MEETINGS OF THE

Management Committees

TMC/RMC Joint Meeting	Transit Management Committee (TMC)	Rail Management Committee (RMC)

Date:
May 1, 2019

Starting Time
11:00 a.m.

Meetings to occur sequentially

Location:
Valley Metro
Lake Powell Conference Room (10A)
101 N. 1st Avenue, 10th Floor
Phoenix

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Agenda

April 24, 2019

Joint Meeting Agenda
Transit Management Committee
And
Rail Management Committee
Wednesday, May 1, 2019
Lake Powell Conference Room
101 N. 1st Avenue, 10th Floor
11:00 a.m.

		Action Recommended
1.	Public Comment (yellow card) The public will be provided with an opportunity at this time to address the committees on **non-agenda items and all action agenda items.** Up to three minutes will be provided per speaker unless the Chair allows more at his/her discretion. A total of 15 minutes for all speakers will be provided.	1. For Information
2.	Chief Executive Officer's Report Scott Smith, CEO, will brief the TMC/RMC on current issues.	2. For information
3.	Minutes Minutes from the March 6, 2019 TMC/RMC meeting are presented for approval.	3. For action

Consent Agenda

4A.	Annual Financial Audit Services Five-Year Contract Award Staff recommends the Board of Directors authorize the CEO to execute a five-year Annual Financial Audit Services contract with CliftonLarsonAllen (CLA) not to exceed $475,173.	4A. For action

4B. Risk Management Consulting Services Contract Award — 4B. For action

Staff recommends that the TMC/RMC forward to the Board of Directors authorization for the CEO to execute a five-year contract with Alliant Insurance Services, Inc. for Risk Management Consulting Services in an amount not to exceed $562,500.

4C. Microsoft Enterprise Agreement triennial renewal — 4C. For action

Staff recommends that the TMC/RMC forward to the Boards of Directors authorization for the CEO to execute a three-year contract with CDW-G for software licensing for $566,206 for the period of July 1, 2019 to June 30, 2022.

Regular Agenda

5. Allied Universal Contract Change Order — 5. For action

Staff recommends that the TMC/RMC forward to the Boards of Directors authorization for the CEO to exercise the two contract option years with AUS for the security services for the period of July 1, 2019 through June 30, 2021 and approve an increase to the amount previously approved for the two-year option period in an amount not to exceed $3,616,775, for an overall contract value of $16,297,000 for fiscal years 2020 and 2021.

6. Quarterly Reports — 6. For information

Fiscal Year 2019 Quarterly Reports are presented for information.

7. Travel, Expenditures and Solicitations — 7. For information

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

8.	Future Agenda Items Request and Update on Current Events Chairs Phelps and Zuercher will request future agenda items from members, and members may provide a report on current events.	8. For information

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats (large print, audiocassette, or computer diskette) 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**
April 24, 2019

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.** Up to three minutes will be provided per speaker unless the Chair allows more at his/her discretion. A total of 15 minutes for all speakers will be provided.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
This item is presented for information only.

CONTACT
Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 2**
April 24, 2019

SUBJECT
Chief Executive Officer's Report

PURPOSE
Scott Smith, Chief Executive Officer, will brief the TMC/RMC on current issues.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
This item is presented for information only.

CONTACT
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ATTACHMENT
None

Minutes

DATE
April 24, 2019

AGEDNA ITEM 3

Joint Meeting of
Transit Management Committee
and
Rail Management Committee
Wednesday, March 6, 2019
Lake Powell Conference Room
101 N. 1st Avenue, 10th Floor
11:00 a.m.

Transit Management Committee Participants
Kevin Phelps, City of Glendale, Chair
Josh Wright, City of Chandler (Vice Chair)
Gina Montes, City of Avondale
Roger Klingler, City of Buckeye
Josh Wright, City of Chandler
Autumn Grooms for Robert Nilles, City of El Mirage (phone)
Grady Miller, Town of Fountain Hills
Jacob Ellis, Town of Gilbert (phone)
Julie Arendall, City of Goodyear (phone)
Scott Butler for Chris Brady, City of Mesa
Erik Strunk, City of Peoria
Ed Zuercher, City of Phoenix
Paul Basha, City of Scottsdale
Terry Lowe, City of Surprise
Eric Iwerson for Steven Methvin, City of Tempe
Reed Kempton, Maricopa County

Members Not Present
Aubree Perry, ADOT
City of Tolleson

Rail Management Committee Participants
Ed Zuercher, City of Phoenix, (Chair)
Eric Iwersen for Steven Methvin, City of Tempe (Vice Chair)
Scott Butler for Chris Brady, City of Mesa
Kevin Phelps, City of Glendale
Josh Wright, City of Chandler

Chair Phelps called meeting to order at 11:04 a.m.

Chair Phelps said good morning. I want to welcome the members of both the Transit Management Committee and the Rail Management Committee to our joint meeting.

1. Public Comment

Chair Phelps said first item is public comment. We've had a request from a citizen, if you could angle your sign towards the dais so they can see who is here. That was a request. And with that, we have one card and this is from Mr. Blue.

Mr. Crowley said good morning. And for all the members of my sect that will be heading over to the basilica later, I don't even feel quite dressed being Ash Wednesday without the ashes on already.

On two months ago when I was up here I requested information from Waymo on Waymo and what all the parts of the equation were and how it was operating and that and I had requested that staff instruct staff to do it and nobody bit the bullet.

But at the electeds meeting they did. And they instructed staff to get me that information and they passed it on to me at your last meeting, and it's totally inadequate, and it's on the record of what I wanted, can you please get that information to me, sir, not just a press release that you did and so that I can know exactly as a citizen and as the community what the contract, what's happened, who's affected, how many of the staff are doing it.

Now on to what y'all do. There is no reason that the rail and bus should be together since you don't work together. Where is the multimodal behavior from this committee or from this organization? All I see it is that the reason that we have the bus and the rail together is it gives the rail more manipulation into funding rather than us getting the buses out onto the roadway, et cetera.

There was an announcement this morning on the TV about how the facial recognition technology is now being used on the buses that the 32 that the City of Phoenix has gotten. Well, I'd like to find out from y'all how much has that been used from the rail, how effective has it been, and how much did it cost again? I think it was five mill.

But the part that I have the most problem with when it comes to the rail and the documentation that you people share is it said criminal activities. And then it goes code of conduct.

A friend of mine did one of those code of conduct violations that they're counting along with criminal activity. What he did is he had his radio on. They walked up and told him to turn it off. As a code of conduct, securing the right to silence on the rail would be that

I didn't have to hear all of those repeated announcements that I don't need to hear. Thank you.

2. Chief Executive Officer's Report

Chair Phelps said we'll now go to Item No. 2 which is our report from our chief executive officer.

Mr. Smith said thank you, mister chair, appreciate it. Covering a few things that have happened since the last time we were together, we are pleased to report that we recently received the environmental clearance for our Northwest extension to -- phase two extension. That's a significant event to receive that and we're headed toward an application to enter into engineering. We also just received the comment that the Federal Transit Administration is taking the next step to assign oversight personnel so that we can move on with that. So that's a very significant benchmark that we met.

- Gilbert Road Extension testing
- Peoria Park-and-Ride construction
- Community Streetcar Coalition visitors
- S. Central Artists reception
- Upcoming Study Sessions

Chair Phelps said great. Thank you, Mr. Smith. Any questions or comments from committee members for Mr. Smith? Great. Thank you.

3. Minutes

Minutes from the February 6, 2019 TMC/RMC meeting were presented for approval.

IT WAS MOVED BY ROGER KLINGLER, SECONDED BY GRADY MILLER AND UNANIMOUSLY CARRIED TO APPROVE THE FEBRUARY 6, 2019 TMC/RMC MEETING MINUTES.

4. Fiscal Year 2018 (FY18) Transit Performance Report (TPR)

Chair Phelps said Item No. 4 is fiscal year 2018 FY Transit Performance Report. Mr. Smith, I believe you're going to introduce this item.

Mr. Smith said yes, and I'll introduce Carol Ketcherside, who's our deputy director in our capital services division, who will give an update or give a report related to the transit performance report.

Ms. Ketcherside provided a presentation which included the following:

- System Wide Summary
- Bus System Historical Trends
- Bus System Peer Comparison
- Rail System Historical Trends
- Rail System Peer Comparison
- Paratransit Historical Trends
- Paratransit Peer Trends
- FY18 TPR Integration in TSPM

Chair Phelps said great. Thank you. Are there questions at all? Scott.

Mr. Butler said Carol, going back to slide eight -- seven and eight when you're doing the comparisons on paratransit, does that include RideChoice, or is that strictly paratransit?

Ms. Ketcherside said which specific number are you looking at?

Mr. Butler said all of the data is that when you say paratransit is that including.

Ms. Ketcherside said yes. There was one number that we kept RideChoice in there for. And the rest of it we took RideChoice out for because we wanted to show the service that's serving that community, but then we also wanted to look at paratransit specifically, so I would have to dig into exactly what you're looking at to answer that. And I'd be happy to do that.

Mr. Smith said I believe that the numbers that are in here are paratransit only. They do not include RideChoice.

Chair Phelps said other questions at all? So I just have one question, so looking at we're looking at trying to reconcile our passenger trip miles, which are down about 10 percent from, say, FY15, but also fare revenue is down, you know, substantially more than that. So maybe kind of reconcile why you see that.

Ms. Ketcherside said yes. That would correlate with the decrease in average fare collected, which again ties back to what we believe to be the fare -- the abuse of the reduced fare.

So if more people are using the reduced fare, whether or not they should, then they're going to pay less per boarding which means we're going to have the same number of passengers boarding per mile, but we're going to collect less money per mile. Does that answer your question?

Chair Phelps said so you're saying that one cause that is your primary cause for that?

Ms. Ketcherside said yes.

Mr. Basha said Carol, first off, I want to compliment you on your last slide considering the bottom quartile and the top quartile very, very helpful in understanding the statistics and the differences between some of the different services.

Secondly, I want to make sure I understand correctly. City of Phoenix with their 2050 tax they increase the duration of several bus routes to correspond to the light rail operating hours; is that correct?

Ms. Ketcherside said that was part of it, yes. I would turn to someone from Phoenix to answer that more specifically, but, yes, that was part of it.

Mr. Basha said I just want to stress -- I just want to emphasize the point that our bus and rail do connect well and in fact their hours of service are very similar now.

Ms. Ketcherside said definitely. I just didn't want to say that was all of it because there's a lot more to it.

Mr. Basha said I know it's not all of it. Sorry.

Ms. Ketcherside said but, yes, that was definitely a component.

Mr. Ellis said thank you. First of all, Carol, nice slides thank you very much. These are organized really well. That was helpful for me. I wanted to ask about the farebox recovery. Do we have a target for what we're trying to achieve with that in terms of a percentage?

Ms. Ketcherside said I'm not sure what our current policy and I'll defer to Paul on that.

Mr. Hodgins said our target includes fixed route bus and light rail as a whole as a system for the region and the target is 25 percent and that was set by the board. So it's not by individual service, though, it's for the full fixed route system.

Mr. Ellis said okay. It sounds like we've already sort of talked about the abuses for the reduced fare. I'll be really interested to see when your report comes back on that what the options are for how we can address that and any recommendations.

Chair Phelps said very good. This was just an item for information. We do not take any action on it.

5. Travel, Expenditures and Solicitations

This item was presented for information.

6. Future Agenda Items Request and Update on Current Events

None.

With no further discussion the meeting adjourned at 11:32 a.m.

Information Summary

DATE
April 24, 2019

AGENDA ITEM 4A

SUBJECT
Annual Financial Audit Services Five-Year Contract Award

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a five-year contract for Annual Financial Audit Services with CliftonLarsonAllen (CLA). The services will cover audit services for the fiscal years ending June 30, 2019 through 2023. The total amount not to exceed $475,173 which includes a $43,197 (10%) contingency

BACKGROUND | DISCUSSION | CONSIDERATION
In May 2018 the Board authorized the CEO to issue a Request for Proposal (RFP) for the audits of Valley Metro Rail Inc. (VMR) and the Regional Public Transportation Authority (RPTA) and Schedule of Expenditure of Federal Awards for the fiscal years ending June 30, 2019 through 2023. Valley Metro had been purchasing audit services through the State cooperative. Valley Metro chose to procure audit services through a RFP to ensure the scope of work was specific to the needs of VMR and RPTA, rather than the more generalized State of Arizona contract scope of work which was previously used. The scope of the audit for RPTA includes additional work required by the National Transit Database (NTD). With the more specific scope of work, the expectation is to obtain a better quality audit from auditors with specific transit experience.

These audits will be performed in accordance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits in the Government Auditing Standards, issued by the Comptroller General of the United States, and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

In February, Valley Metro issued a RFP for the Annual Financial Audit Services. A total of three firms submitted proposals. A selection committee comprised of Valley Metro and City of Phoenix staff evaluated the proposals. Based on the proposals CliftonLarsonAllen (CLA) was selected.

COST AND BUDGET
The cost for the annual financial statement audits would be funded by RPTA and VMR in proportion to the level of effort for each.

Funds are available in the Fiscal Year 2019 Annual Operating Budget for RPTA and VMR to cover the costs of the FY 2019 audits. Budget for the remaining four years of the contract will be included in the respective annual operating budgets as detailed below.

RPTA Fiscal Year Audits	
Contract Year 1	$ 45,185.00
Contract Year 2	46,085.00
Contract Year 3	47,010.00
Contract Year 4	47,955.00
Contract Year 5	48,920.00
Total	$235,155.00
Total 10% contingency for the five years	$ 23,515.50
	$258,670.50
RPTA Audits include: CAFR Audit, Federal Funds Audit and NTD Agreed Upon Procedures	

VMR Fiscal Year Audits	
Contract Year 1	$ 37,775.00
Contract Year 2	38,530.00
Contract Year 3	39,340.00
Contract Year 4	40,165.00
Contract Year 5	41,010.00
Total	$196,820.00
Total 10% contingency for the five years	$ 19,682.00
Toal with Contingency	$216,502.00
VMR Audits include: CAFR Audit and Federal Funds Audit	

For comparison purposes, the financial audit costs for FY2018 through the State contract totaled $49,494 for RPTA and $40,134 for VMR.

COMMITTEE ACTION
RTAG: April 16, 2019 for information
TMC/RMC: May 1, 2019 for action
Boards of Directors: May16, 2019 for action

RECOMMENDATION
Staff recommends the Board of Directors authorize the CEO to execute a five-year Annual Financial Audit Services contract with CliftonLarsonAllen (CLA) not to exceed $475,173.

CONTACT
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Chief Financial Officer
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ATTACHMENT
None

Information Summary

DATE
April 24, 2019

AGENDA ITEM 4B

SUBJECT
Risk Management Consulting Services Contract Award

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a contract with Alliant Insurance Services, Inc. for Risk Management Consulting Services (comprised of Property and Casualty Insurance Brokerage Services, Claims Management Services and Risk Management Consulting Services) in an amount not to exceed $562,500.

BACKGROUND | DISCUSSION | CONSIDERATION
Arthur J. Gallagher has served as Valley Metro's broker for the last five years and its current contract will expire on June 30, 2019. The firm selected will be responsible for providing Valley Metro with analysis of risk exposure, development and maintenance of an insurance and risk program, third-party claims management and consultation and placement of proper coverage and endorsements related to Valley Metro's operations.

In November 2018, Valley Metro issued a Competitive Solicitations for the risk management services. Five firms submitted technical and price proposals. A selection committee made up of qualified staff from Valley Metro and the City of Tempe (the "Committee") reviewed the submitted technical proposals. The Committee determined that four of the five proposals were in the competitive selection range for further consideration.

The four firms:

- Alliant Insurance Services, Inc. (Alliant)
- Arthur J. Gallagher & Company Insurance Brokers of California, Inc. (AJG)
- Lockton, Inc. (Lockton)
- Willis of Arizona, Inc. (Willis)

The Committee continued to evaluate all aspects of technical and price proposals. The Committee arrived at its award recommendation using a "best value" process that allows for a contract award based on a combination of technical factors and cost analysis. Based on this evaluation process, the Committee completed its review and analysis.

Ranking of proposals:

Proposers	Technical Scores	Price Differential Over Lowest Price	Committee Ranking
Willis	623	$147,500	3
Alliant	595	$27,500	1
AJG	585	0	2
Lockton	532	$41,984	4

The Committee awarded Willis the highest technical score. However, Willis' price proposal exceeded the lowest price proposal from AJG by $147,500 over the five-year contract period. The Committee determined that the extra $147,500 in Willis' price proposal did not provide Valley Metro with an additional level of service that justified the higher price.

The Committee awarded Alliant the second highest technical score. Alliant's price proposal exceeded the lowest price proposal from AJG by $27,500 over the five-year contract period, or $5,500 more per year. The Committee unanimously determined that Alliant's additional price of $5,500 per year was nominal and provided Valley Metro with a firm that possessed the right technical expertise and experience needed to provide Valley Metro with the best value. Based on these factors, the Committee unanimously determined that Alliant's technical expertise, experience and service level was most closely aligned in all material respects to the requirements and criteria set forth in the solicitation and presented the best value to Valley Metro. Alliant's price proposal was within the independent cost estimate, consistent with previous years and aligned with current industry trends in the market.

COST AND BUDGET

The cost for Risk Management Consulting Services for a total term of five years is for an amount not to exceed $562,500. The contract will have an initial term of three years and the option to extend for two additional one-year periods. The total cost will be distributed over the life of the contract. By illustration, the cost for services in the first year of the contract is estimated to be $112,500, approximately 20% of the total contract cost. All costs are included in the RPTA and VMR FY2020 Annual Operating and Capital Budgets. Contract obligations beyond FY2020 are incorporated into the Valley Metro RPTA and VMR Five-Year Operating Forecasts and Capital Programs (FY2020-FY2024).

The anticipated annual cost allocation for risk management services between RPTA and VMR budgets has historically been about 15% to RPTA budget and 85% to VMR budget.

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

- Goal 1: Increase customer focus
- Goal 2: Advance performance based operation
- Goal 3: Advance the value of transit

COMMITTEE PROCESS
RTAG: April 16, 2019 for information
TMC/RMC: May 1, 2019 for action
Boards of Directors: May 16, 2019 for action

RECOMMENDATION
Staff recommends that the TMC/RMC forward to the Board of Directors authorization for the CEO to execute a five-year contract with Alliant Insurance Services, Inc. for Risk Management Consulting Services in an amount not to exceed $562,500.

CONTACT
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General Counsel
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ATTACHMENT
None

Information Summary

DATE
April 24, 2019

AGENDA ITEM 4C

SUBJECT
Microsoft Enterprise License Agreement Triennial Renewal

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a three-year contract for Microsoft software licensing not to exceed $652,100 plus an additional $65,210 (10%) contingency for the period of July 1st, 2019 to June 30, 2022.

BACKGROUND/DISCUSSION/CONSIDERATION
Staff seeks to renew our Enterprise License Agreement (ELA) with Microsoft through reseller CDW-G's State contract for another three-year period. As part of this renewal the Agency's licensing will be shifted to Microsoft's online subscription services where feasible. This change reduces the three-year cost by an estimated 11% ($81,400) from the prior period despite an estimated 80% (240) increase in the number of licensed users.

This renewal will continue the Agency's access to the following software:

- Office productivity software (Office 365)
- Project management software (Project)
- Flowchart and diagramming software (Visio)
- Email and calendaring server software (Exchange)
- Database system software (SQL Server)
- Server operating systems (Windows Server)

In addition, the agency will gain access to online document collaboration (SharePoint 365) and secure file sharing (OneDrive) to allow more secure and efficient collaboration with our partner agencies, municipalities, and vendors.

COST AND BUDGET
The Microsoft ELA renewal is $717,310, which includes a 10% contingency of $65,210. The RPTA portion is $358,655 and the VMR portion is $358,655. All costs in FY20 are included in the proposed RPTA FY 2020 Operating and Capital Budget. These costs are funded using the agency's overhead allocation which includes member city, Public Transportation (Prop 400), and federal funds.

A contingency is included to cover any additional licenses needed during the three year period and the normal license price inflation for those licenses. Attached is the License & Cost History Summary.

Purchase	Vendor	Contract	Cost
Microsoft Enterprise License Agreement Renewal	CDW-G	State Contract: ADSPO17-149774	$717,310
		Subtotal	**$717,310**

COMMITTEE PROCESS
RTAG: April 16, 2019 for information
TMC/RMC: May 1, 2019 for action
Board of Directors: May 16, 2019 for action

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 1: Increase customer focus
- Goal 2: Advance performance based operation

RECOMMENDATION
Staff recommends that the TMC/RMC forward to the Boards of Directors authorization for the CEO to execute a three-year contract with CDW-G for software licensing not to exceed $717,310 for the period of July 1, 2019 to June 30, 2022.

CONTACT
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ATTACHMENT
License & Cost History Summary

License & Cost History Summary

Microsoft Product	FY 2017	FY 2018	FY 2019 True-Up[1]	FY 2020	FY 2021 *Estimate*	FY2022 *Estimate*
Core Client Access License (CAL)	300	300	448	480	*510*	*540*
Office	300	300	448	480	*510*	*540*
Windows Server	110	110	110	136	*136*	*136*
Windows Remote Desktop Services User CAL	20	20	73	73	*90*	*105*
SQL Server	22	22	55	55	*55*	*55*
SQL Server User CAL	45	45	45	45	*45*	*45*
Exchange Server	4	4	4	4	*4*	*4*
Exchange Server Enterprise CAL	300	300	300	-	-	-
SharePoint Server	1	1	1	1	*1*	*1*
SharePoint Server CAL	100	100	100	-	-	-
Project	3	3	7	7	*15*	*20*
Visio	3	3	48	48	*65*	*80*
Visual Studio Professional	-	-	4	4	*4*	*4*
Visual Studio Standard	-	-	1	1	*1*	*1*
Power BI	-	-	3	3	*3*	*3*
Annual Costs	**$195,400**	**$195,400**	**$341,500**	**$194,900**	***$224,500***	***$232,700***
Agreement Total Cost			**$733,500**			***$652,100***

[1]In late FY 2018, a standard review by Microsoft found software utilization had grown to exceed the agreement's license counts. As a result, the additional licensure needed to address the shortfall was added to the FY 2019 renewal.

Information Summary

DATE
April 24, 2019

AGENDA ITEM 5

SUBJECT
Allied Universal Services (AUS) Contract Change Order

PURPOSE
To request authorization for the Chief Executive Officer to execute a contract change order with AUS to exercise the two contract option years concurrently for a not to exceed amount of $12,680,225 and to increase the contract authority by $3,616,775 for an overall not to exceed grand total of $16,297,000 for fiscal years 2020 and 2021.

BACKGROUND | DISCUSSION | CONSIDERATION
On August 18, 2016, RPTA and Valley Metro Rail Boards of Directors awarded a three-year base contract with (2) one-year options to Allied Universal Security. The two option years combined contract authority is set at $12,680,225. The current three-year base contract for Fare Inspection and Security Service expires on June 30, 2019.

The contract scope provides for fare inspection services, ordinance compliance and security for the light rail system, fixed post security for the Greenfield Bus Operations and Maintenance as well as the rail Operations and Maintenance Center.

In 2017, Valley Metro revised and received Board approval for the Code of Conduct, implemented Respect the Ride and enhanced security presence with additional hours to the existing contract. Valley Metro also recognized the need to improve the starting hourly rate in order to attract and retain more qualified applicants. In addition, new operations of the Gilbert Road Extension beginning in May 2019 and the Tempe Streetcar beginning in May 2021. To address these changes in security needs, staff is recommending an increase to the overall contract authority for the next two years by $3,616,775.

AUS provides a high-level of customer service and an enhanced training and managerial oversight of the contract work that has contributed to the improvement of the customer experience as well as fewer customer complaints over the last three years.

COST AND BUDGET
The cost for the two one-year option years is as follows:

Year	RPTA Budget	VMR Budget	Total
FY20	$290,500	$7,722,000	$8,012,500
FY21	$296,300	$7,988,200	$8,284,500
Total Change Order			**$16,297,000**

Estimated costs for the first year are included in the Valley Metro RPTA and VMR FY 2020 Annual Operating and Capital Budgets and are funded through local contributions. Contract obligations beyond FY 2020 are incorporated into the Valley Metro RPTA and VMR Five-Year Operating Forecasts and Capital Programs (FY 2020-2024).

Upcoming extended Service Details:
The estimate for security services for FY20 includes additional services related to the Gilbert Road extension, opening May 18, 2019 (budgeted under current FY19 budget for the two months remaining) and 2 months of Tempe Street Car (May and June 2021).

There is an increase of $3,616,775 from the original option contract authority of $12,680,225 as a result of expanded services and staffing along with an increase to hourly rates from the original three-year base contract period. The increase in hours has afforded an opportunity to attract and retain more qualified staff to the contract.

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 1: Increase customer focus
- Goal 2: Advance performance based operation

COMMITTEE ACTION
TMC/RMC: May1, 2019 for action
Boards of Directors: May 16, 2019

RECOMMENDATION
Staff recommends that the TMC/RMC forward to the Boards of Directors authorization for the CEO to exercise the two contract option years with AUS for the security services for the period of July 1, 2019 through June 30, 2021 and approve an increase to the amount previously approved for the two-year option period in an amount not to exceed $3,616,775, for an overall contract value of $16,297,000 for fiscal years 2020 and 2021.

CONTACT
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ATTACHMENT
None

Information Summary

DATE
April 24, 2019

AGENDA ITEM 6

SUBJECT
Quarterly Reports

PURPOSE
To provide an informational update of activities at Valley Metro.

BACKGROUND | DISCUSSION | CONSIDERATION
Quarterly Reports are provided as an informational update of Valley Metro activities

- Operations
- Safety and Security
- Finance
- Capital and Service Development
- Communication & Strategic Initiatives
- Marketing

COST AND BUDGET
None

COMMITTEE PROCESS
TMC/RMC: May 1, 2019 for information
Boards of Directors: May 16, 2019 for information

RECOMMENDATION
This item is presented for information only.

CONTACT

Ray Abraham
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Wulf Grote, P.E.
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Fiscal Year 2019 Quarterly Report

May 2019

Fixed Route Bus – East Valley

Performance Indicator	Target	FY19 Q2	FY18 Q3	FY19 Q3
On-Time Performance	≥ 92%	91%	92%	92%
Complaints Per 100,000 Boardings	≤ 45	56	51	55
Mechanical Failures Per 100,000 Revenue Miles	≤ 12	3	3	2.5
Revenue Service Completed	≥ 99.85%	99.97%	99.97%	99.97%
Preventable Accidents per 100,000 Miles	≤ 0.90	0.69	0.74	0.50
Ridership	--	3,477,303	3,731,098	3,407,860

2

Fixed Route Bus – West Valley

Performance Indicator	Target	FY19 Q2	FY18 Q3	FY19 Q3
On-Time Performance	≥ 92%	N/A**	91%	N/A**
Valid Complaints Per 1,000 Boardings	≤ 0.25	0.09	0.14	0.14
Miles Between Road Calls	> 5,000	19,955	14,735	19,805
Revenue Service Completed	≥ 99.85%	99.96%	99.96%	100%
Preventable Accidents per 100,000 Miles	≤ 1.50	0.35	0.32	0.35
Ridership	--	95,061*	139,083	100,936*

**Express, & Circulator Service Only (Route 251 transferred to Phoenix to operate)*
***Due to Clever/CAD installations on the Total Ride fleet, the older VMS OrbCAD version was disabled and OTP information is not available at this time.*

3

Light Rail

Performance Indicator	Target	FY19 Q2	FY18 Q3	FY19 Q3
On-Time Performance	≥ 95%	93%	92%	87%
Complaints Per 100,000 Boardings	≤ 3.0	0.90	0.30	0.60
Preventative Maintenance Inspections - % On-Time (LRV)	≥ 80%	99%	100%	100%
Preventative Maintenance Inspections - % On-Time (Systems)	≥ 80%	100%	99%	100%
Preventable Accidents per 100,000 Miles	≤ 0.90	0.70	0.00	0.37
Ridership	--	3,865,919	4,033,302	3,826,675

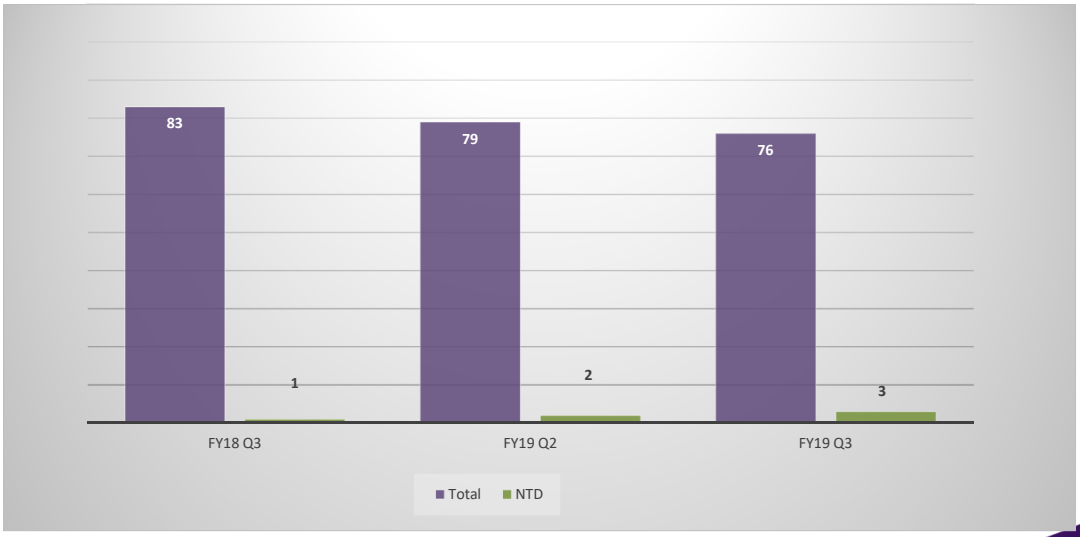
4

Customer Service – Call Center

Performance Indicator	Target	FY19 Q2	FY18 Q3	FY19 Q3
Calls Received	--	322,470	322,287	302,830
Complaints Processed	--	9,198	8,993	9,190
NextRide Inquiries Handled by Interactive Voice Response (IVR)	--	233,700	236,937	209,765
NextRide Inquiries Handled by Text Messaging	--	685,699	707,934	623,323
Average Talk Time	--	2:32	2:28	2:26
Average Speed of Answer	≤ 1.00	:17	:18	:18

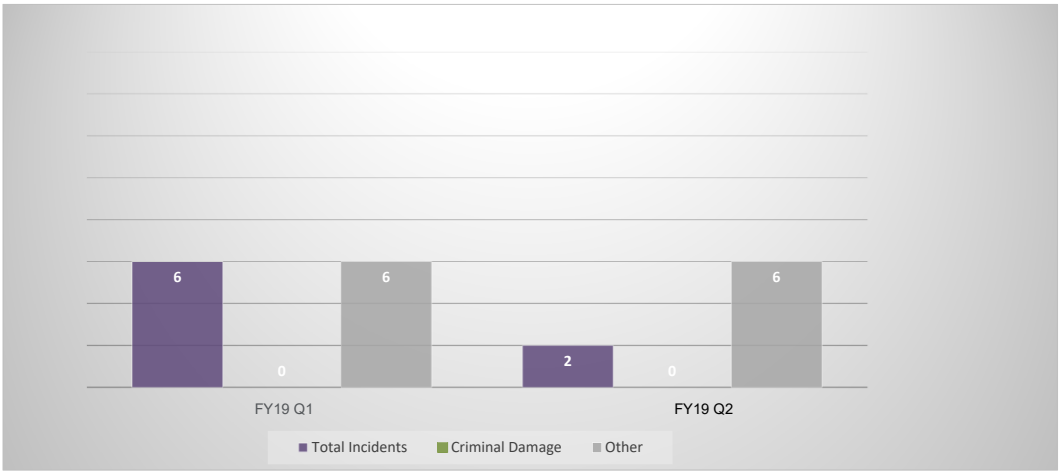
5

Bus Accidents



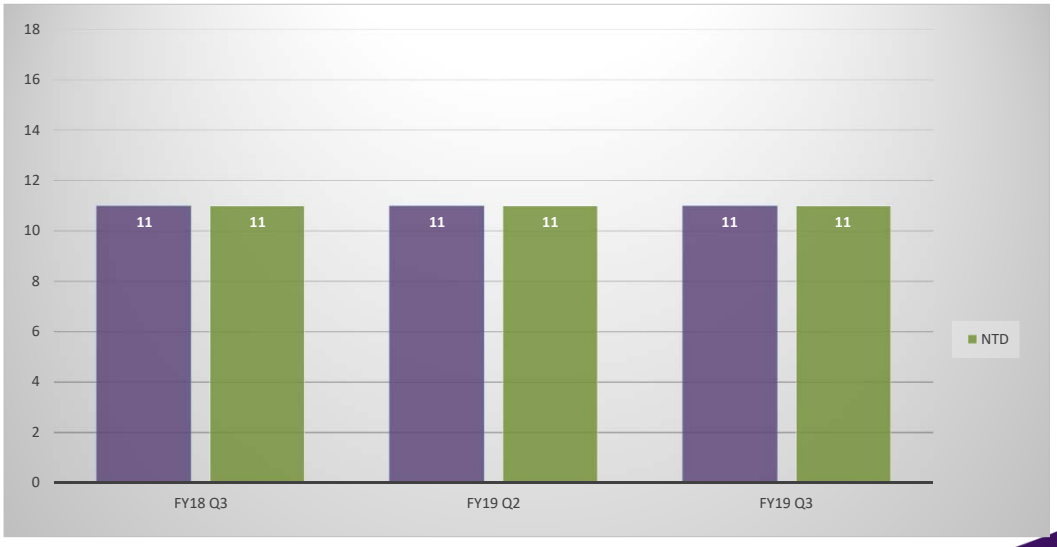
6

Police Incidents - Bus



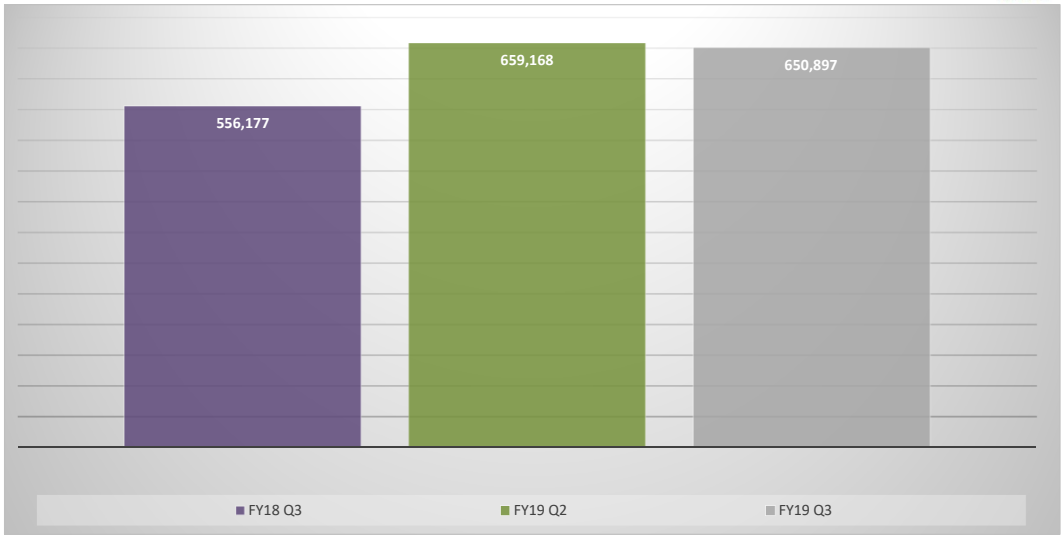
7

Rail Accidents



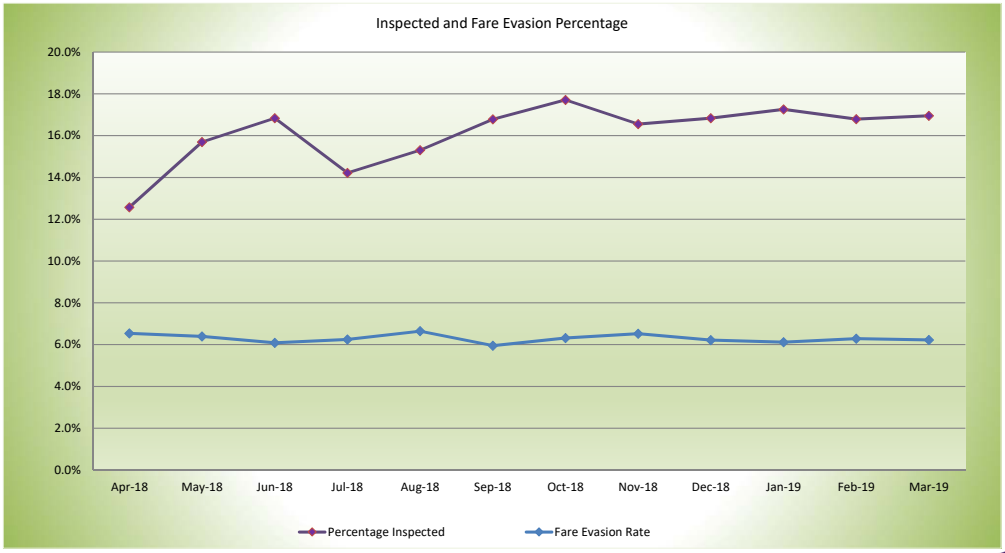
8

Fares Inspected



9

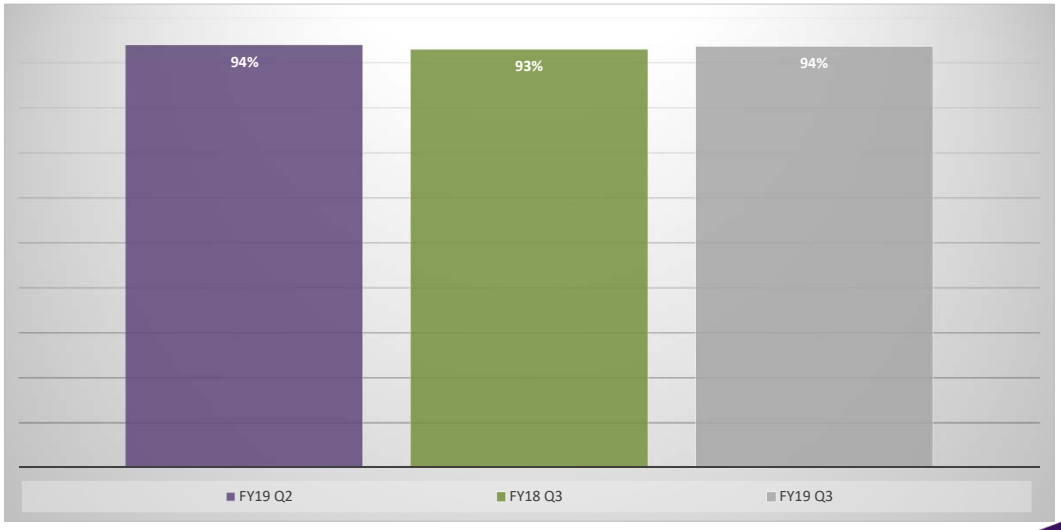
Fare Inspections and Fare Evasions



10

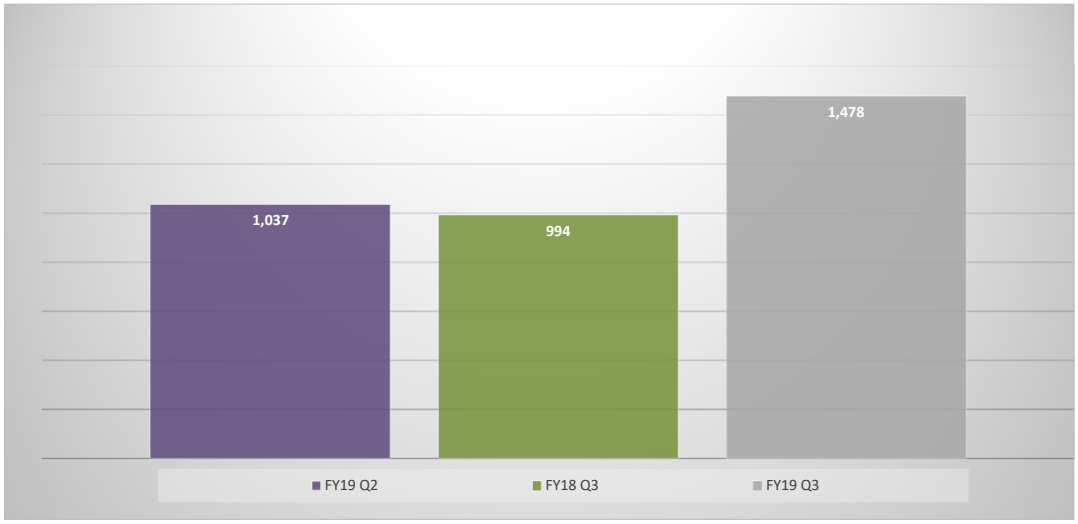
Fare Compliance

Total Inspections for Q3= 650,897



11

Citations Issued by Allied Universal



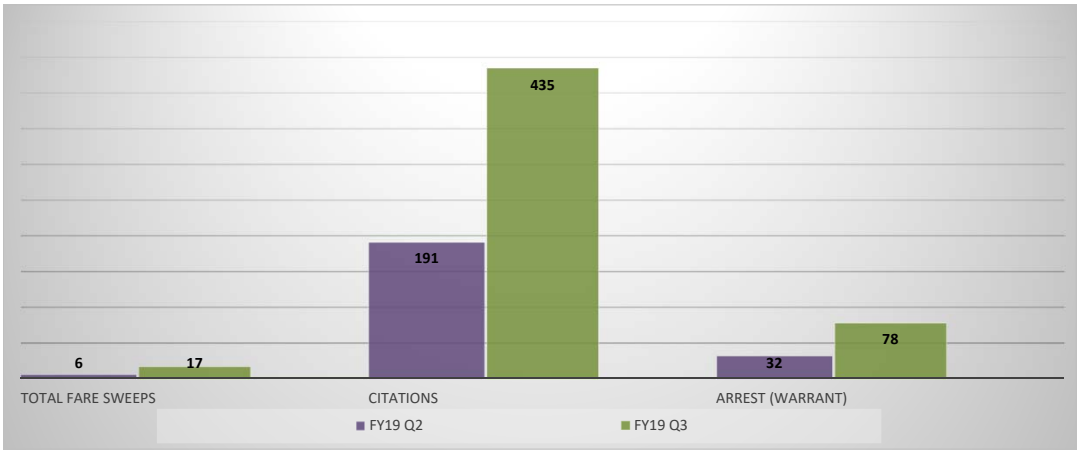
12

Top Violations



13

Fare Sweeps Total Activity



The purpose of a fare sweep is to ensure fare compliance and revenue recovery. Fare Sweeps are conducted with the support of sworn officers.

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Activity

Activity		FY19 Q2	FY18 Q3	FY19 Q3
Property Crimes	System	5	6	2
	Park N' Ride	0	1	0
Crimes Against Persons	System	36	42	31
	Park N' Ride	2	0	0
Code of Conduct	System	317	375	376
	Park N' Ride	11	45	2
Activity		FY19 Q2	FY18 Q3	FY19 Q3
Medical Responses	System	185	247	181
	Park N' Ride	4	2	3
Warrant Arrests	System	36	24	21
	Park N' Ride	1	0	0

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Incident Table

	City Jurisdiction		
	Phoenix	Tempe	Mesa
Crimes Against Persons	24	6	2
Property Crimes	3	0	0
Code of Conduct	327	47	20
Grand Total	354	53	22

Platform Activity						
City	Phoenix		Tempe		Mesa	
Total Platforms Per City	26		10		5	
Crimes Against Persons	19th/Dunlap	5	Center Pkwy/Washington	0	Mesa/Main	2
	19/Montebello	2	Dorsey/Apache	0	Alma School/Main	2
	19th/Camelback	1	Mill Ave/3rd	0	Country Club/Main	2
	19/Glendale	1				
	McDowell/Central	1				
Property Crimes	19th/Glendale	0				
	Thomas/Central	0				
	Encanto/Central	0				
	12st/Washington	0				
Code of Conduct	19th/Dunlap	51	Price/Apache	9	Alma School/Main	2
	19th/Camelback	23	Priest/Washington	5	Sycamore/Main	1
	24th/Washington	31	Veterans Way/College	2	Country Club/Main	6
	7th/Camelback	19			Center/Main	1
	19th/Montebello	21			Mesa/Main	10

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Transit Planning Projects

Project/Study Name	Completion Date	Status
Transit Stop Inventory Reconciliation with Bus Stop Database	July 2019	• Verifying bus stop amenities and locations for newly added bus stop for use in on-line maps • Preparing bus stop photos for on-line publishing
Transit Standards and Performance Measures – Phase IV	Summer 2019	• Introduced additional planning tools and system evaluation practices • Developed system to classify capital facilities • Introduced Bus Stop Design Guidelines • Gained consensus for coordination of Mobility Enhancement Uses and Locally Funded Services
Tempe Downtown Transit Study	Summer 2019	• Presented Existing Conditions section of study to Tempe and ASU • Developed intercept survey for riders at Tempe Transportation Center

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Transit Planning Projects

Project/Study Name	Completion Date	Status
Fountain Hills Local Transit Study	Summer 2019	• Received concurrence on scope of work from Fountain Hills staff.
Northwest Valley Sun Cities Transit Study	End of 2019	• Developed Public Outreach Plan and Survey for Sun Cities Residents • Began administering surveys
2019 Origin and Destination Study	November 2019	• Survey data collection underway ~85% completed
Ridership Growth Analysis	June 2019	• Gathered existing conditions data for Valley Metro rail and select bus routes • Identifying ridership growth opportunities and barriers • Conducting review of ridership opportunities/barriers at peer agencies

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Corridor and Facilities Planning

Project	Project Complete	Current Phase	Phase Complete	Status
Northwest LRT Extension Phase II	2023	Project Development	Fall 2019	• Submitted notification to FTA of intent to request Entry into Engineering • FTA issued a finding of no significant impacts (FONSI), providing environmental clearance for the project • Subsurface utilities engineering investigation complete • Conducting potholes in field to verify utility locations and conflicts
Capitol/I-10 West LRT Extension	2023 (Phase I)	Environmental Assessment (EA)	Spring 2020	• Traffic analysis and modeling ongoing • Refinement of concepts and evaluation of Phase 1 options • Stakeholder coordination ongoing
West Phoenix	TBD	Alternatives Analysis	NA	• In March 2019 Phoenix City Council took action to defer project
Paratransit O&M Facility Study	Summer 2019	Site Design	Spring 2019	• Developing 15% design for the secondary facility • Developing cost estimate based on design

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Corridor and Facilities Planning

Project	Project Complete	Current Phase	Phase Complete	Status
OMC Expansion	2021	Design	Fall 2019	• Received Board approval in January 2019 to award a Design/Build contract to Hensel Phelps • Provided a Limited Notice to Proceed for the design portion of the project.
North Glendale Park-and-Ride Study	June 2019	Preliminary Engineering	June 2019	• City of Glendale continuing negotiations with property owner of recommended site – Dream City Church (at 75th Ave/Loop 101) for shared parking usage
I-10/I-17 Direct Access Bus Ramp	*TBD*	Planning	March 2019	• Completed traffic and initial safety analyses • Finalizing 15% design concept and Project Assessment for an early action bus ramp
Fiesta District Alternatives Analysis	Summer 2019	Tier 2 Analysis	April 2019	• Completed Tier 1 Analysis Report • Initiated Tier 2 quantitative analysis

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Corridor and Facilities Planning

Project	Project Complete	Current Phase	Phase Complete	Status
Arizona Avenue Alternative Analysis	February 2020	Alternatives Development	Summer 2019	• Coordinating with Chandler staff and their consultant on the ongoing Chandler Transportation Master Plan (TMP) 2019 Update. • Concluded public meetings and survey coinciding with the TMP update. • Completed a draft of the Existing Conditions Report.
Tempe/Mesa Streetcar Feasibility Study	March 2020	Tier 2 Analysis	July 2019	• Completed Tier 1 Evaluation Results Final Report • Developing streetcar conceptual designs for corridors advancing to the Tier 2 evaluation • Initiated the quantitative Tier 2 evaluation
Northeast Feasibility Study	June 2019	Feasibility Study	June 2019	• Conducting analysis of feasibility for bus priority transit in northeast corridors. • Collected travel market data and identified opportunities for bus travel time spot improvements.

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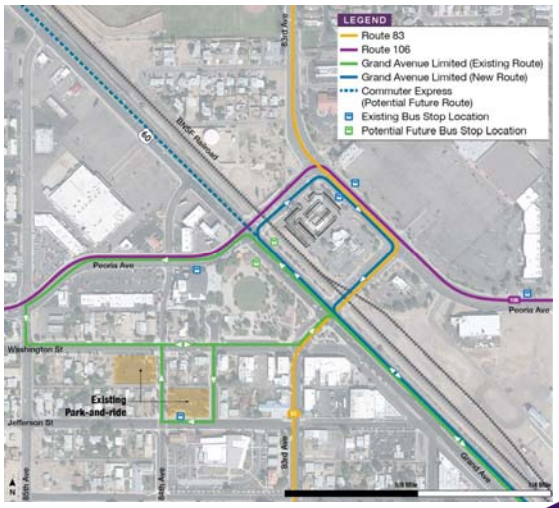
Peoria Park-and-Ride

Project Complete	Current Phase	Phase Complete
September 2019	Construction	September 2019

Status

- All permits approved
- Demolition complete
- Construction has started

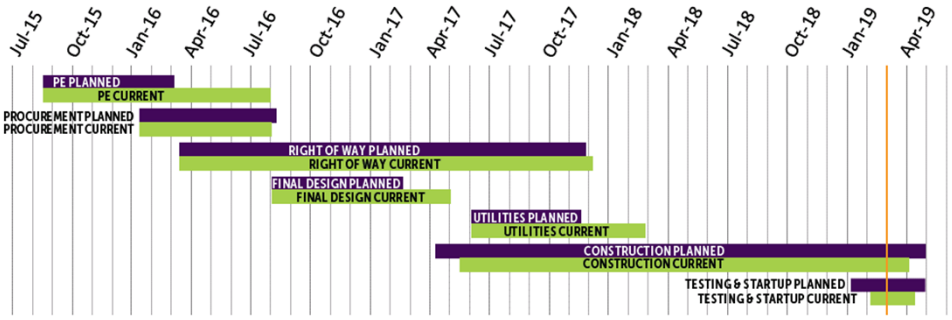




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50th Street Station

Project Complete	Current Phase	Phase Complete	Status
2019	Construction	Spring 2019	• Completed installation of station ramp concrete • Completed installation of base course asphalt for length of project • Completed installation of traffic signal poles • Project opening date is April 25, 2019



Data as of March 2019. For more details, visit valleymetro.org

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50th Street Station Expenditures to Date

Description	Expended ($M)
Contracted Services	$ 13.0
Right of Way	$ 0.8
Professional Services	$ 4.9
Total	**$ 18.7**

Project Contingency

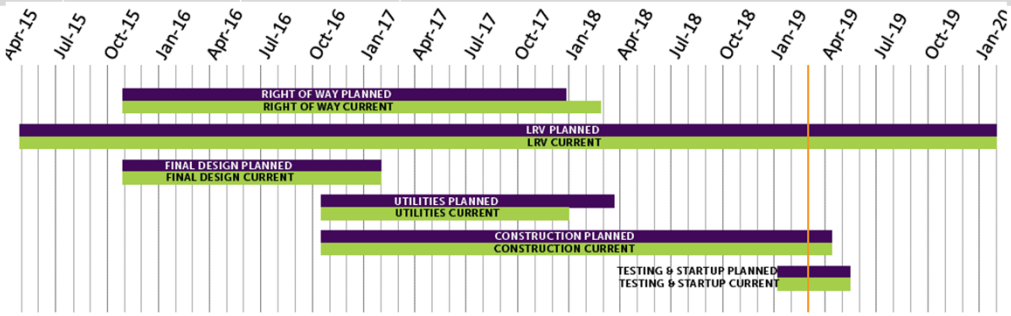
Description	Dollars ($M)
Total Contingency	$ 4.6
Executed Change Orders & Budget Transfers	$ (3.5)
Total Project Contingency Remaining	$ 1.1

Data as of March 2019.

24

Gilbert Road Extension

Project Complete	Current Phase	Phase Complete	Status
2019	Construction (95% complete)	May 2019	• System Integration testing continues on site bringing the SCADA online • All station devices have been terminated in communications cabinet on both stations • Final lift of paving completed



Data as of March 2019. For more details, visit valleymetro.org

25

Gilbert Road Extension Expenditures to Date

Description	Expended ($M)
Contracted Services	$ 111.2
Light Rail Vehicles	$ 6.1
Right of Way	$ 10.2
Professional Services	$ 24.3
Total	$ **151.8**

Project Contingency

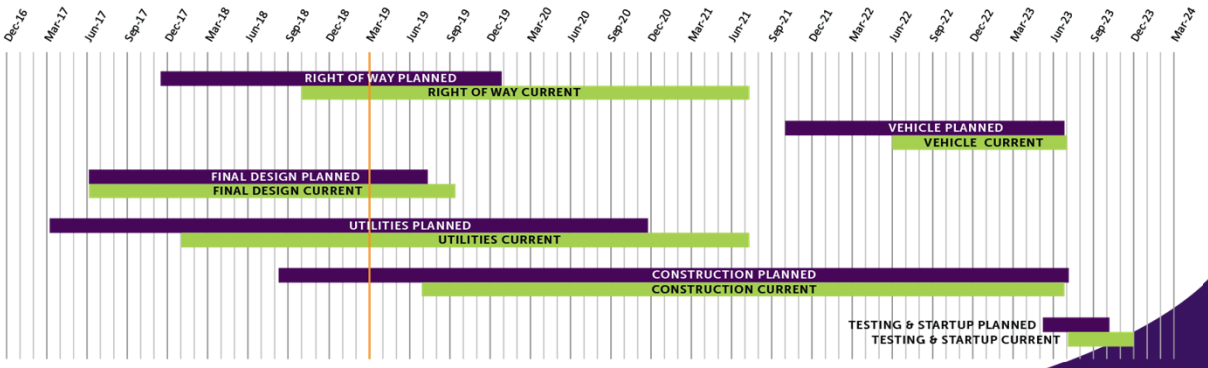
Description	Dollars ($M)
Total Contingency	$ 10.7
Executed Change Orders & Budget Transfers	$ (6.8)
Total Project Contingency Remaining	$ 3.9

Data as of March 2019.

26

South Central Extension

Project Complete	Current Phase	Phase Complete	Status
2024	Design (80% complete)	Fall 2019	▪ Continued third party design for advancement of relocation activities ▪ Project subsurface exploration is continuing ▪ Design efforts continuing to meet design deadlines



Data as of March 2019. For more details, visit valleymetro.org

27

South Central Extension Expenditures to Date

Description	Expended ($M)
Contracted Services	$ 4.1
Right of Way	$ 0.5
Professional Services	$ 37.2
Total	**$ 41.8**

Project Contingency

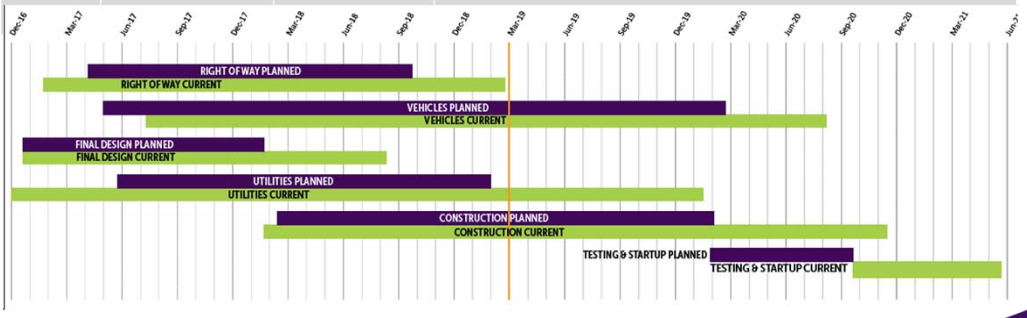
Description	Dollars ($M)
Total Contingency	$ 377.4
Executed Change Orders & Budget Transfers	$ (3.1)
Total Project Contingency Remaining	$ 374.3

Data as of March 2019.

28

Tempe Streetcar

Project Complete	Current Phase	Phase Complete	Status
2021	Construction (21% complete)	Winter 2020	▪ Most concrete construction of driveways along Rio Salado has been completed ▪ Preparation and completion of roadway paving along the Gammage Curve area has been achieved



Data as of March 2019. For more details, visit valleymetro.org

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Tempe Streetcar Expenditures to Date

Description	Expended ($M)
Contracted Services	$ 25.7
Vehicles	$ 7.5
Right of Way	$ 0.5
Professional Services	$ 19.8
Total	**$ 53.5**

Project Contingency

Description	Dollars ($M)
Total Contingency	$ 37.5
Executed Change Orders & Budget Transfers	$(18.9)
Total Project Contingency Remaining	$ 18.6

Data as of March 2019

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Community Relations Update

- Implemented safety outreach campaign for train testing for the Gilbert Road Extension
- Conducted public meetings/outreach for:
  - Arizona Avenue Alternatives Analysis
  - South Central Extension Design and Art Elements Update
- Business assistance program, Shop On, sponsored the Angels Spring Training to promote Tempe Streetcar businesses
- As part of the Engineers of the Future workforce development program, participating South Phoenix students took a field trip to ASU



Community Relations Update

- Held final Community Advisory Board (CAB) meeting for Gilbert Road Extension in February
- Stacy & Witbeck/Sundt Joint Venture received 100% for the final quarter
- Held the first CAB meeting for Tempe Streetcar in February

2019	JAN	FEB	MAR	9th Quarter Rating
Public Outreach	90%	100%	N/A	100%
Contractor Response	100%	100%	N/A	
Traffic Management	100%	100%	N/A	
Property Restoration	100%	100%	N/A	
Monthly Rating	100%	100%	N/A	



Tempe Streetcar CAB Meeting

Valley Metro RPTA Operating Results – Q3

RPTA Budget vs. Actual Report
For the quarter ending March 31, 2019

$ Millions

	3rd Quarter			Year to Date		
Operations Expenditures	**Budget**	**Actual**	**Variance (Unfav.)**	**Budget**	**Actual**	**Variance (Unfav.)**
Fixed Route Bus	24.0	23.8	0.2	71.9	61.2	10.7
Paratransit	9.8	7.9	1.9	29.3	26.0	3.3
Vanpool	0.2	0.2	0.0	0.7	0.5	0.2
Regional Services	3.2	2.7	0.5	9.7	8.2	1.5
Planning	1.0	1.0	0.0	3.0	1.7	1.3
Administration	0.9	0.9	0.0	2.7	2.9	(0.2)
METRO Rail (Salary, Fringe, OH)	5.9	4.9	1.0	17.6	15.5	2.1
Total Operations Expenditures	**45.0**	**41.4**	**3.6**	**134.9**	**116.0**	**18.9**

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Valley Metro RPTA Capital Results – Q3

RPTA Budget vs. Actual Report
For the quarter ending March 31, 2019

$ Millions

	3rd Quarter			Year to Date		
Capital Expenditures	**Budget**	**Actual**	**Variance (Unfav.)**	**Budget**	**Actual**	**Variance (Unfav.)**
Bus Purchases						
Valley Metro	9.4	0.0	9.4	28.2	10.1	18.1
Lead Agency	1.0	0.0	1.0	2.9	0.0	2.9
Paratransit Vehicles						
Lead Agency	0.1	0.0	0.1	0.4	0.0	0.4
Vanpool Vehicles	0.8	0.0	0.8	2.3	1.0	1.3
Other Capital	2.9	1.2	1.7	8.8	3.4	5.4
METRO Rail	11.8	12.4	(0.6)	35.3	25.4	9.9
Total Capital Expenditures	**26.0**	**13.6**	**12.4**	**77.9**	**39.9**	**38.1**

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Valley Metro Rail Operating Results – Q3

VMR Budget vs. Actual Report

For the quarter ending March 31, 2019

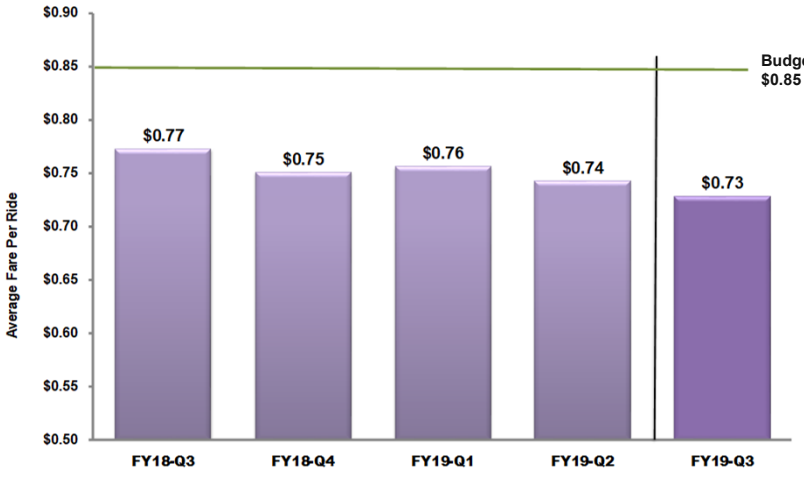
$ Millions

	3rd Quarter			Year to Date		
Operations Expenditures	**Budget**	**Actual**	**Variance (Unfav.)**	**Budget**	**Actual**	**Variance (Unfav.)**
Rail Operations	13.0	11.4	1.6	39.0	31.3	7.7
Future Project Development	3.7	4.2	(0.5)	11.2	8.5	2.7
Agency Operating	0.4	0.4	0.0	1.3	1.1	0.2
Total Operating Activities	**17.1**	**16.0**	**1.1**	**51.5**	**40.9**	**10.6**

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Average Rail Fare FY2018 History / FY2019 3rd Quarter

Average Fare – 12 Months Rolling by Quarter



	Q3
Fare Revenue Budget	$3,776,147
Fare Revenue Collected	$2,802,890
Variance	($973,257)
Fare Recovery Budget	29.0%
Fare Recovery Actual	24.7%

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Valley Metro Rail Capital Results – Q3

VMR Budget vs. Actual Report

For the quarter ending March 31, 2019

$ Millions

Capital Expenditures	3rd Quarter Budget	3rd Quarter Actual	3rd Quarter Variance (Unfav.)	Year to Date Budget	Year to Date Actual	Year to Date Variance (Unfav.)
Rail Projects						
Tempe Streetcar	14.4	7.2	7.2	13.5	15.7	(2.2)
Gilbert Rd	23.1	19.6	3.5	37.6	45.1	(7.5)
50th St LRT Station	3.6	2.9	0.7	4.1	6.0	(1.9)
South Central	18.7	7.3	11.4	14.3	16.5	(2.2)
Northwest Phase II	8.7	0.0	8.7	4.3	0.0	4.3
OMC Expansion	2.5	0.1	2.4	0.4	0.2	0.2
System-wide Improvements	6.3	1.2	5.1	12.6	3.9	8.7
Total Capital	**77.3**	**38.3**	**39.0**	**86.8**	**87.4**	**(0.6)**

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Marketing Update

- Printed/distributed new April 22nd Transit Book & 2,183 wayfinding maps for light rail stations, Transit Centers & bus stops throughout the Valley. Ads/outreach materials for October 2019 proposed service changes also hitting the streets.
- Suns Season/Talking Stick Resort Arena Rail Ride program reaches up to 1.5m attendees at 130+ games/events each year.
- ASU Football/Basketball athletic partnership included onsite campaign reaching over 1m game attendees, multimedia campaign reaching over 500k alumni and social media campaign reaching over 325k followers.





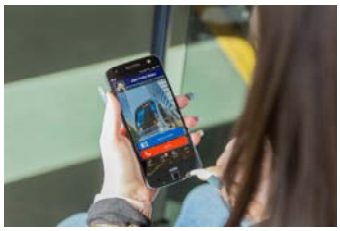




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Communications Update

- Created education plan related to anti-light rail initiative
- Grew AlertVM downloads to 1,800+
- Coordinated with Rising Youth Theatre for another year of Light Rail Plays
- Supported Accessible Transit in paratransit program changes
- Built ticket partnerships with McDowell Mountain & Pot of Gold music festivals
- Media planning for 50th Street Station opening
- Supported PR efforts including:
  - Engineers of the Future
  - Water donation as part of Gilbert Road Extension





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Community Relations Update

- Coordinated with Peoria on outreach for the new POGO circulator & park-and-ride
- Developed outreach plan for April service change implementation
- Delivered Cool Transit Stuff 3rd grade art contest calendars across Valley
- Recruited submissions for the 19th annual Design a Transit Wrap high school art contest
- Issued youth construction safety information for Tempe Streetcar schools
- Conducted outreach for Sun City transit study





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Information Summary

DATE
April 24, 2019

AGENDA ITEM 7

SUBJECT
Travel, Expenditures and Solicitations

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

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
This item is presented for information only.

CONTACT
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Chief Financial Officer
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phodgins@valleymetro.org

ATTACHMENTS
Valley Metro Travel Reimbursement 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
For Travel Completion Dates
3/16/18 through 4/15/19

Job Title	Purpose of Travel	Location	Dates Traveled	Total Travel Cost	Airfare	Other Transport	Lodging	Meals	Misc.
Planner II	National Shared Mobility Summit	Chicago, IL	3/4/19-3/8/19	$1,440.56	$456.96	$26.48	$615.12	$342.00	$0.00
Governmental Relations Officer	APTA Legislative Conference	Washington, DC	3/16/19-3/20/19	$2,474.77	$602.61	$49.26	$1,535.90	$287.00	$0.00
Deputy Director, Corridor Planning	National Shared Mobility Summit	Vancouver, BC	3/16/19-3/22/19	$1,801.42	$573.93	$0.00	$807.24	$360.25	$60.00 [1]

Report reflects Out of State (AZ) Travel
[1] *Baggage*

Valley Metro
Travel Reimbursement Report
For Travel Completion Dates
2/16/18 through 3/15/19

Job Title	Purpose of Travel	Location	Dates Traveled	Total Travel Cost	Airfare	Other Transport	Lodging	Meals	Misc.	
CEO	APTA Leadership	Washington, DC	11/27/18-11/30/18	$1,789.22	$633.40	$34.13	$824.19	$241.50	$56.00	1
CEO	APTA Strategic Plan	Washington, DC	02/07/19-02/08/19	$864.35	$492.59	$35.95	$208.06	$99.75	$28.00	1
General Counsel	APTA Legal Affairs	New Orleans, LA	02/23/19-02/26/19	$1,475.17	$410.98	$134.46	$725.73	$167.00	$37.00	1
Community Outreach Program Coordinator	2019 Marketing & Communications Conference	New Orleans, LA	02/23/19-02/27/19	$1,903.84	$584.96	$0.00	$988.88	$283.50	$46.50	1
Public Information Specialist	2019 Marketing & Communications Conference	New Orleans, LA	02/23/19-02/27/19	$1,716.61	$379.99	$0.00	$988.88	$283.50	$64.24	1
Marketing Program Coordinator	APTA 2019	New Orleans, LA	02/23/19-02/27/19	$1,792.32	$481.96	$0.00	$988.88	$283.50	$37.98	1
Planner I	SWTA & TTA Freedom Through Transit Conference	El Paso, TX	03/03/19-03/06/19	$1,073.14	$299.28	$27.12	$619.24	$127.50	$0.00	
COO	National Shared Mobility Summit	Chicago, IL	03/04/19-03/07/19	$1,312.89	$284.20	$195.69	$567.00	$266.00	$0.00	

Report reflects Out of State (AZ) Travel
[1] *Parking*

Valley Metro Regional Public Transportation Authority
Monthly AP Payments over $25,000
March 21, 2019 to April 20, 2019

Document Number	Name	Transaction Description	Effective Date	Transaction Amount
20190328W001	First Transit, Inc.	Feb 2019 Fixed Route Bus Service	3/28/2019	5,152,807.87
20190321W001	City of Phoenix	Mar 2019 FR Bus Service, DAR, FR Svc Op Supp	3/21/2019	2,329,214.03
20190328W006	Transdev Services, Inc	Jan. 2019 Regional Paratransit Services	3/28/2019	1,754,077.84
20190411W004	Transdev Services, Inc	Feb 219 Regional Paratransit Services	4/11/2019	1,622,418.50
20190412W	ADP	PPE 4/7/19 Wages Payable - Reverse Wire	4/12/2019	568,829.47
20190329	ADP	PPE 3-24-19 Wages Payable - Reverse Wire	3/29/2019	566,508.58
20190404W003	United Healthcare	April 2019 EE Medical & Vision Coverage	4/4/2019	393,713.69
20190321W005	United Healthcare	March 2019 EE Medical and Vision Coverage	3/21/2019	389,603.86
20190412W	ADP	PPE 4/7/19 Federal State, SS/Med EE/ER Tax - ACH	4/12/2019	227,823.44
20190329	ADP	PPE 3-24-19 Federal, State, SS/Med EE/ER Tax - ACH	3/29/2019	225,259.85
39944	ETC Institute	March 2019 Origin and Destination Study	4/10/2019	161,177.85
20190404W002	Total Transit Enterprises, LLC	Feb 2019 Avondale Zoom Bus Run - South	4/4/2019	130,905.92
20190404W002	Total Transit Enterprises, LLC	February 2019 Glendale Express Bus	4/4/2019	115,794.17
39935	American Logistics Company, LLC	Feb 2019 RideChoice Management Services	4/10/2019	110,543.00
20190330	ASRS	PPE 3-24-19 ASRS Contributions Employee	3/29/2019	103,148.28
20190330	ASRS	PPE 3-24-19 ASRS Contributions Employer	3/29/2019	103,148.28
20190412W001	ASRS	PPE 4/7/19 ASRS Contributions Employee	4/12/2019	102,572.39
20190412W001	ASRS	PPE 4/7/19 ASRS Contributions Employer	4/12/2019	102,572.39
39935	American Logistics Company, LLC	Dec 2018 RideChoice Management Services	4/10/2019	89,532.43
04152019	Wells Fargo	March 2019 Wells Fargo Credit Card Purchases	4/15/2019	64,478.53
R20190331W003	City of Mesa	March 2019 Utilities	3/31/2019	59,349.93
20190404W002	Total Transit Enterprises, LLC	Feb 2019 Avondale Zoom Bus Run- North	4/4/2019	58,196.54
20190328W003	Second Generation, Inc. dba Ajo Transportation	Feb 2019 Rural Connector Route	3/28/2019	54,225.27
20190321W002	CopperPoint Mutual Insurance Company c/o Knight Management	April 2019 Mobility Center Rent	3/21/2019	51,086.49
39917	Creative Bus Sales Inc.	49294 2019 Ford Transit 350 Van Silver	4/3/2019	50,101.23
39920	Enterprise Rideshare	Feb 2019 Vanpool Services	4/3/2019	43,973.99
39917	Creative Bus Sales Inc.	49279 2019 Ford Transit 150 Van Silver	4/3/2019	41,818.38
39917	Creative Bus Sales Inc.	49280 2019 Ford Transit 150 Van Silver	4/3/2019	41,818.38
39917	Creative Bus Sales Inc.	49284 2019 Ford Transit 150 Van Silver	4/3/2019	41,818.38
39917	Creative Bus Sales Inc.	49285 2019 Ford Transit 150 Van Silver	4/3/2019	41,818.38

Valley Metro Regional Public Transportation Authority
Monthly AP Payments over $25,000
March 21, 2019 to April 20, 2019

Document Number	Name	Transaction Description	Effective Date	Transaction Amount
39917	Creative Bus Sales Inc.	49286 2019 Ford Transit 150 Van Silver	4/3/2019	41,818.38
39917	Creative Bus Sales Inc.	49289 2019 Ford Transit 150 Van Silver	4/3/2019	41,818.38
39917	Creative Bus Sales Inc.	49291 2019 Ford Transit 150 Van Silver	4/3/2019	41,818.38
39978	Creative Bus Sales Inc.	49287 2019 Ford Transit Van Silver	4/17/2019	41,818.38
39978	Creative Bus Sales Inc.	49290 2019 Ford Transit Van Silver	4/17/2019	41,818.38
39978	Creative Bus Sales Inc.	49268 2019 Ford Transit Van Silver	4/17/2019	40,959.04
39978	Creative Bus Sales Inc.	49272 2019 Ford Transit Van Silver	4/17/2019	40,959.04
39978	Creative Bus Sales Inc.	49275 2019 Ford Transit Van Silver	4/17/2019	40,959.04
39978	Creative Bus Sales Inc.	49278 2019 Ford Transit Van Silver	4/17/2019	40,959.04
39917	Creative Bus Sales Inc.	49267 2019 Ford Transit 150 Van Silver	4/3/2019	40,959.04
39917	Creative Bus Sales Inc.	49269 2019 Ford Transit 150 Van Silver	4/3/2019	40,959.04
39917	Creative Bus Sales Inc.	49273 2019 Ford Transit 150 Van Silver	4/3/2019	40,959.04
39917	Creative Bus Sales Inc.	49274 2019 Ford Transit 150 Van Silver	4/3/2019	40,959.04
20190418W003	Senergy Petroleum LLC	Mesa Diesel Fuel	4/18/2019	37,598.97
39994	R.S. Hughes	Fall Protection Safety Equipment for Tempe Bus Garage	4/17/2019	37,168.42
39955	Mosaic451, LLC	March 2019 Managed Security Services	4/10/2019	34,600.00
39917	Creative Bus Sales Inc.	49295 2019 Ford Transit 350 Van Silver	4/3/2019	34,591.63
20190321W	Bentley Systems, Inc	ProcureWare Subscription Unlimited PPA	3/21/2019	27,150.00
39981	DLT Solutions, LLC	Human Resources Information System	4/17/2019	26,929.82
20190404W002	Total Transit Enterprises, LLC	Feb 2019 Engine Rehab	4/4/2019	26,350.97
			Total	15,559,491.37

Valley Metro Rail, Inc.
Monthly AP Payments over $25,000
March 21, 2019 to April 20, 2019

Document Number	Name	Transaction Description	Effective Date	Transaction Amount
20190411W004	Stacy and Witbeck, Inc.	Feb. 2019 Stacy & Witbeck-Tempe Streetcar	4/11/2019	4,636,497.71
033056	Hensel Phelps Construction Co	Feb. 2019 OMC Expansion	4/10/2019	2,829,171.00
20190411W005	Stacy and Witbeck-Sundt JV GRE	Feb 2019 Stacy Witbeck/Sundt GRE	4/11/2019	2,110,990.10
20190328W	AECOM Technical Services, Inc.	Feb. 2019 South Central LRT Extension	3/28/2019	1,223,961.54
20190404W006	Stacy and Witbeck, Inc.	Feb. 2019 Stacy Witbeck 50th St Station	4/4/2019	1,219,021.86
20190411W002	Kiewit Infrastructure West Co.	Feb. 2019 South Central Extension	4/11/2019	1,108,655.19
033042	Brookville Equipment Corp	Milestone B Partial	4/10/2019	1,082,855.76
20190404W	Alternate Concepts Inc.	Feb. 2019 Transportation Services	4/4/2019	842,370.09
20190321W002	Kiewit Infrastructure West Co.	Dec. 2018-Jan. 2019 South Central Extension	3/21/2019	647,496.88
20190328W002	HDR Engineering, Inc.	Dec 2018 Planning and Community Relations	3/28/2019	564,733.43
20190328W001	Allied Universal Security Services	Feb. 2019 Fare Inspection and Security Services	3/28/2019	519,762.27
20190418W001	Hill International, Inc.	Feb. 2019 FY 2019 Program Management	4/18/2019	479,650.98
20190404W005	Hill International, Inc.	Jan. 2019 Hill International Prgram Mngt	4/4/2019	420,620.91
20190321W003	Stacy and Witbeck, Inc.	Jan. 2019 50th St Station	3/21/2019	389,112.10
20190411W001	Jacobs Engineering	Feb. 2019 Northwest Ext. II	4/11/2019	386,810.17
20190321W001	DMS - Facility Services, Inc.	Feb. 2019 Facilities and LRV Cleaning Services	3/21/2019	182,629.38
V20190331W	APS	March 2019 Utilities	3/31/2019	167,349.93
20190321W004	USBC Real Estate LLC	April 2019 Rent, CAM, Real Estate Tax	3/21/2019	159,139.34
20190328W003	PB-Wong Joint Venture	TO 19 GRE 4036 Feb. 2019 Project Mngt Construction Mngt	3/28/2019	119,402.98
033023	Penn Machine Company, LLC	Tire Kits	4/3/2019	111,084.96
033030	Sundt Construction Inc	Stipend Agreement, Non-Selected Firm is Reimbursed for their Efforts	4/3/2019	100,000.00
20190404W001	ARCADIS	Feb. 2019 Arcadis Consulting Support Svc	4/4/2019	92,071.78
033098	Hutchinson Aerospace & Industry, Inc.	Rubber Cushions	4/17/2019	73,256.40
V20190331W018	SRP	March 2019 Utilities	3/31/2019	71,267.42
033116	Peoria Ford	2019 Ford Escape	4/17/2019	67,260.21
20190404W003	DMS - Facility Services, Inc.	Feb. 2019 Facilitiy Maintenance Services	4/4/2019	66,204.81
033029	Stantec Consulting Services, Inc.	Jan. 2019 Tempe Streetcar Design Services	4/3/2019	53,164.50
20190411W	City of Mesa	Feb. 2019 Gilbert Road Extension	4/11/2019	51,512.50
20190411W003	Scheidt & Bachmann USA, Inc.	TVM Cleanup and Relocation	4/11/2019	46,966.22
033118	Railquip, Inc.	40% Pymt on Mobile Sand Filling System	4/17/2019	45,644.00
033116	Peoria Ford	2019 Ford Fusion	4/17/2019	44,473.86
20190321W	Dellner Inc.	Overhaul Couplers 022 and 026	3/21/2019	42,996.00
20190418W	Dellner Inc.	LRV Coupler Overhaul (2)	4/18/2019	42,996.00
033124	Stantec Consulting Services, Inc.	Feb. 2019 Tempe Streetcar Design Service	4/17/2019	39,202.50
032982	SRP Miscellaneous Accts Receivable	Jan. 2019 Gilbert Rd Extension Utilities	3/27/2019	34,649.01
20190411W001	Jacobs Engineering	Feb. 2019 Gilbert Road Extension Design Svcs	4/11/2019	33,140.87
033000	City of Phoenix	March 2018 - Fare Handling Fee	4/3/2019	28,641.00
033126	Tempe Police Department	Feb. 2019 P.M. Platform Security Enforcement	4/17/2019	27,861.63
032996	Barbara Grygutis Sculpture LLC	12 Fabrication 50th St Station	4/3/2019	25,000.00
			Total	20,187,625.29

ACTIVE SOLICITATIONS
as of 04/24/19

Agency	Solicitation Type	Solicitation Title	Release Date	Proposal Due Date	Targeted Board Award Date	Term of Contract
VMR	SS	LRV Accident & Body Repair	12/13/2018	12/21/2018	12/13/2018	5 years
VMR	RFP	Vehicle Communication & Video System Upgrade	8/27/2018	11/19/2018	3/21/2019	5 years
VMR	SS	LRV Window Glass	1/8/2019	1/24/2019	5/16/2019	5 years
Joint	RFP	Risk Management Consulting Services	11/29/2018	1/24/2019	5/16/2019	5 years
Joint	RFP	Financial Audit Services	2/7/2019	3/7/2019	5/16/2019	5 years
Joint	RFP	Employee Benefits Consulting Services	12/20/2018	2/5/2019	6/20/2019	5 years
Joint	RFP	Wayfinding Map Design Services	3/18/2019	4/11/2019	6/20/2019	5 years
VMR	RFP	LRV Painting	3/25/2019	5/2/2019	8/22/2019	5 Years
RPTA	RFP	Commuter Express Buses	3/14/2019	4/25/2019	8/22/2019	5 years
VMR	RFP	Corrosion Control Services	3/29/2019	5/7/2019	8/22/2019	5 years
VMR	SS	LRV Traction Motors	4/1/2019	4/12/2019	N/A	1 time purchase
VMR	SS	LRV Bumper Parts	4/1/2019	4/12/2019	N/A	1 time purchase
VMR	SS	LRV Bumper Parts Inventory Replenishment	5/17/2019	5/17/2019	5/16/2019	5 years
VMR	IFB	Line Filter Choke Overhaul	2/14/2019	3/14/2019	6/20/2019	18 months
Joint	RFP	Transit Asset Management	5/3/2019	5/30/2019	8/22/2019	5 years

UPCOMING SOLICITATIONS

Agency	Solicitation Type	Solicitation Title	Release Date	Proposal Due Date	Targeted Board Award Date	Term of Contract
Joint	RFP	Market Research Services	2nd Qtr 2019	2nd Qtr 2019	8/22/2019	5 years
Joint	RFP	Retail Network for Fare Collection	3rd Qtr 2019	3rd Qtr 2019	4th Qtr 2019	5 years
VMR	SS	SCV Managed Inventory Program	3rd Qtr 2019	N/A	4th Qtr 2019	5 years
RPTA	RFP	Bus Wash System Replacement	3rd Qtr 2019	3rd Qtr 2019	3rd Qtr 2019	1 time purchase
Joint	RFP	Construction Services - JOC Supplemental	4th Qtr 2019	4th Qtr 2019	TBD	3 years
Joint	RFP	Printing Services	TBD	TBD	TBD	5 years
RPTA	TBD	Shop Floor Refurbishment	TBD	TBD	TBD	1 time purchase

IFB - Invitation For Bids
RFP - Request for Proposals
RFQ - Request for Qualifications
SS - Sole Source
TBD - To Be Determined

Information Summary

DATE **AGENDA ITEM 8**
April 24, 2019

SUBJECT
Future Agenda Items Request and Report on Current Events

PURPOSE
Chairs Phelps and Zuercher will request future agenda items from members, and members may provide a report on current events.

BACKGROUND/DISCUSSION/CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
This item is presented for information only.

CONTACT
Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT
None.

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date

Agenda

April 24, 2019

Transit Management Committee
Wednesday, May 1, 2019
Lake Powell Conference Room
101 N. 1st Avenue, 10th Floor
11:00 a.m.

		Action Recommended
1.	Public Comment (blue card) The public will be provided with an opportunity at this time to address the committees on **non-agenda items and all action agenda items.** Up to three minutes will be provided per speaker unless the Chair allows more at his/her discretion. A total of 15 minutes for all speakers will be provided.	1. For Information
2.	Minutes Minutes from the March 6, 2019 TMC meeting are presented for approval.	2. For action

CONSENT AGENDA

3A.	Authorization to Issue a Competitive Solicitation for Miscellaneous Construction Services Staff recommends that the TMC forward to the Board of Directors authorization for the CEO to issue a federally compliant competitive solicitation for up to three contracts to provide miscellaneous construction services for existing and proposed bus and rail facilities.	3A. For action
3B.	City of Phoenix Grant Pass-Through Change Orders Staff recommends that the TMC forward to the Board of Directors authorization for the CEO to execute change orders to the intergovernmental agreements with the City of Phoenix for the listed grants.	3B. For action

3C.	East Valley Bus Operations and Maintenance (EVBOM) Facility Cisco Telephony System	3C. For action

Staff recommends that the TMC forward to the Board of Directors authorization for the CEO to purchase hardware and licensing to extend the Agency telephony systems to the East Valley Bus Operations & Maintenance location in an amount not to exceed $67,940.

REGULAR AGENDA

4.	Valley Metro RPTA Fiscal Year 2020 (FY20) Proposed Operating and Capital Budget and Five-Year Operating Forecast and Capital Program (FY20 thru FY24)	4. For information

Scott Smith, CEO, will introduce Paul Hodgins, Chief Financial Officer, who will provide an overview of the FY20 Prposed Operating and Capital Budget.

5.	Future Agenda Items Request and Report on Current Events	5. For information

Chair Phelps will request future agenda items from members, and members may provide a report on current events.

6.	Next Meeting	6. For information

The next TMC meeting is scheduled for **Wednesday, June 5, 2019 at 11:00 a.m.**

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats (large print, audiocassette, or computer diskette) 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**
April 24, 2019

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.** Up to three minutes will be provided per speaker unless the Chair allows more at his/her discretion. A total of 15 minutes for all speakers will be provided.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
This item is presented for information.

CONTACT
Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT
None

Minutes

April 24, 2019 **AGENDA ITEM 2**

Transit Management Committee
Wednesday, March 6, 2019
Lake Powell Conference Room
101 N. 1st Avenue, 10th Floor
11:00 a.m.

Transit Management Committee Participants
Kevin Phelps, City of Glendale, Chair
Josh Wright, City of Chandler (Vice Chair)
Gina Montes, City of Avondale
Roger Klingler, City of Buckeye
Josh Wright, City of Chandler
Autumn Grooms for Robert Nilles, City of El Mirage (phone)
Grady Miller, Town of Fountain Hills
Jacob Ellis, Town of Gilbert (phone)
Julie Arendall, City of Goodyear (phone)
Scott Butler for Chris Brady, City of Mesa
Erik Strunk, City of Peoria
Ed Zuercher, City of Phoenix
Paul Basha, City of Scottsdale
Terry Lowe, City of Surprise
Eric Iwerson for Steven Methvin, City of Tempe
Reed Kempton, Maricopa County

Members Not Present
Aubree Perry, ADOT
City of Tolleson

Chair Phelps called the meeting to order at 11:32 a.m.

Chair Phelps said now I'd like to convene the Transit Management Committee for Wednesday, March 6, 2019.

1. Public Comment

None.

2. Minutes

Minutes from the February 6, 2019 TMC meeting were presented for approval.

IT WAS MOVED BY PAUL BASHA, SECONDED BY ERIK STRUNK AND UNANIMOUSLY CARRIED TO APPROVE THE FEBRUARY 6, 2019 TMC MEETING MINUTES.

3. Consent Agenda

Chair Phelps said the consent agenda items are listed for our approval. Are there any items on the consent agenda the members would like to have a staff report on and have pulled? Seeing none, chair will entertain a motion to adopt the consent agenda.

IT WAS MOVED BY ED ZUERCHER, SECONDED BY REED KEMPTON AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA.

4. Valley Metro RPTA Fiscal Year 2020 (FY20) Proposed Operating and Capital Budget and Five-Year Operating Forecast and Capital Program (FY20 thru FY24)

Chair Phelps said Item No. 4. the Valley Metro RPTA FY20 Preliminary Operating and Capital Budget and Five-Year Operating Forecast. Mr. Smith

Mr. Smith said thank you, mister chair. I'd like to introduce our CFO, Paul Hodgins, who will run through an overview of the budget for this year.

Mr. Hodgins said thank you, Mr. Smith. Mister chair, members of the TMC. I have a PowerPoint presentation to walk through the preliminary budget overview. It is not the same as what was in your packet.

The packet included slides with just basic tables of numbers, so we're trying to update the presentations to provide more context to provide a little more information on what goes into the numbers. I apologize that it wasn't in the packet, but we're working to refine that. And I'd certainly be interested to hear any feedback if we're accomplishing that with some of these slides.

Mr. Hodgins provided a presentation which included the following:

- ✓ Uses of Funds: Operating and Capital

Mr. Zuercher said Can you just go back to that just to make sure I understand. So what you're saying is your fixed route operations budget is up four and a half million dollars, which is a 5 percent increase.

Your regional services is up a little less than two million, which is a 15 percent increase.

Mr. Hodgins said that's correct.

Mr. Zuercher said so what's driving the magnitude of the regional services increase? Real dollars it's less than fixed route, but relative to itself it's pretty high.

Mr. Hodgins said the biggest change in the regional services is the new contractor for ADA eligibility certification they're a little more expensive and they're providing additional travel training, so that all goes into the regional services. In terms of the dollars that's the biggest difference for the change.

Mr. Zuercher said and how about admin and finance?

Mr. Hodgins said that's largely IT related. We have some additional IT, IT consulting services, that we're looking at particularly our doing an ERP needs assessment looking at a new financial system.

- ✓ Sources of Funds: Operating and Capital
- ✓ Sounds of Funds: Operating
- ✓ Uses of Funds: Operating (change from prior year)
- ✓ Route Funding Source Map
- ✓ Route Operator Map
- ✓ RPTA Budget-Fixed Route Bus
- ✓ Contract Rates – East Valley Bus
- ✓ Contract Rates – West Valley Bus
- ✓ Baseline RPTA Operations: Demand Service
- ✓ Sources of Funds: Capital
- ✓ Uses of Funds: Pass-Through to VMR
- ✓ Staff Changes from FY19 to FY20 (bar chart)
- ✓ Staff Changes from FY19 to FY20 (list)
- ✓ Upcoming Budget Schedule FY20

Mr. Basha said thank you. Paul, when you showed the two doughnut slides and you showed the fuel costs for about 6 or 7 percent, you made a quick comment that some of the fuel costs are in the outside contracts. Did I understand that correctly?

Mr. Hodgins said the fuel costs on the fixed route side we pay for outside of the contract, so it's not part of what we pay the contractor. When we look at the paratransit rates, we pay for fuel for the paratransit service outside of the contract, but on the RideChoice the fuel's included in what we pay. So it's a little bit of a difference.

Mr. Basha said I see. So the fixed route the fuel is entirely borne by us.

Mr. Hodgins said yes.

Mr. Butler said Paul, on sources of funds that's again I'll continue to beat a dead horse, fare revenue you're projecting down 11 percent. What is that estimate projected on and how are you forecasting that out into the future?

Mr. Hodgins said Mr. Butler, the main reason for the decrease is, as we've mentioned, the decrease in the average fare we continue -- we had been optimistic in previous budgets that the decreasing average fare would kind of slow down and maybe even start to come back, but every year we continue to see a decrease, so maybe we're being more pessimistic, but we're assuming that in FY20 that will continue to be the case and probably into FY21.

And once we implement our new fare collection system with some of the new controls, particularly around the reduced fare, we're hoping to see or projecting to see that average fare begin to grow again sometime in fiscal 21.

Mr. Butler said and I know, you can expect as this board continues to be concerned my board member is very concerned and certainly wants to hear continue to see interim steps. Certainly there are things that should and, we believe, could be done hopefully in the interim before the new fare system comes on board because year-over-year decreases like this are really hard to absorb.

Mr. Hodgins said I agree. Thank you.

Chair Phelps said great. Other questions? Mr. Strunk.

Mr. Strunk said just one quick question Paul. On the FY20 operations and maintenance, the increase in staffing for VMR, is that just due to the expansion of the system, the aging of the system, just a little bit of a detail on that.

Mr. Hodgins said Mr. Strunk, it's a combination of the things you mentioned. So we have an expanding system. In FY20 we'll have a full year operation of the Gilbert Road extension, so there's additional service.

The system is now 10 years old we're seeing an additional level of overhauls primarily for the vehicles but also for the system itself. There's five-year, ten-year kind of manufacturer recommendations, so we're in that ten year, so there's just a lot of overhauls going on.

And then we're also buying six new streetcars and eleven new light rail vehicles from Siemens, so just increasing the fleet by 34 percent, we just need some additional staff to support the new fleet, the additional overhauls and such. Those are the main reasons. There's a little bit related to the service, but it's really the state of good repair issue, the overhauls and the increased fleet.

Chair Phelps said are there any other questions? Thank you, Paul. This, again, was an

informational item.

5. Future Agenda Items Request and Report on Current Events

None.

Chair Phelps said hearing none, the next meeting for the TMC will be on the next meeting will be held on Wednesday, April 3, 2019 at 11:00 a.m.

With no further discussion the meeting adjourned at 11:49 a.m.

Information Summary

DATE **AGENDA ITEM 3A**
April 24, 2019

SUBJECT
Authorization to Issue a Competitive Solicitation for Miscellaneous Construction Services

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to issue a federally compliant competitive solicitation to hire up to three contractors to provide miscellaneous construction services for existing and proposed bus and rail facilities.

BACKGROUND | DISCUSSION | CONSIDERATION
RPTA and Valley Metro Rail (VMR) often need construction support for small capital projects, including new facilities, routine modernizations, and emergency rail construction/repair activities. Valley Metro currently has a $12 million, three-year contract with SDB, Inc. to provide these services. This was a joint procurement involving RPTA and VMR. Projects are assigned on a task order basis and typically range from $50,000 to no more than $2.5 million each. The SDB contract runs through September 2020 and $7.6 million has been spent or is dedicated to current or proposed task orders.

Construction needs are growing and are quickly exceeding the capabilities of the SDB contract. VMR's immediate need is to repaint all existing rail stations, which will cost about $5 million. The existing contract limits individual SBD task orders to $2.5 million. SDB is currently painting some of the stations, but a separate contractor is needed to complete the work.

In addition, the list of anticipated small construction projects for RPTA and VMR is growing. While support is needed to construct new or expanded facilities, the greater need is to modernize and maintain aging bus and rail facilities. The attached list identifies potential projects that will be needed over the next three years with a rough cost in the range of $10 million to $11 million. It is anticipated that this list could grow and may include small transit facility needs for our member cities. Examples of RPTA construction activities could include:

- Bus stop improvements
- Passenger facility improvements and modifications
- Maintenance facility modernization
- Small park-and-ride projects

One or more additional miscellaneous construction services contracts, each with a three-year term, are proposed to meet future Valley Metro and member city needs. It is proposed, once again, to issue a joint RPTA/VMR procurement to allow RPTA to take advantage of administrative efficiencies and economies of scale.

The number of contractors selected (maximum of three) will depend upon the number of proposals received and their responsiveness to meeting Valley Metro's needs. In combination, the total funding for these contracts will not exceed $12 million. Specific construction assignments and their budgets will be negotiated and issued on a task order basis. Contractors will be selected for individual tasks based upon their expertise, with a goal to balance work amongst the contractors selected.

When the current miscellaneous construction services contract was prepared, Valley Metro staff worked with the Arizona Chapter of the Associated General Contractors (AZAGC) to identify contracting options. It was agreed that this type of contract would provide an opportunity for construction firms, having little or no past involvement in local transit construction projects, to gain experience with Valley Metro on small projects and perhaps provide them with greater opportunities in the future. It was also agreed to limit the contract to three years to provide opportunity for others. The solicitation identified in this memorandum continues this practice and intends to further distribute work by offering opportunities for multiple firms.

COST AND BUDGET
The overall combined cost for the new contracts awarded will not exceed $12 million over three years, with an estimated 30% of the work attributed to RPTA and 70% to VMR.

For the upcoming fiscal year, anticipated RPTA projects have been incorporated into the proposed FY 2020 Operating and Capital Budget. Anticipated projects beyond FY 2020 are incorporated into the Valley Metro RPTA Five-Year Operating Forecast and Capital Program (FY20 thru FY24).

The source of funding will be determined on a project by project basis and will be from member cities, the regional Public Transportation Fund (Prop 400/PTF), and/or federal funding.

COMMITTEE PROCESS
RTAG: April 16, 2019 for information
TMC: May 1, 2019 for action
Board of Directors: May 16, 2019 for action

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016-2020:

- Goal 1: Increase Customer Focus
- Goal 3: Grow Transit Ridership

RECOMMENDATION
Staff recommends that the TMC forward to the Board of Directors authorization for the CEO to issue a federally compliant competitive solicitation to hire up to three contractors to provide miscellaneous construction services for existing and proposed bus and rail facilities.

CONTACT
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wgrote@valleymetro.org

ATTACHMENT
List of Potential Miscellaneous Small Construction Projects

ATTACHMENT

POTENTIAL MISCELLANEOUS SMALL CONSTRUCTION PROJECTS

(ANTICIPATED IN THE NEXT THREE YEARS FOR BOTH RPTA AND VMR)

Project Name
Light Rail Station Painting (Multiple Task Orders)
Sycamore Park and Ride Reconfiguration
Avondale Bus Stop Improvements
Glendale Park and Ride
HVAC Replacement TPSS Buildings
Greenfield Bus Facility Misc. Improvements
OMC Roof Repairs
OMC Wash Bay Wall Repairs
Park and Ride Security Building Remodels
System Fence Repairs
Mesa Drive Park and Ride Landscaping
Light Rail Station Emergency Exit Gates

Information Summary

DATE **AGENDA ITEM 3B**

April 24, 2019

SUBJECT

City of Phoenix Grant Pass-Through Change Orders

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute contract change orders with City of Phoenix extending the term of grant pass-through intergovernmental agreements.

BACKGROUND/DISCUSSION/CONSIDERATION

Valley Metro has requested extensions to the pass-through IGAs for four existing grants. The extensions are needed to allow additional time to complete the projects identified in the grants. The table below summarizes the requested changes:

Grant	Source	Extension
AZ-90-X136	5307 – Formula	December 31, 2019
AZ-90-X137	5307 – Formula	October 31, 2020
AZ-2016-011	5307 – Formula	December 31, 2019

- Grant AZ-90-X136 includes funds awarded through the Section 5307 Urbanized Area Formula Program for the Glendale Park-and-Ride. The extension is required to allow additional time to draw the funds.
- Grant AZ-90-X137 includes funds awarded through the Section 5307 Urbanized Area Formula Program for bus stop improvements in the Southwest Valley. The extension is required to allow additional time to draw the funds.
- Grant AZ-2016-011 include funds from the Section 5339 Bus and Bus Facilities Program for the Peoria Park-and-Ride. The extension is required to allow additional time to purchase vans and draw the funds.

The City of Phoenix is the designated recipient for all FTA grant funds for the region. Valley Metro undertakes projects approved for FTA grant funding, then submits requests to Phoenix for reimbursement of actual expenses incurred. Phoenix then executes a drawdown of funds from FTA to pass-through the reimbursement to Valley Metro. The pass-through IGAs are required in order for Phoenix to reimburse Valley Metro for eligible expenses.

COST AND BUDGET

All expenses are in the approved budget for FY19 Annual and 5-Year Capital and Operating Forecast. The grant funds will offset expenses, reducing the net cost to the Public Transportation Fund and member agency budgets.

STRATEGIC PLAN ALIGNMENT

This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 2: Advance performance based operation
- Goal 4: Focus on economic development, regional competitiveness and financial resources

COMMITTEE PROCESS

RTAG: April 16, 2019 for information
TMC: May 1, 2019 for action
Board of Directors: May 16, 2019 for action

RECOMMENDATION

Staff recommends that the TMC forward to the Board of Directors authorization for the CEO to execute change orders to the intergovernmental agreements with the City of Phoenix for the listed grants.

CONTACT

Paul Hodgins
Chief Financial Officer
602-523-6043
phodgins@valleymetro.org

ATTACHMENT

None

Information Summary

DATE **AGENDA ITEM 3C**
April 24, 2019

SUBJECT
East Valley Bus Operations and Maintenance (EVBOM) Facility Cisco Telephony System

PURPOSE
To request that the TMC forward to the Board of Directors authorization for the Chief Executive Officer (CEO) to purchase hardware and enter into a licensing agreement to extend the Agency telephony systems to the East Valley Bus Operations & Maintenance facility in an amount not to exceed $67,940 which includes a 10% contingency.

BACKGROUND | DISCUSSION | CONSIDERATION
Currently Agency staff and contractors located at EVBOM are utilizing City of Tempe telephony equipment on the City of Tempe voice network. Staff are seeking to purchase equipment and licensing from authorized Cisco reseller World Wide Technology, Inc. to extend the Agency's voice network to EVBOM to support the 50+ Agency personnel working at that facility. This purchase includes modern hardware to replace the aging, end-of-life Agency network infrastructure at EVBOM and support the voice network.

Because Agency personnel at EVBOM are using equipment distinct from the Agency's voice network, Agency IT staff have no control of the following processes:

- Adding or removing a telephone
- Setup of and access to voicemail
- Frequency of upgrades
- Maintenance windows
- Redundancy and disaster recovery

Providing direct access to the Agency voice network and telephony equipment would allow those Agency personnel working out of EVBOM to:

- Utilize intra-Agency four-digit dialing
- Access the Agency voice network's digital directory
- Utilize the Agency's Unified Communications Application, Cisco Jabber, which provides instant messaging, desktop sharing, and conferencing capabilities
- Have a single phone number that rings both phones for those who alternate between Mesa Transit Facility (MTF) and EVBOM
- Have a single voicemail box for those who alternate between MTF and EVBOM

COST AND BUDGET

All costs are included in the RPTA and VMR Amended FY 2019 Operating and Capital Budgets. This direct purchase carries a cost of $67,940 which includes a 10% contingency. The contingency is to cover any fluctuation in number of personnel needing voice network access or the equipment/licensing pricing in the time between the initial quote and execution of the purchase order.

The funding for this project will be a combination of Prop 400 (Public Transportation Funds) and member city contributions.

Purchase	Vendor	Contract	Cost
Cisco Telephony Equipment & Licensing	WWT	State Contract: ADSPO16-137345	$67,940
		Subtotal	**$67,940**

COMMITTEE PROCESS

RTAG: April 16, 2019 for information
TMC: May 1, 2019 for action
Board of Directors: May 16, 2019 for action

STRATEGIC PLAN ALIGNMENT

This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 1: Increase customer focus
- Goal 2: Advance performance based operation

RECOMMENDATION

Staff recommends that the TMC forward to the Board of Directors authorization for the CEO to purchase hardware and enter into a licensing agreement to extend the Agency telephony systems to the East Valley Bus Operations & Maintenance location in an amount not to exceed $67,940.

CONTACT

Phil Ozlin
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ATTACHMENT

None

Information Summary

DATE **AGENDA ITEM 4**

April 24, 2019

SUBJECT

Valley Metro RPTA Fiscal Year 2020 (FY20) Preliminary Operating and Capital Budget and Five-Year Operating Forecast and Capital Program (FY20 thru FY24)

PURPOSE

To provide and overview of the FY20 Preliminary Operating and Capital Budget and the Five-Year Operating Forecast and Capital Program (FY20 thru FY24).

BACKGROUND/DISCUSSION/CONSIDERATION

The Valley Metro Regional Public Transportation Authority (RPTA) FY20 combined operating and capital budget (the budget) is $366.0 million (M) and includes $115.3M of expenses for light rail/high capacity transit capital.

The preliminary FY20 budget has been prepared with the goal of delivering a fiscally prudent, balanced budget using carry forwards and reserves when needed. The budget was developed in compliance with Board of Directors' adopted budget, financial and Transit Life Cycle Program (TLCP) policies.

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

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

The total operating budget of $201.7M represents a $10.7M (6%) increase from the previous year's operating budget of $191.0M. The total capital budget of $164.3M represents a $37.2M (29%) increase from the previous year's capital budget of $127.1M.

The RPTA and Valley Metro Rail (VMR) budgets are developed with a unified staff plan, with department managers planning the level of effort required to meet the bus and rail activities. Salary and overhead charges to bus and rail projects are based on actual time worked on each project. For FY20 there are 427 employees budgeted in the integrated agency, with 154 FTE's budgeted to RPTA activities and 273 budgeted to VMR activities. Compensation budget is based on a 3.0% increase. For staff salary changes, merit increases are evaluated based on employee performance; division level control to manage total costs within budget.

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 2: Advance performance based operation

COMMITTEE PROCESS
Preliminary Budget Review:
Financial Working Group: February 19, 2019 for information
RTAG: February 19, 2019 for information
TMC: March 6, 2019 for information
AFS: March 14, 2019 and April 11, 2019 for information
Board of Directors: March 21, 2019 for information

TMC: May 1, 2019 for information
AFS: May 9, 2019 for information
Board of Directors: May 16, 2019 for information

Proposed Budget Adoption:
TMC: June 5, 2019 for action
AFS: June 13, 2019 for action
Board of Directors: June 20, 2019 for action

RECOMMENDATION
This item is presented for information.

CONTACT
Paul Hodgins
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ATTACHMENT
FY20 RPTA Budget Executive Summary

EXECUTIVE SUMMARY



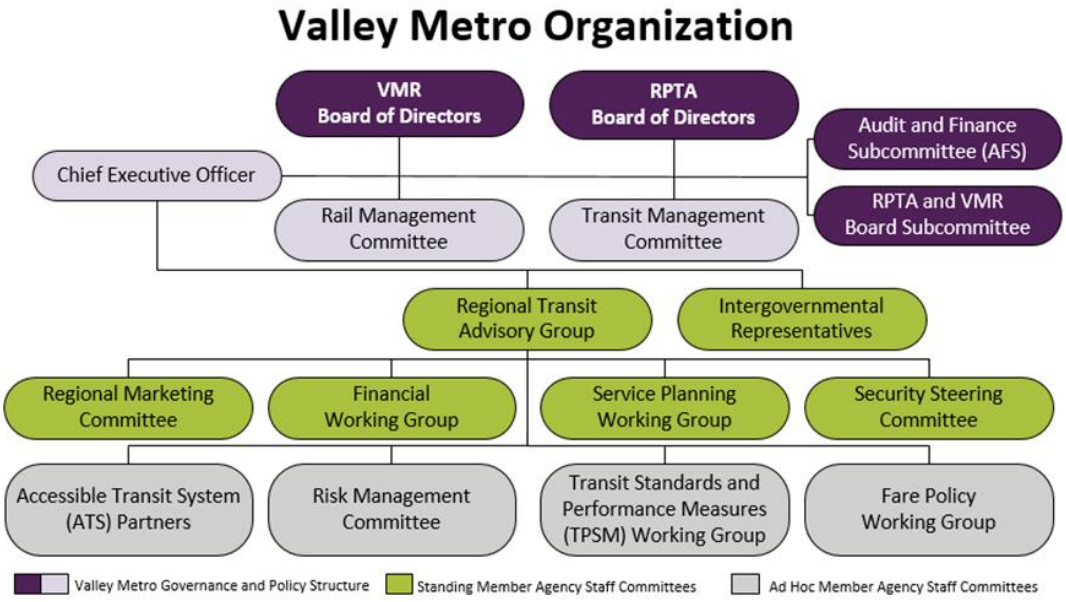
AGENCY OVERVIEW

Valley Metro is comprised of two separate legal entities, the Regional Public Transportation Authority (RPTA) and Valley Metro Rail, Inc. (VMR). The two agencies operate jointly with one Chief Executive Officer and one organizational structure. Intergovernmental agreements between the agencies define the responsibilities of each agency in meeting the overall strategic mission, vision and goals for Valley Metro. Valley Metro is governed by two boards of directors. The RPTA Board consists of 18 public agencies that set the policy direction for all modes of transit except light rail. The VMR Board consists of five cities that set the policy direction for light rail high capacity transit (HCT). The boards and the agency work to improve and regionalize the public transit system.

RPTA is the regional transit agency for Maricopa County. Created in 1985 with the passage of Proposition 300, RPTA is a political subdivision of Arizona overseen by an 18-member board of elected officials. Membership is open to all municipalities in Maricopa County and to the County government. The current Valley Metro RPTA Board comprises Avondale, Buckeye, Chandler, El Mirage, Fountain Hills, Gilbert, Glendale, Goodyear, Maricopa County, Mesa, Peoria, Phoenix, Scottsdale, Surprise, Tempe, Tolleson, Wickenburg, and Youngtown. With the passage of Proposition 400 in November 2004, RPTA is the recipient of the transit portion of the twenty-year countywide 0.5% sales tax fund commencing in 2006 and running through 2025.

VMR was formed in 2002 to design, construct, and operate a 66-mile high-capacity transit system. The current VMR Board comprises Chandler, Glendale, Mesa, Phoenix and Tempe. VMR is responsible for administration and oversight of the design, construction and operation of light rail, and for receipt and disbursement of funds from federal, state, local and other funding sources. The VMR Board is empowered to enter into contracts for design and construction, hire or contract for staff and undertake extensions to the system. The member cities of VMR retain power of eminent domain and ownership of real estate with agreements established for property use by VMR. The cities are responsible for providing annual funding for the light rail project through their annual or biannual budgets, in addition to recommending light rail corridors within their city boundaries.

The following chart depicts the policy organization for Valley Metro and the relationships to key stakeholders:



SERVICE CHARACTERISTICS

RPTA operates Fixed route bus (local, express, neighborhood circulators, and rural), paratransit, and vanpool services within the Phoenix Metropolitan area, excluding the rural route.

Fixed route bus operates with an average weekday ridership of almost 50,000 boardings. Weekday service begins approximately 3:30am and ends approximately 2:45am the following day. RPTA operates a fleet of 348 buses traveling over 40,000 miles each weekday, 17 communities in the Phoenix Metropolitan area. RPTA's fixed route service area encompasses 496.8 square miles within the Phoenix Metropolitan area.

Paratransit operates an average of 9,000 trips per week. Paratransit service is provided, at a minimum, in all areas that are within three-quarters of a mile of local fixed-route bus routes or light rail stations. Contractors operate a fleet of approximately 150 vehicles traveling over 20,000 miles each weekday. RPTA's paratransit service area encompasses 501.5 square miles within the Phoenix Metropolitan area.

Vanpool operates with an average weekday ridership of 2,500 commuters. RPTA operates a fleet of approximately 400 vans traveling over 24,000 miles each weekday. RPTA's vanpool service area encompasses the area that the vanpool commuters live or work in Maricopa County.

FARE POLICY

Effective March 2013, the current Regional Fare Policy is as follows:

LOCAL BUS / LIGHT RAIL				EXPRESS / RAPID BUS	
Full Fare		Reduced Fare*		Full Fare	
1-Ride	$2.00	1-Ride	$1.00	1-Ride	$3.25
All-Day	$4.00	All-Day	$2.00	All-Day	$6.50
7-Day	$20.00	7-Day	$10.00	31-Day	$104.00
15-Day	$33.00	15-Day	$16.50		
31-Day	$64.00	31-Day	$32.00		

*Available for youth ages 6 through 18, seniors 65 and older, persons with disabilities and Medicare card holders. Qualified persons may obtain a Valley Metro Reduced Fare Identification Card as proof of eligibility. Seniors and youth may show any valid photo ID indicating a birth date issued by a governmental agency.

Children ages 5 and younger ride free when accompanied by a fare-paying caretaker or guardian.

Visit Valley Metro's website at https://www.valleymetro.org for details regarding the fare structure for Rural, Paratransit services as well as Vanpool program.

STRATEGIC PLAN, VISION, AND GOALS

In January 2015, the Valley Metro RPTA and Valley Metro Rail Boards adopted the Valley Metro Strategic Plan for FY16 through FY20. The Strategic Plan provides clear definition of the purpose of the organization and establishes realistic goals and objectives for a five-year period. This plan ensures the most effective use of the organization's resources by focusing those resources on key priorities. Below are the five, overarching goals identified in the Strategic Plan:

- Increase customer focus
- Advance performance based operation
- Grow transit ridership
- Focus on economic development, regional competitiveness and financial resources
- Advance the value of transit

We are currently evaluating and updating the Valley Metro Strategic Plan for FY20 through FY24.

PRIORITIES AND ISSUES

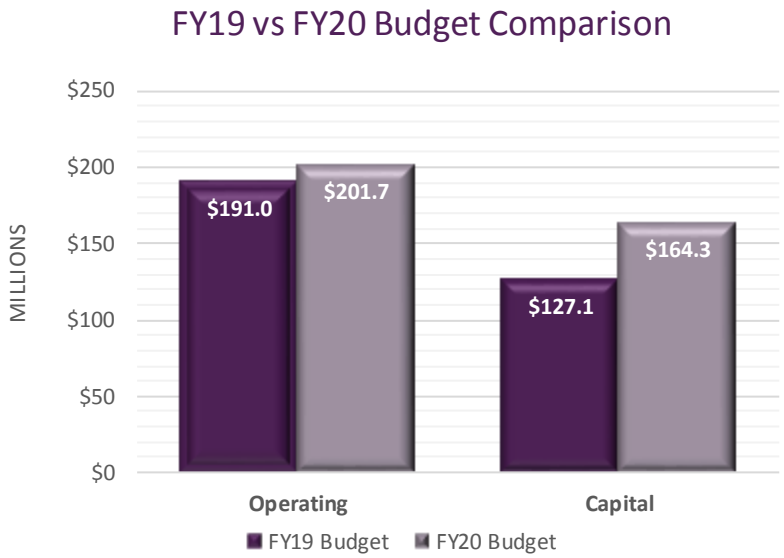
We will continue to work on existing initiatives in FY20 in the areas of:

- Respect the Ride Campaign
- Transit Asset Management Plan (State of Good Repair)
- Staff Development (Shifting Gears)
- On-going evaluation of staffing needs



BUDGET OVERVIEW

The total operating and capital budget for FY20 is $366.0 million (M), an increase of $47.9M or 15% from the FY19 budget.



SOURCES OF FUNDS

Operating sources of funds are $201.7, an increase of $10.7M or 6% from the FY19 budget. The primary sources are detailed below:

- Public Transportation Funds (PTF) are forecasted at $86.3M, up $5.1M over FY19.
- Transit Service Reimbursements from Member Cities are $48.5M, up $6.5M over FY19 for increased costs of Fixed Route Bus and Paratransit services.
- Valley Metro Rail (VMR) reimbursements are $27.3M, up 18% over FY19, mostly for maintenance staff additions to support the state of good repair component overhaul requirements and the 11 new LRVs and 5 streetcars expected to be on site in mid FY20. To support the Respect the Ride campaign, 10 positions are programmed to increase the safety presence on the rail station platforms and vehicles.

Capital sources of funds are $164.3M, an increase of $37.2M or 29% from the FY19 budget. The primary sources are detailed below:

- VMR PTF program funds of $87.7M show an increase of $40.6M or 86%, over FY19. These are pass through PTF funds for VMR's capital construction program requirements.
- Federal funding of $34.4M is decreasing $2.9M or 8% from FY19. The change is due to decreased bus fleet purchase/replacement requirements in FY20.
- Programmed PTF funds of $25.2M are up $1.5M or 6%, due to IT infrastructure needs.

	FY18 Actual	FY19 Budget	FY20 Budget	
Sources of Funds				
Operating				***Note**
Public Transportation Funds	$ 76,181,000	$ 81,225,000	$ 86,325,000	1
Regional Area Road Funds	6,177,000	4,960,000	5,089,000	
Transit Service Reimbursements	36,265,000	42,039,000	48,501,000	2
AZ Lottery Funds	2,312,000	-	183,000	
Federal Funds	10,675,000	9,872,000	8,842,000	3
Fares	13,089,000	12,989,000	11,578,000	4
MAG Funds	225,000	500,000	500,000	
Other	576,000	304,000	573,000	
Carry Forward & Reserves	-	4,763,000	1,632,000	5
Sub-Total Operating	**145,500,000**	**156,652,000**	**163,223,000**	
Pass-Through				
VMR Reimbursements	18,893,000	23,146,000	27,318,000	6
AZ Lottery Funds	11,529,000	11,200,000	11,200,000	
Sub-Total Pass-Through	**30,422,000**	**34,346,000**	**38,518,000**	
Total Operating	**175,922,000**	**190,998,000**	**201,741,000**	
Capital				
Public Transportation Funds	39,913,000	23,751,000	25,227,000	7
Regional Area Road Funds	292,000	-	-	
Federal Funds	39,507,000	37,304,000	34,398,000	8
Other	2,932,000	194,000	299,000	
Carry Forward & Reserves	-	18,754,000	16,677,000	9
Sub-Total Capital	**82,644,000**	**80,003,000**	**76,601,000**	
Pass-Through				
VMR Public Transportation Funds Program	41,952,000	47,072,000	52,221,000	
VMR Public Transportation Funds Reserve	-	-	35,438,000	
Sub-Total Pass-Through	**41,952,000**	**47,072,000**	**87,659,000**	10
Total Capital	**124,596,000**	**127,075,000**	**164,260,000**	
Total Sources of Funds	**$ 300,518,000**	**$ 318,073,000**	**$ 366,001,000**	

*Explanations for significant changes from prior year are included in the Budget Analysis section of this document.



USES OF FUNDS

Operating uses of funds are $201.7M, an increase of $10.7M or 6% from the FY19 budget. The primary uses are detailed below:

- Fixed Route operations costs are increasing by $4.4M to $99.3M in FY20. This is due to contractual agreements.
- Paratransit operations costs for demand service are increasing by $1.9M to $41.0M in FY20. Contractor rates are driving the increase.
- VMR operating pass through expenses of $27.1M are up by $4.2M or 18% from FY19 due to staffing cost increases to support the new fleet, increased service, state of good repair needs, and the Respect the Ride campaign.

Capital uses of funds are $164.3M, an increase of $37.2M or 29% from the FY19 budget. The primary uses are detailed below:

- Regional Fleet planned purchases are $39.3M, a decrease of $1.5M from the FY19 budget.
- VMR capital pass through expenses of $87.7M show an increase of $40.6M or 86% over FY19. These are pass through PTF funds for VMR's capital construction programs.

	FY18 Actual	FY19 Budget	FY20 Budget	
Uses of Funds				
Operating				***Note**
Fixed Route Operations	$ 91,103,000	$ 94,867,000	$ 99,273,000	11
Paratransit Operations	36,535,000	39,087,000	40,991,000	12
Vanpool Operations	861,000	952,000	892,000	
Planning	1,845,000	3,923,000	2,339,000	13
Commute Solutions	1,193,000	1,270,000	1,329,000	
Regional Services	9,483,000	12,082,000	13,395,000	14
Administration and Finance	4,161,000	4,158,000	4,691,000	15
Sub-Total Operating	**145,181,000**	**156,339,000**	**162,910,000**	
Pass-Through				
VMR RARF Disbursements	500,000	500,000	500,000	
AZ Lottery Funds Disbursements	11,529,000	11,200,000	11,200,000	
Valley Metro Rail	18,712,000	22,959,000	27,131,000	16
Sub-Total Pass-Through	**30,741,000**	**34,659,000**	**38,831,000**	
Total Operating	**175,922,000**	**190,998,000**	**201,741,000**	
Capital				
Regional Fleet	43,855,000	40,783,000	39,263,000	17
Regional Facilities	1,028,000	7,284,000	5,590,000	18
Other Regional Projects	3,141,000	1,502,000	976,000	19
Member Agency Disbursements	11,183,000	7,065,000	5,448,000	20
Debt Service	23,437,000	23,369,000	25,324,000	21
Sub-Total Capital	**82,644,000**	**80,003,000**	**76,601,000**	
Pass-Through				
Rail Program Disbursements	32,425,000	29,897,000	87,659,000	
VMR Reserve for Future Use	9,527,000	17,175,000	-	
Sub-Total Pass-Through	**41,952,000**	**47,072,000**	**87,659,000**	22
Total Capital	**124,596,000**	**127,075,000**	**164,260,000**	
Total Uses of Funds	**$ 300,518,000**	**$ 318,073,000**	**$ 366,001,000**	

*Explanations for significant changes from prior year are included in the Budget Analysis section of this document.

BUDGET ANALYSIS

The following is an analysis of the major changes in the FY20 Budget versus the FY19 Budget. The number in the "Note" column corresponds to the "Note" column in the "Sources of Funds" and "Uses of Funds" tables.

	Note	Analysis Comment - Sources of Funds
OPERATING	1	Public Transportation Funds from the Maricopa County Transportation Excise Tax are forecasted to grow by 6%. This forecast is provided by ADOT. Adequate reserves are in place should collections fall short of ADOT forecast projections.
	2	Transit service agreements are expected to increase by $6.5M - fixed route bus operations ($4.4M) and paratransit services ($2.1M).
	3	Federal funding for operations is down by $1.0M to $8.8M. The current driver of this is less preventive maintenance grant funding available for the fixed route bus program.
	4	Fare revenues are forecasted at $11.6M for FY20. The forecasting method utilizes the most recent fare data, while making adjustments for any anticipated service changes.
	5	Carry forwards & reserves are down $3.1M to $1.6M. In FY20, operational project needs require less reserve funding with increased PTF income.
	6	VMR reimbursements for staff are $4.2M higher in FY20, primarily due to VMR staff additions required for increased service levels, state of good repair (SOGR) component overhauls, support staff for the Respect the Ride campaign, and maintenance support staff for the new fleet scheduled to arrive in FY20.
CAPITAL	7	Capital PTF increases by 6% in FY20 due to replacing the financial system.
	8	Federal funding for capital activities is decreasing by $2.9M for FY20, resulting from a reduced number of capital fleet replacements. Federal funding is the primary source of capital fleet purchases (typically at least 80% of cost).
	9	Capital carry forwards & reserves decreased by 11%. As more PTF is available for use; less reserves are required.
	10	Capital pass through funds to VMR are $87.7M in FY20, $40.6M higher than FY19. This funding is used to support VMR capital activities related to capital construction projects, systemwide improvements, and state of good repair projects.

	Note	Analysis Comment - Uses of Funds
OPERATING	11	Overall fixed route bus service levels are planned to increase to 14.2M miles due to the addition of the Peoria circulator. Fixed route operations increases primarily reflect contractual rate increases from the fixed route service providers.
	12	Paratransit service (including paratransit and RideChoice programs) is planned to slightly increase to 545,000 trips in FY20. Operational increases primarily reflect contractual rate increases.
	13	Planning is down $1.6M mostly due to the majority of the Origin & Destination study being completed in FY19.
	14	The regional services budget is increasing by 11% to $13.4M in FY20. The regional call center, mobility service center, community outreach, and regional marketing programs are showing increases to meet the Agency initiative of providing excellent customer service.
	15	Administration & Finance is increasing by $0.5M to $4.7M mainly due to additional IT consultant expenses and workstation furniture and supplies for new employees.
	16	Valley Metro Rail staff costs of $27.1M are up by $4.2M over FY19 to support state of good repair (SOGR) component overhauls, support staff for the Respect the Ride campaign, maintenance support staff for the new fleet scheduled to arrive in FY20, and increased service levels.
CAPITAL	17	Regional fleet purchases are decreasing by $1.5M to $39.3M in FY20. Orders for buses are down by 4 vehicles, while an increase of 55 vanpool replacement vehicles are planned.
	18	Regional facilities costs are planned to decrease by $1.7M to $5.6M in FY20. The major expenses include the purchase and implementation of Trapeze software for scheduling and reporting .
	19	Other regional capital expenditures are decreasing by $0.5M to $1.0M in FY20. The decrease is mainly due to fewer engine and transmission overhauls planned in FY20.
	20	Member agency disbursements are decreasing by $1.6M to $5.4M in FY20 due to the City of Phoenix completion of drawing PTF for local match funds for the bus fleet communication upgrade project in FY19.
	21	Debt service is increasing by $2.0M due to the first of three $2M repayments for an ADEQ loan.
	22	Capital pass-through PTF is up by $40.6M to $87.7M in FY20 due to the increased amount of VMR capital construction activities.

STAFFING OVERVIEW

RPTA and VMR budgets are developed with a unified staff plan, with department managers planning the level of effort required to meet the bus and rail activities. For FY20, there are 427 employees budgeted; 154 Full Time Equivalent (FTE) positions are budgeted to RPTA activities and 273 FTEs to VMR activities. Staffing levels are reviewed on an annual basis to fulfill work requirements for the coming year. Salary and fringe benefit compensation levels are measured against comparable regional agencies, member cities, and peer transit agencies located in the western U.S.

FY20 COMPENSATION AND FRINGE BENEFIT ASSUMPTIONS

Total compensation budget is based on a 3.0% increase. For staff salary changes, merit increases are based on employee performance. Agency healthcare costs are forecasted to increase by 4.3% over FY19 levels.

FY20 STAFFING NEEDS

Valley Metro RPTA and Valley Metro Rail are in a period of significant expansion of the system and services. To meet the needs of our members by delivering service and meeting project deadlines, Valley Metro needs additional resources.

In FY20, we will have four active rail capital construction projects and another three projects in the design phase. The VMR vehicle fleet will also increase in size beginning in mid FY20 with the delivery of the Siemens light rail vehicles and the Brookville streetcar vehicles. Both fleets will have their own sets of parts inventory and specific maintenance requirements.

Of the 43 proposed positions requested for FY20, 38 will directly support VMR operations activities and five will support combined agency activities.

The 38 VMR operations staff additions will support three areas: Respect the Ride (10), State of Good Repair coordinated with the Transit Asset Management Plan (16), and expansion of fleet with eleven LRVs and six streetcars (12). These staff additions may be phased in over two to three years.

The five support staff needed includes positions for Human Resources, Finance and Procurement, and Information Technology.

- Sr. Learning and Development Specialist
- Budget Supervisor
- Senior Contracts Administrator
- Business Intelligence Analyst
- System Administrator

Agency	FY19 Budget	Mid-Year Additions	FY20 Additions	FY20 Budget
RPTA	151	1	2	154
VMR	225	7	41	273
Total Agencies	**376**	**8**	**43**	**427**

FIVE-YEAR OVERVIEW

Valley Metro RPTA has the primary responsibility of implementing the operating and capital components of the transit element identified in the 20-year Regional Transportation Plan (RTP). The operating component includes the expansion of regional fixed route services, high-capacity transit alternatives, vanpools and paratransit services throughout the region. The capital component of the transit element of the RTP includes fleet replacement and expansion as well as the development of new park-and-rides, transit centers, passenger facilities and maintenance and operations facilities over the life of the plan. Construction of the light rail alignment and extensions has been designated to Valley Metro Rail by Valley Metro RPTA and expenditures are shown as VMR capital funding in the Operating Forecast.

SOURCES OF FUNDS

Five-Year Sources of Funds ($,000)		5 Year Total
Operating		
Public Transportation Funds	$	475,908
Regional Area Road Funds		26,218
Transit Service Reimbursements		243,279
VMR Reimbursements		148,261
AZ Lottery Funds		56,000
Federal Funds		46,014
Fares		59,305
MAG Funds		2,500
Other		2,982
Total Operating		**1,060,466**
Capital		
Public Transportation Funds		162,563
Federal Funds		128,871
Other		822
Carry Forward & Reserves		22,106
VMR Public Transportation Funds Program		301,361
VMR Public Transportation Funds Reserve		68,506
Total Capital		**684,229**
Total Sources of Funds	**$**	**1,744,695**

USES OF FUNDS

Five-Year Uses of Funds ($,000)		5 Year Total
Operating		
Fixed Route Operations	$	521,498
Paratransit Operations		215,127
Vanpool Operations		4,736
Planning		12,172
Commute Solutions		6,916
Regional Services		69,708
Adminstration and Finance		21,399
Operating Contingency		3,142
Pass-through Disbursements		205,768
Total Operating		**1,060,466**
Capital		
Regional Fleet		144,569
Regional Facilities		20,342
Other Regional Projects		5,868
Member Agency Disbursements		22,487
Debt Service		121,096
Rail Program Disbursements		362,509
VMR Reserve for Future Use		7,358
Total Capital		**684,229**
Total Uses of Funds	**$**	**1,744,695**

Audit & Finance Subcommittee

FY20 Preliminary Operating & Capital Budget

OVERVIEW

	FY18 Actual	FY19 Budget	FY20 Budget
Combined			
Operating	$ 175,922,000	$ 190,998,000	$ 201,741,000
Capital	124,596,000	127,075,000	164,260,000
Total Combined	$ 300,518,000	$ 318,073,000	$ 366,001,000

Full Time Equivalents			
Operating	149.3	149.4	152.4
Capital	0.9	1.9	1.7
Total	**150.2**	**151.3**	**154.1**

OPERATING

	FY18 Actual	FY19 Budget	FY20 Budget
Fixed Route Operations			
Operation Services			
Contractual Services	$ 1,140,000	$ 1,371,000	$ 1,580,000
Fuel & Lubricants	4,582,000	5,126,000	5,551,000
Transit Services	79,769,000	81,815,000	85,564,000
Total Operation Services	**85,491,000**	**88,312,000**	**92,695,000**
Facility Maintenance			
Contractual Services	2,425,000	2,743,000	2,591,000
Utilities	930,000	943,000	922,000
Other	112,000	123,000	131,000
Total Facility Maintenance	**3,467,000**	**3,809,000**	**3,644,000**
Administrative Support			
Personal Services	992,000	1,108,000	1,137,000
Advertising	4,000	4,000	4,000
Computers & Software	4,000	21,000	-
Contractual Services	687,000	1,038,000	828,000
Equipment	13,000	-	-
Fuel & Lubricants	2,000	6,000	7,000
Insurance	84,000	84,000	49,000
Supplies	15,000	12,000	10,000
Travel & Meetings	4,000	9,000	9,000
Other	340,000	464,000	890,000
Total Administrative Support	**2,145,000**	**2,746,000**	**2,934,000**
Total Fixed Route Operations	**$ 91,103,000**	**$ 94,867,000**	**$ 99,273,000**
Full Time Equivalents	11.1	9.9	10.3
Service Miles-RPTA Operated	12,824,000	12,878,000	13,085,000
Service Miles-COP Operated	1,365,000	1,520,000	1,594,000
Boardings	14,730,000	14,136,000	14,163,000

	FY18 Actual	FY19 Budget	FY20 Budget
Paratransit Operations			
Operation Services			
Fuel & Lubricants	$ -	$ 1,367,000	$ 1,440,000
PTF Disbursements	17,212,000	17,619,000	17,487,000
Transit Services	18,593,000	19,257,000	20,420,000
Total Operation Services	**35,805,000**	**38,243,000**	**39,347,000**
Administrative Support			
Computers & Software	2,000	-	83,000
Contingency	-	-	628,000
Personal Services	525,000	590,000	579,000
Insurance	33,000	27,000	51,000
Other	170,000	227,000	303,000
Total Administrative Support	**730,000**	**844,000**	**1,644,000**
Total Paratransit Operations	**$ 36,535,000**	**$ 39,087,000**	**$ 40,991,000**
Full Time Equivalents	5.6	5.8	5.9
Trips	518,000	538,000	545,000

	FY18 Actual	FY19 Budget	FY20 Budget
Vanpool Operations			
Operation Services			
Transit Services	$ 573,000	$ 606,000	$ 574,000
Total Operation Services	**573,000**	**606,000**	**574,000**
Administrative Support			
Personal Services	124,000	134,000	136,000
Advertising	-	25,000	25,000
Contractual Services	6,000	6,000	6,000
Insurance	101,000	101,000	53,000
Supplies	13,000	20,000	20,000
Travel & Meetings	2,000	4,000	2,000
Other	42,000	56,000	76,000
Total Administrative Support	**288,000**	**346,000**	**318,000**
Total Vanpool Operations	**$ 861,000**	**$ 952,000**	**$ 892,000**
Full Time Equivalents	1.2	1.4	1.4
Active Vanpools	390	405	390

	FY18 Actual	FY19 Budget	FY20 Budget
Planning			
Systems Development			
Personal Services	$ 610,000	$ 551,000	$ 94,000
Computers & Software	65,000	236,000	94,000
Contractual Services	232,000	1,720,000	620,000
Other	205,000	210,000	50,000
Total Systems Development	**1,112,000**	**2,717,000**	**858,000**
Corridor & Facility			
Personal Services	126,000	188,000	329,000
Contractual Services	298,000	550,000	592,000
Other	43,000	73,000	172,000
Total Corridor & Facility	**467,000**	**811,000**	**1,093,000**
Administrative Support			
Personal Services	184,000	239,000	206,000
Computers & Software	2,000	13,000	14,000
Contractual Services	8,000	6,000	8,000
Supplies	-	2,000	3,000
Travel & Meetings	8,000	19,000	16,000
Other	64,000	116,000	141,000
Total Administrative Support	**266,000**	**395,000**	**388,000**
Total Planning	**$ 1,845,000**	**$ 3,923,000**	**$ 2,339,000**
Full Time Equivalents	8.2	8.6	5.3

	FY18 Actual	FY19 Budget	FY20 Budget
Commute Solutions			
Administrative Support			
Personal Services	$ 534,000	$ 565,000	$ 551,000
Advertising	118,000	147,000	147,000
Contractual Services	215,000	202,000	202,000
Supplies	29,000	15,000	15,000
Travel & Meetings	2,000	6,000	6,000
Other	295,000	335,000	408,000
Total Administrative Support	**1,193,000**	**1,270,000**	**1,329,000**
Total Commute Solutions	**$ 1,193,000**	**$ 1,270,000**	**$ 1,329,000**
Full Time Equivalents	6.0	5.8	5.7

	FY18 Actual	FY19 Budget	FY20 Budget
Regional Services			
Operation Services			
Transit Services	$ 938,000	$ 995,000	$ 1,592,000
Total Operation Services	**938,000**	**995,000**	**1,592,000**
Administrative Support			
Personal Services	4,389,000	5,000,000	5,093,000
Advertising	288,000	587,000	401,000
Computers & Software	84,000	226,000	122,000
Contractual Services	952,000	1,351,000	1,210,000
Leases/Rent	595,000	621,000	621,000
Supplies	272,000	438,000	597,000
Transit Books	243,000	372,000	410,000
Travel & Meetings	19,000	92,000	107,000
Other	1,703,000	2,400,000	3,242,000
Total Administrative Support	**8,545,000**	**11,087,000**	**11,803,000**
Total Regional Services	**$ 9,483,000**	**$ 12,082,000**	**$ 13,395,000**
Full Time Equivalents	76.3	77.5	77.3

	FY18 Actual	FY19 Budget	FY20 Budget
Administration and Finance			
Administrative Support			
Personal Services	$ 1,060,000	$ 1,317,000	$ 1,510,000
Advertising	1,000	2,000	2,000
Computers & Software	812,000	585,000	-
Contingency	-	562,000	579,000
Contractual Services	548,000	388,000	613,000
Furniture & Fixtures	317,000	64,000	146,000
Non-Revenue Vehicles	25,000	52,000	-
Site Improvements	328,000	109,000	278,000
Supplies	20,000	23,000	15,000
Travel & Meetings	106,000	111,000	108,000
Other	944,000	945,000	1,440,000
Total Administrative Support	**4,161,000**	**4,158,000**	**4,691,000**
Total Administration and Finance	**$ 4,161,000**	**$ 4,158,000**	**$ 4,691,000**
Full Time Equivalents	10.6	10.2	10.8

	FY18 Actual	FY19 Budget	FY20 Budget
Pass-Through			
AZ Lottery Funds Disbursements			
AZ Lottery Disbursements	$ 10,670,000	$ 10,366,000	$ 10,366,000
AZ Lottery Proceeds Transfer Out	859,000	834,000	834,000
Total AZ Lottery Funds Disbursements	**11,529,000**	**11,200,000**	**11,200,000**
VMR RARF Disbursements			
RARF Disbursements	500,000	500,000	500,000
Total VMR RARF Disbursements	**500,000**	**500,000**	**500,000**
Valley Metro Rail			
Other	1,432,000	1,871,000	2,367,000
Personal Services	17,280,000	21,088,000	24,764,000
Total Valley Metro Rail	**18,712,000**	**22,959,000**	**27,131,000**
Total Pass-Through	**$ 30,741,000**	**$ 34,659,000**	**$ 38,831,000**
Full Time Equivalents	0.0	0.0	0.0

	FY18 Actual	FY19 Budget	FY20 Budget
Overhead Pools			
Cost Allocation 1015 -Shared Agency			
Personal Services	$ 1,597,000	$ 1,901,000	$ 2,169,000
Computers & Software	-	36,000	192,000
Contractual Services	214,000	456,000	410,000
Insurance	9,000	10,000	10,000
Supplies	24,000	12,000	23,000
Travel & Meetings	9,000	14,000	16,000
Other	292,000	328,000	485,000
Total Cost Allocation 1015 -Shared Agency	**2,145,000**	**2,757,000**	**3,305,000**
Cost Allocation 1016- RPTA Agency			
Personal Services	1,037,000	1,315,000	1,700,000
Advertising	2,000	1,000	1,000
Computers & Software	4,000	-	-
Contractual Services	88,000	257,000	1,128,000
Fuel & Lubricants	16,000	20,000	12,000
Insurance	44,000	50,000	63,000
Leases/Rent	670,000	893,000	860,000
Supplies	116,000	165,000	190,000
Travel & Meetings	-	1,000	3,000
Other	117,000	237,000	254,000
Total Cost Allocation 1016- RPTA Agency	**2,094,000**	**2,939,000**	**4,211,000**
Total Overhead Pools	**$ 4,239,000**	**$ 5,696,000**	**$ 7,516,000**
Full Time Equivalents	30.5	30.3	35.8

CAPITAL

	FY18 Actual	FY19 Budget	FY20 Budget
Regional Fleet			
Bus			
Fleet	$ 39,168,000	$ 37,512,000	$ 35,761,000
Travel & Meetings	6,000	5,000	-
Other	22,000	59,000	34,000
Total Bus	**39,196,000**	**37,576,000**	**35,795,000**
Vanpool			
Fleet	4,623,000	3,010,000	3,275,000
Other	9,000	3,000	4,000
Total Vanpool	**4,632,000**	**3,013,000**	**3,279,000**
Other			
Parts	27,000	8,000	13,000
Other	-	186,000	176,000
Total Other	**27,000**	**194,000**	**189,000**
Total Regional Fleet	**$ 43,855,000**	**$ 40,783,000**	**$ 39,263,000**
Full Time Equivalents	0.0	0.0	0.0

	FY18 Actual	FY19 Budget	FY20 Budget
Regional Facilities			
Maintenance Facilities			
Equipment	$ 132,000	$ 1,950,000	$ 873,000
Furniture & Fixtures	58,000	-	-
Contractual Services	61,000	-	-
Site Improvements	204,000	1,740,000	200,000
Other	85,000	-	-
Total Maintenance Facilities	**540,000**	**3,690,000**	**1,073,000**
Passenger Facilities			
Personal Services	4,000	295,000	184,000
Contractual Services	-	121,000	-
Site Improvements	-	1,960,000	829,000
Other	2,000	113,000	100,000
Total Passenger Facilities	**6,000**	**2,489,000**	**1,113,000**
IT Infrastructure			
Computers & Software	482,000	1,105,000	3,379,000
Other	-	-	25,000
Total IT Infrastructure	**482,000**	**1,105,000**	**3,404,000**
Total Regional Facilities	**$ 1,028,000**	**$ 7,284,000**	**$ 5,590,000**
Full Time Equivalents	0.9	1.9	1.7

	FY18 Actual	FY19 Budget	FY20 Budget
Other Regional Projects			
Fare Collection Systems			
Equipment	$ 1,146,000	$ 50,000	$ 50,000
Total Fare Collection Systems	**1,146,000**	**50,000**	**50,000**
State of Good Repair			
Equipment	1,413,000	1,452,000	926,000
Total State of Good Repair	**1,413,000**	**1,452,000**	**926,000**
Vehicle Management/Communications			
Site Improvements	2,000	-	-
Contractual Services	580,000	-	-
Total Vehicle Management/Communicat	**582,000**	**-**	**-**
Total Other Regional Projects	**$ 3,141,000**	**$ 1,502,000**	**$ 976,000**
Full Time Equivalents	0.0	0.0	0.0

	FY18 Actual	FY19 Budget	FY20 Budget
Member Agency Disbursements			
Bus			
PTF Disbursements	$ 6,772,000	$ 3,803,000	$ 3,562,000
Total Bus	**6,772,000**	**3,803,000**	**3,562,000**
Fare Collection Systems			
PTF Disbursements	-	-	848,000
Total Fare Collection Systems	**-**	**-**	**848,000**
Other			
PTF Disbursements	483,000	490,000	300,000
Total Other	**483,000**	**490,000**	**300,000**
Passenger Facilities			
PTF Disbursements	723,000	738,000	738,000
Total Passenger Facilities	**723,000**	**738,000**	**738,000**
Vehicle Management/Communications			
PTF Disbursements	3,205,000	2,034,000	-
Total Vehicle Management/Communications	**3,205,000**	**2,034,000**	**-**
Total Member Agency Disbursements	**$ 11,183,000**	**$ 7,065,000**	**$ 5,448,000**
Full Time Equivalents	0.0	0.0	0.0

	FY18 Actual	FY19 Budget	FY20 Budget
Debt Service			
Administration			
Principal	$ 15,230,000	$ 15,985,000	$ 18,805,000
Interest	8,207,000	7,384,000	6,519,000
Total Administration	**23,437,000**	**23,369,000**	**25,324,000**
Total Debt Service	**$ 23,437,000**	**$ 23,369,000**	**$ 25,324,000**
Full Time Equivalents	0.0	0.0	0.0

	FY18 Actual	FY19 Budget	FY20 Budget
Pass-Through			
VMR PTF Program			
Rail Program Disbursements	$ 32,425,000	$ 29,897,000	$ 87,659,000
VMR Reserve for Future Use	9,527,000	17,175,000	-
Total PTF Program	**41,952,000**	**47,072,000**	**87,659,000**
Total Pass-Through	**$ 41,952,000**	**$ 47,072,000**	**$ 87,659,000**
Full Time Equivalents	0.0	0.0	0.0

FIVE YEAR OPERATING

	FY20	FY21	FY22	FY23	FY24	Total
Operating ($,000)						
Sources of Funds						
Public Transportation Funds	$ 88,140	$ 90,363	$ 96,623	$ 98,475	$ 102,307	$ 475,908
Regional Area Road Funds	5,089	5,165	5,243	5,321	5,400	26,218
Transit Service Reimbursements	48,501	48,505	47,021	48,972	50,280	243,279
VMR Reimbursements	27,318	28,326	29,447	30,330	32,839	148,261
AZ Lottery Funds	11,200	11,200	11,200	11,200	11,200	56,000
Federal Funds	8,842	9,019	9,199	9,383	9,571	46,014
Fares	11,578	11,634	11,830	12,030	12,233	59,305
MAG Funds	500	500	500	500	500	2,500
Other	573	584	596	608	620	2,982
Total Sources of Funds	**201,741**	**205,296**	**211,660**	**216,819**	**224,950**	**1,060,466**
Uses of Funds						
Fixed Route Operations	99,273	100,667	103,594	106,663	111,301	521,498
Paratransit Operations	40,991	41,682	43,527	44,252	44,676	215,127
Vanpool Operations	892	919	946	975	1,004	4,736
Planning	2,339	2,386	2,433	2,482	2,532	12,172
Commute Solutions	1,329	1,356	1,383	1,410	1,439	6,916
Regional Services	13,395	13,663	13,936	14,215	14,499	69,708
Adminstration and Finance	4,112	4,194	4,278	4,364	4,451	21,399
Operating Contingency	579	596	614	633	720	3,142
Pass-through Disbursements	38,831	39,833	40,949	41,826	44,329	205,768
Total Uses of Funds	**$ 201,741**	**$ 205,296**	**$ 211,661**	**$ 216,819**	**$ 224,950**	**$ 1,060,466**

FIVE YEAR CAPITAL

Capital ($,000)	FY20	FY21	FY22	FY23	FY24	Total
Sources of Funds						
Public Transportation Funds	$ 25,227	$ 40,008	$ 33,683	$ 35,488	$ 28,157	$ 162,563
Federal Funds	34,398	37,755	13,830	30,700	12,188	128,871
Other	299	189	109	117	108	822
Carry Forward & Reserves	16,677	1,273	1,363	1,306	1,487	22,106
VMR Public Transportation Funds I	52,221	56,329	60,180	64,240	68,391	301,361
VMR Public Transportation Funds I	35,438	20,379	8,155	4,534	-	68,506
Total Sources of Funds	**164,260**	**155,933**	**117,320**	**136,385**	**110,331**	**684,229**
Uses of Funds						
Regional Fleet	39,263	43,074	14,460	34,247	13,525	144,569
Regional Facilities	5,590	4,688	3,249	3,300	3,515	20,342
Other Regional Projects	976	1,129	1,483	1,534	746	5,868
Member Agency Disbursements	5,448	5,325	4,825	5,424	1,465	22,487
Debt Service	25,324	25,009	24,968	23,106	22,689	121,096
Rail Program Disbursements	87,659	76,708	68,335	68,774	61,033	362,509
VMR Reserve for Future Use	-	-	-	-	7,358	7,358
Total Uses of Funds	**$ 164,260**	**$ 155,933**	**$ 117,320**	**$ 136,385**	**$ 110,331**	**$ 684,229**

RPTA

FY20 Preliminary Budget Overview

May 2019

Baseline: RPTA Operations

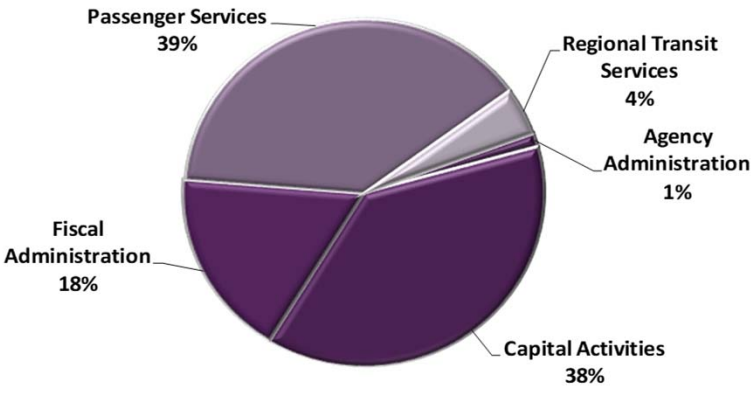
Fixed Route Bus	Passengers	Revenue miles	Operating Costs	Fare Revenues
FY18 Actuals	14,730,000	12,824,000	$80,633,000	$10,121,000
FY19 (Forecast)	14,136,000	12,878,000	$84,763,000	$9,999,000
FY20	**14,163,000**	**13,085,000**	**$88,722,000**	**$9,258,000**
Change	0%	2%	5%	-7%

Demand Services	Trips	*Cost per Trip	Operating Costs	Fare Revenues
FY18 Actuals	518,000	$39.00	$19,085,000	$1,627,000
FY19 (Forecast)	538,000	$44.13	$23,742,000	$2,081,000
FY20	**545,000**	**$46.90**	**$25,563,000**	**$2,051,000**
Change	1%	6%	8%	-1%

VanPool	Passengers	Revenue miles	Operating Costs	Fare Revenues
FY18 Actuals	1,036,000	6,388,000	$861,000	$1,046,000
FY19 Budget	1,252,000	6,735,000	$952,000	$1,122,000
FY20	**1,252,000**	**6,735,000**	**$894,000**	**$1,122,000**

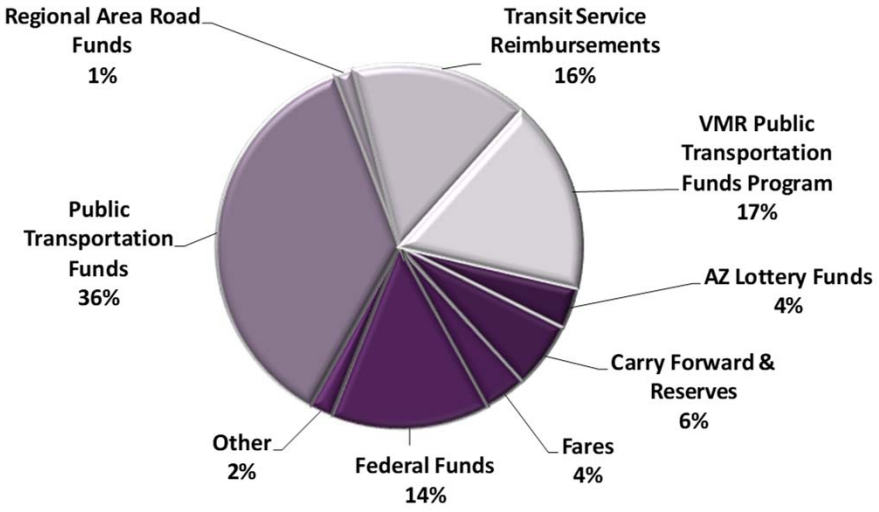
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Uses of Funds: Operating & Capital



3

Sources of Funds: Operating & Capital



4

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

Source of Funds	FY18	FY19	FY20	Change $	Change %
Public Transportation Funds	$76.2	$81.2	$86.3	$5.1	6%
Regional Area Road Funds	6.2	5.0	5.1	0.1	3%
Transit Service Agreements	36.3	42.0	48.5	6.5	15%
MAG Funds	0.2	0.5	0.5	0.0	0%
AZ Lottery Funds	2.3	0.0	0.2	0.2	0%
Federal Grants	10.7	9.9	8.8	(1.0)	-10%
Fare Revenues	13.1	13.0	11.6	(1.4)	-11%
Other Revenues	0.6	0.3	0.6	0.3	88%
Carry forward and Reserves	0.0	4.8	1.6	(3.1)	-66%
Sub-Total RPTA Operating	**$145.5**	**$156.7**	**$163.2**	**$6.6**	**4%**
VMR Reimbursements	18.9	23.1	27.3	4.2	18%
AZ Lottery Funds	11.5	11.2	11.2	0.0	0%
Sub-Total Pass-Through Funds	**$30.4**	**$34.3**	**$38.5**	**$4.2**	**12%**
Total Operating Revenues	**$175.9**	**$191.0**	**$201.7**	**$10.7**	**6%**

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

Uses of Funds	FY18	FY19	FY20	Change $	Change %
Fixed Route Operations	$91.1	$94.9	$99.3	$4.4	5%
Demand Service Operations	36.5	39.1	41.0	1.9	5%
Vanpool Operations	0.9	1.0	0.9	(0.1)	-6%
Planning	1.8	3.9	2.3	(1.6)	-40%
Commute Solutions	1.2	1.3	1.3	0.1	6%
Administration and Finance	4.2	4.2	4.7	0.5	13%
Regional Services	9.5	12.1	13.4	1.3	11%
Sub-Total RPTA Operating	**$145.2**	**$156.3**	**$162.9**	**$6.6**	**4%**
VMR Personnel Costs	$18.7	$23.0	$27.1	$4.2	18%
VMR RARF Disbursements	0.5	0.5	0.5	0.0	0%
AZ Lottery Funds Disbursements	11.5	11.2	11.2	0.0	0%
Sub-Total Pass-Through Funds	**$30.7**	**$34.7**	**$38.8**	**$4.2**	**12%**

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

Sources of Funds	FY18	FY19	FY20	Change $	Change %
Public Transportation Funds	$39.9	$23.8	$25.2	$1.5	6%
Federal Grants	39.5	37.3	34.4	(2.9)	-8%
Other Revenues	3.2	0.2	0.3	0.1	54%
Carry forward and Reserves	0.0	18.8	16.7	(2.1)	-11%
Sub-Total RPTA Capital	**$82.6**	**$80.0**	**$76.6**	**($3.4)**	**-4%**
VMR PTF Rail Program	42.0	47.1	52.2	5.1	11%
VMR PTF Reserve Funds	0.0	0.0	35.4	35.4	0%
PTF Bond Proceeds	0.0	0.0	0.0	0.0	0%
Sub-Total VMR Capital	**$42.0**	**$47.1**	**$87.7**	**$40.6**	**86%**
Total Capital Sources	**$124.6**	**$127.1**	**$164.3**	**$37.2**	**29%**

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

Uses of Funds	FY18	FY19	FY20	Change $	Change %
Regional Fleet	$43.9	$40.8	$39.3	($1.5)	-4%
Regional Facilities	1.0	7.3	5.6	(1.7)	-23%
Other Regional Projects	3.1	1.5	1.0	(0.5)	-35%
Member Agency Disbursements	11.2	7.1	5.4	(1.6)	-23%
Debt Service	23.4	23.4	25.3	2.0	8%
Sub-Total RPTA Capital	**$82.6**	**$80.0**	**$76.6**	**($3.4)**	**-4%**
Rail Program Disbursements	$32.4	$29.9	$88.2	$58.3	195%
Reserved for Future Use	9.5	17.2	0.0	(17.2)	-100%
Sub-Total VMR Capital	**$42.0**	**$47.1**	**$88.2**	**$41.1**	**87%**

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FY20-24 Proposed Five-Year Forecast

5-Year Operating Assumptions:

Fixed Route
- FY21 - Updated funding source on Routes 30 and 45 for Mesa
- FY22 - Increased Scottsdale Route 41 to match Phoenix level of service

Demand Service
- Paratransit trips forecasted to increase 3% annually
- RideChoice trips forecasted to increase 3% annually

Fare Revenue
- Average fare flat first 2 years, increases next 3 years

Federal PM revenue level per MAG forecast
- Flat over the 5 year period

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5-Year Operating Sources and Uses

Operating ($,000)	FY20	FY21	FY22	FY23	FY24	Total
Sources of Funds						
Public Transportation Funds	$ 88,140	$ 90,363	$ 96,623	$ 98,475	$ 102,307	$ 475,908
Regional Area Road Funds	5,089	5,165	5,243	5,321	5,400	26,218
Transit Service Reimbursements	48,501	48,505	47,021	48,972	50,280	243,279
VMR Reimbursements	27,318	28,326	29,447	30,330	32,839	148,261
AZ Lottery Funds	11,200	11,200	11,200	11,200	11,200	56,000
Federal Funds	8,842	9,019	9,199	9,383	9,571	46,014
Fares	11,578	11,634	11,830	12,030	12,233	59,305
MAG Funds	500	500	500	500	500	2,500
Other	573	584	596	608	620	2,982
Total Sources of Funds	**201,741**	**205,296**	**211,660**	**216,819**	**224,950**	**1,060,466**
Uses of Funds						
Fixed Route Operations	99,273	100,667	103,594	106,663	111,301	521,498
Paratransit Operations	40,991	41,682	43,527	44,252	44,676	215,127
Vanpool Operations	892	919	946	975	1,004	4,736
Planning	2,339	2,386	2,433	2,482	2,532	12,172
Commute Solutions	1,329	1,356	1,383	1,410	1,439	6,916
Regional Services and Administration	13,395	13,663	13,936	14,215	14,499	69,708
Adminstration and Finance	4,112	4,194	4,278	4,364	4,451	21,399
Operating Contingency	579	596	614	633	720	3,142
Pass-through Disbursements	38,831	39,833	40,949	41,826	44,329	205,768
Total Uses of Funds	**$ 201,741**	**$ 205,296**	**$ 211,661**	**$ 216,819**	**$ 224,950**	**$ 1,060,466**

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5-Year Capital Assumptions:

- **Bus Fleet - $127.3 Million**
  - 233 replacement units; 21 expansion units
  - 85% Federal /15% PTF
- **Vanpool Fleet - $16.6 Million**
  - 276 replacement units; 125 expansion units 100% Federal STP
- **Facilities and Equipment - $26.2 Million**
  - Laveen Park and Ride - Local match PTF
  - Fare Collection System Upgrade- Local match PTF
  - Mesa Bus Facility Upgrades- 100% PTF
  - Mid-Life Bus Engine Rebuilds (168 units) - 80% Federal / 20% PTF
  - IT Infrastructure Upgrades- 100% PTF

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5-Year Capital Sources and Uses

Capital ($,000)	FY20	FY21	FY22	FY23	FY24	Total
Sources of Funds						
Public Transportation Funds	$ 25,227	$ 40,008	$ 33,683	$ 35,488	$ 28,157	$ 162,563
Federal Funds	34,398	37,755	13,830	30,700	12,188	128,871
Other	299	189	109	117	108	822
Carry Forward & Reserves	16,677	1,273	1,363	1,306	1,487	22,106
VMR Public Transportation Funds Program	52,221	56,329	60,180	64,240	68,391	301,361
VMR Public Transportation Funds Reserve	35,438	20,379	8,155	4,534	0	68,506
Total Sources of Funds	**164,260**	**155,933**	**117,320**	**136,385**	**110,331**	**684,229**
Uses of Funds						
Regional Fleet	39,263	43,074	14,460	34,247	13,525	144,569
Regional Facilities	5,590	4,688	3,249	3,300	3,515	20,342
Other Regional Projects	976	1,129	1,483	1,534	746	5,868
Member Agency Disbursements	5,448	5,325	4,825	5,424	1,465	22,487
Debt Service	25,324	25,009	24,968	23,106	22,689	121,096
Rail Program Disbursements	87,659	76,708	68,335	68,774	61,033	362,509
VMR Reserve for Future Use	0	0	0	0	7,358	7,358
Total Uses of Funds	**$ 164,260**	**$ 155,933**	**$ 117,320**	**$ 136,385**	**$ 110,331**	**$ 684,229**

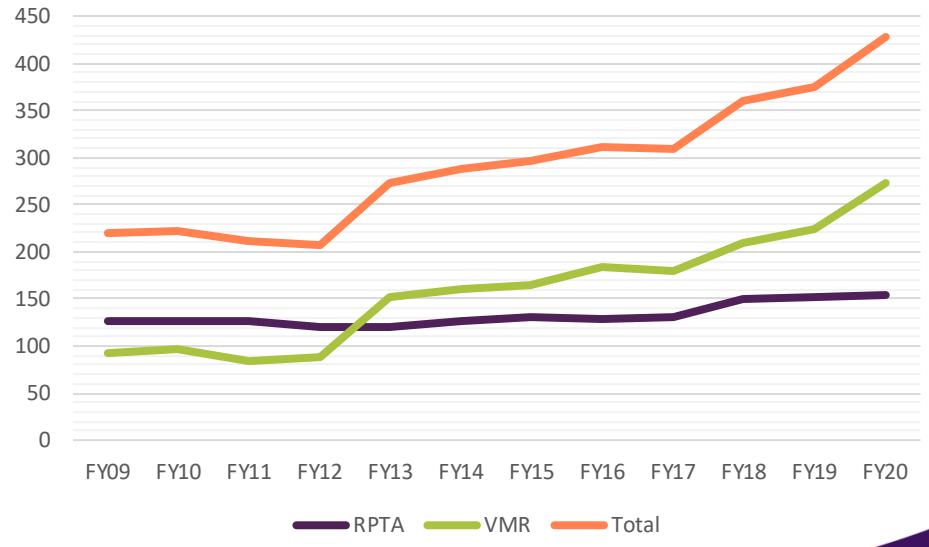
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Staff Changes from FY19 to FY20

Positions by Division	FY19 Budget	Mid-Year Additions	FY20 Additions	FY20 Budget
Agency Business, Technology and Services	49		2	51
Capital and Service Development	56	1		57
Communication and Strategic Initiatives	10	6		16
Executive Office	5			5
Finance and Procurement	34		2	36
Human Resources	10		1	11
Internal Audit Services	2	1		3
Legal	2			2
Operations and Maintenance - RPTA	66			66
Operations and Maintenance - VMR	132		38	170
Safety, Security and Quality Assurance	10			10
Total Positions by Division	**376**	**8**	**43**	**427**
RPTA	*151*	*1*	*2*	*154*
VMR	*225*	*7*	*41*	*273*

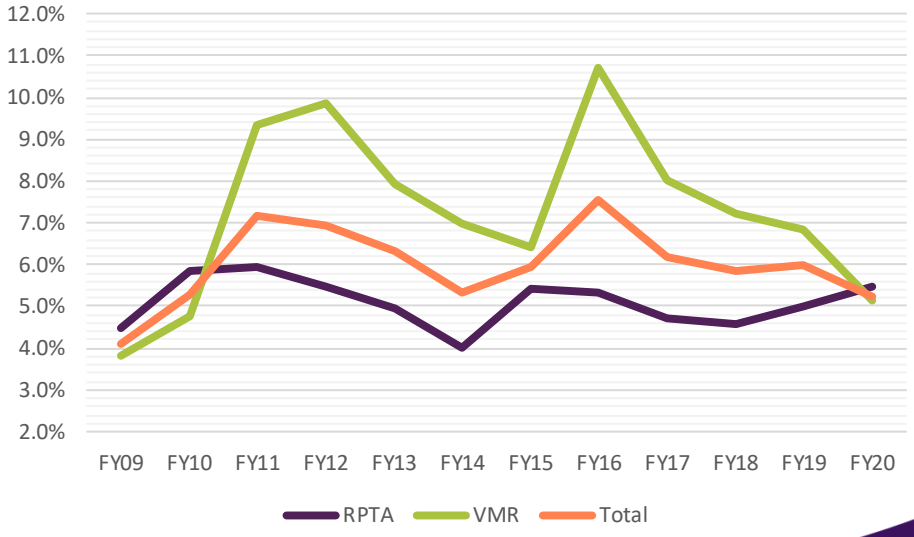
14

Historical Staffing – Total Positions



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Historical Staffing – Costs as % of Budget



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Upcoming Budget Schedule FY20

May 17	Member City Comments due
May	Committee cycle for information
June	Committee cycle for Budget Adoption

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Information Summary

DATE **AGENDA ITEM 5**
April 24, 2019

SUBJECT
Future Agenda Items Request and Report on Current Events

PURPOSE
Chair Phelps will request future agenda items from members, and members may provide a report on current events.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

STRATEGIC PLAN ALIGNMENT
None

COMMITTEE PROCESS
None

RECOMMENDATION
This item is presented for information only.

Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT
None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date

Agenda

April 24, 2019

Rail Management Committee
Wednesday, May 1, 2019
Lake Powell Conference Room
101 N. 1st Avenue, 10th Floor
11:00 a.m.

	Action Recommended
1. Public Comment (blue card) The public will be provided with an opportunity at this time to address the committees on **non-agenda items and all action agenda items.** Up to three minutes will be provided per speaker unless the Chair allows more at his/her discretion. A total of 15 minutes for all speakers will be provided.	1. For Information
2. Minutes Minutes from the March 6, 2019 RMC meeting are presented for approval.	2. For action

CONSENT AGENDA

3A. Light Rail Vehicle (LRV) Bumper Parts Contract Award Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to execute a 5-year supply contract for LRV bumper parts requirements from Hubner Manufacturing Corporation in an amount not to exceed $500,000.	3A. For action
3B. Light Rail Vehicle (LRV) Window Glass Contract Award Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to execute a 5-year supply contract for LRV window glass requirements from NASG Holdings, Inc. in an amount not to exceed $1,081,000.	3B. For action

3C. Cleaning Services Contract Change Order — 3C. For action

Staff recommends that the RMC forward to the Boards of Directors authorization for the CEO to execute a contract change order with DMS Facility Services for operations cleaning services in an amount not to exceed $616,360 for the period July 1, 2019 to December 31, 2020.

3D. Northwest Phase II Light Rail Extension Construction Management at Risk Contract Amendment — 3D. For action

Staff recommends that the RMC forward to the Board of Directors authorization for the CEO increase the Northwest Phase II Light Rail Extension Construction Manager At Risk contract with Kiewit-McCarthy, A Joint Venture, by $1,659,708.

3E. Revised Point of Interest Name for University/Rural Station — 3E. For action

Staff recommends that the RMC forward to the Board of Directors adjustment of the Point of Interest name of the University Dr/Rural Rd station from “ASU Tempe Campus” to “ASU Earth/Space/Life Center.”

3F. Pass-Through Agreement for Tempe Streetcar Small Starts Single-Year Grant — 3F. For action

Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to execute the IGA with the City of Phoenix for the Tempe Streetcar Small Starts Single-Year Grant.

3G. City of Phoenix Grant Pass-Through Change Orders — 3G. For action

Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to execute change orders to the intergovernmental agreements with the City of Phoenix for the listed grants.

REGULAR AGENDA

4.	South Central/Downtown Hub Light Rail Extension Design Services Contract Amendment Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to increase the South Central/Downtown Hub Light Rail Extension design contract with AECOM by $14,729,587 to extend Design Services and add Design Services During Construction.	4. For action
5.	Valley Metro Rail, Inc. Fiscal Year 2020 (FY20) Proposed Operating and Capital Budget and Five-Year Operating Forecast and Capital Program (FY20 thru FY24) Scott Smith, CEO, will introduce Paul Hodgins, Chief Financial Officer, who will provide an overview of the FY20 Proposed Operating and Capital Budget.	5. For information
6.	Future Agenda Items Request and Report on Current Events Chair Zuercher will request future RMC agenda items from members and members may provide a report on current	6. For information
7.	Next Meeting The next meeting of the RMC is scheduled for **Wednesday, June 5, 2019 at 11:00 a.m.**	7. For information

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats (large print, audiocassette, or computer diskette) 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**
April 24, 2019

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.** Up to three minutes will be provided per speaker unless the Chair allows more at his/her discretion. A total of 15 minutes for all speakers will be provided.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
This item is presented for information only.

CONTACT
Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT
None

Minutes

DATE
April 24, 2019

AGEDNA ITEM 2

Rail Management Committee
Wednesday, March 6, 2019
Lake Powell Conference Room
101 N. 1st Avenue, 10th Floor
11:00 a.m.

Rail Management Committee Participants
Ed Zuercher, City of Phoenix, (Chair)
Eric Iwersen for Steven Methvin, City of Tempe (Vice Chair)
Scott Butler for Chris Brady, City of Mesa
Kevin Phelps, City of Glendale
Josh Wright, City of Chandler

Chair Zuercher called the meeting to order at 11:49 a.m.

1. Public Comment

None

2. Minutes

Minutes from the February 6, 2019 RMC meeting were presented for approval.

IT WAS MOVED BY SCOTT BUTLER, SECONDED BY KEVIN PHELPS AND UNANIMOUSLY CARRIED TO APPROVE THE RMC MEETING MINUTES FROM FEBRUARY 6, 2019.

3. Consent Agenda

Chair Zuercher said we have a consent agenda with two items on it. Is there any request for discussion of the consent agenda? Hearing none, I would entertain a motion.

IT WAS MOVED BY KEVIN PHELPS, SECONDED BY JOSH WRIGHT AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA.

4. Light Rail Vehicle (LRV) Communication and Video System Upgrade Contract

Award

Chair Zuercher said that takes us to Item 4. Light Rail Vehicle Communication and Video System Upgrade Contract Award. Mr. Smith

Mr. Smith said thank you, Mr. Zuercher. I would like to introduce Ray Abraham. Rob. I'm sorry. Rob, who handles our light rail maintenance and state of good repair for us. And Rob's going to tell you about one of these items that Paul mentioned, which is as our cars have hit ten years and with the advancement in technology and other things that have happened in the industry, we have a significant project that we need to undertake, so I'll turn it other to Rob.

Mr. Rosenberg provided a presentation that included the following:

- ✓ Rheinmetal No Longer Supports Equipment
- ✓ Immediate Steps Taken
- ✓ Obsolete Parts
- ✓ Voice Radio
- ✓ MWS & PTUs Use Unsupported Windows Software
- ✓ New Video System Will Reduce Video Downloading Needs
- ✓ Procurement Process
- ✓ New System (4 slides)
- ✓ Recommendation

Mr. Phelps said yes, going back to the Windows XP situation, Windows XP went out of software support by Microsoft in April of 2014. It's almost five years ago. And so, one, curious as to why it's taken us this long to address that, because obviously there's some critical components here that if we had failure would limit our ability to provide the level of service both from an operation maintenance but from the video side.

So two-parted question, you know, one, was this something that we identified in the past and were just willing to take on that associated risk? And then I guess, two, a question may be more for Mr. Scott then, do we have other instances within the agency of different platforms that are still using software that is no longer supported by the manufacturer?

Mr. Smith said we'll get Mr. Ozlin in here to talk about in detail, our IT manager, because he can tell you about that. And, Rob, if you want to talk about the first part.

Mr. Rosenberg said I can handle the first part. We identified the Windows XP as an issue with the system many years ago, like you said, because it wasn't supported.

We've been working with Kinkisharyo to try to get that software upgraded and explored that possibility. Unfortunately the system, the original system, came from a company called GeoFocus, and they've since went out of business. So Kinkisharyo -- they did

that a number of years ago.

So Kinkisharyo took over the responsibility for that, but unfortunately the expertise with the software engineers is no longer available. So we tried several different solutions to try to upgrade that. We have also tried to run it in a virtual environment into a just run XP virtually to try to overcome this problem. We've had limited success with that and we lose some functionality when we do that.

But exploring the possibility of upgrading the current system to run on a more current version of Windows we exhausted it. We tried to do it and just had no luck, no success with it

Mr. Smith said and one of the reasons we didn't do a full makeover is because although there are many different components, this really does operate as one system. And you couldn't just, you know, we talked about upgrading that one, but we looked at the risks. And the risks of upgrading piecemeal we believed that entire system would probably be swept away when we went to the full change. And we analyzed the risk and decided that the risk of the breakdown of XP was less than us spending a large amount of money only to turn right around literally a year later and replace that with this new system.

So we knew it was there. We've basically operated on chewing gum and baling wire, but it was a managed risk that we undertook. We just didn't want to spend a lot of money for a system that was going to be replaced.

Mr. Smith said we will get back to you on that.

But that's the main reason we have not updated. The other thing is that this CAD/AVL just to let you know, it's part of the entire bus system, all nine hundred buses between City of Phoenix and Valley Metro have gone through this change in the communication system. And that's been a process, Ray, about three years in the making? In '16 did you say?

Yeah, so, that system was that procurement, which we did jointly with the City of Phoenix, they took the lead on it, really took much of our attention.

We're hoping to combine those two. We had actually even had worked with Clever Devices to do a pilot. And then we got the word from Kinkisharyo that this other system they were not going to support anymore, so those two hit about the same time.

So we're in obviously a 900-bus-communication system -- is a huge project-- and 50 trains. We literally sort of had to couldn't do both of them all at one time with the communications and spend a lot of time trying to split those out. So that's why you're just getting that now.

We didn't want to rush into it. As you can tell, this is a big-ticket item.

But this also sets us up for many, many years. And just one of the things that Adrian that has to deal with is that our cameras, for example, on the trains, we get video and we use these video with the police departments, everything, all the time as you can well imagine. Anytime there's an incident on a platform or on a train, we're downloading video.

One of the challenges is we have no audio with the video. The only time you get an audio is if someone hits a button in the train, then it turns on the audio, but that's basically to talk to the operator.

So we're at a disadvantage from a security and a safety standpoint from that, so we decided long ago that was going to be a central piece is to update that system to a digital and include audio.

But, once again, as Rob explained, all this eventually goes through the same box or integrated boxes and you can't -- it's difficult. You can, but it's difficult to piecemeal it. We decided to do it all at one time.

Mr. Phelps said Just as a follow-up,. I think the thought process not to piecemeal is solid. I guess what I was wondering is should we have, knowing the risk with XP not being supported it really is, you know, it causes a lot of functionality problems if you run into issues or security issues, I mean, a number of things in this day and age, why we didn't maybe accelerate the procurement to a whole new system sooner rather than later recognizing at some point we knew we probably were going to have to do that. That was more my line of questioning.

Mr. Smith said okay. That's a whole another discussion that I will be more than happy to have with you offline.

Chair Zuercher said so a question is, the buses are Clever Devices and the rail is Siemens is that going to pose any problems with integration?

Mr. Rosenberg said I don't believe that's going to pose any problem because there's really no integration there. We will be working on a solution to feedback some information that I know the City of Phoenix wants and that's for passenger counting information and vehicle position, and we will certainly be able to do that with the new system.

Mr. Smith said one of the requirements is that even though they're different systems, when it comes to the point, there is interconnectivity and the all the data -- we've coordinated with your staff to make sure that all the data that they need to use in the overall scheduling and everything in control is readily and easily downloaded to City of Phoenix staff.

Mr. Iwerson said thanks for the information. We've seen several versions of this and I think it's important that we do this work. I'm just wondering I think in the summary it says that this is incorporated into the five-year operating budget. But can we get a little bit of information on the breakdown of the source of funds and how and is it over five years or longer? Is it PTF and the break down is PTF versus local or how that's being proposed?

Mr. Hodgins said the project is funded with a hundred percent PTF, regional PTF. We don't have any federal money. We've kind of pushed that all to the fare collection system, so this becomes locally funded. We'll start this fiscal year. It will carry through next. And I believe a little bit into FY21.

Mr. Butler said we start this year, two additional years.

Mr. Hodgins said it's about a two-three-year project and hundred percent PTF funded.

Mr. Butler said and to piggyback on that question then, so what portion -- so it's future obligations, so, Paul, you said, maybe a two year -- two fiscal years on this, but how much of the $14 million is included in FY19 versus moving forward?

Mr. Hodgins said I believe there's about $2 million in '19. I know there's just a little over seven million in fiscal 20. I think that's about right. And then the remainder would be the subsequent fiscal year.

Mr. Butler said so this contract's binding us to the $12.5 million moving forward with only two million into in this year's budget?

Mr. Hodgins said correct.

Chair Zuercher said we're authorizing a contract for $14.5 million, but it's going to have a $12.5 million-dollar-budget impact going forward?

IT WAS MOVED BY KEVIN PHELPS, SECONDED BY SCOTT BUTLER AND UNANIMOUSLY CARRIED TO FORWARD TO THE BOARD OF DIRECTORS AUTHORIZATION FOR THE CEO TO EXECUTE A CONTRACT WITH SIEMENS MOBILITY, INC. FOR AN AMOUNT NOT TO EXCEED $14,554,000 TO UPGRADE THE COMMUNICATION AND VIDEO SYSTEM ON THE LIGHT RAIL VEHICLES.

5. Valley Metro Rail, Inc. Fiscal Year 2020 (FY20) Preliminary Operating and Capital Budget and Five-Year Operating Forecast and Capital Program

Chair Zuercher said that takes us to the budget for the rail side of the operation.

Mr. Smith said and we'll just let Paul stay there and give you the presentation on the rail budget.

Mr. Hodgins said thank you, mister chair, members of the RMC again, a slightly different presentation than what was in your packet but hopefully some of the information is useful.

Mr. Hodgins provided a presentation which included the following:

- ✓ Uses of Funds: Operating and Capital

Chair Zuercher said can you go back one slide for a second. When you say capital activities, is that excluding any staffing costs, or are you attributing staff that work on capital activities?

Mr. Hodgins said yes, that would include staff that works on capital activities.

Chair Zuercher said okay. So it's not capital. It's you're distinguishing between capital and capital activities in that respect?

Mr. Hodgins said yes.

- ✓ Sources of Funds: Operating and Capital
- ✓ VMR Operating Budget
- ✓ VMR Budget – Rail Operations
- ✓ Baseline: Light Rail Operations (2 slides)
- ✓ Use of Funds: Operating
- ✓ Sources of Funds: Operating
- ✓ Uses of Funds: Project Development
- ✓ LRT Capital Project Schedule
- ✓ Sources of Funds: Capital
- ✓ Uses of Funds: Capital
- ✓ Staff Changes from FY19 to FY20 (bar chart)
- ✓ Staff Changes from FY19 to FY 20
- ✓ Upcoming Budget Schedule

Chair Zuercher said are you budgeting those fully, or are you phasing the budget in, too?

Mr. Hodgins said yes, the budget will be phased in. So we'll have just a percentage of their effort and a percentage of a salary based on when they start January, March, whatever or the next fiscal year.

So, again, the executive summary is out there. We're happy to take any questions, comments, provide additional detail you may need. We'd like those comments back by April 15. And we'll make updates and changes and come back in May.

Chair Zuercher said thank you. Questions from members?

Mr. Butler said on operations and maintenance, the new positions, are you planning in the future as we as Valley Metro presents a five-year state of good repair plan, will the positions and the resources dedicated to that be broken out from the capital program so that we can understand what proportion is going to expansion projects or capital replacement versus state of good repair?

Mr. Hodgins said yes. We can certainly do that. We're just kind of at the initial stages of pulling everything apart, but we have identified a certain number of positions for the state of good repair. And when we bring the five-year budget we'll identify that five-year state of good repair program and then the associated staff.

Mr. Butler said that would be really helpful. I think all of us in our city budgets differentiate between what we're spending on capital versus fleet replacement and others, so it would be helpful to know the breakdown on that.

And also, Mr. Smith, again, an 18 percent decrease in fare collection over this period of time and, you know, we were just talking about the fact that really interim steps we think have to be taken in order to bring this down. This trend line is hard to absorb, at least in Mesa's standpoint, into our general fund, but I'm sure that any other transit funds from the member communities.

Mr. Smith said and without belaboring it, because we've talked about it, but I will tell you there are certain policy decisions that need to be made.

One of our greatest weaknesses is we have over eight hundred retail outlets -- and to control those sales -- who buy tickets in bulk and to control that would take either spending a lot of money on enforcement or changing the policy and not either selling through that or having that.

And so we can do a bit, but until we have this new system in where we control through identity and through smart card and through control the point of sale and what we can sell, it would require policy level decisions, primarily at the City of Phoenix, because most of those outlets are within the City of Phoenix and also there are some things that I believe are embedded in our fare revenue policy that would have to be addressed. That's the challenge of controlling reduced fare revenue.

We have found that you could control it through more aggressive enforcement on both buses and trains. We have chosen, frankly, not to put our operators, our bus operators, in that position because that does two things. Number one, it slows down operations, but more importantly it puts -- most of our operator assaults, those come through fare enforcement disputes. And, you know, you're trading one issue for another issue.

On the train we are asking our fare inspectors to get more, let's say, diligent in their reduced fare collection since they have a little bit more time, it's not quite the same situation, so we are stepping up those efforts.

But until you can control that point of -- and you also have some Title VI issues that we're trying to sort through as far as changing the outlets and the numbers. We were not quite clear on that, but we're working with Phoenix to figure out if those impact Title VI.

So I'm just going to be straightforward, it will take a very vibrant discussion, which we probably should have, much like we're doing the workshop on the paratransit, I would like to have a workshop maybe with all city staff where we talk just what we want to do and identify -- we can identify for you where we see the actual policy decisions that would need to be made to create a probably two to three-year interim coverage until we can fully install the new system and through a picture ID smart card which is where we're headed.

At that point in time you have a much better control over who you sell reduced fares to. And we also have some policy decisions as to where whether and how far we want to go in selling those reduced fare at the TVMs, because you could still walk up and get it.

That's not our biggest challenge, though. Adrian gave me some statistics to show you what our problem is. Adrian what was that -- why don't you get up and tell real quickly about something we found out about multiple day passes that were sold recently. We did a study for a period of time. Why don't you tell that story.

Ms. Ruiz said Chair, members of the committee, thank you. We have a weekly inspection report we get from finance. It's basically at the point of inspection through the handheld verifiers what we're actually inspecting.

We find that 17, 15 and 31 day passes, which are the most expensive passes to purchase, we find a high percentage are reduced fare, which really looking at the system, we don't have a 30 some percent reduced fare population that are eligible.

So when you see those very costly fares that are in high number of reduced, that means at point of pay, as Scott Smith mentioned, we have an issue at point of pay. So people have the opportunity to purchase the correct fare, but they have also an opportunity to purchase half fare. And it's not controlled

Mr. Smith said not only is it a large percentage, we actually in our test period sold more reduced fare multi-day fares than we did full fare.

Ms. Ruiz said sometimes to the point of a 170 for full fare for seven day, and we'll have about 220 reduced fare seven-day passes, so almost doubled.

Mr. Smith said and normally that percentage would be in the thirty to forty percent range and it's a 130 to 140 percent. That's purely controlling the point of sale. And with the system we have the hardware and the ticketing system we have now and the eight hundred-plus vendors, we simply don't have the ability to control that to the level that we

would like. That's a huge, huge gap, and we're working to plug it.

But I'd like to get the staffs together to have that kind of discussion. We've had that discussion piecemeal, but I think it would be good to have your staff and everyone get together and really just sort it out because it's a difficult discussion.

Mr. Iwerson said can I ask a question? So I think the April work-study session is fare collection. Some of this could be discussed and brought forward at that work-study; correct?

Mr. Smith said and what they're expecting is to continue and have us go back with some information with the very questions you've asked. It would be nice to do what we're doing on the paratransit, which was to have a workshop prior to that study session, where we can have all the staff together and we can sort out some of these things. I'd much rather do that then -- this is not the kind of discussion that is the most beneficial at the board level. It's most beneficial at the staff level.

Mr. Iwerson said yeah, at the staff level we could have that meeting before the April work-study and come up with maybe some draft recommendations. Policywise and other that could be brought forward at that work-study.

Mr. Smith said we've done things like we sent out – we, meaning Valley Metro and City of Phoenix, sent out a joint letter to all the vendors, especially the major vendors expressing our -- re-expressing the fare policy and basically putting them on notice that if they were caught in not enforcing that they could lose their rides.

But it's hard. I mean, for example, the major convenience stores, they buy corporate-wide they buy a bunch of passes and then pass them out to individual stores, so it's really difficult to even see where the problem stores are because we don't have any accounting as to where those are being bought, you know, is it in this neighborhood or that neighborhood.

Well, since Circle K, for example, who has probably over four hundred of the eight hundred, they just buy it one block corporate-wide and then they distribute it out. So there's some real challenges to that kind of enforcement.

But we'll schedule something. We'll get together with your staff and schedule something before the April board meeting just like we have with the paratransit

Chair Zuercher said that's good. Thank you for that. Anything else? Yes, Scott.

Mr. Butler said just one follow-up, Mr. Smith, to that point, something, though, and I think what would be really helpful to hear, if something is still driving this year-over-year decrease and it's one thing if it were just flat and you had to say that well the problem is what it is, but, you know, we have to wait until the new vending comes online.

But the reality is, I mean, if you're seeing year over year 18 percent decreases or something of that magnitude, something else is still driving that to occur. And so that would be helpful when you chat with staff to have that discussion, too, because there.

Mr. Smith said we will. What we're judging our performance on since, frankly, we don't have an enforcement staff out there that's gathering real hard data. We're basing our assumptions on talking with other systems, best practices, and also looking at peer to peer. And that's where we get the thirty to thirty-five percent seems to be a nationally a percentage where your reduced fares, if you do offer reduced fares, it should be in that thirty to thirty-five percent, some go as high as 45 percent.

For a long time we were at the 50 percent level or were below 50 percent and it is in the last year, it seems to be, an explosion. We all of a sudden started experiencing what Adrian talked about.

So, yes, we're -- this isn't hard data we're doing, it's connecting dots. And we admit that we're doing that it's still an educated guess, but we don't have hard data that says we've sampled this many and found out that. We just don't have the resources to do that and haven't done that.

Mr. Butler said and it seems as if it were declining at a lower pace that would be, you know, one thing, but to see such large increases, that's what's troubling and still knowing that we're still not evened out.

Mr. Smith said it troubles us, too. It's very much a frustration because those are real dollars. Those are real dollars out the door and with all the other costs that we have, this is the -- the timing is never good, but it obviously piles on when we have all these other things going.

Chair Zuercher said and if I remember correctly, you have to offer half-price fare?

Mr. Smith said no, we don't have to offer any reduced fare. There's some systems that do not offer --

Chair Zuercher said I think, federally.

Mr. Smith said but federally, we don't have to -- let's put it this way. We don't have to offer the broad base that we do. We've gone beyond the bare minimum, I do believe, in how and where we sell and things like that. We had this discussion. I can't remember the details of it.

Chair Zuercher said you know, just maybe from an economic perspective if maybe our pricing is out of whack and we're driving people to that, so it would be one theory which would be do away with reduced fare, lower your prices overall and maybe you'll collect more and you'll get out of the enforcement problem, but I think there's a federal issue

where you have to offer the reduced fare.

Mr. Smith said I think if you offer it -- you're right. I think if you have defined it, you have to offer it; right?

Mr. Hodgins said we have to offer a reduced fare during off-peak times to seniors and persons with disabilities.

Chair Zuercher said and that's a federal requirement?

Mr. Hodgins said yes. That's the requirement, but we obviously do more than that. We do all the time, plus we offer it to youth.

Chair Zuercher said so that's, yeah, that's part of the policy discussion to have.

Mr. Hodgins said right.

Mr. Smith said right. Because I've ridden some systems where they offer it on the off-peak only and during the peak times it's one fare.

Chair Zuercher said everybody pays one.

Mr. Smith said everybody pays one. So, now I remember. So we go beyond what it is.

Chair Zuercher said sophisticated collection system would be required for that. Okay. Very good. Good discussion.

So our staffs will make themselves available to have that workshop before your April meeting because I think it will be important to help flush that out for you for the members. This was an informational item.

6. Future Agenda Items Request and Update on Current Events

None.

With no further discussion the meeting adjourned at 12:29 p.m.

Information Summary

DATE **AGENDA ITEM 3A**
April 24, 2019

SUBJECT
Light Rail Vehicle (LRV) Bumper Parts Contract Award

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a 5-year supply contract for LRV bumper parts requirements from Hubner Manufacturing Corporation in an amount not to exceed $500,000.

BACKGROUND | DISCUSSION | CONSIDERATION
There are currently 50 Kinkisharyo light rail vehicles (LRVs) in the total fleet. Valley Metro maintains an inventory of bumper parts and components for the bumper assembly on the LRV. Bumper parts and components usage is dependent on the occurrence of incidents that damage the bumper assembly and accidents that occur on the rail alignment.

The recommendated award of the contract to Hubner Manufacturing Corpororation is a non-competitive procurement due to the company being the original equipment manufacturer (OEM). Hubner is the only source known to supply the specialty parts. Valley Metro has a unique light rail vehicle bumper system. No other agency in the nation has this system for their LRV. Hubner is the only source for parts and components for this specially designed system. There is no known market information that suggests there are alternative sources availble to meet OEM and Valley Metro's safety standards.

The contractor will provide the supply of bumper parts and components over the 5-year contract period. This is a inventory replenishment contract. All labor will be done in house by Valley Metro Rail staff.

An independent cost estimate and a non-competitive procurement justification 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 bumper parts and components being purchased from Hubner Manufacturing Corporation is an amount not to exceed $500,000 over the 5-year term of the contract. This cost is based on past usage and past accident averages. The cost for the purchase of the bumper parts and components is included in the Valley Metro Rail Adopted FY 2019 Operating and Capital Budget. Contract obligations beyond FY

2019 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2019 thru FY2023).

The source of funding is from member cities.

COMMITTEE PROCESS
RTAG: April 16, 2019 for information
RMC: May 1, 2019 for action
Board of Directors: May 16, 2019 for action

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 2: Advance performance based operation
  - Tactic A: Operate an effective, reliable, high performing transit system

RECOMMENDATION
Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to execute a 5-year supply contract for LRV bumper parts requirements from Hubner Manufacturing Corporation in an amount not to exceed $500,000.

CONTACT
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ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 3B**
April 24, 2019

SUBJECT
Light Rail Vehicle (LRV) Window Glass Contract Award

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a 5-year supply contract for LRV window glass requirements from NASG Holdings, Inc. in an amount not to exceed $1,081,000.

BACKGROUND | DISCUSSION | CONSIDERATION
There are currently 50 light rail vehicles (LRVs) in the total fleet. Valley Metro maintains an inventory of windshield glass and other window glass for the sides of the LRV. Glass usage is dependent on the occurrence of vandilism incidents and/or accidents.

The LRV glass componets has a special film in between the glass to reduce solar load on the vehicles. Also, the windshield has a compound curvature that makes it diffucult to replicate. The recommended vendor to purchase the LRV glass from is NASG Holdings, Inc. and is a non-competitive procurement due to the company being the original equipment manufacturer (OEM). Due to the special nature of Valley Metro's glass requirements, it makes it difficult to replicate. At this time, there is no known market information that suggests there are alternative sources availble to meet Valley Metro's OEM standards.

The contractor will provide the supply of windshields and other LRV glass needs over the 5-year contract period. This is a materials/parts only requirements contract. All labor will be done in house by Valley Metro Rail staff.

An independent cost estimate and a non-competitive procurement justification 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 glass components being purchased from NASG Holdings, Inc. is an amount not to exceed $1,081,000 over the 5-year term of the contract. This cost is based on past usage and past accident averages. The cost for the purchase of the glass components is included in the Valley Metro Rail Adopted FY 2019 Operating and Capital Budget. Contract obligations beyond FY 2019 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2019 thru FY2023).

The source of funding is from member cities.

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 2: Advance performance based operation

COMMITTEE PROCESS
RTAG: April 16, 2019 for information
RMC: May 1, 2019 for action
Board of Directors: May 16, 2019 for action

RECOMMENDATION
Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to execute a 5-year supply contract for LRV window glass requirements from NASG Holdings, Inc. in an amount not to exceed $1,081,000.

CONTACT
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ATTACHMENT
None

Information Summary

DATE
April 24, 2019

AGENDA ITEM 3C

SUBJECT
Cleaning Services Contract Change Order

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a contract change order with DMS Facility Services for operations cleaning services in an amount not to exceed $616,360 for the period July 1, 2019 to December 31, 2020.

BACKGROUND | DISCUSSION | CONSIDERATION
In November 2015, the Board of Directors authorized the CEO to execute a contract with DMS Facility Services to provide operations cleaning services effective January 1, 2016 for a total term of 5 years (3-year base contract plus one two-year renewal option). For the total 5-year term of the contract, the award amount was $9,530,200. Thereafter, a change order to the contract was approved by the Board in January 2017 in the amount of $1,062,671 due to the passage of Proposotion 206 which increased the minium wage.

DMS Facility Services has provided a stable workforce and more than a satisfactory level of quality service that enhances operations and contributes to low customer complaints. DMS Facility Services provides all necessary vehicles, tools, supplies, materials and other related equipment required to perform the cleaning services defined in the contract. Services performed under this contract include a full range of cleaning services related to bus and light rail.

In order to maintain the cleanliness of the rail platforms, other facilites along the rail alignment and light rail vehicles in revenue service on a consistent basis, an increase in scope is necessary that would increase the number of cleaners and pressure washing services. The Gilbert Road Extension will begin revenue service in the near future and includes three additional passenger stations, large park and ride lot, additional traction power subtations, and a shared security/operator building. Also, an increase in the frequency of pressure washing services is needed to maintain the passenger platforms and pavers along the alignment. The frequency of pressure washing will increase from once per month to once weekly. This is necessary to maintain a high degree of clealiness that aligns with Valley Metro’s goals.

COST AND BUDGET

The cost of the change order to the cleaning services contract with DMS Facility Services over the remaining year and a half of the contract is an amount not to exceed $616,360 and is detailed in the chart below:

Scope Change	July 1 – Dec. 31, 2019	Jan. 1 – Dec. 31, 2020	Total Increase
Additional Cleaning Route	$87,819	$184,420	$272,239
Additional Pressure Washing	$111,007	$233,114	$344,121
Total	**$198,826**	**$417,534**	**$616,360**

For the Fiscal Year 2020, The VMR contract obligation is $407,593, which is included in the VMR Proposed FY20 Operating and Capital Budget. Contract Obligations beyond FY20 are incorporated into the Proposed Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2020 thru FY2024). Funding for this contract is from member cities.

STRATEGIC PLAN ALIGNMENT

This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 1: Increase customer focus
- Goal 2: Advance performance based operation

COMMITTEE PROCESS

RTAG: April 16, 2019 for information
RMC: May 1, 2019 for action
Board of Directors: May 16, 2019 for action

RECOMMENDATION

Staff recommends that the RMC forward to the Boards of Directors authorization for the CEO to execute a contract change order with DMS Facility Services for operations cleaning services in an amount not to exceed $616,360 for the period July 1, 2019 to December 31, 2020.

CONTACT

Ray Abraham
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ATTACHMENT

None

Information Summary

DATE
April 24, 2019

AGENDA ITEM 3D

SUBJECT
Northwest Phase II Light Rail Extension Construction Manager at Risk Contract Amendment

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to increase the Northwest Phase II Light Rail Extension Construction Manager at Risk (CMAR's) contract with Kiewit-McCarthy, A Joint Venture (KWMC), by up to $1,659,708.

BACKGROUND | DISCUSSION | CONSIDERATION
To date the Board has authorized $1,760,000 in CM@Risk contract authority for preconstruction services as summarized below:

CMAR Current Contract Authority				
Date	**Action**	**Cost**	**Contingency**	**Total Authority**
Sep-2017	Preconstruction Services	$1,600,000	$160,000	$1,760,000
Total		**$1,600,000**	**$160,000**	**$1,760,000**

The CMAR's scope of work for the Northwest Phase II Light Rail Extension includes underground utility exploration, commonly known as "potholing." Adequate potholing is important to the project's design as this will increase knowledge of potential utility conflicts prior to commencing construction, and will reduce potential cost and schedule risks to the project.

Approximately 300 potholes were anticipated at the time of contract award. Based on early work efforts by Valley Metro's design consultant, it was determined that an additional 900 potholes will be needed to adequately support the design. Additional quantities were forecasted based on coordination efforts between the CMAR, the Designer of Record, and Valley Metro staff. As a result, the total number of potholes needed will be 1,200. The additional potholes are located throughout the project and will identify both private and public utilities. The increased pothole quantity for this project is in line with previous Valley Metro light rail projects.

In addition, potential change orders for additional preconstruction efforts and materials testing is expected to deplete the existing project contingency.

Based on approved and pending change orders, the current project contingency will be exceeded. Therefore, it is requested that an additional $1,659,708 be authorized for the CMAR contract to cover the cost of potholing, other anticipated change orders and to replenish contingency.

COST AND BUDGET
The current total CMAR contract authority is $1,760,000. The proposed increase is for an amount not to exceed $1,508,825. Staff will hold an additional $150,883 (10%) to use as a contingency. This will bring the total contract authority to $3,419,708.

Project funding will come from the City of Phoenix, the regional Public Transportation Fund (PTF) and the Federal Transit Administration. Funding is included in the Valley Metro Rail adopted FY19 Operating and Capital Budget. Contract obligations beyond FY19 are incorporated into the Five-Year Operating Forecast and Capital Program (FY18 thru FY22).

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 2: Advance performance based operation
- Goal 3: Grow transit ridership

COMMITTEE PROCESS
RTAG: April 16, 2019 for information
RMC: May 1, 2019 for action
Board of Directors: May 16, 2019 for action

RECOMMENDATION
Staff recommends that the RMC forward to the Board of Directors authorization for the CEO increase the Northwest Phase II Light Rail Extension Construction Manager at Risk contract with Kiewit-McCarthy, A Joint Venture, by $1,659,708.

CONTACT
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ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 3E**
April 24, 2019

SUBJECT
Revised Point of Interest Name for University/Rural Station

PURPOSE
To adjust the Point of Interest name of the University Dr/Rural Rd station from “ASU Tempe Campus” to “ASU Earth/Space/Life Center.”

BACKGROUND | DISCUSSION | CONSIDERATION
The Valley Metro Rail Board of Directors approved of a Station Naming Policy in 2004 that requires a geographic name as well as an optional Point of Interest name for light rail stations. Station names (both geographic and any Points of Interest) are approved by the Board. The intent of the Point of Interest is to provide added convenience and benefit to customers by identifying major, easily recognizable destinations to assist in wayfinding.

In summer 2008, the Board approved the station names for the original 20-mile system. For the University Dr/Rural Rd station, a Point of Interest was identified: ASU Tempe Campus. Since 2008, the ASU campus has significantly developed to include new, major institutions near this station area. At the request of ASU leadership, with concurrence from Tempe Board member, Councilmember Robin Arredondo-Savage, staff is recommending adjustment of this station’s Point of Interest from “ASU Tempe Campus” to “ASU Earth/Space/Life Center.”

COST AND BUDGET
There will be a minimal cost to replacing this sign at this station. The cost is contained within the adopted FY19 budget.

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Board adopted FY16 – 20 Strategic Plan:

- Goal 1: Increase customer focus
- Goal 3: Grow transit ridership

COMMITTEE PROCESS
RTAG: April 16, 2019 for information
RMC: May 1, 2019 for action
Board of Directors: May 16, 2019 for action

RECOMMENDATION
Staff recommends that the RMC forward to the Board of Directors an adjustment to the Point of Interest name of the University Dr/Rural Rd station from “ASU Tempe Campus” to “ASU Earth/Space/Life Center.”

CONTACT
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ATTACHMENT
Station Naming Policy

STATION NAMING POLICY
(Revised - September 29, 2004)

Station Names

Valley Metro Rail, Inc. believes that the naming of rail stations and facilities along the light rail corridor is best performed using a standard set of established criteria. Therefore, the following criteria are established in the determination of station names and facilities.

Rail stations shall be named using the following standard criteria:

- **Rail stations should be named with the maximum benefit and convenience of the user in mind and to assist patrons in navigating the system;**

- **All names shall identify as closely as possible the geographic location of the station (e.g. cross streets at the station location);**

- **Rail stations shall not be named after individuals -- either living or deceased;**

Also, names of all light rail stations and facilities shall be subject to ratification by the Valley Metro Rail Board of Directors.

Point Of Interest Naming Policy

The point of interest naming policy is provided as an addition to the Station Naming Policy and maintains the intent of providing maximum benefit and convenience of the transit system user.

Valley Metro Rail, Inc. believes that transit passengers are best served by both identifying strategic points of interest at station locations and by limiting the number of these points of interest. The introduction of too many points of interest will result in the overloading of information on station signage and system maps, to the detriment of information processing by the passenger.

Therefore, the following criteria are established in the determination of point of interest designations:

- Points of interest must be major civic or public educational facilities/areas that are easily recognized by the public as a desirable destination;

- Such names shall be simple so as to be clearly understood by the user;

- All point of interest names shall be of facilities or institutions that have been built with significant public participation or of defined areas that have been designated by City Council action,

- The point of interest names shall be appended to the station banner signs to provide passenger visibility, but not in such a way as to confuse or overshadow the official station name.

- The point of interest names shall be no longer than 26 characters, including spaces.

- Point of interest names may also be added to the station directory map and information maps and brochures that provide station name information. The Agency shall retain the discretion to omit or shorten point of interest names with standard abbreviations where space is a consideration.

Also, point of interest names shall be subject to ratification by the Valley Metro Rail Board of Directors.

Information Summary

DATE **AGENDA ITEM 3F**
April 24, 2019

SUBJECT
Pass-Through Agreement for Tempe Streetcar Small Starts Single-Year Grant

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute an Intergovernmental Agreement (IGA) with the City of Phoenix to allow Valley Metro to be reimbursed for eligible activities.

BACKGROUND | DISCUSSION | CONSIDERATION
The Tempe Streetcar is a 3.0 mile modern streetcar line that begins on Rio Salado Parkway at Marina Heights near Packard Drive, uses the Mill Avenue/Ash Avenue loop in downtown Tempe, travels south on Mill Avenue between University Drive and the Gammage Curve, turns east onto Apache Boulevard and continues to its terminus near the Dorsey/Apache Boulevard light rail station.

Tempe Streetcar will serve one of the highest transit ridership centers in the region. It will connect riders to neighborhoods, major business centers, and regional events and destinations. As the Valley's first modern streetcar line, it will add to the comprehensive transit network in Tempe, which includes buses, circulators, light rail, bicycle and pedestrian amenities.

The Federal Transit Administration (FTA) has allocated $75 million in Capital Investment Grant (CIG) funding for the project. The project is in the Small Starts category of the CIG Program. FTA allocated $50 million in federal FY2017 and $25 million federal FY2018. Valley Metro and the City of Phoenix are preparing a grant application to FTA for a single year grant for the full $75 million. The City of Phoenix is the designated grant recipient and an IGA is required to allow Phoenix to pass the funds to Valley Metro for eligible expenses.

COST AND BUDGET
All expenses are in the approved FY 2019 Adopted Operating and Capital Budget and 5-Year Capital Program. The grant funds will offset expenses, reducing the net cost to the Public Transportation Fund and member agency budgets.

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals in the Five-Year Strategic Plan, FY 2016 – 2020:

Goal 2: Advance performance based operation

COMMITTEE PROCESS
RTAG: April 16, 2019 for information
RMC: May 1, 2019 for action
Board of Directors: May 16, 2019 for action

RECOMMENDATION
Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to execute the IGA with the City of Phoenix for the Tempe Streetcar Small Starts Single-Year Grant.

CONTACT
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ATTACHMENT
None

Information Summary

DATE
April 24, 2019

AGENDA ITEM 3G

SUBJECT
City of Phoenix Grant Pass-Through Change Orders

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute contract change orders with City of Phoenix extending the term of grant pass-through intergovernmental agreements.

BACKGROUND | DISCUSSION | CONSIDERATION
Valley Metro has requested extensions to the pass-through IGAs for four existing grants. The extensions are needed to allow additional time to complete the projects identified in the grants. The table below summarizes the requested changes:

Grant	Source	Extension
AZ-90-X131	5307 – Formula	December 31, 2019
AZ-95-X015	CMAQ Flex	December 31, 2019
AZ-95-X023	CMAQ Flex	December 31, 2019
AZ-2016-013	5337 – State of Good Repair	December 31, 2019
AZ-2017-002	5312 – Mobility on Demand	June 30, 2020

- Grant AZ-90-X131 includes funding awarded through the Section 5307 Formula Program for the Gilbert Road Extension transit center in Mesa. The extension is required to allow additional time to draw the funds.
- Grant AZ-95-X015 includes funds awarded through the Congestion Mitigation/Air Quality Program flexed from the Federal Highways Administration for design for the System Control and Data Acquisition (SCADA) system. The extension is required to allow additional time to draw the funds.
- Grant AZ-95-X023 includes funds awarded through the Congestion Mitigation/Air Quality Program flexed from the Federal Highways Administration currently programmed for the Central Mesa Extension. The extension is required to allow additional time to reprogram and draw the funds.
- Grant AZ-2016-013 include funds from the Section 5337 State of Good Repair Program for Light Rail Vehicle component overhauls. The extension is required to allow additional time to purchase vans and draw the funds.

- Grant AZ-2017-002 include funds from the Section 5312 Mobility on Demand Program for research and innovation. The extension is required to allow additional time to purchase vans and draw the funds.

The City of Phoenix is the designated recipient for all FTA grant funds for the region. Valley Metro undertakes projects approved for FTA grant funding, then submits requests to Phoenix for reimbursement of actual expenses incurred. Phoenix then executes a drawdown of funds from FTA to pass-through the reimbursement to Valley Metro. The pass-through IGAs are required in order for Phoenix to reimburse Valley Metro for eligible expenses.

COST AND BUDGET
All expenses are in the approved FY 2019 Adopted Operating and Capital Budget and 5-Year Capital Program. The grant funds will offset expenses, reducing the net cost to the Public Transportation Fund and member agency budgets.

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 2: Advance performance based operation
- Goal 4: Focus on economic development, regional competitiveness and financial resources

COMMITTEE PROCESS
RTAG: April 16, 2019 for information
RMC: May 1, 2019 for action
Board of Directors: May 16, 2019 for action

RECOMMENDATION
Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to execute change orders to the intergovernmental agreements with the City of Phoenix for the listed grants.

CONTACT
Paul Hodgins
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602-523-6043
phodgins@valleymetro.org

ATTACHMENT
None

Information Summary

DATE
April 24, 2019

AGENDA ITEM 4

SUBJECT
South Central/Downtown Hub Design Services Contract Amendment

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to increase the South Central/Downtown Hub Light Rail Extension Design Services Contract with AECOM by up to $13,253,750 to extend Design Services and add Design Services During Construction.

BACKGROUND/DISCUSSION/CONSIDERATION
To date, the Board has authorized $38,357,638 in contract authority for design services as summarized below.

Design Current Contract Authority				
Date	**Action**	**Cost**	**Contingency**	**Total Authority**
May 2017	Board Award for Design Services	$32,383,580	$3,238,358	$35,621,938
October 2017	Contract Amendment – Add Downtown Hub	$2,487,000	$248,700	$2,735,700
Total				**$38,357,638**

During the project's design process, it was necessary for AECOM's team to conduct additional unanticipated work in several areas. These additional work efforts created additional agency and stakeholder coordination activities, caused rework of design drawings late in the process, and slowed overall design progress. Key additional work efforts, beyond those in the agreed upon scope of work, occurred in the following areas:

- Central Avenue 2-lane versus 4-lane analysis and community engagement during summer 2018 per Phoenix City Council request
- Existing underground utility exploration
- Third party utility coordination
- Coordination with artists
- Downtown private development projects coordination

For these reasons, it is necessary to amend the AECOM contract to provide additional funds to complete project design and to extend the design phase by 75 work days. Additionally, Design Services During Construction (DSDC) are needed because early

work/procurement will commence this summer. The scope of services for this work will include review of contractor submittals, responses to requests for information, design changes, and performance of all special inspections during project construction. DSDC was included in the initial advertisement for this contract.

COST AND BUDGET
AECOM's current total design contract authority is $38,357,638. The negotiated not-to-exceed cost to extend design services is $2,015,380 and the addition of Design Services During Construction is $10,033,483. Staff will hold an additional $1,204,886 (10%) for use as a contingency. Therefore, the additional contract authority requested is $13,253,749, bringing the total contract amount to $51,611,387.

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 FY19 Operating and Capital Budget. Contract obligations beyond FY19 are incorporated into the Five-Year Operating Forecast and Capital Program (FY19 thru FY23).

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 2: Advance performance based operation
- Goal 3: Grow transit ridership

COMMITTEE PROCESS
RTAG: April 16, 2019 for information
RMC: May 1, 2019 for action
Board of Directors: May 16, 2019 for action

RECOMMENDATION
Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to increase the South Central/Downtown Hub Light Rail Extension design contract with AECOM by $13,253,749 to extend Design Services and add Design Services During Construction.

CONTACT
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ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 5**
April 24, 2019

SUBJECT
Valley Metro Rail, Inc. Fiscal Year 2020 (FY20) Preliminary Operating and Capital Budget and Five-Year Operating Forecast and Capital Program (FY20 thru FY24)

PURPOSE
To provide an overview of the FY20 Preliminary Operating and Capital Budget and the Five-Year Operating Forecast and Capital Program (FY20 thru FY24).

BACKGROUND | DISCUSSION | CONSIDERATION
The Valley Metro Rail, Inc. (VMR) FY20 combined operating and capital budget (the budget) is $480.5 million (M) and includes $87.7M in projects funded with Proposition 400 Public Transportation Fund (PTF) revenues for light rail/high capacity transit capital.

The preliminary FY20 budget has been prepared with the goal of delivering a fiscally prudent, balanced budget using carry forwards, reserves and bond proceeds. The budget was developed in compliance with Board of Directors' adopted budget, financial and Transit Life Cycle Program (TLCP) policies.

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

The total operating budget of $72.0M represents a $3.4M (5%) increase from the previous year's operating budget of $68.7M. The total capital budget of $408.5M represents a $169.0M (71%) increase from the previous year's capital budget of $239.5M.

The RPTA and Valley Metro Rail (VMR) budgets are developed with a unified staff plan, with department managers planning the level of effort required to meet the bus and rail activities. Salary and overhead charges to bus and rail projects are based on actual time worked on each project. For FY20 there are 427 employees budgeted in the integrated agency, with 154 FTE's budgeted to RPTA activities and 273 budgeted to VMR activities. Compensation budget based on 3.0% increase. For staff salary

changes, merit increases are evaluated based on employee performance; division level control to manage total costs within budget.

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan, FY 2016 – 2020:

- Goal 2: Advance performance based operation

COMMITTEE PROCESS
Preliminary Budget Review:
Financial Working Group: February 19, 2019 for information
RTAG: February 19, 2019 for information
TMC: March 6, 2019 for information
AFS: March 14, 2019 and April 11, 2019 for information
Board of Directors: March 21, 2019 for information

TMC: May 1, 2019 for information
AFS: May 9, 2019 for information
Board of Directors: May 16, 2019 for information

Proposed Budget Adoption:
TMC: June 5, 2019 for action
AFS: June 13, 2019 for action
Board of Directors: June 20, 2019 for action

RECOMMENDATION
This item is presented for information.

CONTACT
Paul Hodgins
Chief Financial Officer
602-523-6043
phodgins@valleymetro.org

ATTACHMENT
FY20 VMR Budget Executive Summary

EXECUTIVE SUMMARY

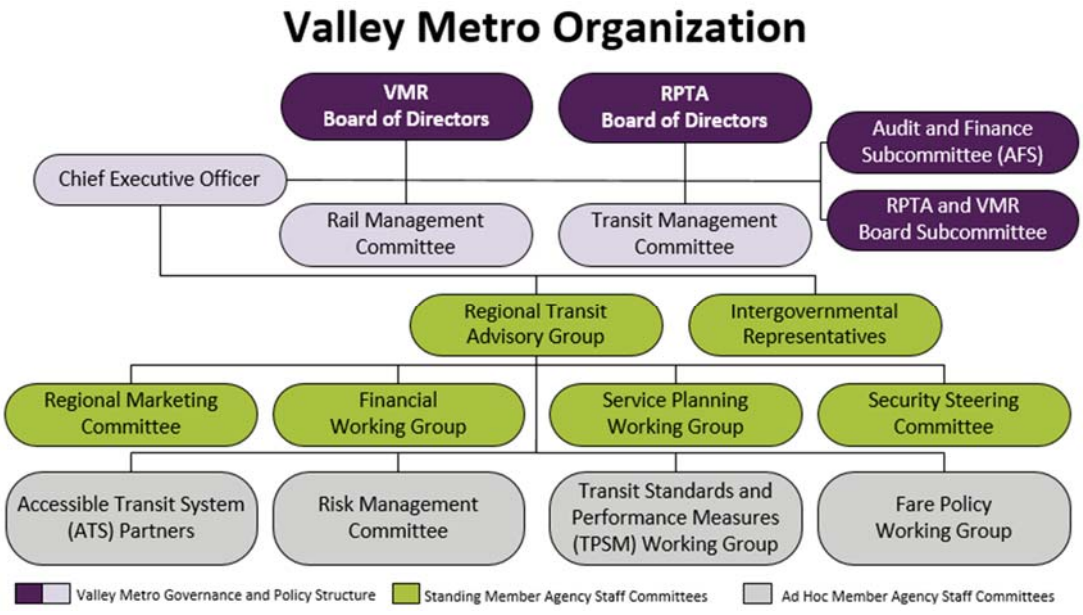
AGENCY OVERVIEW

Valley Metro is comprised of two separate legal entities, the Regional Public Transportation Authority (RPTA) and Valley Metro Rail, Inc. (VMR). The two agencies operate jointly with one Chief Executive Officer and one organizational structure. Intergovernmental agreements between the agencies define the responsibilities of each agency in meeting the overall strategic mission, vision and goals for Valley Metro. Valley Metro is governed by two boards of directors. The RPTA Board consists of 18 public agencies that set the policy direction for all modes of transit except light rail. The VMR Board consists of five cities that set the policy direction for light rail high capacity transit (HCT). The boards and the agency work to improve and regionalize the public transit system.

RPTA is the regional transit agency for Maricopa County. Created in 1985 with the passage of Proposition 300, RPTA is a political subdivision of Arizona overseen by an 18-member board of elected officials. Membership is open to all municipalities in Maricopa County and to the County government. The current Valley Metro RPTA Board comprises Avondale, Buckeye, Chandler, El Mirage, Fountain Hills, Gilbert, Glendale, Goodyear, Maricopa County, Mesa, Peoria, Phoenix, Scottsdale, Surprise, Tempe, Tolleson, Wickenburg, and Youngtown. With the passage of Proposition 400 in November 2004, RPTA is the recipient of the transit portion of the twenty-year countywide 0.5% sales tax fund commencing in 2006 and running through 2025.

VMR was formed in 2002 to design, construct, and operate a 66-mile high-capacity transit system. The current VMR Board comprises Chandler, Glendale, Mesa, Phoenix and Tempe. VMR is responsible for administration and oversight of the design, construction and operation of light rail, and for receipt and disbursement of funds from federal, state, local and other funding sources. The VMR Board is empowered to enter into contracts for design and construction, hire or contract for staff and undertake extensions to the system. The member cities of VMR retain power of eminent domain and ownership of real estate with agreements established for property use by VMR. The cities are responsible for providing annual funding for the light rail project through their annual or biannual budgets, in addition to recommending light rail corridors within their city boundaries.

The following chart depicts the policy organization for Valley Metro and the relationships to key stakeholders:



SERVICE CHARACTERISTICS

VMR operates the only light rail system within the Phoenix Metropolitan area, with an average weekday ridership of 48,000 boardings. Weekday trains run with two cars at 12 minute intervals during peak hours and 15-20 minute intervals off-peak. VMR operates a fleet of 50 light rail vehicles traveling over 10,000 miles each weekday, on a 28-mile alignment, serving 38 stations within the cities of Phoenix, Tempe, and Mesa. VMR's service area encompasses 39.1 square miles within the Phoenix Metropolitan area.

FARE POLICY

Effective March 2013, the current Regional Fare Policy is as follows:

LOCAL BUS / LIGHT RAIL				EXPRESS / RAPID BUS	
Full Fare		Reduced Fare*		Full Fare	
1-Ride	$2.00	1-Ride	$1.00	1-Ride	$3.25
All-Day	$4.00	All-Day	$2.00	All-Day	$6.50
7-Day	$20.00	7-Day	$10.00	31-Day	$104.00
15-Day	$33.00	15-Day	$16.50		
31-Day	$64.00	31-Day	$32.00		

*Available for youth ages 6 through 18, seniors 65 and older, persons with disabilities and Medicare card holders. Qualified persons may obtain a Valley Metro Reduced Fare Identification Card as proof of eligibility. Seniors and youth may show any valid photo ID indicating a birth date issued by a governmental agency.

Children ages 5 and younger ride free when accompanied by a fare-paying caretaker or guardian.

Visit Valley Metro's website at https://www.valleymetro.org for details regarding the fare structure.









STRATEGIC PLAN, VISION, AND GOALS

In January 2015, the Valley Metro RPTA and Valley Metro Rail Boards adopted the Valley Metro Strategic Plan for FY16 through FY20. The Strategic Plan provides clear definition of the purpose of the organization and establishes realistic goals and objectives for a five-year period. This plan ensures the most effective use of the organization's resources by focusing those resources on key priorities. Below are the five, overarching goals identified in the Strategic Plan:

- Increase customer focus
- Advance performance based operation
- Grow transit ridership
- Focus on economic development, regional competitiveness and financial resources
- Advance the value of transit

We are currently evaluating and updating the Valley Metro Strategic Plan for FY20 through FY24.

PRIORITIES AND ISSUES

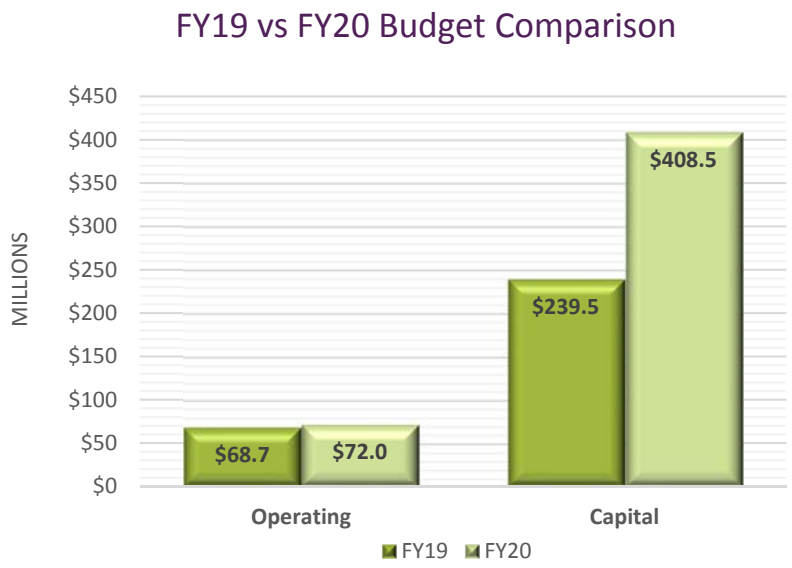
We will continue to work on existing initiatives in FY20 in the areas of:

- Respect the Ride Campaign
- Transit Asset Management Plan (State of Good Repair)
- Staff Development (Shifting Gears)
- On-going evaluation of staffing needs



BUDGET OVERVIEW

Total operating and capital budget for FY20 is $480.5 million (M), an increase of $172.3M or 56% from FY19 budget.











SOURCES OF FUNDS

Operating sources of funds are $72.0M, an increase of $3.4M or 5% from the FY19 budget. The primary sources are detailed below:

- Fare revenue is forecasted at $11.7M, which is down from FY19, based on current trends in average fare and ridership.
- Member city contributions of $44.8M are up from $38.2M. This funding is used for rail operations and maintenance, agency operating, and future project development expenses. It also includes a full year of operations for Gilbert Road Extension.
- Public Transportation Fund (PTF) sales tax revenue is $10.5M. PTF funding requirements for project development activities are down by $0.8M, primarily related to the West Phoenix study ending.

Capital sources of funds are $408.5M, an increase of $169.1M or 71% from the FY19 budget. The primary sources are detailed below:

- Federal funds are programmed at $108.3M to support South Central, Gilbert Road Extension, Tempe Streetcar, and Operations & Maintenance Center (OMC) expansion projects' design and construction activities, as well as systemwide improvements.
- Member city contributions are $224.6, up from $33.7M. This funding is used to support capital construction activities, systemwide improvements, and state of good repair projects.
- PTF sales tax revenue is $77.1M, up from $18.5M in FY19 primarily due to funding for Tempe Streetcar, South Central, OMC Expansion, Northwest Phase II, and state of good repair projects.

	FY18 Actual	FY19 Budget	FY20 Budget	
Sources of Funds				
Operating				***Note**
Advertising	$ 1,100,000	$ 1,100,000	$ 1,400,000	1
Fares	11,911,000	14,343,000	11,713,000	2
Federal Funds	1,888,000	2,682,000	2,563,000	
MAG Funds	500,000	500,000	500,000	
Member City Contributions	30,705,000	38,177,000	44,823,000	3
Public Transportation Funds	8,701,000	11,382,000	10,547,000	4
Regional Area Road Funds	500,000	500,000	500,000	
Other	46,000	-	-	
Total Operating	**55,351,000**	**68,684,000**	**72,046,000**	
Capital				
Federal Funds	72,922,000	164,286,000	108,304,000	5
Member City Contributions	34,754,000	33,657,000	224,596,000	6
Public Transportation Funds	24,753,000	18,515,000	77,112,000	7
City of Mesa Financing	-	23,000,000	(1,491,000)	8
Other	181,000	-	-	
Total Capital	**132,610,000**	**239,458,000**	**408,521,000**	
Total Sources of Funds	**$ 187,961,000**	**$ 308,142,000**	**$ 480,567,000**	

**Explanations for significant changes from prior year are included in the Budget Analysis section of this document.*

USES OF FUNDS

Operating uses of funds are $72.0M, an increase of $3.4M or 5% from the FY19 budget. The primary uses are detailed below:

- Revenue Operations and Maintenance is $47.2M, up from $44.3M due to maintenance costs to maintain the system in a state of good repair. It also includes full year of operations for Gilbert Road Extension.
- Security is $9.4M, up from $7.8M due to continued Respect the Ride effort, additional presence on platforms, and the launch of the AlertVM safety app.
- Future project development is $13.2M, down by $1.7M primarily due to decrease in planning activities related to future corridors and system planning.

Capital uses of funds are $408.5M, an increase of $169.1M or 71% from the FY19 budget. The primary uses are detailed below:

- Tempe Streetcar will be the next alignment to come on board and construction activity levels will increase in FY20.
- Both South Central and Northwest Phase II projects ramp up the construction phase in FY20.
- Operations & Maintenance Center Expansion construction continues with completion in FY21.
- Gilbert Road Extension and 50th Street Station have completed construction in FY19. Residual expenses are expected in FY20.

	FY18 Actual	FY19 Budget	FY20 Budget	
Uses of Funds				
Operating				***Note**
Rail Operations & Maintenance	$ 37,338,000	$ 44,258,000	$ 47,233,000	9
Security	5,682,000	7,783,000	9,380,000	10
Future Project Development	10,584,000	14,909,000	13,209,000	11
Agency Operating	1,747,000	1,734,000	2,224,000	
Total Operating	**55,351,000**	**68,684,000**	**72,046,000**	
Capital				
Tempe Streetcar	25,619,000	48,071,000	85,686,000	12
South Central	23,820,000	62,353,000	223,411,000	13
Northwest Phase II	20,000	21,737,000	39,639,000	14
OMC Expansion	-	7,114,000	32,095,000	15
Gilbert Road Extension	66,927,000	65,901,000	4,077,000	16
50th Street Station	8,006,000	8,779,000	1,227,000	17
Northwest Phase I	22,000	-	-	
Central Mesa Extension	912,000	234,000	348,000	
Systemwide Improvements	7,284,000	25,269,000	9,404,000	18
State of Good Repair	-	-	12,634,000	19
Total Capital	**132,610,000**	**239,458,000**	**408,521,000**	
Total Uses of Funds	**$ 187,961,000**	**$ 308,142,000**	**$ 480,567,000**	

**Explanations for significant changes from prior year are included in the Budget Analysis section of this document.*

BUDGET ANALYSIS

The following is an analysis of the major changes in the FY20 Budget versus the FY19 Budget. The number in the "Note" column corresponds to the "Note" column in the "Sources of Funds" and "Uses of Funds" tables.

	Note	Analysis Comment - Sources of Funds
OPERATING	1	Advertising revenue is up $0.3M due to an expected increase in volume of ads. There will also be additional advertising opportunities with the opening of Gilbert Road Extension and 50th Street Station beginning in late FY19.
	2	Fare revenue is forecasted at $11.7M, down $2.6M from the FY19 forecast. Based on current trends in average fare and ridership FY20 plans 15.8 million rides with an average fare forecast of $0.74 per ride.
	3	Member city contributions for operating projects are up from $38.2M to $44.8M in FY20. The primary reason for the increase is within rail operations ($6.7M), due to operating a full year of the Gilbert Road Extension combined with fare revenues. The remaining increases are for agency operating ($0.5M) and future project development ($0.6M).
	4	PTF sales tax revenue funding requirements for future project development are down by $0.8M, primarily related to West Phoenix study ending.
CAPITAL	5	Federal funding for capital is down from $164.3M to $108.3M. The decreases are forecasted in South Central ($47.1M), Gilbert Road Extension ($34.6M), Systemwide Improvements ($9.9M), and Tempe Streetcar ($7.7M). Increases are due in Northwest Phase II ($23.1M), OMC Expansion ($20.0M), and Central Mesa - SCADA ($0.2M).
	6	Member city contributions for capital projects total $224.6M for FY20. City of Phoenix is funding South Central ($203.7M), 50th Street Station ($0.8M), and Northwest Phase II ($9.9M). City of Mesa is funding the Gilbert Road Extension ($0.2M). City of Tempe is funding the Tempe Streetcar ($8.2M). The state of good repair projects are funded by City of Phoenix ($1.1M), City of Tempe ($0.4M), and City of Mesa ($0.3M).
	7	PTF sales tax funding requirement is increasing from $18.5M to $77.1M. Capital project needs are: Tempe Streetcar ($42.2), State of Good Repair ($10.9M), South Central ($6.1M), OMC Expansion ($6.4M), Northwest Phase II ($6.5M), 50th Street ($0.4M), and Systemwide Improvements ($4.6M).
	8	City of Mesa will be reimbursed $1.5M for financing costs related to the Gilbert Road Extension with federal funds received in FY20.

	Note	Analysis Comment - Uses of Funds
OPERATING	9	Rail Operation & Maintenance costs are forecasted to increase by 7% over FY19 levels, primarily due to Gilbert Road Extension being in operation for a full year. Maintenance costs are rising with scheduled preventive maintenance activities to maintain the system in a state of good repair.
	10	Security costs are forecasted to increase by 21% over FY19. The additional costs are due to contractual increases, fare inspections for Gilbert Road Extension, and additional platform presence for the Respect the Ride campaign.
	11	Planned future project development costs are down by $1.7M due to a decrease in planning activities related to future corridors and system planning. This is primarily due to West Phoenix study ending.
CAPITAL	12	Tempe Streetcar project costs are up $37.6M. Annual expenditures are forecasted at $85.7M, which includes Non-Prior Rights costs of $2.8M.
	13	South Central project and the Downtown Connector subproject activities will ramp up in FY20. Annual expenditures are planned at $223.4M, which includes Non-Prior Rights costs of $11.2M and Concurrent Non-Project Activities (CNPA) costs of $21.1M.
	14	Northwest Phase II project begins construction activities in FY20. Annual design and project management expenditures are forecasted at $39.6M.
	15	OMC Expansion project construction activities continue in FY20. Annual expenditures are forecasted at $32.1M.
	16	Gilbert Road Extension project costs are down $61.8M due to completion of the construction phase and the scheduled commencement of passenger operations in late FY19. FY20 expenditures are forecasted at $4.1M for residual construction expenses.
	17	The 50th Street Station project costs are down by $7.6M due to the construction phase being complete and commencement of passenger operations in late FY19. FY20 expenditures are forecasted at $1.2M for residual construction expenses.
	18	Systemwide Improvements annual expenditures are forecasted at $9.4M, down by $15.9M. There were aggressive milestone payments in FY19 for the future extension light rail vehicles ($8.5M). The Wi-Fi program for the light rail vehicles did not move forward in FY19 ($2.6M). Overhaul parts were moved to the state of good repair project ($3.7M). These three items are the contributing factors for the decrease in FY20.
	19	State of good repair needs are estimated to be $12.6M for revenue vehicle overhauls , the vehicle communication system replacement, and guideway & facilities equipment replacements . The original rail system and revenue vehicles are now over 10 years old.

STAFFING OVERVIEW

RPTA and VMR budgets are developed with a unified staff plan, with department managers planning the level of effort required to meet the bus and rail activities. For FY20, there are 427 employees budgeted; 154 Full Time Equivalent (FTE) positions are budgeted to RPTA activities and 273 FTEs to VMR activities. Staffing levels are reviewed on an annual basis to fulfill work requirements for the coming year. Salary and fringe benefit compensation levels are measured against comparable regional agencies, member cities, and peer transit agencies located in the western U.S.

FY20 COMPENSATION AND FRINGE BENEFIT ASSUMPTIONS

Total compensation budget is based on a 3.0% increase. For staff salary changes, merit increases are based on employee performance. Agency healthcare costs are forecasted to increase by 4.3% over FY19 levels.

FY20 STAFFING NEEDS

Valley Metro RPTA and Valley Metro Rail are in a period of significant expansion of the system and services. To meet the needs of our members by delivering service and meeting project deadlines, Valley Metro needs additional resources.

In FY20, we will have four active rail capital construction projects and another three projects in the design phase. The VMR vehicle fleet will also increase in size beginning in mid FY20 with the delivery of the Siemens light rail vehicles and the Brookville streetcar vehicles. Both fleets will have their own sets of parts inventory and specific maintenance requirements.

Of the 43 proposed positions requested for FY20, 38 will directly support VMR operations activities and five will support combined Agency activities.

The 38 VMR operations staff additions will support three areas: Respect the Ride (10), State of Good Repair coordinated with the Transit Asset Management Plan (16), and expansion of fleet with eleven LRVs and six streetcars (12). These staff additions may be phased in over two to three years.

The five support staff needed includes positions for Human Resources, Finance and Procurement, and Information Technology.

- Sr. Learning and Development Specialist
- Budget Supervisor
- Senior Contracts Administrator
- Business Intelligence Analyst
- System Administrator

Agency	FY19 Budget	Mid-Year Additions	FY20 Additions	FY20 Budget
RPTA	151	1	2	154
VMR	225	7	41	273
Total Agencies	**376**	**8**	**43**	**427**

FIVE-YEAR OVERVIEW

VMR currently has a number of transit projects in various phases of planning, design, or construction. The sources and uses of funds associated with these projects and activities are projected to be $2.4 billion (B) through the five-year planning horizon of FY20 through FY24. These uses and sources of funds are summarized as follows:

SOURCES OF FUNDS

Sources of Funds ($,000)	**5-Year Total**
Operating	
Advertising	$ 7,100
Fares	66,166
Federal Funds	12,060
MAG Funds	2,500
Member City Contributions	261,108
Public Transportation Funds	53,240
Regional Area Road Funds	2,500
Total Operating	**404,674**
Capital	
Federal Funds	793,703
Member City Contributions	928,971
City of Mesa Financing	(6,181)
Public Transportation Funds	309,269
Total Capital	**2,025,763**
Total Sources of Funds	**$ 2,430,437**

USES OF FUNDS

Uses of Funds ($,000)	**5-Year Total**
Operating	
Rail Operations & Maintenance	$ 276,411
Security	53,682
Future Project Development	62,762
Agency Operating Budget	11,819
Total Operating	**404,674**
Capital	
Tempe Streetcar	118,171
South Central	1,217,021
Northwest Phase II	361,064
OMC Expansion	54,353
Gilbert Road Extension	7,972
50th Street Station	1,227
Capitol I-10 West Phase I	205,987
Central Mesa Extension	348
Systemwide Improvements	23,860
State of Good Repair	35,760
Total Capital	**2,025,763**
Total Uses of Funds	**$ 2,430,437**

Audit & Finance Subcommittee

FY20 Preliminary Operating & Capital Budget

OVERVIEW

	FY18 Actual	FY19 Budget	FY20 Budget
Combined			
Operating	$ 55,351,000	$ 68,684,000	$ 72,046,000
Capital	132,610,000	239,458,000	408,521,000
Total Combined	**$ 187,961,000**	**$ 308,142,000**	**$ 480,567,000**

Full Time Equivalents			
Operating	173.3	180.6	225.1
Capital	36.5	44.1	47.8
Total	**209.8**	**224.8**	**272.9**

OPERATING

	FY18 Actual	FY19 Budget	FY20 Budget
Rail Operations & Maintenance			
Operations	$ 12,750,000	$ 14,081,000	$ 14,679,000
Vehicle Maintenance	7,279,000	8,872,000	9,144,000
Maintenance of Way	11,143,000	12,609,000	13,530,000
Administrative Support	6,166,000	8,696,000	9,880,000
Total Rail Operations & Maintenance	$ 37,338,000	$ 44,258,000	$ 47,233,000
Full Time Equivalents			
Operations	0.0	0.0	0.0
Vehicle Maintenance	63.7	66.4	82.6
Maintenance of Way	48.1	52.3	63.3
Administrative Support	15.7	20.4	30.3
Track Miles	25.4	25.4	27.3
Revenue Miles	3,297,000	3,376,000	3,604,000
Boardings	15,787,000	16,874,000	15,827,000

	FY18 Actual	FY19 Budget	FY20 Budget
Operations			
Contractual Services	$ 3,000	$ -	$ -
Propulsion Power	2,786,000	2,770,000	3,015,000
Transit Services	9,961,000	11,311,000	11,664,000
Total Operations	**$ 12,750,000**	**$ 14,081,000**	**$ 14,679,000**
Full Time Equivalents	0.0	0.0	0.0

	FY18 Actual	FY19 Budget	FY20 Budget
Vehicle Maintenance			
Personal Services	$ 4,467,000	$ 4,391,000	$ 4,949,000
Contractual Services	613,000	646,000	682,000
Parts	2,126,000	3,770,000	3,405,000
Other	73,000	65,000	108,000
Total Vehicle Maintenance	**$ 7,279,000**	**$ 8,872,000**	**$ 9,144,000**
Full Time Equivalents	63.7	66.4	82.6

	FY18 Actual	FY19 Budget	FY20 Budget
Maintenance of Way			
Personal Services	$ 3,721,000	$ 4,256,000	$ 5,088,000
Computers & Software	71,000	150,000	168,000
Contractual Services	2,706,000	4,305,000	5,018,000
Equipment	785,000	589,000	-
Fuel & Lubricants	262,000	242,000	271,000
Other Capital	49,000	-	-
Parts	1,212,000	1,123,000	932,000
Site Improvements	603,000	-	-
Utilities	1,338,000	1,498,000	1,554,000
Other	396,000	446,000	499,000
Total Maintenance of Way	**$ 11,143,000**	**$ 12,609,000**	**$ 13,530,000**
Full Time Equivalents	48.1	52.3	63.3

	FY18 Actual	FY19 Budget	FY20 Budget
Administrative Support			
Personal Services	$ 1,517,000	$ 2,236,000	$ 3,214,000
Advertising	378,000	419,000	368,000
Computers & Software	134,000	254,000	154,000
Contingency	-	386,000	338,000
Contractual Services	574,000	983,000	948,000
Equipment	102,000	-	-
Furniture & Fixtures	7,000	15,000	-
Insurance	1,523,000	1,565,000	1,834,000
Non-Revenue Vehicles	28,000	205,000	-
Site Improvements	106,000	-	-
Supplies	184,000	129,000	124,000
Travel & Meetings	50,000	40,000	41,000
Other	1,563,000	2,464,000	2,859,000
Total Administrative Support	**$ 6,166,000**	**$ 8,696,000**	**$ 9,880,000**
Full Time Equivalents	15.7	20.4	30.3

	FY18 Actual	FY19 Budget	FY20 Budget
Security			
Security			
Personal Services	248,000	279,000	1,133,000
Computers & Software	37,000	50,000	-
Contractual Services	8,000	50,000	57,000
Equipment	86,000	-	-
Other Capital	-	25,000	-
Safety & Security	5,141,000	7,027,000	7,845,000
Supplies	18,000	20,000	25,000
Travel & Meetings	14,000	15,000	13,000
Other	130,000	317,000	307,000
Total Security	**5,682,000**	**7,783,000**	**9,380,000**
Total Security	**$ 5,682,000**	**$ 7,783,000**	**$ 9,380,000**
Full Time Equivalents	2.2	2.6	12.8

	FY18 Actual	FY19 Budget	FY20 Budget
Agency Operating			
Administrative Support			
Personal Services	$ 688,000	$ 923,000	$ 1,101,000
Contractual Services	176,000	202,000	267,000
Equipment	87,000	-	-
Furniture & Fixtures	193,000	-	-
Other Capital	170,000	-	-
Supplies	13,000	37,000	35,000
Travel & Meetings	19,000	44,000	49,000
Other	401,000	528,000	772,000
Total Administrative Support	**1,747,000**	**1,734,000**	**2,224,000**
Total Agency Operating	**$ 1,747,000**	**$ 1,734,000**	**$ 2,224,000**
Full Time Equivalents	6.7	6.9	7.8

	FY18 Actual	FY19 Budget	FY20 Budget
Future Project Development			
Corridor & Facility			
Personal Services	$ 586,000	$ 691,000	$ 687,000
Contractual Services	4,319,000	9,254,000	6,850,000
Other	265,000	341,000	429,000
Total Corridor & Facility	**5,170,000**	**10,286,000**	**7,966,000**
Systems Development			
Personal Services	123,000	340,000	277,000
Contractual Services	91,000	88,000	110,000
Other	58,000	168,000	172,000
Total Systems Development	**272,000**	**596,000**	**559,000**
Administrative Support			
Personal Services	1,695,000	1,801,000	1,783,000
Advertising	-	22,000	25,000
Computers & Software	131,000	28,000	38,000
Contractual Services	2,489,000	1,182,000	1,643,000
Other Capital	6,000	10,000	10,000
Supplies	15,000	7,000	8,000
Travel & Meetings	7,000	29,000	26,000
Other	799,000	948,000	1,151,000
Total Administrative Support	**5,142,000**	**4,027,000**	**4,684,000**
Total Future Project Development	**$ 10,584,000**	**$ 14,909,000**	**$ 13,209,000**
Full Time Equivalents	27.1	21.2	19.7

	FY18 Actual	FY19 Budget	FY20 Budget
Overhead Pool			
Expenses			
Personal Services	$ 776,000	$ 1,149,000	$ 964,000
Advertising	2,000	10,000	10,000
Computers & Software	535,000	481,000	1,169,000
Contractual Services	332,000	318,000	1,558,000
Fuel & Lubricants	42,000	24,000	38,000
Furniture & Fixtures	-	64,000	146,000
Leases/Rent	798,000	1,044,000	1,005,000
Site Improvements	1,000	109,000	218,000
Supplies	165,000	192,000	237,000
Travel & Meetings	33,000	83,000	89,000
Other	250,000	517,000	662,000
Total Expenses	**2,934,000**	**3,991,000**	**6,096,000**
Total Overhead Pool	**$ 2,934,000**	**$ 3,991,000**	**$ 6,096,000**
Full Time Equivalents	10.1	10.9	8.8

CAPITAL

	FY18 Actual	FY19 Budget	FY20 Budget
Tempe Streetcar			
Project Costs			
Personal Services	$ 803,000	$ 1,106,000	$ 1,374,000
Computers & Software	160,000	69,000	2,000
Contractual Services	22,392,000	32,999,000	78,160,000
Non-Prior Right Utilities	169,000	9,833,000	2,780,000
Non-Revenue Vehicles	41,000	-	-
Real Estate	393,000	2,414,000	200,000
Supplies	27,000	48,000	45,000
Travel & Meetings	10,000	59,000	40,000
Other	421,000	781,000	1,055,000
Total Project Costs	**24,416,000**	**47,309,000**	**83,656,000**
Associated Costs			
Art	26,000	262,000	379,000
Contractual Services	1,177,000	500,000	1,651,000
Total Associated Costs	**1,203,000**	**762,000**	**2,030,000**
Total Tempe Streetcar	**$ 25,619,000**	**$ 48,071,000**	**$ 85,686,000**
Full Time Equivalents	11.5	9.6	12.1

	FY18 Actual	FY19 Budget	FY20 Budget
South Central			
Project Costs			
Personal Services	$ 848,000	$ 1,288,000	$ 2,011,000
Advertising	-	3,000	35,000
Computers & Software	198,000	205,000	-
Contractual Services	21,761,000	40,387,000	108,020,000
Non-Prior Right Utilities	79,000	1,612,000	11,231,000
Non-Revenue Vehicles	21,000	120,000	-
OMC Expansion	-	7,275,000	21,397,000
Real Estate	337,000	10,000,000	58,082,000
Site Improvements	3,000	-	-
Supplies	10,000	48,000	66,000
Travel & Meetings	9,000	15,000	25,000
Other	424,000	847,000	1,460,000
Total Project Costs	**23,690,000**	**61,800,000**	**202,327,000**
Associated Costs			
Art	130,000	303,000	1,084,000
Contractual Services	-	250,000	20,000,000
Total Associated Costs	**130,000**	**553,000**	**21,084,000**
Total South Central	**$ 23,820,000**	**$ 62,353,000**	**$ 223,411,000**
Full Time Equivalents	7.7	11.9	17.1

	FY18 Actual	FY19 Budget	FY20 Budget
Northwest Phase II			
Project Costs			
Personal Services	$ -	$ 327,000	$ 972,000
Advertising	-	3,000	1,000
Computers & Software	-	5,000	-
Contractual Services	-	18,501,000	21,287,000
Non-Prior Right Utilities	-	1,533,000	6,000,000
Real Estate	-	1,000,000	10,475,000
Supplies	-	13,000	44,000
Travel & Meetings	-	9,000	15,000
Other	-	170,000	836,000
Total Project Costs	**-**	**21,561,000**	**39,630,000**
Associated Costs			
Art	20,000	176,000	9,000
Total Associated Costs	**20,000**	**176,000**	**9,000**
Total Northwest Phase II	**$ 20,000**	**$ 21,737,000**	**$ 39,639,000**
Full Time Equivalents	0.0	2.8	7.6

	FY18 Actual	FY19 Budget	FY20 Budget
OMC Expansion			
Project Costs			
Personal Services	$ -	$ 465,000	$ 837,000
Contractual Services	-	13,725,000	52,219,000
Supplies	-	5,000	2,000
Travel & Meetings	-	1,000	6,000
Other	-	193,000	428,000
Total Project Costs	**-**	**14,389,000**	**53,492,000**
Total OMC Expansion	**$ -**	**$ 14,389,000**	**$ 53,492,000**
Full Time Equivalents	0.0	3.6	6.0

	FY18 Actual	FY19 Budget	FY20 Budget
Gilbert Road Extension			
Project Costs			
Personal Services	$ 1,208,000	$ 1,183,000	$ 268,000
Computers & Software	157,000	131,000	11,000
Contractual Services	57,413,000	56,041,000	3,585,000
Leases/Rent	207,000	207,000	52,000
Non-Prior Right Utilities	1,239,000	1,010,000	-
Non-Revenue Vehicles	21,000	-	-
Real Estate	5,182,000	5,803,000	-
Supplies	19,000	112,000	7,000
Travel & Meetings	10,000	51,000	12,000
Other	735,000	829,000	142,000
Total Project Costs	**66,191,000**	**65,367,000**	**4,077,000**
Associated Costs			
Art	345,000	301,000	-
Contractual Services	391,000	233,000	-
Total Associated Costs	**736,000**	**534,000**	**-**
Total Gilbert Road Extension	**$ 66,927,000**	**$ 65,901,000**	**$ 4,077,000**
Full Time Equivalents	10.0	10.3	2.1

	FY18 Actual	FY19 Budget	FY20 Budget
50th Street Station			
Project Costs			
Personal Services	$ 474,000	$ 418,000	$ 37,000
Computers & Software	30,000	18,000	-
Contractual Services	6,140,000	7,845,000	539,000
Non-Prior Right Utilities	410,000	-	435,000
Real Estate	608,000	100,000	25,000
Supplies	4,000	54,000	173,000
Travel & Meetings	1,000	4,000	-
Other	219,000	254,000	18,000
Total Project Costs	**7,886,000**	**8,693,000**	**1,227,000**
Associated Costs			
Art	120,000	86,000	-
Total Associated Costs	**120,000**	**86,000**	**-**
Total 50th Street Station	**$ 8,006,000**	**$ 8,779,000**	**$ 1,227,000**
Full Time Equivalents	5.9	3.4	0.4

	FY18 Actual	FY19 Budget	FY20 Budget
Central Mesa Extension			
Project Costs			
Personal Services	$ 108,000	$ 169,000	$ 40,000
Computers & Software	4,000	-	-
Contractual Services	741,000	-	301,000
Travel & Meetings	9,000	-	-
Other	50,000	65,000	7,000
Total Project Costs	**912,000**	**234,000**	**348,000**
Total Central Mesa Extension	**$ 912,000**	**$ 234,000**	**$ 348,000**
Full Time Equivalents	1.3	1.2	0.4

	FY18 Actual	FY19 Budget	FY20 Budget
Systemwide Improvements			
Project Costs			
Personal Services	$ 20,000	$ 204,000	$ 286,000
Computers & Software	256,000	1,498,000	1,116,000
Contractual Services	6,243,000	15,841,000	5,982,000
Equipment	63,000	3,655,000	1,272,000
Non-Revenue Vehicles	145,000	-	-
Other Capital	530,000	3,687,000	-
Parts	6,000	317,000	689,000
Travel & Meetings	10,000	44,000	26,000
Other	11,000	23,000	33,000
Total Project Costs	**$ 7,284,000**	**$ 25,269,000**	**$ 9,404,000**
Total Systemwide Improvements	**$ 7,284,000**	**$ 25,269,000**	**$ 9,404,000**
Full Time Equivalents	0.1	1.4	2.2

	FY18 Actual	FY19 Budget	FY20 Budget
State of Good Repair			
Project Costs			
Equipment	$ -	$ -	$ 691,000
Furniture & Fixtures	-	-	15,000
Non-Revenue Vehicles	-	-	271,000
Revenue Vehicles	-	-	11,657,000
Total Project Costs	**-**	**-**	**12,634,000**
Total State of Good Repair	**$ -**	**$ -**	**$ 12,634,000**
Full Time Equivalents	0.0	0.0	0.0

* Additional staff effort will be moved from vehicle maintenance to state of good repair.

FIVE-YEAR OPERATING

	FY20	FY21	FY22	FY23	FY24	Total
Operating ($,000)						
Sources of Funds						
Advertising	$ 1,400	$ 1,400	$ 1,400	$ 1,400	$ 1,500	$ 7,100
Fares	11,713	11,849	13,087	13,754	15,763	66,166
Federal Funds	2,563	2,822	1,700	2,154	2,821	12,060
MAG Funds	500	500	500	500	500	2,500
Member City Contributions	44,823	46,940	52,968	54,309	62,068	261,108
Public Transportation Funds	10,547	10,411	10,304	10,740	11,238	53,240
Regional Area Road Funds	500	500	500	500	500	2,500
Total Sources of Funds	**72,046**	**74,422**	**80,459**	**83,357**	**94,390**	**404,674**
Uses of Funds						
Rail Operations & Maintenance	47,233	49,589	55,918	57,595	66,076	276,411
Security	9,380	9,802	10,823	11,148	12,529	53,682
Future Project Development	13,209	12,739	11,356	12,180	13,278	62,762
Agency Operating	2,224	2,292	2,362	2,434	2,507	11,819
Total Uses of Funds	**$ 72,046**	**$ 74,422**	**$ 80,459**	**$ 83,357**	**$ 94,390**	**$ 404,674**

FIVE-YEAR CAPITAL

	FY20	FY21	FY22	FY23	FY24	Total
Capital ($,000)						
Sources of Funds						
Federal Funds	$ 108,304	$ 190,256	$ 205,426	$ 162,638	$ 127,080	$ 793,703
Member City Contributions	224,596	154,471	167,126	235,124	147,655	928,971
City of Mesa Financing	(1,491)	(4,690)	-	-	-	(6,181)
Public Transportation Funds	77,112	66,297	58,030	58,034	49,795	309,269
Total Sources of Funds	**408,521**	**406,334**	**430,582**	**455,796**	**324,530**	**2,025,763**
Uses of Funds						
Tempe Streetcar	85,686	29,882	2,603	-	-	118,171
South Central	223,411	232,782	205,169	290,934	264,725	1,217,021
Northwest Phase II	39,639	70,211	145,475	86,003	19,736	361,064
OMC Expansion	32,095	17,306	4,952	-	-	54,353
Gilbert Road Extension	4,077	3,084	811	-	-	7,972
50th Street Station	1,227	-	-	-	-	1,227
Capitol I-10 West Phase I	-	29,337	61,293	76,384	38,973	205,987
Central Mesa Extension	348	-	-	-	-	348
Systemwide Improvements	9,404	11,024	3,290	71	71	23,860
State of Good Repair	12,634	12,708	6,989	2,404	1,025	35,760
Total Uses of Funds	**$ 408,521**	**$ 406,334**	**$ 430,582**	**$ 455,796**	**$ 324,530**	**$ 2,025,763**

Valley Metro Rail

FY20 Preliminary Budget Overview

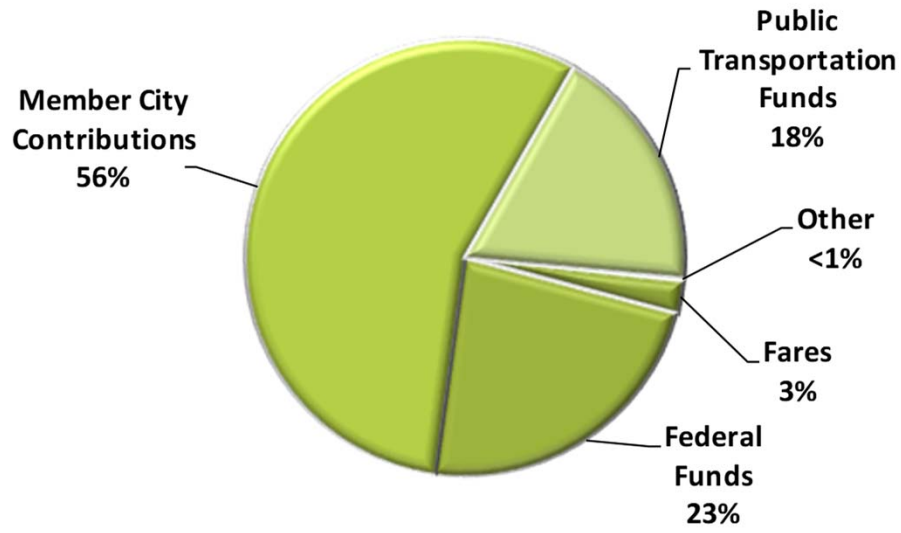
May 2019

Baseline: Light Rail Operations

	FY18 Actuals	FY19	FY20	Change
Passenger Boardings	15,787,000	16,874,000	15,827,000	-6%
Vehicle Revenue miles delivered	3,297,000	3,375,809	3,592,500	6%
Boardings per Revenue Mile	4.79	5.00	4.41	-12%
Operating cost per passenger	$2.73	$3.08	$3.58	16%
Operating Costs	$43,021,000	$52,041,000	$56,613,000	9%
Fare Revenues	$11,911,000	$14,343,000	$11,713,000	-18%
Fare Recovery	28%	28%	21%	0%
Avg Fare	$0.75	$0.85	$0.74	-13%

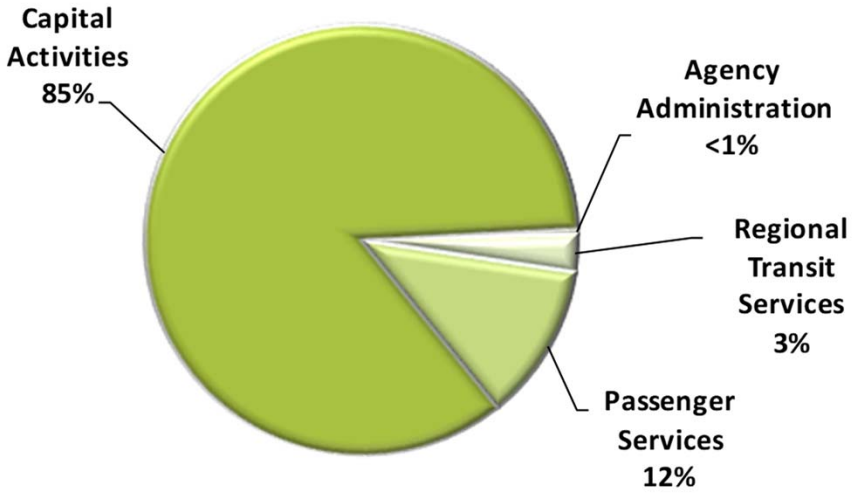
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Sources of Funds: Operating & Capital



3

Uses of Funds: Operating & Capital



4

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

Sources of Funds	FY18	FY19	FY20	Change $	Change %
Advertising	$1.1	$1.1	$1.4	$0.3	27%
Fares	11.9	14.3	11.7	(2.6)	-18%
Federal Funds	1.9	2.7	2.6	(0.1)	-4%
Member City Contributions	30.7	38.2	44.8	6.6	17%
Regional Planning Funds	1.0	1.0	1.0	0.0	0%
Public Transportation Funds	8.7	11.4	10.5	(0.8)	-7%
Total Operating Sources	**$55.3**	**$68.7**	**$72.0**	**$3.4**	**5%**

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

Uses of Funds	FY18	FY19	FY20	Change $	Change %
Rail Operations & Maintenance	$37.3	$44.3	$47.2	$3.0	7%
Security	5.7	7.8	9.4	1.6	21%
Future Project Development	10.6	14.9	13.2	(1.7)	-11%
Agency Operating	1.7	1.7	2.2	0.5	28%
Total Operating Uses	**$55.3**	**$68.7**	**$72.0**	**$3.4**	**5%**

6

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

Sources of Funds	FY18	FY19	FY20	Change $	Change %
Federal Funds	$72.9	$164.3	$108.3	($56.0)	-34%
Member City Contributions	34.8	33.7	224.6	190.9	567%
Public Transportation Funds	24.8	18.5	77.1	58.6	316%
City of Mesa Financing	0.0	23.0	(1.5)	(24.5)	-106%
Total Capital Sources	**$132.6**	**$239.5**	**$408.5**	**$169.1**	**71%**

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

Uses of Funds	FY18	FY19	FY20	Change $	Change %
Tempe Streetcar	$25.6	$48.1	$85.7	$37.6	78%
South Central	$23.8	$62.4	$223.4	$161.1	258%
Northwest Phase II	0.0	21.7	39.6	17.9	82%
OMC Expansion	0.0	7.1	32.1	25.0	351%
Gilbert Road Extension	66.9	65.9	4.1	(61.8)	-94%
50th Street Station	8.0	8.8	1.2	(7.6)	-86%
Central Mesa Extension	0.9	0.2	0.3	0.1	49%
Systemwide Improvements	7.3	25.3	9.4	(15.9)	-63%
State of Good Repair	0.0	0.0	12.6	12.6	-
Total Capital Uses	**$132.6**	**$239.5**	**$408.5**	**$169.1**	**71%**

8

FY20-24 Proposed Five-Year Forecast

5-Year Operating Assumptions:

New Service

- Tempe Streetcar (3.0 miles) - May 2021
- South Central (5.0 miles) – Dec 2023
- Northwest Ext. II (1.5 miles) – Dec 2023
- Capitol I-10W Phase I (1.5 miles) – Apr 2024

Fare Revenue

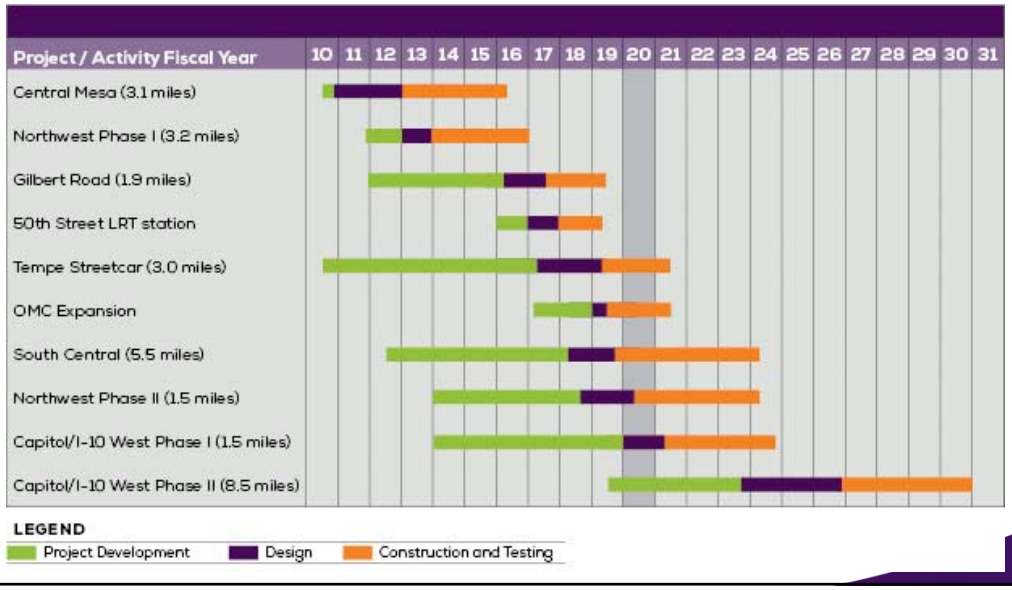
- Average fare flat first 2 years, increases next 3 years

Federal PM revenue level per MAG forecast

- Flat over the 5 year period

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LRT Capital Project Schedule



5-Year Operating Sources and Uses

	FY20	FY21	FY22	FY23	FY24	Total
Operating ($,000)						
Sources of Funds						
Advertising	$ 1,400	$ 1,400	$ 1,400	$ 1,400	$ 1,500	$ 7,100
Fares	11,713	11,849	13,087	13,754	15,763	66,166
Federal Funds	2,563	2,822	1,700	2,154	2,821	12,060
MAG Funds	500	500	500	500	500	2,500
Member City Contributions	44,823	46,940	52,968	54,309	62,068	261,108
Public Transportation Funds	10,547	10,411	10,304	10,740	11,238	53,240
Regional Area Road Funds	500	500	500	500	500	2,500
Total Sources of Funds	**72,046**	**74,422**	**80,459**	**83,357**	**94,390**	**404,674**
Uses of Funds						
Rail Operations & Maintenance	47,233	49,589	55,918	57,595	66,076	276,411
Security	9,380	9,802	10,823	11,148	12,529	53,682
Future Project Development	13,209	12,739	11,356	12,180	13,278	62,762
Agency Operating	2,224	2,292	2,362	2,434	2,507	11,819
Total Uses of Funds	**$ 72,046**	**$ 74,422**	**$ 80,459**	**$ 83,357**	**$ 94,390**	**$ 404,674**

5-Year Capital Sources and Uses

Capital ($,000)	FY20	FY21	FY22	FY23	FY24	Total
Sources of Funds						
Federal Funds	$ 108,304	$ 190,256	$ 205,426	$ 162,638	$ 127,080	$ 793,703
Member City Contributions	224,596	154,471	167,126	235,124	147,655	928,971
City of Mesa Financing	(1,491)	(4,690)	-	-	-	(6,181)
Public Transportation Funds	77,112	66,297	58,030	58,034	49,795	309,269
Total Sources of Funds	**408,521**	**406,334**	**430,582**	**455,796**	**324,530**	**2,025,763**
Uses of Funds						
Tempe Streetcar	85,686	29,882	2,603	-	-	118,171
South Central	223,411	232,782	205,169	290,934	264,725	1,217,021
Northwest Phase II	39,639	70,211	145,475	86,003	19,736	361,064
OMC Expansion	32,095	17,306	4,952	-	-	54,353
Gilbert Road Extension	4,077	3,084	811	-	-	7,972
50th Street Station	1,227	-	-	-	-	1,227
Capitol I-10 West Phase I	-	29,337	61,293	76,384	38,973	205,987
Central Mesa Extension	348	-	-	-	-	348
Systemwide Improvements	9,404	11,024	3,290	71	71	23,860
State of Good Repair	12,634	12,708	6,989	2,404	1,025	35,760
Total Uses of Funds	**$ 408,521**	**$ 406,334**	**$ 430,582**	**$ 455,796**	**$ 324,530**	**$ 2,025,763**

5-Year State of Good Repair

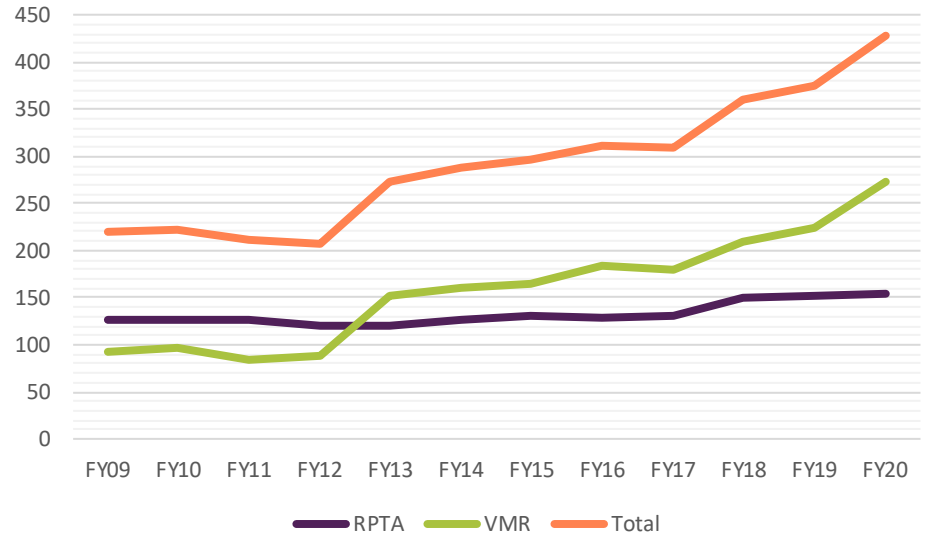
State of Good Repair ($,000)	FY20	FY21	FY22	FY23	FY24	Total
Category						
Guideway	$ 211	$ 106	$ 170	$ 106	$ -	$ 593
Maintenance Buildings	535	1,820	-	-	-	2,355
Other	65	-	-	-	-	65
Passenger Stations	1,350	2,042	2,280	91	-	5,763
Revenue Vehicle Overhauls	11,757	8,192	4,289	1,947	405	26,590
Systems - Communications	-	308	-	-	-	308
Total SOGR	**$ 13,918**	**$ 12,468**	**$ 6,739**	**$ 2,144**	**$ 405**	**$ 35,674**

Staff Changes from FY19 to FY20

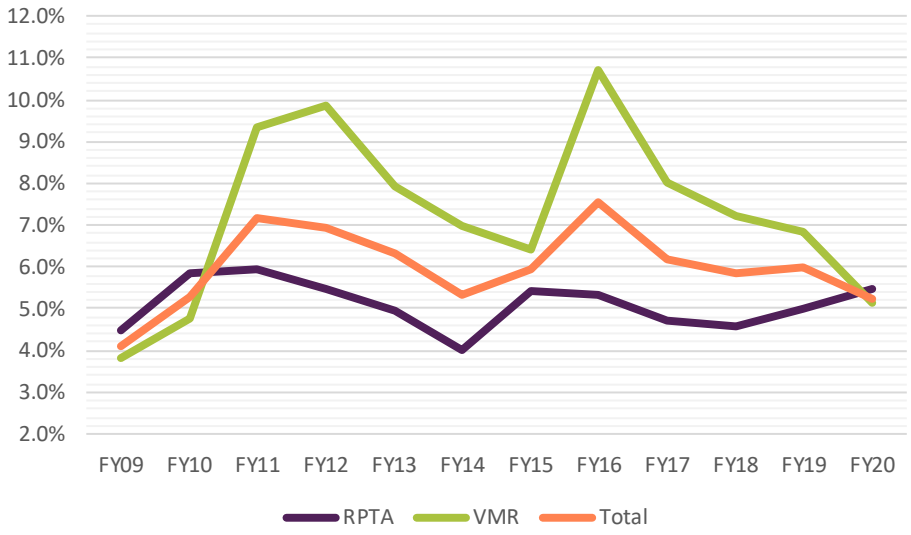
Positions by Division	FY19 Budget	Mid-Year Additions	FY20 Additions	FY20 Budget
Agency Business, Technology and Services	49		2	51
Capital and Service Development	56	1		57
Communication and Strategic Initiatives	10	6		16
Executive Office	5			5
Finance and Procurement	34		2	36
Human Resources	10		1	11
Internal Audit Services	2	1		3
Legal	2			2
Operations and Maintenance - RPTA	66			66
Operations and Maintenance - VMR	132		38	170
Safety, Security and Quality Assurance	10			10
Total Positions by Division	**376**	**8**	**43**	**427**
RPTA	*151*	*1*	*2*	*154*
VMR	*225*	*7*	*41*	*273*

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Historical Staffing – Total Positions



Historical Staffing – Costs as % of Budget



Upcoming Budget Schedule FY20

May 17	**Member City Comments due**
May	**Committee cycle for information**
June	**Committee cycle for Budget Adoption**

Information Summary

DATE **AGENDA ITEM 6**
April 24, 2019

SUBJECT
Future Agenda Items Request and Report on Current Events

PURPOSE
Chair Zuercher will request future agenda items from members, and members may provide a report on current events.

BACKGROUND/DISCUSSION/CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE ACTION
None

RECOMMENDATION
This item is presented for information only.

CONTACT
Scott Smith
Chief Executive Officer
602-262-7433
ssmith@valleymetro.org

ATTACHMENT
None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date