MEETINGS OF THE

Boards of Directors

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

Date:

November 30, 2023

Starting Time

11:15 a.m.
(directly following Board Study Session)

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 21, 2023

Joint Meeting Agenda
Valley Metro RPTA
And
Valley Metro Rail
Thursday, November 30, 2023
Valley Metro, 101 N. 1st Avenue, 10th Floor
Boardroom/Webex
11:15 a.m.
(directly following the Study Session)

	Action Recommended
1. Public Comment	1. For Information
The public will be provided with an opportunity at this time to address the committees on **non-agenda items and all action agenda items for the Joint, RPTA and VMR meeting agendas.** Up to three minutes will be provided per speaker unless the Chair allows more at their discretion. A total of 15 minutes for all speakers will be provided.	
2. Chief Executive Officer's Report	2. For information
Jessica Mefford-Miller, CEO, will brief the Joint Boards of Directors on current issues.	
3. Audit and Finance Subcommittee Update	3. For information
Councilmember Goodman, AFS Chair, will provide an update on the discussions and actions taken at the AFS meeting.	
4. Minutes	4. For action
Minutes from the October 19, 2023 Joint Board meeting are presented for approval.	

5. Insurance Coverage Renewal: Commercial Property and Liability and Workers Compensation and Employer's Liability — 5. For action

The Chief Legal Officer recommends that the Boards of Directors authorize the Chief Executive Officer to purchase renewal coverage for Valley Metro's insurance needs as follows:

Commercial Property and Liability Insurance Coverage, including Workers Compensation and Employers Liability, from December 1, 2023 to November 30, 2024 for an amount not to exceed $6,790,207. RPTA's obligation will not exceed $414,008. VMR's obligation will not exceed $6,376,199.

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

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

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

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

8. Next Meeting — 8. For information

The next meeting of the Joint Boards is scheduled for **Thursday January 18, 2024 at 11:15 a.m.**

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

Information Summary

DATE **AGENDA ITEM 1**
November 21, 2023

SUBJECT
Public Comment

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

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COMMITTEE PROCESS
None

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

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 2**
November 21, 2023

SUBJECT
Chief Executive Officer's Report

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

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COMMITTEE PROCESS
None

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

ATTACHMENT
None

Information Summary

DATE
November 21, 2023

AGENDA ITEM 3

SUBJECT
Audit and Finance Subcommittee (AFS) Update

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

BACKGROUND | DISCUSSION | CONSIDERATION
The draft minutes from the November 2, 2023 AFS meeting are attached for further details of the meeting.

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
This item is presented for information only.

CONTACT
Ken Kessler
Chief Financial Officer
602-262-7433
kkessler@valleymetro.org

ATTACHMENT
Draft November 2, 2023 AFS meeting minutes

Minutes

November 22, 2023 **AGENDA ITEM 3**

Audit and Finance Subcommittee
Thursday, November 2, 2023
Via WebEx/Phone
12:00 p.m.

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

Chair Pastor called the meeting to order at 12:08 p.m.

Chair Pastor said welcome to the Audit and Finance Subcommittee. Today is November 2nd, 2023. I'm calling this meeting to order.

Ms. Dillon said I'll do a quick roll call before we get to.
Ms. Dillon said City of Buckeye, Councilmember Clay Goodman? We know is having technical difficulties.
City of Avondale, Councilmember Maxine White? I see her on the Webex.
Town of Gilbert, Mayor Brigette Peterson? Here.
City of Phoenix, Councilmember Laura Pastor? Here.
City of Tempe, Vice Mayor Jennifer Adams?

Ms. Dillon said we're ready to proceed. Mr. Crowley.

1. Public Comment

Chair Pastor said Mr. Crowley, you have three minutes for public comment.

Mr. Crowley said I had a pleasant visit out in Avondale where they showed me their transportation program and I was remembering on what we had put together and what we put together was that the individual cities could have circulators and connectors but the City of Phoenix with its power of a weighted vote changed all of that. It's also one of the reasons that Wickenburg doesn't have a transportation system at the moment, but.

One of the things we discussed was the MAG agenda at their last meeting and there was some real interesting parts in there. One was the tip that included oh, the transit part that has what to do with you people, it's what you have to do now. But what input do you have on that because I don't see where that's happening. But more so it was the designation of the Phoenix, Goodyear and Avondale areas as an urban situation so that it will be getting federal funds and getting more of what the buses and that should be. But how much do these boards know about, and you yourself, you know.

So when I see those things and I keep on asking well, okay, you had that retreat and you're going to do a fast track for what, you want more security people and how many of the whole board have the rail in their cities, there's only five. But all the rest of them because it was an interesting thing to do rather than dealing with it one, that with the present legislation that going to be going through that all funding to rail is gone. And how that is going to be funded and continued and expanded is predatory in itself. But what you people have done because, Jessica, you are an excellent advocate for the rail. When you were doing your dissertation at the last one was there anything that you mentioned about the bus or trying to get things connected or expanded or that, no, it was all rail. So I think you'll be an excellent director of that but we need to bifurcate the agency and I need to have an advocate for the grid pattern that is going to be doing stuff according to the jurisdictional equity. So when you're dividing all of those transit funds up, you're doing it to each of the cities for both congestion, population and the activities that are there as in I want buses three to five minutes when it's at its top peak and necessity. But if the town shuts down at 7, once an hour.

Three seconds left. Have a pleasant day. Oh, I forgot on these maps -- or could I get one more minute. These maps show -- this is the bike map and it has the bike routes in Mesa and Chandler and Queen Creek and that and all of that is in residential. Where is the connector buses for all of that because when I look at this that also goes for the Avondale (Indiscernible) whereas with the bike map showing these are all the routes for the bus you have showing. These are all the routes you still have not been done that were part of what you should have got done and then we have these wonderful ones for the (Indiscernible)

Chair Pastor said thank you, Mr. Crowley.

2. Chief Financial Officer's Update

Mr. Kessler said thank you. Brief update today. Just a couple of items to share.

So PTF revenues for this fiscal year, we're showing through September about 7 percent over last year's actuals, so we continue with pretty good growth.

And then the other thing I wanted to share with the Subcommittee is the most recent ADOT forecast for the PTF sales tax revenues. So here you see what these bars represent is the forecast in that year so the original forecast was quite larger than the current forecast due to the impacts of the Great Recession back in the late 2000's and you can see the bars right there for '22 and '23 very similar in a total size and the numbers behind that here show that the most recent forecast is just 1.7 million higher than last year's forecast. So in the grand scheme of things for a 20-year forecast, very, very little change and you can see that here where you have the purple dotted line that represents the original forecast from back in 2003 and the green line there. So we actually, where that green line is there's actually two lines.

There's the '22 forecast and '23 forecast but they're so close they look like one line.

So bottom line there, the '23 forecast very similar to last year's forecast going through the end of the program in 2025.

Happy to answer any questions.

Chair Pastor said for those that are online, we're having some technical difficulties and so you guys are bouncing in and out on the screen. So I'm hoping you can see what's being delivered, I would assume, on the virtual side. Okay. Perfect.

Are there any questions?

All right. Goodman, I'm handing it over to you.

3. Minutes

The minutes from the October 5, 2023, Audit and Finance Subcommittee meeting are presented for approval.

Chair Pastor said Item number 3, this is for action. Can somebody give me a motion for the minutes from the October 5th, 2023, AFS meeting?

Motion by Mayor Peterson, second by Councilmember Goodman.

Any discussion? All those in favor, please say aye. Any nays? The motion carries. Thank you.

IT WAS MOVED BY MAYOR PETERSON, SECONDED COUNCILMEMBER GOODMAN, AND UNANIMOUSLY CARRIED TO APPROVE THE OCTOBER 5, 2023 AFS MEETING MINUTES.

4. Credit Card Transactions Audit Report

Mr. Kondrat said thank you, Councilmember. I'm here to present two audits that we just finalized.

The first one's the credit card transactions audit that was included in the fiscal year '23 internal audit plan. The objective of the audit was to determine if credit card activities adhered to Valley Metro policies and if the prior review recommendation was addressed. The audit covered credit card activities from the 3rd and 4th quarters of fiscal year '23. Internal Audit performed a risk assessment based on likelihood and impact of risk and determined the report risk to be low. An overall report risk rating and low indicates that credit card processes and controls are mostly effective. Additionally, a finding and risk rating of low indicates little impact to the audited areas.

And there was one finding in the audit report that internal audit considered low risk. Internal Audit reviewed cardholder training and new cardholder documentation in addition to monthly credit card packets and did not note any areas of noncompliance with Valley Metro policies.

Additionally, we reviewed a sample of higher risk transactions from categories such as information technology, transactions greater than $1,000, gift cards, dining and refreshments, membership dues and training and refunds. For the most part, Valley Metro was compliant with policies however we noted one finding where three of the sample membership and training purchases did not have signed professional development request forms and 13 related Super Bowl event purchases exceeded the pre-approved limit.

Valley Metro has already begun addressing the two audit recommendations.

So I'd be happy to answer any questions about the credit card transactions audit.

Chair Pastor said any questions? Max, Councilmember White.

Councilmember White said I appreciate you taking questions. I just was wondering. You had (Indiscernible) was there any forecasting or comparisons that could have helped us (Indiscernible) $2500 over so it's not out of the ordinary because if you look at prior activities that's a, you know, more than double what we expected.

Mr. Kondrat said thank you, Councilmember. We did not go back to the previous Super Bowl events. We didn't have access to the credit card transactions from that far back. But the 13 purchases we did look at were appropriate. They had receipts. They were approved. We're going to hold discussions with the cardholder and ensure that from this point moving forward if there's a possibility of exceeding the pre-approved limit and then they'll have to have another form filled out by their supervisor or manager or division head.

Councilmember White said thank you so much. I appreciate that. Maybe we can add that forecasting (Indiscernible) as we're going forward. Thank you.

Mr. Kondrat said thank you, Councilmember.

Chair Pastor said any other questions? I just want to thank you Valley Metro audit staff for undertaking this review and for continuing to monitor the credit card transactions for the organization because that has been an area that we all wanted to stay focused on and make sure that we're doing our due diligence within this area in the credit card. So looking forward to continuing this conversation. I would add the Super Bowl piece and maybe we can look at that and see exactly if there's anything. And so would appreciate it. Thank you.

Oh, I have this for action.

Mr. Kondrat said thank you.
Chair Pastor said can I have a motion for AFS to accept the credit card transactions audit report?

Motion by Councilmember Goodman, second by Councilmember White.

Any discussion? All those in favor, please say aye. Any nays? The motion carries. Thank you.

IT WAS MOVED BY COUNCILMEMBER GOODMAN, SECONDED COUNCILMEMBER WHITE, AND UNANIMOUSLY CARRIED TO ACCEPT THE CREDIT CARD TRANSACTIONS AUDIT REPORT.

5. Travel Expenses and Reimbursements Audit Report

Mr. Kondrat said I'll just get going on it.

The second audit that I'm presenting for approval is the travel expenses and reimbursements audit. It was also included in the fiscal year '23 internal audit plan. And the objective of the audit was to review travel expenses and reimbursements as part of the travel reporting process and to determine whether controls over the travel processes are effective.

Additionally, there was one finding from last year's audit that has since been implemented. And again, the audit covered all of the fiscal year '23, all transactions.

Internal Audit performed a risk assessment based on likelihood and impact of risk and determined the report risk to be low. Additionally, as mentioned in the previous audit, a low risk finding indicates that little impact to the audited area.

And with the travel transactions and reimbursements audit, there was one audit finding that Internal Audit considered to be low.

Internal Audit reviewed the sample of fiscal year '23 travel expense and reimbursements and determined that travel forms and packets had proper approvals and receipts, travel purchases were allowable and appropriate and monthly travel expenses reported to the board were accurate. However, some of the travel authorization forms and reimbursement requests were not submitted timely. And similar to the credit card transactions audit, Valley Metro has already begun addressing the audit recommendation.
So again, I'd be happy to answer any questions related to the travel expenses and reimbursements audit.

Councilmember White said awesome reporting. I really (Indiscernible) have we inquired since you have started your review as to why the forms aren't timely and can you define timely for those in the public that may not understand?

Mr. Kondrat said yes and thank you for that question, Councilmember White. Valley Metro staff, they're required to submit travel authorization forms at least 21 days prior to the commencement of travel and this gives Valley Metro credit card administrators time to book flights at the best price available and other expenses. And when the travel is completed, Valley Metro staff are required to submit their expense report within 10 days, 10 business days of travel. And the timely submission of an expense report will ensure that the employee gets paid in a expeditious amount of time and also to help with accounting and budgeting and if you were to go 60 days then there could be tax implications to the employee. I hope that answers your question.

Councilmember White said yes, sir. Thank you so much.

Chair Pastor said she's asking how come it wasn't turned in timely. Do we have a report as to why it wasn't turned in within the 10 days?

Mr. Kondrat said yes. There are different factors. Some of it was emergency travel that employees didn't have 21-day notice that they were going to be traveling. And so Valley Metro added a tab to the form to the travel authorization form that requires the traveler to put a reason in there, why it couldn't be submitted within 21 days and then the division head is required to sign the form.

Chair Pastor said so I guess I have a question in the response in the sense of if there's an emergency travel piece, can that be in a different type of category emergency travel and this is why this didn't happen within the 21 days or turning in the receipts, I'm notorious for this, not getting my receipts in within the 10 days because for me just to try to gather it all is a mental piece in my mind. But is there a way we can do that? I don't know who I ask.

Mr. Kondrat said I know the travel administrator has already reached out to the managers and supervisors of Valley Metro. They're going to be reaching out in the future on a periodic basis just to remind them of the need to file the reports timely. And like I alluded to earlier, they did add a tab to the authorization form that should cut down on this.

Chair Pastor said what department would handle that? And then get it within the organization. Would it be?

Mr. Kessler said Councilmember Pastor, that's overseen by my team, the Finance Department. And just to further clarify some of these emergency travels, right, are like we have the fare collection project going on right now and they're manufacturing ticket vending machines and so there was short notice to go up to the manufacturing facility to do some testing and some inspection, so. And to Larry's point about that tab, so that's a form where folks can justify why they didn't make the 21 days or why they didn't make the

10 days on the back end on the after side, right. So that was recently implemented to Councilmember Maxine White's point, we'll have the justification and the reason why either the travel was booked late, you know, inside the 21 days or why any expense reports were submitted late. So we'll be documenting that going forward.

Chair Pastor said so there's a process, obviously, and documentation. For when I travel with the community college, I get a notice right after my travel that says you have so many days to turn in your receipts in order to get reimbursed. So I don't know if we have a system like that but it would be nice to have something like that because a lot of times we get back into life and work and we're working fast and furious and then all of a sudden time gets away from us and we're like oh, shoot, I didn't turn in those receipts. Or we get the bill and now we're paying for all the interest. But I would come up with different little mechanisms or systems to help the employee.

Mr. Kessler said that's a good point. It sounds like you may have a travel system that's maybe is like automated. I think there's one I believe the City of Phoenix uses Concur or something like that. So it kind of has an automated process. We don't have a specific system like that right now, but we can certainly look at implementing a process that would do just that.

Chair Pastor said that would be nice and it would help the employee. Or those traveling.

Mr. Kessler said right. Great idea. Thanks.

Chair Pastor said any other questions? I don't see anything. Just want to thank you for the recommendation and findings. As you see, we're having a great dialogue and being able to come up with some solutions or possible solutions, so thank you for doing this.

This is for action. I need a motion.

Motion by Councilmember Goodman, second by Councilmember Pastor.

All those in favor, please say aye. Oh, I went before discussion. I think we had it. There's no discussion. Any nays? Here no nays. The motion carries.
Thank you.

IT WAS MOVED BY COUNCILMEMBER GOODMAN, SECONDED COUNCILMEMBER PASTOR, AND UNANIMOUSLY CARRIED TO ACCEPT THE TRAVEL EXPENSES AND REIMBURSEMENT AUDIT REPORT.

6. Internal Audit Update

Ms. Beckstrom said thank you, Councilmember Pastor. I have the Internal Audit update for you today. It will be a quick one. We completed, as you just heard, the Credit

Card Transactions audit and the Travel Expenses Reimbursement audit for this year. And we have a conflict of interest audit, change order audit and some safety and security audits that we have open right now and we're working on.

As far as recommendations that have been implemented from prior audits, we have one recommendation that was implemented in the past month with 14 recommendations that are in process. The ones that are in process are mainly related to the labor and certifications audits from last year as well as the procurement review and all of those have scheduled implementations that are for toward the end of this year or the beginning of next year. We will update you as they come into view again.

Are there any questions?

Chair Pastor said any questions? Councilmember White, I see your hand up, but I think it's from the past.

Chair Pastor said I don't think there's any questions.

7. <u>FY24 1st Quarter Budget Variance Review</u>

Mr. Olson said good afternoon, Chair, members of the Audit and Finance Subcommittee. I will briefly walk us through the Q1 actuals starting with RPTA.

So with Quarter 1 if we were right on target we would be at 25 percent spent to date. So not a whole lot of activity yet. It's pretty early in the year. So on the sources of funds for RPTA, we're on track operating at 28 percent for RPTA. Our cash investments, happy to say, have done really well this year and last year too with these updates, mainly around the increased interest rates that we're all seeing. We are benefiting from that on the investment side of things. Combine with passthroughs we're at 27 percent.

Capital sources of revenues. Not a whole lot of activity on the sources side this far. We really haven't expended much in our capital program so, you know, this program is largely funded by federal funds which are drawn down on a reimbursement basis as we see expenses so this will tend to lag throughout the year and catch up at the end. But passthroughs for VMR capital programs are at 18 percent. That's really just a passthrough based upon board policy to fund construction projects.

Uses of funds for operating. Right on track at 25 percent spent to date. Fixed route operations trending a little bit higher at 28 percent, and I do want to mention that fixed route operations will require a midyear adjustment and this is really just an administrative adjustment. Late in the budget process last year we received an update from the City of Phoenix in which they wanted to use some additional PTF that well within their jurisdictional equity to fund some of the service that they operate.

So Phoenix operates a little over half of the total bus service in the region and some of that's funded with PTF, some of that's funded with local. RPTA acts as a fiduciary for all

PTF funds and so we assist cities in programming that money. And so in working with Phoenix, they'd like to shift more of their service to be funded with public transportation funds therefore we need to budget that. So purely due to a timing issue in the budget, we'll get that caught up with a midyear adjustment. It will be funded with Phoenix jurisdictional equity, PTF and still be within our transit lifecycle program policy, so.

The remaining services are all within 25 percent of plan.

Uses of funds on the capital side of things. Again, not much activity we've spent 4 percent to date for RPTA capital, regional facilities, and administration at 35 percent, really just a timing there.

So moving on to some of the notes that you can find in your handouts. I've already mentioned the bus adjustment. Really, you know, no concerns here just some seasonal expenses that we pay up front so it appears that, you know, trending wise on a percentage basis it would be over but that would be expected since those are due at the beginning of the year and it will stabilize through the end of the year.

On the capital side of things. Again, not a whole lot spent here. We did have some fleet which was totally normal that we plan on delivery, you know, in a fiscal year, in this case, it was FY23 and that actually was delivered in '24 so that's an expenditure hit. So we'll keep an eye on those things. Along with some additional annual subscriptions paid at the beginning of the year.

So that is my update for RPTA. Any questions before I move into Valley Metro Rail?

Moving along here. So in Valley Metro Rail, sources of funds for VMR operating collected 14 percent to date for all sources combined. Happy to see that advertising and fares are trending a bit higher than planned which will further reduce member city contributions that we had planned on for the year.

On the capital side of things, collected 8 percent to date, again, very early on expect these numbers to catch up as we move throughout the year.

Moving on to operating expenses. All funds within plan, we're at 19 percent wholistically all categories around 19 to 20 percent there.

On the capital side of things, 9 percent spent to date. Do have some variances here. Northwest Extension Phase II trending a little bit higher than plan but with these capital construction projects, it's really around the timing of certain activities and the billings for those. And so we do anticipate Northwest II remaining within plan for the year as well as the entire multi-year project budget with FTA, so no concerns there. And Tempe Streetcar had some spare parts that were intended to be delivered in '23 that hit in '24.

Again, still within the FTA project budget, the multi-year budget, so no concerns there.

We're at 9 percent for all capital expenses thus far.

Again, some notes in the handout. We did see a spike in utility rates due to some price increases from providers, APS, SRP, things that are outside of our control. However it's still well within the plan for the operating budget. We'll continue to monitor that as we move through the year.

On the capital side of things. Really mentioned both of these and no concerns here.

On systemwide improvements continued. Something noteworthy, our SSQA, Safety Security Quality Assurance team has identified some opportunities to improve safety for our customers so we're moving forward with some station fencing that will assist in keeping our customers safe and increasing the risks of accidents for jaywalking across tracks and those types of things, so. Overall, the capital budget is within plan.

So that concludes my update for VMR. I'd be happy to address any questions that you may have.

Chair Pastor said I don't see any hands. Any questions? No. Well, thank you for the report. Appreciate it.

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

Chair Pastor said information.

Ms. Dillon said Councilmember Pastor and members of the AFS, these items are presented to you for information. If you have any questions prior to the board meeting, please reach out to our staff to have those questions answered. There's no action needed for this item today.

9. <u>Report on Current Events and Suggested Future Agenda Items</u>

Nothing discussed.

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

Without further discussion, the meeting was adjourned at 12:42 p.m.

Minutes

November 22, 2023 **AGENDA ITEM 4**

Joint Boards of Directors
Thursday, October 19, 2023
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

RPTA Meeting Participants
Councilmember O.D. Harris, City of Chandler – **Vice Chair**
Councilmember Max White, City of Avondale
Councilmember Clay Goodman, City of Buckeye
Councilmember Monica Dorcey, City of El Mirage
Vice Mayor Peggy McMahon, Town of Fountain Hills
Mayor Brigette Peterson, Town of Gilbert (phone)
Councilmember Lauren Tolmachoff, City of Glendale (phone)
Councilmember Francisco Heredia, City of Mesa (phone)
Councilmember Laura Pastor, City of Phoenix
Councilmember Kathy Littlefield, City of Scottsdale (phone)
Councilmember Aly Cline, City of Surprise
Vice Mayor Jennifer Adams, City of Tempe (phone)
Mayor Michael LeVault, Town of Youngtown (phone)
Mayor Rui Pereira, Town of Wickenburg (phone)

Members Not Present
Councilmember Bill Stipp, City of Goodyear - **Chair**
Supervisor Jack Sellers, Maricopa County
Councilmember Jon Edwards, City of Peoria
Vice Mayor Jeff Brown, Town of Queen Creek
Councilmember Adolfo Gamez, City of Tolleson

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

Chair Harris called the meeting to order at 11:20 a.m.

Chair Harris said Pat will now call the roll.

Ms. Dillon said good morning.

City of Avondale, Councilmember Maxine White? Present.
City of Buckeye, Councilmember Clay Goodman? Present.
City of Chandler, Councilmember OD Harris? Here.
City of El Mirage, Councilmember Monica Dorsey? Present.
Town of Fountain Hills, Vice Mayor Peggy McMahon? Here.
Town of Gilbert, Mayor Brigette Peterson? Here.
City of Glendale, Councilmember Lauren Tolmachoff? Here.
City of Goodyear, Councilmember Bill Stipp? Not attending today.
Maricopa County, Supervisor Jack Sellers?
City of Mesa, Vice Mayor Francisco Heredia? Here.
City of Peoria, Councilmember Jon Edwards?
City of Phoenix, Councilmember Laura Pastor? Here.
Town of Queen Creek, Vice Mayor Jeff Brown?
City of Scottsdale, Vice Mayor Kathy Littlefield?
City of Surprise, Councilmember Aly Cline? Here.
City of Tempe, Vice Mayor Jennifer Adams? Here.
City of Tolleson, Vice Mayor Lupe Bandin?
Town of Wickenburg, Mayor Rui Pereira?
Town of Youngtown, Mayor Michael LeVault?

Ms. Dillon said Chair, we can proceed.

Chair Harris said if a committee member would like to ask a question or make a comment during the meeting, please type your comment in the box and it will be read out loud and answered. All meeting attendees please must your computers or microphones or phone. And I'm going to do that right now. All right.

1. Public Comment

Chair Harris said so 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. At this time, is there any public comments?

Ms. Dillon said Diane Barker.

Chair Harris said Diane Barker, I recognize you.

Ms. Barker said thank you, Chair. I don't think so. Oh, okay. Thank you, Chairman Harris. I am Diane Barker. I now reside in downtown Phoenix, but I have lived in seven different cities. My family, they're Air Force and my brother was an F-5 trainer out at Willy back in the 70's and then my parents retired here. I'm sharing this with you because when I came out to live from Florida in the 80's there was a Park and Ride that was by the Price Freeway, and it had buses. And so I started using buses and I just ended up, like, not wanting a car. Basically, because the more I used the bus actually the healthier I got, and it became a challenge with me. I've had some people say oh, you just want everybody to get on the bus and said no, because I couldn't get a seat. But I'm here basically because of my passion for transit and I do use transit even over in LA it was like, you know, a festival for me to be able to go from the plane to trains to bus rapid transit and I know that we've expanded since I started using, you know, the bus and the rail today and thank you, Pat, I have a bus pass and a rail pass that will take me up to my bank. I just got a call and straight up Central, you know, for this.

But what I'd like to share with you is that I really would like to see Ken Kessler put like items other since it wasn't meals, you know, I figure it was paying for car or something for when we go to Anaheim our specialists and so forth. I really would like to see if you're doing that to use transit. The experience would be good. It would be cost less to the public. Your vendors that come in town I'd like to see them head out of the airport if they're coming that way and use the light rail. I would like to see more people, our public people, that are making decisions to use our system.

I got to go to the Pink concert. It was packed that light rail platform. I want to see more positive ads about the people that are riding rail and I've been on packed trains for the D'backs and so forth and you know who's helping even more than any bully police on there are the people themselves that ask people to make room and so forth. We need to have more customer service. You can never give enough customer service and anybody even these patrolmen there. They really should be educated on how to help people make transfers and offer rather than just say do you have your pass, you don't, you need to get off at the next stop that kind of thing. Look, that doesn't go well.

And so I want to share this. I want to see more doers out there. The public is looking now for this referendum. I go to different meetings and the government is going to be pushing multi-modal transportation. We have people that are so much, you know, I don't like electric, you know, I don't like petrol. We have a lot of division but guess what, the whole MAG program from what I see it needs to fit together because we do have emissions and Mr. Zuercher even says they're coming from tailpipes so that's the SOV's and we're going to need to have people that will use more capacity transit.

We have a lot of people that will be coming in here this winter when it's very cold back there. I can see that particularly if they don't know where they're going, we're going to have more accidents and more information on how to access and the positive trips that we have on mass transit would go a long way and thank you.

Chair Harris said thank you so much. Pat.

Ms. Dillon said Mr. Blue Crowley.

Chair Harris said and Mr. Blue, I'm going to allow him an additional minute for his public comments.

Mr. Crowley said afternoon and thank you. The two minutes I'm first going to do is on your retreat and there's an item on the bottom of it says the public will be given the opportunity to comment on this at the next meeting and I thought that that would be a specific one because I've just used 15 seconds to explain that you did not do what you said you're trying to do which was develop –

Chair Harris said excuse me, Mr. Blue. Excuse me, Mr. Blue. The extra minute was because I wanted to allow opportunity for you to comment on the retreat that's why I wanted to make sure you understand you have three minutes to share what you would like to share as it pertains to non-consent agenda items.

Mr. Crowley said right.

Chair Harris said you have a minute to share any items or concerns you would like to share about the retreat. If we can have Mr. Blue to reclaim his time for my interruption and get him started back over again and we'll go from there. Thank you.

Mr. Crowley said your retreat was to develop a five-year strategic plan. Most of you know that with the legislation coming up how you're going to be being funded and you didn't address that at all. You know, rail's not going to be getting anything and instead of that what you did is most of your cities don't have bus service so what you want to spend money is the rail, Allied Burton which the amount of money that you're going to do that that's the amount of money that you can use to double bus service. And instead of dealing with that in two years rail gets zero funds. And when I asked staff what's going to happen, they said nothing, we're not changing anything.

We need to have you bifurcate the agencies so that you can deal with the bus part as an agency with all of the players there and then the rail whatever new concoction the mayor and the others want to do to continue to expand and develop that I would see that as a positive. And one of the reasons I say that, you know, bifurcate the agencies, Jessica's pretty good as a rail person, but I need an advocate for the bus. And that's not what you did at the meeting.

You've got service changes in this next one coming up at the Board of Supervisors meeting there was a de-annexation from the City of Phoenix to Maricopa County, 99th Avenue. On the service changes, I got my little map here that shows all of the parts of the plan that you still have not done that were programmed to be in. Oh, 99th Avenue, damn, interesting. And what I asked at the Board of Supervisors meeting is who is going to be responsible with the jurisdictional equity supposedly there for transit infrastructure.

To another spot of what you're doing and have done. With your ability to make it a crime to be on the transit station, I'll just point out to you that in the paper it says there were 361 heat associate deaths and they're still investigating another 238. And what those people died from was not getting their body temperature below 90 degrees for over 48 hours is one of the things or hydration. You have water fountains on all of the transit stops. I think that any time that our nighttime low is not below 90 that anybody should have access to both those drinking fountains and if you get a bus pass or get a pass that you can ride that rail all day long to get your body down to that temperature. I know that we did put out some buses near the homeless encampment and sorry for taking more time, but I'll get to the end of quick.

Chair Harris said thank you, Mr. Blue. Please wrap it up really quickly.

Mr. Crowley said right. That 600 lives. Water and cooling. You should be able to use the system during those parts of the year to ride the system back and forth and not just destination. Human life is worth it.

Chair Harris said thank you, Mr. Blue. Appreciate your comments.

2. Chief Executive Officer's Report

Ms. Mefford-Miller said thank you, Mr. Chair, members of the Board and members of the public. We've got a few exciting updates to share with you this morning.

Regarding our strategic plan, following up on our September 21st Board Retreat, staff has been working since that retreat with our consultant partner, Guidehouse and with the feedback received from the Board throughout the retreat to develop strategies and tactics in those four goal areas along with our foundational areas. We've been having a series of workshops. We wrap up those workshops early next week. And then middle of next week, we will have an executive team leadership team retreat where we're going to work together to refine those lists of strategies and tactics to decide what we can advance and what we will land on the cutting room floor. We're also working to align those strategies and tactics with our forthcoming FY25 operating and capital budgets. Next steps for us will be to come back to this Board at our November meeting with a strategic plan study session where we would present to you the next draft of the strat plan. From there, we would solicit your feedback, take those comments, refine to create a final draft of the strategic plan which we would bring back to this Board during our January board cycle.

And a few notes on ridership. We saw a ridership surge in the month of August as we usually expect to as temperatures cool and school session resumes. General factors that led to maybe a little bit less of an uptick than expected were the high temperatures. Some positive notes is that streetcar ridership is going incredibly well and we saw that climb when our ASU students returned to school in the fall.

Our bus ridership continues to lag behind projections. We are working on the quality of bus ridership data which today comes from our fare boxes, and we are working to ensure that our automated passenger counters on board our buses can serve as a secondary data source for measuring ridership. We'll continue to keep this Board posted on ridership and those data streams.

This month was a major contract transition for us. The first of a series that we'll have in the next 12 months. We transitioned our paratransit contract to MTM Transit. They are providing operations and maintenance for our regional paratransit service out of their base in Gilbert. They are also partnering with MJM Innovations MJM is providing the dispatch and trip planning services for paratransit. The contract transition has gone very well. Always a couple of speed bumps at the beginning but I do want to congratulate Mike Powell and Tom Young, our Chief Transportation Office and Deputy Chief of Bus and Paratransit Operations. They've done incredibly well transitioning this contract all while we're preparing for the very large transition of our East Valley bus operations and maintenance service which will transition to Keolis on January 1 and that is, of course, a many month process and we are well underway.

Progress on Northwest Phase II is exciting. These photos come from just this morning. We actually laid the final concrete. Now, we have a continuous pour across this now 1.6 mile and three station corridor. This happens just in time for major testing that takes place tomorrow. In partnership with the City of Phoenix departments of fire, police, public safety and ADOT, we are conducting a joint safety exercise. We have also engagement from the public information officers from each of those entities as well as our local news media because we will simulate a smoking train on the rail only bridge over I-17 tomorrow morning. Adrian Reese, our Director of Safety, Security, Quality Assurance is working very closely with our partners outside of the agency and all teams inside of the agency are supporting this important effort.

We have also now successfully run a test train across the entire corridor. This is very exciting. We're finishing up final construction right now, completing artwork and then in the months ahead, we'll be doing a lot of safety testing, operations readiness, we're hiring operators on our ACI contract and hiring security guards on our Allied Universal security contract. We anticipate we will be on scope and on schedule and on budget for our early 2024 opening of Northwest Phase II.

Moving to the South-Central corridor. Milestones are happening in South Central as well. I had the opportunity to spend time on the project site this week. We have come up from out of the ground. We've finished much of the utility work. We are doing station work right now. We are pouring concrete and laying embedded track. It looks fantastic.

It's a different corridor every single week.

Last month we also hit a milestone in our community engagement activities. We have the Small Business Financial Assistance program which is a partnership by City of Phoenix and it is sponsored by Phoenix Transportation T2050 funds and the Phoenix Community Development Investment Corporation. The milestone that we hit was $1 million in grants have now been awarded to small businesses in the corridor. That's more than 180 grants. These grants are intended to help those small businesses succeed during construction and be here to serve their communities after construction. Very exciting.

We have a lot to celebrate on the South-Central corridor so we are going to have a party. On Saturday, November 18th, we're hosting Fiesta on Central. We also had this event last year and the purpose of Fiesta on Central which is November 18th from 10 to 1 at the intersection of Central and Roeser Road. It helps to promote those local businesses. So we invite these businesses to table and share their good and promote their services. We also have live entertainment from within the community. Last year we had mariachis, we had dancers, singers, a lot of activities for children and families as well think bounce houses and arrival by the man himself, Santa Claus, last year. So we're working to get the word out. We're going a lot of grassroots level outreach so that the community is aware of and engaged in Fiesta on Central. We'll be sending invitations our to our area schools especially so that families with children are aware of the event and can come and celebrate with us.

And coming up in just a couple of weeks now we are hosting the Mpact conference. We've talked a lot about Mpact. This is an international conference, very high profile, really focuses on the intersection between transit and the communities. There are so many different tours and programs and interactive workshops that are part of this conference. It's a little bit unique. You've got the conference presentations and discussions, but it really is that hands on in the field time that distinguishes Mpact from other conferences.

At the conclusion of the conference on Wednesday, November 8th, we're hosting regional day and our theme is Continuing the Momentum. So taking what we've shared, what we've learned from our peers from across the country and really across the globe and identifying ways to apply that here in the greater Phoenix community. I invite you all to that event. If you have any questions about Mpact, you're interested in attending the conference or even just the regional day at the conclusion, please reach out to Pat Dillon and she will connect you with Carol Ketcherside our Director of Service Planning and Carol has been our local host committee chair and has been doing a wonderful job in connecting us and preparing us for Mpact.

Looking ahead beyond November, our November cycle will continue with TMC, RMC meeting on November 1st, AFS on November 2nd and then our board of directors meeting is November 16th and it's at that meeting that we'll have that strategic planning workshop or, I'm sorry, study session that I referenced earlier. It would be wonderful to maximize in-person attendance at that event so that we can capture your feedback and make sure we're being responsive as we march toward that final draft of our strategic plan.

This concludes my report. Questions?

Chair Harris said go ahead.

Councilmember Pastor said I have a comment. On November 16th, I think there's a lot of us that are at the League of Cities. And so, I don't know if we look at a different date or do you have a quorum?

Ms. Dillon said we will look at changing the date. The next possible date would be the Thursday after Thanksgiving so I believe that day is November 28th or 30th. I'm not sure.

Councilmember Pastor said either that or we could put it on the 6th.

Ms. Dillon said oh, we could, yes. It's on hold.

Councilmember Pastor said but however you want to do it. I don't' know how many of us are going.

Ms. Dillon said I will send out an email and take a poll and work with you and Chair Stipp and find a new date.

Councilmember Pastor said thank you.

Ms. Mefford-Miller said thanks for that feedback. Again, we want to maximize participation and I know we have strong participation from this board in the League of Cities and Towns.

Chair Harris said thank you so much. Councilmember Clay, is he online?

Ms. Dillon said he is not.

Ms. Mefford-Miller said I think that some of our members might be a little bit caught up in traffic heading into downtown.

Chair Harris said I got it.

3. Audit and Finance Subcommittee Update

Chair Harris said let's go. Councilmember White has requested to table the Audit and Finance Subcommittee report update until Councilmember Clay is able to be back in person to give it. There's a motion on the table is there a second?

Motion by Councilmember White, second by Councilmember Pastor.

All those in favor? All those opposed? Any discussion? Ayes have it. We will table this conversation until Mr. Clay is able to get back here. All right.

IT WAS MOVED BY COUNCILMEMBER WHITE, SECONDED BY COUNCILMEMBER PASTOR, AND UNANIMOUSLY CARRIED TO TABLE THE AUDIT AND FINANCE SUBCOMMITTEE UPDATE FOR LATER.

4. Consent Agenda

Chair Harris said The Consent Agenda is presented for action. Ask that the Committee if there are any questions or if there are any items that need to be pulled for separate discussion. I am requesting a motion and a second to approve the Consent Agenda for items 4A through 4D.

Motion by Councilmember Pastor, second by Councilmember White.
Any discussion? All those in favor? All those opposed? Ayes have it. All right.

IT WAS MOVED BY COUNCILMEMBER PASTOR, SECONDED BY COUNCILMEMBER WHITE, AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA, ITEMS 4A-4D.

5. Proposed Fare Policy Changes

Ms. Mefford-Miller said thank you, Mr. Chair. I'd like to ask Tyler Olson, our Manager of Budget to provide a presentation on our Fare Collection Modernization project including project goals and why we're coming to you with a request for a fare policy update.

Mr. Olson said thank you, Jessica. Mr. Chair, members of the Joint Board. My colleague Dane Ryals and I will do a joint presentation here on this item which we're asking for your approval today.

I do want to note that we did present the majority of these slides back in June to the board for information. We did our work with the public outreach and participation and so this presentation essentially has some of that information in it and the results of that. I do want to stress that this proposed fare policy change that we're bringing forward is really just to update the policy to match the technology that we're moving toward with the fare collection system modernization project. There is no change to base fares, and we do have a fare study underway working collaboratively with your staff to define what the future fare policy looks like which will basically trigger updates, further updates, future updates whether it's pricing, programs, all those kinds of things.

So I'll give a brief background on the fare collection system and some of those policy changes and then turn it over to Mr. Ryals to provide the public participation results. So a little background. So over the past several years we've worked in collaboration with your city staff and through the region to define what we would want in a future system. Our current system is quite significantly old now. It was implemented in 2007 that's both fareboxes as well as ticket vending machines so the technology is quite outdated and has met its useful life. So top goals for this project were to really offer better payment solutions, improve data collection, a true point of sale over reduced fare. That is something we're incredibly excited about especially how it relates to a higher fare recovery and what that will bring to the system.

So some key milestones. We expedited our mobile app with some trip planning back in July of '21. We recently launched the mobile ticketing to the public in February of '23 and that has really become widely accepted with some tremendous growth. Just to put that in perspective, in February, we had 37,000 riders using the mobile app. That has moved up to 152,000 rides in September so that's over 300 percent growth. So really excited to see what this does with Phase 2 and the larger launch which essentially come in 2024. Later this year in the coming months, we're going to launch our reduced fare web application process which I'll tell you about.

All right. So some of the details for 2024. You know, essentially, we're implementing the account-based system at that point in time. So an account is assigned to each Copper card, essentially, to each customer. The customer can choose whether to put that account on a Copper card or use their mobile fare that I just mentioned. So with that, we'll also have a public website in which folks can register their account, manage their account whether that's adding value to their cards, protecting their cards if they're lost or stolen, transferring that value onto another card. Update retail network will come on board so customers will find the Valley Metro Copper card right next to the Starbucks card on the gift rack and be able to load value onto that card at the retailer. We'll also have new fare vending machines. And then, finally with Phase 3, the new fareboxes on board all the buses. So those will be cash only a simplified farebox. As you can see, the purple valildator in this picture is where most transactions will take place whether that's a mobile phone or a Copper card and any cash paying customers will have a brand new farebox to the left of that.

So as mentioned, we are currently underway with the fare study based on the direction of the board. We've engaged our consultant to facilitate really gathering regional input on all things fare related as well as service metrics, peer agencies through NTD, the

National Transit Database, those types of things. So really working with your staff through meetings at RTAG, for example, evaluating the current policy, fare programs, taking into account how do we reach our agency goals. One of our most important is obviously growing ridership. And then reducing barriers as it relates to getting in the system and striking the balance between revenue and affordability with our customers and reducing the cost of fare collections. So we anticipate sharing that mid '24.

Onto the fare policy changes. So we're really looking at this board to approve the fare policy changes in conjunction with the launch of Phase 2, all that technology and equipment that I mentioned. It's a moving target. It's mid 2024 right now. You know, we normally are date certain on, you know, fare increases when those take effect those kinds of things that are a little simpler. We've got some, you know, timing for the project to account for, the technology, the equipment implementing and testing to make sure everything is working before launching.

So smart fare, I want to talk about that a little bit. Also known as fare capping and other areas, it really guarantees a maximum price for the customer over a given period so they will never pay more than that and I'll talk about those coming up. But smart fares really beneficial for the customer. No only does it increase ridership, encourage people coming on board the system but also presents customers who are more financially constrained with a level of equity that we haven't see in the region before. So we think it will really be a good customer experience for our passengers.

And then the reduced fare ID requirement, it really is intended to create that true point of sale control instead of point of use that we have today. And it's protecting essentially the discounted passes to those that truly qualify for that. It will have a significant impact on boosting recovery as I mentioned.

So smart fare, a little more about this program. Customers essentially load value onto their mobile account or Copper card and really tap their way across the system whether it's bus, light rail, streetcar. Each boarding is deducted from their account at that time and they will reach their maximum for that period. And so as an example, we have the full fare rider profile mentioned here for smart fares so they'll never pay more than $4 a day, $20 a week and then $64 in a calendar month.

And so this is just a visual to help show the equity that smart fare brings to our riders. So in the current system, customers, you know, who may not be able to afford the cost of a monthly pass, a full fare monthly pass upfront which is $64 typically end up purchasing more in day passes so resulting in a higher cost for the same period. So in this example, a full fare passenger would purchase 31 days of passes at $4 a piece. That's $124. And in the future system, essentially, the smart fare program will ensure that that customer will never pay more than $64 for that same period. They earn their way basically 16-day passes is the equivalent and then they ride the rest of the month for free. And so that's great value to the customer and I think that combined with the point of sale reduced fare control is really going to boost our fare recovery. You know, the potential loss here I think is offset by benefits to the customers as well as reining in that potential for reduced fare abuse for those that don't qualify.

So here's a summary of the proposed smart fares that I just spoke about. Essentially, presenting the daily maximum for local reduced fare as well as express and then the daily, weekly and monthly caps. Again, no price changes here, just updating our new policy to reflect this new technology and benefit to the customer.

Chair Harris said Councilmember Pastor.

Councilmember Pastor said what is the current charge? And I should know this but I don't.

Mr. Olson said so, for example, the current all-day pass is $4 for light rail and bus. So the base fare would be $2. So if you board a light rail or bus local route two times in one day that's the equivalent of $4 or a day pass.

Councilmember Pastor said I'm just trying to figure out what we're changing.

Ms. Mefford-Miller said if I may and I should have stated this, Mr. Chair, members of the Board, in the introduction. What we're changing today really focuses only on incorporating new fare technology. With the Copper card now, we'll have the opportunity for the first time to implement daily capping. Among a few other things that Tyler has reviewed, I want to distinguish this from the presently ongoing fare policy study that would seek to present to this body an array of fare type options as well as pricing and marketing options for consideration. So we're not changing the price of the fare in this instance save for introducing for the first time this smart fare maximum.

Councilmember Pastor said so you're introducing the technology is that what I'm hearing of this whole new Copper or smart fare component?

Ms. Mefford-Miller said yes, as it gives us this chance we've not had before. Our current fare collection system and the passes that we have don't allow us to detect you've already spent $4 in the course of this transit day so now we're going to cap you. Now, it's that stored value card there will be a unique card for each one of our customers who uses it so we can detect when they've reached that cap each time they tap at a light rail station or on board a bus at a farebox.

Chair Harris said continue.

Mr. Olson said thank you, Chair. Moving on to the reduced fare ID account requirement. Essentially, there will be an application process with approval by a Valley Metro representative to ensure that the applying customer does meet our reduced fare eligibility. At that point, the backend system can configure that account to have access to reduced fare. So in the short term before we get to Phase 2, again, we're starting this process of rolling it out, getting those applications going, it essentially will serve as an ID card. You can see an example there of what that would look like and then once we enter Phase 2, essentially, that customer can start using their reduced fare ID card as their instrument, right, so they're loading value onto that physical reduced fare ID card. And that's the only way they can access the reduced fare.

Chair Harris said just one second. Go ahead.

Councilmember McMahon said maybe I'm missing something. You have an app online and you need a card. What about the passengers that don't have that same access so that they're paying cash or whatever else they're paying, they may not, you know, be able to access or utilize the app. So I just wondered how does that fit in with them?

Mr. Olson said the great part about the new system with the Copper card, for example, essentially, you know, value can be added at retail locations with cash. It can be added at ticket vending machines with cash and even on the mobile, I do want to touch on that, we do have an option to add cash to mobile. So as part of the new retail network, participating retailers will have a software called VanillaDirect which essentially a customer can pull up a bar code and say I'd like to add $20 to my account. The clerk scans that, hands them the cash, it's on their account immediately. It's all real time.

Chair Harris said the Chair recognizes Councilmember Max White then Councilmember Aly Cline.

Councilmember White said will we be able to view the application or is there a draft application available just to understand the type of data we're asking of our riders?

Mr. Olson said I haven't seen that, but I think Dane might be able to address that, potentially.

Mr. Ryals said just to clarify the application as far as the mobile app that we'll be using, it will be the same app that we use today updated for the new system. Is that what your question is?

Councilmember White said the application. I'll clarify to qualify for the reduced fare. Yes.

Mr. Ryals said for the reduced fare. We will have the reduced fare website which will offer people that option to apply online. It will use the same equilibrioception as it does today so they need to provide their contact information and then there is supporting documentation for each category that would be required. That's very much the same as it is today. So we're not adding a requirement. The only change is that online option and making that a little bit easier for our riders.

Councilmember White said thank you.

Chair Harris said Councilmember Cline.

Councilmember Cline said that's okay they do that to me in council all the time. That's okay. So we don't have much access to this particular process on the west side of town. So but we might have folks who might want to use the public transit system as they get in closer to Phoenix and go to a game and or use the metro line. So one of the questions I have about persons with disabilities is the current process of certifying that someone is, in fact, disabled for some of our residents is a bit cumbersome to have to come down to Phoenix and go to Tempe to be certified. And so what I'm hoping is that there's a way in this new and improved process that we would be able to have a person with a Medicare card if they send you their Medicare card or their health card and it says they're 65 or older whatever the situation is that that isn't something where they have to take that additional trip to Tempe to be certified in order to qualify for reduced fares. Is that in the plan someplace?

Mr. Olson said we're trying to make it as easy as possible to roll this reduced card out and especially for the customer so anything age based will be slightly more simplified than disability based. There are some extra assessments that have to be done to prove disability because it can be a very broad term. And so we have certified folks that can address that part but through the website by proving eligibility through documents things like that, we wanted to make it as self-serving as possible for the customer to not require them to physically come down anywhere but we do plan on also having some mobile outreach events to encourage customers to come up, sign up, you know, those types of things.

Councilmember Cline said so disability can happen to anyone. In a car accident, you break your leg now you're in a wheelchair so if you're suddenly disabled but you’re not age-related disabled. So having someone from El Mirage or Surprise make it to Tempe and back is a six-hour event. So when you talk about eligibility for folks, like I said, right now, we don't have buses for people to prove they can't get on by themselves so that's a different issue. But being able to use public transit if they've managed to get to Phoenix and they want to go to a Suns game and they parked their car and now they want to be able to use transit to get around being able to expand usage of the services that are available for someone who is disabled I would love to see something in your plan as you do your outreach that helps us provide those opportunities for our persons who are on the other side of town not having to go to Tempe to get certified. So whatever that plan is I'm an advocate for that. Tom's already looking at me because you know I'm going to talk about this, right, all the time and I really want to be able to encourage my residents to go ahead, go downtown, park your car and then use transit to get around to go to all the other places, but right now, that's a bit of a hassle for residents from the west side.

Mr. Olson said thank you, Councilmember. Tom Young will help address that.

Mr. Young said thank you, Councilmember. Just quickly for the reduced fare permit for an individual that has a disability, they can provide the verification either via online or through the mail, they do not have to come into the Mobility Center for the reduced fare, based off the disability.

Councilmember Cline said so what requirements be that that they would provide?

Mr. Young said the first and the easiest piece based off disability is if they have anything through Social Security documentation. So their eligibility through SSI or Social Security based off a disability is just send us a copy of the letter. We can do that. Or there's a physician certification of a disability for the reduced fare.

Councilmember Cline said perfect. And do you happen to have that website in your head, or would you like to send it to me later?

Mr. Young said I will send it to you.

Councilmember Cline said perfect. Thank you.

Chair Harris said the Chair recognizes Laura then it recognizes Lauren. Hey, how you guys doing? Sorry about that.

Councilmember Tolmachoff said well, there is a Laura sitting next to you. I have a couple questions that I want to back up to the fare capping conversation. So what data are we using to determine that that this is going to have the desired outcome that you're saying that, you know, by fare capping we're going to increase ridership but obviously, that's got to be based on some sort of data. So what data do we have to show that by capping the fare we're going to capture the revenue by increasing ridership?

Mr. Olson said thank you, Councilmember Tolmachoff for the question. Jessica, do you want to go ahead and take that?

Ms. Mefford-Miller said I'll go ahead and take this one. Thank you, Councilmember Tolmachoff, members of the Board. First of all, how do we capture that ridership or measure the ridership. We'll measure the ridership at the point of the farebox where the card will be tapped on the bus and at a validator that exists at our light rail stations just like tap my badge when I get on board a bus or a train.

But how do we know that's going to drive an increase in ridership? Great question. And one of the strategies from our strategic plan we found that one of several areas for increasing ridership is to obtain more trips, to sell more trips to our existing customers.

We also know that fare payment is a barrier to taking trips. If you are a multipurpose transit customer, meaning you rely on Valley Metro for most of your mobility options, but you are paying cash as many of our lower income customers are taking additional trips today it costs additional money. So if you're paying cash or you're loading that value onto your Copper card and once you hit that daily max which is $4 in our present fare structure, you can take as many additional trips as you like without spending more money. So we know from following our peers very closely over a time that they are seeing an increase in utilization from existing customers when they do introduce fare capping, which has become a fairly common practice in the transit industry with the advent of the stored value cards that we're using. So we're following our peers and we're looking at our own market research data that tells us that we've got potential to harness that latent demand from existing customers.

This is also a tool that helps us deliver more equitable fare payment. Again, we know that our lowest income customers and our occasional customers are most likely to use cash fare payment so the cost of a monthly pass might be unattainable for a lot of our customers and so now they can avail themselves of that lower boarding rate.
Does that answer your question, Councilmember?

Councilmember Tolmachoff said yes, and then we're going to obviously track it so we can, you know, measure it and show the progress. This isn't part of the implementation today but that we will be able to say okay, you know, our revenue has increased by, you know, whatever the point in time is (Indiscernible) this we're going to be able to measure and show the progress, anticipate the progress, I should say.

Ms. Mefford-Miller said Yes. We will absolutely measure, analyze, and adjust.

Councilmember Tolmachoff said because I did read the notes from the management and that there were some concerns expressed about the fare recovery that's part of the Prop 400E so I mean, just have to be mindful that we're, you know, that we're going to be able to meet that expectation.

While I have the floor, I had one other question. I know that those that have been sitting on this board a long time, with the reduced fare I think that we, you know, we were able to identify that one of the problems or one of the areas of issue with it was that our retail outlets were issuing these reduced fare cards to people who probably didn't qualify for the reduced fare. Will these still be available in the retail outlets? Because I know that was probably one of the problems and if they're not then the only way to get it is through the mail or through the app or how? How are we going to be able -- and then what about the people who are existing reduced fare riders how are they going to be instructed that they need to update their account with this, you know, valid ID so that they can continue receiving the reduced fare?

Mr. Olson said Councilmember Tolmachoff, thank you for the question. So to address your first question regarding reduced fare accessibility at retailers. No one will be able to go in there and purchase a reduced fare media card to load value onto. We will only sell full fare type cards there. They have to get that card through the eligibility process. Now, they could take that card later on to any retailer or any ticket vending machine or load it online after that point forward, but nobody can access reduced fare media in the future without going through the eligibility process.

As far as the communication plan, with reduced fare customers now. we do have a database of customers that currently have reduced fare ID's working through Tom Young's group at the Mobility Center. And so we are reaching out to those customers and organizations to make them aware of the future plans and we'll provide information. Obviously, we have a big communication campaign related to, you know, this type of outreach and notifying customers of these events through different social media outlets and things like that.

Councilmember Tolmachoff said I have one other question. What about if somebody has, you know, purchased a supply of reduced fare cards? Is there going to be a phase out or an exchange or how is that going to work?

Mr. Olson said we're continuously working through details on kind of that transition plan and exactly what it looks like. We need to get basically rid of the current mag striped fare media in the region in order to get everyone onto the new updated technology and see the benefits of all that smart card fare media so we are talking about, you know, roughly a 30 day transition period potentially from kind of making some announcements or maybe even sooner than that as far as, you know, using your mag striped fare media which might be a reduced fare, right, category or full fare express and really promoting folks to use that before a certain date and then we'll essentially replace all of the remaining ticket vending machines. We would have pulled that fare media out of retail outlets ahead of time, right, when we started making those announcements that they can no longer be purchased but use them. And so we do have a very robust transition plan that will ensure that that media's not out there. Now, granted, you know, we still see three day passes right now out there today which were removed in 2013 so I'm sure at some point something will come up, but we'll be addressing that accordingly and educating our operators and customers as well about that.

Councilmember Tolmachoff said so there will be a way to load like any balance onto the new ID? Like if you still have, you know, if you still have a reduced fare card -- you've got, I mean, somebody maybe says they have a balance left on the reduced fare card because they're going to have to be able to if they have any trips that they -- anything that they've purchased. Can they add that onto this ID card?

Mr. Olson said Councilmember Tolmachoff, so the reduced fare ID cards that are out there today that are not the new Copper cards and are not able to add value onto. They're really just an identification card. So with the new system, we don't have to worry about that. We're starting from scratch, there's no value on any existing reduced fare ID cards.

Councilmember Tolmachoff said they just show that to be able to buy a reduced fare?

Mr. Olson said the old cards get basically replaced with this new technology, this new card that's on the screen right now.

Councilmember Tolmachoff said but then somebody's going to go and get all of those cards you said, I think I heard you say it, from all of the retails that have a supply and just basically, you know, you can identify anybody from the card but they're going to be all picked up from all the various retail locations and removed.

Mr. Olson said I apologize, I misinterpreted your question. So the retailers that have existing media today, we've already notified them of this upcoming transition and we do have control on sales of reduced fare media through City of Phoenix who manages that program right now so we will ensure that at some point we stop selling reduced fare and then, of course, get that reduced fare returned to us. And I anticipate just by the nature of this that some of those retailers will proactively want to return reduced fare as well as their full fare items on this outdated fare media.

Councilmember Tolmachoff said thank you.

Chair Harris said thank you so much and we're having a great conversation. I was going to allow Councilmember White to ask a question.

Councilmember White said just a follow-up question. Taking a look, I have located the application for reduced fare online and I am viewing it. But I wonder, is a part of this technology change going to make it accessible on the mobile app? Maybe I didn't ask the question correctly before.

Mr. Ryals said thank you, Councilmember. I'll answer that. The application you see online today is the paper application. When we switch to the new reduced fare website, it will actually be a totally online application with fillable forms and then you upload the documents. So it will be much more accessible and much more user friendly whether you're using it on a phone or on the website on a desktop.

Councilmember White said thank you so much.

Mr. Ryals said you're welcome.

Chair Harris said go ahead.

Councilmember Pastor said I have several questions. Who qualifies for reduced fare?

Mr. Olson said it's a combination of age-based and disability-based. On the age side, youth 6-18 qualify and then 65 and older qualify. Also, Medicare cardholders.

Chair Harris said she wants to get it on the record.

Councilmember Pastor said I think of the youth, and this is a big transition so I would, and I know we haven't gotten to that space but I'm just going to put it on the record that we need to do a huge public outreach with the school districts and school systems so that they understand what they need to do. So that's why I was asking that question. I feel like I am being channeled to ask all these questions by my dad right now because he was very concerned about the public and using public transit and really accessibility.

And like the questions that were being asked. We do have a generation and I'll include myself in that generation that don't want to put apps on their phone, don't want to use the mobile piece with banking because for whatever reason it's for security purposes and privacy purposes. I want to make sure that there is enough spaces or places where people have accessibility in the sense of being able to be part of the system.

I agree with the other cities that there needs to be an outreach and a component or a space where they can get physically, get their card or be able to do their application. I don't know if it's a mobile office in the cities, in the different cities of Valley Metro mobile office to be able then to help. But we have to be innovative and be able to provide those cities that are unable to get into Phoenix or wherever we're going to do this. So I would like to think kind of outside of the box in that way and be able to help really. I think of my senior centers, and I think about there needs to be outreach within the senior centers to go and possibly bring a computer or an expert to help even write out the application and be able to have the paperwork to say you qualify here's your card. This is what we're going to do. So for me, outreach is critical and I was reading ahead and I would change some of this outreach pieces so that you are working with all the cites and their departments to be able to go out to community meetings to articulate this is coming. And I actually think the outreach should start sooner than later because at least we can say we've been doing this for six months or nine months or even a year and people are going to get tired and say when are you going to give us that card and that's really where we want them to get.

And then what happens if I lose my card and I don't have an app?

Mr. Olson said can I address your first question? Accessibility before I forget. Thank you for the question, Councilmember. So, accessibility as far as I don't want to use the app or I don't like technology. No problem. You can still pay cash wherever you do today so there's no change there. You could go to any ticket vending machine, any retail outlet, on board the bus If you're paying on board the bus, you're buying one-ride fares which you're not getting the value of the smart capping, smart fare, so same places as today.

As far as the outreach, I'll let Dane touch on that but to hit on your last question regarding if I lose my card. We highly encourage customers to register their card. That's the online website that I mentioned. That allows them to manage those types of incidents whether it’s lost, stolen, whatever it is. They can shut that card off, they can freeze the value on it that way and they could transfer that to another card. If you don't register your card, we can't do anything about it. But certainly, that will be part of our public, you know, announcements and encouraging folks to do that. But I'll let Dane talk about the outreach plan.

Mr. Ryals said thank you, Tyler. Councilmember, I do want to touch on your first question which was about –

Chair Harris said just one second. Just one second. I wanted to allow our Chief Executive Officer to chime in.

Ms. Mefford-Miller said I know Dane's going to provide us some background on the outreach specifically related to our fare collection. What I think might be helpful in a future forum would be to come back to this Board with a presentation on our fare collection outreach program not just limited to our reduced fare. But we've got a comprehensive program planned that includes in-person outreach as well as online outreach. For some of our current customers, we have some school districts that are actually part of our Platinum pass program so they're using a card now and so their Platinum card is just going to be a different card using a different backend technology but for some customers, they haven't had access to the benefits of a stored value card like the Platinum card so this is expanding it to them. We already talked a little bit about fare capping as an added equity benefit to many of our customers. The outreach is big. It is necessarily long because this is a big transition. Dane's got a little bit to share and if there's appetite at the end, we would certainly entertain a direction from the Board to come back with a presentation focused on our comprehensive roll out.

Chair Harris said I wanted to make sure we complete the presentation and if there's anything additional, if the questions were not asked maybe by the end of the presentation, we can ask those questions again so we can get through the meeting. So I'm going to have to continue the presentation and let's try to work on getting through the presentation quickly. And then the questions that may have been asked already that we'll put a pin in it and then make sure we get to them. Let’s get through presentation because it may answer some of those questions. So thank you.

Mr. Olson said thank you, Chair. With that, I'm going to turn it over to Mr. Ryals here who can share the participation with you.

Mr. Ryals said perfect and I will go through these fairly quick, but I do want to clarify that the public participation and outreach that I'm covering on this next slide is directly related to outreach we did for the fare policy changes so this does not reflect the plan for the fare system itself. This is just for the fare policy and making sure we have public feedback for that process. So as Jessica mentioned, we'll come back with more information about the more robust outreach plan.

When we do talk about the fare policy outreach, we do have a required 30-day public period where we allow feedback and responses to a survey for the fare policy changes. We also have a required hybrid public meeting. So we had a public meeting on August 2nd to provide an overview of the fare policy changes and allow the public and opportunity to ask questions and provide feedback.

In addition to that, we did have a survey to get feedback on the fare policy and we promoted that through a variety of channels. You can see on the screen including in-person outreach, digital communications and messaging out on the system itself. Through those efforts, we did receive over 2700 responses on the proposed fare policy changes. You can see the demographics on the screen of who the audience was, but it did have a broad audience across the Valley providing feedback on the fare policy changes that are proposed today.

I am going to quickly go through some of the main questions that address the policy changes that Tyler covered and show the results of that feedback. The first question that we will cover is the likelihood of our riders to benefit from smart fare which is the pay-as-you-go model. We did have 43 percent of our riders say that they are very likely to benefit, 27 percent somewhat likely and the remainder were either unsure or not as likely.

I will add a little context that in the not likely category we had some riders that use the other pass programs like the Platinum pass or the ASU pass and, of course, those programs will continue in the new system and so they wouldn't necessarily benefit from smart fare because that other pass would cover their fare. We also had some riders who don't ride as frequently so, of course, the more you ride, the more you save with smart fare so there may not be a perception that you're saving as much if you're not riding as frequently.

The next slide does also touch on smart fare and the likelihood of someone to ride more frequently because that feature is in place. And as you can see, there was an overwhelmingly positive response that if smart fare was in place and you would pay as you go and never pay more than $64 a day for full fare local service, we had 61 percent of our riders said that they would ride more often because that feature is in place for them. Whereas maybe was 27 percent and then no was just 12 percent. So to our discussion earlier, we do see an appetite for riding more frequently because we have this new system in place that allows you to pay as you go.

We did also ask about the likelihood of purchasing the Copper card that we've discussed earlier. Again, the Copper card is one of multiple methods including the mobile app and cash that are available in the new system for riders to use so it is not a requirement to have a Copper card just like it's not a requirement to have the mobile app. We did have 37 percent of riders say they were very likely and 24 percent somewhat likely to purchase the Copper card. And then as you can see on the screen, there's a breakdown of not likely, unsure or riders who, again, preferred a different option. And that is the great part about the new system is that there will be cash options still. There will be the mobile app and then, of course, the different pass programs that are available today.

Related to the reduced fare question. We did as a question about the new requirement to get the reduced fare account and the process to go through that. And we positioned this question in a way that said if you qualify for reduced fare today or if you were to qualify in the future, how likely are you to go through the process to get that account. And we had, you know, over 53 percent said very likely, 20 percent somewhat likely and then again, the remainder were either unsure or unlikely. So combined 73 percent of riders said that they would be likely to go through that process if or when they qualify. And then we did at the end ask about the preferred payment method in the new proposed fare system just to see what our riders would prefer to use to pay their fare. And you can see that there was a 44 percent saying they would use the mobile app, 27 percent the Copper card, 9 percent cash and then the remainder either didn't know or use those other pass types that are out there today like the Platinum pass.

Just to kind of go over the process we went. In addition to the outreach we did to the public, the presentation was also provided to the September working groups and the October committees and we are here today presenting it to you all with the recommendation that we authorize the fare policy changes upon implementation of the new fare system and as Tyler mentioned, that would be next year and we will, of course, keep you apprised to the timing once it's a little closer.

Chair Harris said thank you so much. At this time, I want to allow my colleagues to chime in with any additional questions or comments.

Councilmember Cline said this is probably really easy. Back in the formal presentation, you don't need to go back but one of the fares that is mentioned in the presentation but that we didn't speak about is the rural fare and I'm not sure what that is. So if you could just give a brief overview of what the rural fare is and who might qualify for rural fare funding.

Mr. Olson said so the rural fare is our route that goes to Ajo all the way from Desert Sky transit center to Ajo. It has kind of a unique fare. I want to say it's $4. I think it's similar to the day pass. Those buses do not have fare boxes. It's kind of its own program right now.

So we're exploring how we could, you know, integrate that in in the future with this type of technology. It's kind of a hybrid between fixed route and demand almost in that they do deviate at times depending on customers' needs on boarding, so.

Councilmember Cline said so do you have anything considered rural that goes, as an example, to Wickenburg or any way out north and west of you.

Mr. Olson said Councilmember, no, unfortunately, we don't. We did have some plans with the original RTP and obviously, with the shortfalls of the Prop 400 and recession that didn't materialize. So our one route, rural route is the Ajo route that I mentioned.

Councilmember Cline well, then that explains why I didn't know what it was.

Mr. Olson said thank you for the question.

Chair Harris said are there any more questions, concerns, online, in person? All right. Thank you for your presentation. Well, colleagues you have heard the presentation of staff. At this time, I'm going to request a motion and a second to amend the regional fare policy as reflected in the attached proposed fare policy document effective upon implementation of the new account-based stored value fare collection system. Is there a motion?

Motion by Councilmember White, second by Councilmember McMahon.

All those in favor? All those opposed? All right. Anything online? All right. With that being said, the motion has been carried. All right.

IT WAS MOVED BY COUNCILMEMBER COUNCIMEMBER WHITE SECONDED BY COUNCILMEMBER MCMAHON, AND UNANIMOUSLY CARRIED TO AMEND THE REGIONAL FARE POLICY AS REFLECTED IN THE ATTACHED PROPOSED FARE POLICY DOCUMENT, EFFECTIVE UPON IMPLEMENTATION OF THE NEW ACCOUNT-BASED, STORED-VALUE FARE COLLECTION SYSTEM.

3. <u>Audit and Finance Subcommittee Update</u>

Councilmember Goodman said thank you and my apologies to Jessica and her staff as well as the board members for my tardiness.

AFS did meet and much of what I'm going to say is moot at this point. But Mr. Kessler provided an update on revenues as well as mobile fares. Mr. Olson gave us an update on the budget timeline for FY25. It was presented for information. He continued around preliminary service level budget assumptions. Those assumptions were also presented for information.

Our annual review of Internal Audit Charter. Sebrina presented AFS with the charter. No changes, only that signatures were requested to be updated. Fare policy changes, we just heard that update and approved that. We received that presentation. Lastly again, Sebrina gave us the FY23 annual report for information regarding our audits. But if the board members would like to receive that information, please contact Pat.

Currently, six audits in progress and those will be coming to AFS for approval in the coming months.

Mr. Chair, that concludes my report.

Chair Harris said thank you so much for that report.

6. <u>Travel, Expenditures, and Solicitations</u>

Chair Harris said this item is presented for information only. Are there any questions about travel, expenditures, or solicitations? Seeing none. There's no action required for this item.

7. <u>Report on Current Events and Suggested Future Agenda Items</u>

Chair Harris said is there any future items that any of the members would like to report on any current events? Go ahead, Councilmember White.

Councilmember White said I just wanted to share an update that we are in full swing with our WeRide free rides in Avondale up through November 17th. And in consideration for future agenda items, we would love to see a demonstration of the mobile app and its new iterations as the development happens. Thank you.

Chair Harris said any more announcements, updates? Seeing there is none.

8. <u>Next Meeting</u>

The next meeting of the Joint Boards is scheduled for Thursday, November 16, 2023, at 11:15 a.m.

Chair Harris said that is tentative until Pat gets us information on a different time so be checking your emails, team, so we can make sure we have an update.

The meeting is adjourned.

Without further discussion, the meeting was adjourned at 12:36 p.m.

Information Summary

DATE
November 21, 2023

AGENDA ITEM 5

SUBJECT
Insurance Coverage Renewal: Commercial Property and Liability and Workers Compensation and Employer's Liability

PURPOSE
To request authorization for the Chief Executive Officer to purchase insurance coverage for Valley Metro's annual insurance needs as follows:

1) Commercial Property and Liability; and
2) Workers Compensation and Employer's Liability.

Coverage will be effective December 1, 2023 to November 30, 2024 for an amount not to exceed $6,641,371.00 (the final paid amounts may decrease). RPTA's obligation will not exceed $401,284.00. VMR's obligation will not exceed $6,240,087.00.

RECOMMENDATION
The Chief Legal Officer recommends that the Boards of Directors authorize the Chief Executive Officer to purchase renewal coverage for Valley Metro's insurance needs as follows:

> Commercial Property and Liability Insurance Coverage, including Workers Compensation and Employers Liability, from December 1, 2023 to November 30, 2024 for an amount not to exceed $6,641,371.00. RPTA's obligation will not exceed $401,284.00. VMR's obligation will not exceed $6,240,087.00.

BACKGROUND | DISCUSSION | CONSIDERATION
RPTA and VMR jointly purchase insurance on an annual basis to cover losses related to Valley Metro-owned property and to ensure that Valley Metro's operations are adequately secured against claims and catastrophic loss.

Valley Metro's insurance broker, Alliant, is responsible for obtaining the best available premium quotes from insurance carriers for each line of insurance to meet Valley Metro's annual insurance program needs.

Comprehensive renewal information and recommendations are attached to this recommendation. This presentation analyzes the insurance market, reviews insurance renewal materials, provides actuarial data, and evaluates quotes for each line of insurance coverage to determine the best value options available to Valley Metro for next year's insurance program.

COST AND BUDGET

Premium Indicators

For 2024, the total premium increase totals 14%. The main factors driving premium increases include:

- Newly acquired inland marine rolling stock;
- New bridges associated with NWEII;
- Increased property portfolio;
- A continued challenging marketplace;
- Increased workers compensation claims.

RPTA: Current excess liability limits are $50M (shared with VMR), with a self-insured retention ("SIR") limit of $750k.

VMR: Current excess liability limits are $100M, with a SIR limit of $750k. RPTA and VMR share the first $50M of excess liability limits, with the second $50M allocated to VMR.

Last year's cost allocation between RPTA and VMR budgets for annual premiums was 7% to RPTA budget and 93% to VMR budget based on annual review of the value of assets and financial exposures. This year, the allocation is 6% RPTA and 94% VMR. The percentage split varies by line of coverage and some rail-only coverages are allocated entirely to VMR.

For the December 1, 2023- November 30, 2024 term, RPTA's contract obligation is fully funded within the RPTA Adopted FY 2024 Operating Budget. Contract obligations beyond FY 2024 are incorporated into the RPTA Five-Year Operating Forecast and Capital Program (FY 2024 – FY 2028).

For the December 1, 2023- November 30, 2024 term, VMR's contract obligation is fully funded within the VMR Adopted FY 2024 Operating and Capital Budget. Contract obligations beyond FY 2024 are incorporated into the VMR Five-Year Operating Forecast and Capital Program (FY 2024 – FY 2028).

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.

COMMITTEE ACTION
RTAG: October 17, 2023 for information
TMC/RMC: November 1, 2023 for discussion
AFS: November 2, 2023 for discussion
Board of Directors: November 30, 2023 for action

CONTACT
Michael Wawro
Chief Legal Officer
Legal Division
(602) 744-5571
mwawro@valleymetro.org

ATTACHMENTS
Exhibit A – Valley Metro 2024 Insurance Renewal Report

Valley Metro Insurance Renewal

2024

VALLEY METRO

FOREWARD | ACKNOWLEDGEMENTS

Valley Metro continues to grow in exciting ways. Since the last insurance renewal, VM's fleet grew by 24%, property values increased by $108M, and we added 37 employees. Over the next year, VM will increase ridership by 25% (40% rail), expand service and property with the NWEII (+86% value for bridges alone), and increase revenues by 17%. All of this progress must be insured.

Inflation, fuel prices, and global instability continue to challenge the economy and insurance market. Fortunately, over the past year Valley Metro has successfully addressed all outstanding light rail litigation matters without any new significant claims. While we will never see a return to pre-pandemic pricing, our 2024 premium increase (**14%**) is favorable considering the growth of Valley Metro's assets.

Due to the tightening insurance market and unprecedented price increases two renewal cycles ago, over the past year Valley Metro underwent an actuarial study to calibrate its coverages (i.e., premiums, self-insured limits, etc.). The results of that study suggest that Valley Metro's current coverage levels, as recommended here, are the most economically feasible. However, in coming years, VM may consider self insuring.

In keeping with Valley Metro's successful renewal process last year, this proposal was simultaneously provided to staff, RTAG, TMC/RMC, AFS and the Boards for input prior to the November 30, 2023, Joint Boards Meeting. This is the final proposal for insurance coverage that needs to be bound by November 30th.

Our commercial insurance broker, Alliant Insurance Services, Inc., provided information for this report based on quotes received from 25 insurance carriers. We thank our partners at Alliant, especially Rex Jorgensen, for their assistance with this renewal.

ACTUARIAL STUDY | ROLLING STOCK

Valley Metro procured an actuarial study to provide insight regarding the possibility of self-insuring physical damage to the rolling stock fleet (LRV/Streetcar). The purpose of the study was to estimate potential financial loss to VMR at various self-insured retention (SIR - aka "Deductible") levels. The report is currently in draft form.

The following table from the draft report displays estimated losses at various retention levels with varying degrees of confidence that the amounts would be sufficient to cover potential losses. The "Expected" level is effectively a "coin flip" (50/50 chance), and accordingly, the numbers increase for higher confidence levels. Many public agencies make funding decisions at the 70% confidence level.

SIR $	Expected	70% Confidence	90% Confidence
1,000,000	992,000	1,042,000	2,182,000
2,000,000	1,382,000	1,451,000	3,040,000
5,000,000	1,976,000	2,075,000	5,248,000
Unlimited	2,321,000	2,437,000	9,270,000

The table indicates if VMR were to move from a $1M to a $2M SIR for rolling stock, it should assume an additional $409k in potential losses at the 70% confidence level. To be economically feasible, VMR would need to recoup a similar amount in premium savings. Current discussions with underwriters suggest that the premium savings for a move to a $2M SIR would be approximately $100k, making it cheaper to remain at the $1M SIR.

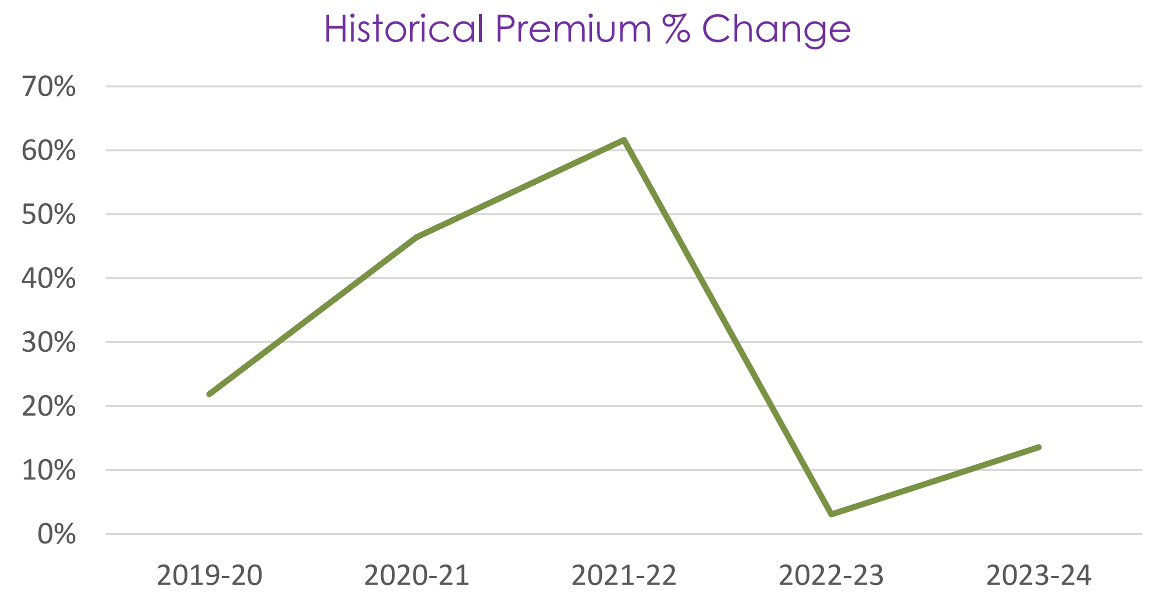
The "Unlimited" SIR shown in the table above, indicates the projected losses if VMR were to be *entirely self-insured* for risk of loss to rolling stock. Taking a fully self-insured approach (e.g., not buying any insurance for the rolling stock) would eliminate that premium($2.5M/yr.). However, VMR would need to set aside and maintain sufficient funds to shoulder a total loss estimated to be $9.2M at a near worst case scenario. Valley Metro's former insurer of rolling stock exposures paid approximately $6M in claims stemming from the 2019-2021 policy years. For information, the value of one Siemens LRV is approximately $4.5M and the value of one Brookline streetcar is approximately $4.1M.

Actuarial studies should be conducted at regular intervals to evaluate Valley Metro's insurance positions. Based on the current findings, Valley Metro is not recommending a change from its current insurance coverage levels until and unless the Members are prepared to establish and replenish (at unknown intervals) at least $13.5M in self-insurance for rolling stock. Self-insuring additional lines of coverage would require additional funds.

HISTORICAL OVERVIEW

Over the past six years, Valley Metro's insurance premiums have risen an average of 21%. The following charts map the premium increases, with this year falling below the average five-year trend. Take note that coverage terms have changed over time.

Years	RPTA	VMR	Total	% +/-
2018-2019	$207,552	$1,758,577	$1,966,129	N/A
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	$401,284	$6,240,087	$6,641,371	14%



COVERAGE AND PRICING

The following charts show insurance coverage pricing, per agency. All premiums are presented in "not to exceed" amounts. The decrease in premium for RPTA is due to the percentage reallocation of property values between the agencies.

RPTA

Line of Coverage	Policy Limits	Premium - Renewal	Premium - Expiring	% +/-
Property	$500,000,000	$22,382	$21,224	5%
Crime	$2,000,000	$3,767	$3,232	17%
Auto Liability & Physical Damage	$750,000	$53,172	$49,597	7%
Primary Excess Liability 1st layer $10M	$10,000,000	$22,756	$24,479	-7%
Excess Liability - multiple layers to reach $40M x$10M*	$40,000,000	$191,667	$204,245	-6%
Stand-Alone Terrorism	$50,000,000	$1,053	$1,077	-2%
Cyber/Privacy	$2,000,000	$30,960	$51,696	-40%
Workers Compensation	$1,000,000	$75,527	$62,667	20%
Grand Total		**$401,284**	**$418,217**	**-4%**

VMR

Coverage Type	Policy Limits	Premium – Renewal	Premium - Expiring	% +/-
Property	$500,000,000	$723,695	$568,343	27%
Inland Marine - Rolling Stock	$100,000,000	$2,500,997	$2,167,925	15%
Inland Marine - Bridges	$60,629,795	$250,000	$142,935	75%
Crime	$2,000,000	$3,767	$3,232	17%
Auto Liability & Physical Damage	$750,000	$198,828	$180,020	10%
Primary Excess Liability - 1st layer $10M	$10,000,000	$735,764	$655,505	12%
Excess Liability multiple layers to reach $90Mx$10M	$90,000,000	$1,620,009	$1,510,320	7%
Stand Alone Terrorism	$50,000,000	$34,035	$28,851	18%
Cyber / Privacy	$2,000,000	$30,960	$51,696	-40%
Pollution Legal Liability	$5,000,000	$0	$0	n/a
Aircraft (Drone)	$1,000,000	$6,000	$6,000	n/a
Workers Compensation	statutory	$136,032	$113,860	20%
Grand Total		**$6,240,087**	**$5,428,687**	**15%**

*The Northwest Extension Phase 2 NWEII premium included in the VMR pricing above is approximately $158k related to the $85M property values and $32.8M in property values for the new bridge.

** Inland Marine Rolling Stock premium above includes estimated prorated premium of approximately $200k for 8 new LRVs expected to be received during calendar year 2024.

*** Pollution Legal Liability is a three-year insurance policy last renewed on December 1, 2021, for $24,799 term premium. This policy will be renewed next year.

COVERAGE NOTES

Property

- Expiring Value – $757M, Renewal Value - $865M
- Property values (buildings, contents, infrastructure) were trended with a 7% inflation factor
- Premium increase (27%) is due to increased values and challenging market conditions
- Northwest Extension Phase 2 (NWEII) will increase exposure by approximately 11% - included in this renewal

Rolling Stock

- Eleven new LRV's were added during current year (+24%). Current total fleet: 66 LRV's and 6 Streetcars. Fleet Value - $250M
- Coverage limit per occurrence - $100M (Coverage with five insurers in three quota-share layers)
- Competition and zero loss activity led to a rate decrease of approximately 7%

Commercial Auto

- 127 Vehicles, 487 budgeted employees
- Coverage limit per occurrence - $750k
- Premium increase due to difficult market (i.e., more vehicles, higher fatality rates, upward trend in liability claims and jury awards, and vehicle repair/replacement costs). Typical premium rate increases are 10-25%, Valley Metro was able to secure 12% rate increase

Bridges

- Premium increase due to major portfolio expansion. NWEII adds two bridges, increasing exposure values by approximately 86%
- Incumbent carrier Chubb, has offered a 5% rate increase. Due to a tight market, few insurers are willing to quote this coverage

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

- International instability, including war in the Middle East, raised concerns about the availability of coverage. As a result, Valley Metro has already bound this line to preserve coverage
- The actual insurance rate decreased, but premium rose 17% due to increased assets

Workers Compensation

- CopperPoint continues to offer guaranteed cost "no deductible" coverage, which is rare
- Employee claims have caused the "experience modification rate" to become less favorable
- Increased estimated payroll exposure (+7.2%)

Information Summary

DATE | **AGENDA ITEM 6**

November 21, 2023

SUBJECT
Travel, Expenditures and Solicitations

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

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

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

Valley Metro
Travel Reimbursement Report

Job Title	Purpose of Travel	Location	Dates Traveled	Total Travel Cost	Airfare	Other Transport	Lodging	Meals	Misc.	
Deputy Director, Construction	FTA Construction Roundtable	Los Angeles, CA	9/11/23-9/14/23	$1,041.94	$147.96		$634.98	$259.00		
Manager, Construction & Utilities	FTA Construction Roundtable	Los Angeles, CA	9/11/23-9/14/23	$1,041.94	$147.96		$634.98	$259.00		
Project Manager	FTA Construction Roundtable	Los Angeles, CA	9/11/23-9/17/23	$1,067.06	$173.08		$634.98	$259.00		
Director, Government Relations	Latinos in Transit Leadership Summit	Washington, DC	9/22/23-9/24/23	$1,040.07	$260.99	$65.34	$554.24	$159.50		
HR Information Systems Analyst	Oracle CloudWorld Conference	Las Vegas	9/18/23-9/22/23	$2,435.61	$237.96	$50.65	$1,870.75	$276.25		
Small Business Outreach Admin	CBC/XOMRO Transportation Braintrust	Washington, DC	9/20/23-9/24/23	$2,144.89	$477.81	$119.61	$1,191.97	$355.50		
Manager, Design & Engineering	AREMA 2023	Atlanta,GA to Indianapolis,IN	10/01/23-10/04/23	$1,322.35	$317.80	$75.87	$765.18	$163.50		
Manager, Administrative Services	ARMA Info Con 2023	Detroit, MI	10/08/23-10/11/23	$1,789.94	$527.80	$91.84	$807.30	$198.00	$165.00	1,2
Director, Government Relations	Lobbyist Meeting/Memorial Services	Washington, DC	10/13/23-10/15/23	$1,421.07	$721.80	$107.45	$363.32	$170.50	$58.00	1

Total this reporting period	$13,304.87
Year to Date	**$36,358.82**

Report reflects Out of State (AZ) Travel

** Misc*
[1] Flight Wi-Fi Fee
[2] Baggage Fees

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

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
10001699	9/15/2023	City of Phoenix	Fixed Route Bus Service	5,412,142.87
10001731	9/26/2023	City of Phoenix	Fixed Route Bus Service	5,412,142.87
10001726	9/26/2023	City of Phoenix	Transit Service Reconciliation	1,743,102.00
10001678	9/8/2023	Transdev Services Inc	General Paratransit Service	1,265,740.42
90000219	9/22/2023	ADP LLC	PPE 9/17/2023 Payroll Liabilities	1,242,212.08
90000214	9/8/2023	ADP LLC	PPE 9/03/2023 Payroll Liabilities	1,235,198.74
1001816	9/8/2023	Schetky Northwest Sales Inc	Diamond Coach VIP 2200	965,852.48
90000216	9/22/2023	Cigna Health and Life Insurance Company	Health Insurance Premiums	554,490.38
10001707	9/22/2023	Creative Software Solutions LLC	Ridechoice Management Services	527,410.54
10001685	9/8/2023	National Express Transit Corporation	Monthly West Valley Contracted Fixed Route and Maintenance	466,596.57
10001684	9/8/2023	Denovo Ventures LLC	Software License for Van Pool Assets	334,152.00
90000215	9/22/2023	ASRS	PPE 9/17/23 ASRS Contributions & LTD	328,638.31
90000213	9/8/2023	ASRS	PPE 9/03/23 ASRS Contributions & LTD	320,491.45
1001847	9/22/2023	Town of Gilbert	Transit Service Reconciliation	294,521.00
10001688	9/15/2023	Creative Software Solutions LLC	Ridechoice Management Services	205,095.51
1001822	9/15/2023	Hye Tech Network & Security Solutions L	Cisco SmartNet Renewal	202,663.29
10001700	9/22/2023	101 North First Ave LLC	101 Building Rent	187,713.64
90000221	9/30/2023	Surepays	RPTA Monthly Utilities	171,512.32
1001798	9/1/2023	QCM Technologies Inc	Information Security Program-Cybersecurity	131,664.16
10001674	9/8/2023	Creative Software Solutions LLC	Ridechoice Management Services	127,936.11
1001855	9/22/2023	Schetky Northwest Sales Inc	Diamond Coach VIP 2200	120,731.56
1001869	9/26/2023	Schetky Northwest Sales Inc	Diamond Coach VIP 2200	120,731.56
10001666	9/1/2023	Trapeze Software Group	Paratransit Eligibility Scheduling Dispatch Software-Subscribtion Costs	113,221.44
10001661	9/1/2023	ACRO Service Corporation	Staffing Services	105,068.60
10001717	9/22/2023	MTM Transit LLC	Paratransit Eligibility Assessment	101,390.15
1001840	9/22/2023	QCM Technologies Inc	Information Security Program-Cybersecurity	86,421.12
90000220	9/30/2023	Wells Fargo Bank	Monthly Credit Card Charges	86,351.66
10001686	9/15/2023	ACRO Service Corporation	Staffing Services	84,005.60

1001844	9/22/2023	City of Chandler, MS 412 Transit Servic	Ride Choice Reconciliation	83,285.00
10001695	9/15/2023	Senergy Petroleum LLC	Bulk Fuel	83,046.48
1001849	9/22/2023	City of Peoria	Transit Service Reconciliation	77,414.00
1001831	9/22/2023	CopperPoint Insurance Company	Rent and CAM Charges	65,749.19
1001811	9/8/2023	SHI International Corp	Information Technology Solutions & Services-Tablets	63,699.42
10001669	9/1/2023	Senergy Petroleum LLC	Bulk Fuel	61,469.95
1001850	9/22/2023	City of Tolleson	Transit Service Reconciliation	52,281.00
10001718	9/26/2023	ACRO Service Corporation	Staffing Services	50,525.64
10001715	9/22/2023	Senergy Petroleum LLC	Bulk Fuel	49,562.41
10001701	9/22/2023	ACRO Service Corporation	Staffing Services	48,897.30
1001845	9/22/2023	City of El Mirage	Transit Service Reconciliation	40,769.00
10001692	9/15/2023	Vehicle Technical Consultants	In-Plant Vehicle Inspections Diamond Coach	39,530.00
10001704	9/22/2023	ARCADIS	Consulting Support Services	38,431.75
10001675	9/8/2023	DLT Solutions LLC	Human Resources Information System-HCM Implementaion	38,000.00
1001865	9/26/2023	Skillsoft Corporation	Skillsoft eLearning	37,912.67
10001663	9/1/2023	Enterprise Rideshare	Van Pool Services	35,766.11
10001680	9/8/2023	Dell Marketing LP	Computer Hardware and Equipment	30,915.35
10001708	9/22/2023	Franklin Covey Client Sales Inc	Learning and Development	30,081.68
10001681	9/8/2023	WEX Health Inc	Medical FSA Carryover-Aug 2023	29,302.36
10001706	9/22/2023	Builders Guild Inc	Construction Services - JOC	28,891.93
1001834	9/22/2023	Hewlett Packard Enterprise Company	Information Technology Equipment, Software and Services	28,590.19
10001727	9/26/2023	Krauthamer & Associates LLC	Recruitment Services	25,000.00
				22,986,319.86

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

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
50001522	9/12/2023	Kiewit Infrastructure West Co.	CMAR Services for South Central-Downtown Hub	8,556,632.07
50001565	9/26/2023	City of Phoenix	FY23 Underrun	5,632,248.22
50001558	9/26/2023	City of Tempe	FY23 Underrun	3,279,557.05
5002048	9/26/2023	City of Mesa	FY23 Underrun	1,643,051.84
50001497	9/1/2023	Alternate Concepts Inc	Transportation Services	1,202,893.21
50001521	9/12/2023	Hill International Inc	PMCM Services	782,625.40
50001496	9/1/2023	Allied Universal Security Services	Fare Inspection and Security Services	755,313.03
50001544	9/22/2023	Allied Universal Security Services	Fare Inspection and Security Services	720,387.72
90000027	9/30/2023	Surepays	VMR Monthly Utilities	491,565.44
50001548	9/22/2023	DMS Facility Services Inc	Cleaning Services-Janitorial Facility Cleaning	306,332.98
50001553	9/26/2023	HDR Engineering Inc	Service Planning Support	265,235.22
50001517	9/8/2023	SRP	SRP Third Party Utility for SCE	252,151.09
5001999	9/8/2023	APS	APS Third Party Utilities	225,050.21
50001500	9/1/2023	Brookville Equipment Corp	Street Car Spare Parts	219,885.09
50001556	9/26/2023	PGH Wong Engineering Inc	SCE System Design Services	190,295.37
50001560	9/26/2023	Siemens Mobility	LRV Spare parts and Tools	179,092.15
50001503	9/1/2023	HDR Engineering Inc	Community Relations Support Services On-Call	152,591.35
50001523	9/15/2023	AECOM Technical Services Inc	Design Services for South Central Downtown Hub	128,339.16
50001527	9/15/2023	PGH Wong Engineering Inc	SCE System Design Services	111,513.59
50001532	9/22/2023	Penn Machine Company LLC	Tires and Tire Kits	106,280.00
50001513	9/8/2023	DMS Facility Services Inc	Facilities Maintenance Services	101,471.63
50001542	9/22/2023	AECOM Technical Services Inc	Service Planning Support- SCE	68,138.59
50001551	9/26/2023	AECOM Technical Services Inc	Project Development Support-Capital Extension	66,479.50
50001566	9/28/2023	AECOM Technical Services Inc	Service Planning Support-West Phoenix	59,210.92
50001506	9/1/2023	Siemens Mobility	LRV Vehicle Communication and Video System Upgrade	43,371.88
50001519	9/8/2023	SRP	SRP Third Party Utility for SCE	43,012.38
5002073	9/28/2023	NASG Holdings LLC	Window	41,777.76
50001557	9/26/2023	URW LLC	Landscape Maintenance Services	39,942.36

50001530	9/22/2023	HDR Engineering Inc	Engineering Support Services	39,937.33
50001564	9/26/2023	City of Phoenix	Fare Handling Fee	37,230.00
50001533	9/22/2023	PGH Wong Engineering Inc	NWE II System Design Services	35,782.62
50001508	9/1/2023	WEX Bank	Fleet Card Services	35,586.27
50001561	9/26/2023	Mythics, Inc.	Oracle Products and Services Primavera	35,098.43
50001569	9/28/2023	Traction Systems Inc	NDE Shield	31,969.63
5002074	9/28/2023	Peter Goldlust	NWEII - Public Art-Fabrication / Install	29,273.00
50001543	9/22/2023	Alliant Insurance Services Inc	Risk Management Consulting Services	28,125.00
				25,937,447.49

VALLEY METRO

Procurement Report
for November Board Month

RECENTLY COMPLETED PROCUREMENTS

Contract Administrator	Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
Chris B	VMR	Sole Source	Rubber block/tire kits and steel tires	No	March 2023	March 2023	May 2023	$2,017,888	5 years	Executed
Rick W	RPTA	RFP	East Valley Fixed Route Bus Services	Yes	November 2022	March 9, 2023	August 2023	$1,229,973,702	3 yrs + 4 yr+3 yr opt	Executed

ACTIVE PROCUREMENTS

Contract Administrator	Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
Lori N	RPTA	RFP	Vanpool Services	Yes	May 16, 2023	July 13, 2023	October 2023	$35,600,000	5 years	In Negotiation
Edwin N	VMR	RFQ	Capitol Extension Design	Yes	April 2023	June 2023	January 2024	$14,000,000	5 years + 3 options	In Evaluation
Jennifer H	Joint	RFQ	Job Order Contracting (JOC) - Miscellaneous Construction Services	Yes	June 2023	August 2023	October 2023	$20,000,000	3 years + 2 options	Pending Board Approval
Jennifer H	RPTA	RFP	Autonomous Vehicle Research Services	No	June 2023	July 2023	January 2024	$250,000	2 years + 3 options	In Negotiation
Chris B	Joint	RFP	Facilities Maintenance Services	No	October 2023	TBD	January 2024	TBD	2 years + 3 options	SOW Development
Chris B	VMR	RFP	LRV Air Compressors	No	October 2023	TBD	January 2024	TBD	3 years + 2 options	SOW Development
Chris B	VMR	Sole Source	SCV Sole Source Parts (Brookville)	No	N/A	N/A	March 2023	$1,000,000	5 Years	In Negotiation
Jennifer H	VMR	RFP	Capitol Extension CMAR 2-Step (RFQ & RFP)	Yes	June 2023	July 2023	February 2024	TBD	5 years + 1 option	In Evaluation
Edwin N	VMR	RFQ	Capitol Extension - Public Art	No	July 2023	October 2023	January 2024	TBD	5 years	In Evaluation
Rick W	RPTA	RFP	West Valley Fxed Route and Maintenance Services	Yes	October 2023	December 2023	March 2024	TBD	5 Years + 5 x(1) year opts	Pending City of Phoenix Approval
Barbara	Joint	RFP	Financial Auditing Services	No	November	January 2024	April 2024	TBD	5 years	SOW Development
Edwin N	Joint	RFP	Classification and Total Compensation Study	No	November 2023	January 2024	April 2024	$332,000	5 years	SOW Development
Barbara	RPTA	RFP	Comprehensive Operational Analysis	Yes	December 2023	January 2024	April 2024	$600,000	3 year + 2 options	SOW Development

FUTURE PROCUREMENTS

Contract Administrator	Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
Chris B	VMR	RFP	LRV Electronic Repairs	Yes	TBD	TBD	TBD	$210,000	3 years + 1 option	Awaiting SOW from Customer
Chris B	VMR	Sole Source	LRV Brake System Overhaul SS to Knorr	No	N/A	N/A	November 2023	$2,978,253	3 years + 2 options	Awaiting Board Authorization to Develop SOW
Chris B	VMR	Sole Source	LRV Accident and Body Repair	No	N/A	N/A	November 2023	$1,600,000	5 years	Awaiting Board Authorization to Develop SOW
Edwin N	RPTA	RFP	Employee Benefits Consulting Services	No	TBD	TBD	TBD	TBD	3 years + 2 options	Awaiting SOW from Customer
Edwin N	Joint	RFQ	General Consulting Support Services	Yes	November 2023	January 2024	April 2024	$16,000,000	5 years + 3 options	Awaiting SOW from Customer
Barbara	Joint	RFP	Insurance Brokerage and Consulting Services	No	November 2023	January 2024	April 2024	$675,000	3 years + 2 options	Awaiting SOW from Customer
Barbara	RPTA	RFP	Paratransit Eligibility Assessment and Fixed Route Travel Training Services	Yes	November 2023	December 2023	March 2024	$1,500,000	5 years + 5 year option	Awaiting SOW from Customer
Rick W	VMR	RFP	Annual Corrosion Control Services	No	TBD	TBD	TBD	TBD	TBD	Awaiting SOW from Customer

IFB - Invitation For Bids
RFP - Request for Proposals
RFQ - Request for Qualifications
COOP - Cooperative Contract
TBD - To Be Determined

Information Summary

DATE **AGENDA ITEM 7**
November 21, 2023

SUBJECT
Report on Current Events and Suggested Future Agenda Items

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

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION
None

COMMITTEE PROCESS
None

CONTACT
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Chief Executive Officer
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ATTACHMENT
None.

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date

Agenda

November 21, 2023

Valley Metro RPTA
Thursday, November 30, 2023
Boardroom/Webex
Valley Metro, 101 N. 1st Avenue, 10th Floor
11:15 a.m.
(directly following the Board Study Session)

Action Recommended

CONSENT AGENDA

1A. Minutes	1A. For action
Minutes from the October 19, 2023 Board meeting are presented for approval.	
1B. Authorization to Issue a Competitive Solicitation for Employee Benefits Consulting Services	1B. For action
Staff recommends that the Board of Directors authorize the CEO to issue a competitive solicitation for Employee Benefits Consulting Services.	
1C. Authorization to Issue a Request for Proposals for Wayfinding Map Design Services	1C. For action
Staff recommends that the Board of Directors authorize the CEO to issue a request for proposals for Wayfinding Map Design Services.	
1D. Authorization to Continue the Purchase of Payroll Services for FY2024 – FY2026	1D. For action
Staff recommends that the Board of Directors authorize the CEO to continue procuring necessary payroll services through June of 2026. The period of authorization will cover FY2024, FY2025 and FY2026 in an amount not to exceed $515,000, plus a 10% contingency of $51,500, for a total not-to-exceed authorization of $566,500.	

1E.	<u>AJO Service (Route 685) Intergovernmental Agreements with Regional Transportation Authority of Pima County</u>	1E.	For action

Staff recommends that the Board of Director authorize the CEO to execute IGAs with RTA of Pima County for the operation of Rural Route 685 for trips originating and terminating in Ajo, Arizona, and to amend Contract #23025 with MTM Transit to provide Rural Route 685 for short trips in Buckeye, Arizona.

REGULAR AGENDA

2.	<u>Report on Current Events and Suggested Future Agenda Items</u>	3.	For information

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

3.	<u>Next Meeting</u>	4.	For information

The next Board meeting is scheduled for **Thursday, January 18, 2024 at 11:15 a.m.**

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

Minutes

November 22, 2023 **AGENDA ITEM 1A**

Valley Metro RPTA
Thursday, October 19, 2023
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

RPTA Meeting Participants
Councilmember O.D. Harris, City of Chandler – **Vice Chair**
Councilmember Max White, City of Avondale
Councilmember Clay Goodman, City of Buckeye (phone)
Councilmember Monica Dorcey, City of El Mirage
Vice Mayor Peggy McMahon, Town of Fountain Hills
Mayor Brigette Peterson, Town of Gilbert (phone)
Councilmember Lauren Tolmachoff, City of Glendale (phone)
Councilmember Francisco Heredia, City of Mesa (phone)
Councilmember Laura Pastor, City of Phoenix
Councilmember Kathy Littlefield, City of Scottsdale (phone)
Councilmember Aly Cline, City of Surprise
Vice Mayor Jennifer Adams, City of Tempe (phone)
Mayor Michael LeVault, Town of Youngtown (phone)
Mayor Rui Pereira, Town of Wickenburg (phone)

Members Not Present
Councilmember Bill Stipp, City of Goodyear - **Chair**
Supervisor Jack Sellers, Maricopa County
Councilmember Jon Edwards, City of Peoria
Vice Mayor Jeff Brown, Town of Queen Creek
Councilmember Aldofo Gamez, City of Tolleson

Chair Harris called the meeting to order at 12:43 p.m.

Chair Harris said now, we are going to convene the meeting and welcome to the Valley Metro RPTA board meeting for Thursday, October 19, 2023.

The Consent Agenda is presented for action, so I wanted to know if there are any questions or concerns from my colleagues or if there are any items that need to be pulled off for separate discussion. All right. Seeing none. There's a motion needed and a second to approve the Consent Agenda for items 1A through B.

Motion by Unidentified Speaker, second by Unidentified Speaker.

Any discussion? All those in favor? All those opposed?

Ms. Dillon said oh, I'm sorry. Chair, we do not have a consent agenda today. It should be the minutes taken separately and van pool.

Chair Harris said Items 1A and B.

Ms. Dillon said sorry.

1. <u>Minutes</u>

Chair Harris said what we need is a motion for the minutes for August 17, 2023, board meeting presented for approval. If I can get a motion and a second.

Motion by Councilmember Goodman, second by Councilmember Pastor.

All those in favor? All those opposed? The ayes have it.

IT WAS MOVED BY COUNCILMEMBER GOODMAN, SECONDED BY COUNCILMEMBER PASTOR, AND UNANIMOUSLY CARRIED TO APPROVE THE AUGUST 17, 2023 MEETING MINUTES.

2. <u>Vanpool Services Contract Award</u>

Chair Harris said the next up for action is the vanpool services contract. Staff recommends that the board of directors authorize the CEO to execute a contract with Commute and Enterprise for a three-year base and two one year options for an amount not to exceed $34,576,000 for vanpool services over the five year period. Is there a motion?

Motion by Councilmember Pastor, second by Councilmember Goodman.

All those in favor? All those opposed? The ayes have it.

IT WAS MOVED BY COUNCILMEMBER PASTOR, SECONDED BY COUNCILMEMBER GOODMAN, AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CEO TO EXECUTE A CONTRACT WITH COMMUTE WITH ENTERPRISE FOR A THREE-YEAR BASE AND TWO, ONE-YEAR OPTIONS FOR AN AMOUNT NOT TO EXCEED $34,576,000 FOR VANPOOL SERVICES OVER THE FIVE-YEAR PERIOD.

3. Proposed April 2024 Service Changes

Chair Harris said for information only, proposed April 2024 service changes. Staff will provide an update on the proposed April 2024 transit service changes and community outreach plan.

Ms. Dillon said just if there's any questions.

Chair Harris said is there any questions on that? There is a pause for a question. The Chair recognizes Councilmember White.

Councilmember White said thank you so much. In the information regarding our vanpool contract cost comparison, it appears that with the -- I'm sorry, I'm going backwards. Never mind.

Chair Harris said there's no question. It's for information.

Councilmember White said no question.

Chair Harris said if there's no questions regarding the proposed April 2024 service changes.

4. Report on Current Events and Suggested Future Agenda Items

Chair Harris said is there any current events or suggested future agenda items for consideration today? All right. Seeing none.

5. Next Meeting

The next Board meeting is scheduled for Thursday, November 16, 2023, at 11:15 a.m.

Chair Harris said this is tentative. Pat will get back with us on that date and let us know.

The meeting is adjourned.

With no further discussion the meeting adjourned at 12:47 p.m.

Information Summary

DATE **AGENDA ITEM 1B**
November 21

SUBJECT
Authorization to Issue a Competitive Solicitation for Employee Benefits Consulting Services

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to issue a competitive solicitation for Employee Benefits Consulting Services.

RECOMMENDATION
Staff recommends that the Board of Directors authorize for the CEO to issue a competitive solicitation for Employee Benefits Consultant Services.

BACKGROUND | DISCUSSION | CONSIDERATION
Valley Metro currently administers a fully insured health, dental, vision, life insurance, short-term disability, flexible spending accounts, and COBRA administration program for 805 active employees and their dependents.

Brown and Brown has provided employee benefits consulting services for five years and their contract has no additional options and services will expire on June 30, 2024. Valley Metro will need to have a new contract in place for the FY25 benefit renewal process.

The consultant sought through this competitive solicitation will provide a full range of employee benefits consulting services and benefit plan administration services beginning FY25 enrollment cycle. Consulting services will include:

- negotiation of annual health insurance renewals with existing and new vendors
- benefit plan design or redesign
- claims experience analysis and reporting
- contract review
- benefits strategic planning
- claims management and cost control
- legislative updates and interpretations related to employee benefits
- other employee health and welfare issues

Valley Metro will issue a competitive solicitation for a contract with a three-year contract base term and two one-year options.

COST AND BUDGET
The cost for the flat fee 5-year contract is estimated to be $375,000 and will be included in the RPTA Adopted FY25 Operating and Capital Budget. Contract obligations beyond FY25 will be incorporated in the Adopted RPTA Five-Year Operating Forecast and Capital Program (FY2025 thru FY2029)

COMMITTEE ACTION
RTAG: October 17, 2023 for information
TMC/RMC: November 1, 2023 approved
Board of Directors: November 30, 2023 for action

CONTACT
Penny Lynch
Director, Human Resources
PLynch@valleymetro.org

ATTACHMENTS
None

Information Summary

DATE **AGENDA ITEM 1C**
November 21, 2023

SUBJECT
Authorization to Issue a Request for Proposals (RFP) for Wayfinding Map Design Services

PURPOSE
To request authorization for for the Chief Executive Officer (CEO) to issue a request for proposals for Wayfinding Map Design Services.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to issue a request for proposals for Wayfinding Map Design Services.

BACKGROUND/DISCUSSION/CONSIDERATION
In 2019, following a competitive solicitation, a five-year contract was awarded to CHK America, Inc. for Wayfinding Map Design Services. Over the past five years, Valley Metro has utilized this contract to design and update system and route maps on a biannual basis to reflect all relevant service changes, launch the new streetcar line and service and develop future system identity and naming convention guidelines for the future two-line rail system. Specific work products include:

- Valley Metro system map printed for regional bus shelters and on various marketing materials
- Transit center, light rail station and streetcar stop spider maps
- Guide-a-Ride schedule signs at bus stops throughout the Valley
- Light rail and streetcar line map decals on board vehicles
- Two-line rail system wayfinding signage concepts
- Other ad-hoc mapping needs when needed

This service continues to be critical to providing customers with accessible transit information via updated, accurate and user-friendly maps at our facilities and across the service area. The new contract scope of work would consist of the map design needs listed above.

Proposals will be evaluated based on experience, portfolio, quality and price using a best value selection process. A contract award recommendation to a qualified and experienced firm will return to the Board in spring 2024. The new contract would be in effect July 1, 2024.

COST AND BUDGET
The overall five-year value of the contract should not exceed $1,200,000. Contract obligations for FY25 will be included in the Valley Metro FY25 Operating and Capital Budget. Contract obligations beyond FY25 will be incorporated into the Valley Metro Five-Year Operating Forecast and Capital Program (FY25 thru FY29).

COMMITTEE PROCESS
RTAG: October 17, 2023 for information
TMC: November 1, 2023 approved
Board of Directors: November 30, 2023 for action

CONTACT
Mick Webber
Marketing Manager
mwebber@valleymetro.org

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 1D**
November 21, 2023

SUBJECT
Authorization to Continue the Purchase of Payroll Services for FY2024 – FY2026

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to continue procuring payroll services to maintain Valley Metro's operations.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to continue procuring necessary payroll services through June of 2026. The period of authorization will cover FY2024, FY2025 and FY2026 in an amount not to exceed $515,000, plus a 10% contingency of $51,500, for a total not-to-exceed authorization of $566,500.

BACKGROUND | DISCUSSION | CONSIDERATION
In 2021 Valley Metro implemented Oracle's Enterprise Resource Planning (ERP) system to support agency operations. A separate follow-on workstream was planned in 2022 to implement the Oracle ERP Payroll module as part of an effort to in-house the payroll process. Key staffing shortages in Finance & Procurement resulted in the workstream being paused in July of 2022 due to lack of resources.

Based on challenges identified during the initial work, prior to resuming the workstream the new leadership of the Finance & Procurement division obtained authorization from the Board in May of 2023 to commission an external assessment of the payroll function. The assessment was performed by Accenture, a third-party consulting company, to evaluate whether in-housing the payroll function was still the appropriate path forward.

Accenture completed the assessment of the payroll function and recommended that Valley Metro continue to use ADP for processing of payroll. Accenture evaluated three options, in-sourcing payroll with Oracle ERP, a hybrid option of in-sourcing certain elements of payroll processing and continuing to outsource payroll processing. There would be significant implementation costs to implement the changes to the Oracle ERP necessary to process payroll in-house or with a hybrid option. There would also be a larger investment in labor and IT to maintain the in-house or hybrid options. There are no implementation costs or additional labor or IT costs to continue to outsource payroll with ADP. If payroll was processed in-house or with the hybrid option Valley Metro would be assuming much of the compliance risk currently with the payroll processing company. The final recommendation was to continue to outsource payroll as the more cost-effective risk averse option.

As a result, Valley Metro will continue to use ADP, a third-party payroll service provider, to provide payroll processing service. ADP payroll processing services include issuing direct deposits and paychecks, issuance of annual W-2s, biometric scanners and timeclocks at the Valley Metro Operations and Maintenance Center and Customer Service center, and the licensing for employees' use of the ADP platform.

	FY 2023 Actuals	FY 2024 Proposed*	FY 2025 Proposed	FY 2026 Proposed
ADP Costs	$189,874	$105,000	$200,000	$210,000
Contingency	N/A	$10,500	$20,000	$21,000
Total	**$189,874**	**$115,500**	**$220,000**	**$231,000**

* The Board authorized $95,000, in November of 2022, to be spent for services in FY2024 during the period July 2023 - December 2023. The amount for January 2024 - June 2024 exceeds $95,000 to account for costs of processing employee W-2 tax forms.

COST AND BUDGET
The funding for the continued use of ADP is included in the RPTA and VMR FY 2024 Operating and Capital Budgets. The total requested authorization is not to exceed $566,500.

COMMITTEE PROCESS
RTAG: October 17, 2023 for information
TMC: November 1, 2023 approved
Board of Directors: November 30, 2023 for action

CONTACT
Ken Kessler
Chief Financial Officer
kkessler@valleymetro.org

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 1E**
November 21, 2023

SUBJECT
AJO Service (Route 685) Intergovernmental Agreements with Regional Transportation Authority of Pima County

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute Intergovernmental Agreement (IGA) with Regional Transportation Authority (RTA) of Pima County for the operation of Rural Route 685 for trips originating and terminating in Ajo, Arizona, and to amend Contract 23025 with MJM Transit to provide Rural Route 685 for short trips in Buckeye, Arizona.

RECOMMENDATION
Staff recommends that the Board of Directors authorization for the CEO to execute IGAs with RTA of Pima County for the operation of Rural Route 685 for trips originating and terminating in Ajo, Arizona, and to amend Contract #23025 with MTM Transit to provide Rural Route 685 for short trips in Buckeye, Arizona.

BACKGROUND | DISCUSSION | CONSIDERATION
On September 16, 2021, the Board of Directors gave authorization to issue a competitive solicitation under a joint procurement process with the Regional Transportation Authority (RTA) of Pima County for contracted transportation services to operate Route 685 (Ajo/Gila Bend) Rural Connector Service and short trip bus service, which is a flex (on-demand) type service within the City of Buckeye.

On June 16, 2022, the board authorized the CEO to execute a 5-year base contract with one 3-year option with Second Generation, Inc., dba AJO Transportation (Second Generation) to provide transportation services to operate Route 685 (Ajo/Gila Bend) rural connector service and short trip bus service within the City of Buckeye. The service start date was November 1, 2022. Just prior to the service start date, Second Generation notified Valley Metro and RTA of Pima County of an insurance increase and requested an adjustment in rates to accommodate the increase. The rate adjustment was made to ensure uninterrupted service.

On July 19, 2023, Second Generation notified Valley Metro of a substantial annual increase in their Commercial Liability Insurance renewal cost. Upon receipt, staff consulted with RTA of Pima County who confirmed they received a similar request from Second Generation and that they were not amenable to granting another rate increase. After further discussion with Second Generation on September 18, 2023, it was mutually agreed to terminate the contract due to unsustainable insurance cost increases. The last day Second Generation will provide service will be January 20, 2024.

To ensure service continuity, RTA of Pima County has agreed to operate Route 685 (Ajo/Gila Bend) Rural Connector Service through an Intergovernmental Agreement with Valley Metro RPTA, assigning the work to their local contractor procured through a competitive process. In addition, Valley Metro has the ability to assign the Rural Route 685 short trips in Buckeye, Arizona, to MTM Transit under contract #23025 without exceeding the current contract authority.

COST AND BUDGET
IGAs with RTA of Pima County for Rural Route 685 for trips originating and terminating in Ajo, Arizona, and the contract adjustment for MTM Transit is within the current budget authorization.

COMMITTEE ACTION
RTAG: October 17, 2023, for information
TMC: November 1, 2023, for action
Board of Director: November 16, 2023, for action

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

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 2**
November 21, 2023

SUBJECT
Report on Current Events and Suggested Future Agenda Items

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

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COMMITTEE PROCESS
None

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

ATTACHMENT
None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date

Agenda

November 21, 2023

Valley Metro Rail
Thursday, November 30, 2023
Boardroom/Webex
Valley Metro, 101 N. 1st Avenue, 10th Floor
11:15 a.m.
(directly following the Study Session)

Action Recommended

CONSENT AGENDA

1A. Minutes Minutes from the October 19, 2023 Board meeting are presented for approval.	1A. For action
1B. Northwest Extension Phase II Light Rail Extension Project (NWEII) Design Services Contract Authorization Staff recommends that the Board of Directors authorize the CEO to increase the NWEII Light Rail Extension design contract with Jacobs Engineering Group, Inc. by up to $577,500 to support DSDC, associated tasks, and contingency.	1B. For action
1C. Rail Rolling Stock Accident and Body Repair Contract Award Staff recommends that the Board of Directors authorize the CEO to execute a five-year contract with Award Winning Restorations for rail rolling stock (light rail vehicles and streetcar) body repair services in an amount not to exceed $1,600,000.	1C. For action
1D. Light Rail Vehicle (LRV) Brake Overhaul Contract Award Staff recommends that the Board of Directors authorize the CEO to execute a sole source contract with Knorr Brake Company (KBC) to complete a friction brake equipment	1D. For action

overhaul program, for a term of three years with two one-year options, for the Kinkisharyo light rail vehicles for an amount of $2,708,253 plus a contingency of $270,000 for an amount not to exceed of $2,978,253.

REGULAR AGENDA

2.	Report on Current Events and Suggested Future Agenda Items	2. For information

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

3.	Next Meeting	3. For information

The next meeting of the Board is scheduled for **Thursday, January 18, 2024 at 11:15 a.m.**

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

Minutes

November 22, 2023 **AGENDA ITEM 1A**

Valley Metro Rail
Thursday, October 19, 2023
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

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

Chair Pastor called the meeting to order at 12:49 p.m.

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

1. Consent Agenda

Chair Pastor said a Consent Agenda is present for action as the Committee if there are any questions or if there are any items that need to be pulled for separate discussion.

Motion by Councilmember Harris, second by Vice Mayor Heredia.

Any discussion? All those in favor, please say. All right. Ayes carry. I didn't hear any nays.

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

2. Report on Current Events and Suggested Future Agenda Items

Chair Pastor said I don't know if it would fall in here, I would like to look at the qualifications for a reduced fare. I would like to review the application and just do a conversation or dive into it of what we really need and what we don't need.

Ms. Mefford-Miller said absolutely.

Chair Pastor said so I don't know if it's in this meeting or what meeting it would go under.

Ms. Mefford-Miller said that would probably go under the joint meeting with the joint board.

Councilmember Harris said do you think that we should have like an Exec session over it and just kind of go through it because it is like six pages long. So maybe we can do like an exec session over it and just kind of go through each one of the pages.

Chair Pastor said that would be a question for Michael.

Mr. Wawro said that's probably more of a study session than an executive session but the same purpose.

Chair Pastor said however you could bring it back. Study session?

Ms. Mefford-Miller said we will get it done. And we could also, if you prefer, weave in some of those elements of that larger public outreach and engagement program as well as talking about the reduced fare requirements.

Chair Pastor said any other items?

3. Next Meeting

The next meeting of the Board is scheduled for Thursday, November 16, 2023, at 11:15 a.m.

The meeting was adjourned.

Without further discussion, the meeting was adjourned at 12:52 p.m.

Information Summary

DATE **AGENDA ITEM 1B**

November 21, 2023

SUBJECT

Northwest Extension Phase II Light Rail Extension Project (NWEII) Design Services Contract Authorization

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to provide additional contract authority for the NWEII project design services contract with Jacobs Engineering Group, Inc. to add up to $577,500 for Design Services During Construction (DSDC).

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to increase the NWEII Light Rail Extension design contract with Jacobs Engineering Group, Inc. by up to $577,500 to support DSDC, associated tasks, and contingency.

BACKGROUND | DISCUSSION | CONSIDERATION

To date, the Board has authorized $22,446,700 in contract authority for design services. A total of $22,369,238 in contract commitments leaves a balance of $77,462 before additional funds are needed. Existing change orders and future known potential change orders are projected to exceed the remaining Board Authorization funding of $77,462.

The previous actions of the Board related to this contract are summarized below:

Design Current Contract Authority				
Date	**Action**	**Cost**	**Contingency**	**Total Authority**
June 2018	Board Award for Design Services	$14,800,000	$1,500,000	$16,300,000
May 2020	Board Action for Design Services During Construction			$4,586,700
April 2022	Board Action for Design Services During Construction	$1,000,000	$100,000	$1,100,000
January 2023	Board Action for Design Services During Construction	$414,000	$46,000	$460,000
Total				**$22,446,700**

COST AND BUDGET

The total authorization established for Jacobs Engineering Group's design contract authority is $22,446,700, which includes $7,818,467 for DSDC. Staff recommends an additional $577,500 be allocated to the Jacobs contract for additional funds to complete DSDC services for a total authorization of $23,024,200. The initial DSDC services cost authorizations did not account for unforeseen conditions:

- Additional design efforts due to Non-Conformance Reports (NCR).
- Special inspections requested by Valley Metro.
- Additional revisions of contract drawings due to known and unknown conflicts.
- Acquiring Certificates of Occupancy required for the project.
- Additional design services for adjacent developer coordination. Develop alternative future light rail extension options near the Metrocenter proposed redevelopment.

As a result of these coordination efforts, Jacobs has continued to provide full-time support by staff further into the construction phase than initially anticipated. This additional authority request includes $52,500 for use as contingency.

Items for Authorization	Cost
Additional Authorization	$525,000
10% Contingency	*$52,500*
TOTAL	**$577,500**

The total expenditure authorization requested for the Design Services During Construction contract, including previous Board authorizations, will be $23,024,200.

This project is funded by the City of Phoenix, the regional Public Transportation Fund (PTF) and the Federal Transit Administration. Funding is included in the Valley Metro Rail adopted FY24 Operating and Capital Budget. Contract obligations beyond FY24 are incorporated into the Five-Year Operating Forecast and Capital Program (FY24 thru FY28).

Board authorization is required to increase funding for Jacobs to allow them to continue with services needed during the construction period and project closeout.

COMMITTEE PROCESS

RTAG: October 17, 2023 for information
RMC: November 1, 2023 approved
Board of Directors: November 30, 2023 for action

CONTACT
Trevor Collon
Interim Director, Capital Development
tcollon@valleymetro.org

ATTACHMENTS
None

Information Summary

DATE **AGENDA ITEM 1C**
November 21, 2023

SUBJECT
Rail Rolling Stock Accident and Body Repair Contract Award

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a five-year contract with Award Winning Restorations for rail rolling stock (light rail vehicles and streetcar) body repair services in an amount not to exceed $1,600,000.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute a five-year contract with Award Winning Restorations for rail rolling stock (light rail vehicles and streetcar) body repair services in an amount not to exceed $1,600,000.

BACKGROUND | DISCUSSION | CONSIDERATION
Valley Metro has a fleet of 49 Kinkisharyo Light Rail Vehicles (LRVs) in operation and eleven Siemens LRVs, and in the next two years additional Siemens LRVs will be received and tested for operation. Valley Metro also has six streetcars in operation.

Valley Metro needs an experience body repair contractor to perform repairs to the rail rolling stock for damage caused by accidents on the alignment during operations. The contractor must have previous experience in the repair of paint, body and frame/structural components of light rail vehicles of similar size and construction that were manufactured using like materials and processes. All repairs to vehicles will be performed at Valley Metro's Operations and Maintenance Center (OMC). The contractor will provide all required tools, materials and equipment to perform the necessary paint, body and frame/structural repairs. Valley Metro will provide a body shop work area and a paint booth at the OMC as well as hydraulic rams for frame/structural straightening.

The recommended vendor to provide the body repair services is Award Winning Restorations (AWR) and is a non-competitive procurement due to the company being trained by Kinkisharyo to work with the LRVs. AWR knows the structure of the LRV and has been the only vendor in the area to have the necessary training and experience. Knowledge on how to repair the LRV is paramount in order to maintain the safety and structure of the LRV.

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

COST AND BUDGET
The cost for the rolling stock body repair services with Award Winning Restorations (AWR) is an amount not to exceed $1,600,000 over the 5-year term of the contract The cost for the rolling stock body repair services is included in the Valley Metro Rail Adopted FY2024 Operating and Capital Budget. Contract obligations beyond FY2024 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2024 thru FY2028).

The source of funding is from member cities.

COMMITTEE PROCESS
RTAG: October 17, 2023, for information
RMC: November 1, 2023, approved
Board of Directors: November 30, 2023, for action

CONTACT
Darren Curry
Chief Maintenance Officer
dcurry@valeymetro.org

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 1D**
November 21, 2023

SUBJECT
Light Rail Vehicle (LRV) Brake Overhaul Contract Award

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a sole source contract with Knorr Brake Company (KBC) to complete a friction brake equipment overhaul program, for a term of three years with two one year options, for the Kinkisharyo light rail vehicles for an amount of $2,708,253 plus a contingency of $270,000 for an amount not to exceed of $2,978,253.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute a sole source contract with Knorr Brake Company (KBC) to complete a friction brake equipment overhaul program, for a term of three years with two one-year options, for the Kinkisharyo light rail vehicles for an amount of $2,708,253 plus a contingency of $270,000 for an amount not to exceed of $2,978,253.

BACKGROUND | DISCUSSION | CONSIDERATION
The current age of the light rail vehicles is 16 years in revenue service. There are currently 49 light rail vehicles (LRVs) in the total fleet. This will be the third brake overhaul on the LRVs. The friction brake equipment manufacturer recommends that the brake equipment be overhauled after 240,000 miles or five years, whichever comes first. The purpose of the overhaul is to keep the equipment in a state of good repair and to maintain safe and reliable operation.

Valley Metro recommends award to Knorr Brake Company for the third time. KBC is the OEM for the power truck and center truck brake calipers and the power truck and center truck electro hydraulic units and holds the proprietary rights to the equipment. Valley Metro LRV maintenance personnel will remove the equipment from the vehicles and ship to the contractor in California. The contractor will overhaul the equipment and return to the Valley Metro LRV Maintenance Facility.

A sole source contract is one that has not been competed due to it being a proprietary product and/or where competition is impracticable. KBC as the OEM has the only equipment that would be accepted for this overhaul program.

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

COST AND BUDGET

The cost for the LRV friction brake equipment overhaul program from KBC is an amount not to exceed of $2,978,253. The cost for the brake overhaul program is included in the Valley Metro Rail Adopted FY2024 Operating and Capital Budget. Contract obligations beyond FY2024 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2024 thru FY2028).

The source of funding is from PTF funds.

COMMITTEE PROCESS

RTAG: October 17, 2023, for information
RMC: November 1, 2023, approved
Board of Directors: November 30, 2023, for action

CONTACT

Darren Curry
Chief Maintenance Officer
dcurry@valeymetro.org

ATTACHMENT

None

Information Summary

DATE **AGENDA ITEM 2**
November 21, 2023

SUBJECT
Report on Current Events and Suggested Future Agenda Items

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

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION
None

COMMITTEE ACTION
None

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

ATTACHMENT
None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date