



MEETINGS OF THE

Management Committees

TMC/RMC Joint Meeting	Transit Management Committee (TMC)	Rail Management Committee (RMC)
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Date:
January 4, 2023

Starting Time
11:00 a.m.

Meetings to occur sequentially

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

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



Agenda

December 28, 2022

**Joint Meeting Agenda
Transit Management Committee
And
Rail Management Committee**
Wednesday, January 4, 2023
Valley Metro, 101 N. 1st Avenue, 10th Floor
Boardroom/Webex
11:00 a.m.

Action Recommended

1. Public Comment

1. For Information

The public will be provided with an opportunity at this time to address the committees on **non-agenda items and all action agenda items**. 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.

2. Chief Executive Officer's Report

2. For information

Jessica Mefford-Miller, CEO, will brief the TMC/RMC on current issues.

3. Minutes

3. For action

Minutes from the November 2, 2022 TMC/RMC meeting are presented for approval.

4. Super Bowl LVII Transit Planning Update

4. For information

Staff will provide an informational update on Super Bowl LVII transit planning and coordination across Operations & Maintenance, Safety & Security and Communications & Volunteers.

5. Travel, Expenditures and Solicitations

5. For information

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



6. Report on Current Events and Suggested Future Agenda Items

6. For information

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

7. Next Meeting

7. For information

The next meeting of the TMC/RMC is scheduled for **Wednesday, February 1, 2023 at 11:00 a.m.**

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



Information Summary

DATE

December 28, 2022

AGENDA ITEM 1**SUBJECT**

Public Comment

PURPOSE

The public will be provided with an opportunity at this time to address the committees on **non-agenda items and all action agenda items**. 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.

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COMMITTEE PROCESS

None

CONTACT

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

ATTACHMENT

None



Information Summary

DATE

December 28, 2022

AGENDA ITEM 2**SUBJECT**

Chief Executive Officer's Report

PURPOSE

Jessica Mefford-Miller, Chief Executive Officer, will brief the TMC/RMC on current issues.

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COMMITTEE PROCESS

None

CONTACT

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

ATTACHMENT

None



Minutes

DATE

December 28, 2022

AGENDA ITEM 3

Joint Meeting of
Transit Management Committee
and
Rail Management Committee
Wednesday, November 1, 2022
Via Webex/Phone
11:00 a.m.

TMC Meeting Participants

Jesus Sapien for Mario Paniagua, City of Phoenix (**Chair**)
Julie Karins, City of Goodyear (**Vice Chair**)
Ryan Peters, City of Chandler
Rob Bohr for Mary Goodman, Town of Gilbert
Dave Trimble, Town of Fountain Hills (phone)
Kevin Link, City of Glendale (phone)
Elijah Levon, Maricopa County (phone)
Chris Brady, City of Mesa
Erik Strunk, City of Peoria (phone)
Bruce Gardner, Town of Queen Creek (phone)
Ratna Korepella for Mark Melnychenko, City of Scottsdale (phone)
Tracy Montgomery, City of Surprise (phone)
Andrew Ching, City of Tempe

Members Not Present

Cherlene Penilla, City of Avondale
John Willett, City of Buckeye
Autumn Grooms – City of El Mirage

RMC Meeting Participants

Andrew Ching, City of Tempe (**Chair**)
Jesus Sapien for Mario Paniagua, City of Phoenix (**Vice Chair**)
Ryan Peters, City of Chandler
Chris Brady, City of Mesa

The chair called the meeting to order at 11:03 a.m.

Chair Karins said I'd like to welcome everyone to the Transit Management Committee and Rail Management Committee meeting. Pat, can call the roll, please.

Ms. Dillon said okay.



Roll call by Pat Dillon.

Ms. Dillon said said City of Avondale, Cherlene Penilla?
Ms. Dillon said said City of Buckeye, James Shano?
Ms. Dillon said said City of Chandler, Ryan Peters? Here.
Ms. Dillon said said City of El Mirage, Autumn Grooms?
Ms. Dillon said said Town of Fountain Hills, Dave Trimble? Here.
Ms. Dillon said said Town of Gilbert, Rob Bohr?
Ms. Dillon said said City of Glendale, Kevin Link? Here.
Ms. Dillon said said City of Goodyear, Julie Karins? Here.
Ms. Dillon said said Maricopa County, Elijah Lavon? Here.
Ms. Dillon said said City of Mesa, Chris Brady? Here.
Ms. Dillon said said City of Peoria, Eric Strunk?
Ms. Dillon said said Town of Queen Creek, Bruce Gardner? Here.
Ms. Dillon said said City of Scottsdale, Ratna Korapella? Here.
Ms. Dillon said said City of Surprise, Tracy Montgomery?
Ms. Dillon said said City of Tempe, Andrew Ching?

Ms. Dillon said Chair, we can proceed.

Chair Karins said alright. Thank you. For those participating remotely, if a committee member would like to ask a question or make a comment during the meeting, please type your comment in the box and it will be read aloud and answered. All meeting attendees, please mute your computer microphone or phone.

1. Public Comment

Chair Karins said the public will be provided with an opportunity 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 or her discretion. A total of 15 minutes for all speakers will be provided. Do we have any public comment?

Ms. Dillon said yes, Blue Crowley.

Chair Karins said thank you. Mr. Crowley.

Mr. Crowley said I'll be dealing with agenda items 4 and 5 on the regular and an overall one. This is a picture of the bus route, a map and if you notice there's a bunch of black lines on here, Dysart, Litchfield, Bell Road, Thunderbird, Indian School and that those are all the parts of the supergrid that you have not done. And my favorite is Litchfield because that one is the one you're supposed to do next year and in your new routes and that, wasn't there.



And over here on the east side, we've got Greenfield and Queen Creek and when I look at the transit deserts that like Gilbert has of only two streets going east/west in the 72 miles, square miles of the city and only two going north/south and we have nine east/west roads and nine north/south.

So when I see what's going to be happening with that new plan and I've been up here how many times asking what were the marching orders that you were giving to those people and what to get done and I always got nothing back from you. Why? Because MAG's doing it you guys have no interest or thing to make it a right. They're eliminating the rural routes with the way they're doing. The new plan doesn't do things according to traffic patterns.

But my favorite thing in your agenda for today is let's give the lobbyists some more money. My favorite here is number 5 and Chuck Coughlin's a friend of mine and we've been giving them \$500,000 every year and what did High Ground get accomplished for us over the last three years? Zero. It got voted against and when I've asked how many times, what are you guys sending to them, you don't. So with the new inadequate plan and ability to possibly get it to a special session, what are you guys doing to make sure that it was done right?

When I look at the transit deserts that are in each of your communities, east side, how much of this doesn't have bus routes? Chandler, Gilbert, Fountain Hills. When we wrote the original document, it was to have circulators and connectors. You haven't done that. You aren't doing the plan right. There is no effort on your part –

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

Mr. Crowley said -- to do -- I understand. There is no effort on your part to make the system put together to correct light rail and bus situation and who's responsibility is that? Oh, yeah, you guys are the workers for the electeds.

Chair Karins said thank you, Mr. Crowley.

2. Chief Executive Officer's Report

Ms. Dillon said Jessica is joining us via Webex today. Michael Wawro will be giving that presentation.

Mr. Wawro said good morning. I'm Michael Wawro. I'm the Interim General Counsel for Valley Metro. We have a short report for you this morning.



We wanted to show you a preview of the holiday wrap for bus and rail that will be on the streets in coming up weeks. This will be used on various routes throughout the holiday season and was created by our internal graphics department.

Since I have the microphone for just a moment, I wanted to give you a report back on the insurance renewal. It went to the Board at the last meeting we had our quotes that came through, but we didn't have those last time that we met. So last year, you probably remember somewhat painfully, our rates when up by 74%. This year, we came back down to earth, the increase was a 3% increase.

Mr. Brady said from the -- which year?

Mr. Wawro said from last year's.

Mr. Wawro said three on top of 74, we're back in line with what we had from previous years.

Mr. Brady said okay.

Mr. Wawro said so no more 74% year over year.

And so, we also have the calendar for you there. You'll note that the Board of Directors meeting that had been scheduled in November has now been moved to December 1st. If there are any questions.

Chair Karins said any questions for Mr. Wawro?

Ms. Mefford-Miller said Madam Chair, if I may, I've got just a couple of items.

Chair Karins said please.

Ms. Mefford-Miller said thank you. I am joining you virtually here from Miami today. We just concluded the Railvolution conference, and I want to make you aware that next year Phoenix has been selected to host the Railvolution conference so it will not be called Impact. We have a group of local host committee members including Valley Metro staff and staff from some of our rail cities here in Miami as we prepare to launch this big event. So, it's an honor to be chosen and I look forward to having the professionals who work in many different disciplines including transportation, housing, and economic development join our city next year. We also shared a short video which I will pass on electronically. I think it was well received. Really nice video highlighting some of the great things happening here in the Valley.



Secondly, you received an email from me this morning. I am delighted to announce the selection of our next Chief Financial Officer, Ken Kessler of the City of Phoenix will be joining us as our CFO next month. I hope you and your city staff will join me in welcoming Ken aboard our organization. A great choice. I know he's going to be a wonderful addition to our team.

That concludes my remarks. Thank you.

Chair Karins said thank you. Great news all the way around. Any questions for? Okay.

3. Consent Agenda

Chair Karins said the Consent Agenda item is presented for action. Are there any questions or are there any items that need to be pulled for separate discussion?

Hearing none. Can I have a motion and a second to approve the Consent Agenda?

Motion by Unidentified, second by Unidentified.

All in favor, say aye.

Mr. Brady said can I ask a quick, quick question? On the strategic planning, is there -- do we have an idea of when that might happen? Is it trying to get ahead of the budget? Just remind me on that. That's just the one question. It's not about that item it's just about the timing of process. Do we know what that might be?

Ms. Mefford-Miller said Mr. Brady -- this is Jessica, I'd be happy to answer that question, Mr. Brady. We are hoping to release an RFP pending Board approval at our December 1st meeting. We would like to release an RFP in the month of December. So it will be a relatively brief request for proposal so we are hoping to have responses back early in the new year. I would expect that most of the work would be done in advance of our FY24 cycle beginning on July 1. Typically, a contract like this would extend for about nine months' time. Does that answer your question, Mr. Brady?

Mr. Brady said so yeah, well, maybe, Jessica, then explain to me what the responsibility -- is that not -- is this leading up to something with the Board and a strategic plan or are you developing a strategic plan to bring to the Board?

Ms. Mefford-Miller said no. It would be developed in conjunction not only with our Board, but also with our member city and partner staff.

Mr. Brady said okay.



Ms. Mefford-Miller said so a great deal of the task that will be included in the scope of work will be facilitation of that strategic planning process. I would anticipate that there might be a construct such as a Board strategic planning subcommittee that would lead on behalf of the Board, but Board engagement and then ultimately, approval at the end of the process would be involved. But I want to highlight that it would be a Board engagement and member city engagement through the process rather than just approval at the end.

Mr. Brady said alright. And, Jessica, this is fine. It was just do you anticipate to have this work done -- it seems like it's going to be a push, but will you have it done before you go into the budget process or really will this influence the following budget process?

Ms. Mefford-Miller said this -- yeah, great question. So this influences the FY25 budget process because we've already begun the budget process for FY24 --

Mr. Brady said okay.

Ms. Mefford-Miller said -- that actually began really in earnest in August. I do expect that some of the work will inform some of the flavor of the current cycle FY24, some of the strategic moves that we were already making. For instance, with some of our programmatic focus, personnel decisions, that's already going to be in the FY24 strat plan, but any new initiatives would be in the FY25 budget.

Mr. Brady said okay. Thank you.

Chair Karins said alright. Great questions. Any --

Ms. Mefford-Miller said and this replaces -- just a note. This replaces our last strategic plan which was actually completed in 2015. So it's been quite a while since Valley Metro and our region engaged in a strategic transit plan. So we will be looking to member city staff. We've already begun compiling and reviewing your strategic plans where they exist as well as other plans like MAG's regional plan, Phoenix's T2050 plan so that we're not reinventing the wheel there, but rather are creating a plan that is focused on implementation and execution of those visions.

Chair Karins said alright. Thank you, Jessica. Any other questions or comments on the strat plan or any other Consent Agenda item?

All in favor, please say aye. Any opposed? Hearing none. Motion carries.



IT WAS MOVED BY JESUS SAPIEN, SECONDED BY ROB BOHR AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA ITEMS 3A-3E.

4. Federal Government Relations Consulting Services Contract Award

Ms. Tameron-Kinsey said as you know, Madam Chair, members of TMC/RMC, our current contract with our federal lobbyists expires at the end of this year, December 31st, 2022. In June, we went to the Board of Directors, and they approved an RFP for consulting services moving forward. We anticipated a contract award not to exceed \$1.2 million over a five-year period. As it was, the proposals came back unanimous agreement amongst the evaluation committee that Cardinal Infrastructure was best positioned to continue services for Valley Metro and also came within the 1.2 we have anticipated when we went to the Board for the RFP.

I'm happy to answer any questions anybody has about this contract award.

Chair Karins said any questions or comments from the Committee?

Mr. Brady said (Indiscernible) how long have we had this relationship with Cardinal now? How long has it been with the federal contract?

Ms. Tameron-Kinsey said Madam Chair, Mr. Brady, this contract has -- it began originally in January 2018, so this is a conclusion of a five year contract with them. So moving forward we're looking at a total of five years. Essentially, it is a two-year base with three one-year options.

Mr. Brady said okay.

Chair Karins said great. Any other questions or comments? Okay. Hearing none. Can I have a motion and a second to forward to the Boards of Directors authorization for the CEO to execute a contract with Cardinal Infrastructure to provide federal government relations consulting services to Valley Metro for two years with three one-year options. The total contract value will not exceed \$1,191,370 for the base and option years which includes a 10% contingency.

Motion, second?

Motion by Ryan Peters, seconded by Rob Bohr.

Any further discussion? All right.



All in favor, please say aye. Any opposed? Okay. Hearing no opposition, the motion carries.

IT WAS MOVED BY RYAN PETERS, SECONDED BY ROB BOHR AND UNANIMOUSLY CARRIED TO FORWARD TO THE BOARD OF DIRECTORS AUTORIZATION FOR THE CEO TO EXECUTE A CONTRACT WITH CARDINAL INFRASTRUCTURE TO PROVIDE FEDERAL GOVERNMENT RELATIONS CONSULTING SERVICES TO VALLEY METRO FOR TWO YEARS, WITH THREE ONE-YEAR OPTIONS.

5. State Government Relations Consulting Services Contract Award

Ms. Tameron-Kinsey said thank you, Mr. Wawro. Madam Chair, members of TMC/RMC, much like the federal government contracting -- consulting contract this is our state legislative consulting contract which is also up at the end of this year, December 31st, 2022. The Board of Directors we went to approve the RFP back in June and we estimated this contract would not exceed \$450,000 over a five-year period. Much like the -- much like the federal government contract award, this came in right about the same amount we anticipated and a unanimous agreement amongst the evaluation committee.

We have had a relationship -- Valley Metro has had a relationship with Highground and the Kruse group as a joint venture for the last five years and prior to that, Highground did state lobbying contract -- had the state lobbying contract for Valley Metro for at least, I want to say, close to ten years, so it is a long-established relationship between Valley Metro and Highground.

And I'm happy to answer any questions you may have on this contract award.

Chair Karins said thank you. Do we have any questions or comments on this item from the Committee? Hearing none. May I have a motion and a second to forward to the Boards of Directors authorization for the CEO to execute a contract with Highground/Kruse Group Joint Venture to provide state government relations consulting services to Valley Metro for two years with three one-year options. The total contract value will not exceed \$516,000 for the base and option years which includes a 10% contingency. Motion and a second?

Motion by Rob Bohr, second by Ryan Peters.

Any further discussion? All right.

All in favor, please say aye. Any opposed? Okay. Thank you. Motion carries.



IT WAS MOVED BY ROB BOHR, SECONDED BY RYAN PETERS AND UNANIMOUSLY CARRIED TO FORWARD TO THE BOARD OF DIRECTORS AUTORIZATION FOR THE CEO TO EXECUTE A CONTRACT WITH HIGHLAND/KRUSE GROUP JOINT VENTURE TO PROVIDE STATE GOVERNMENT RELATIONS CONSULTING SERVICES TO VALLEY METRO FOR TWO YEARS, WITH THREE ONE-YEAR OPTIONS.

6. Fare Collection System Modernization (FCSM) Project Update

Mr. Olson said good morning, Madam Chair, members of the Committee. I'll provide a brief update on our current Fare Collection Modernization project. We're replacing the existing fare collection system.

First, I'd like to thank all of your member cities, City of Phoenix, Valley Metro staff that have been involved with this project over the years. It's been quite a lift and really appreciate their support so.

A little bit of background on our current system. So this project began back in 2005. It's the Scheidt & Bachmann fare system that's out there today, went live 2007 onboard the bus fleet in the region. At that time, just fare boxes. Rail came on soon after that in 2009 and TVM's came online then. So where we're at compared to today's standards and technology, this equipment is very outdated and has exceeded its useful life and in many cases, parts are no longer available or supported for that. The software is also very proprietary. We've had to lean heavily on the vendor to make changes throughout the entire system whether it's fare increases, modifications, you know, improved communications at our ticket vending machines. So the future system, where we're headed is much more focused toward open architecture with technology as fast as it changes, we need to keep up with that. And so, we need the ability to integrate easily with other systems and make updates on our own.

So a bit of background on the current project. We've taken a regional approach to this project. As far back as 2015, defining the goals and specifications for our future system working with your city staff, City of Phoenix through workshops, Fare Policy Working Group really defining what are our goals for the system. And we've also taken a regional approach to the procurements which I'll tell you about a little bit later.

So our top goals for this project are to offer better payment solutions for our customers with enhanced features such as mobile ticketing and fare capping. Fare capping is very equitable component which I'll tell you about later. Improved data collection, so our important metrics: Ridership, revenue. Have a true point of sale control over reduced fare. I know that's something that we're all after, increasing our fare revenues.



And so in the future, any customer that wishes to purchase reduced fare must qualify through for reduced fare through an application process from a Valley Metro representative. And so once eligibility is proven, they would receive a reduced fare ID.

That ID would not only act as their ID, but also give them access to the reduced fare. And so you cannot access reduced fare without going through that process so very excited about that.

We also wanted to phase this in a way that it had the least amount of impact to our customers moving from our legacy system to the new solution

So a little more on the procurements. The fare collection system was procured by City of Phoenix. They entered a contract with Vix back in August of 2020. The remaining three items were procured by Valley Metro RPTA. IN March of '21, the Valley Metro Boards approved RPTA to enter a contract with Vix for additional enhanced customer service to fully support this launch and then income for the replacement of the existing fare collection today -- or excuse me, the existing retail network today. The fare box replacement was most recently awarded in February of '22 by the Valley Metro Board and that's really the replacement of all regional fare boxes.

So what's included in your packet today as well is the maintenance program, the regional maintenance of those assets.

So a little on the investment and funding for these contracts. So this is the same order as the previous slide. At the left, you can see the capital component and the right, the operating. The capital component roughly \$50.6 million was funded primarily with FTA funds at 80% with a local match of PTF. The operating contracts at the right vary in length of years and start, you know, at different periods based on the phasing, however, they are all generally around 10 to 11 years. The larger fare collection system contract does have options that take us out to 15 years.

So some key project milestones. Back in July of '21, we did release the expedited mobile app that had real time vehicle location as well as rider alerts. And I'll tell you a little bit more about the ratings on that so far. But we're currently working on our Phase 1 deliverable which is the mobile fare launch that's coming up shortly. We expect that to launch in the December, January time frame. Phase 2 launch will roll out approximately one year later which will have even more sales channels and benefits to customers, and I'll have some slides on that.

So the current Valley Metro app overall has a 4.4 average rating and like I said, it has that real time vehicle location and rider alerts. If you haven't used that yet I highly



recommend it. When we update the app for Phase 1, essentially, we will enable the purchasing of full fare and reduced fare passes both one ride and day passes. About a year from that date when we go to Phase 2, we will switch over to stored value and implement the fare capping.

So as I mentioned, that is a very equitable component and it's an excellent benefit to our customers. Essentially, it allows customers to tap their way to a monthly pass so what that means is an all-day pass costs \$4. A lot of our transit-dependent customers can't afford the upfront cost of a monthly pass which is \$64, so they end up spending more in all-day passes than a monthly pass over that period. So in Phase 2 when we go to fare capping, if someone does purchase 16 all day passes in a calendar month, they ride the rest of the month for free. A really great value for our customers.

So Phase 1 will offer both full fare, reduced fare, day passes, all day passes I mentioned, one rides. And then, you know, for this Phase payment, you know, will be through a bank card. In the future, that will change with Phase 2. We'll have some options for cash loading on there, but our current fixed customer service team will also be in place to assist any customers with the app and their account. We will continue to have the current fare collection system out there, the Scheidt & Bachmann that we have today, in place until Phase 2 and at that time, we'll have a transition plan to kind of phase out of those old devices and convert fully over to the new Vix devices.

So Phase 1 hardware, new fare readers will be onboard each, excuse me, on each bus in the region, all light rail stations. Streetcar fare readers will be installed onboard the vehicles. The streetcar, if you haven't been out there, it's a small footprint station. We want to keep that open access and so we've decided with Tempe that we'd have two readers onboard each vehicle for that purpose. And, of course, we wouldn't install those until after the 12-month free fare promotional period is over which is expected to be of May of '23.

So status of Phase 1. All of the fare readers have been installed on the regional bus fleet, so if you are a transit rider, you've likely seen that up front to the right of the fare box. We're almost wrapped up with the civil work at each and every light rail station that we've had to do to prepare to install those fare readers. We're in the processes of completing testing with Vix and City of Phoenix as well as some internal volunteers and member city volunteers. We'll have a pilot testing offer to a limited group of the public prior to Phase 1 launch. Participants will be required to provide input, you know, on their transit experience, experience with the app, provide feedback, let us know if there's any glitches, what they like, what we can improve, so excited about that as well.



So when it comes to Phase 2, reloadable fare cards will be available for purchase at fare vending machine throughout the region as well as the new retail network. So when you walk into a retail network location, you'll see gift cards. Essentially, you'll see a copper card hanging there next to the Starbucks care potentially in which you can load value onto that or take your card in there and reload value. You cannot purchase reduced fare cards at a retail network. You still have to get that through the application process. I just want to emphasize that.

So everything will be account based, users will have the ability to register and manage their accounts, their cards through the public website and customer service, so really good thing, you know, if a customer loses their card, they can activate it, shut it off, whatever they want to do, transfer that value over to another card.

So Phase 2 hardware. This includes the fare vending machines that I mentioned.

There's a picture at the top right of this slide. We'll have at least two at every light rail station for redundancy should one go down. At higher level, ridership stations such as Park and Rides, end of line, we'll have more than that. And the new fare boxes, as i mentioned, the replacement of those was approved earlier this calendar year that would also be included with the Phase 2. And so, these new fare boxes -- since everything is really moving to this fare reader and these other sales channels, the new fare boxes will be simplified, cash only, they'll take one rides and that's about it. There's no need to validate there. There's no need to purchase a max ride ticket because those are going away. And so, much more simplified. I know City of Phoenix and Valley Metro Operations teams have looked at these and really support this new model.

So with that, I'd be happy to address any questions that you may have.

Chair Karins said thank you for the presentation. Any questions or comments from members?

Mr. Brady said can I ask -- can you go back to the slides on the cost for the capital and the operations, please?

Mr. Olson said yes, Mr. Brady. This slide?

Mr. Brady said so how does that -- I'm just curious. But you're spending -- is the \$50 million -- is that \$50 or is that? What is the \$50.6? Is that 50?

Mr. Olson said that's in millions. So \$50.6 million.

Mr. Brady said that's just the capital costs?



Mr. Olson said that's correct.

Mr. Brady said when you say the operating costs? That's to operate those systems specifically? On an annual basis or is that over a period of time?

Mr. Olson said no. So at the far right, you can see the contract length in years, so I've got a base identified there and then that continues.

Mr. Brady said oh, sorry, sorry, sorry. Okay. So it's spread out over the period of time.

Mr. Olson said exactly.

Mr. Brady said okay. Sorry about that.

Mr. Olson said I just mentioned, you know, some of them have different start dates, but generally around 10 to 11 years.

Mr. Brady said what's our typical collections, a year? I mean, this system is collecting revenues, right? What's the typical annual fare collection?

Mr. Olson said so our target would be around 25%.

Mr. Brady said of? 25% of which number?

Mr. Olson said total operations in the region not just this number.

Mr. Brady said okay.

Mr. Olson said I don't have that number off the top of my head.

Mr. Brady said I'm just curious how much we're spending to capture the collections versus how much we're actually collecting. What that looks like. Had anybody run that ratio of the cost it takes us to chase a dollar? What that looks like because at some point, you know, you kind of got to go, okay, we're spending X to chase a dollar. Is that worth the dollar? You know. Or do we just -- I know there's that whole debate. I'm just curious. I think it would be a good number to have. I support this, right. But at some point, you have to always ask that question.

I guess, my favorite example is MAG lunches. It was costing us more expensive -- it was more expensive for us to collect the \$2 or whatever it was for lunch than it was to just give the lunch for free. That's a bad example for this, but you get my point. You see my point? It's like okay. How much does it cost us to collect the dollar and if we're costing us more to collect the dollar than maybe we ought to rethink. Or are we getting close, right. What's that ratio? If somebody could just kind of break this down a little bit.



I think, on an annual basis, if you spread out those costs, you know, really how much is it costing us to go --

I mean, it sounds like you've got the right technology, you're making it simple for people. I think that's great, but at some point, that technology and the operations is growing in cost, and we haven't changed the rate, you know, the rates are probably not going up as fast as the cost to collect. Does that make sense?

Mr. Olson said sure.

Mr. Brady said then at some point, we got to say, uh, what's the effort here? Do we really need to do it? So I think it's just something we need to look at. I'm assuming these numbers are okay, but it's just down the road we probably ought to keep assessing that, right? Does that make sense?

Mr. Olson said yeah. Absolutely. Yeah, no, I appreciate the question and comment, Mr. Brady. We do actually have an upcoming study session. I'm not sure the exact month yet that we'll explore what does free fares look like in the region and, you know, what, you know, if we do that what would need to fund that, you know, shortfall.

Mr. Brady said because I mean, you're -- I just think that the operating costs, capital costs are going to keep in growing with inflation and other things, but I suspect it's going to be very reluctant to grow the fares at that same rate, right, so at some point, that ratio, you know, becomes difficult to justify spending so much to go collect fewer dollars. So just something to think about.

Mr. Olson said yeah. So I anticipate having some of that at that study session as well as some of the, you know, more non-financial related pros and cons of, you know, fares.

Mr. Brady said right. Thank you.

Chair Karins said thank you. Great question. Mr. Ching.

Mr. Ching said yeah. Continuing on a similar mind as Chris's questions. We're at 25% you say right now fare box recovery.

Mr. Olson said no, sir.

Mr. Ching said that's our goal?

Mr. Olson said yes. Yeah.

Mr. Ching said okay. Is that the industry like nationwide standard is 25%?



Mr. Olson said I'd say pre-pandemic that's probably fairly --

Mr. Ching said okay.

Mr. Olson said -- fairly standard. And it, you know, it depends on each transit agency where they're at as far as fare increases --

Mr. Ching said sure.

Mr. Olson said -- you know, what those fares cost versus operating.

Mr. Ching said so we'd like to be at 25%, but we're not right now?

Mr. Olson said right.

Mr. Ching said where are we right now?

Mr. Olson said I would be happy to get back to you. I don't know the number off the top of my head. I'd hate to state that. It's a regional number so --

Mr. Ching said okay. That's fine.

Mr. Olson said -- we'll work with member cities to identify their operating costs as well as their fares recovered.

Mr. Ching said that's fine. But the goal is 25% and I guess, my question would be this is I assume that every transit agency at some point, assuming they're not going to abandon trying to collect fares, has to upgrade the equipment that they use to collect fares over a period of time. Right? I mean, things become obsolete, we move to different technologies, all of that would be reflected in this. I guess, my question is is what we're seeing here a function of not just replacement of obsolete technology over time, but also, with an intent to -- to try to increase our numbers so that there can be a greater, you know, that over time whatever the cost here, there might be some level of cost recovery not just for the system, but also, for the -- specifically, for the replacement of the fare box infrastructure? Was that part of the intent of going to this system?

Mr. Olson said yes. I think the new technology obviously we have to keep components working. If they're not then people are riding for free and, you know, if our policy is we collect fares, we don't want to do that.

Mr. Ching said right.

Mr. Olson said you know, the other big part of this which I can't emphasize enough is the reduced fare issue that we have today. Anybody can go purchase a reduced fare



and, you know, we're bleeding quite a bit of fare revenue just for that reason. Reduced fare right now currently is enforced at point of use. In the future system, it will be at point of sale and of use. So the operators, fare inspectors will still look at that reduced fare ID, but it will be more of a universal ID and you can't access those fares. So I'm hopeful just with that change, we're going to see quite a spike increase in fare revenues.

Mr. Ching said that change is not directly related to this item. Right? I mean, that's a change in the way that we enforce where someone is able to claim a reduced fare and whether they can do so validly.

Mr. Olson said well, we can't get there without this technology.

Mr. Ching said okay.

Mr. Olson said so it's packaged together.

Mr. Ching said all right. Understood. So that alone will have a, potentially, an effect in one of two ways, either you will get more or discourage people from riding, potentially.

Mr. Olson said well, we do have a policy in place and unless we change that policy, we've got to --

Mr. Olson said understood.

Mr. Olson said yeah. Enforce it.

Mr. Ching said okay. Thank you.

Mr. Sapien said Tyler, thank you for the presentation. So perhaps spring boarding off Mr. Brady's comments, maybe your last column there on the right you just say, you know, total potential years rather than breaking it base and options so that, you know, our Board members can see for each line item, you know, those costs would be spread out over those many years.

The other thing I would mention is, you know, we've been talking about this for a really long time and one of the things that we've been striving for is just giving passengers more options and everything is going to Smartphone, right? And so, that's another huge component of this. I know that years ago when we started talking about upgrading, potentially upgrading the fare collection system, we knew that other agencies were doing projects like these, but we also saw some of them fail and fail pretty miserably. Some big cities. So we wanted to take our time to strategically look at what options are out there and making sure that the systems worked. Because I have been to other cities where they put in new systems and people are already figuring out literally how to



go around barriers and things like that. I've seen it firsthand. So we wanted to make sure that we put in things that made sense and that gave customers options.

And to me the big thing is the equity piece of, you know, fare capping. I've read a lot of industry publications over the past 12 to 18 months talking about how fare capping is a big deal for someone who can't upfront that cost of multi-day passes, 7, 15, 31-day passes. So that's a really big deal. So I'm really looking forward to that.

The last thing I would mention and don't quote me on this to Mr. Brady's question. If memory serves correct, pre-pandemic regional fare collections were like 50-60 million I want to say. And you said you'd get us that number, right? But if I remember correctly, it was a pretty big number pre-pandemic so, you know, compared to what we're spending on these charts spread over all those years, you know, the -- there has been some thought put into why we're doing what we're doing and if we expect to keep growing the system, you know, those fare collection numbers will continue.

Thank you for the presentation. Very good.

Mr. Olson said well, thank you for your comments.

Chair Karins said thank you. Do we have any questions, comments from anyone participating virtually? Okay. Any other comments in the room? All right. That item was for information only. So thank you very much.

7. Quarterly Reports

Chair Karins said it is also presented for information only. Do we have any questions from the Committee on this item? All right. Hearing none.

8. Travel, Expenditures and Solicitations

Chair Karins said also presented for information only. Are there any questions or comments? Okay. Hearing none There was no action requested.

9. Report on Current Events and Suggested Future Agenda Items

Chair Karins said do any -- does any member have any reports on current events or any agenda items for future meetings?

10. Next Meeting

The next meeting of the TMC/RMC is scheduled for Wednesday, January 4, 2023, at 11:00 a.m.



The meeting is adjourned.

With no further discussion the meeting adjourned at 11:40 a.m.



Information Summary

DATE

December 28, 2022

AGENDA ITEM 4

SUBJECT

Super Bowl LVII Transit Planning Update

PURPOSE

To provide an informational update on Super Bowl LVII transit planning and coordination across Operations & Maintenance, Safety & Security and Communications & Volunteers.

COST AND BUDGET

Within the adopted FY23 budget, Valley Metro has \$150,000 to provide Super Bowl event support, including necessary event infrastructure, signage, customer communications, etc. Other budget areas will also be utilized as service levels will be enhanced for Super Bowl LVII, including rail and bus operations, maintenance and cleaning as well as security, all of which will remain within the authorized budget.

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

Once again, the metro Phoenix region is hosting Super Bowl: Super Bowl LVII largely taking place the week of February 6, 2023 in downtown Phoenix and Glendale. Valley Metro is a critical element of the region's successful track record of hosting mega events for the last decade+. In 2015, for Super Bowl XLIX, Valley Metro provided travel to nearly 400,000 residents, visitors and fans to the Super Bowl experiences in downtown Phoenix. Staff is preparing for an even greater volume of riders in 2023 with an expanded rail system and thanks to the many activities being planned in our region.

Currently, Valley Metro is working internally and externally across our divisions and with our cities, the Arizona Super Bowl LVII Host Committee and the National Football League (NFL) to plan for the fan and entertainment experiences and the Big Game concentrated between February 9 – 12, 2023. Staff is primarily focused on serving the following events, with other associated and/or new events continuing in discussion:



Event	Date(s)	Location
Super Bowl Experience presented by Lowe's at Convention Center	2/4/22 – 2/5/22 2/9/22 – 2/11/22	Phoenix Convention Center
Bud Light Super Bowl Music Fest	2/9/22 – 2/11/22	Footprint Center
Super Bowl Experience presented by Lowe's at Hance Park	2/9/22 – 2/12/22	Margaret T. Hance Park
Official Super Bowl Watch Party	2/12/22	Margaret T. Hance Park
Super Bowl LVII	2/12/22	State Farm Stadium

To support these many events and the rider experience, Valley Metro is all-hands-on-deck to provide a high-quality level of service and is in active coordination with our contractors and partners. Below details the planning being done in each area:

Operations & Maintenance

Valley Metro Operations & Maintenance (O&M) staff is developing an operating plan to support the events in downtown Phoenix. Plans include:

- Enhanced rail service, including late-night service and special event trains.
- Adjusting rail vehicle maintenance schedules to ensure the full fleet is available across peak event days.
- Bus support with buses on standby to support rail emergencies and overflow at event egress; also in coordination on any bus detours to regular service.
- Increased staffing and staffing support across all O&M groups; so, recruitment activities are very active right now.
- Maintenance staff posted along the rail alignment to support vehicle troubleshooting and equipment repairs; also in coordination with Vix for field and customer service support for the new mobile fare functionality.
- Cleaners posted at park-and-rides and the downtown Phoenix stations; also mobile cleaning will be active along the entire alignment.
- Customer Service to extend hours on major event days.

Valley Metro is also in coordination with the cities of Phoenix and Glendale to extend local bus service on Super Bowl Sunday, February 12.

Safety & Security

Valley Metro Safety & Security is working with our security contractor (Allied Universal) and partners at local and federal law enforcement agencies to ensure a safe and secure environment for all who are visiting and enjoying Super Bowl festivities. Plans include:



- Increased Allied Universal presence at rail stations and park-and-rides, including fixed posts and roving patrols.
- Presence in the Emergency Operations Center to provide event and emergency coordination and support.
- Coordination with the Transportation Security Administration (TSA), local law enforcement and their K9 teams to sweep trains in the yard and in downtown.
- Conducting National Transit Institute's All-Hazards Awareness and Preparedness training for frontline teams.

Communications & Volunteers

This event requires significant customer communication and wayfinding to provide an excellent rider and event experience. Everyday riders will be informed of any service impacts and what to expect with additional crowds. Residents and visitors traveling to downtown Phoenix and Glendale will learn about the convenience of transit service as well as how to ride and connect with the many events. Plans include:

- Development of a printed map and materials to support customer education.
- Digital tools and advertising, such as a dedicated webpage, social promotion and a media buy to educate and promote our services.
- Signage plan to support wayfinding, how to ride, detours, etc.; also in coordination on signage at the Downtown Hub stations not yet operational.
- Media relations efforts to communicate how/why to ride, service levels, event preparations, know-before-you-go messages, etc.
- Volunteer program to provide ambassadors at key light rail stations and park-and-rides to help with rider experience, information and wayfinding.
- Identification of additional park-and-ride capacity.
- Event infrastructure including queue lines, fencing and additional fare payment options.
- Customer education on the new mobile fare technology (launching in January 2023), adding convenience and ease to the rider experience.

Continued planning is underway across all groups and with our many partners. Staff has learned a lot from past, mega events—and we are putting those best practices into action, once again. The team is prepared for supporting even larger crowds and providing the best transit experience possible. Additional updates will be provided to the Boards as needed and certainly with an event recap following this big week and the Big Game.

COMMITTEE PROCESS

RTAG: December 20, 2022 for information

TMC/RMC: January 4, 2023 for information

Boards of Directors: January 19, 2023 for information



CONTACTS

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Information Summary

DATE

December 28, 2022

AGENDA ITEM 5**SUBJECT**

Travel, Expenditures and Solicitations

PURPOSE

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

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COST AND BUDGET

None

COMMITTEE PROCESS

None

CONTACT

Ken Kessler

Chief Financial Officer

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ATTACHMENTS

Valley Metro Travel Report

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

Active Requests for Proposals, Qualifications and Invitations for Bids

Valley Metro
Travel Reimbursement Report
For Travel Completion Dates
11/1/22 through 11/30/22

	Job Title	Purpose of Travel	Location	Dates Traveled	Total Travel Cost	Airfare	Other Transport	Lodging	Meals	Misc.
	Manager, Design & Engineering	AREMA 2022 Annual Conf Expo	Denver, CO	8/27/22-8/31/22	\$1,361.45	\$152.08		\$921.37	\$228.00	\$60.00
	Manager, Admin Services	ARMA InfoCon Annual Conference	Nashville, TN	10/15/22-10/20/22	\$2,635.43	\$537.18	\$51.00	\$1,510.75	\$396.50	\$140.00
	Chief Information Officer	Critical Infra Transp Cybersecurity Cons	New York, NY	10/26/22-10/29/22	\$1,890.26	\$524.71	\$79.16	\$1,009.89	\$276.50	
	Deputy Director Maintenance	Critical Infra Transp Cybersecurity Cons	New York, NY	10/26/22-10/29/22	\$2,029.54	\$524.71	\$233.29	\$995.04	\$276.50	
	Deputy Director, Service Planning	Rail Volution Conference	Miami, FL	10/29/22-11/2/22	\$1,701.29	\$357.20	\$28.91	\$944.68	\$310.50	\$60.00
	Project Admin, Gov't Relations	Rail Volution Conference	Miami, FL	10/29/22-11/2/22	\$1,830.38	\$411.19	\$109.01	\$944.68	\$310.50	\$55.00
	Capital Program Biz Manager	Rail Volution Conference	Miami, FL	10/29/22-11/2/22	\$1,758.30	\$411.19	\$31.93	\$944.68	\$310.50	\$60.00
	Planner III	Rail Volution Conference	Miami, FL	10/30/22-11/2/22	\$1,493.70	\$543.69		\$708.51	\$241.50	
	Public Information Specialist	Rail Volution Conference	Miami, FL	10/30/22-11/2/22	\$1,419.71	\$518.20	\$25.25	\$708.51	\$167.75	
	Planner III	Rail Volution Conference	Miami, FL	10/30/22-11/2/22	\$1,557.89	\$536.19	\$71.69	\$708.51	\$241.50	
	Marketing Program Supervisor	Rail Volution Conference	Miami, FL	10/30/22-11/2/22	\$1,936.74	\$642.00	\$47.81	\$944.68	\$242.25	\$60.00
	Director, Capital Development	Rail Volution Conference	Miami, FL	10/30/22-11/2/22	\$1,610.69	\$617.20	\$30.48	\$708.51	\$224.50	\$30.00
	Senior Management Analyst	TFLEx 2022 Fall Workshop	Denver, CO	10/30/22-11/2/22	\$1,398.32	\$388.20	\$48.06	\$701.56	\$200.50	\$60.00
	Vice Mayor	Rail Volution Conference	Miami, FL	10/28/22-11/2/22	\$2,009.44	\$625.20	\$129.06	\$1,180.85	\$310.50	(\$236.17)

Total this reporting period

\$24,633.14

Year to Date

\$71,105.03

Report reflects Out of State (AZ) Travel

* Misc

¹ Airline Baggage Fees

² Mobile Workshop

³ Hotel Deduction

Valley Metro Regional Public Transportation Authority
Monthly AP Payments over \$25,000
November 2022

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
10000956	11/8/2022	First Transit Inc	Monthly Transit Services	5,727,735.61
10000943	11/4/2022	Gillig LLC	HD Circulator Buses	3,146,154.00
10000961	11/8/2022	Transdev Services Inc	Monthly General Paratransit Service	1,374,995.93
90000126	11/17/2022	ADP LLC	PPE 10/30/2022 Payroll Liabilities	1,070,717.82
90000122	11/4/2022	ADP LLC	PPE 11/13/2022 Payroll Liabilities	1,050,933.41
10000952	11/8/2022	Allied Universal Security Services	Fare Inspection and Security Services	540,887.72
10000973	11/10/2022	Total Transit Enterprises LLC	Monthly West Valley Contracted Fixed Route	505,396.08
10001002	11/23/2022	Vix Technology (USA) Inc	Customer Service Network	504,187.87
90000125	11/17/2022	Cigna Health and Life Insurance Company	Health Insurance Premiums	486,180.41
10000946	11/4/2022	DMS Facility Services Inc	Facilities Maintenance Services	379,752.89
10000945	11/4/2022	Creative Software Solutions LLC	Ridechoice Management Services	341,667.30
10000982	11/17/2022	Denovo Ventures LLC	ERP-EAM System Software Implementation	308,836.00
90000124	11/17/2022	ASRS	PPE 10/30/22 ASRS Contributions & LTD	288,217.09
90000121	11/4/2022	ASRS	PPE 11/13/22 ASRS Contributions & LTD	279,085.45
10000974	11/10/2022	Vix Technology (USA) Inc	Customer Service Network	201,681.91
10000994	11/23/2022	101 North First Ave LLC	101 Building Rent	184,358.76
90000130	11/30/2022	Surepays	RPTA Monthly Utilities	142,534.47
10000997	11/23/2022	DLT Solutions LLC	Oracle Products and Services-Subscription Costs - ERP Cloud Fusion	130,515.49
10000965	11/10/2022	Creative Software Solutions LLC	Ridechoice Management Services	126,079.78
10000984	11/17/2022	Environmental Systems Research Institut	ESRI Software and Support Agreement	102,936.66
90000127	11/17/2022	Wells Fargo Bank	Monthly Credit Card Charges	82,952.53
10000971	11/10/2022	Second Generation Inc, dba Ajo Transpor	Monthly Rural Connector Services	69,514.60
1001086	11/10/2022	ACRO Service Corporation	Staffing Services and Related Solutions-IT Project Management Services	68,756.00
10000978	11/10/2022	Senergy Petroleum LLC	Bulk Fuel	64,947.97
1001127	11/23/2022	CopperPoint Insurance Company	Mobility Center Rent	62,362.79
10000957	11/8/2022	Guidesoft Inc	Managed Services Provider	46,894.60
10000955	11/8/2022	Enterprise Rideshare	Van Pool Services	45,598.53
10001000	11/23/2022	URW LLC	Landscape Maintenance Services	45,347.96
10000959	11/8/2022	Stacy and Witbeck Inc	CMAR Services for Tempe Street Car	41,500.04
10000936	11/4/2022	URW LLC	Landscape Maintenance Services	41,309.64
1001096	11/10/2022	WEX Bank	Fleet Card Services	35,089.04

10000991	11/17/2022 Senergy Petroleum LLC	Bulk Fuel	32,582.25
1001078	11/4/2022 Hye Tech Network & Security Solutions L	Cisco SmartNet	31,607.07
1001094	11/10/2022 SHI International Corp	Software Value Added Reseller	28,659.81
1001123	11/23/2022 ACRO Service Corporation	Staffing Services and Related Solutions-IT Project Management Services	26,532.00
1001133	11/23/2022 QCM Technologies Inc	Information Security Program Support	25,369.36

17,641,878.84

Valley Metro Rail, Inc
Monthly AP Payments over \$25,000
November 2022

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
50000797	11/4/2022	Kiewit Infrastructure West Company	CMAR Services for Northwest Phase II	16,545,404.39
50000825	11/17/2022	Kiewit-McCarthy, a Joint Venture	CMAR Services for South Central-Downtown Hub	9,326,907.40
50000806	11/10/2022	Alternate Concepts Inc	Transportation Services	1,950,297.40
50000834	11/23/2022	Hill International Inc	PMCM Services	872,391.33
90000017	11/30/2022	Surepays	VMR Monthly Utilities	422,117.75
50000784	11/4/2022	Alternate Concepts Inc	Transportation Services	197,780.03
50000811	11/10/2022	Jacobs Engineering	Design Services for Northwest Phase II	118,265.66
50000827	11/17/2022	PGH Wong Engineering Inc	System Design Services	94,110.39
5001183	11/4/2022	San Tan Ford	New Vehicle Purchases	93,998.28
50000802	11/4/2022	City of Phoenix	1st Qtr 2023 Adv Rev Pymt	86,446.48
50000812	11/10/2022	PGH Wong Engineering Inc	System Design Services	78,651.76
50000820	11/17/2022	Award Winning Restorations	Light Rail Vehicle Painting	72,396.34
50000837	11/23/2022	Leach International Corp	Relays	70,688.75
50000798	11/4/2022	Penn Machine Company LLC	Gearbox/Axle Overhaul - IGW	51,930.00
5001195	11/10/2022	Susan Zoccola LLC	NEW II - Public Art Services-Fabrication / Install	50,000.00
5001219	11/17/2022	Snell & Wilmer LLP	BPO outside legal services.	41,155.66
5001179	11/4/2022	NASG Holdings LLC	Windshields	40,084.30
50000815	11/10/2022	City of Phoenix	Quarterly Regional Wireless Billing	37,357.56
5001230	11/23/2022	NASG Holdings LLC	Windows	35,136.60
50000831	11/17/2022	Zarco Guerrero	SCE - Public Art Services-Fabrication / Install	35,000.00
50000840	11/23/2022	City of Phoenix	City of Phoenix Fare Handling Fee	32,068.00
50000799	11/4/2022	PGH Wong Engineering Inc	System Design Services	31,196.44
				30,283,384.52



Information Summary

DATE

December 28, 2022

AGENDA ITEM 6**SUBJECT**

Report on Current Events and Suggested Future Agenda Items

PURPOSE

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

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION

None

COMMITTEE PROCESS

None

CONTACT

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ATTACHMENT

None.

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date



Agenda

December 28, 2022

Transit Management Committee

Wednesday, January 4, 2023

Boardroom/Webex

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

11:00 a.m.

Action Recommended

1. Public Comment

1. For Information

The public will be provided with an opportunity at this time to address the committees on **non-agenda items and all action agenda items**. 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.

CONSENT AGENDA

2A. Minutes

2A. For action

Minutes from the November 2, 2022 TMC meeting are presented for approval.

2B. Fuel and Fuel Card Services Agreement – Rural Route 685/Gila Bend

2B. For action

Staff recommends that the TMC forward to the Board of Directors authorization for the CEO to execute a cooperative agreement purchase order with WEX Bank Fleet Card Services for revenue vehicle fuel for the provision of Rural Route 685 Ajo/Gila Bend bus services for a not-to-exceed amount of \$974,000 over a five-year period.

2C. Automated Speech Recognition Services

2C. For action

Staff recommends that the TMC forward to the Boards of Directors authorization for the CEO to procure necessary IT services. The period of authorization is fiscal year 2023, in an amount not to exceed \$48,478 plus a 15% contingency of \$7,272, for a total not-to-exceed authorization amount of \$55,750.



- 2D. 2023 Origin and Destination Study Contract Award 2D. For action

Staff recommends that the TMC forward to the Board of Directors authorization for the CEO to execute a contract with ETC Institute for the 2023 Origin and Destination Study for an amount not to exceed \$867,675.

REGULAR AGENDA

3. RPTA Fiscal Year 2023 (FY23) Mid-Year Budget Adjustment 3. For action

Staff recommends the TMC forward to the Board of Directors approval of the Mid-Year Budget Adjustment update to the Valley Metro RPTA Operating Budget for FY23.

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

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

5. Next Meeting 5. For information

The next TMC meeting is scheduled for **Wednesday, February 1, 2023 at 11:00 a.m.**

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



Information Summary

DATE

December 28, 2022

AGENDA ITEM 1**SUBJECT**

Public Comment

PURPOSE

The public will be provided with an opportunity at this time to address the committees on **non-agenda items and all action agenda items**. 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.

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COMMITTEE PROCESS

None

CONTACT

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Chief Executive Officer

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ATTACHMENT

None



Minutes

December 28, 2022

AGENDA ITEM 2

Transit Management Committee

Wednesday, November 1, 2022

Via Webex/Phone

11:00 a.m.

TMC Meeting Participants

Jesus Sapien for Mario Paniagua, City of Phoenix (**Chair**)

Julie Karins, City of Goodyear (**Vice Chair**)

Ryan Peters, City of Chandler

Rob Bohr, Town of Gilbert

Dave Trimble, Town of Fountain Hills (phone)

Kevin Link, City of Glendale (phone)

Elijah Levon, Maricopa County (phone)

Chris Brady, City of Mesa

Erik Strunk, City of Peoria (phone)

Bruce Gardner, Town of Queen Creek (phone)

Ratna Korepella for Mark Melnychencko, City of Scottsdale (phone)

Tracy Montgomery, City of Surprise (phone)

Andrew Ching, City of Tempe

Members Not Present

Cherlene Penilla, City of Avondale

John Willett, City of Buckeye

Autumn Grooms – City of El Mirage

Chair Karins called the meeting to order at 11:40 a.m.

Chair Karins said now, I'd like to convene our Transit Management Committee meeting and welcome all members.

1. Public Comment

Chair Karins said the public will be provided 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 or her discretion. With a total of 15 minutes for all speakers will be provided.

Do we have any speaker cards, Pat?



Ms. Dillon said Mr. Crowley.

Chair Karins said alright. Thank you. Mr. Crowley.

Mr. Crowley said hi. I've got the bus map here and Mesa, if you look on the other side of Gilbert Road, there's an area of close to 40 square miles. It's got two north-south and one east-west route. Would you call that a transit desert? I could do the same for Gilbert. I could do the same for Chandler. But I don't see where you guys just spent a half a million dollars for Highground to do what? Because they don't have marching orders. You guys have not given any instructions to them or your federal people. The federal people screwed you what? Twice over their contract. To where now you guys have to bring thing to the Board before they get jerked around.

In the document that MAG sent, there's a part of it that says asset maintenance preservation of rail. \$1.1 billion. Well, I've been asking for some stuff to get the numbers on it. We got 70 pieces of equipment. They cost between \$5 and \$7 million, so the replacement cost that with being \$5 million would be 350. If we do it at \$7 million, it's only going to be 490 million. They have 1.1 billion set aside for that. Now, if that's for rail maintenance and such I'd like somebody to explain it to me because as I said, with the fleet itself, they've got a 30-year life. We just bought a couple of them, so they won't even be ready to be replaced during the whole of the new document.

And I don't see where any of that is being done for the bus. There is no money for doing things according to traffic patterns, which is what you guys should be doing it because it's air quality is part of your job. You're not doing anything to get the infill back of the supergrid because you say you're basing it on it and you're not got anything in there for stops and bus pullouts. These are costly infrastructure items, but what you do have in that document is 1.1 billion for the rail. Now, is that because this Committee didn't do its job to get the part for the bus to be dealt with. I think so. Because like I said, you just gave them a half a million dollars and then pointed out that we've been working with them for how many years. Well, what was the plan they were working on? It wasn't and there still isn't.

Chair Karins said thank you, Mr. Crowley.

2. Consent Agenda

Chair Karins said presented for action. Does anyone on the Committee have any questions or any items that need to be pulled for separate discussion? Okay. Hearing none. I'd like to have a motion and second to approve the Consent Agenda.

Motion by Rob Bohr, second by Chris Brady.

Any further conversation? Hearing none.



All in favor, please say aye. Any opposed? Motion carries.

IT WAS MOVED BY ROB BOHR, SECONDED BY CHRIS BRADY AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA, ITEMS 2A-2C.

3. New Regional Fare Collection System Cash-only Bus fareboxes Software and Maintenance Agreement

Mr. Olson said Madam Chair, members of the TMC Committee. So in February of this year, as mentioned, the RPTA Board approved Valley Metro to move forward with a contract with Scheidt & Bachmann to replace all of the existing fare collection -- fare boxes in the region. So that would include City of Phoenix and Valley Metro operated fleet right now. Those fare boxes would be in service around the Phase 2 launch of the Fare Collection System Modernization project.

The memo before you is requesting that we enter an 11-year contract with Scheidt & Bachmann to provide the software and maintenance for the new regional assets that have been approved for purchase across the entire fleet of buses in the region. So this work includes services like preventative, remedial and lifecycle maintenance. It's an 11-year contract. The first year is a warranty period. Historically, City of Phoenix has utilized Scheidt & Bachmann to perform this same level of maintenance in the past and based on their experience has worked out favorably. So this contract will continue that level of service for City of Phoenix fleet, but also bring in the RPTA fleet of fare boxes.

Other transit providers like RPTA and previously, Tempe when they operated their own service, had their transportation contractor perform this work and that would really be around fingertip maintenance, light maintenance. It did not include the lifecycle and component replacements that this contract offers. And so, really those agencies would end up spending more in parts, you know, buying smaller quantities, having Scheidt & Bachmann (Indiscernible) over time without that contract.

So the benefits that we get from this contract are really twofold. The first one being volume discount pricing, so having more service, more fare boxes in the program. We analyzed the existing rates that are out there today with the City of Phoenix contract. The hardware maintenance is around just over 5,000 per fare box whereas the new regional contract with more fare boxes to maintain is around just under 4,000 for fare box. So moving to a regional contract as opposed to individual contracts with Scheidt & Bachmann is estimated to save us about \$1.2 million a year over the course of that contract.

So secondly, the other benefit is consistent maintenance and improved reliability across the region, so consistent levels of service, consistent replacements, lifecycle updates and really across the entire regional fleet. So that also gives the customer a consistent experience as far as their experience with the fare box across the region.



So the funding for this program would be included in the cost per mile that is billed for the service by -- purchased by member cities. Therefore, the sources of funding would be local funds and Prop 400 in those annual IGA's. It should be noted that since this contract is really for the region, although VM will hold that contract, RPTA will be 100% reimbursed for any cost applicable to other providers such as Phoenix in the current state, if Tempe or any other entity wanted to move forward with their own transit service in the future that were, you know, part of this fare boxes, they would pay for their fair share of that maintenance as well.

So that concludes my overview, I'd be happy to answer any questions that you may have.

Chair Karins said thank you for the presentation. Questions?

Mr. Sapien said so, Tyler, not so much a question, but a confirmation. So fare box maintenance, this is basically continuing something we're doing today on every fare box that's out there. And then just to confirm, this is also one of the numbers you showed on slide 5 of your previous presentation that shows -- it's one component, basically, of upgrading the regional system.

Mr. Olson said yes, Mr. Sapien. That's correct. That is included in that previous presentation and, you know, yes, it's a service that City of Phoenix has the exact service today. RPTA does not have that service, but collectively, this new contract will provide that consistent level of service across all fare collecting buses in the region.

Mr. Sapien said thank you.

Chair Karins said any other questions, comments? All right. I request a motion and a second to forward to Board of Directors authorization for the CEO to execute an 11 year contract with Scheidt & Bachmann to provide the hardware maintenance and software support for the new regional cash-only fare boxes for the entire regional bus fleet. The total operating cost will not exceed \$45,331,000 with a contract value of \$41,210,000 with a 10% contingency, a \$4,121,0000. Motion and a second?

Motion by Unidentified, second by Unidentified.

Any further conversation? Hearing none.

All in favor, please say aye. Any opposed? Thank you. The motion carries.

IT WAS MOVED BY CHRIS BRADY, SECONDED BY ERIK STRUNK AND UNANIMOUSLY CARRIED TO FORWARD TO THE BOARD OF DIRECTORS AUTHORIZATION FOR THE CEO TO EXECUTE AN ELEVEN-YEAR CONTRACT WITH SCHEIDT & BACHMANN TO PROVIDE THE HARDWARE



MAINTENANCE AND SOFTWARE SUPPORT FOR THE NEW REGIONAL CASH-ONLY FAREBOXES FOR THE ENTIRE REGIONAL BUS FLEET.

4. Report on Current Events and Suggested Future Agenda Items

Chair Karins said Does any member have such? Okay. Hearing none.

5. Next Meeting

The next TMC meeting is scheduled for Wednesday, January 4, 2023 at 11:00 a.m.

The meeting is adjourned.

With no further discussion the meeting adjourned at 11:50 p.m.



Information Summary

DATE

December 28, 2022

AGENDA ITEM 2B

SUBJECT

Fuel and Fuel Card Services Agreement – Rural Route 685/Gila Bend

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute a cooperative agreement purchase order with WEX Bank Fleet Card Services for revenue vehicle fuel for the provision of Rural Route 685 Ajo/Gila Bend bus services for a not-to-exceed amount of \$974,000 over a five-year period.

RECOMMENDATION

Staff recommends that the TMC forward to the Board of Directors authorization for the CEO to execute a cooperative agreement purchase order with WEX Bank Fleet Card Services for revenue vehicle fuel for the provision of Rural Route 685 Ajo/Gila Bend bus services for a not-to-exceed amount of \$974,000 over a five-year period.

BACKGROUND | DISCUSSION | CONSIDERATION

The Route 685 Ajo/Gila Bend Regional Connector operates along State Highway 85 and provides bus service to the communities of Ajo, Gila Bend, Buckeye, Goodyear, Avondale, Tolleson and Phoenix. Valley Metro uses fleet fuel cards through WEX Bank Fleet Card Services to refuel revenue vehicles as needed. An account has been established that allows Valley Metro to refuel at participating gas stations in Gila Bend and Buckeye.

Cooperative Agreements are contracts that are solicited and awarded by other public entities and whose cooperative language allows Valley Metro to utilize these contracts for goods and services it requires. This cooperative contract for Rural Route 685 revenue vehicle fuel was procured via the State of Arizona Procurement Office of the Department of Administration and is currently awarded to, WEX Bank Fleet Card Services. Valley Metro uses this contract to fulfill its Rural Route 685 revenue vehicle fuel purchase needs.

This cooperative agreement purchase order with WEX Bank Fleet Card Services will start February 1, 2023 for a five-year period.

COST AND BUDGET

The Rural Route 685 revenue vehicle fuel usage over five years has a total estimated value of \$974,000. The five-year forecast for fuel is in the chart below.



	FY 23	FY 24	FY 25	FY 26	FY 27	FY28	Total
Months	5	12	12	12	12	7	60
Fuel Costs	\$75,000	\$186,000	\$191,000	\$197,000	\$203,000	\$122,000	\$974,000

Fuel for Route 685 is funded in the Adopted FY23 Operating and Capital Budget. Contract Obligations beyond FY23 are incorporated into the Valley Metro RPTA Five-Year Operating Forecast and Capital Program (FY2023 thru FY2027).

COMMITTEE PROCESS

RTAG: December 20, 2022 for information
TMC: January 4, 2023 for action
Board: January 19, 2023 for action

CONTACT

Dan Filippino
Deputy Director of Transportation & Project Integration
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dfilippino@valleymetro.org

ATTACHMENT

None



Information Summary

DATE

December 28, 2022

AGENDA ITEM 2C**SUBJECT**

Automated Speech Recognition Services

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to procure automated speech recognition services to maintain Valley Metro's interactive voice response system.

RECOMMENDATION

Staff recommends that the TMC forward to the Boards of Directors authorization for the CEO to procure necessary IT services. The period of authorization is fiscal year 2023, in an amount not to exceed \$48,478 plus a 15% contingency of \$7,272, for a total not-to-exceed authorization amount of \$55,750.

BACKGROUND | DISCUSSION | CONSIDERATION

Valley Metro's IT department operates the regional Customer Service call center's telephony system. The system includes an Interactive Voice Response (IVR) component which helps reduce call center staffing requirements. The IVR achieves this by handling 40% of basic inquiries directly without requiring the involvement of a Customer Service Representative (CSR). To handle those questions automatically, the IVR relies on a service provided by Workflow Concepts that leverages Google's Automated Speech Recognition (ASR) services. The ASR service allows the IVR to both interpret the customer's speech and provide a computer-generated response.

Prior to FY 2023 the two-year cost of the ASR service was below the \$50,000 limit necessitating Board authorization. In FY 2023 a combination of the following factors has pushed the two-year renewal cost above the limit:

- An increase in service costs attributed to inflation
- Expansion to cover the launch of the Fare Collection System Modernization (FCSM) mobile payment support contact center
- Expansion to cover the launch of the Paratransit & RideChoice Reservation and Scheduling service



Item	FY 2021	FY 2022	FY 2023 ¹
Annual Service Cost	\$18,568	\$25,348	\$48,478
Annual Calls Handled	552,014	549,552	532,900

COST AND BUDGET

The funds for the service outlined in this memo are already included in the adopted RPTA FY 2023 Operating and Capital Budgets. The currently requested authorization is not to exceed \$55,750 in FY 2023. Since estimated call volumes for the two new call centers are speculative, a 15% contingency is included should usage exceeds the 360,000 minutes of voice translation currently included with the service.

Authorization to extend the service engagement into future fiscal years will be included in the annual IT professional services authorization memos brought to the Board toward the end of each fiscal year.

The service will be procured from reseller SHI International Corp. through an OMNIA Partners cooperative contract to ensure a competitively negotiated price and leverage the better volume discounts available through the contract.

Vendor	Cooperative Vehicle	Contract #
SHI	OMNIA Partners	2018011-02

COMMITTEE ACTION

RTAG: December 20, 2022 for information

TMC: January 4, 2023 for action

Board of Directors: January 19, 2023 for action

CONTACT

Phil Ozlin

Chief Information Officer

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ATTACHMENT

None

¹ FY 2023 annual call volume is an estimate based on actual call volume for July – November 2022

2023 Origin and Destination Study

RTAG

December 2022



1

Background



Surveys of customers travel patterns on-board

- Light rail
- Fixed-route buses
- Commuter buses
- Circulators

Conducted every three to five years

- 2019
- 2015
- 2010/2011
- 2007

2

2

Provides Critical Data for Planning



- 1 Get data on **customer travel patterns and demographics** to design better services
- 2 Support **MAG's regional long range-plan and travel demand model** and inform extension of Prop 400
- 3 Compare with past studies to **assess transit use trends**
- 4 Support **"Before and After Studies"** for rail capital projects

3

3

Goals and Objectives



Question Topics

- Trip origin and destination
- Transfers
- Trip purpose
- Fare type
- Access/egress modes
- Boarding/alighting location
- Demographics

17,000
completed surveys
will be collected

15,000 Weekday
1,000 Saturday
1,000 Sunday

4

4

Proposed Scope and Schedule



Task 1 – Project Management Plan – January 2023

- Subtask 1.1 – Sampling Plan – January 2023
- Subtask 1.2 – Staffing Plan – January 2023

Task 2 – Survey Design - February 2023

- Pilot Test – February 2023

Task 3 – Survey Distribution/Data Collection – March/April/May 2023

- O2O Survey – March 2023
- OD Survey – End of March/April 2023
- OD Survey Targeting – May 2023

Task 4 – QAQC – Ongoing Starting in March 2023

Task 5 – Data Analysis and Expansion – June 2023

Task 6 – Report – July 2023

5

5

Request for Proposals



• Initiated RFP process in October

- FTA-compliant
- Valley Metro, MAG and cities of Phoenix, Mesa, Glendale and Chandler on evaluation panel
- Two proposals submitted and received the following scores:

Criteria		ETC Institute	Replica
Total Score		786	661
1 - Method of Approach to the Scope of Services	<i>Technical Points</i>	372	208
2 - Qualifications & Experience of the Firm	<i>Technical Points</i>	190	121
3 - Qualifications & Experience of Key Personnel	<i>Technical Points</i>	192	132
4 - Pricing	<i>Points</i>	32	200

6

6

Estimated Cost



Task Description	Quoted Price
Develop Project Management Plan and Schedule	\$26,930
Survey Design and Sampling Plan	\$28,364
Develop Survey Instrument	\$32,229
Interviewer and QA/QC Manual	\$19,214
Conduct and Evaluate the Pre-Test	\$30,570
Administer the On-Board Transit Survey	\$532,907
Data Processing and Analysis	\$78,212
Prepare Final Report and Data File	\$40,369
SUBTOTAL	\$788,795
Study Contingency (10%)	\$78,880
TOTAL Study Cost	\$867,675

7

7

Next Steps



- **Task 1 – Project Management Plan**
 - Subtask 1.1 – Sampling Plan – January 2023
 - Subtask 1.2 – Staffing Plan – January 2023
- **Task 2 – Survey Design - February 2023**

8

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Recommendation



Staff recommends that the TMC forward to the Board of Directors authorization for the CEO to execute a contract with ETC Institute for the 2023 Origin and Destination Study for an amount not to exceed \$867,675



Information Summary

DATE

December 28, 2022

AGENDA ITEM 2D

SUBJECT

2023 Origin and Destination Study Contract Award

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute a contract with ETC Institute for the 2023 Origin and Destination Study for an amount not to exceed \$867,675.

RECOMMENDATION

Staff recommends that the TMC forward to the Board of Directors authorization for the CEO to execute a contract with ETC Institute for the 2023 Origin and Destination Study for an amount not to exceed \$867,675.

BACKGROUND | DISCUSSION | CONSIDERATION

The Origin and Destination Study (also known as the Transit On-Board Survey) will collect data about passenger travel patterns on fixed bus routes and light rail. Valley Metro has conducted similar studies every three to five years since 1986, most recently in 2019. The study results are essential to Valley Metro and partner agencies for the following purposes:

- to collect data on customer travel patterns and demographics which enables Valley Metro and member agencies to better plan transit routes and service
- to calibrate and validate the Maricopa Association of Governments (MAG) regional transportation travel demand model for long-range planning and to inform discussion surrounding the extension of Proposition 400
- to provide data for the “After” study for Streetcar and the “Before” study for the South Central Light Rail Extension/Downtown Hub and NW Phase II Extension, as required by the Federal Transit Administration

Data collection for this study will take place in spring 2023. The consultant will collect 17,000 completed responses. Sampling beyond this base level is available to interested jurisdictions willing to incur added cost.

In June 2022, the RPTA Board authorized the issuance of a Request for Proposals (RFP) to procure consultant services for the execution of the Origin and Destination Study. Two firms (ETC Institute and Replica) submitted a proposal in response to the RFP. An interagency review panel comprising representatives from Valley Metro, MAG and the cities of Phoenix, Chandler, Gilbert and Mesa reviewed the proposal.



Staff completed an independent cost estimate (ICE) for the project. The proposed cost is fair and reasonable based on the ICE.

The interagency review panel provided the scores shown in the table below for both bidders and recommends contract award to ETC Institute to assist in the development and implementation of the 2023 Origin and Destination Study. ETC Institute conducted the two most recent origin and destination studies in 2019 and 2015 and is experienced conducting similar studies for transit agencies nationwide.

O&D RFP Scoring Criteria		ETC Institute	Replica
Total Score		786	645
1 - Method of Approach to the Scope of Services	<i>Technical Points</i>	372	192
2 - Qualifications & Experience of the Firm	<i>Technical Points</i>	190	121
3 - Qualifications & Experience of Key Personnel	<i>Technical Points</i>	192	132
4 - Pricing	<i>Pricing Points</i>	32	200

COST AND BUDGET

The estimated cost for this project is \$788,795 plus a 10% contingency of \$78,880 for a total of \$867,675, which will be expended over two fiscal years' budgets.

The second half of the Data Processing and Analysis task, as well as the final task of preparing the Final Report and Data File totaling \$87,000 (including contingency) will be requested in the FY24 budget. Therefore, a total of \$780,675 is needed in FY23. Because this study is essential for updating the Maricopa Association of Governments (MAG) regional transportation demand model, MAG has agreed to fund \$200,000 for this study through the approved FY23 Unified Planning Work Program (UPWP) using Regional Area Road Funds (RARF). Prop 400 will cover the remaining costs. The FY 2023 RPTA budget includes \$50,000 in funding for this project. A mid-year adjustment of \$730,675 is required to secure all needed funding for FY23.



Cost Estimate Breakdown Table

Task	Description	Total price
1	Develop Project Management Plan and Schedule	\$26,930
2	Survey Design and Sampling Plan	\$28,364
3	Develop Survey Instrument	\$32,229
4	Interviewer and QA/QC Manual	\$19,214
5	Conduct and Evaluate the Pre-Test	\$30,570
6	Administer the On-Board Transit Survey	\$532,907
7	Data Processing and Analysis	\$78,212
8	Prepare Final Report and Data File	\$40,369
	SUBTOTAL	\$788,795
	Study Contingency (10%)	\$78,880
	TOTAL Study Cost	\$867,675

COMMITTEE PROCESS

RTAG: December 20, 2022 for information

TMC: January 4, 2023 for action

Board of Directors: January 19, 2023 for action

CONTACT

Henry Ikwut-Ukwa

Director, Capital Development

hukwa@valleymetro.org

ATTACHMENT

None.



Information Summary

DATE

December 28, 2022

AGENDA ITEM 3**SUBJECT**

RPTA Fiscal Year 2023 (FY23) Mid-Year Budget Adjustment

PURPOSE

To request approval of the Mid-Year Budget Adjustment update to the Valley Metro RPTA Operating Budget for FY23.

RECOMMENDATION

Staff recommends the TMC forward to the Board of Directors approval of the Mid-Year Budget Adjustment update to the Valley Metro RPTA Operating Budget for FY23.

BACKGROUND | DISCUSSION | CONSIDERATION

In June of 2022, the Board approved the FY23 Operating and Capital Budget. The cost factors used to develop the budget have changed and adjustments are warranted to update the expenditures planned for the remainder of the fiscal year. Adjustments are being requested only on the operating budget.

Fixed route service costs for both East and West Valley have increased to address contractor high vacancy rates caused by severe labor shortages. The Board approved the contract changes to address this issue in the October 2022 meeting.

Planning costs are higher due to scheduled earlier completion of the required Origin and Destination Study combined with the development of Valley Metro's Zero Emissions Plan which will provide deeper insight into the feasibility of future alternative fuel vehicle transportation. The Zero Emissions Plan is required in order for Valley Metro to pursue Low to No Emissions grants through FTA to fund future electric vehicles and required infrastructure.

Regional Services Administration and Call Center costs are higher than planned due to increased maintenance coverage on new fareboxes and a revised schedule for the Vix Call Center implementation and launch.



Operating Activities:

Budget Item	Description	Increase (Decrease) Amt	Funding Source
East Valley Bus	Board approved a 12/1/22 Contractor Wage Rate increase to address labor market shortage.	\$ 2,910,900	Member Cities PTF Federal
West Valley Bus	Board approved a 12/1/22 Contractor Wage Rate increase to address labor market shortage.	\$ 183,800	Member Cities PTF Federal
Pre-Approved Mid-Year Adjustment		\$ 3,094,700	

Operating Activities:

Budget Item	Description	Increase (Decrease) Amt	Funding Source
Planning	Origin and Designation Study is being completed earlier than planned; development of Zero Emissions Plan to required by FTA to compete for Low or No Emissions grants.	\$ 1,285,600	RARF PTF Federal
Regional Services	Scheidt & Bachmann maintenance gap coverage on fareboxes and software.	\$ 1,138,000	Phoenix PTF
Call Center	Revised schedule for Vix customer service call center implementation.	\$ 621,000	PTF
Additional Mid-Year Adjustment Total		\$ 3,044,600	

Total Operations Budget Adjustment \$ 6,139,300

COST AND BUDGET

Changes proposed are incorporated into overall agency sources and uses of funds below:



SOURCES OF FUNDS (\$000,000)

Operating Revenues

Sources of Funds	FY23	FY23 Amended	Change \$	Change %
Public Transportation Funds	\$115.8	\$118.5	\$2.8	2%
Regional Area Road Funds	\$4.5	\$5.8	1.3	30%
Member City Contributions	\$48.8	\$50.2	1.5	3%
Advertising	\$0.6	\$0.6	0.0	0%
Federal Funds	\$11.3	\$11.9	0.6	5%
Federal Funds - Covid Relief	\$0.5	\$0.5	0.0	0%
Fares	\$5.9	\$5.9	0.0	0%
MAG Funds	\$0.4	\$0.4	0.0	0%
Other	\$0.2	\$0.2	0.0	0%
Carry Forward & Reserves	\$1.4	\$1.4	0.0	0%
Regional Area Road Funds	\$0.5	\$0.5	0.0	0%
VMR Reimbursements	\$34.9	\$34.9	0.0	0%
AZ Lottery Funds	\$11.2	\$11.2	0.0	0%
Total Operating Sources	\$235.9	\$242.0	\$6.1	3%

USES OF FUNDS (\$000,000)

Operating Expenditures

Uses of Funds	FY23	FY23 Amended	Change \$	Change %
Fixed Route Operations	\$117.7	\$120.8	\$3.1	3%
Vanpool Operations	\$1.0	\$1.0	0.0	0%
Planning	\$2.4	\$3.7	1.3	53%
Commute Solutions	\$1.4	\$1.4	0.0	0%
Regional Services	\$16.6	\$18.4	1.8	11%
Administration and Finance	\$4.2	\$4.2	0.0	0%
Demand Service	\$46.0	\$46.0	0.0	0%
AZ Lottery Funds Disbursements	\$11.2	\$11.2	0.0	0%
Valley Metro Rail	\$35.4	\$35.4	0.0	0%
Total Operating Uses	\$235.9	\$242.0	\$6.1	3%



COMMITTEE PROCESS

Financial Working Group: December 20, 2022 for information

RTAG: December 20, 2022 for information

TMC: January 4, 2023 action

AFS: January 5, 2023 for information

Board: January 19, 2023 for action

CONTACT

Kenneth Kessler

Chief Financial Officer

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ATTACHMENT

None

RPTA FY23 Mid-Year Budget Adjustment

January 2023



1

Changes – Operating Activities



Budget Item	Description	Increase (Decrease) Amt	Funding Source
East Valley Bus	Board approved a 12/1/22 Contractor Wage Rate increase to address labor market shortage.	\$ 2,910,900	Member Cities PTF Federal
West Valley Bus	Board approved a 12/1/22 Contractor Wage Rate increase to address labor market shortage.	\$ 183,800	Member Cities PTF Federal
Pre-Approved Mid-Year Adjustment Total		\$ 3,094,700	

2

2

Changes – Operating Activities



Budget Item	Description	Increase (Decrease) Amt	Funding Source
Planning	Origin and Designation Study is being completed earlier than planned; development of Zero Emissions Plan to required by FTA to compete for Low or No Emissions grants.	\$ 1,285,600	RARF PTF Federal
Regional Services	Scheidt & Bachmann maintenance gap coverage on fareboxes and software.	\$ 1,138,000	Phoenix PTF
Call Center	Revised schedule for Vix customer service call center implementation.	\$ 621,000	PTF
Additional Mid-Year Adjustment Total		\$ 3,044,600	
Total Operations Budget Adjustment		\$ 6,139,300	

3

3

Sources of Funds – Operating (\$000,000)



Sources of Funds	FY23		Change \$	Change %
	FY23	Amended		
Public Transportation Funds	\$115.8	\$118.5	\$2.8	2%
Regional Area Road Funds	\$4.5	\$5.8	1.3	30%
Member City Contributions	\$48.8	\$50.2	1.5	3%
Advertising	\$0.6	\$0.6	0.0	0%
Federal Funds	\$11.3	\$11.9	0.6	5%
Federal Funds - Covid Relief	\$0.5	\$0.5	0.0	0%
Fares	\$5.9	\$5.9	0.0	0%
MAG Funds	\$0.4	\$0.4	0.0	0%
Other	\$0.2	\$0.2	0.0	0%
Carry Forward & Reserves	\$1.4	\$1.4	0.0	0%
Regional Area Road Funds	\$0.5	\$0.5	0.0	0%
VMR Reimbursements	\$34.9	\$34.9	0.0	0%
AZ Lottery Funds	\$11.2	\$11.2	0.0	0%
Total Operating Sources	\$235.9	\$242.0	\$6.1	3%

4

4

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



Uses of Funds	FY23		Change \$	Change %
	FY23	Amended		
Fixed Route Operations	\$117.7	\$120.8	\$3.1	3%
Vanpool Operations	\$1.0	\$1.0	0.0	0%
Planning	\$2.4	\$3.7	1.3	53%
Commute Solutions	\$1.4	\$1.4	0.0	0%
Regional Services	\$16.6	\$18.4	1.8	11%
Administration and Finance	\$4.2	\$4.2	0.0	0%
Demand Service	\$46.0	\$46.0	0.0	0%
AZ Lottery Funds Disbursements	\$11.2	\$11.2	0.0	0%
Valley Metro Rail	\$35.4	\$35.4	0.0	0%
Total Operating Uses	\$235.9	\$242.0	\$6.1	3%

5

5

Recommendation



Staff recommends that the TMC forward to the Board of Directors approval of the Mid-Year Budget Adjustment update to the RPTA Operating Budget for FY23.

6

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Information Summary

DATE

December 28, 2022

AGENDA ITEM 4**SUBJECT**

Report on Current Events and Suggested Future Agenda Items

PURPOSE

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

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

None

STRATEGIC PLAN ALIGNMENT

None

COMMITTEE PROCESS

None

CONTACT

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ATTACHMENT

None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date



Agenda

December 28, 2022

Rail Management Committee

Wednesday, January 4, 2023

Boardroom/Webex

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

11:00 a.m.

Action Recommended

1. Public Comment

1. For Information

The public will be provided with an opportunity at this time to address the committees on **non-agenda items and all action agenda items**. 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.

CONSENT AGENDA

2A. Minutes

2A. For action

Minutes from the November 1, 2022 RMC meeting are presented for approval.

2B. South Central Extension/Downtown Hub (SCE/DH)
Project: Third-Party Utility Relocation Work Orders

2B. For action

Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to execute work orders with third-party utility companies for them to complete construction of their utility relocations on the South-Central Extension/Downtown Hub light rail project for an additional amount not to exceed \$4,907,804.

2C. Capitol Extension – BNSF Railway Funding Agreement

2C. For action

Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to enter into an agreement with BNSF Railway to fund their review of the Capitol Extension (CAPEX) preliminary engineering and final design plans at an amount not to exceed \$100,000.



- 2D. Northwest Extension Phase II Light Rail Extension Project (NWEII) Design Services Contract Authority

2D. For action

Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to increase the NWEII Light Rail Extension design contract with Jacobs Engineering Group Inc. by up to \$460,000 to support DSDC, associated tasks, and contingency.

REGULAR AGENDA

3. Valley Metro Rail Fiscal Year 2023 (FY23) Mid-Year Budget Adjustment

3. For action

Staff recommends the RMC forward to the Board of Directors approval of the Mid-Year Budget Adjustment update to the Valley Metro Rail Capital Budget for FY23.

4. Report on Current Events and Suggested Future Agenda Items

4. For information

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

5. Next Meeting

5. For information

The next meeting of the RMC is scheduled for **Wednesday, January 4, 2023 at 11:00 a.m.**

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



Information Summary

DATE

December 28, 2022

AGENDA ITEM 1**SUBJECT**

Public Comment

PURPOSE

The public will be provided with an opportunity at this time to address the committees on **non-agenda items and all action agenda items**. 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.

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COMMITTEE PROCESS

None

CONTACT

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ATTACHMENT

None



Minutes

December 28, 2022

AGENDA ITEM 2A

Rail Transit Management Committee

Wednesday, November 1, 2022

Boardroom/Webex

11:00 a.m.

RMC Meeting Participants

Andrew Ching, City of Tempe (**Chair**)

Jesus Sapien for Mario Paniagua, City of Phoenix (**Vice Chair**)

Ryan Peters, City of Chandler

Chris Brady, City of Mesa

Chair Ching called the meeting to order at 11:51 a.m.

Chair Ching said okay. I'm going to go ahead now and call to order the Wednesday, November 22 meeting of Rail Management Committee.

1. Public Comment

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

Do we have any speakers for this Committee meeting?

Ms. Dillon said Mr. Crowley.

Chair Ching said very good. You have three minutes, Mr. Crowley.

Mr. Crowley said as I was pointing out to the bus people, that document has in there \$1.1 billion for you people in rail. To totally replace the 72 units that we have in our system now it would be \$540 million. Where are the other \$540 million going to? Track maintenance, I don't see that we need to be having to replace any of it and I have asked for documentation from this Committee and at the regulars and it's now been two weeks because I was trying to find out how much do we have in rolling stock. You know, what's its value? Well, if you paid \$5-\$7 million for each one of them, do the math, you know. 350 million to that 54 million. That's what it would cost, so why is it that in that document it says rail you need \$1.1 billion is there something that we need to know about the rail that needs to be dealt with, you know, with track maintenance, et cetera.

And if we're going to have to be getting a lot of new track over the next 25 years, why aren't we converting the system to maglev? Then we don't have any friction deterioration.



So I would like for the new document that Jack and them over at MAG are working on would reflect what needs and has to be done, but my favorite part of it was when I saw that asset management rail and started asking, what is this, nobody knew what it was.

But then when I read the document over and it says, this is the replacement of all of the rail stock and track over the contract. Why was it that hard that you didn't know?

I mean, you have a single CEO so that both of the systems can work together. I still don't see where the rail is going to get that extensions to the capital and out to 79th the five stops that don't have connectivity. Is that because you people paid for the design and you built it for the rail not for an intermodal system. Get the job done. Get the job done right. And I know that you're the ones that get all the money out of that system.

You need to make sure that the bus is also taken and dealt with.

Chair Ching said thank you for your comments, Mr. Crowley.

2. Consent Agenda

Chair Ching said all items on the Consent Agenda will be voted on with one motion unless any member of this Committee would like to have an item removed for separate consideration. Does anyone want any items removed? Okay. Seeing none. I would ask for a motion to approve the Consent Agenda.

Motion by Chris Brady, second by Jesus Sapien.

Please vote by saying, aye. Any opposed? All right. Consent Agenda passes unanimously.

IT WAS MOVED BY CHRIS BRADY, SECONDED BY JESUS SAPIEN AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA ITEMS 2A-2C.

3. Report on Current Events and Suggested Future Agenda Items

Chair Ching said Are there any reports by members or current events? Okay. Hearing none.

4. Next Meeting

Chair Ching said the next meeting of the RMC is scheduled for Wednesday, January 4, 2023, at 11:00 a.m.

The meeting was adjourned.

With no further discussion the meeting adjourned at 11:56 a.m.



Information Summary

DATE

December 28, 2022

AGENDA ITEM 2B**SUBJECT**

South Central Extension/Downtown Hub (SCE/DH) Project: Third-Party Utility Relocation Work Orders

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute work orders with third-party utility companies for them to complete the relocation of their facilities for the SCE/DH project for an additional amount not to exceed \$4,907,804.

RECOMMENDATION

Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to execute work orders with third-party utility companies for them to complete construction of their utility relocations on the South-Central Extension/Downtown Hub light rail project for an additional amount not to exceed \$4,907,804.

BACKGROUND/DISCUSSION/CONSIDERATION

To date, the Board has authorized \$52,708,205 in expenditure authority for reimbursement of third-party utility design and construction costs. The previous actions of the Board related to this contract are summarized below:

Current 3 rd Party Relocations Spending Authority				
Date	Action	Cost	Contingency	Total Authority
April 2017	Board Award for Design Services	\$2,112,050	\$211,205	\$2,323,255
Jan 2019	Board Action for Design Construction Services	\$20,185,550	\$2,018,555	\$22,204,105
Sept 2019	Board Action for Design Construction Services	\$25,636,364	\$2,563,636	\$28,200,000
Total Spending Authority				\$52,726,360

COST AND BUDGET

The SCE/DH project is funded by Phoenix Transportation 2050 funds, regional Public Transportation Funds (PTF), and federal funds. Third-party utility design and construction reimbursements are included in the overall cost forecast established for the project.



The following table identifies work orders authorized to date and cost estimates for pending work orders for each third-party utility company to complete their relocation work. The table includes a 10% contingency to be held by Valley Metro for unforeseen/unknown conflicts.

SCE/DH Third Party Utility Relocation Work Orders Summary

Utility Company	Issued Work Orders	Pending Work Orders	Revised Total Cost Estimate
APS	\$15,745,000	\$990,000	\$16,735,000
AT&T/TCA	\$376,000	\$50,000	\$426,000
CenturyLink	\$4,782,000	\$1,555,000	\$6,337,000
Level 3	\$0	\$50,000	\$50,000
Cox Communications	\$50,000	\$2,211,000	\$2,261,000
MCI Verizon	\$0	\$100,000	\$100,000
Salt River Project – Electric/Fiber	\$13,810,000	\$0	\$13,810,000
Salt River Project - Irrigation	\$2,210,000	\$160,000	\$2,370,000
Southwest Gas	\$12,280,000	\$2,550,000	\$14,830,000
Sprint	\$10,000	\$100,000	\$110,000
Telecom Group (TCG)	\$0	\$50,000	\$50,000
ZAYO Group (Telecom Provider)	\$59,000	\$50,000	\$109,000
Totals	\$49,322,000	\$7,866,000	\$57,188,000
Current Board Authorization			\$52,726,360
Additional Authority Needed			\$4,461,640
10% Contingency			\$446,164
Total Additional Authority Requested			\$4,907,804

The total expenditure authorization requested for 3rd Party Utilities, including previous Board authorizations, will be \$57,634,164.

Funding is included in the Valley Metro Rail adopted FY23 Operating and Capital Budget. Contract obligations beyond FY23 are incorporated into the Five-Year Operating Forecast and Capital Program (FY24 thru FY28)



COMMITTEE PROCESS

RTAG: December 20, 2022, for information

RMC: January 4, 2023, for action

Board of Directors: January 19, 2023, for action

CONTACT

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ATTACHMENTS

None



Information Summary

DATE

December 28, 2022

AGENDA ITEM 2C**SUBJECT**

Capitol Extension – BNSF Railway Funding Agreement

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to enter into a cooperative funding agreement with BNSF Railway to support their review of the Capitol Extension (CAPEX) preliminary engineering and final design plans for the portion of the project that impacts and is adjacent to the BNSF Railway right-of-way on 19th Avenue.

RECOMMENDATION

Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to enter into an agreement with BNSF Railway to fund their review of the Capitol Extension (CAPEX) preliminary engineering and final design plans at an amount not to exceed \$100,000.

BACKGROUND | DISCUSSION | CONSIDERATION

In November 2021, Phoenix City Council and Valley Metro Board of Directors approved a revised Locally Preferred Alternative for the CAPEX project, establishing a single-line couplet alignment along Washington Street, Adams Street, 19th Avenue and Jefferson Street. In late 2021, Valley Metro advanced the project to preliminary engineering to include plan and profile layouts for the guideway. A portion of the new corridor is located adjacent to the BNSF Railway right-of-way, which comprises the entire western side of 19th Avenue between Adams Street and Jefferson Street. BNSF Railway is one of the largest freight railroad companies in America and operates a railroad line from northern Arizona, through Wickenburg and into downtown Phoenix. Typically, BNSF Railway operates approximately four trains a day on this railroad line.

The CAPEX guideway would be located between 19th Avenue and the BNSF Railway right-of-way for approximately 800 feet from Adams Street to Jefferson Street. Valley Metro expects impacts to occur within the BNSF Railway right-of-way to include utility relocations, temporary construction easements, reconstruction of at-grade crossings and the placement of overhead catenary system poles. Other impacts may be identified as the design of CAPEX is progressed.

Valley Metro requires BNSF Railway's coordination through the Preliminary Engineering and Final Design phases of the development of CAPEX. Based on the impacts expected to occur within the BNSF Railway right-of-way listed previously, this



coordination will include virtual and in-person meetings including diagnostic evaluations, development of cost estimates for design and construction of modifications required by the proposed CAPEX design to the facilities in BNSF Railway's right-of-way, preparing draft agreements including legal review for any activities within the BNSF Railway right-of-way and reviewing and/or providing comments on preliminary layouts or designs, plans, and/or documents in connection with CAPEX.

COST AND BUDGET

The total cost for the BNSF Railway coordination and design reviews is not to exceed \$100,000. The cost for BNSF Railway coordination is funded in the Adopted FY23 Operating and Capital Budget. Contract Obligations beyond FY23 are incorporated into the Valley Metro RPTA Five-Year Operating Forecast and Capital Program (FY2023 thru FY2027). Funding for this agreement is already budgeted within the existing \$45.3 million CAPEX Cooperative Funding Agreement executed between City of Phoenix and Valley Metro on May 3, 2022.

COMMITTEE PROCESS

RTAG: December 20, 2022 for information
RMC: January 4, 2023 for action
Board of Directors: January 19, 2023 for action

CONTACT

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hukwa@valleymetro.org

ATTACHMENT

None



Information Summary

DATE

December 28, 2022

AGENDA ITEM 2D**SUBJECT**

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

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to provide additional contract authority for the NWEII project design services contract with Jacobs Engineering Group, Inc. to add up to \$460,000 for Design Services During Construction (DSDC).

RECOMMENDATION

Staff recommends that the RMC forward to the Board of Directors authorization for the CEO to increase the NWEII Light Rail Extension design contract with Jacobs Engineering Group Inc. by up to \$460,000 to support DSDC, associated tasks, and contingency.

BACKGROUND | DISCUSSION | CONSIDERATION

To date, the Board has authorized \$21,986,700 in contract authority for design services. A total of \$21,463,170 in current contract commitments leaves a balance of \$523,529 before additional funds are needed. Existing change orders and future known potential change orders are projected to exceed this remaining Board Authorization amount in April 2023.

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

Design Current Contract Authority				
Date	Action	Cost	Contingency	Total Authority
June 2018	Board Award for Design Services	\$14,800,000	\$1,500,000	\$16,300,000
May 2020	Board Action for Design Services During Construction	\$4,169,727	\$416,973	\$4,586,700
April 2022	Board Action for Design Services During Construction	\$1,000,000	\$100,000	\$1,100,000
Total				\$21,986,700

COST AND BUDGET

The total authorization established for Jacobs Engineering Group's design contract



authority is \$21,986,700, which includes \$5,686,700 for DSDC. Staff recommends that an additional \$460,000 be allocated to the Jacobs contract to complete DSDC services for a total authorization of \$22,446,700. The two previous DSDC services cost authorizations did not account for the following unforeseen conditions:

- Extensive additional coordination for permitting and special inspections related to project structures and artwork.
- Non-Conformance Report (NCR) issues – Jacobs has had to develop and provide solutions to numerous NCR's beyond initial expectations.
- Crime Prevention Through Environmental Design (CPTED) evaluation and design: safety and security review and report, observing public activity and how it relates to the design, offering design suggestions and designs to further improve patron safety at the end-of-line and at the project tie-in location.
- Responding to more than anticipated Contractor questions and clarifications.
- Architectural and design effort on new wayfinding designs that were implemented during construction.
- Redesign related to the new fare vending system infrastructure including stand-alone validators and a new ticket vending machine (TVM) design.
- Private restoration improvements within the Temporary Construction Easement (TCE): far more detailed conversations between the contractor, Valley Metro, property owners and the design team on the tie-ins between the project and their property.

As a result of these coordination efforts, Jacobs has continued to provide full time support by staff farther into the construction phase than initially anticipated. This additional authority request includes \$46,000 for use as a contingency.

Items for Authorization	Cost
Additional Authorization	\$414,000
Contingency	\$46,000
TOTAL	\$460,000

The total expenditure authorization requested for the design contract, including previous Board authorizations, will be \$22,446,700.

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 FY23 Operating and Capital Budget. Contract obligations beyond FY23 are incorporated into the Five-Year Operating Forecast and Capital Program (FY24 thru FY28).



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

COMMITTEE PROCESS

RTAG: December 20, 2022 for information

RMC: January 4, 2023 for action

Board of Directors: January 19, 2023 for action

CONTACT

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ATTACHMENTS

None



Information Summary

DATE

December 28, 2022

AGENDA ITEM 3**SUBJECT**

Valley Metro Rail Fiscal Year 2023 (FY23) Mid-Year Budget Adjustment

PURPOSE

To request approval of the Mid-Year Budget Adjustment update to the Valley Metro Rail Capital Budget for FY23.

RECOMMENDATION

Staff recommends the RMC forward to the Board of Directors approval of the Mid-Year Budget Adjustment update to the Valley Metro Rail Capital Budget for FY23.

BACKGROUND | DISCUSSION | CONSIDERATION

In June of 2022, the Board approved the FY23 Operating and Capital Budget. The cost factors used to develop the budget have changed and adjustments are warranted to update the expenditures planned for the remainder of the fiscal year. Adjustments are being requested only on the capital budget.

Annual expenditures will increase for four capital projects in FY23 due to timing of scheduled work. Total project costs for all four remain within the overall project budgets.

Project increases for the South Central Extension/Downtown Hub are primarily for construction contractor increased utility work, timing of revenue vehicle payments, Salt River bridge design changes, and additional archeologic support.

The adjustment for Northwest Extension Phase II is a result of receiving an updated cash flow forecast from the contractor, as well as increased utility work (including city requested changes).

The upward adjustment for Tempe Streetcar is due to the timing of vehicle milestone payments for the new fleet, along with spare parts.

The adjustment for OMC Expansion is due to an updated construction schedule for the new guardhouse at the front entrance to provide additional security.



Capital Activities:

Budget Item	Description	Increase (Decrease) Amt	Funding Source
South Central	No change to total project budget. FY23 annual costs increased due to timing of scheduled work along with programmed payments for revenue vehicles and non-prior rights.	\$ 53,166,000	PTF Federal City of Phoenix
Northwest Ext II	No change to total project budget. FY23 annual costs increased due to timing of scheduled work along with non-prior rights.	\$ 47,206,000	Federal City of Phoenix
Tempe Streetcar	No change to total project budget. FY23 annual costs increased due to timing of scheduled work along with programmed payments for revenue vehicles and spare	\$ 5,053,000	PTF Federal
OMC Expansion	No change to total project budget. FY23 annual costs increased due to timing of scheduled work for the guardhouse.	\$ 941,000	PTF Federal
Capital Total:		\$ 106,366,000	

COST AND BUDGET

Changes proposed are incorporated into overall agency sources and uses of funds below:

SOURCES OF FUNDS (\$000,000)

Capital Revenues

Sources of Funds	FY23	FY23 Amended	Change \$	Change %
Federal Funds	266.9	307.0	40.1	15%
Member City Contributions	30.5	73.9	43.4	142%
Public Transportation Funds	104.7	127.5	22.8	22%
Total Capital Sources	\$402.1	\$508.4	\$106.4	26%



USES OF FUNDS (\$000,000)

Capital Expenditures

Uses of Funds	FY23	FY23 Amended	Change \$	Change %
South Central/Downtown Hub	\$260.1	\$313.3	\$53.2	20%
Northwest Phase II	106.3	153.5	47.2	44%
Tempe Streetcar	5.6	10.6	5.1	91%
Gilbert Road Extension	2.0	2.0	0.0	0%
OMC Expansion	0.1	1.1	0.9	632%
Systemwide Improvements	12.9	12.9	0.0	0%
State of Good Repair	15.1	15.1	0.0	0%
Total Capital Uses	\$402.1	\$508.4	\$106.4	26%

COMMITTEE PROCESS

Financial Working Group: December 20, 2022 for information

RTAG: December 20, 2022 for information

RMC: January 4, 2023 for action

AFS: January 5, 2023 for information

Board of Directors: January 19, 2023 for action

CONTACT

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ATTACHMENTS

None

Valley Metro Rail FY23 Mid-Year Budget Adjustment

January 2023



1

Changes – Capital Activities



Capital Activities:

Budget Item	Description	Increase (Decrease) Amt	Funding Source
South Central	No change to total project budget. FY23 annual costs increased due to timing of scheduled work along with programmed payments for revenue vehicles and non-prior rights.	\$ 53,166,000	PTF Federal City of Phoenix
Northwest Ext II	No change to total project budget. FY23 annual costs increased due to timing of scheduled work along with non-prior rights.	\$ 47,206,000	Federal City of Phoenix
Tempe Streetcar	No change to total project budget. FY23 annual costs increased due to timing of scheduled work along with programmed payments for revenue vehicles and spare parts.	\$ 5,053,000	PTF Federal
OMC Expansion	No change to total project budget. FY23 annual costs increased due to timing of scheduled work for the guardhouse.	\$ 941,000	PTF Federal
Capital Total:		\$ 106,366,000	

2

2



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

Sources of Funds	FY23	FY23 Amended	Change \$	Change %
Federal Funds	266.9	307.0	40.1	15%
Member City Contributions	30.5	73.9	43.4	142%
Public Transportation Funds	104.7	127.5	22.8	22%
Total Capital Sources	\$402.1	\$508.4	\$106.4	26%

3

3

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



Uses of Funds	FY23	FY23 Amended	Change \$	Change %
South Central/Downtown Hub	\$260.1	\$313.3	\$53.2	20%
Northwest Phase II	106.3	153.5	47.2	44%
Tempe Streetcar	5.6	10.6	5.1	91%
Gilbert Road Extension	2.0	2.0	0.0	0%
OMC Expansion	0.1	1.1	0.9	632%
Systemwide Improvements	12.9	12.9	0.0	0%
State of Good Repair	15.1	15.1	0.0	0%
Total Capital Uses	\$402.1	\$508.4	\$106.4	26%

4

4

Recommendation



Staff recommends that the RMC forward to the Board of Directors approval of the Mid-Year Budget Adjustment update to the Valley Metro Rail Capital Budget for FY23.



Information Summary

DATE

December 28, 2022

AGENDA ITEM 4

SUBJECT

Report on Current Events and Suggested Future Agenda Items

PURPOSE

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

COST AND BUDGET

None

RECOMMENDATION

This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION

None

COMMITTEE ACTION

None

CONTACT

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ATTACHMENT

None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date