Fare Information	50
Total Outreach Events	134



13



13

Customer Resources

- **Fare Support Call Center:** Dedicated center provides customer support specific to the new fare system
- **Fare Media Credit Processing:** Credits for old media (magstripe paper passes) to Copper cards or to the Valley Metro app; available through December 31, 2024
- **In-Person Copper Card/Reduced Fare Assistance:** Customer service locations assist with reduced fare, credits from old media to new, and loading Copper cards
- **Online Resources:** Information about the fare system is available at valleymetro.org/fares. Setup and manage fare account at valleymetrofares.org

14



14



Executive Summary

**DATE**

November 14, 2024

AGENDA ITEM 9**SUBJECT**

Travel and Expenditures

PURPOSE

The monthly travel and expenditures are presented for information.

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COST AND BUDGET

None

COMMITTEE PROCESS

None

CONTACT

Ken Kessler

Chief Financial Officer

Kkessler@valleymetro.org

ATTACHMENTS

Valley Metro Travel Report

Valley Metro RPTA and Valley Metro Rail Monthly Accounts Payable over \$25,000

**Valley Metro
Travel Reimbursement Report**

Job Title	Purpose of Travel	Location	Dates Traveled	Total Travel Cost	Airfare	Other Transport	Lodging	Meals	Misc.
Chief Executive Officer	TCRP and TOPS Commission	Irvine, CA	6/26/24-6/28/24	\$245.49		\$129.49		\$116.00	
Chief Executive Officer	USDOT Trans&Climate Symp	Washington, DC	7/11/24-7/12/24	\$1,542.42	\$758.94	\$90.80	\$510.18	\$182.50	
Program Coordinator	38th Annual ACT Int'l Conference	Denver, CO	8/04/24-8/07/24	\$1,450.54	\$450.96		\$812.58	\$187.00	
Manager, TDM	38th Annual ACT Int'l Conference	Denver, CO	8/04/24-8/07/24	\$1,609.18	\$407.60	\$202.00	\$812.58	\$187.00	
Chief Information Officer	2024 APTAtech Conference	Philadelphia, PA	8/03/24-8/07/24	\$1,820.74	\$578.96		\$926.28	\$315.50	
Manager, Fare Programs	2024 APTAtech Conference	Philadelphia, PA	8/03/24-8/07/24	\$1,850.74	\$578.96		\$926.28	\$315.50	\$30.00 ¹
Business Analyst	2024 APTAtech Conference	Philadelphia, PA	8/03/24-8/07/24	\$1,867.30	\$578.96		\$972.84	\$315.50	
Assistant Manager, IT	2024 APTAtech Conference	Philadelphia, PA	8/03/24-8/07/24	\$1,820.74	\$578.96		\$926.28	\$315.50	
Senior Security Analyst	DEF CON 32	Las Vegas, NV	8/07/24-8/11/24	\$1,661.02	\$346.96	\$51.17	\$952.39	\$310.50	

Total this reporting period

\$13,868.17

Year to Date

\$16,828.24

Report reflects Out of State (AZ) Travel

* Misc

¹ Flight WiFi fee

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

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
10002586	8/9/2024	Keolis Transit Services LLC	Fixed Route Bus Operations/Maintenance/Professional Services	6,674,946.12
10002640	8/29/2024	City of Phoenix	Transportation Services for East/West Valley-Fixed & ADA Routes	5,577,275.65
90000322	8/23/2024	ADP Inc	PPE 08/18/2024 Payroll Liabilities	1,413,108.94
90000318	8/9/2024	ADP Inc	PPE 08/04/2024 Payroll Liabilities	1,395,822.40
10002554	8/2/2024	Scheidt & Bachmann USA Inc	Regional Farebox Project	1,124,851.86
10002564	8/2/2024	MTM Transit LLC	Paratransit Service & Fuel, Mobility Center Fuel & Trips	1,043,711.00
10002641	8/29/2024	Keolis Transit Services LLC	Fixed Route Bus Operations/Maintenance/Professional Services	963,259.03
10002642	8/29/2024	Keolis Transit Services LLC	Fixed Route Bus Operations/Maintenance/Professional Services	963,259.03
10002584	8/9/2024	MTM Transit LLC	Paratransit Service & Fuel, Mobility Center Fuel & Trips	955,566.42
10002562	8/2/2024	MJM Innovations	Ridechoice Management Services	725,364.53
90000320	8/23/2024	Cigna Health and Life Insurance Company	Health Insurance Premiums	627,886.41
10002612	8/23/2024	MJM Innovations	Ridechoice Management Services	605,702.63
10002563	8/2/2024	MJM Innovations	Broker Services	451,331.32
90000317	8/9/2024	ASRS	PPE 08/04/24 ASRS Contributions & LTD	371,378.85
90000319	8/23/2024	ASRS	PPE 08/18/24 ASRS Contributions & LTD	369,368.73
10002610	8/23/2024	National Express Transit Corporation	West Valley Contracted Fixed Route and Maintenance Services	342,522.97
10002581	8/9/2024	National Express Transit Corporation	West Valley Contracted Fixed Route and Maintenance Services	300,475.05
1002560	8/29/2024	Hye Tech Network & Security Solutions L	Pure Storage	276,466.93
10002582	8/9/2024	MJM Innovations	Ridechoice Management Services	259,816.27
10002613	8/23/2024	MJM Innovations	Broker Services	210,589.57
10002636	8/29/2024	101 North First Ave LLC	101 Building Rent	202,072.42
10002583	8/9/2024	MJM Innovations	Broker Services	199,511.84
10002565	8/2/2024	Alliant Insurance Services Inc	Insurance Brokerage Services	191,000.00
90000323	8/31/2024	Surepays	RPTA Monthly Utilities	166,521.03
10002607	8/23/2024	Trapeze Software Group	Subscription Costs - Scheduling Dispatch Software	118,898.75
10002614	8/23/2024	MTM Transit LLC	Paratransit Eligibility Assessment/Travel Training Services	105,880.48
10002620	8/23/2024	Keolis Transit Services LLC	Engines and Transmissions	104,034.68
10002596	8/16/2024	DLT Solutions LLC	Oracle Products and Services	95,608.71
10002580	8/9/2024	Vix Technology USA Inc	Customer Service Network Fees	92,738.50
1002561	8/29/2024	InComm	Retail Sales Network - Design and Mobile Ticketing	80,000.00

Valley Metro Regional Public Transportation Authority

1002522	8/9/2024	Regional Transportation Authority of Pi	Ajo 685 Long Route Trips	77,955.44
10002632	8/29/2024	OpenGov Inc	OpenGov Software Subscription	77,724.03
1002544	8/23/2024	CopperPoint Insurance Company	Rent and CAM Charges	69,919.43
10002551	8/2/2024	ACRO Service Corporation	Staffing Services	64,302.34
10002570	8/9/2024	Clean Energy	CNG Facility Operations & Maintenance	63,126.65
1002535	8/14/2024	Advanced Network Management Inc	Network Management software license and support	53,345.53
10002618	8/23/2024	101 North First Ave LLC	FY24 Rent and CAM Reconciliation	50,805.82
10002608	8/23/2024	Senergy Petroleum LLC	Bulk Fuel	42,111.61
90000321	8/23/2024	Wells Fargo Bank	Monthly Credit Card Charges	35,891.36
1002546	8/23/2024	Hye Tech Network & Security Solutions L	Cohesity Maintenance and Support	35,207.81
10002576	8/9/2024	WEX Health Inc	Flexible Spending Accounts	31,136.68
				26,610,496.82

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

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
50002451	8/14/2024	Kiewit Infrastructure West Co	CMAR Services for South Central-Downtown Hub	11,432,798.38
50002485	8/29/2024	Siemens Mobility Inc	Light Rail Vehicles - Milestone Schedule	1,221,686.60
50002448	8/14/2024	Allied Universal Security Services	TSC - Field Security Officers	1,150,587.39
50002420	8/2/2024	Hill International Inc	PMCM Services	664,921.60
90000038	8/31/2024	Surepays	VMR Monthly Utilities	612,305.28
50002474	8/23/2024	Siemens Mobility Inc	Communication and Video System Upgrade	425,005.67
50002421	8/2/2024	Jacobs Engineering	Capitol Extension Design Services	193,479.49
50002482	8/23/2024	City of Phoenix	QTR 4 Advertising Revenue Distribution	185,058.91
50002416	8/2/2024	ARCADIS	Consulting Support Services	141,313.93
50002419	8/2/2024	HDR Engineering Inc	Service Planning Support	132,140.53
50002422	8/2/2024	Kiewit-McCarthy, a Joint Venture	CMAR Services for Northwest Phase II	85,319.00
50002459	8/16/2024	CDW Government LLC	Software, Maintenance and Support Expenses	74,138.61
50002425	8/2/2024	SDB Contracting Services	JOC-Supplemental Construction Services	73,359.94
50002475	8/23/2024	City of Tempe	QTR 4 Advertising Revenue Distribution	59,161.57
5002861	8/23/2024	City of Mesa	QTR 4 Advertising Revenue Distribution	58,622.55
5002829	8/9/2024	City of Mesa	Return payment - Incorrect billing	52,420.13
50002435	8/2/2024	SRP	Construction Utilities SCE	50,833.62
50002450	8/14/2024	HDR Engineering Inc	Service Planning Support	48,700.76
50002427	8/2/2024	URW LLC	Landscape Maintenance Services	45,309.99
50002462	8/16/2024	Prestamos CDFI LLC	Small Business Financial Assistance Program	43,500.00
5002886	8/29/2024	STV Incorporated	Project Development Support	43,048.86
5002882	8/29/2024	Schunk Carbon Technology LLC	Pantograph Shoe Carbon Insert	39,026.28
5002823	8/2/2024	Noble Supply & Logistics	Elerts Transit Edge Level 4 - Renewal	38,266.63
5002875	8/23/2024	Noble Supply & Logistics	Elerts Transit Edge Level 4 - Renewal	38,266.63
5002869	8/23/2024	Jenco Inc	LED Replacements	34,023.67
50002434	8/2/2024	WEX Bank	Fleet Card Services	33,393.46
50002444	8/9/2024	Alliant Insurance Services Inc	Client's Insurance Endorsements	33,305.54
50002490	8/29/2024	WEX Bank	Fleet Card Services	31,939.29
50002457	8/14/2024	City of Phoenix	Change Inventory for TVM's	30,000.00
5002814	8/2/2024	Motorola Solutions Inc	Public Communication Equipment and Services	26,435.92

Valley Metro Rail

5002843	8/16/2024	LCPtracker Inc	LCPtracker Software Licenses	25,988.41
50002447	8/14/2024	AECOM Technical Services Inc	Service Planning Support	25,877.13
50002487	8/29/2024	Prestamos CDFI LLC	Small Business Financial Assistance Program	25,360.19
				17,175,595.96

**Valley Metro
Travel Reimbursement Report**

Job Title	Purpose of Travel	Location	Dates Traveled	Total Travel Cost	Airfare	Other Transport	Lodging	Meals	Misc.
Transit Scheduling Manager	APTA Sustainability/Ops Planning & Scheduling Workshop	Washington, DC	8/17/24-8/21/24	\$1,816.30	\$414.95	\$10.00	\$1,075.85	\$315.50	
Chief Executive Officer	Latinos in Transit 2024 Leadership Summit	Portland, OR	9/14/24-9/14/24	\$389.95	\$317.95	\$30.00		\$42.00	
Deputy Chief, Capital Planning	2024 Transit Construction Roundtable	Newark, NJ	9/09/24-9/12/24	\$1,311.63	\$381.42		\$583.71	\$241.50	\$105.00 ¹
Mgr, Construction & Utilities	2024 Transit Construction Roundtable	Newark, NJ	9/09/24-9/12/24	\$1,326.64	\$421.43		\$583.71	\$241.50	\$80.00 ¹
Deputy Chief, Design & Construction	2024 Transit Construction Roundtable	Newark, NJ	9/09/24-9/12/24	\$1,276.16	\$506.95		\$583.71	\$241.50	(\$56.00) ³
Financial Admin Asst III	Latinos in Transit 2024 Leadership Summit	Portland, OR	9/12/24-9/14/24	\$1,243.89	\$283.41	\$22.11	\$662.37	\$206.00	\$70.00 ¹
Project Manager	Latinos in Transit 2024 Leadership Summit	Portland, OR	9/12/24-9/14/24	\$1,206.32	\$337.95		\$662.37	\$206.00	
Chief of Capital Development	APTA TRANSform Conference	Anaheim, CA	9/29/24-10/01/24	\$1,173.21	\$379.96	\$54.92	\$593.08	\$145.25	
Chief Transportation Officer	APTA TRANSform Conference	Anaheim, CA	9/29/24-10/02/24	\$2,367.00	\$429.95	\$60.05	\$1,674.00	\$203.00	
Rail Systems Engineer	APTA TRANSform Conference	Anaheim, CA	9/28/24-10/02/24	\$2,026.55	\$226.30	\$168.95	\$1,186.16	\$313.00	\$132.14 ²

Total this reporting period

\$14,137.65

Year to Date

\$30,965.89

Report reflects Out of State (AZ) Travel

* Misc

¹ *Baggage Fees*

² *Parking Fees*

³ *Airfare Diff Extra Day*

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

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
10002699	9/19/2024	Keolis Transit Services LLC	Fixed Route Bus Operations/Maintenance/Professional Services	7,100,144.49
10002709	9/26/2024	City of Phoenix	Transportation Services for East/West Valley-Fixed & ADA Routes	5,577,275.65
10002689	9/19/2024	City of Tempe	East Valley Bus Transit/Ridechoice/Paratransit Recon	2,316,563.82
90000329	9/19/2024	ADP Inc	PPE 09/15/2024 Payroll Liabilities	1,386,769.42
90000327	9/6/2024	ADP Inc	PPE 09/01/2024 Payroll Liabilities	1,375,417.98
10002655	9/6/2024	MTM Transit LLC	Paratransit Service & Fuel, Mobility Center Fuel & Trips	989,584.26
10002697	9/19/2024	City of Phoenix	East Valley Bus Transit Service Recon	977,104.56
10002706	9/26/2024	MJM Innovations	Ridechoice Management Services	730,947.60
90000330	9/26/2024	Cigna Health and Life Insurance Company	Health Insurance Premiums	606,472.69
10002714	9/26/2024	Commute with Enterprise	Vanpool Services	406,795.26
10002647	9/6/2024	CDW Government LLC	Software and Support Expenses - Microsoft EA	401,858.89
90000328	9/19/2024	ASRS	PPE 09/15/24 ASRS Contributions & LTD	376,162.59
90000326	9/6/2024	ASRS	PPE 09/01/24 ASRS Contributions & LTD	369,496.81
10002660	9/6/2024	Commute with Enterprise	Vanpool Services	364,158.24
1002609	9/19/2024	City of Mesa	East Valley Bus Transit Service & Ridechoice Recon	327,777.28
10002657	9/6/2024	MJM Innovations	Ridechoice Management Services	282,386.79
10002658	9/6/2024	MJM Innovations	Pass Through Provider Costs	225,553.45
90000335	9/30/2024	Surepays	RPTA Monthly Utilities	199,419.86
1002618	9/19/2024	City of Chandler	RideChoice Recon	186,798.00
1002620	9/19/2024	City of Peoria	West Valley Fixed Route Bus/Paratransit Service Recon	154,428.72
1002592	9/13/2024	SHI International Corp	IT Solutions and Services - On-Demand Planning Platform	119,250.69
10002729	9/26/2024	Keolis Transit Services LLC	Engines and Transmissions	112,812.61
10002707	9/26/2024	MTM Transit LLC	Paratransit Eligibility Assessment/Travel Training Services	108,716.39
10002698	9/19/2024	Keolis Transit Services LLC	Engines and Transmissions	108,222.31
10002713	9/26/2024	CDW Government LLC	Software and Support Expenses - Google Maps	96,157.91
10002690	9/19/2024	Vix Technology USA Inc	Customer Service Network Fees	92,738.50
10002661	9/13/2024	ACRO Service Corporation	Staffing Services	80,070.62
10002703	9/26/2024	Senergy Petroleum LLC	Bulk Fuel	73,692.83
1002627	9/26/2024	CopperPoint Insurance Company	October 2024 Rent and CAM Charges	66,908.81
1002621	9/19/2024	City of Tolleson	RideChoice Recon	65,664.53

Valley Metro Regional Public Transportation Authority

10002710	9/26/2024	ACRO Service Corporation	Staffing Services	62,151.06
1002590	9/13/2024	Magnetry LLC	Marketing and Advertising Services	60,046.00
90000336	9/30/2024	Wells Fargo Bank	Monthly Credit Card Charges	58,779.37
1002617	9/19/2024	City of Avondale	West Valley Bus/RideChoice Recon	53,892.77
10002685	9/19/2024	Town of Gilbert	RideChoice & Paratransit Services Recon	50,725.50
10002679	9/19/2024	DLT Solutions LLC	Oracle Mission Critical Support	47,775.00
1002637	9/26/2024	Regional Transportation Authority of Pi	Ajo 685 Long Route Trips	45,116.68
10002669	9/13/2024	Dell Marketing LP	Computer equipment, peripherals and supplies	41,387.55
10002687	9/19/2024	Senergy Petroleum LLC	Bulk Fuel	39,900.60
10002671	9/13/2024	Senergy Petroleum LLC	Bulk Fuel	39,770.71
10002652	9/6/2024	Senergy Petroleum LLC	Bulk Fuel	39,642.40
1002615	9/19/2024	Skillsoft Corporation	Learning - Interactive Videos and Courses	38,629.79
1002636	9/26/2024	Logic Compensation Group LLC	Class and Comp Study	31,556.25
10002665	9/13/2024	Franklin Covey Client Sales Inc	Professional Development Consultation and Training Services	30,081.68
1002622	9/19/2024	Town of Youngtown	Paratransit Service Recon	29,688.36
10002651	9/6/2024	WEX Health Inc	Flexible Spending Accounts	25,951.87
1002625	9/19/2024	The Colibri Collective	Community Relations Support Services On-Call	25,587.50
				26,000,034.65

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

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
50002552	9/26/2024	Kiewit Infrastructure West Co	CMAR Services for South Central-Downtown Hub	11,597,829.10
50002512	9/6/2024	City of Phoenix	Phoenix Rail Underrun	6,652,903.69
50002504	9/6/2024	City of Tempe	Rail/TSC Underrun	4,243,703.99
5002895	9/6/2024	City of Mesa	Rail Underrun	2,492,584.43
50002526	9/19/2024	Siemens Mobility Inc	Light Rail Vehicles	2,060,753.67
50002492	9/6/2024	Alternate Concepts Inc	Transportation Services - Direct Labor Costs	1,929,569.50
50002545	9/26/2024	Allied Universal Security Services	Field Security Officers	1,123,777.84
50002520	9/13/2024	Siemens Mobility Inc	Light Rail Vehicles	1,040,323.40
50002554	9/26/2024	Siemens Mobility Inc	Light Rail Vehicles-Spare Parts, Special Tools and Test Equipment	891,265.62
90000039	9/30/2024	Surepays	VMR Monthly Utilities	595,506.33
50002497	9/6/2024	Jacobs Engineering	Capital Extension Design	526,842.52
50002527	9/19/2024	Stacy and Witbeck Inc	Supplemental Construction Services	472,678.33
50002555	9/26/2024	Stacy and Witbeck Inc	Supplemental Construction Services	330,570.54
50002500	9/6/2024	Siemens Mobility Inc	LRV Vehicle Communication and Video System Upgrade	211,100.01
50002550	9/26/2024	J Banicki Construction Inc	Supplemental Construction Services	193,952.71
50002505	9/6/2024	Trapeze Software Group	Trapeze EAM Software License	122,922.09
50002541	9/19/2024	Penn Machine Company LLC	Tire and Tire Kit	106,280.00
50002542	9/19/2024	PGH Wong Engineering Inc	System Design Services	103,499.29
50002536	9/19/2024	AECOM Technical Services Inc	Environmental Services Support	73,354.83
50002557	9/26/2024	Prestamos CDFI LLC	Small Business Financial Assistance Program	60,017.09
50002535	9/19/2024	City of Phoenix	Change Inventory for TVM's	49,200.00
50002521	9/13/2024	Skyrim Studio Inc	SCE - Public Art Services - Fabrication Install	47,000.00
50002501	9/6/2024	URW LLC	Landscape Maintenance Services	43,038.21
50002525	9/13/2024	City of Phoenix	Change Inventory for TVM's	41,700.00
50002498	9/6/2024	Penn Machine Company LLC	Gearbox and Axle	38,949.50
50002551	9/26/2024	Jacobs Engineering	Project Development Support	38,272.76
50002529	9/19/2024	Integrated Power Services LLC	Repair Traction Motor	37,418.30
50002560	9/26/2024	City of Phoenix	Regional Wireless Quarterly Billing	37,042.98
50002561	9/26/2024	City of Phoenix	Fare Handling Fee	36,669.00
5002948	9/26/2024	STV Incorporated	Project Development Support	35,945.16

Valley Metro Rail

50002562	9/26/2024	SRP	Construction Utilities SCE	34,392.06
5002915	9/13/2024	Jenco Inc	LED Replacements	31,910.46
50002502	9/6/2024	Voestalpine Nortrak Inc	Switch	31,214.55
5002896	9/6/2024	AFP Transformers Corporation	Transformer Aux Power	29,877.00
5002905	9/13/2024	MSC Industrial Supply Company	Lubricant Hydraulic Fluid	29,625.73
5002945	9/26/2024	Creative Machines Inc	SCE - Public Art Services - Fabrication Install	27,625.00
				35,419,315.69

Executive Summary

**DATE**

November 14, 2024

AGENDA ITEM 10**SUBJECT**

Report on Current Events and Suggested Future Agenda Items

COST AND BUDGET

There are no costs associated with this item

RECOMMENDATION

This item is presented for information only.

CONTACT

Jessica Mefford-Miller

Chief Executive Officer

jmeffordmiller@valleymetro.org

ATTACHMENT

None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date

Agenda

November 14, 2024



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

Action Recommended

1. Minutes

1. For action

Minutes from the September 19, 2024, Board meeting are presented for approval.

2. April 2025 Proposed Service Changes

2. For action

Staff recommends that the Board of Directors authorize the Chief Executive Officer to amend member agency FY25 IGAs as necessary, and to execute change orders to the Keolis fixed route contract to accommodate the recommended April 2025 service changes.

3. The Americans with Disabilities Act of 1990

3. For information

Staff will provide an overview of what ADA looks like from a user's perspective, and what should a person do if they are not getting the service that they need from our fixed route buses.

4. Report on Current Events and Suggested Future Agenda Items

4. For information

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

5. Next Meeting

5. For information

The next Board meeting is scheduled for **Thursday, January 23, 2025 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.

Meeting Minutes



November 14, 2024

AGENDA ITEM 1

RPTA Board of Directors
Thursday, September 19, 2024
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

RPTA Meeting Participants

Vice Mayor O.D. Harris, City of Chandler – **Chair**
Councilmember Jennifer Adams, City of Tempe – **Vice Chair** (phone)
Councilmember Max White, City of Avondale - Treasurer (phone)
Vice Mayor Clay Goodman, City of Buckeye
Councilmember Monica Dorsey, City of El Mirage (phone)
Councilmember Peggy McMahon, Town of Fountain Hills
Mayor Brigitte Peterson, Town of Gilbert
Councilmember Lauren Tolmachoff, City of Glendale (phone)
Vice Mayor Laura Kaino, City of Goodyear
Councilmember Francisco Heredia, City of Mesa (phone)
Vice Mayor Jon Edwards, City of Peoria (phone)
Councilmember Kathy Littlefield, City of Scottsdale (phone)
Councilmember Aly Cline, City of Surprise (phone)
Councilmember Jimmy Davis, City of Tolleson
Mayor Rui Pereira, Town of Wickenburg (phone)
Mayor Michael LeVault, Town of Youngtown (phone)

Members Not Present

Chairman of the Board, Jack Sellers, Maricopa County
Councilmember Laura Pastor, City of Phoenix
Councilmember Jeff Brown, Town of Queen Creek

The chair called the meeting to order at 12:11 p.m.

Chair Harris said Valley Metro RPTA board of directors meeting. Welcome all the board members. Do we need another roll call, Pat? Thank you.

1. Consent Agenda

Chair Harris said The Consent Agenda is presented for action. A request for motion and second to approve the Consent Agenda for Items –

Councilmember White said Chair, I would like to request that we pull Item 1C October 2024 Service Changes. Our CEO gave us some highlights, but I think a lot of what one of our former



community speakers needs to share with us is going to be available here if we would just hear a brief report on Item 1C. Otherwise, I move we accept the Consent Agenda.

Motion by Councilmember White, second by Unidentified Speaker. So 1C has been pulled. what are we doing with that? Are we going to move it to action or for a conversation today?

Ms. Dillon said we will take it separately after you complete this vote and then staff will be able to provide information and answer questions.

Chair Harris said so we're moving 1C to action.

Ms. Dillon said a separate action, yes.

Chair Harris said there's been a motion and is there a second? All right. Vice Mayor Monica seconded. Any discussion? There shouldn't be any for that. All those in favor? All those opposed? The ayes have it.

IT WAS MOVED BY COUNCILMEMBER WHITE, SECONDED BY COUNCILMEMBER DORSEY, AND UNANIMOUSLY CARRIED TO APPROVE CONSENT AGENDA ITEMS 1A, 1B, AND 1D.

Chair Harris said let's move to 1C for action. Go ahead, Jessica.

Ms. Mefford-Miller said if I may, thank you, Councilmember White, members of the board. I'd like to provide a brief update on the October 28th service change. Should you have detailed questions. I'm going to call on Aaron Xavier, our Manager of Service Planning.

We have per our service standards a twice annual service change process. Historically, the service change process has been relatively, I would call it quiet, we're making adjustments to running time, the end-to-end travel time on bus routes, occasional updates to our train schedules and running time. Also, changes allow for connectivity.

In this instance, there's a physical route change. It's an extension of our Number 57 Baseline Road, so this is moving, today we terminate at 75th Avenue. Now, we're shifting west to the Gila River Indian Community Service Center at 83rd Avenue looping south to Dobbins and back north to Baseline. So this is a physical extension.

Now, the service change. Here's the service change process now and then I want to do a little foreshadowing about where we're going in the future. Now, we're monitoring the service. We've acquired some new tools, so we've been talking about it in this room. We've got tools like Swiftly which we've also made available to our member city staff that are allowing us to monitor things like our running time and our on-time performance in real time. We're also looking at ridership through a more granular lens so that we know when and where we are and are not picking passengers up. This is going to give us more and better information.



In the future, I see us making more adjustments. Not for the sake of making adjustments to the system just because we can but to get the service better attuned with how, when and where people are actually travelling and how the service itself is performing. It has been, in my experience, a system relatively unexamined over time. Whether or not we'll have more service changes throughout the year remains to be seen.

These two service changes are something that is codified in the collective bargaining agreements that our contractors have with Amalgamated Transit Union and this instance, this is the opportunity for the operators to pick their, we call it, their run. So what route and what scheduled they're going to be operating for roughly a six-month period. So we can't do it all of the time but we do have some control over what we change. And that outreach I described earlier today that we're doing with airport concessionaires. It's something relatively new. We have programmed through our market research budget as well. This was included in the FY25 operating budget additional resources to do more surveys with businesses and consumers so that we can get more and better information about where they're travelling.

We're also soon to conduct, at last, our comprehensive operational analysis. This is an active RFP. Our proposals are due later this month. We're going to be coming back to this body in January to request your approval of a contract award that going to allow us work together with our member communities, MAG and contract staff to evaluate the entire on street system and identify possible improvements that could be implemented all at once or perhaps more likely over a time to make the system work better for our travelers.

And then once we implement that comprehensive operational analysis, we can't leave it alone. We've got to keep monitoring ridership, customer experience, what's working and not working with the routes, the schedules, how we deliver service, everything like operator behavior. We heard from Ms. Candice earlier about the operator not kneeling the bus. This is something we take very seriously.

I want to applaud our transportation team. You may or may not be aware of this, but we are working every single day to monitor how the service is going. We've got morning standup calls with a bus, with paratransit and with rail, so we know what customer complaints we got yesterday, what the customers said, what are we doing about it, what are on-time performance was, did we miss any trips and if so, why and what are we doing about that. We're communicating that with our city staff. We have monthly subregional meetings focused on bus and paratransit and then a quarterly rail meeting with member city communities where we're pushing out very detailed performance talking about what we can do together to drive increases in performance. And we're seeing positive results. It's taken time. It's gonna take more time still but we're seeing ridership climb. We're seeing on-time performance climb. We're seeing finally in most markets a decline in negative customer contacts, but we do still need to make the service work better for our constituents.



That was kind of a loquacious answer to that question about what the service change process is. But Councilmember White, have I answered your question, or do you want more details about October 28th?

Councilmember White said I really appreciate the answer. It was very detailed and, anytime we're going further west with what we're able to do and this is a route that kind of hits a bit of that rural western Arizona but it's still in the Valley. It's still a metro area. I'm just so excited that we're going to be touching the Gila River Indian Community District 7 Service Center and being able to have transit out there. So I just want to commend Valley Metro for being able to do that and also this board for making sure that we're continuing to forge west. Thank you very much. And I would like to move that we accept Item 1C.

Councilmember Tolmachoff said second.

Chair Harris said you guys are really fast. There's been a motion, a first by Councilmember White and a second by who? Lauren.

All those in favor, say aye. All those opposed, say nay. The ayes have it. Thank you, online, I got you.

IT WAS MOVED BY COUNCILMEMBER WHITE, SECONDED BY COUNCILMEMBER TOLMACHOFF, AND UNANIMOUSLY CARRIED TO APPROVE CONSENT AGENDA, ITEM 1C.

2. Report on Current Events and Suggested Future Agenda Items

Chair Harris said with that being said Report on Current Events. Any current events anyone?

3. Next Meeting

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

Without further discussion, the meeting was adjourned at 12:18 p.m.



Executive Summary

DATE

November 14, 2024

AGENDA ITEM 2**SUBJECT**

April 2025 Proposed Service Changes

COST AND BUDGET

Items here include only service changes for Valley Metro-operated services and routes, and routes funded through the regional Public Transportation Fund (PTF). Costs for changes that do not impact Valley Metro-operated routes and routes not funded through PTF are excluded from this memorandum. Contract adjustments for minor bus service changes that do not require an amendment to the IGAs will be made through the year-end reconciliation process.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to amend member agency FY25 IGAs as necessary, and to execute change orders to the Keolis fixed route contract to accommodate the recommended April 2025 service changes.

STRATEGIC PLAN ALIGNMENT

This item relates to the following goals and strategies in the Five-Year Strategic Plan,

- Goal 4: Data Collaboration and Technology
 - o Tactic 4.2 Understand customer interaction through the enterprise capture, integration and data analysis to better serve riders.
- Goal 5: Stakeholder Collaboration
 - o Tactic 5.2 Incorporate member agency and stakeholder input into action plans to build the future regional transit system.
- Goal 8: Operational Excellence
 - o Tactic 8.3: Improve service quality through enhanced planning, performance management and continuous process improvement.

COMMITTEE PROCESS

RTAG: October 15, 2024 for information

TMC: November 6, 2024 approved

Board of Directors: November 21, 2024 for action

CONTACT

Aaron Xaevier

Service Planning & GIS Manager

axaevier@valleymetro.org

ATTACHMENT

None

Background Information

April 2025 Proposed Service Changes

BACKGROUND

Effective April 28, 2025 the following transit service changes are proposed for the region. Changes were coordinated and analyzed through the five-year Short Range Transit Program as well as the Board adopted Transit Standards and Performance Measures. In addition, the fixed route service changes are proposed and reviewed in coordination with the Valley Metro Service Planning Working Group, comprising representatives from Valley Metro member agencies. Valley Metro also worked with each affected member agency regarding the proposed changes and funding impacts prior to arriving at recommendations. Extensive public outreach will also be conducted.

This summary includes the two recommended bus service changes for Valley Metro-operated services and routes, and routes funded through the regional Public Transportation Fund (PTF). Changes that only affect locally funded service operated by other agencies (e.g. Phoenix) are not addressed herein. Overall, the proposed changes include fixed route service elimination.

Service Changes

Route 515—Fountain Hills Mesa Connector: This route operates like an express route, providing inbound service from the Fountain Hills PNR to the Gilbert Rd and McDowell Rd Park-and-Ride in the morning and reserve service in the evening. This route is proposed for elimination. See the map below for the current alignment.





Route 531- Mesa/Gilbert Express: This express route currently serves downtown Gilbert as well as west Mesa for connections to downtown Phoenix. This change will discontinue service at the Gilbert PNR west of Gilbert Road. This PNR is currently the end of line on the route. The new end of line will be located further north along Gilbert Road at the existing bus stop at the northeast corner of Gilbert Road and Houston Ave, just southeast of the Baseline Road and Gilbert Road intersection. This change is occurring because the Gilbert PNR is being removed during the Town's downtown revitalization.

Public Outreach

An extensive public outreach will be conducted from November to early December 2024, via online comment, email, social media and a remote public hearing via webinar. The outreach covered all proposed service changes regardless of funding source or operator.

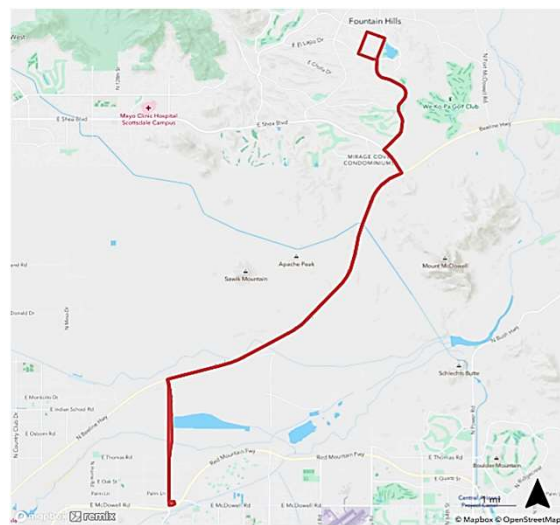
- **Input Opportunities:**
 - Virtual public hearing conducted mid-November 2024
 - Online comment card
 - Via email at input@valleymetro.org
 - Social media
- **Communication Channels:**
 - Advertisements will be placed in the *Arizona Republic*, *East Valley Tribune*, *La Prensa Hispana*, *La Voz* and *Arizona Informant*. They included information regarding the proposed route changes, public comment period and public hearing.
 - Transit vehicle announcements (Route Scout)
 - A-frame signage at key transit locations
 - Email notices to riders and Trip Reduction Program employers
 - Press release resulting in news coverage
 - Social media posts
 - Website (valleymetro.org/service-changes)
 - Internal communication to staff and contractors

This item serves the Agency's strategic plan by incorporating member agency and stakeholder input into action plans to build the future regional transit system. This route is being eliminated at the request of the Town of Fountain Hills who funds the route. It also leverages data analysis to better serve riders and target investment as ridership and financial analysis contributed to this recommendation.



1

April 2025 Proposed Service Changes



Route 515
- Fountain
Hills Mesa
Connector



2

2

Recommendation

Staff recommends that the Board of Directors authorize the CEO to amend member agency FY25 IGAs as necessary, and to execute change orders to the Keolis fixed route contract to accommodate the recommended April 2025 service changes.

3



Executive Summary

DATE:

November 14, 2024

AGENDA ITEM 3**SUBJECT**

The Americans with Disabilities Act of 1990

COST AND BUDGET

None

RECOMMENDATION

This information is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

This information is being presented as requested by the Board of Directors at the September 2024 Board of Directors meeting.

COMMITTEE PROCESS

None

CONTACT

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

ATTACHMENT

ADA Presentation – PowerPoint

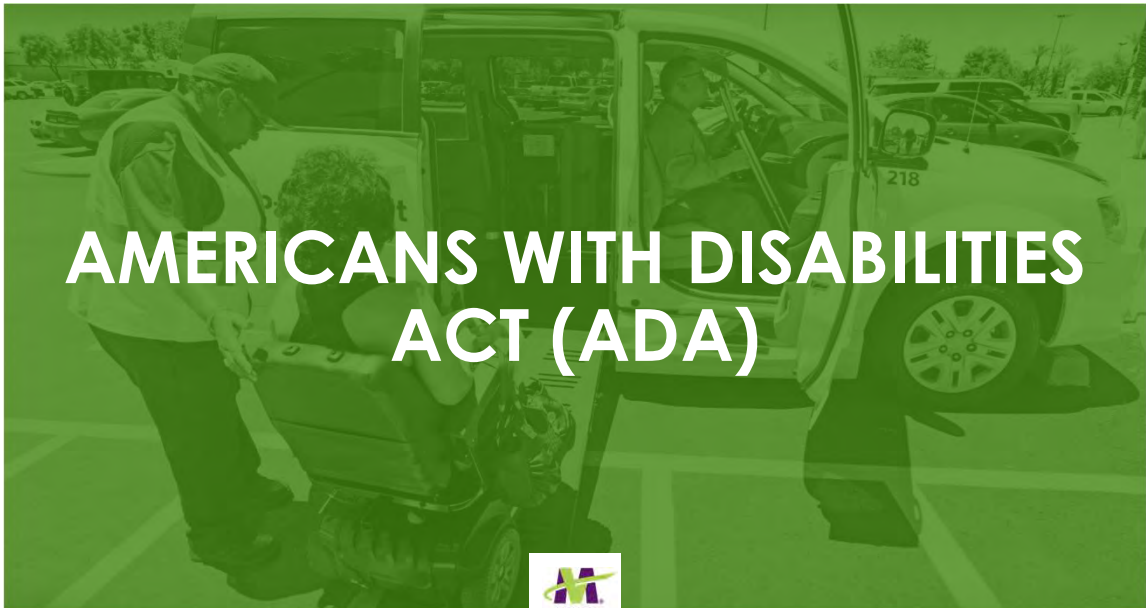


Background Information

AGENDA ITEM

During the September 19, 2024, Board of Directors meeting, it was requested that staff come back to the board with information on what is the end to end for ADA? What does it look like from a user's perspective, and what should a person do if they are not getting the service that they need from our fixed route buses?

The information provided is designed to give a high-level requirement of the ADA and how Valley Metro has implemented the requirements. In addition, we will touch on how we monitor our contractors to ensure they are meeting the requirements of the legislation.



AMERICANS WITH DISABILITIES ACT (ADA)



1

Americans with Disabilities Act

- Enacted in 1990 as civil rights law
- Ensures equal access for people with disabilities
- Prohibits discrimination; mandates accommodations in jobs, public services, transportation, and spaces

2



2

Valley Metro and ADA

We provide:

- Fixed-route bus, light rail, and paratransit services for those needing alternative access
- Accommodations across modes for increased accessibility
- Fully accessible vehicles; trained drivers to assist throughout trips



3



3

Vehicles and their Operation

- Adaptions used on fixed route to meet ADA requirements:
 - **Accessibility:** Low Floor Vehicles, Ramps and Lifts
 - **Stop Announcements:** At all major intersections, transfer points, and destinations, both inside and outside the bus.
 - **Priority Seating and Securement Areas**



4



4

Operator Training

- Operators are trained to be a partner in providing:
 - **Proper Use of Equipment:** Securements, Lifts, and Ramps
 - **Boarding and Alighting Support:** Riders must have adequate time to board
 - **Accommodation of Service Animals**



5



5

Complementary Paratransit Service

Eligibility is solely based on the functional ability of individuals

Eligibility is not:

- Based on a diagnosis or type of disability
- Contingent on the type of mobility aids that individuals use
- Determined by age, income, or whether or not individuals can drive or have access to private automobile



6

6

ADA Complementary Paratransit

Paratransit service serves as a “safety net” for individuals who are differently abled and are unable to use fixed route services.

- **Service area:** ¼ mile of fixed route or rail station
- **Hours and days of service:** mirrors fixed route or rail service
- **Response time:** by reservation – next day and up to 14-days
- **Fares:** not to exceed twice the fixed route base fare
- **Absence of capacity constraints:** must perform all trips requested
- **Operating without regard to trip purpose:** shopping is as important as dialysis



7

7

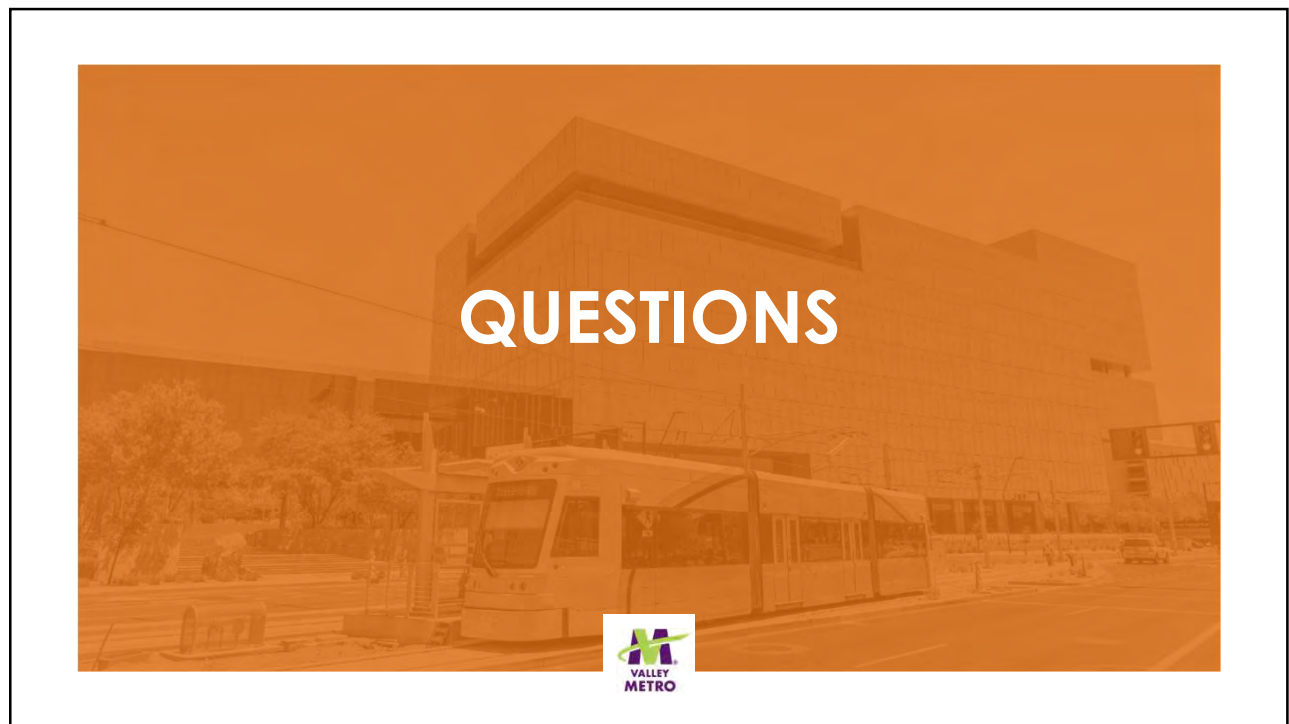
Monitoring Contractor Compliance

- Valley Metro staff reviews and responds to ADA complaints
- **Customer Complaint Review**
 - Review footage
 - Conduct field checks
 - Complete maintenance assessments
 - Ensure compliance with training and safety requirements

8



8



Executive Summary

**DATE**

November 14, 2024

AGENDA ITEM 4**SUBJECT**

Report on Current Events and Suggested Future Agenda Items

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



November 14, 2024

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

CONSENT AGENDA

1A. Minutes

1A. For action

Minutes from the October 17, 2024, Board meeting are presented for approval.

1B. Event Planning Services Contract Award

1B. For action

Staff recommends that the Board of Directors authorize the Chief Executive Officer to execute a one-year contract with one, six-month extension with Entertainment Solutions of Arizona, Inc. for Event Planning Services in the amount of \$267,697, plus a 10% contingency of \$26,769, for an amount not to exceed \$294,466.

1C. Vix Spare Parts Contract Award

1C. For action

Staff recommends that the Board of Directors authorize the Chief Executive Officer to execute a three-year Valley Metro Rail contract with Vix ("Contractor"), for Ventek Ticket Vending Machine (TVM) Spare Parts in an amount not to exceed \$1,687,000 for the period of November 22, 2024, through October 31, 2027, and to establish a contract contingency of \$200,000 that is included within the overall budget established for the project.

1D. Valley Metro/City of Phoenix Operations and Maintenance Agreement Amendment #3

1D. For action

Staff recommends that the Board of Directors authorize the Chief Executive Officer to execute an amendment to the Operations and Maintenance Agreement with the City of Phoenix.

1E. Non-Revenue Vehicle Purchases

1E. For action

Staff recommends that the Board of Directors authorize the Chief Executive Officer to purchase five vehicles for the South Central project, two pool vehicles for Maintenance of Equipment (MOE) staff, and two vehicles for new safety and security personnel that were authorized and included in the FY25 budget approved by the board.

REGULAR AGENDA

2. Operations & Maintenance Center Sole Source Parts Inventory – Contract Awards

2. For action

Staff recommends that the Board of Directors authorize the Chief Executive Officer to execute three-year sole source contracts for LRV and MOW parts inventory with original equipment manufacturers (OEM) in an aggregate amount not to exceed \$1,580,000.

3. ACI Rail Transportation Services Contract Amendment

3. For action

Staff recommends that the Board of Directors authorize the Chief Executive Officer to execute Amendment No. 10 on Contract No.: 16022-TS Contracted Rail Transportation Services with Alternate Concepts, Inc., providing operators for light rail, streetcar, and special event services. The total cost of the amendment is \$49,000,000 plus a 10% contingency, the aggregate amount will not exceed \$53,900,000.

4. Overview of the Small Business Financial Assistance Program (SBFAP)

4. For information

Staff will provide an overview of how the Business Assistance Program is funded and eligibility for the program.



5. Report on Current Events and Suggested Future Agenda Items

5. For information

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

6. Next Meeting

6. For information

The next Board meeting is scheduled for **Thursday, January 23, 2025 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

Meeting Minutes



November 14, 2024

AGENDA ITEM 1A

RPTA Boards of Directors
Thursday, September 19, 2024
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

VMR Meeting Participants

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

The chair called the meeting to order at 11:25 a.m.

Chair Heredia said we'll get started and convene the meeting and welcome the members to the October meeting.

Pat, I think stepped out but roll call. Sorry, Pat.

Ms. Dillon said

Vice Mayor Francisco Heredia, City of Mesa? Here.
Councilmember Laura Pastor? Here.
Vice Mayor O.D. Harris, City of Chandler? Here.
Councilmember Jennifer Adams? Present.

Chair, we're ready to proceed.

1. **Public Comment**

Chair Heredia said we'll start with Public Comment. 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 up to three minutes.

Do we have any public comment? We have?

Ms. Dillon said no, sir.

Chair Heredia said no. Okay. Perfect.

2. Consent Agenda

Chair Heredia said we'll get moving with the agenda. Item number 2 Consent Agenda is presented for action. Ask the Committee if there's any questions or comments, anything on the Consent Agenda?

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

Chair Heredia said perfect. Request a motion and a second to approve the Consent Agenda. Motion by Councilmember Pastor, second by Vice Mayor Harris.

All in favor, say aye. Motion passes. All right.

IT WAS MOVED BY COUNCILMEMBER PASTOR, SECONDED BY VICE MAYOR HARRIS, AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA, ITEMS 2A THROUGH 2D.

3. Executive Session

Chair Heredia said we'll move on to Item number 3 is the Executive Session. Request a motion and a second to –

Ms. Dillon said Chair. Sorry for the interruption. We can take agenda item 4 which is the future agenda items request. Because there will be no action after the Executive Session so if you'd like to take that item first.

Chair Heredia said so nix that Item number 3 right now.

4. Report on Current Events and Suggested Future Agenda Items

Chair Heredia said Item number 4 Current Events. Any current events? Suggested future agenda items?

Councilmember Pastor said I don't know exactly if this would be a future agenda item but I'm receiving a lot of inquiries and questions about the fare, the Copper card and a number of things. So I don't know if we have another presentation or we go out to the communities or the cities to explain what's going on but I'm getting more and more issues or dynamics of the changes.

Chair Heredia said maybe, Jessica, do we have, like, data? I know you mentioned we're starting to get data on the usage and maybe some issues, maybe comments that people maybe call in or text or something.

Ms. Mefford-Miller said we do have some customers comments, and I'm actually going to invite Hillary Foose, our Director of Communications and Strategic Initiatives to the podium. But we



do have data regarding our utilization. It's still early as we don't have all of the fare vending equipment in place. We do intend to have ticket vending machines, the new ticket vending machines functional, one at each station, by the end of this month. I believe City of Phoenix still have about 40 buses that need fare boxes. So we're well on the way and we're targeting the end of October to make sure that we have Copper cards in everyone's hands and that new equipment functional. We're continuing community engagement, and I know, Councilmember Pastor, staff is going to be presenting at a City of Phoenix committee meeting in early November on that. And we'd be happy to bring an update back to this board. That would be a timely item if you would like. I think it would be to RPTA board since it does include bus fare boxes. We could do that in the month of November.

But in the meantime, Hillary, do you want to give a high-level overview of community engagement and what we have ahead of us and maybe a little bit of what we have behind us.

Chair Heredia said Michael, can we cover on the Item number 4 maybe. I know it's not an agenda item.

Mr. Wawro said it's not an agenda item but I think that Hillary will just be able to provide some information that's available to everyone anyway.

Chair Heredia said perfect. Thank you.

Ms. Foose said thank you, Jessica. Mr. Chair, members of the board, I'm happy to provide a little illumination on the outreach we've been doing really across this calendar year.

We have been extensively out in the community doing a series of our own events but also taking part in community events. And also doing outreach on board the system both the bus and our rail system.

In the last several months we've been moving to what we've been calling fare pop up events. We've had a couple dozen of those at transit centers and community centers, senior centers, certainly, for our reduced fare population. And those continue through the end of this month. We will also be very active. October 28th is the date where that MAG striped paper fare media is no longer being accepted.

And so we're working with our communities to understand that date, understand the opportunities available for them which continue to be cash remains available at the farebox and at our fare machines as well the reloadable Copper card and the mobile app which we've seen a great transition to. But certainly, there are customers that need that additional assistance.

And groups. We also understand. We've been working a lot with schools and non-profits and other organizations because there continues to be a group fares program that make those groups available to provide that fare media to their clientele. So please understand that. I think there's



been some concern from groups that that paper fare media being no longer accepted doesn't mean they can't provide other media to their clientele that continues to be offered.

And so we will be out on the system with a very hands on approach that week of the 28th and beyond. And we're continuing to look at working with, again, other events and other organizational events across the rest of this fall.

And I'm happy to provide data and more specifics about the outreach we've been doing across this year in a memo that we can prepare.

Councilmember Adams said Yes. Also, we have the opportunity at council meetings to do announcements so maybe you could give me like the highlights and then I can make that announcement, so people understand.

Ms. Foose said absolutely, Councilmember. And we're working with your Channel 11's too who are also a great resource and your PIO's. The cities have been a tremendous resource. But happy to provide it directly to you and your office.

Ms. Mefford-Miller said thank you. And I think we can provide that via email to the entire boards and to each represent different councils. It's a great idea.

Chair Heredia said perfect. No other future agenda items or current events.

3. Executive Session

Chair Heredia said we'll move on to Item number 3 Executive Session request a motion and a second.

Motion by Councilmember Pastor, second by Councilmember Adams.

All in favor, say aye. Motion passes.

We'll move into E-Session. Thank you.

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

5. Next Meeting

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

Without further discussion, the meeting was adjourned at 11:37 a.m.



Executive Summary

DATE

November 14, 2024

AGENDA ITEM 1B**SUBJECT**

Event Planning Services Contract Award

COST AND BUDGET

Total expenditures being recommended for award for Event Planning Services is \$267,697, plus a 10% contingency of \$26,769 for an amount not to exceed \$294,466 across the up to 18-month term.

The focus of this contract is to help plan and deliver the South Central Extension/Downtown Hub (SCE/DH) opening events. Costs for these events are partially funded within the Valley Metro Rail Adopted FY25 Operating and Capital Budget. Valley Metro will seek to secure sponsorships and in-kind contributions to offset most, if not all the remaining costs of the SCE/DH opening events. A mid-year budget adjustment may be required.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the Chief Executive Officer to execute a one-year contract with one, six-month extension with Entertainment Solutions of Arizona, Inc. for Event Planning Services in the amount of \$267,697, plus a 10% contingency of \$26,769, for an amount not to exceed \$294,466.

STRATEGIC PLAN ALIGNMENT

This item relates to the following goals and strategies in the Five-Year Strategic Plan:

- Goal 2: Deliver on Stakeholder Collaboration
 - o Tactic A: Incorporate community voices in Valley Metro's portfolio of programs and projects, particularly feedback from diverse/hard-to-reach communities
 - o Tactic B: Communicate the value of transit to stakeholders and the general public region-wide

COMMITTEE PROCESS

RTAG: October 15, 2024 for information

RMC: November 6, 2024 approved

Board of Directors: November 21, 2024 for action

CONTACT

Hillary Foose,
Director, Communications & Strategic Initiatives
hfoose@valleymetro.org

Background Information

Request for Contract Award

AGENDA ITEM

Event Planning Services Contract Award

BACKGROUND DISCUSSION

This contract is needed for event planning services to assist with the planning, development, and execution of the South Central Extension/Downtown Hub (SCE/DH) light rail opening events and associated event activities. Valley Metro seeks to celebrate with and promote the local community, including businesses and organizations, with the start-up of this new rail extension. The event planning company, agency staff, city partners, and the local community will collaborate to ensure successful events that are reflective of the neighboring community, recognize the public investment and welcoming to all from within the corridor and across our region.

The SCE/DH light rail project is more than 90% complete and will add 5.5 miles along Central and 1st Avenues between downtown and south Phoenix. The extension includes eight new light rail stations, two new park-and-rides, and features art from 18 local and national artists. With the start of passenger service expected in mid-2025, a two-line rail system will be implemented with transfers from the A (east/west) and B (north/south) lines happening from within the Downtown Hub in downtown Phoenix. So, not only is this an event of new rail miles, but a new operating system, connecting the East and Northwest Valleys to South Phoenix via the Downtown Hub.

Valley Metro will offset the opening event costs through sponsorships, advertising, and/or in-kind contributions.

This item serves the agency's Strategic Plan to deliver on Stakeholder Collaboration through the incorporation of community voices in Valley Metro's portfolio of programs and projects, particularly feedback from diverse/hard-to-reach communities, and communicating the value of transit to stakeholders and the general public region-wide.

PROCUREMENT INFORMATION

A Request for Proposal procurement was processed in accordance with the agency's Rail Procurement Manual.

Two offerors submitted proposals deemed responsive and responsible. An evaluation committee of agency staff and a member city representative evaluated those offers based on the following criteria with a maximum possible point total of 1,000:



- Qualifications and Experience (0 – 400 points)
- Work and Creativity (0 – 300 points)
- Knowledge of Agency's Market (0 – 100 points)
- Price (0 – 200 points)

After reaching consensus, the evaluation committee recommends an award to Entertainment Solutions of Arizona, Inc. based on the following results:

- Elevation Group 823 points
- Entertainment Solutions of Arizona, Inc. 877 points

CONTRACT TYPE AND TERM

The contract is a not-to-exceed price contract. The contract will begin on or about November 30, 2024, for a one-year term with one, six-month extension for a maximum term of 18 months.



1

Background Information

- Agency sought a Contractor to provide professional event planning services in the planning, development, and execution of the opening celebrations and associated event activities for the South Central Extension/Downtown Hub (SCE/DH) light rail project.
- Through competitive solicitation, received 2 proposals.
- One award recommended based on qualifications and experience of firm, work and creativity, and cost.
- Contract award up to one year, with one, six-month extension. Maximum term is 18 months.

2



2

Recommendation

Staff recommends that the Board of Directors authorize the CEO to execute a one-year contract with one, six-month extension for Event Planning Services to Entertainment Solutions of Arizona, Inc. in the amount of \$267,697, plus a 10% contingency of \$26,769 for an amount not to exceed \$294,466.

Opening event costs will be offset through sponsorships and in-kind contributions.

3





Executive Summary

DATE

November 14, 2024

AGENDA ITEM 1C**SUBJECT**

Vix Spare Parts Contract Award

COST AND BUDGET

Cost for the total three-year term is \$1,687,000 with a contingency of \$200,000. The aggregate contract value will not exceed \$1,887,000.

For the Fiscal Year 2025, the Agency contract obligation is \$1,887,000, which is not currently funded within the Agency's Adopted FY2025 Operating and Capital Budget and may require a mid-year budget adjustment, should there not be unspent funding elsewhere in the budget.

The sources of funds are Public Transportation Fund and federal funds.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to execute a three-year Valley Metro Rail contract with Vix ("Contractor"), for VenTek Ticket Vending Machine (TVM) spare parts in an amount not to exceed \$1,687,000 for the period of November 22, 2024, through October 31, 2027, and to establish a contract contingency of \$200,000 that is included within the overall budget established for the project.

STRATEGIC PLAN ALIGNMENT

This item relates to the following goals and strategies in the Five-Year Strategic Plan,

- Goal 1: Increase customer focus
 - o Tactic A: Improve customer satisfaction
- Goal 2: Advance performance-based operation
 - o Tactic A: Operate an effective, reliable, high-performing transit system

COMMITTEE PROCESS

RTAG: October 15, 2024 for information

RMC: November 6, 2024 approved

Board of Directors: November 21, 2024 for action

CONTACT

Darren Curry

Chief Maintenance Officer

dcurry@valleymetro.org

ATTACHMENT

N/A

Background Information

Request for Award

AGENDA ITEM

Vix Spare Parts – Request for Award

BACKGROUND DISCUSSION

This contract is for spare parts for repairs to the non-serviceable parts not covered by the warranty for the new VenTek ticket vending machine being installed as part of the Fare Collection System Modernization (FCSM) project. During the FCSM implementation, including user acceptance testing and field integration testing, it was determined that additional spare parts are needed to adequately maintain these devices. All TVM spare parts inventory is managed by VMR, and any spare parts used for maintenance of TVM's located at bus facilities (transit centers, park-and rides, etc.) are captured, along with labor costs, via work order, and billed to RPTA by VMR for reimbursement.

PROCUREMENT INFORMATION

In accordance with the Agency's Joint Procurement Manual, standard competition was waived because of an approved Determination memo based upon the following reason: Competition Impracticable. Several aspects of the warranty and associated fleet defect provisions would be jeopardized by not getting VenTek parts through the previously negotiated Vix contract terms and conditions with the City of Phoenix. The fleet defect provisions require the replacement of a component across the fleet if it fails at a rate of more than 10% of the installed quantity. Our ability to enforce these requirements would be compromised if the parts were purchased elsewhere.

CONTRACT TYPE AND TERM

The contract is a firm fixed-price, fixed-price with economic adjustment contract. The contract will begin on or about November 22, 2024, for a term of three years with no options to extend.

Executive Summary

**DATE**

November 14, 2024

AGENDA ITEM 1D**SUBJECT**

Valley Metro/City of Phoenix Operations and Maintenance Agreement Amendment #3

COST AND BUDGET

Operations and maintenance costs are allocated to member cities based upon the proportion of light rail and streetcar miles operating within each jurisdiction. Valley Metro Rail establishes an operations and maintenance budget annually subject to Board approval.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to execute an amendment to the Operations and Maintenance Agreement with the City of Phoenix.

STRATEGIC PLAN ALIGNMENT

This item relates to the following goals and strategies in the Five-Year Strategic Plan,

- Goal 8: Operational Excellence
 - o Tactic 8.2: Codify a comprehensive maintenance and operations program delivering effective transit service with the ability to grow and adapt through FY 2030.
 - o Tactic 8.4: Formalize a long-range operations and capital investment plan for the next 20 years aligned with state of good repair and future system and generational needs.

COMMITTEE PROCESS

RTAG: October 15, 2024 for information

RMC: November 6, 2024 approved

Board of Directors: November 21, 2024 for action

CONTACT

Trevor Collon, PE

Chief, Capital Development

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ATTACHMENT

None.

The draft agreement is available upon request.

Background Information

Valley Metro/City of Phoenix Operations and Maintenance Agreement Amendment #3

BACKGROUND DISCUSSION

The Operations and Maintenance (O&M) Agreement is the document that defines light rail operating parameters and the entities responsible for maintaining facilities, systems and elements along the light rail corridor in the City of Phoenix. Examples of maintenance requirements include track work, roadways, landscape, street lighting, traffic signals, signage, etc. The O&M agreement defines how parties will notify, acquire permits, and gain access to property – this includes emergency access procedures and defines coordination with emergency response personnel when applicable.

The O&M agreement also identifies insurance requirements, defense and indemnification arrangements, and generally accepted instruction related to interface, compliance and operational functions in order to deliver reliable, safe and secure service. This amendment to the O&M agreement with the City of Phoenix is necessary to include the South Central Extension / Downtown Hub light rail alignment in advance of its opening for revenue service. This amendment also includes revisions to existing exhibits and exhibit additions.

This item serves the Agency's strategic plan by supporting operational excellence by defining operations and maintenance roles and responsibilities to deliver effective transit service and support state of good repair needs.



1

Operations and Maintenance (O&M) Agreement Amendment #3

- Requesting authorization to execute O&M Agreement Amendment #3 with City of Phoenix
 - Include South Central Extension / Downtown Hub light rail alignment and facilities in advance of its opening for revenue service
- Requirement to demonstrate readiness to enter revenue service for project certification



2

2

Recommendation

Staff recommends that the Board of Directors authorize the CEO to execute an amendment to the Operations and Maintenance Agreement with the City of Phoenix.

3





Executive Summary

DATE

November 14, 2024

AGENDA ITEM 1E**SUBJECT**

Non-Revenue Vehicle Purchases

COST AND BUDGET

The purchase of the vehicles will not exceed the amount of \$459,161. The cost includes extended warranties, upfits, and sales tax. All vehicles are included in the Valley Metro Rail Adopted FY25 Operating and Capital Budget. Funding Sources is a combination of Federal, PTF, and member cities.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the Chief Executive Officer to purchase five vehicles for the South Central project, two pool vehicles for Maintenance of Equipment (MOE) staff, and two vehicles for new safety and security personnel for a total of nine vehicles that were authorized and included in the FY25 budget approved by the board.

STRATEGIC PLAN ALIGNMENT

This item relates to the following goals and strategies in the Five-Year Strategic Plan,

- Goal 1: Advance performance-based operation
 - o Tactic A: Operate an effective, reliable, high-performing transit system

COMMITTEE PROCESS

RTAG: October 15, 2024, for information

RMC: November 6, 2024, approved

Board of Directors: November 21, 2024, for action

CONTACT

Darren Curry

Chief Maintenance Officer

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ATTACHMENT

N/A

Background Information

BACKGROUND DISCUSSION

Valley Metro's non-revenue vehicles are used to support operations & maintenance activities for the light rail and streetcar alignments. Additionally, vehicles will be used to support the new South Central Extension project. Details are below:

Description	Vehicle Cost	Position	Budget/Division
Ford F250 XL Supercab	\$80,944	New Expansion – Signal Communication Technician	Capital 403300 (SCE)
Ford F250 XL Supercab	\$80,944	New Expansion -Signal Communication Technician	Capital 403300 (SCE)
Ford F-150 4x2 SuperCab	\$53,973	New Expansion -Track Maintenance Technician	Capital 403300 (SCE)
Ford F-150 4x2 SuperCab	\$53,973	New Expansion -Track Maintenance Technician	Capital 403300 (SCE)
Ford Explorer	\$46,845	New Expansion -ACI Supervisor	Capital 403300 (SCE)
Ford Explorer	\$46,845	New - Pool/Admin Vehicle - MOE	Operating General Systems - OMC
Ford ESCAPE FWD BASE	\$31,879	New - Pool/Admin Vehicle - MOE	Operating General Systems - OMC
Ford ESCAPE FWD BASE	\$31,879	New - Deputy Director of Security	Operating SSQA
Ford ESCAPE FWD BASE	\$31,879	New - Safety Specialist II	Operating SSQA
Total Cost Nine Vehicles	\$459,161		

PROCUREMENT INFORMATION

Peoria Ford is a vendor on the State of Arizona Cooperative Contract. Cooperative Agreements are competitive contracts solicited and awarded by other public entities and whose cooperative language allows Valley Metro to utilize these contracts for its requirements.

CONTRACT TYPE AND TERM

The contract is an upon-completion contract with a firm-fixed price. It will begin on or about November 22, 2024, and continue until completion.



Executive Summary

DATE

November 14, 2024

AGENDA ITEM 2**SUBJECT**

Operations & Maintenance Center Sole Source Parts Inventory – Contract Awards

COST AND BUDGET

The cost for the supply of the parts inventory is included in the Valley Metro Rail Proposed FY 2025 Operating and Capital Budget. Contract obligations beyond FY 2025 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2026 thru FY2030).

Funding sources are Public Transportation Fund, member cities, and federal funds.

RECOMMENDATION

Staff recommends that the Board of Directors authorization for the CEO to execute three-year sole source contracts for LRV and MOW parts inventory with original equipment manufacturers (OEM) in an aggregate amount not to exceed \$1,580,000.

STRATEGIC PLAN ALIGNMENT

This item relates to the following goals and strategies in the Five-Year Strategic Plan,

- Goal 1: Advance performance-based operation
 - o Tactic A: Operate an effective, reliable, high-performing transit system

COMMITTEE PROCESS

RTAG: October 15, 2024, for information

RMC: November 6, 2024, for action

Board of Directors: November 21, 2024, for action

CONTACT

Darren Curry

Chief Maintenance Officer

dcurry@valleymetro.org

ATTACHMENT

N/A



Background Information

BACKGROUND DISCUSSION

The vendors listed below are the sole source providers of the relevant OEM parts. The vendors produced the prototype components and/or molds assuring interface with existing vehicles and alignments. A public notice of intent to award was published on March 28, 2024, and no other equal suppliers were identified. An independent cost estimate, sole source justification, and cost analysis were completed. The proposed prices have been determined fair and reasonable.

Vendor Name	Specialty or System	Contract Value
Daktronics	Variable Message Boards Replacement	\$495,000
Microelettrica USA LLC	High Speed Circuit Breaker & Switches	\$350,000
Transtech of SC, Inc	Pantograph Parts and Overhaul	\$400,000
Vapor Stone Rail Systems/Wabtec Corp	LRV System Circuit Boards & Relays	\$335,000
Total		\$1,580,000

PROCUREMENT INFORMATION

In accordance with the Agency's Joint Procurement Manual, standard competition was waived as a result of an approved Determination Memo – Sole Source.

CONTRACT TYPE AND TERM

The contracts are firm-fixed-price contracts. The contracts will begin on or about December 1, 2024, for a three-year term.



Executive Summary

DATE

November 14, 2024

AGENDA ITEM 3**SUBJECT**

ACI Rail Transportation Services Contract Amendment

COST AND BUDGET

Amendment No. 10 has no fiscal impact for FY25. Contract obligations beyond FY25 are incorporated into the Agency's Five-Year Operating Forecast, contingent upon Board approval of the Agency's annual budget. The sources of funds are member cities and fares.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the Chief Executive Officer to execute Amendment No. 10 on Contract No.: 16022-TS Contracted Rail Transportation Services with Alternate Concepts, Inc., providing operators for light rail, streetcar, and special event services. The total cost of the amendment is \$49,000,000 plus a 10% contingency, the aggregate amount will not exceed \$53,900,000.

BACKGROUND INFORMATION

Amendment No. 10 exercises the final two-year option to extend through June 30, 2027, increases the number of operators and staff to support the opening of South Central Extension / Downtown Hub (SCEDH), adds contract authority for the extension and the increase in required operators, clarifies reporting requirements by mode, implements additional language regarding safety and security, and establishes performance metrics for tracking purposes.

STRATEGIC PLAN ALIGNMENT

This item serves the Agency's goals and strategies in the Five-Year Strategic Plan, by:

- Goal 1: Deliver an Excellent Customer Experience
 - o Tactic 2.2: Continue to innovate, integrate, and market mobility solutions to expand transit availability and equity
- Goal 8: Operational Excellence
 - o Tactic 8.1: Optimize service performance to meet current and future needs

COMMITTEE PROCESS

RTAG: October 15, 2024, for information

RMC: November 6, 2024, approved

Board of Directors: November 21, 2024, for action

CONTACT

Michael Pal

Chief Transportation Officer

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ATTACHMENT(S)

Amendment No. 10 is available upon request

Background

ACI Change Order - Contract Extension

Valley Metro staff is requesting authorization to exercise the final two-year contract extension option on the 2017 Rail Transportation Services Contract with Alternative Concepts, Inc. (ACI) for a not to exceed amount of \$53,900,000. This change order includes the expanded level of operations staff required to operate the South Central Extension/Downtown Hub, plus measures intended to improve system safety and service performance.

Background:

The original contact details and previous change orders are below:

- In April 2016, Valley Metro issued a Request for Proposals (RFP) soliciting qualified contractors for the provision of Rail Transportation Services. Four proposals were submitted prior to the proposal and after initial review of proposals two were eliminated due to their failure to meet minimum requirements and ACI was selected by the evaluation committee.
- In March 2017, the Board of Directors authorized the CEO to execute the contract with ACI. The contract consisted of a 5-year base term from July 1, 2017 through June 30, 2022 with options for a 3-year extension and subsequent 2-year extension. The award amount was \$56,140,384 for the 5-year base term of the contract. The contract included the original 20-mile rail alignment, Central Mesa Extension, and the Northwest Extension.
- In June 2019, the Board of Directors authorized the CEO to execute a change order for the Gilbert Road Extension (GRE) for \$2,509,838.
- In January 2020, the Board of Directors authorized the CEO to execute a change order to include additional staffing needed during the OMC expansion project in the amount of \$2,018,794.
- In February 2022, the Board of Directors authorized the execution of a contract change order to exercise the 3-year contract extension option from July 1, 2022 through June 30, 2025 for an amount not to exceed \$50,318,335. This change order included costs to operate the 28-mile rail alignment and the Tempe Streetcar alignment.
- In October 2022, the Board of Directors authorized the execution of a contract change order to address workforce shortages and wage rates during the previously approved 3-year extension option for an amount not to exceed \$1,383,300 for the period December 1, 2022 to June 30, 2025 including a corresponding FY 2023 mid-year budget adjustment of \$321,800 to fund the implementation of the change order.

This change order exercises the final two-year contract extension option effective July 1, 2025 through June 30, 2027.

What will it cost?

The total cost for the final two-year contract extension is approximately \$49,000,000 plus an additional contingency of \$4,900,000. The breakdown of this cost by city is as follows:

	Without Contingency			
	FY 2025	FY 2026	FY 2027	Total
Phoenix	\$ 10,030,000	\$ 14,280,000	\$ 15,368,000	\$ 29,648,000
Tempe	\$ 3,080,000	\$ 3,360,000	\$ 3,616,000	\$ 6,976,000
Tempe SC*	\$ 2,476,000	\$ 2,600,000	\$ 2,800,000	\$ 5,400,000
Mesa	\$ 3,080,000	\$ 3,360,000	\$ 3,616,000	\$ 6,976,000
Total	\$ 18,666,000	\$ 23,600,000	\$ 25,400,000	\$ 49,000,000
	With Contingency			
		FY 2026	FY 2027	Total
Phoenix		\$ 15,708,000	\$ 16,904,800	\$ 32,612,800
Tempe		\$ 3,696,000	\$ 3,977,600	\$ 7,673,600
Tempe SC*		\$ 2,860,000	\$ 3,080,000	\$ 5,940,000
Mesa		\$ 3,696,000	\$ 3,977,600	\$ 7,673,600
Total		\$ 25,960,000	\$ 27,940,000	\$ 53,900,000

What will it provide?

This change order includes the expanded level of operations staff required to operate the South Central Extension/Downtown Hub, expanding light rail operations across two lines as indicated in the table below:

Category	Current Number of Authorized	Additional Authorized	New Total Number of Authorized
Operator	100	25	125
Instructor	4	1	5
Field Supervisor	29	5	34
Line Controller	11	4	15
Dispatcher	5	3	8
Transportation Manager	2	1	3

The staffing numbers above are reflective of the increase in service hours as follows:

Current Hours: 2,713 revenue service hours per week

Planned Hours: 3,786 revenue service hours per week

This change order also adds improvements to accountability and performance metrics in alignment with the Agency's Strategic plan Goal 1: Deliver an Excellent Customer Experience and Goal 8: Operational Excellence. The changes facilitate the operation of a two-line regional light rail system that focuses on safety, service reliability, and the customer experience. Performance language added include the following:

- Safety:
 - o Clearly defines the reporting and measurement criteria for preventable accidents and incidents including retraining requirements
 - o Formalize the process for the immediate removal of a contract employee from an operating status when under investigation for a potential signal violation
 - o Solidifies the requirement for the Contractor to meet established safety standards identified by the Agency
 - o Formalizes minimum training requirements for refresher, ADA, and customer service training
- Performance:
 - o Explicitly states the on-time performance standards including the performance thresholds for early, late, missed, and incomplete trips
 - o Updates the definition of force majeure to include only major events and introduces an updated definition of excusable delays including the reporting timeline and criteria for the contractor to request a delay to be excused
 - o Sets clear expectations for the complaint reporting and resolution process including a timeline for contacting the customer and provided updates on the status of the complaint
 - o Reinforces requirement for quality assurance reporting and that the Agency retains the right to make final determinations on excusable delays and complaint validity

What has been done thus far?

Several measures have been taken during the term of the contract to improve safety and performance including:

- Increasing new Operator training from 8 weeks to 10 weeks
- Increasing number of Instructors by 2
- Increasing number of Road Supervisors by 4

- Implementing new weekly operations meetings and bi-weekly safety meetings with the Transportation Contractor
- Implementing safety mitigations as part of collision reduction efforts
 - o Reducing speed through intersections in a high collision corridor
 - o Identification of root causes of collisions and applying lessons learned
 - o Pulling employees immediately after alleged signal violations pending investigation and retraining
- Holding weekly customer comment meetings with the Contractor to ensure the feedback loop is closed with the customer and create action plans as needed
- Establishing performance reporting criteria to be submitted by the Contractor to the Agency on a regular basis

What's next?

This change order formalizes and builds upon the actions taken, enhances the reporting metrics and performance expectations for the Transportation Contractor, and serves as the foundation for the Request for Proposal (RFP) for the future Rail Transportation Services Contract commencing July 1, 2027. These expectations lay the groundwork for the potential introduction of performance incentives and liquidated damages as part of the RFP process.

Why now?

This change order provides the Contractor the additional personnel needed to operate the future two-line regional light rail system with the opening of the South Central Extension/Downtown Hub at a 12-minute headway with sufficient lead time. This change order also clarifies safety and performance metrics to promote accountability and improve the customer experience.



1

Rail Transportation Services Contract Amendment

- Exercises the final two-year option, effective July 1, 2025, through June 30, 2027, on Contract 16022-TS with Alternative Concepts, Inc. (ACI)
- Adds \$49,000,000 in contract authority plus 10% in contingency
- Clarifies contract language regarding safety and security items
- Expands performance metrics to promote increased accountability

2



2

Rail Transportation Services Contract Amendment

- Continues to provide light rail and streetcar service to the region
- Increases front line staff to support the opening of South-Central Extension / Downtown Hub and expansion to a regional two-line light rail system
- The amendment does not incorporate potential changes due to the new union contract currently in negotiation for FY26

3



3

Key Performance Metrics Added

- The complaint resolution process has been defined with a specific timeline and milestones
- Accident thresholds and reporting requirements have been clearly defined
- Key personnel and staffing benchmarks have been established
- These metrics are in alignment with Strategic Plan goals
 - Goal 1: Deliver an Excellent Customer Experience
 - Goal 8: Operational Excellence

4



4

Recommendation

Staff recommends that the Board of Directors authorize the Chief Executive Officer to execute Amendment No. 10 on Contract No.: 16022-TS Contracted Rail Transportation Services with Alternate Concepts, Inc., providing operators for light rail, streetcar, and special event services. The total cost of the amendment is \$49,000,000 plus a 10% contingency, the aggregate amount will not exceed \$53,900,000.

5





Executive Summary

DATE

November 14, 2024

AGENDA ITEM 4**SUBJECT**

Overview of the Small Business Financial Assistance Program (SBFAP)

COST AND BUDGET

Since program inception in 2021, 269 grants totaling more than \$1,500,000 have been distributed to locally-owned, small businesses along the rail construction corridors in Phoenix. Sources of funds are the Phoenix Community Development Investment Corporation and Phoenix Transportation 2050.

RECOMMENDATION

This item is presented for information only.

STRATEGIC PLAN ALIGNMENT

This item relates to the following goals and strategies in the Five-Year Strategic Plan:

- Goal 5: Deliver on Stakeholder Collaboration
 - o Initiative 5.4: Incorporate community voices in Valley Metro's portfolio of programs and projects, particularly feedback from diverse/hard-to-reach communities.

CONTACT

Hillary Foose

Director, Communications & Strategic Initiatives

hfoose@valleymetro.org

Background Information

Overview of the Small Business Financial Assistance Program

BACKGROUND DISCUSSION

Since the beginning of light rail construction in metro Phoenix, Valley Metro, in partnership with member cities, has been committed to providing tailored business assistance programming to support and sustain businesses through this development. This programming has been provided on each of the past seven construction projects. With each new project, Valley Metro assesses feedback and results from previous programs and incorporates business input and information from the new project's community to create a tailored program.

Using this approach, for the recently completed Northwest Extension Phase II (NWEII) project and the current South Central Extension/Downtown Hub (SCE/DH) project, a direct financial assistance component was designed and implemented: the Small Business Financial Assistance Program (SBFAP). In consultation with the City of Phoenix, the SBFAP was crafted as a pilot program to provide direct financial support, through grant funding, to small, locally-owned businesses immediately accessible from the light rail construction corridor. The purpose of the funding is to help offset business operations expenses and support business retention. The program is funded by the City of Phoenix from two sources: the Phoenix Community Development Investment Corporation (PCDIC) and Transportation 2050 (T2050).

Since program inception, in March 2021, 269 grants totaling more than \$1,500,000 have been distributed to area businesses. Detailed statistics include:

- 97 unique businesses have received funding
- 82.5% of funded businesses received funding in multiple years
- Average amount received per business: \$15,944

Funding Structure

The program offers two tiers of funding. Eligible businesses may receive annual financial assistance of \$4,500 in Tier I and up to \$9,000 in Tier II. Funding for Tier I is provided through the PCDIC, a 501(c)(3) organization whose mission is to "attract and provide funds for projects that will improve the quality of life of those individuals who live and work in underserved areas of the community." Tier II funding is provided through Phoenix T2050, the voter-approved sales tax initiative that expands street and transit investments through 2050. The two tiers were established to keep grants accessible and streamlined through Tier I; Tier II's T2050 funding requires a few additional steps in order to deploy these public dollars, including a demonstration of financial impact.



Eligibility

To be eligible for SBFAP grant funding, a business must be:

- Immediately adjacent to construction (along NWEI and SCE/DH)
- Locally owned
- 15 or fewer employees and \$750,000 or less in annual revenue
- Doing business directly with customers primarily onsite at the business location
- Currently open, operational and in business prior to the start of construction
- Businesses seeking Tier II level funding must also demonstrate a loss of revenue since the start of construction and sign an agreement waiving their right to seek damages for revenue losses due to construction impacts in exchange for funding.

Outreach

Once implementation of the program began, Valley Metro launched a campaign to initiate program awareness and usage. The campaign heavily relied upon one-on-one business outreach and canvassing, supplemented with media and social media (paid and earned), advertising, door-to-door flyer distribution and community event participation. Outreach is conducted by Valley Metro's dedicated group of Business Assistance Coordinators, who are assigned to particular businesses in a geographic area, and our contracted, third-party program administrator, Prestamos CDFI.

Valley Metro uses participation percentages to gauge awareness levels. The data shows that 89% of SCE/DH and 86% of NWEI project area businesses have participated or are currently participating in one of more element of the agency's traditional Business Assistance Program, indicating awareness/usage of the SBFAP program.

Next Steps for Future Projects

With construction significantly complete and consistent business access restored by the end of 2024, the SBFAP program for SCE/DH will conclude on December 31, 2024. The larger, more traditional Business Assistance program will continue, providing business promotion and support including free advertising, professional business consulting, light rail-themed business promotions and resources to aid businesses in preparing for operations after light rail opens.

Once complete, the SBFAP will be assessed, including structure, funding source options, delivery and effectiveness. A business survey will also be conducted. The assessment, along with specific business inputs and demographic information, will be evaluated for possible application to future rail construction projects, should local funding be available, in close coordination with the projects' member cities.

Small Business Financial Assistance Program (SBFAP)

1

Direct Financial Assistance

- Small Business Financial Assistance Program (SBFAP)
 - Two tiers of financial assistance
 - Tier I \$4,500 per business (funding depleted)
 - Tier II funding is up to \$9,000 per business
 - Small, locally-owned businesses
 - Immediately adjacent to construction
- Program based on:
 - Business feedback
 - Past programs + peer research
 - Funding provided by T2050 + PCDIC
- Launched March 2021
- Concludes December 31, 2024



2

2

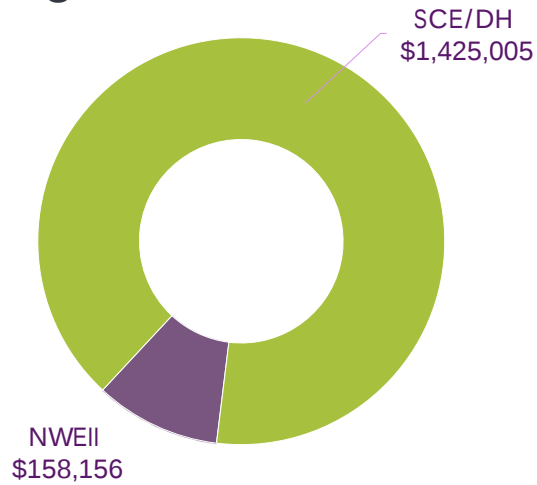


2

Direct Financial Assistance Inception to Reporting Date

273
grants distributed

\$1,583,161
funds distributed



3 as of 11/12/24



3

Direct Financial Assistance



4



4

SBFAP Impact



"I received the grant in different amounts for two years of the program. It was very helpful to me to help pay utility bills and wages. It is a great program!"

Peter Popat, owner, Corral Cleaners

5



"Thank you so much for the grant. This really has made a big difference during a rough year."

Albert Bahram, owner of Crazy Jim's



"It [the grant funding] was greatly appreciated. I used it to pay my rent, and it was a real lifesaver. Any business that is eligible should apply for this free money. It really helps us small businesses."

Samson Davis, owner, Sam's Barber Shop and Styling School



Executive Summary

**DATE**

November 14, 2024

AGENDA ITEM 5**SUBJECT**

Report on Current Events and Suggested Future Agenda Items

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION

None

COMMITTEE ACTION

None

CONTACT

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ATTACHMENT

None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date