



MEETINGS OF THE

Boards of Directors

Joint Meeting of Valley Metro RPTA and Valley Metro Rail	Valley Metro RPTA	Valley Metro Rail
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Date:
February 21, 2019

Starting Time
11:15 a.m.

Meetings to occur sequentially

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

If you require assistance accessing the meetings on the 10th floor, please go to the 14th floor or call 602.262.7433.



Agenda

February 14, 2019

Joint Meeting Agenda Valley Metro RPTA And Valley Metro Rail

Thursday, February 21, 2019
Lake Powell Conference Room
101 N. 1st Avenue, 10th Floor
11:15 a.m.

Action Recommended

1. Public Comment (yellow card)

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

1. For Information

2. Chief Executive Officer's Report

Scott Smith, CEO, will brief the Boards of Directors on current issues.

2. For information

3. Minutes

Minutes from the January 17, 2019 Joint Board meeting are presented for approval.

3. For action

4. 2019 Valley Metro Federal Public Transportation Agenda

Scott Smith, CEO, will introduce John Farry, Government Relations Officer to provide background on the 2019 Federal Public Transportation Agenda and representatives from Valley Metro's federal consulting firm, Cardinal Infrastructure, will present additional information on the activities with the Administration and U.S. Congress. The

4. For action



Boards of Directors will be asked to approve the 2019 federal public transportation agenda.

5. Quarterly Reports

5. For information

Fiscal Year 2019 Quarterly Reports are presented for information.

6. Travel, Expenditures and Solicitations

6. For information

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

7. Future Agenda Items Request and Update on Current Events

7. For information

Chairs Tolmachoff and Williams will request future agenda items from members, and members may provide a report on current events.

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



Information Summary

DATE

February 14, 2019

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.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COST AND BUDGET

None

COMMITTEE PROCESS

None

RECOMMENDATION

This item is presented for information only.

CONTACT

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

ATTACHMENT

None



Information Summary

DATE

February 14, 2019

AGENDA ITEM 2**SUBJECT**

Chief Executive Officer's Report

PURPOSE

Scott Smith, Chief Executive Officer, will brief the Joint Boards of Directors on current issues.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COST AND BUDGET

None

COMMITTEE PROCESS

None

RECOMMENDATION

This item is presented for information only.

CONTACT

Scott Smith
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ATTACHMENT

None



Minutes

February 14, 2019

AGENDA ITEM 3

Joint Boards of Directors
Thursday, January 17, 2019
Lake Powell Conference Room
101 N. 1st Avenue, 10th Floor
11:15 a.m.

RPTA Meeting Participants

Councilmember Lauren Tolmanchoff, City of Glendale **(Chair)**
Mayor Kevin Hartke, City of Chandler **(Vice Chair)**
Mayor Thelda Williams, City of Phoenix, **(Treasurer)**
Vice Mayor Pat Dennis, City of Avondale (phone)
Vice Mayor Eric Orsborn, City of Buckeye
Mayor Alexis Hermosillo, City of El Mirage
Councilmember Mark Scharnow, Town of Fountain Hills
Councilmember Brigitte Peterson, Town of Gilbert (phone)
Councilmember Bill Stipp, City of Goodyear
Councilmember Francisco Heredia, City of Mesa
Councilmember Jon Edwards, City of Peoria
Councilmember Susanne Klapp, City of Scottsdale
Councilmember Roland F. Winters Jr., City of Surprise
Councilmember Robin Arredondo-Savage, City of Tempe
Mayor Evertt Sickles, Town of Wickenburg
Mayor Michael LeVault, Town of Youngtown

Members Not Present

Supervisor Steve Gallardo, Maricopa County
Councilmember Linda Laborin, City of Tolleson

Valley Metro Rail Participants

Mayor Thelda Williams, City of Phoenix **(Chair)**
Councilmember Robin Arredondo-Savage, City of Tempe **(Vice Chair)**
Councilmember Lauren Tolmachoff, City of Glendale
Mayor Kevin Hartke, City of Chandler
Councilmember Francisco Heredia, City of Mesa

Chair Tolmachoff called the meeting to order at 11:15 a.m. The Pledge was recited.



We have some new Board members I'd like to welcome this morning. We have Mike Scharnow from the Town of Fountain Hills, welcome. Councilmember Francisco Heredia from the City of Mesa, welcome. And vice mayor Roland Winters from the City of Surprise.

1. Public Comment on non-agenda action items

Chair Tolmachoff said the next item on the agenda is public comments. First comment we have is Blue.

Mr. Crowley said it's going back to when you did the million dollars of upgrade to this place and you need to change it around so that you're speaking to the public rather than an aside. Just one of the things.

When you met last year and did the Waymo thing, I was out of the loop because, one, I never knew that you were meeting -- wasn't notified, but was told we did it all within kosher and did put the meeting announcement out twenty-four hours ahead. Well, I'd like to know what that contract was. I'd also like to know what percentage of the Valley Metro staff could use it and how many are using it and how much it's costing us. So if the Board could instruct staff to get that information to me, I'd really appreciate it.

On to the agenda item 4B because I have to cover your joint together, with your market research and such, one of the places that I'd like you to be doing it and it's the one where you'd be just casting out the bread crumbs is behind the driver is a place that there's signage. When you're doing research on whether it's satisfaction, et cetera letting the people know that participation would be able to be gotten and done through Webinars et cetera, it's one of the places it needs to be done and addressed.

And to your authorizing the printing of the -- authorize the competitive solution for printing services, this goes back to is it going to be in-house et cetera. And then last on the moneys that you've expended, I couldn't find that Waymo in here, you know, in your monthly expenditures, but I did find a thing for medical transportation management incorporated training services \$92,000, \$84,000. And then for \$59,000, that's a quarter of a million dollars. What training services did this place need for a quarter of a million dollars.

So when you go to rubber stamp what they spent, I'd appreciate it if you'd look into that and find out. And as I said, I can't see where the Waymo stuff is in here. And I'd like to find out what it is that they've been doing.

And then your next meeting you're going to be talking about the map. I'd appreciate it if you'd use your colors of each of your different cities on that. Thank you.



Chair Tolmachoff said thank you, Blue. Okay. The next item on the agenda is the CEO's report. Mr. Smith.

Mayor Sickles said I was just asking maybe it would help if you could instruct staff to go ahead and give him his Waymo and then he'll be happy, happy, happy and he can do his homework and then come back educated, if that would be possible.

Mr. Smith said Madam Chair, Mayor, we have that information readily available and we can give it to him.

2. Chief Executive Officer's Report

Mr. Smith said thank you, Madam Chair, and to all of you happy new year. Welcome to 2019 for the new board members. Welcome to Valley Metro Board. We appreciate having you here.

Just a quick update as to what has been going on since we last got together before the end of the year. I want to thank all of those who participated in our Polar Express. This year is the third year we've been doing the Polar Express at the end of the light rail line in Mesa. And this year we expanded it to also include the end of the line at Dunlap and 19th Avenue in Phoenix. We do it over two weekends and have literally thousands of people lined up. We had to cut off fortunately the offering because the lines were so long which is a good problem to have, it's a problem, but it's been very, very successful. Driven by volunteers in the community and by our staff members who volunteer to go out and work this and enjoy it very much. So thank you for all those who participated in that.

Also at the December 27, we celebrated our 10-year anniversary of light rail here in metro Phoenix. We had events in downtown Phoenix to celebrate that. Also offered free rail rides on that day just like we had ten years before that and had over 45 thousands riders which is about 15 to 20 percent more than we would normally get on that day. So a lot of people were either introduced or reintroduced to public transportation and light rail and we're excited about that.

A couple months ago we talked to you about the newest safety and security tool that we have, Alert Valley Metro which is an app that can be downloaded onto your Apple or your Android phone. And what it does it allows you to take pictures, make comments, connect directly through the app to our operations center where we have personnel that are sitting there monitoring that. It became effective at the end of November, so it's only been in for about a month and a half.

I'd like to tell you that we have nearly a thousand people that have installed the app. You can also send a text and it will have the same response. We now have riders in our system that can in real time report disruptive behavior which is our number one item



that they're doing, taking pictures of vandalism or spills or things like that. And the great thing is that we've gotten very, very good feedback. We've had nearly five hundred reports over this time period over the six weeks from riders who now, I think, feel a little bit more connected and a little bit more -- a little bit safer because they now know they have a direct line connection with Valley Metro security personnel. So we're going to continue to expand this, look at it at some point in time. This is something we could expand systemwide to even the bus, but we're going to make sure that we have it down on the light rail side, first of all, but so far the response and the results have been very, very positive.

Just this last week we had the Japanese state minister of land infrastructure, transport and tourism -- it's a big title -- who visited with us here in the office. He's here in the United States studying systems. He'd heard about some of the innovative things we're doing here at Valley Metro. Especially was interested in our partnership with Waymo and seeing how that worked. Staff and I met with him and his staff to go over some of the highlights what we were doing to answer questions about how we're handling transportation in transit and he mainly was interested in how are you planning for the future, what are you doing to really adapt to the new realities of public transportation as they move forward.

The next thing is I always enjoy these times and we have a variety of outreach programs where we asked students around the valley to share their talents with us, so we can share them with the public. As you know we have a bus and train wrap program that primarily is geared toward high school students. It's been very, very successful, although, you know, Peoria seems to have dominated this category in the last few years and the rest of the valley is still jealous of you -- boy I'm going down the line here, Councilmember Edwards.

But we also do a Cool Transit Stuff Calendar which we allow the younger artists in our community to participate in. We've done this now, it's our 14th year. And this year Nina Pernian from the City of Chandler -- sorry, we had to spread the wealth a little bit -- was our winner. Nina's school is the BASIS Chandler Primary South in Chandler.

This is the third grade art contest. The theme was ride along with friends, family and heros on Valley Metro. Over 370 third grade students from 36 schools around the valley participated including almost twenty entries from Nina's school at BASIS Chandler Primary South. She was the best of show winner as -- she was the best of show winner as she has her artwork displayed on the cover of the 2019 transit education desk calendar.

Those came out in December and we passed them out last meeting, but we couldn't have Nina here. She also received an award package at her pizza party and city bus visit at school on Friday, December 14, Chandler transit staff and mayor now, Kevin Hartke attended the classroom presentation.



So we'd like to give you Nina, if you would stand up. Like to give a round of applause to Nina. She's here with her family. And would also like to invite her and her family up and the Madam Chairs and Mayor Hartke to come on up so we can take a picture around her award up here. And thank you and congratulations, Nina and your family for that great work.

The last thing I'd like to talk about is in a discussion that I had with most of you and members of the Board about ways that we could perhaps improve the flow in the communication within the Board meetings, one of the ideas that was presented was to have the equivalent of a study session. I know various cities have them, some do, some don't, you may call them something different than a study session.

But the idea is to have a time that is less formal than our formal meeting. It will just be staff and the board interacting to give presentations, feedback. We won't present from the podium. We'll be sitting here. And basically just have a conversation.

I think one of the comments that was made by the members of the Board was we spend a lot of time doing business and sometimes we flow right past the basics that make these business decisions especially when it comes to things such as budgeting and operations and things that impact you every day that you hear feedback from your constituents on, and so we're proposing to begin these study sessions in February. Now during our conversation there was no set time frame other than we wanted to have them as often as was necessary, recognizing we have some catch-up to do. We recognize that all of you have established calendars already and squeezing this in is not easy, so these are proposals.

And what we would like to propose is that we meet an hour and a half before the regular meeting if that's possible and that we start it out the first three months with some possible -- these are subjects that we've put on the table. These are information only. As I've said they're back and forth.

For example, on March 21, we'd like to talk about paratransit. That's an ongoing issue and what we found is I think there's a lot of information that isn't shared every time about how our system works the challenges we have. And feedback from you is to what the expectations are in the community. We get those on a city to city basis, we get it piecemeal, we get it when we do budget, but we'd like to have a more deep discussion on that. And the budget to go get more into the whys as Councilmember Stipp selectively talked about several months ago as opposed to the what's. How we come up with the numbers, why things are prioritized, why things that are right now presented for you for action where do those come from. Well, nearly every one of them was in a budget and that budget went through a process. And so we'd like to get some feedback as to how that can be more -- I hate the word transparent but transparent basically where we can answer all your questions and we can understand this.



So if this schedule or this approach works, please let us know. If it doesn't, let us know also. We obviously are very flexible but we'd like to accommodate you. This is -- and then we would not have these presentations during the regular meeting. So our meetings should be shorter because we won't have very many information presentations during the meeting we'll try and do those during study sessions. Mayor Hartke.

Mayor Hartke said Chair, I love the idea. I'm in. I'd love to participate. I do have some questions just about the dates. I know for example the March date there's a number of us that are on the GPEC Board that we just come straight from there and they meet quarterly, so I don't know whether that's a great date or at least it just takes several of us in a conflict.

Mr. Smith said we can move it. We just tried to piggyback on our regular meetings and I know there's a conflict that day because I have that same conflict.

Mayor Hartke said and then secondly, I, again, I know the February date I know Scottsdale's doing their state of the city that particular day, so, you know, just to offer those -- I know those are two dates that I would not be able to make it.

Mr. Smith said Councilmember, is that a morning breakfast state of the city or is it lunch.

Councilmember Klapp said it's lunch on the 21st of February, so did you have probably March as well, you said.

Mayor Hartke said March is GPEC.

Councilmember Klapp said because I was going to suggest that we skip February and do March, April, and May.

Mr. Smith said we can certainly do that.

Councilmember Klapp said as an alternative but that still wouldn't solve your problem but it does solve one of our problems in February.

Mr. Smith said one of the things we'd like to do in February whether we do it in a formal meeting or other is that we need to have a deeper discussion on budgets because February is when we try to finalize our numbers to get to your city staff so you can then plug it into your process and have it done.

And so I think we will have a discussion on the budget whether it's in a regular meeting or a study session. We'd like to change the nature of the discussion and be less presentation and more back and forth discussion because I know there's a lot of questions. I get it. You know, why can't we do this. Why can't we expand that? Why



this project over that project, this route over that route. That's all part of the budget process and I think it would do us well from literally walk through from day one how our budget is created every year and why these priorities why these commitments, thing that are made.

So we'll do that regardless, but I'll have Pat work with you and work with the chairs to come up with dates. Like I said, there was nothing set in stone. These were just our ideas. And the idea that we could come in an hour and a half or so before the regular meeting and have that as a prelude.

Obviously study session can work over. We just can't start our regular meeting before 11:15, so if we go over a little bit we can always start at 11:30 if we need to. The idea is to enhance the communication but also shorten the formality of the business session so that neck and neck we're about the same time commitment. It just will be on the front end as opposed to on the back end.

Chair Tolmachoff said does anybody else have any comments or input on this topic?

Chair Tolmachoff, I wanted to ask two things. Is it somewhere in the policy or bylaws of Valley Metro that the meeting must be on Thursdays for one thing?

Mr. Smith said no.

Chair Tolmachoff said so we could for example if February 21 just doesn't work for not just Scottsdale if that's their state of the city it doesn't work for other cities that want to attend the state of the city if we were able to bump meetings into a Wednesday or some other day.

Mr. Smith said we are open to when whenever you can meet. I know that many of your schedules are set months in advance. We also are competing not only with GPEC and city events, but with AMWA and MAG and all the other things that you have commitments for.

So we're cognizant that we've sort of staked our place as best we can. And we do it during the lunch hoping to get away from other meetings that may happen before and also certainly sensitive to the fact that the majority of you come from further distances and have to fight either rush hour traffic in the morning or in the afternoon. We're trying to get out of both of those rushes. And if you get much before nine o'clock you're going to get hammered coming in from both the east and the west and if you're after about 2:30 you're going to be hammered coming in from the east mainly because of the backup on the 202 and 10. Which supposedly is not supposed to back up, but we have that problem.



So we are completely flexible. I'll have Pat work with the Chairs and with any of you if you have any suggestions or any specific concerns or ideas, please contact Pat directly or me, either one.

Chair Tolmachoff said okay. The other thing I wanted to ask was what's the process going to be to get -- is it with our future agenda items when the Board brings up ideas or interests for future agenda items would how would we indicate we would say we would like to have this topic in a study session.

Mr. Smith said it's a combination of both. Certainly if the Board said we'd really like to know more about paratransit. Then we can say, okay, let's schedule it for a study session that has happened where we have presentations.

For example, one of the reasons why Respect the Ride is on there is that many of you have asked for an update on our safety and security even though it's primarily light rail that obviously has overall effect and the programs that we're doing on light rail are meant to at someday be expanded or go systemwide if necessary or if reasonable so it doesn't impact every day. Those came from Board suggestions.

We also have things like the budget that are just normal part of the flow scene we just think that this is a better forum to have that kind of back and forth discussion. So it's a combination of both board requests and things that are coming up on the agenda.

Chair Tolmachoff said thank you.

3. Minutes

Chair Tolmachoff said the minutes of the December 13, 2018 joint board meeting are presented for approval. Do I have a motion for approval of the meetings?

IT WAS MOVED MAYOR HARTKE, SECONDED BY VICE MAYOR ORSBORN AND UNANIMOUSLY CARRIED TO APPROVE THE DECEMBER 13, 2018 JOINT BOARD MEETING MINUTES.

4. Consent Agenda

Chair Tolmachoff said the items on the consent agenda are intended to be approved in one motion. Is there any one anyone would like to have removed for discussion?

Mr. Smith said Madam Chair, I will. We're going to remove item 4 C and defer that until next month. There's some more information that members of your staff had requested on that contract.



Chair Tolmachoff said so just for clarity the consent agenda consists only of 4A and 4B. Do we have a motion and a second for approval of the consent agenda?

IT WAS MOVED BY MAYOR HARTKE, SECONDED BY COUNCILMEMBER EDWARDS AND UNANIMOUSLY CARRIED TO APPROVE CONSENT AGENDA ITEMS 4A AND 4B.

5. Travel, Expenditures, and Solicitations

Chair Tolmachoff said the next item on the agenda is travel expenditures and solicitations for information only. Is there any discussion or comments on travel expenditures and solicitations? Seeing none, we'll move on to --

Councilmember Arredondo Savage said I just wanted to bring it up because I know one of the things we talked about in our audit and finance was just trying to get a better understanding of the balance of travel and kind of what that looks like and how its relevant to professional development for all of our employees, so I just wanted to bring that out to the full Board just to let them know that was something we had talked about and are looking forward to in the future okay.

Chair Tolmachoff said okay. Anyone else have any comments? I know we had did have a discussion about it at the last Board meeting.

Mr. Smith said as you can see one of the items that was schedule for one of our study sessions is to get over the whole training and professional development program as a result of that request.

6. Future Agenda Items and Report on Current Events

Chair Tolmachoff said we will move on to future agenda items and any reports on current events from any of the members? Nobody has any requests.

Okay. That concludes the Joint Board meeting.

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



Information Summary

DATE

February 14, 2019

AGENDA ITEM 4**SUBJECT**

2019 Valley Metro Federal Public Transportation Agenda

PURPOSE

To request approval of the 2019 Valley Metro Federal Public Transportation Agenda.

BACKGROUND/DISCUSSION

Each year, Valley Metro works with member city intergovernmental staff to develop a federal public transportation legislative agenda. The agenda provides information to member cities to bring attention to the importance of federal involvement in public transportation in the Phoenix metropolitan region.

In December 2015, Congress enacted long-term transportation legislation. The Fixing America's Surface Transportation (FAST) Act authorizes surface transportation programs through September 2020.

Staff has developed the attached federal agenda for 2019 with goals to:

- Encourage Congress to support budget and appropriations bills that fully fund authorized amounts for public transportation in the FAST Act;
- Resolve insolvency issues with the Highway Trust Fund and provide stable, long-term funding sources for transit;
- Support for federal infrastructure legislation that includes public transportation;
- Maintain authorized funding levels for the Capital Investment Grant (CIG) program to fund projects in the pipeline that include South Central Light Rail, Tempe Streetcar, Northwest, Phase II, Capital I-10 West;
- Pursue grant opportunities through discretionary programs; and
- Extend or increase tax provisions and related financing mechanisms to benefit public transportation, but not at the expense of overall federal funding.

COST AND BUDGET

None

COMMITTEE ACTION

RTAG: January 15, 2019 for information

TMC/RMC: February 6, 2019 for action

Boards of Directors: February 21, 2019 for action

**RECOMMENDATION**

Staff recommends that the Boards of Directors approve the 2019 Federal Public Transportation Agenda.

CONTACT

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ATTACHMENT

2019 Valley Metro Federal Public Transportation Agenda



**Valley Metro
2019 Federal Public Transportation Agenda
(January 2019 DRAFT)**

Voters in the Phoenix metropolitan region have stepped up to the plate at the local and regional level to approve funding initiatives to build and operate transit. Sales tax measures have passed overwhelmingly in several individual cities and at the county-wide level to fund transit and transportation improvements. **The federal government is a critical partner supporting local and regional public transportation systems in metropolitan Phoenix.**

The Valley Metro Board of Directors encourages Congress to fund the Fixing America's Surface Transportation (FAST) Act of 2015, at or above the annual authorization levels. The FAST Act provides this region with a commitment of authorized funding through 2020 that will help maintain and expand the regional transit system that serves nearly four million residents and over 16 million visitors annually.

As a region, our strategies in 2019 are to:

Support budget and appropriations bills that fully fund authorized amounts in the FAST Act – investing in transportation infrastructure results in higher economic growth.

Maintain authorized funding levels for the Capital Investment Grant (CIG) program – Valley Metro currently operates 26 miles of light rail in the region. The system continues to exceed ridership projections and provides significant economic development opportunities along the corridor. Seven extensions of this system are in various stages of development and will result in a 66 mile system by 2034. Projects currently in development include:

- **Capitol/I-10 West Phase I** – Connect existing light rail in downtown Phoenix to the State Capitol area. Further analysis and coordination with stakeholders are occurring on the alignment, and it is expected that environmental work will resume in 2019.
- **Gilbert Road Extension** – A two mile extension of light rail from Main Street to Gilbert Road in Mesa to attract new riders and increase development opportunities. The project is funded with repurposed federal transportation funding without any CIG dollars. The project is currently under construction with scheduled completion in May 2019.
- **South Central Light Rail Extension/Downtown Hub** – A 5.5 mile extension from downtown Phoenix on Central Avenue to Baseline Road. A request to FTA to enter the engineering phase occurred in October 2018. Seeking a Full Funding Grant Agreement in December 2019.
- **Northwest Extension Phase II** – Extend light rail from the current end of line in Phoenix by 1.5 miles across I-17 to Metrocenter Mall. A request to FTA will occur in spring 2019 to enter the CIG engineering phase by June 2019.
- **Tempe Streetcar** – The FY 2017 appropriations bill included \$50 million in Small Starts funding. In November 2018, FTA allocated the final \$25 million from the FY 2018 spending bill. A single-year grant agreement providing the federal funding is expected in spring 2019.

Infrastructure Initiative – Valley Metro supports a federal infrastructure bill that includes public transportation. The economies of urban areas throughout the country are reliant on moving people to where they work, shop, live, and play. Transit is a critical component to an efficient mobility system.

- This region has approved local and regional funding committed to maintaining and expanding our system. Any infrastructure initiative should recognize those efforts and provide the federal partnership to build upon those investments.



- Resolve insolvency issues with the Highway Trust Fund (HTF) and provide stable, long-term funding sources for transit. Motor fuel taxes are no longer sustainable to fund critical infrastructure needs. Insolvency jeopardizes the \$80 million annually distributed to this region for transit purposes.
- Capital Investment Grant Program (CIG) - Return CIG federal share to 80 percent to be consistent with other transit programs

Pursue Grant Opportunities –The region will seek opportunities related to grant opportunities, such as the Bus and Bus Facilities Infrastructure Investment discretionary grant program and the Better Utilizing Investments to Leverage Development (BUILD) transportation grant program and other grants as they become available.

Tax Law – Extend or increase tax provisions and related financing mechanisms to benefit public transportation. However, do not replace federal funding with financing.

- Extend the alternative fuels tax credit that encourages investment in low/no emissions vehicles.
- Transit Commuter Fringe Benefit – Restore the ability for employers to deduct the expense of providing transit benefits to employees.
- Tax Credit Bonds or Private Activity Bonds – Authorize Qualified Tax Credit Bonds and enhance the availability of PABs for transit.
- Municipal Bonds and Advanced Refunding – Reinststate the ability for local governments to issue tax-exempt advanced refunding bonds.
- Value Capture Tax Credits – Provide tax incentives for private equity investments in transit.

Support legislative efforts of the American Public Transportation Association (APTA), Capital Investment Grant (CIG) Working Group, Community Streetcar Coalition and other affiliated organizations.

Valley Metro appreciates our federal partnership and looks forward to working at all levels to maintain and build upon transit in the region for our customers and the overall economy.



Information Summary

DATE

February 14, 2019

AGENDA ITEM 5**SUBJECT**

Quarterly Reports

PURPOSE

To provide an informational update of activities at Valley Metro.

BACKGROUND | DISCUSSION | CONSIDERATION

Quarterly Reports are provided as an informational update of Valley Metro activities

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

COST AND BUDGET

None

COMMITTEE PROCESS

TMC/RMC: February 6, 2019 for information

Boards of Directors: February 21, 2019 for information

RECOMMENDATION

This item is presented for information only.

CONTACT

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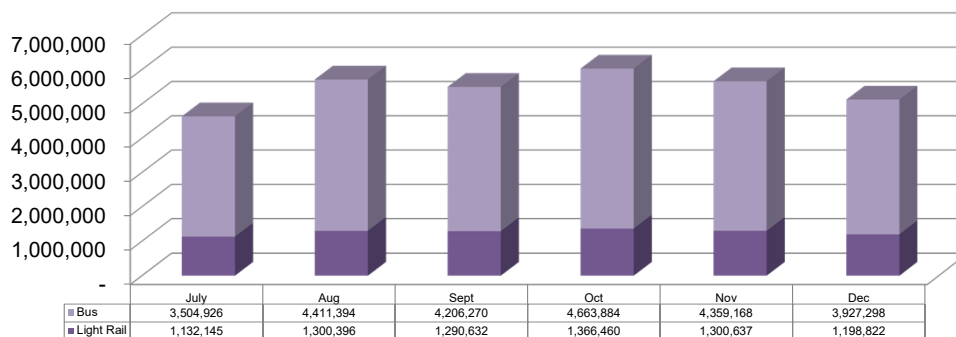
Rob Antoniak
Chief Operating Officer
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Fiscal Year 2018 Quarterly Report

February 2019



Regional Ridership



	FY19 Q1	FY18 Q2	FY19 Q2
Bus	12,122,590	13,287,446	12,950,350
Light Rail	3,723,173	4,042,913	3,865,919
Total	15,845,763	17,330,359	16,816,269

Fixed Route Bus – East Valley



Performance Indicator	Target	FY19 Q1	FY18 Q2	FY19 Q2
On-Time Performance	≥ 92%	94%	91%	91%
Complaints Per 100,000 Boardings	≤ 45	60	54	56
Mechanical Failures Per 100,000 Revenue Miles	≤ 12	5	4	3
Revenue Service Completed	≥ 99.85%	99.95%	99.96%	99.97%
Preventable Accidents per 100,000 Miles	≤ 0.90	0.79	0.89	0.69
Ridership	--	3,386,678	3,730,039	3,477,303

3

Fixed Route Bus – West Valley



Performance Indicator	Target	FY19 Q1	FY18 Q2	FY19 Q2
On-Time Performance	≥ 92%	93%	91%	N/A**
Valid Complaints Per 1,000 Boardings	≤ 0.25	0.06	0.16	0.09
Miles Between Road Calls	> 5,000	9,924	7,739	19,955
Revenue Service Completed	≥ 99.85%	99.96%	99.99%	99.96%
Preventable Accidents per 100,000 Miles	≤ 1.50	0.35	0.99	0.35
Ridership	--	97,027*	131,930	95,061*

*Express, & Circulator Service Only (Route 251 transferred to Phoenix to operate)

**Due to Clever/CAD installations on the Total Ride fleet, the older VMS OrbCAD version was disabled and OTP information is not available at this time.

4

Light Rail



Performance Indicator	Target	FY19 Q1	FY18 Q2	FY19 Q2
On-Time Performance	≥ 95%	92%	94%	93%
Complaints Per 100,000 Boardings	≤ 3.0	0.64	0.80	0.90
Preventative Maintenance Inspections - % On-Time (LRV)	≥ 80%	100%	100%	99%
Preventative Maintenance Inspections - % On-Time (Systems)	≥ 80%	100%	98%	100%
Preventable Accidents per 100,000 Miles	≤ 0.90	0.37	0.10	0.70
Ridership	--	3,723,173	4,042,913	3,865,919

5

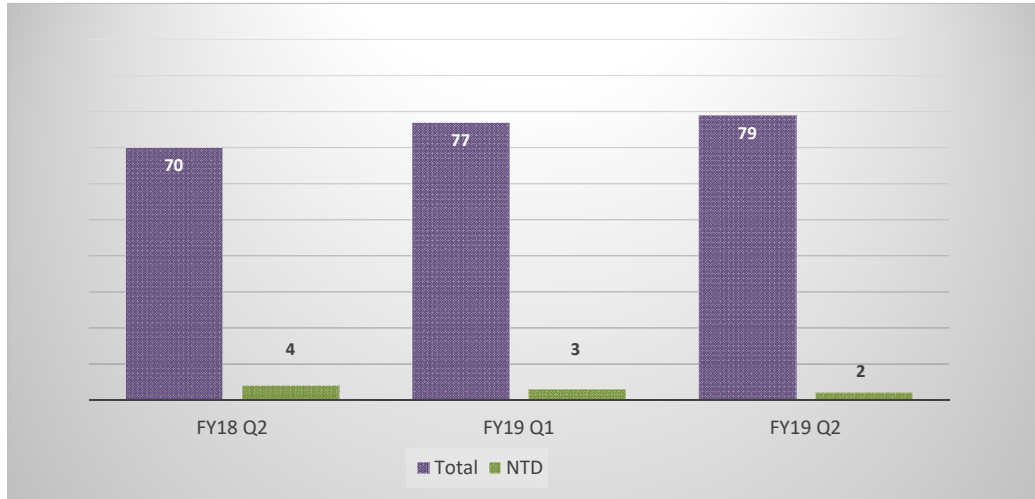
Customer Service – Call Center



Performance Indicator	Target	FY19 Q1	FY18 Q2	FY19 Q2
Calls Received	--	340,368	312,313	322,470
Complaints Processed	--	9,074	9,097	9,198
NextRide Inquiries Handled by Interactive Voice Response (IVR)	--	237,283	230,106	233,700
NextRide Inquiries Handled by Text Messaging	--	662,618	603,529	685,699
Average Talk Time	--	2:28	2:26	2:32
Average Speed of Answer	≤ 1.00	:19	:23	:17

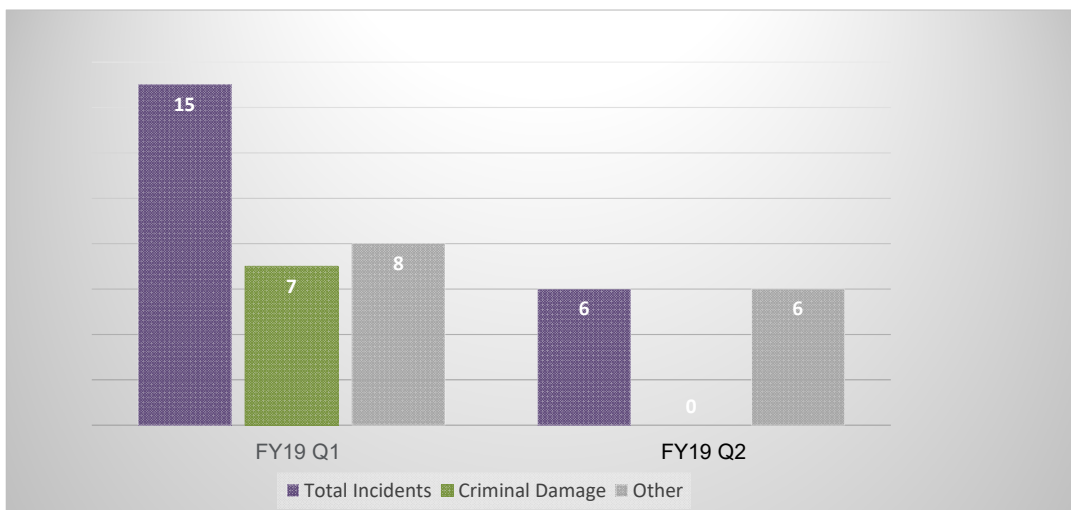
6

Bus Accidents



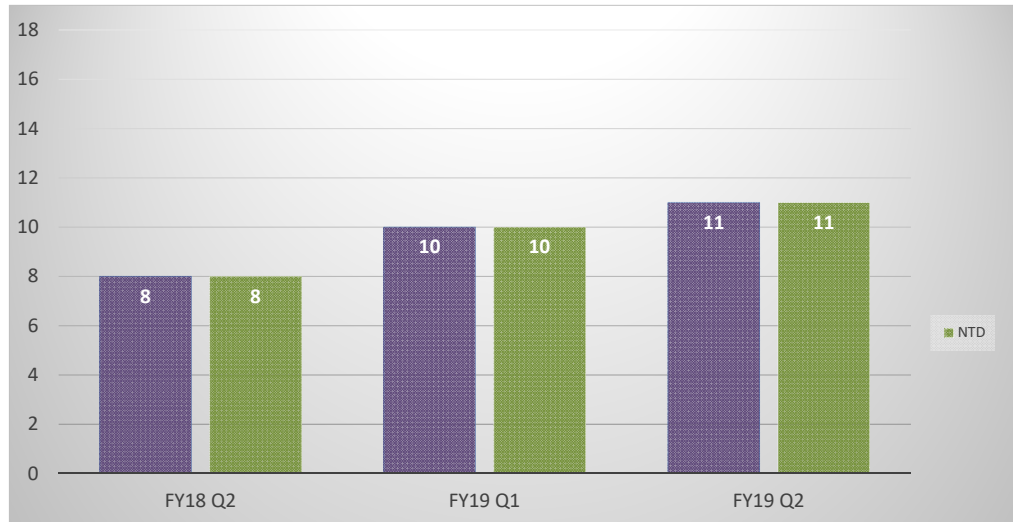
7

Police Incidents - Bus



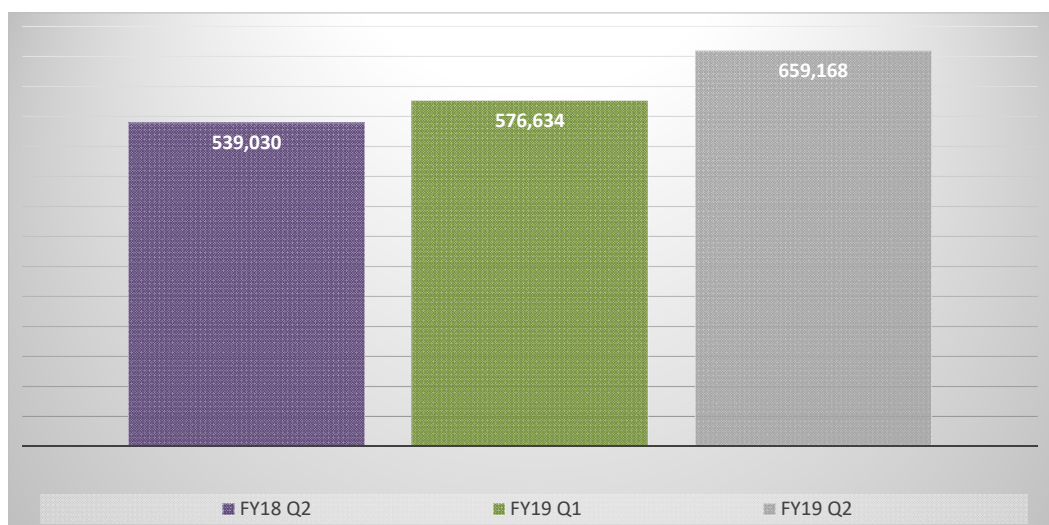
8

Rail Accidents



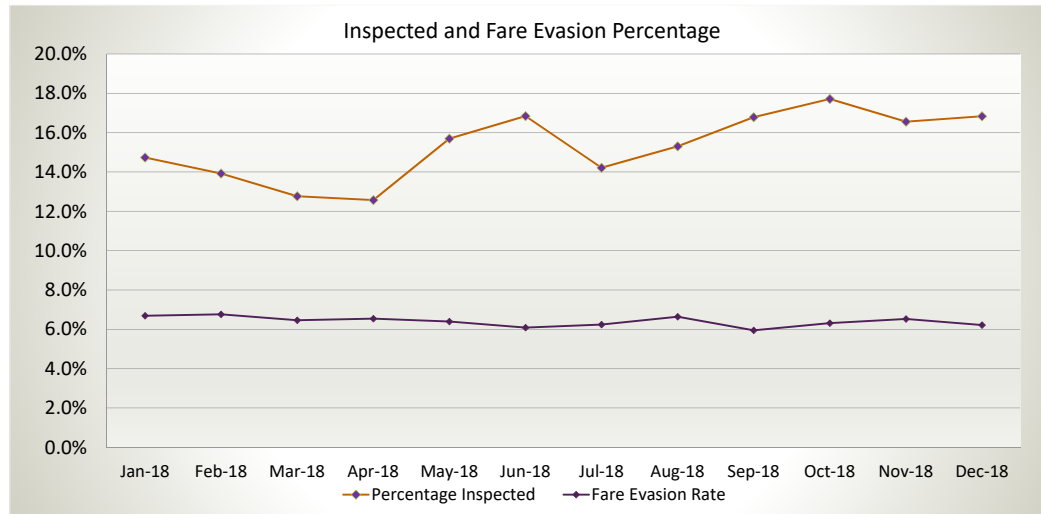
9

Fares Inspected



10

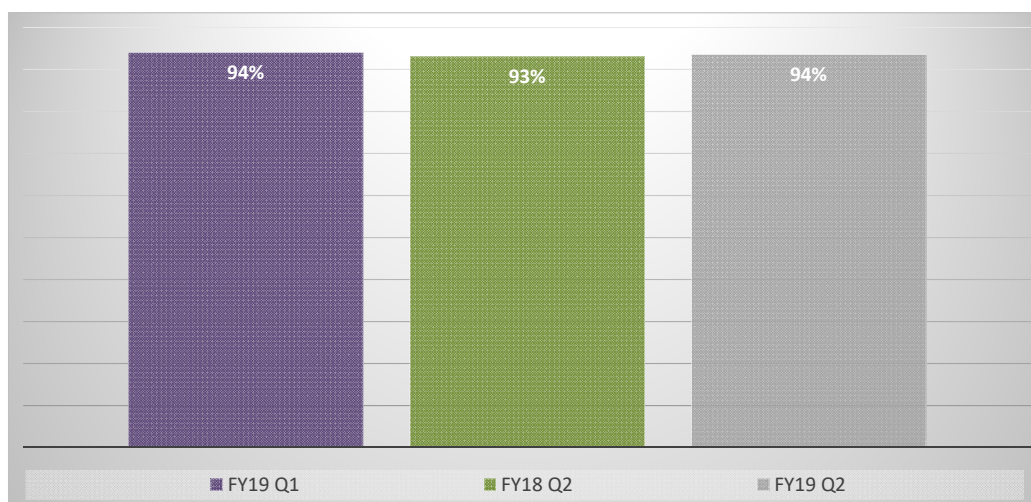
Fare Inspections and Fare Evasions



11

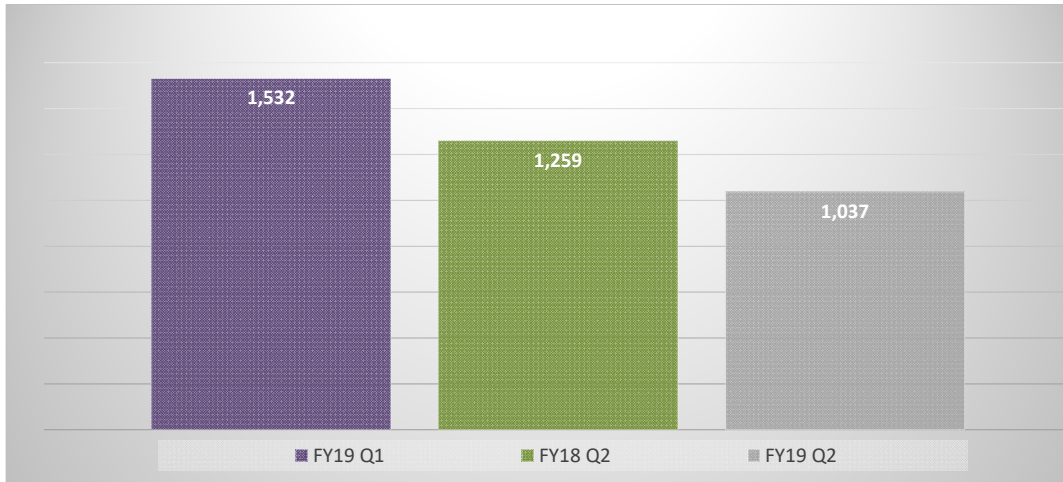
Fare Compliance

Total Inspections for Q2 = 659,168



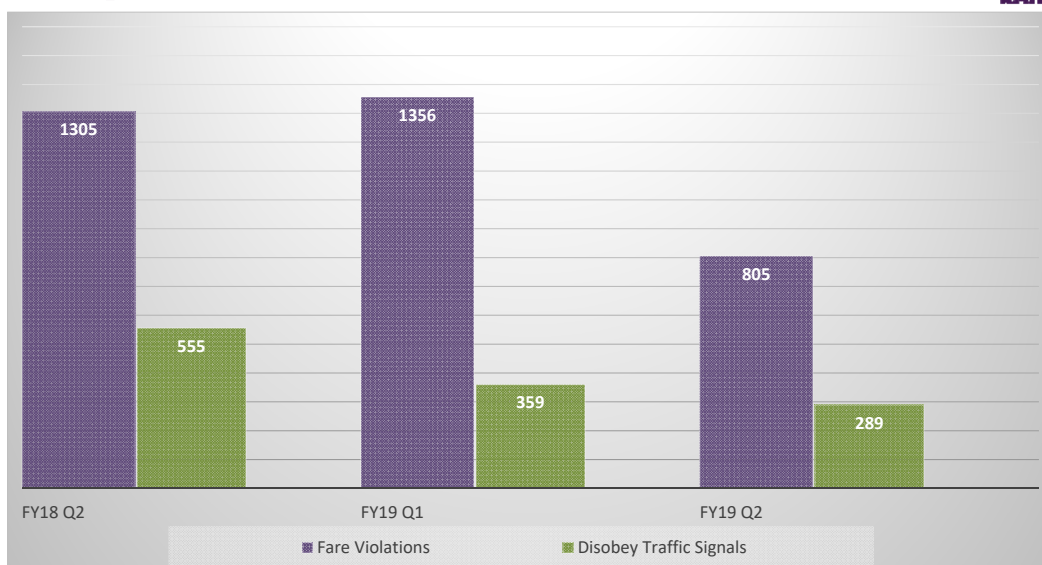
12

Citations Issued by Allied Universal



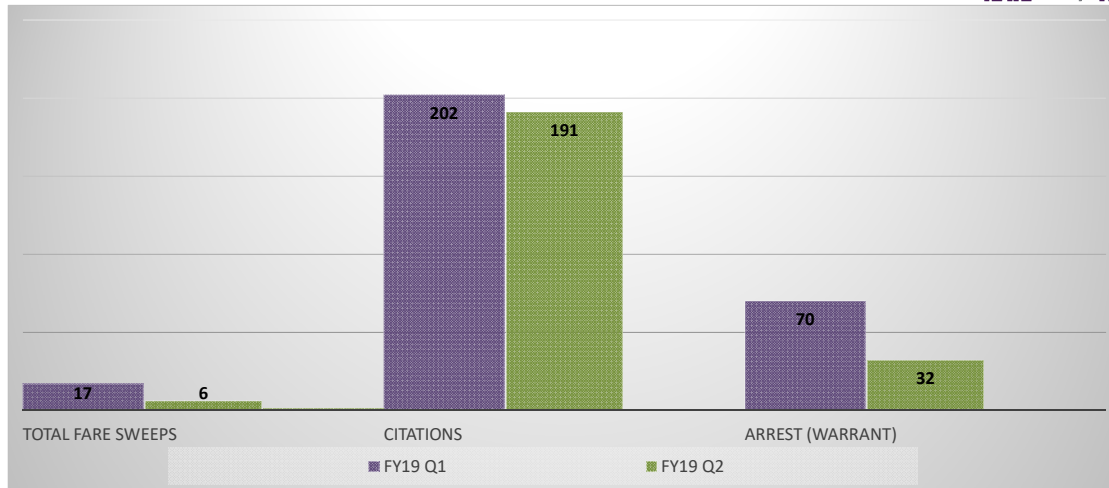
13

Top Violations



14

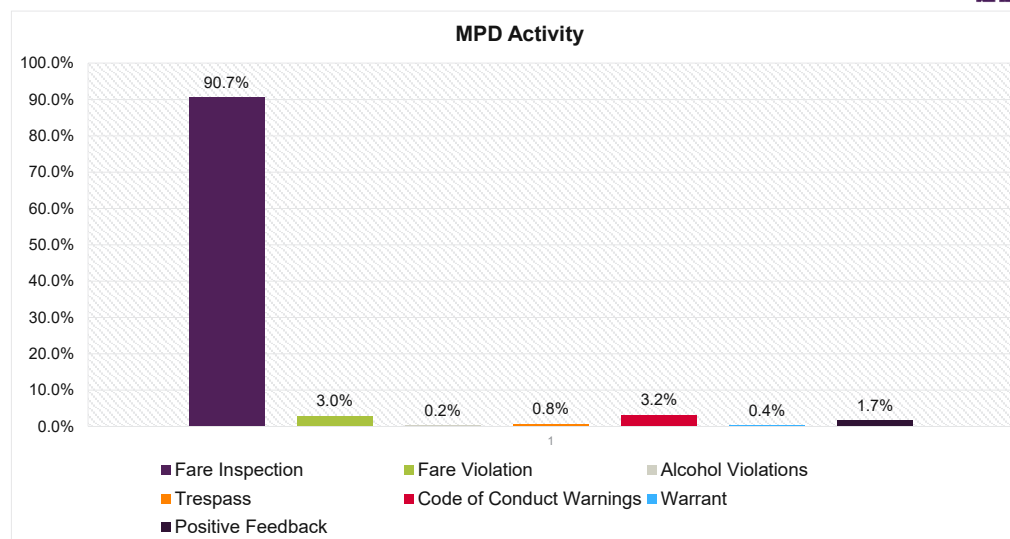
Fare Sweeps Total Activity



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

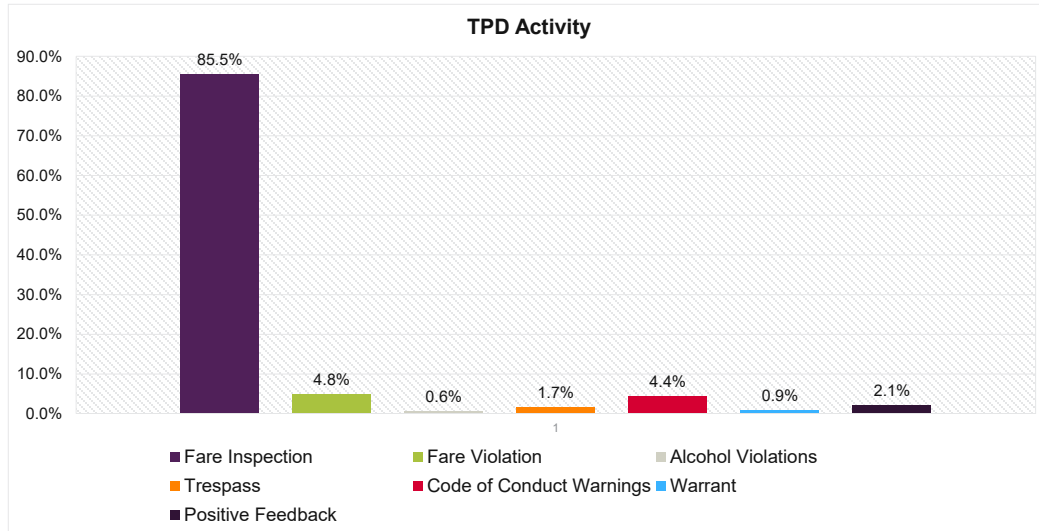
15

Off Duty Program – Mesa PD



16

Off Duty Program – Tempe PD



17

Activity



Activity		FY19 Q1	FY18 Q2	FY19 Q2
Property Crimes	System	4	8	5
	Park N' Ride	0	0	1
Crimes Against Persons	System	42	40	36
	Park N' Ride	0	1	2
Code of Conduct	System	539	197	317
	Park N' Ride	16	9	11
Activity		FY19 Q1	FY18 Q2	FY19 Q2
Medical Responses	System	200	200	185
	Park N' Ride	1	4	4
Warrant Arrests	System	18	19	36
	Park N' Ride	1	0	1

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Incident Table



	City Jurisdiction		
	Phoenix	Tempe	Mesa
Crimes Against Persons	27	3	6
Property Crimes	5	0	0
Code of Conduct	252	37	28
Grand Total	284	40	34

Platform Activity						
City	Phoenix		Tempe		Mesa	
Total Platforms Per City	26		9		5	
Crimes Against Persons	19th/Dunlap	6	Center Pkwy/Washington	1	Mesa/Main	2
	19/Montebello	4	Dorsey/Apache	1	Alma School/Main	2
	19th/Camelback	3	Mill Ave/3rd	1	Country Club/Main	2
	19/Glendale	2				
	McDowell/Central	2				
Property Crimes	19th/Glendale	2				
	Thomas/Central	1				
	Encanto/Central	1				
	12st/Washington	1				
Code of Conduct	19th/Dunlap	37	Price/Apache	9	Alma School/Main	8
	19th/Camelback	35	Priest/Washington	7	Sycamore/Main	7
	24th/Washington	28	Veterans Way/College	4	Country Club/Main	6
	7th/Camelback	17			Center/Main	4
	19th/Montebello	15			Mesa/Main	3

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Valley Metro RPTA Operating Results – Q2



RPTA Budget vs. Actual Report

\$ Millions

For the quarter ending December 31, 2018

	2nd Quarter			Year to Date		
	Budget	Actual	Variance (Unfav.)	Budget	Actual	Variance (Unfav.)
Operations Expenditures						
Fixed Route Bus	24.0	27.7	(3.7)	47.9	37.4	10.5
Paratransit	9.8	12.4	(2.6)	19.5	18.1	1.4
Vanpool	0.2	0.3	(0.1)	0.5	0.3	0.2
Regional Services	3.2	3.4	(0.2)	6.5	5.6	0.9
Planning	1.0	0.4	0.6	2.0	0.7	1.3
Administration	0.9	1.0	(0.1)	1.8	2.0	(0.2)
METRO Rail (Salary, Fringe, OH)	5.9	5.5	0.4	11.7	10.5	1.2
Total Operations Expenditures	45.0	50.7	(5.7)	89.9	74.6	15.3

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Valley Metro RPTA Capital Results – Q2



RPTA Budget vs. Actual Report

\$ Millions

For the quarter ending December 31, 2018

	2nd Quarter			Year to Date		
Capital Expenditures	Budget	Actual	Variance (Unfav.)	Budget	Actual	Variance (Unfav.)
Bus Purchases						
Valley Metro	9.4	9.7	(0.3)	18.8	10.1	8.7
Lead Agency	1.0	0.0	1.0	1.9	0.0	1.9
Paratransit Vehicles						
Lead Agency	0.1	0.0	0.1	0.2	0.0	0.2
Vanpool Vehicles	0.8	0.1	0.7	1.5	1.0	0.5
Other Capital	2.9	2.1	0.8	5.9	2.2	3.7
METRO Rail	11.8	6.3	5.5	23.5	10.1	13.4
Total Capital Expenditures	26.0	18.2	7.8	51.8	23.4	28.4

21

Valley Metro Rail Operating Results – Q2



VMR Budget vs. Actual Report

\$ Millions

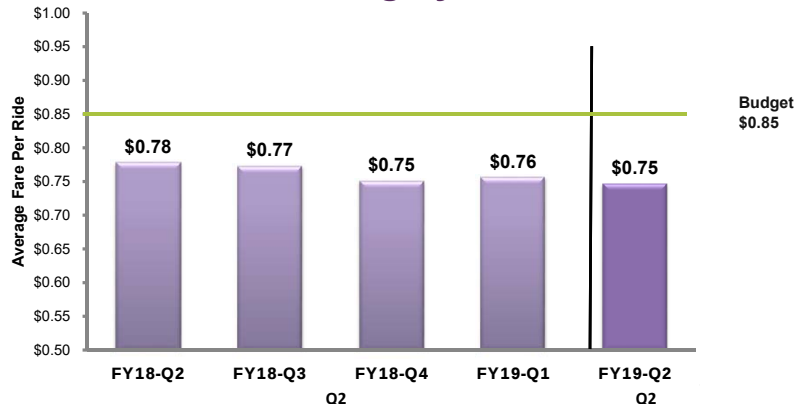
For the quarter ending December 31, 2018

	2nd Quarter			Year to Date		
Operations Expenditures	Budget	Actual	Variance (Unfav.)	Budget	Actual	Variance (Unfav.)
Rail Operations	13.0	11.5	1.5	26.0	19.9	6.1
Future Project Development	3.7	3.2	0.5	7.5	4.3	3.2
Agency Operating	0.4	0.5	(0.1)	0.9	0.8	0.1
Total Operating Activities	17.2	15.1	2.1	34.4	25.0	9.4

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Average Rail Fare FY 2018 History / FY 2019 2nd Quarter

Average Fare – 12 Months Rolling by Quarter



Fare Revenue Budget	\$3,377,927	Fare Recovery Budget	26.0%
Fare Revenue Collected	\$2,749,276	Fare Recovery Actual	27.6%
Variance	(\$628,651)		

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Valley Metro Rail Capital Results – Q2



VMR Budget vs. Actual Report

For the quarter ending December 31, 2018

\$ Millions

	2nd Quarter			Year to Date		
Capital Expenditures	Budget	Actual	Variance (Unfav.)	Budget	Actual	Variance (Unfav.)
Rail Projects						
Tempe Streetcar	9.6	6.0	3.6	13.5	8.5	5.0
Gilbert Rd	23.1	17.9	5.2	37.6	25.5	12.1
50th St LRT Station	2.6	2.4	0.2	4.1	3.1	1.0
South Central	9.4	6.6	2.8	14.3	9.2	5.1
Northwest Phase II	3.3	0.0	3.3	4.3	0.0	4.3
OMC Expansion	0.3	0.1	0.2	0.4	0.1	0.3
System-wide Improvements	6.3	0.9	5.4	12.6	2.6	10.0
Total Capital	54.6	33.9	20.7	86.8	49.0	37.8

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Transit Planning Projects



Project/Study Name	Completion Date	Status
Transit Stop Inventory Reconciliation with Bus Stop Database	February 2019	- Verified bus stop amenities and locations for use in on-line maps - Preparing bus stop photos for on-line publishing
Quality of Life Study	December 2018	Project complete
October 2018 Fixed Route Service Changes	October 2018	- Implementation was completed October 22, 2018. - This project is complete
Transit Standards and Performance Measures – Phase IV	Summer 2019	- Finalized updates to previous Phases - Consolidated report into one Procedures Guide moving forward - Refined additional planning metrics for system
Tempe Downtown Transit Study	Summer 2019	- Obtained concurrence on Scope of Work - Studied and documented existing conditions

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Transit Planning Projects



Project/Study Name	Completion Date	Status
Fountain Hills Local Transit Study	Summer 2019	Drafted scope of work and sent to Fountain Hills staff to review
Northwest Valley Sun Cities Transit Study	Fall 2019	- Held preliminary meetings with stakeholders - A draft scope of work was prepared
2019 Origin and Destination Study	November 2019	- Sampling plan developed - On-to-off surveys underway - Draft full survey instrument developed and pilot surveys being conducted late January
Ridership Growth Analysis	June 2019	- Held study kickoff - Drafted topics to research at peer agencies - Gathering existing conditions data for Valley Metro rail and select bus routes

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Corridor and Facilities Planning



Project	Project Complete	Current Phase	Phase Complete	Status
Northwest LRT Extension Phase II	2023	Project Development	Summer 2019	40% engineering design level completed - Value engineering and internal risk assessment completed - Public meeting conducted to review 30% design and Environmental Assessment - Draft Environmental Assessment FONSI submitted for FTA review - Site underground engineering is ongoing
Capitol/I-10 West LRT Extension	2023 (Phase I)	Environmental Assessment (EA)	Spring 2020	- Traffic analysis and modeling ongoing - Refinement of concepts and evaluation of Phase 1 options - Stakeholder coordination ongoing
West Phoenix	2026	Alternatives Analysis	Fall 2019	Ongoing coordination with City of Phoenix, ADOT, and MAG on next steps
Paratransit O&M Facility Study	Spring 2019	Site Design	Spring 2019	- Developing 15% design for primary facility - Developing cost estimate based on design

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Corridor and Facilities Planning



Project	Project Complete	Current Phase	Phase Complete	Status
OMC Expansion	2021	Design	Summer 2019	- Received Board approval in January 2019 to award a Design/Build contract to Hensel Phelps - Preparing Limited Notice to Proceed for the Design portion of the project
North Glendale Park-and-Ride Study	June 2019	Site Selection	April 2019	City of Glendale in early negotiations with property owner of recommended site – the Dream City Church (at 75th Ave/Loop 101) for shared parking usage
I-10/I-17 Direct Access Bus Ramp	TBD	Planning	March 2019	- Developed 15% design concept for an early action bus ramp - Conducted traffic and initial safety analyses
Fiesta District Alternatives Analysis	Summer 2019	Tier 2 Analysis	April 2019	- Held business stakeholder one-on-one meetings and a public open-house meeting - Developing report documenting Tier 1 Analysis and public outreach activities - Initiated Tier 2 Analysis

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Corridor and Facilities Planning



Project	Project Complete	Current Phase	Phase Complete	Status
Arizona Avenue Alternative Analysis	February 2020	Alternatives Development	Summer 2019	- Coordinating with Chandler staff and their consultant on the ongoing Chandler Transportation Master Plan 2019 Update. - Completed a draft of the Existing Conditions Report.
Tempe/Mesa Streetcar Feasibility Study	March 2020	Tier 1 Analysis	February 2019	- Completed Existing and Future Conditions memo. - Completed analysis for Tier 1 Evaluation - Drafted report with summary of Tier 1 Evaluation and recommended options for advancement to Tier 2
Northeast Feasibility Study	June 2019	Feasibility Study	June 2019	- Confirmed scope of work to study the feasibility of bus rapid transit in the northeast corridor. - Initiated study data collection activities

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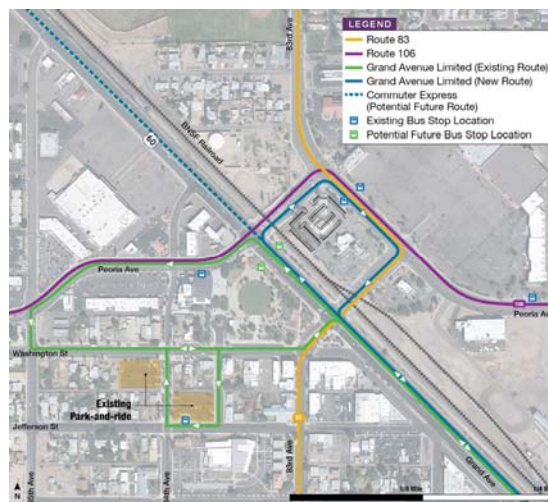
Peoria Park-and-Ride



Project Complete	Current Phase	Phase Complete
Summer 2019	Final Design	December 2018

Status

- 100% design plans submitted.
- Demolition and construction permits review underway.

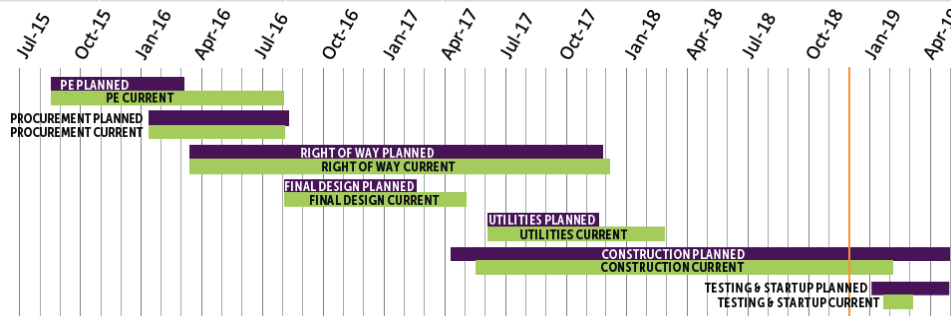


30

50th Street Station



Project Complete	Current Phase	Phase Complete	Status
2019	Construction (80% complete)	Spring 2019	- Completed formwork and concrete placement of three sloped walkway station ramps including artwork canopy foundations - Installed 5 of 11 artwork canopies - Began installation of electrical and communication conduits within the north and south station limits



Data as of 31DEC18 For more details, visit valleymetro.org

31

50th Street Station Expenditures to Date



Description	Expended (\$M)
Contracted Services	\$ 9.3
Right of Way	\$ 0.8
Professional Services	\$ 4.6
Total	\$ 14.7

Project Contingency

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

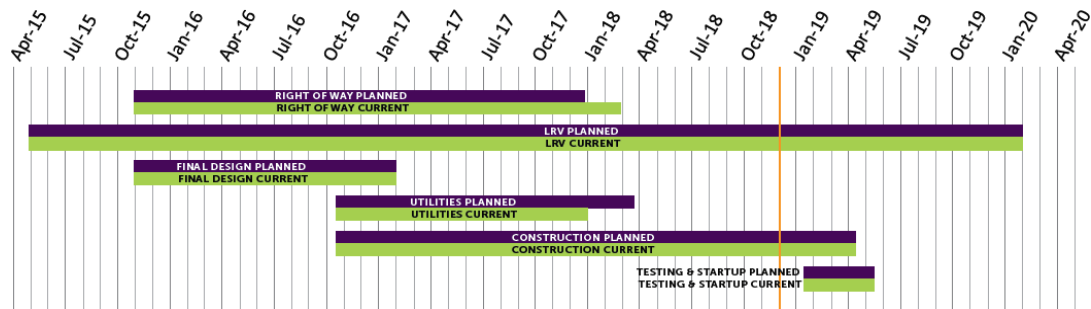
Data as of 31DEC18

32

Gilbert Road Extension



Project Complete	Current Phase	Phase Complete	Status
2019	Construction (85% complete)	Spring 2019	- Baseline lift paving project wide completed with final lift in February - Crews completed paving and striping of Park-n-Ride/Transit Center - Electrical conductor and fiber communication cable is being pulled



Data as of 31DEC18 For more details, visit valleymetro.org

33

Gilbert Road Extension Expenditures to Date



Description	Expended (\$M)
Contracted Services	\$ 90.4
Light Rail Vehicles	\$ 5.8
Right of Way	\$ 10.1
Professional Services	\$ 26.2
Total	\$ 132.5

Project Contingency

Description	Dollars (\$M)
Total Contingency	\$ 10.7
Executed Change Orders & Budget Transfers	\$ (3.7)
Total Project Contingency Remaining	\$ 7.0

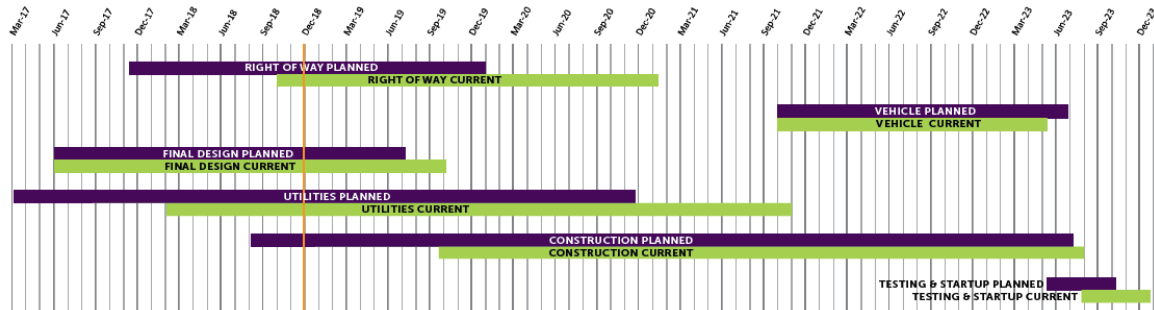
Data as of 31DEC18

34

South Central Extension



Project Complete	Current Phase	Phase Complete	Status
2023	Design (67% complete)	Summer 2019	- Received approval to start utility relocation activities - Continuing efforts for utility exploration 60% estimate is complete



Data as of 31DEC18 For more details, visit valleymetro.org

35

South Central Extension Expenditures to Date



Description	Expended (\$M)
Contracted Services	\$ 1.8
Right of Way	\$ 0.5
Professional Services	\$ 30.5
Total	\$ 32.8

Project Contingency

Description	Dollars (\$M)
Total Contingency	\$ 217.3
Executed Change Orders & Budget Transfers	\$ (7.7)
Total Project Contingency Remaining	\$ 209.6

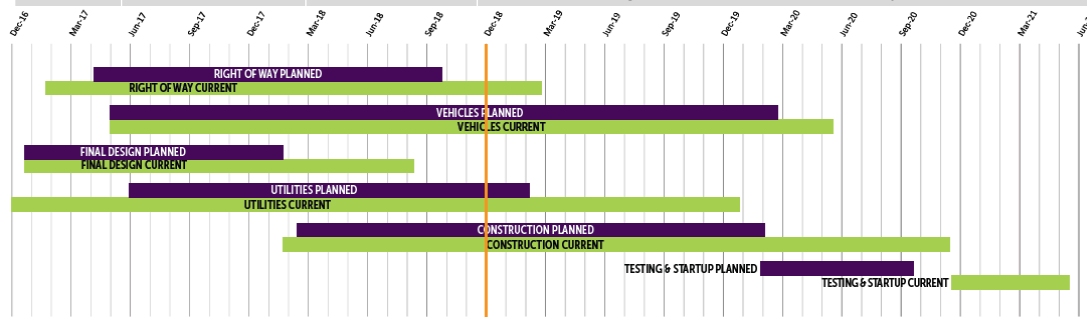
Data as of 31DEC2018

36

Tempe Streetcar



Project Complete	Current Phase	Phase Complete	Status
2021	Construction (12% complete)	Winter 2020	- ASU Easements for the TPSS sites were recorded - Community Relations continued outreach for summer 2019 downtown work, utility relocations, upcoming track work and Rio Salado road widening - Continuing restoration to the Macayo's site



Data as of 31DEC18 For more details, visit valleymetro.org

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Tempe Streetcar Expenditures to Date



Description	Expended (\$M)
Contracted Services	\$ 15.0
Vehicles	\$ 6.0
Right of Way	\$ 0.5
Professional Services	\$ 19.0
Total	\$ 40.5

Project Contingency

Description	Dollars (\$M)
Total Contingency	\$ 37.5
Executed Change Orders & Budget Transfers	\$(18.0)
Total Project Contingency Remaining	\$ 19.5

Data as of 31DEC2018

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Community Relations Update



- Implemented safety outreach campaign for the Main St/Horne roundabout on the Gilbert Road Extension
- 250+ attended Gilbert Road Extension's safety-focused community event Heroes on Main Street
- Conducted public meetings/outreach for:
 - 50th Street Station Construction Update
 - Fiesta District Alternatives Analysis Alternatives Review
 - Northwest Extension Phase II Draft Environmental Assessment Review
 - South Central Extension Art Elements Update
 - Tempe Streetcar Construction Kick-off
- Launched a STEM-focused program "Engineers of the Future" to provide mentorship to 7th and 8th grade students along the South Central Extension (with PGH Wong)



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Marketing Update



- Railversary Event Highlights: 350 reception guests, 2.5k public event guests, 300+ Ride & Seek entries, 200+ #InRailLife photo entries
- Respect the Ride awareness & safety efforts were leveraged through a strategic partnership with LIVE 101.5 FM featuring radio/digital/social contests & promotions from Oct 2018-Jan 2019
- Shop On promotions to encourage residents to shop at local businesses impacted by construction included a direct mail of special local deals to 10k Tempe Streetcar residents in 1/2019 & 10k for GRE coming in 3/2019



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Information Summary

DATE

February 14, 2019

AGENDA ITEM 6**SUBJECT**

Travel, Expenditures and Solicitations

PURPOSE

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

BACKGROUND | DISCUSSION | CONSIDERATION

None

COST AND BUDGET

None

COMMITTEE PROCESS

None

RECOMMENDATION

This item is presented for information only.

CONTACT

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Chief Financial Officer
602-262-7433
phodgins@valleymetro.org

ATTACHMENTS

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

Valley Metro
Travel Reimbursement Report
For Travel Completion Dates
12/16/18 through 1/15/19

Job Title	Purpose of Travel	Location	Dates Traveled	Total Travel Cost	Airfare	Other Transport	Lodging	Meals	Misc.
Government Relations Officer	APTA Fall Meetings & Congress Mtgs.	Washington DC	11/27/18-12/1/18	\$1,911.84	\$736.41	\$77.24	\$824.19	\$240.50	\$33.50 ⁵
Communications Manager	WTS Intn'l Leadership	Washington DC	12/11/18-12/13/18	\$1,155.44	\$524.01	\$23.93	\$457.50	\$90.00	\$60.00 ³
Accessible Transit Services Manager	APTA-Industry Leadership Week	Washington DC	11/27/18-11/30/18	\$2,172.01	\$779.51	\$99.88	\$996.62	\$266.00	\$30.00 ³

Report reflects Out of State (AZ) Travel

¹ Parking

² Fuel for Rental Car

³ Baggage

⁴ GoGoAir - Internet Access

⁵ Seat Upgrade

⁶ Early Check-in

Valley Metro Regional Public Transportation Authority
Monthly AP Payments over \$25,000
December 21, 2018 to January 20, 2019

Document Number	Name	Transaction Description	Effective Date	Transaction Amount
20190103W001	First Transit, Inc.	Nov. 2018 Fixed Route Bus Service	1/3/2019	5,410,739.00
20181231W	Transdev Services, Inc	1/1/18 - 9/30/18 Regional Paratransit Services	12/31/2018	2,538,296.72
20190117W001	City of Phoenix	Jan. 2019 FR Bus Service, DAR, FR Svc Op Supp	1/17/2019	2,165,402.03
39541	City of Tempe	July-Sept. 2018 EVBOM Lease Agreement O & M and Fuel	1/9/2019	1,450,716.00
20190117W008	Transdev Services, Inc	Nov. 2018 Regional Paratransit Services	1/17/2019	1,390,280.21
20190104W	ADP	PPE 12/30/18 Wages Payable-Reverse Wire	1/4/2019	607,512.85
20190118W	ADP	PPE 1/13/19 Wages Payable-Reverse Wire	1/18/2019	567,132.97
20181221W	ADP	PPE 12-16-18 Wages Payable - Reverse Wire	12/21/2018	558,615.11
20190103W003	New Flyer USA Inc.	6814 New Flyer Bus ST-2245 80% Payment	1/3/2019	431,973.88
20190103W005	United Healthcare	Jan. 2019 EE Medical & Vision Coverage	1/3/2019	375,969.80
20190104W	ADP	PPE 12/30/18 Federal, State, SS/Med EE/ER Tax-ACH	1/4/2019	235,264.45
20190118W	ADP	PPE 1/13/19 Federal, State, SS/Med EE/ER Tax- ACH	1/18/2019	221,409.95
20181221W	ADP	PPE 12-16-18 Federal, State, SS/Med EE/ER Tax - ACH	12/21/2018	209,508.48
20190103W004	Total Transit Enterprises, LLC	Nov. 2018 Zoom (Avondale) Bus Run	1/3/2019	197,439.38
20190103W004	Total Transit Enterprises, LLC	Nov. 2018 Glendale Express Bus Run and Maintenance	1/3/2019	116,163.32
20190103W003	New Flyer USA Inc.	6814 New Flyer Bus SR-2245 20% Payment	1/3/2019	107,993.47
20190104W001	ASRS	PPE 12/30/18 ASRS Contributions Employee	1/4/2019	101,487.92
20190104W001	ASRS	PPE 12/30/18 ASRS Contributions Employer	1/4/2019	101,487.92
20190118W001	ASRS	PPE 1/13/19 ASRS Contributions Employee	1/18/2019	100,181.70
20190118W001	ASRS	PPE 1/13/19 ASRS Contributions Employer	1/18/2019	100,181.70
20181221W001	ASRS	PPE 12-16-18 ASRS Contributions Employee	12/21/2018	99,844.11
20181221W001	ASRS	PPE 12-16-18 ASRS Contributions Employer	12/21/2018	99,844.11
39512	Medical Transportation Management, Inc.	Nov 2018 Assessment and Travel Training Services	12/27/2018	94,526.29
R20181231W003	City of Mesa	December 2018 Utilities	12/31/2018	58,690.57
01152019	Wells Fargo	Wells Fargo Dec. 2018 Credit Card Purchases	1/15/2019	58,309.80
20190103W001	First Transit, Inc.	8076 Transmission Mid-Life	1/3/2019	56,036.95
20190103W001	First Transit, Inc.	8073 Transmission Mid-Life	1/3/2019	50,224.16
39503	Clifton Larson Allen LLP	FY-18 Financial Audit	12/27/2018	49,090.00
39527	Enterprise Rideshare	Nov 2018 Vanpool Services	1/2/2019	46,989.74
39516	Remix Software Inc.	FY19 Year 2 of 3 Software Fees	12/27/2018	45,800.00
20190103W001	First Transit, Inc.	8074 Transmission Mid-Life	1/3/2019	41,379.02
20190110W001	Creative Software Solutions, LLC	Nov. 2018 Taxi Trips Final Billing	1/10/2019	37,929.95

Valley Metro Regional Public Transportation Authority
Monthly AP Payments over \$25,000
December 21, 2018 to January 20, 2019

Document Number	Name	Transaction Description	Effective Date	Transaction Amount
39582	Mosaic451, LLC	Dec 2018 Managed Security Services	1/17/2019	34,600.00
39570	Doehrman Equipment	Mach Flex Mobile Lifting System	1/17/2019	31,494.93
20181228W002	Creative Software Solutions, LLC	Nov 2018 RideChoice Management Fees	12/28/2018	27,291.66
39577	Larry H Miller Dodge Ram Avondale	Purchase of N-207 - 2019 Dodge Caravan (replacement vehicle	1/17/2019	26,633.61
20181228W002	Creative Software Solutions, LLC	11/1-15/18 Estimated Taxi Trips	12/28/2018	25,579.06
			Total	17,872,020.82

Valley Metro Rail, Inc.
Monthly AP Payments over \$25,000
December 21, 2018 to January 20, 2019

Document Number	Name	Transaction Description	Effective Date	Transaction Amount
20190117W006	Stacy and Witbeck-Sundt JV GRE	Nov 2018 Gilbert Rd LR Extension	1/17/2019	4,973,719.29
20180110W002	Arthur J Gallagher Risk Mgt. Services	12/1/18-12/1/19 Pass Thru Insurance Premium	1/10/2019	1,818,695.25
20180110W005	Stacy and Witbeck, Inc.	November 2018 50th ST Station	1/10/2019	1,641,770.23
20190117W005	Stacy and Witbeck, Inc.	Nov 2018 Tempe Streetcar Project	1/17/2019	1,438,005.37
20180110W	AECOM Technical Services, Inc.	Nov 2018 S Central Extension	1/10/2019	1,098,518.14
20190103W	Alternate Concepts Inc.	Nov. 2018 Transportation Services	1/3/2019	831,416.68
20181228W	AECOM Technical Services, Inc.	Oct 2018 South Central LRT Extension	12/28/2018	821,172.19
20181228W003	Hill International, Inc.	Nov 2018 Hill International Program Mgmt	12/28/2018	547,006.92
20181228W001	Allied Universal Security Services	Nov 2018 Fare Inspection and Security Services	12/28/2018	546,177.72
20190103W002	Jacobs Engineering	November 2018 Northwest Extension II	1/3/2019	502,252.93
20180110W004	Kiewit Infrastructure West Co.	Oct - Nov 2018 S Central Extension	1/10/2019	429,249.19
032409	Brookville Equipment Corp	Tempe Streetcar Acquisition Milestone B Partial	12/28/2018	242,511.52
032432	PGH Wong Engineering, Inc.	Sept 2018 S Central System Design	12/28/2018	208,792.16
V20181231W	APS	December 2018 Utilities	12/31/2018	187,378.08
20190117W	ARCADIS	Nov 2018 Consulting Support Services	1/17/2019	182,478.57
20190117W003	DMS - Facility Services, Inc.	Dec 2018 Facilities and LRV Cleaning Services	1/17/2019	177,184.55
20181228W004	PB-Wong Joint Venture	Nov. 2018 TO 19 GRE Project Management Construction Management	12/28/2018	159,390.65
20180110W002	Arthur J Gallagher Risk Mgt. Services	12/1/18-12/1/19 Pass Thru Insurance Premium	1/10/2019	139,250.00
20190103W003	Kiewit-McCarthy, a Joint Venture (NWE2)	Aug-Nov. 2018 Northwest Phase II Light Rail Extension	1/3/2019	133,426.47
032463	Centurylink	50th St Station Utilities	1/9/2019	103,658.13
032493	Centurylink	50th St Station Utilities	1/10/2019	103,658.13
V20181231W018	SRP	December 2018 Utilities	12/31/2018	81,042.85
032432	PGH Wong Engineering, Inc.	Sept 2018 Systemwide Systems Design	12/28/2018	77,713.90
032446	Vulcanite Pty Ltd	Overhaul LRV Motor and Center Trucks	12/28/2018	76,960.00
032544	PGH Wong Engineering, Inc.	Oct 2018 NW Extension Phase II	1/17/2019	76,424.64
20181228W002	City of Mesa	Nov. 2018 Gilbert Road Extension	12/28/2018	70,727.42
20190103W001	DMS - Facility Services, Inc.	Nov 2018 Facilities Maintenance Services	1/3/2019	56,822.48
032544	PGH Wong Engineering, Inc.	Oct 2018 Systemwide Systems Design Services	1/17/2019	46,696.42
20190117W002	Dellner Inc.	12/20/18 LRV Coupler Overhaul	1/17/2019	42,996.00
032494	City of Phoenix	Dec 2018 Fare handling Fee	1/10/2019	37,286.00
032464	City of Phoenix	Dec 2018 Fare handling Fee	1/9/2019	37,286.00
032432	PGH Wong Engineering, Inc.	Sept 2018 NW Extension Phase II	12/28/2018	36,731.91
032432	PGH Wong Engineering, Inc.	Aug 2018 NW Extension Phase II	12/28/2018	36,142.85
20181228W001	Allied Universal Security Services	Nov 2018 Fare Inspection and Security Services	12/28/2018	31,301.61
032459	Barbara Grygutis Sculpture LLC	10 Fabrication 50th ST Public Art	1/9/2019	27,500.00
032489	Barbara Grygutis Sculpture LLC	10 Fabrication 50th ST Public Art	1/10/2019	27,500.00
032395	Aconex (North America) Inc.	9/30/20-12/31/23 User Licenses	12/28/2018	26,753.35
032529	Kroy Sign Systems	Light Rail Platform Signage	1/17/2019	25,487.00
			Total	17,101,084.60

Valley Metro
Monthly RTAG Solicitation Update

ACTIVE SOLICITATIONS
as of 01/30/19

Solicitation Type	Solicitation Title	Release Date	Proposal Due Date	Targeted Board Award Date
RFQ/RFP	OMC Expansion - 2 step Design/Build	10/19/2017	8/9/2018	1/17/2019
RFP	Vehicle Communication & Video System Upgrade	8/27/2018	11/19/2018	3/21/2019
Sole Source	LRV Managed Inventory	N/A	N/A	12/13/2018
RFP	Risk Management Consulting Services	11/29/2018	1/24/2019	4/18/2019
RFP	Facilities Maintenance Services	7/20/2018	8/28/2018	1/17/2019
RFP	Consultant Services for ERP System	6/28/2018	8/2/2018	12/13/2018
RFP	2019 Origin and Destination Study	7/19/2018	8/23/2018	12/13/2018
IFB	Re-Issue IFB for Aerial Device Vehicle/ Bucket Truck	12/11/2018	1/8/2019	3/21/2019
S/S	LRV Maintenance	N/A	N/A	N/A
RFP	Employee Benefits Consulting Svc	12/20/2018	2/5/2019	3/21/2019
S/S	LRV Accident & Body Repair	12/13/2018	12/21/2018	12/13/2018
S/S	LRV Window Glass	1/8/2019	1/24/2019	4/18/2019

UPCOMING SOLICITATIONS

Solicitation Type	Solicitation Title	Release Date	Proposal Due Date	Targeted Board Award Date
TBD	Shop Floor Refurbishment	TBD	TBD	TBD
RFP	Retail Network for Fare Collection	N/A	N/A	2nd Qtr 2019
RFP	Financial Audit Services	TBD	TBD	5/21/2019



Information Summary

DATE

February 14, 2019

AGENDA ITEM 7**SUBJECT**

Future Agenda Items Request and Report on Current Events

PURPOSE

Chairs Tolmachoff and Williams will request future agenda items from members, and members may provide a report on current events.

BACKGROUND/DISCUSSION/CONSIDERATION

None

COST AND BUDGET

None

COMMITTEE PROCESS

None

RECOMMENDATION

This item is presented for information only.

CONTACT

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

ATTACHMENT

None.

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date



Agenda

February 14, 2019

Valley Metro RPTA
Thursday, February 21, 2019
Lake Powell Conference Room
101 N. 1st Avenue, 10th Floor
11:15 a.m.

Action Recommended

1. Public Comment (blue card)

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

1. For Information

2. Minutes

Minutes from the January 17, 2019 Board meeting are presented for approval.

2. For action

3. Fiscal Year 2018 (FY18) Regional Public Transportation Authority (RPTA) Comprehensive Annual Financial Report (CAFR) and Single Audit Reporting Package (SARP)

Staff recommends that the Board of Directors for accept the FY18 Comprehensive Annual Financial Report and Single Audit Reporting Package.

3. For action

4. Change to ADA Paratransit Service Area in Mesa

Scott Smith, CEO, will introduce Ron Brooks, Manager of Accessible Transit Services, who will request that the TMC forward to the Board of Directors a recommendation to redefine the ADA paratransit service area within the City of Mesa to encompass those areas that are within three quarters of a mile of bus routes and light rail stations, and to direct that beginning July 1, 2019, ADA paratransit services

4. For action



within Mesa be provided strictly within the ADA paratransit service area so defined.

- | | | | |
|----|---|----|-----------------|
| 5. | <u>Future Agenda Items Request and Report on Current Events</u> | 5. | For information |
|----|---|----|-----------------|

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

- | | | | |
|----|---------------------|----|-----------------|
| 6. | <u>Next Meeting</u> | 6. | For information |
|----|---------------------|----|-----------------|

The next Board meeting is scheduled for **Thursday, March 21, 2019 at 11:15 a.m.**

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



Information Summary

DATE

February 14, 2019

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.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COST AND BUDGET

None

COMMITTEE PROCESS

None

RECOMMENDATION

This item is presented for information.

CONTACT

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

ATTACHMENT

None



Minutes

February 14, 2019

AGENDA ITEM 2

Board of Directors
Thursday, January 17, 2019
Lake Powell Conference Room
101 N. 1st Avenue, 10th Floor
11:15 a.m.

RPTA Meeting Participants

Councilmember Lauren Tolmachoff, City of Glendale (**Chair**)
Mayor Kevin Hartke, City of Chandler (**Vice Chair**)
Mayor Thelda Williams, City of Phoenix, (**Treasurer**)
Vice Mayor Pat Dennis, City of Avondale (phone)
Vice Mayor Eric Orsborn, City of Buckeye
Mayor Alexis Hermosillo, City of El Mirage
Councilmember Mark Scharnow, Town of Fountain Hills
Councilmember Brigette Peterson, Town of Gilbert (phone)
Councilmember Bill Stipp, City of Goodyear
Councilmember Francisco Heredia, City of Mesa
Councilmember Jon Edwards, City of Peoria
Councilmember Susanne Klapp, City of Scottsdale
Councilmember Roland F. Winters Jr., City of Surprise
Councilmember Robin Arredondo-Savage, City of Tempe
Mayor Everett Sickles, Town of Wickenburg
Mayor Michael LeVault, Town of Youngtown

Members Not Present

Supervisor Steve Gallardo, Maricopa County
Councilmember Linda Laborin, City of Tolleson

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

1. Public Comment

Chair Tolmachoff said the first item on the agenda is public comments and we have Blue.

Mr. Crowley said this is your current map. Like I said, when you have them printed could they show where your different communities are. I'd like to be able to define and see what they are. And that goes on to the agenda item of changes. This is what we were promised. I could go through that map and point out that in '18, Scottsdale, you were affected because Bell Road was supposed to get all the way to Litchfield and since that was from Frank Lloyd Wright to Litchfield it affects you. Queen Creek Road, Price to Power. And this year, we're supposed to be doing Indian School from Litchfield



to Granite Reef. Well, it is at Granite Reef but it's not going to Litchfield and Thomas and Van Buren and Thunderbird.

Now these are what you guys said you were going to be doing and I know there's been a lack of moneys, but when I see, well, we're going to add a mile of light rail and it only costs \$91 million and it's coming out of the kitty, that kitty that I get my buses. I just wonder why and how that's happening.

I also would like to note that on that little thing he said there of the second most important thing to relate to you people is the Respect the Ride. Well, they're doing something in rail today which most of you are not a part of which the ride is, and the first thing is there it says we need to take ownership. The system needs to take ownership. Yeah, because it's destination based. So they keep on saying we're going to expand this to the bus so we're going to make it at your bus stops their destination based and we're going to have these little gestapos coming by and dealing with it.

Originally they were hired to check fares. Why don't you get conductors on every single one. When I see six of those people do a fare check that could have been six individual car or individual trains being covered and we know that the people are paying their fare. But instead we keep on take control of the platform. So when originally that came about it's only the rail, the educational background thing he says for those study sessions is going to be Respect the Ride. Well, I bet you they're open to the public and I'll be there and listening may not be able to comment, but it's Respect the Rider you need to start thinking about.

Chair Tolmachoff said thank you, Blue.

2. Minutes

Chair Tolmachoff said minutes from the December 13, 2018 Board meeting are presented for approval.

IT WAS MOVED BY COUNCILMEMBER STIPP, SECONDED BY VICE MAYOR ORSBORN AND UNANIMOUSLY CARRIED TO APPROVE THE December 13, 2018 BOARD MEETING MINUTES.

3. Consent Agenda

Chair Tolmachoff said the next item is the consent agenda. Items on the consent agenda are intended to be approved in one motion. Does anybody want to hear anything separately or have any comments on any of the items? If not, can we have a motion? Councilmember Stipp.

Councilmember Stipp said Madam Chair, I have a question on item 3D. Item 3D is the transit service changes and included in our packet was Appendix B which is the chart of costs. The ZOOM north expansion has Goodyear's portion at \$21,000. We were instructed that was going to be \$5,000. So is it 21 or is it five?



Mr. Gregory said it's actually five just for the Sunday service. The \$21,000 was for the entirety of the FY18 change, so that included the holiday services that were already approved, but this was also included in here just to clarify that it was for the entire fiscal year.

Councilmember Stipp said so it's obviously in its totality rather than the specific change.

Chair Tolmachoff said does anybody else have any comments or discussion on any of the consent agenda? If not, do we have a motion?

IT WAS MOVED BY COUNCILMEMBER ARREDONDO SAVAGE, SECONDED BY MAYOR WILLIAMS AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA.

4. Solar Bus Canopy Installation and Maintenance Agreement

Chair Tolmachoff said the next item is on the regular agenda is the solar bus canopy installation and maintenance agreement.

Councilmember Edwards said I'd like to have this action tabled for a work session study session at a future time.

Chair Tolmachoff said okay. Would you like to expand on the reason?

Councilmember Edwards said yes. So, as we were talking earlier in discussions I'm in favor of this project, but I want to see a comprehensive list of all of the projects that are currently on the table. I've asked for it at previous meetings and I know that you guys were working to get that to us, but according to my staff we have not seen that list nor has anybody here. And so I'm not comfortable approving this solar project because I want to see all of the projects that are on the table and where this went because this is the first time I've seen the solar piece of it.

I'm aware of the canopy piece in the budget but the solar piece of it is news to me. And so I'm just not comfortable talking about this now without having a comprehensive look at all the projects that are currently on the table for approval at future agenda meetings.

Councilmember Dennis said Madam Chair, I'll make a second.

Chair Tolmachoff said we have a motion and a second to table --

Mr. Smith said the solar piece has no cost to Valley Metro. It's an add-on at no cost to us, so I don't know if that changes anything.

Councilmember Dennis said I was looking at that it does have a cost because it says at the end of the lease it's \$62,000 and you also indicate in it that there's a \$180,000 that it shows for maintenance.

Mr. Wisner said that's contingency, construction contingency.



Mr. Smith said the \$1.2 million was included in the current year capital budget. The solar add-on was something we added because that is not going to be any cost to us either maintenance or construction for the solar component. So we are planning on spending the \$1.2 million that was included in the fiscal '19 budget but nothing for the solar. And we actually reap benefits from it because we get we purchase the electricity at reduced rates over what we're currently paying Salt River Project.

Councilmember Dennis said because the reason why I ask that is because it indicates here it says in project contingency of \$180,000 for it that 30-year solar service agreement.

Mr. Smith said I mean, go ahead if we'll proceed as you want Madam Chair?

Chair Tolmachoff said does anybody else want to have any -- I actually had some questions about this mainly because of a 30-year solar lease I'm wondering does it encumber the property. Thirty years is a long time. I mean, we don't know what transit's going to look like in twenty years, so are they going to be leaning -- I mean, what if in twenty years there's a decision to liquidate the property turn it into capital to do other things with it. I just don't -- and I couldn't find and I asked around are they going to be lienning the property for the solar?

As a realtor, I'm not a big fan of solar leases generally speaking anyway, so, I mean, I don't disagree with it, but we just I couldn't find any more information on what would happen if we decided to liquidate this asset this property at some time before the end of the solar lease.

Councilmember Stipp said I think in addition to that, the question that is unclear in my mind is if heaven forbid Prop 400 extension doesn't go through, what does that do -- what does this 30-year lease do to us financially from that perspective? Are we on the hook for something for twenty-five years that we may not have a revenue source. I don't understand -- I mean, I clearly just don't understand that, but it wasn't clear in the documentation how that was going to proceed, so I think there's a number of questions that lead to the viability of this issue:

Mr. Smith said I'd like some more guidance. I mean, we can answer the questions here. We can table it and answer them individually or as a group later. What would you like us to do?

Mayor Williams said if I'm correct, I think the point of this is additional information was asked and this would have probably been included in part of the package if you had received it. But you have not received it, so therefore, until you have the entirety of what's being proposed or planned you don't want to move forward on this. So I am comfortable hopefully you get the information to him soon and in February this will be part of a work study.

Chair Tolmachoff said Mr. Smith, could I suggest that we incorporate into the budget discussion in the February study session the CIP because that's where this would all be where we would be able to address it.



Mr. Smith said as it was last year. You approved both a capital improvement plan and the operating budget every year. And these projects are included in the capital.

Chair Tolmachoff said but not in a study session where we have an opportunity for there to be discussion and questions asked.

Mr. Smith said exactly.

Mr. Smith said and what I would like to talk to you about also is our entire process. And these are questions that have all come up in RTAG where this was formally discussed and twice in the manager's meeting where this was formally discussed. And I'd like to talk to you about ways we can improve both our communication with you but also communication inside because we've answered -- all these questions have been asked and answered to your staff on more than one occasion. And so this is not something that's new. And I think we need to improve that entire process because we have those meetings for a purpose and that's so we can vet out many of these very legitimate questions so we can vet out these questions at the staff level so that when we come to you they've either been answered, asked and answered and they've been able to be communicated to you. And whether we need to do a better job of communicating it or your staff or both of us. It sounds like if you haven't got the answer to these then we've fallen down on that requirement, but these aren't new questions for us.

Mayor LeVault is this project in any way time sensitive?

Mr. Wisner said yes, it is. We have another project that's on the heels of this waiting for this project to be completed. We are going to be installing a bunch of GPS emitters in our yard to track our vehicle locations throughout the yard and that project is on hold until this decision is made on whether we're going to build canopies or not because where those canopies are going are where these GPS emitters need to be installed.

So we only want to install them one time, do it after the canopies were installed if this project was going to go forward with approval we were going to get that done by June of this year and then that project that I just mentioned about the GPS emitters would follow right after that. That project is part of a bigger project throughout all the valley that all the garages are having installed, and so that vendor is going to sequentially do each garage one after another. And so we've pushed our garage to the end of the line so that we could get this project done.

Mr. Smith said and that's done in conjunction also with the City of Phoenix.

Mr. Wisner said yes, that's a joint regional project.

Mayor LeVault said so if we don't take action today there's some real unintended consequences that are somewhat negative.

Mr. Wisner said I was hoping to be able to give the presentation because I know this was we did get a lot of questions and I was -- I'm confident I can answer a lot of the questions you have about the project itself. I can't answer about other projects or



concerns or a total list of projects but certainly on this project I'm well versed with this and I would have loved to have the opportunity to tell you more about that project and then let you decide from there.

Chair Tolmachoff said we have a motion and a second to table it, but before we actually bring that to a vote is everyone agreeable to hear the presentation?

Mayor LeVault said I think we should hear it.

Chair Tolmachoff said okay go ahead.

Mr. Smith said and if I could, just, once again, these shelters were going to be built without solar. Solar was something that came afterwards because we saw an opportunity since we have space since solar on shade structures is certainly not a novel idea. It's been done all around the valley.

And so in looking at that we saw an opportunity to be able to reduce costs and take advantage and be more ecologically sensitive and responsible to explore ways to include a solar component on shade structures that we were going to build without solar structures.

Obviously we did not have the budget to do that, didn't seek the budget. We only wanted to build the shade structure. So this came as a proposal from staff that said, listen, if we can include this, we can actually save money overall because we can reap the benefit of this solar power generation and that's -- I'll turn it over to Mr. Wisner.

That's just a little bit of quick background as to why we went from shade structure to a shade structure with a solar component. Scott.

Mr. Wisner said thank you, Mr. Smith. I'm Scott Wisner I'm the bus service delivery manager. Thank you for allowing me to give you this presentation. We operate service out of the East Valley out of two major garages the Tempe garage and the Mesa garage. This facility the Mesa garage was built in 2002. At that time only two structures two shade structures were built, so we only have approximately 32 vehicles that are under shade currently right now.

I also mention that every other of our major garages throughout the valley have shade structures where buses are parked underneath shade when they're not in use. Obviously we all live in this region with lots of sunshine and so then in the summer we have extreme heat, so this does a lot of damage to our vehicles.

But the main thing it does is it requires us to start our vehicles and run our vehicles before they go into service for an extended period of time so we can cool them down because the heat soak effect of parking a bus out in the sun for five, six hours before you run into service those buses get heat saturated and they take a great deal of time to cool down so that when we get to our first stop we actually have a bus that's in a cool temperature.



So we have to start those buses in the summer from May through October 30 minute prior to the normal starting time. So we're running those buses an extra hundred thousand hours a year, that's a lot more wear and tear on those engines. That also creates a lot more fuel needs, so we have 51,000 gallons of estimation of fuel extra fuel that's burning. And that's about a \$30,000 a year cost just at that facility alone because we don't have shade.

So we did budget because of those major issues we did budget the money that Scott mentioned earlier in the budget to construct shade canopies.

But before we do that we wanted to see if we could offset that cost because we understand that \$1.2 million is not a small number. And so we explored solar as an option to help offset that cost either in a short term or a long term.

So we sent out four bids to the four companies that were on the state cooperative contract to see what kind of pricing and what kind of deal we might get. We got a bid back from Natural Power and Energy which is the company that we use to build solar at the rail OMC yard where we have that is powered by solar. They're the second largest solar company in the valley and one of the largest in the country.

We did a price analysis to make sure their bid was fair and reasonable. We also compared it to a lot of other municipalities that had solar structures just like this and deemed it was very much very fair and very reasonable.

Shade structure is designed to look just like the shade structures at that facility. It's also designed to give us an abundance more of parking that's going to be shaded at 138 additional spots. And then it will generate 75 percent of the power we need at that location. So that's a sizable number of power that we're going to be able to offload from SRP and their rates and they're escalating rates to a solar plant that's going to be built on top of the shade structures themselves.

This is an aerial of that location. You can see in the gray boxes over here those are two shade structures that we have in place now and in the green are the future solar canopies that would be constructed and provide the 75 percent power generation at that location.

We did look at four different funding options for this to make sure we did our due diligence and we're spending that money wisely. We looked at the first option was just to build the shade structures without solar. That was going to be a \$1.2 million investment. It's not going to help us with energy costs in the future or in the present. We also looked at a couple lease options. Lease option one this is a 30-year agreement with multiple stages of buyout clauses so we could buy out that system at year six, at year 10, at year 20, at year 30. And we could also set other terms in there if we wanted to buy it out sooner. So, in other words, if at any time we needed to liquidate the property or we needed to do something different than this we could potentially buy out that residual cost of the fair market value of that system at that time.



It does take into account the \$1.2 million investment and for that investment we get a very much favorable kilowatt per hour rate which is about which is .0635 cents compared to .7079 cents which with SRP is a 20 percent difference. And then all the maintenance and operations of that is covered under the lease agreement.

We also looked at an option where we didn't put any money down but because there's no investment on our part the power rate went up considerably. It was about a 40 percent increase, so now our power costs were going to go up by over two million dollars in that location so that didn't look like a very favorable agreement. And then we also looked at buying and building it ourselves and having the whole system built for \$3.3 million. And if we were to build that ourselves, of course we have to expend the money up front, but then we recoup that in savings right off the bat all of the power consumption we get from that is ours to use at no cost. So that was definitely something we wanted to look at further.

The interesting thing about this option or just doing solar in general is there is a return on investment unlike just building a canopy structure. We will get money back from this through energy savings which is something that was very much of interest to us scene you can see on the no solar option it was \$1.2 million expense doesn't take into consideration that the next thirty years were going to probably have power escalations in the term of about two million dollars more. So if we don't do anything with that system right now we're going to spend about two million dollars more than we do today over all that thirty years in power increases.

Lease option one had a pay back of \$826,000, so we get a \$1.2 million investment back so we're even and then we also recoup another \$826,000 on that. Lease option two turned out to be a negative so we didn't go much further with that. And the purchase the solar plan itself had the highest return on investment; however, it did have the highest up front cost and we know that capital dollars are very precious.

So with all that information and a lot of analysis, we deemed that lease option one was the best option for this region. It did give a nice investment return so investment. It does help Valley Metro with our sustainability goals, provides shade at one of our major bus operations locations. It's got a life expectancy of equipment of forty years. The panels themselves are warranted for 25 years. All the equipment is covered under the 30-year lease, so in year 29 if 10 of the panels fail, they all have to be replaced. If any part fails in that 30-year lease period it gets replaced at no cost to us. And it was the best overall value that we felt this project deserved. And then of course natural power and energy is the same company that did our other solar plant so we're very comfortable with the vendor that we chose.

With that, this was the recommendation we made and I'd be happy to answer any of our questions.

Mayor Hartke said could you go back to your very first slide please, for me. Yeah. So are you saying that we use 51,000 gallons of fuel or we're saving 51,000 gallons of fuel.



Mr. Wisner said well, right now we're using that much more. Just by running those buses for that extra 30 minutes time, you know, 60 buses at that time to cool them off.

Mayor Hartke said that's what I thought you said. So in essence we're using that more but at \$29,000 that's like .56 cents a gallon. Do we get gas that cheap?

Mr. Wisner said yes, we do. We get CNG. We have a CNG plant at that location and because it's piped directly in from the City of Mesa utility we get a very, very cheap CNG fuel. But if it was diesel we'd be talking two to three dollars a gallon, so, no, that would be different.

Councilmember Stipp said so this slide makes you wonder about all the rest of our facilities. Is this the last of the facilities to get shade?

Mr. Wisner said yes. This is the last of all the Valley Metro owned facilities, so there are three major facilities in the City of Phoenix that all have shade and there is the Tempe facility we also operate out of that has shade and solar. And so this was the final fifth major facility that does no shade or solar.

Councilmember Stipp said okay. Second question, if I may. So, if we've budgeted the \$1.2 million already why are you here?

Mr. Wisner said because we have to do a contract award for this lease and so that requires budget approval.

Mr. Smith said we would not be here but for the solar contract and the solar. There's no expenditure here that has not already been approved by this Board.

We're simply here because we want to enter into a lease that has financial even though it's net positive to us, it certainly obligates and has ramifications that we believed the Board should be aware of and should approve if we're entering into this.

There was an argument that was made since it's net positive to us that we don't have to come here. But we decided that we should bring it before you to know what we're getting into.

Councilmember Stipp said so the \$180,000 contingency is already built into the, or is that now a new contingency.

Mr. Wisner said no. That's built into the budget and really what that's for because the lease is pretty much cut and dry, the pricing we got. We have -- we know we have a hard dig condition out there because we just recently did a construction project out in that location where we did a lot of trenching and we ran into some hard dig conditions.

Because the solar company can't determine if they're going to run into those same hard dig conditions, we put some contingency money in there in case they do. If they do, they have to construct and bury the canopies in a different manner which is additional cost.



If we would have rolled those into the lease it wouldn't have given us the savings and we would have paid more and had less of a savings, so it's better to have a contingency to cover those couple of pillars that may have to be constructed that way in the event.

So that's the maximum number we'd have if every pillar got buried with hard dig conditions, but we think it's probably going to be less than ten percent of that, so it could be less than \$20,000 that we may need for that hard dig condition. That's all it's for.

Mayor LeVault said while I certainly understand Board member Stipp's request for a comprehensive list of projects, frankly, it's something I wouldn't mind seeing -- I got to keep up with my Board members. Board member Edwards request for a comprehensive list of projects. I wouldn't mind seeing it myself.

However, in light of this presentation, my inclination would be to go ahead approve it because the numbers look fairly compelling to me. And since it's a time sensitive project, as I said, my inclination would be to approve it.

Councilmember Edwards said Madam Chair, I'll pull the item or I'll concede my motion. But I won't until I get a comprehensive a guarantee from Mr. Smith of when are we going to get a comprehensive list of all of the projects that are on the table.

Mr. Smith said I'm looking at Paul Hodgins. And that is part of our capital improvement plan. That list exists in the budget and he can come up and identify to you where that exists and what it would take to get that list for you.

Vice Mayor Dennis said I still have a concern in reference to because it indicates that at the end of the lease of thirty years we still would have \$62,069 that we would need to purchase. So I'm assuming at the end of the lease then we would be paying the \$62,000 in order to have ownership, or are we looking at then releasing new product?

Mr. Wisner said yes, Vice Mayor Dennis, what that is that pays for at the end of thirty years that's what the residual value is estimated at \$62,000. So that would be our payoff amount.

The numbers I gave you in there as far as savings already encompasses that, so it's our option if we choose not to buy the system at that time then we have to make a decision on whether we want to replace the canopy structure itself. The structure will always remain to be ours. It's just those shade made out of solar is what we would have to address at that time.

So I think 30 years from now as that equipment ages, we're going to probably have to make a different decision. The canopies themselves will be constructed and cemented in the ground so they won't go anywhere, but I think within that time frame or within five to ten years we're going to have to probably replace that shade structure the shade canopies themselves with another solar or just go with a different technology at that time depends.



So that \$62,000 is strictly for the cost to payoff that lease and own it out right. And if we owned it out right from year 30 on, we don't pay them any money for the power, so all the power consumption that it's producing is in our pocket now, so for potentially for ten more years we're going to have even more savings as long as that equipment remains in useful condition.

Vice Mayor Dennis said so one additional question in reference to that, typically, and I don't know if these panels are any different than a lot of the residential panels that are being brought up that are being put up today and of course technology changes over time, but we're getting the technology of today that we're putting them on. So my concern is, you know, I know that in the panels today the life of a lot of these panels diminish over time that they become less efficient over time, do we have a good understanding of what the efficiency of these panels are throughout the 30-year project?

Mr. Wisner said yes, we do. We were given a report of that of the denigration of power that these panels will produce and they will denigrate over time. I think it's a 1:1.5 percent denigration over time. There's also guarantees in the lease that says this plant must produce X amount of power throughout the term of the lease. So in the event panels were failing at a greater rate, they have to then replace those panels so that we can generate the power that it's guaranteed to generate, so that gives us a safety net to continue to generate a minimum number of power out of the system and so that's in the lease terms and that would be in there clearly stated and we've reviewed that as well and I believe that gives us a safety net against that denigration of power.

Vice Mayor Dennis said so when they do replace those would they be updating those panels to new technology or to the existing type of panel that we have that are going to be placed at the time of installation?

Mr. Wisner said well, there's no telling what solar panels are going to look like 20-25 years from now, but they're required to replace them in the same condition or the same style of solar panel. So obviously there's going to be laid on top of the structures themselves and so they'll have to integrate into that structure just like the current ones do now. I couldn't tell you exactly what that would look like, but it's supposed to be basically flow right into this current design. So it shouldn't be any change in looking or performance, but I can't tell you exactly what that's going to look like 30 years.

Mayor Hermosillo said this is the first time I've heard some of this information that's been presented so I have a couple quick questions. How long have these plans been in the works and when was the first time that this information was provided to the Board?

Mr. Wisner said so we planned on this over a year ago as far as looking at shade as part of the budgetary process and put that in there then. And then from the summer until now, we've been doing all of our due diligence. We've been going out and looking at solar as the options, doing a request for quote through in September, late September, October we got a request for quote. Once we compiled all that information we started looking at all the different options, so we didn't get this completely finalized and analyzed and done until late November, December.



And then we took it through the formal Board process which is RTAG first and then TMC, and now here to the Board. But we did six months of work prior to that leading up to that and then probably last seven weeks of submitting it to staff, getting the questions answered and then going through TMC and now to you guys.

Mayor Sickles said thank you, Madam Chair. I'm just thinking outside the box, so you have up there the CNG, which is obviously .53 cents a gallon, I wish we could get that, too.

But you haven't taken into consideration the amount of hours that you're sitting there running those diesel engines and any way that you have ever pulled a bus engine you really don't want to be doing that.

But you have an energy source here that you're using to get money, that's obviously for sure. But if you go over to the other types of transportation and I'm thinking about the airlines, they run an APU or auxiliary power unit to run those the jets themselves. They don't sit there on the Tarmac using those jet engines.

Is there any way to take this energy and convert it back into some type of auxiliary powered unit -- portable cooling unit and start cooling these buses obviously to keep them under overhang is obviously doing a lot of good, but you still 110 is 110 no matter whether the sun's on it or not.

Is there any way to convert this looking forward to something that you can benefit even more by trying to get the efficiency of the cooling into those buses during the summertime? Have you looked at that?

Mr. Wisner said no, I have not looked at that. And I'm pretty current on all the APTA practices and the technology out there in terms to buses I've not seen anything like that like the airline industry. It's a great idea. I would certainly be happy to look further into that because, you're right, this is only one component of trying to keep buses cool, that would be something that we could definitely look at.

Vice Mayor Winters said of course, you sound very knowledgeable in this field. I would just like to comment that the lease program you picked is very good because if you try and buy the program, I've noticed from experience that when I put panels on my home come out a lot better if you leased a program because all the maintenance and repairs belongs to the people you're leasing the program from.

Mr. Wisner said very good point. We're in the bus business and Scott reminds me of that a lot. And we're not in the power business, so that was one of our decision points where do we really want to worry about the upkeep of this, do we have the expertise to maintain it. No, we would have to hire a company to do that. Then we're on the hook for the replacement of the denigration of panels or the power inverters or any other equipment that might fail. So that's why the lease agreement looked for advantageous to us rather than spend \$3.3 million to buy it out right and own it and that way you have to own that maintenance portion as well. So good point. Thank you.



Vice Mayor Winters said and of course the people you're leasing the program from are going to also monitor it to make sure putting the right output out for what it's supposed to be. And if it doesn't, they come out and repair that no charge.

Mr. Wisner said right. It's hooked into the power grid. It's hooked into SRP's panel. It has its own panel. We get readouts from that just like on a monthly basis we do from SRP we'll get a bill from them ever month for that power consumption and we'll compare that to what the guarantees are and make sure that we're getting what we paid for.

Councilmember Arredondo-Savage said and maybe it would have been helpful too as we move forward, I know we did at least with the EBAM building, too, in Tempe, and I believe that lease is for twenty years, so maybe just some comparison some information in regards to why that one was twenty years and what the difference was and maybe the technology is a little different, you know, moving forward.

Mr. Wisner said and we did look at that. That's a good point. Thank you. And the EBAM does have an excellent program with that. They bought theirs four or five years ago back when solar was even less expensive and they got a fantastic deal.

The 20-year lease agreement doesn't give us the same savings as the 30 year does, so we get a lower per kilowatt hour by going longer term and we recoup the investment long greater investment over the span. So that's why we chose thirty rather than twenty was because we get a better deal by going extending it longer.

Chair Tolmachoff said okay. So Councilmember Edwards are you satisfied -- would you like to withdraw your motion.

Mr. Smith said that information currently just you'll have it in your hands before the end of business today. There will be two reports you'll have. We do our capital plans on in two bases. One is the including in the annual budget, but then also we have the transit life cycle plan which this Board approves every April or May. That is the plan through the end of the prop 400 program, which will be December 31, 2025. You'll have both of those reports. One will be the single year report, which is the budget report. And when we get -- and the other one will be the TLCP, current TLCP.

Now when we go to do our budget this year, let's make sure that we look at the list that's in the capital improvement plan which this Board will approve over the next two to three months and in February that's one of the things we'll talk about is what is in that capital portion versus operations portion so you have a list of projects and then when we come around to April, May, your staff and our staff are already working on updates, adjustments to the TLCP, which is getting shorter and shorter as we get closer to 2025, so you'll have those before the end of the day.

Councilmember Edwards said I'm satisfied with that. With that, I'll withdraw my motion.

Vice Mayor Dennis said I'll remove the second, but I want to just reiterate about getting the list. And then second of all just some listening to the timeline that I think that communication issue that staff, you know, pursued this from a certain time period before



it went through the general process, by the time we hear about it, it would be nice to be able to get a little bit more information about these areas that you want to pursue earlier than at the time of our Board meeting.

Chair Tolmachoff said okay. And that will be distributed, Mr. Smith, to the entire Board?

Mr. Smith said yes.

Chair Tolmachoff said then with the withdrawal of the motion to table and withdrawal of the second, then do we have a motion to approve the solar bus canopy installation and maintenance agreement.

IT WAS MOVED BY MAYOR SICKLES, SECONDED BY COUNCILMEMBER ARREDONDO SAVAGE AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CEO TO EXECUTE LEASE OPTION 1 FOR \$1,200,000 AND A PROJECT CONTINGENCY OF \$180,000 FOR A 30-YEAR SOLAR SERVICES AGREEMENT (SSA) WITH URBAN ENERGY SOLUTIONS, LLC D.B.A. NATURAL POWER AND ENERGY (NPE) FOR THE INSTALLATION AND MAINTENANCE OF SOLAR EQUIPPED BUS CANOPIES AT THE MESA BUS OPERATIONS AND MAINTENANCE FACILITY AND TO AUTHORIZE THE PURCHASE OF THE SYSTEM AT THE END OF THE LEASE PERIOD FOR \$62,669.

5. West Valley Fixed Route Bus Service Contract Award

Chair Tolmachoff said moving on to West Valley fixed bus route service contract award. Mr. Smith, would you like to introduce this item?

Mr. Smith said thank you, Madam Chair, Scott, as you see, didn't leave. He'll introduce this very quickly and go over the contract for bus service in the West Valley.

Mr. Wisner said thank you, Mr. Smith. So just to give you a little background, we have a contract in the West Valley that provides that is going to expire June 30 of this year. And that service provides service in the southwest and northwest portion of the region. It provides express service and circulator service and soon to be a circulator route in Peoria.

So in July of this year, we conducted a federally compliant request for proposal. We had two firms send in those proposals. They're listed on this table right here. Total Transit Enterprises which is the incumbent who has been operating this service for ten years now. And then Transdev Services which operates a major portion of our service in the City of Phoenix.

After going through the evaluation we had a clear-cut winner. We had Total Transit with the highest technical score as well as the low west price so they received maximum points on the price and overall the highest overall points for their proposal. So as a result the evaluation committee recommends Total Transit Enterprises to retain that contract.



So let me go over this table real quickly. The nice thing -- the surprising thing we got in this bid was you can see in FY19 the cost per mile is \$6.47 on express and then \$4.61 on circulator which are already very low rates in this region.

And they held steady on those for the first two years of the contract, so our member cities that are buying service from us for that contract is getting a very favorable deal over the next couple years. And then they have very modest increases in years three, four, five.

We do add into the overall contract value about \$400,000 for transit missions and engine overalls transmissions and engine overhaul so we added that into the contract value now brings it up to \$29.2 million.

So with that, we're asking for a contract award to Total Transit in the amount of \$30,660,000 that includes a general contingency for service expense which we put into all of our contracts in the event we have service increases.

IT WAS MOVED BY MAYOR WILLIAMS, SECONDED BY COUNCILMEMBER ARREDONDO-SAVAGE AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CEO TO EXECUTE A 5-YEAR BASE CONTRACT WITH ONE 3-YEAR OPTION AND ONE 2-YEAR OPTION WITH TOTAL TRANSIT ENTERPRISES TO PROVIDE WEST VALLEY FIXED ROUTE BUS SERVICE FOR AN AMOUNT NOT TO EXCEED \$30,660,000 FOR THE 5-YEAR BASE CONTRACT FOR THE PERIOD OF JULY 1, 2019 TO JUNE 30, 2024.

6. Election of Board Member to Fill a Vacant RPTA Position on the Audit and Finance Subcommittee

Chair Tolmachoff said the next item on the agenda is the election of a board member to fill the vacant RPTA position on the Audit Finance and Subcommittee. Councilmember Stipp has applied for the position. Do we have a motion and a second for his approval?

IT WAS MOVED BY COUNCILMEMBER EDWARDS, SECONDED BY COUNCILMEMBER KLAPP AND UNANIMOUSLY CARRIED TO ELECT COUNCILMEMBER STIPP TO SERVE ON THE AUDIT AND FINANCE SUBCOMMITTEE FOR THE TERM ENDING JUNE 30, 2019.

7. Future Agenda Items Request and Report on Current Events

Chair Tolmachoff said the next item on the agenda is future agenda items or any reports from any of the board members. Does anybody have anything?

Okay. If not, then the next Board meeting will be on Thursday, February 21, 2019 at 11:15 a.m., and the meeting is adjourned.

Mr. Smith said and we'll get try and decide and propose some dates for those study sessions as soon as we possibly can.

With no further discussion the meeting adjourned at 12:24 p.m.



Information Summary

DATE

February 14, 2019

AGENDA ITEM 3

SUBJECT

Fiscal Year 2018 (FY18) Regional Public Transportation Authority (RPTA) Comprehensive Annual Financial Report (CAFR) and Single Audit Reporting Package (SARP)

PURPOSE

To request acceptance of the Comprehensive Annual Financial Report and Single Audit Reporting Package for the period ended June 30, 2018.

BACKGROUND | DISCUSSION | CONSIDERATION

CliftonLarsonAllen LLP, Certified Public Accountants, has completed the audits of the financial statements and Schedule of Expenditures of Federal Awards for the fiscal year ended June 30, 2018. Valley Metro's has complied with both state and federal statutory audit requirements as well as adhered to Generally Accepted Accounting Principles in financial reporting. The Comprehensive Annual Financial Report demonstrates Valley Metro's commitment to the highest standard of financial reporting for a governmental entity.

In performing the audit of the financial statements, CliftonLarsonAllen LLP considered internal controls in order to determine auditing procedures for the purpose of expressing opinions on the financial statements fair presentation, in all material respects, of the financial position of RPTA and not to provide an opinion on the organizations internal controls.

The auditors identified one issue in the FY17 audit which resulted in a prior period adjustment and a finding of material weakness in internal controls related to accumulated depreciation on fixed assets. Management has taken corrective actions to ensure the proper controls are in place to prevent a recurrence. The auditors noted that the weakness had been remediated in FY18.

Valley Metro RPTA's Comprehensive Annual Financial Report for FY18 received an unmodified opinion. RPTA received the GFOA Certificate of Excellence for the FY17 CAFR, which demonstrates the agency's commitment to the highest standard of financial reporting for a government entity.

The Independent Auditors' Report is attached and the full CAFR is available from the Valley Metro website.



COST AND BUDGET

None

COMMITTEE PROCESS

RTAG: January 15, 2019 for information

TMC: February 6, 2019 approved

Board: February 21, 2019 for action

STRATEGIC PLAN ALIGNMENT

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

- o Goal 2: Advance performance based operation

RECOMMENDATION

Staff recommends that the Board of Directors accept the FY18 Comprehensive Annual Financial Report and Single Audit Reporting Package.

CONTACT

Paul Hodgins

Chief Financial Officer

602-523-6043

phodgins@valleymetro.org

ATTACHMENT

Independent Auditors' Report

The complete reports are available on the Valley Metro website at the following URL:

<https://www.valleymetro.org/finance-budget-reports>

INDEPENDENT AUDITORS' REPORT

Board of Directors
Valley Metro Regional Public Transportation Authority
Phoenix, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Valley Metro Regional Public Transportation Authority (Authority), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Valley Metro Regional Public Transportation Authority as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information – Schedule of the Authority's Proportionate Share of the Net Pension/OPEB Liability and Contributions and the General Fund budgetary comparison schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary information which include the Introductory Section, Other Supplementary Information – Combining and Individual Fund Financial Statements and Schedules, and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Other Supplementary Information – Combining and Individual Fund Financial Statements and Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information – Combining and Individual Fund Financial Statements and Schedules is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2018, on our consideration of Valley Metro Regional Public Transportation Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Valley Metro Regional Public Transportation Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Valley Metro Regional Public Transportation Authority's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Phoenix, Arizona
December 19, 2018



Information Summary

DATE

February 14, 2019

AGENDA ITEM 4**SUBJECT**

Change to ADA Paratransit Service Area in Mesa

PURPOSE

To request approval to redefine the ADA paratransit service area within the City of Mesa to include only those areas that are mandated by Federal law, effective July 1, 2019.

BACKGROUND/DISCUSSION/CONSIDERATION

The Americans with Disabilities Act (49 CFR Part 37) establishes the minimum requirements for the provision of paratransit services by transit agencies. In brief, paratransit is required to be provided within:

- Three quarters of a mile of bus routes or rail stations, not including express or commuter services.
- Small areas not within three quarters of a mile of a transit route but which are surrounded by areas where service is required

Within the Phoenix metropolitan area, each individual community defines the area within its boundaries where and under what terms ADA paratransit services will be provided. The City of Mesa has defined its ADA paratransit service area to include all areas with its city limits, which includes a large area where services are not mandated by Federal law.

ADA paratransit service is provided to any certified rider as requested by customers without limits as to the number of trips taken. Riders pay \$4.00 per trip with no limits on trip length within the Phoenix region. Customers generally must reserve trips 24 hours in advance, and often are asked to share trips with other riders.

In addition to ADA paratransit, Mesa has contracted with Valley Metro to provide RideChoice service, a non-mandated lower cost alternative transportation program for eligible riders. RideChoice is a same-day on-demand service that utilizes third-party providers such as taxis and Lyft to transport ADA certified customers. In Mesa, each customer is allowed up to 50 one-way RideChoice trips per month. Each trip costs the customer \$3.00 for up to eight miles of travel, and \$2.00 per mile for each additional mile traveled on that trip.

Over the past few years, the demand and cost for ADA services in Mesa has grown significantly. This growth is expected to continue as the population of eligible riders



continues to increase, and both Mesa and Valley Metro have serious concerns over the sustainability of the service unless changes are made to the service model.

In light of these concerns and the desire to provide riders with quality services, Mesa staff has proposed redefining the ADA paratransit service area to include only areas where Federal law mandates service. RideChoice services would continue to be provided to customers living in those areas outside the mandated ADA paratransit area.

Map A (attached) shows both bus and rail lines operating within the City of Mesa (which define mandated ADA service areas) and the area in which ADA paratransit and RideChoice services are currently provided. Map B (attached) shows the areas where the City proposes to offer ADA Paratransit services, and the area in which RideChoice will be offered in lieu of mandated paratransit services.

The ADA allows public agencies to modify their ADA paratransit services as long as the modifications do not result in violations of ADA minimum requirements. However, if an agency proposes a modification to one of several identified ADA paratransit service criteria (including the service area definition), the agency is required to engage in public outreach efforts consistent with public outreach that the agency would perform with other significant service changes. To address this requirement, Valley Metro and the City of Mesa conducted the following public outreach activities:

- September 18, 2018 – Mesa Transportation Advisory Board
- September 26, 2018 – Mesa Human Relations Advisory Board
- September 27, 2018 – Valley Metro Accessibility Advisory Group
- October 29, 2018 – January 15, 2019 – Six public outreach meetings at locations throughout Mesa and additional meetings with specific social service agencies, dialysis units and disability community organizations

In addition to these meetings and presentations, Valley Metro and Mesa staff conducted the following outreach to Mesa residents advising them of proposed changes and regarding other transportation options and of their right to provide comment:

- Audio messages advising paratransit customers while on-hold waiting to make reservations.
- Flyers distributed by Valley Metro Paratransit drivers to customers who began or ended their trips in Mesa.
- Letters to all active Mesa paratransit customers, advising them of proposed changes, opportunities to learn more and where to provide comments.
- Calls were made to approximately 700 active Mesa paratransit customers who may be impacted.
- Custom webpage, valleymetro.org/mesachanges, where customers could review presentations, proposals, post questions, and provide feedback.



- Valley Metro and the City of Mesa conducted a formal public hearing at the Red Mountain Public Library where customers could provide additional comment.

Some residents have expressed concerns about the potential loss of transportation access that customers in the impacted area may experience. This risk is largely mitigated by the existence of Valley Metro RideChoice which will provide a minimum of 20 affordable one-way trips per month and up to 50 when needed for work, medical and school. This amount of service is sufficient to permit a customer to make a round trip to and from work or school five days per week and complete a total of three other round trips. Some commenters also expressed the concern that some customers may need to take longer trips, which could be costly under the RideChoice's distance-based approach to the fares of trips longer than eight miles.

Staff recognizes there is a small number of customers who will be adversely impacted by the proposed changes. Nevertheless, after considering the overall positive impact on the system, we recommend adopting the proposed changes for the following reasons:

- By adopting this mandated service area definition, Mesa will help make the level and quality of service provided across the region more consistent. Having a more consistent service delivery model will result in reduced confusion and complexity for customers, and a simpler system to manage and operate.
- By providing ADA paratransit in the same areas as where transit operates, Valley Metro and the City of Mesa will be promoting equity among all customers, including customers with and without disabilities.
- No customers will be stranded. Valley Metro and the City of Mesa can serve customers within non-mandated areas of Mesa with RideChoice for less than half the cost of a comparable amount of ADA paratransit.

COST AND BUDGET

Cost implications of this operational change will be reflected in the future fiscal years' budget and IGA's. The 2020 Valley Metro Five-Year Operating Plan and Capital Program is currently based on the assumption that this proposed change will be adopted by the Board of Directors. If the change is not adopted, Valley Metro will revise the budget accordingly.

This change will improve the sustainability of the service by providing an option to effectively manage long-term growth in demand and costs for ADA paratransit services as the eligible demographic for paratransit service continues to grow.

STRATEGIC PLAN ALIGNMENT

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

- Goal 2: Advance performance based operation



COMMITTEE PROCESS

RTAG: January 15, 2019 for information

TMC: February 6, 2019 approved

Board of Directors: February 21, 2019 for action

RECOMMENDATION

Staff recommends that the Board of Directors redefine the ADA paratransit service area within the City of Mesa to include only those areas mandated by Federal law, effective July 1, 2019.

CONTACT

Rob Antoniak

Chief Operating Officer

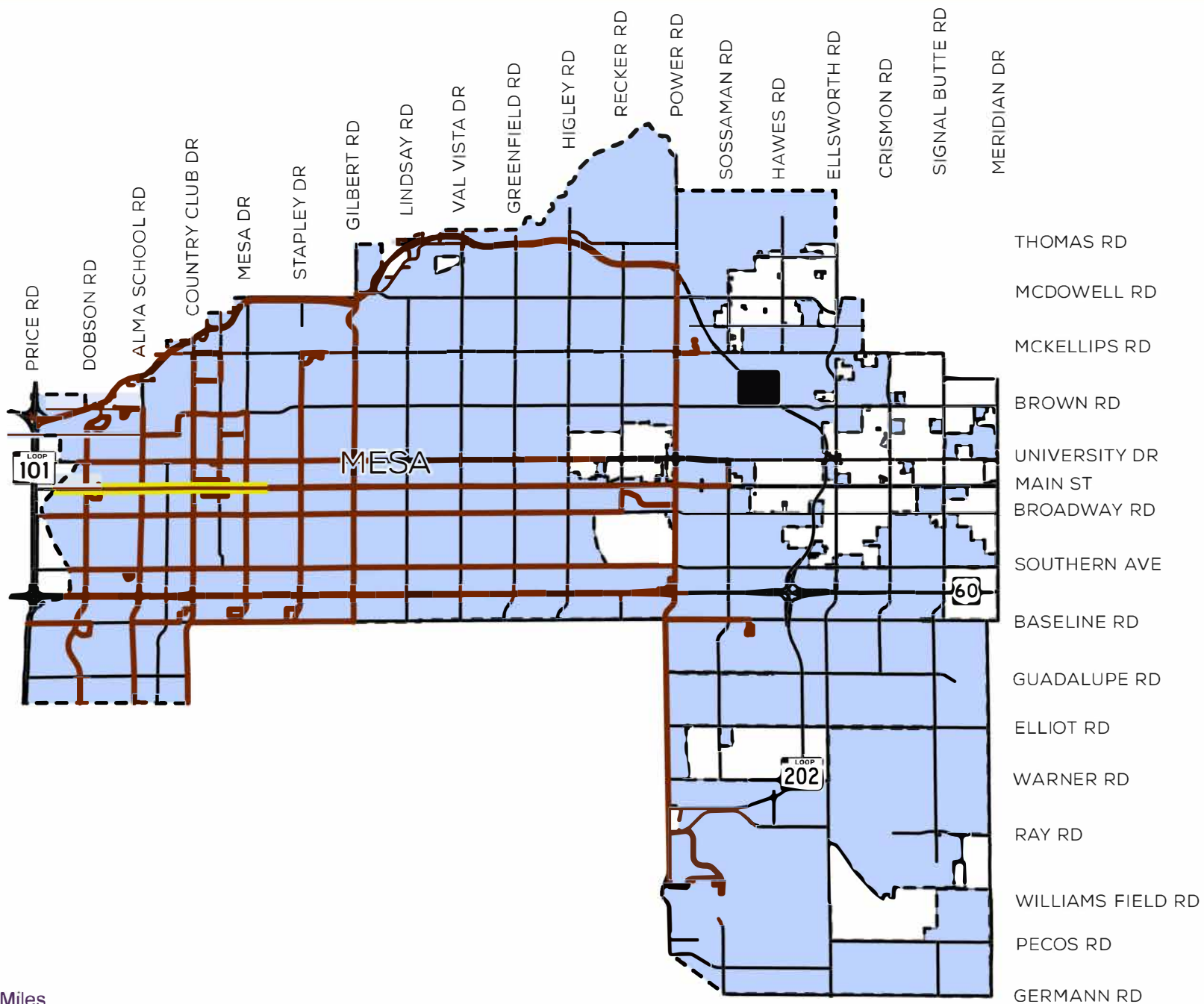
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rantoniak@valleymetro.org

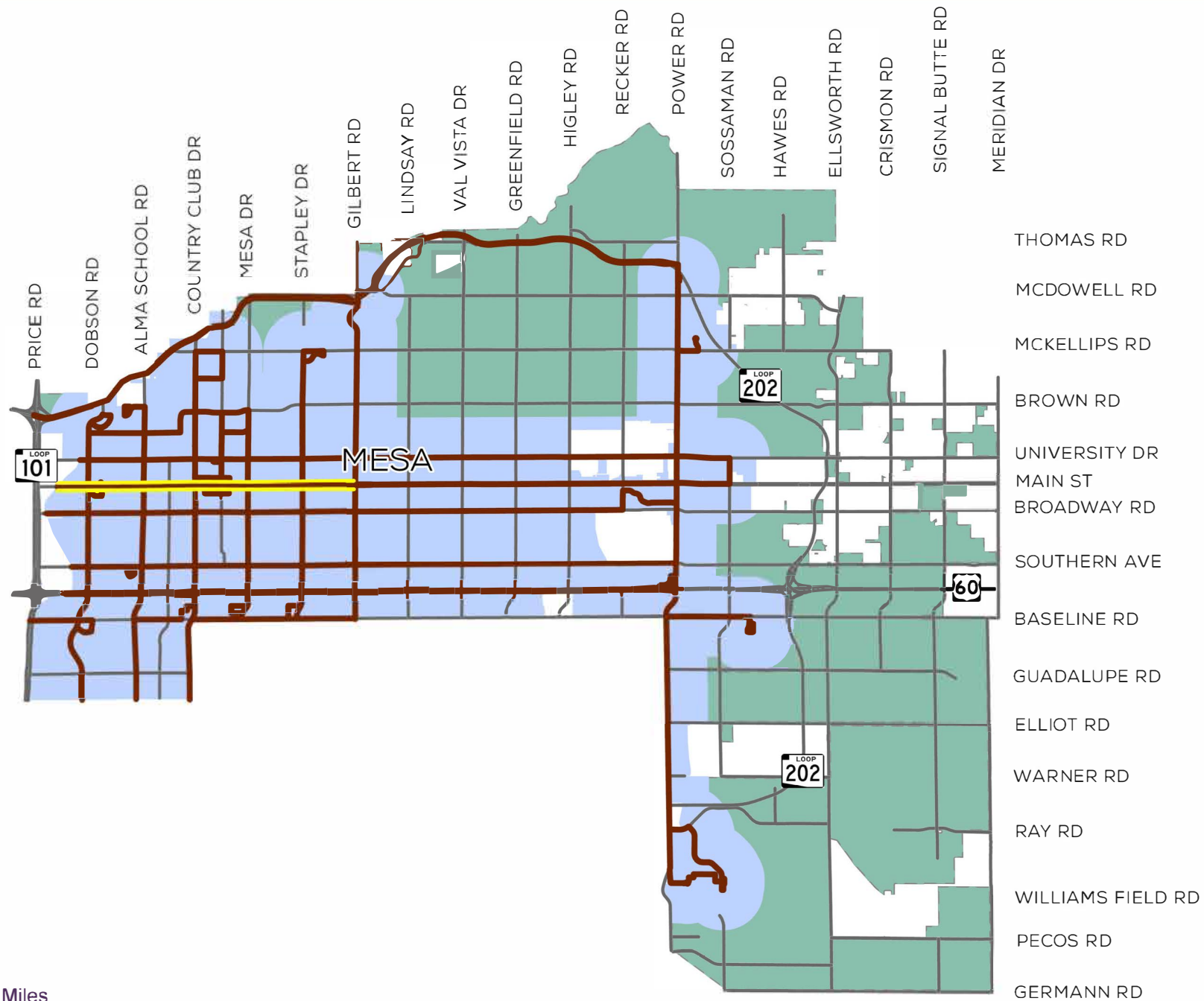
ATTACHMENTS

Map A - Current Valley Metro Transit Routes Serving Mesa

Map B - Proposed Paratransit and RideChoice Services in Mesa



Current Paratransit & RideChoice Services in Mesa



Proposed Paratransit & RideChoice Services in Mesa

- Bus Route
- Light Rail

- Paratransit & RideChoice Service Area in Mesa
- RideChoice Service Area in Mesa
- Mesa County Islands
- Major Arterials



Change to ADA Paratransit Service Area in Mesa

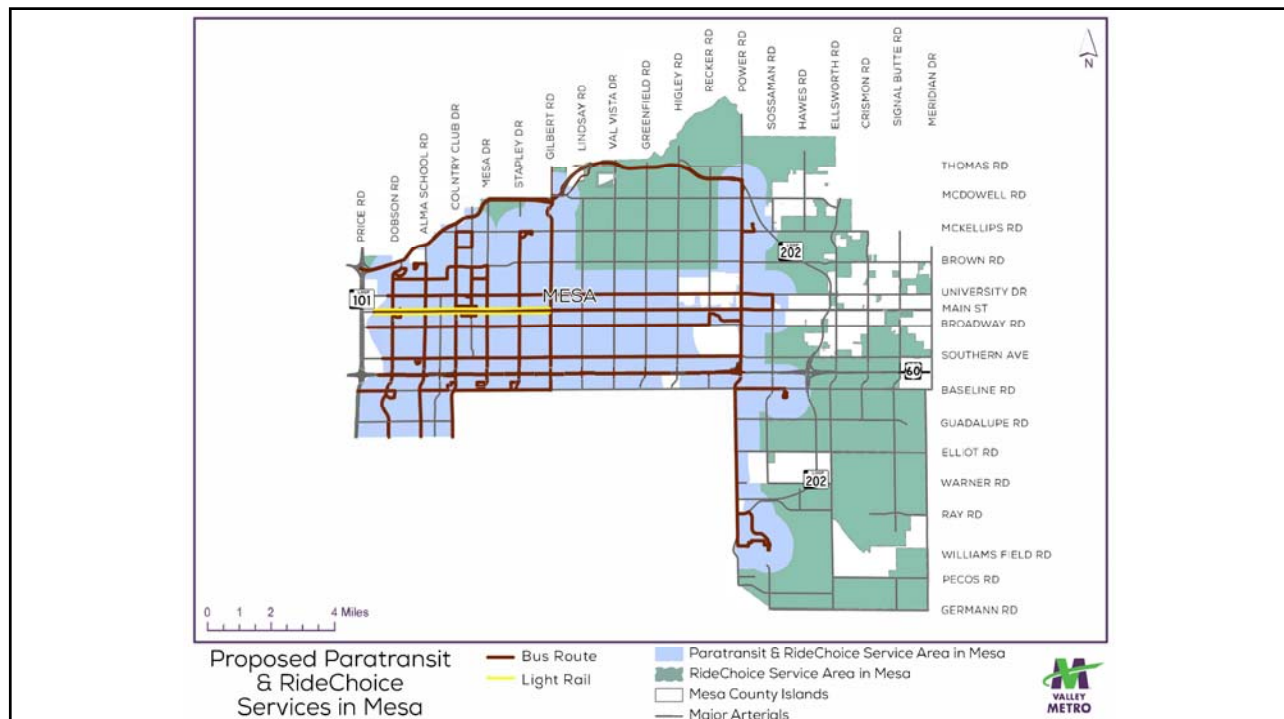
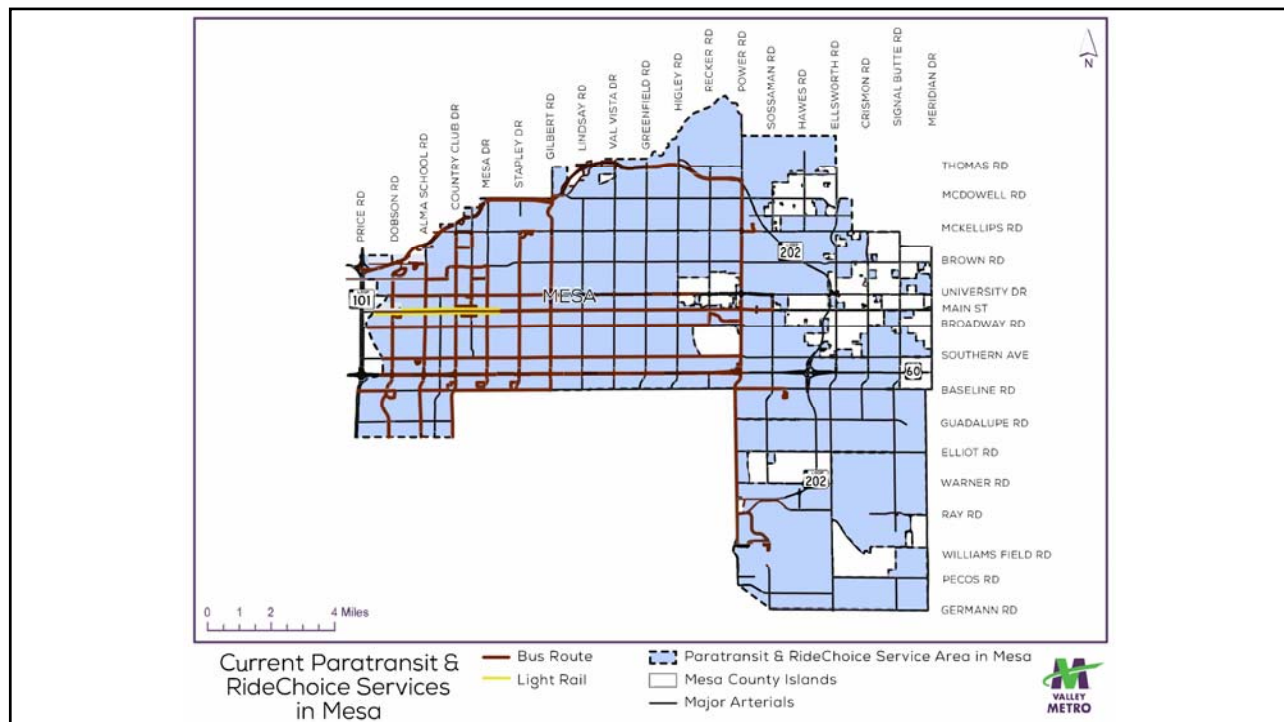
February 2019



Purpose



- Redefine the ADA paratransit service area within Mesa
- Areas mandated by Federal law – $\frac{3}{4}$ mile from local bus and light rail lines
- July 1, 2019 implementation



Impact



- 82% of the current customers experience no change
- All ADA certified customers will continue to have access to paratransit for trips that begin and end within the mandated ADA paratransit service area
- All ADA paratransit certified residents of Mesa will have access to Valley Metro RideChoice

5

Summary of Outreach Efforts



- Letters to customers
- Flyers distributed on vehicles
- Telephone calls to affected customers
- Project webpage with comment form
- Community outreach meetings
 - Approximately 75 attendees
- Comments accepted in person, via phone, mail, and online
 - Approximately 90 comments received



6



Addressing Customer Concerns

- **No current customer will be left stranded**
- **All customers eligible for RideChoice**
 - 24/7 service
 - Lyft, taxicabs and WC accessible vans
 - No advanced reservation or shared ride requirements
 - \$3 for up to eight-mile trip; \$2 per-mile after
 - Can transfer to ADA paratransit
- **Change impacts 18% of current customers**
 - Approximately 700 customers

7



Next Steps

- **Ongoing:**
 - Paratransit and RideChoice eligibility
 - Trip planning
 - Continued community/stakeholder outreach
 - Letters, calls, on-hold messages and flyers
 - Additional assistance
 - One-on-one
 - Identification of safe transfer locations



- **July 1, 2019 – Service change implementation**

8



Recommendation

Staff recommends that the Board of Directors approve the City of Mesa's proposal to redefine the ADA paratransit service area within the City of Mesa to include only those areas mandated by Federal law ($\frac{3}{4}$ mile of local bus and light rail lines) and to direct that beginning July 1, 2019, ADA paratransit services within Mesa be provided within those areas.



Information Summary

DATE

February 14, 2019

AGENDA ITEM 5**SUBJECT**

Future Agenda Items Request and Report on Current Events

PURPOSE

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

BACKGROUND | DISCUSSION | CONSIDERATION

None

COST AND BUDGET

None

STRATEGIC PLAN ALIGNMENT

None

COMMITTEE PROCESS

None

RECOMMENDATION

This item is presented for information only.

Scott Smith

Chief Executive Officer

602-262-7433

ssmith@valleymetro.org

ATTACHMENT

None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date



Agenda

February 14, 2019

Valley Metro Rail
Thursday, February 21, 2019
Lake Powell Conference Room
101 N. 1st Avenue, 10th Floor
11:15 a.m.

Action Recommended

1. Public Comment (blue card)

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. Minutes

2. For action

Minutes from the January 17, 2019 Board meeting are presented for approval.

CONSENT AGENDA

3A. Non-Revenue Vehicle Purchases

3A. For action

Staff recommends that the Board of Directors authorize the CEO to purchase 3 non-revenue maintenance trucks complete with service bodies through a cooperative agreement under Arizona State Contracts from Sanderson Ford in an amount not to exceed \$121,612.

3B. Fiscal Year 2018 Valley Metro Rail, Inc. Comprehensive Annual Financial Report (CAFR) and Single Audit Reporting Package (SARP)

3B. For action

Staff recommends that the Board of Directors for accept the FY18 Comprehensive Annual Financial Report and Single Audit Reporting Package.



- 3C. Station Name/Point of Interest name for the 50th Street Station

3C. For action

Staff recommends that the Board of Directors approve the name of "50th Street/Washington" for the station being constructed at 50th and Washington Streets.

REGULAR AGENDA

4. Future Agenda Items Request and Report on Current Events

4. For information

Chair Williams will request future Board agenda items from members and members may provide a report on current

5. Next Meeting

5. For information

The next meeting of the Board is scheduled for
Wednesday, March 21, 2019 at 11:15 a.m.

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



Information Summary

DATE

February 14, 2019

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.

BACKGROUND | DISCUSSION | CONSIDERATION

None

COST AND BUDGET

None

COMMITTEE PROCESS

None

RECOMMENDATION

This item is presented for information only.

CONTACT

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

ATTACHMENT

None

Minutes

February 14, 2019

AGENDA ITEM 2

Board of Directors

Thursday, January 17, 2019
Lake Powell Conference Room
101 N. 1st Avenue, 10th Floor
11:15 a.m.

Meeting Participants

Mayor Thelda Williams, City of Phoenix **(Chair)**
Councilmember Robin Arredondo-Savage, City of Tempe **(Vice Chair)**
Vice Mayor Lauren Tolmachoff, City of Glendale
Mayor Kevin Hartke, City of Chandler
Councilmember Francisco Heredia, City of Mesa

Chair Williams called the meeting to order at 12:24 p.m. First is public comment.

1. Public Comment

Mr. Crowley said good afternoon. And I'll cut right to the quick. When I was at the manager's meeting and the first thing out of the mouth of I believe it was Hillary when it came to your control of the stops was we have to take possession of this. And I went interesting. Right now you've got a destination to where anybody is using the rail they can't look at the art and that. They need to get there and go. And according to what you said in the past you want to expand that to the bus.

Like I've said if what it is you're having a problem with is fare collection, why didn't you put on, what do you call it fare collectors.

Instead, you've got people confronting et cetera and you've got the Mormon Mission to make people be the way they want them. We don't want anybody that's been drinking or that is in any way not anonymity doing what it is that you need to have done at the stop.

So why you continue this headlong search into having your own police force I don't know. What we need to do is honest fare collection and people to respect the ride and the best way to get people's respect is what, respect them. And the attitude of both the ambassadors whoever's going to take possession of that platform, well, that person that was there isn't trying to take it. They're using the system and you need to get some respect for them.

As to what the other parts of this, I've, over and over again said any part of the rail can you do it solar, any part of the bus can you do it solar and get that moneys and such. And what's happening is not that.

With the South Central extension and relocation of utilities, interesting amount \$22,204,102 and \$105. When there was expansion of the roadway there? Weren't those things addressed and done?

So I see all the moneys that you have to spend when it comes to the rail like the \$90 million. And then when you say, well, we don't have the money to expand the bus as we've been committed to, I go, well, I see where the money went. You need to get those buses.

Chair Williams said thank you, Blue.

2. Minutes

Chair Williams said that brings us to the minutes of December 13, 2018. Is there any discussion, changes or a motion?

IT WAS MOVED BY COUNCILMEMBER TOLMACHOFF, SECONDED BY COUNCILMEMBER ARREDONDO-SAVAGE AND UNANIMOUSLY CARRIED TO APPROVE THE DECEMBER 13, 2018 BOARD MEETING MINUTES.

3. Consent Agenda

Chair Williams said next is the consent agenda, does anyone have any questions?

Mr. Smith said Madam Chair, I think and we were going to do this, but the agenda already went out, we'd like to remove 3E and I think that deserves an explanation.

Councilmember Arredondo-Savage said I was going to ask if that's okay. I was just going to ask a question because I know this study was from 2016, it's a large ticket item, but exciting all at the same time, so maybe it would just be good, I think, just to give a little highlights and the details, so however you would like to do that.

Mr. Smith said I think it deserves a short little explanation especially in light of the overall environment that we're operating in which is confusing to say the least and uncertain, but this is something that regardless, this is truly a regionwide issue and this, I think Wulf, who will come up and give a presentation. Well, first of all, do you want to move forward with this or do you want to go back and vote on the other and do this separately, Madam Chair?

Chair Williams said why don't we just get the report on this. And I also wanted to make a comment on 3D.

Mr. Smith said sure. I think Wulf can handle both of those. And let's take 3D first off and then we'll go to 3E. Wulf Grote for those of you who don't know him.

Mr. Grote said Madam Chair, members of the Board, so the first item that I wanted to talk about was 3D which is utility relocation. So the utility relocation work that we're proposing here is both for the design and the construction of third-party utilities in the downtown area preparing us for the construction of light rail for South Central. And the work that we are doing, we feel is necessary now.

Mr. Smith said actually light rail for downtown. None of this is required to build light rail on South Central.

Mr. Grote said and the work that we are proposing it needs to be done now so that we can have all of the downtown complete prior to the Super Bowl in February of 2023. So our intent is to have all of the downtown construction work, utility work, our track work, all the work that we have to do done by the summer of 2022.

And in order to make that schedule we have to start utility relocations very quickly. We have been working with the utility companies already on their designs and some of them, the most significant one is actually APS in the downtown they have the most activity in downtown. And we need to start relocating some of their manholes as early as the March roughly time frame.

So that's the reason that we're trying to bring this thing forward is so that we can get the authorization to enter into the necessary work orders with these various utility companies so that they can start their work in downtown to be done in time for the Super Bowl.

And this is about the overall work we're looking probably roughly a year and a half worth of work that activity that will be going on.

Chair Williams said worst-case scenario and would this still be necessary if South Central was not completed?

Mr. Smith said not all of it, some of it but not all of it. There's no doubt that there is some of the utility work that is tied to the overall downtown plus South Central, but not all of it. So there's work that needs to be done even if we don't build South Central because there are certain things we'd like to do to improve safety and operational, for example, the 5th Street bypass the McKinley bypass which things that were tried to be built as in the original 20 miles but were delayed or deferred or not built because of the budget at that time that create major operational problems for us especially with special events.

We didn't have any place to stage trains or to get emergency exit's out of so that work would be done regardless of whether South Central is ever done -- the South Central expansion -- other work absolutely is tied to the entire project, yes.

Chair Williams said okay. And how much of this would be under construction by August?

Mr. Grote said well, the main thing, as I mentioned before, is on 5th Street we need to do some manhole relocations. That's the first activity that we would take on. There are some other things that we're still working on detailed schedule for, but of the twenty million dollars that we're programming for this does on construction activity, we're expecting that between now and September we would probably spend roughly plus or minus three to five million dollars of that.

Chair Williams said thank you.

Mr. Smith said and one thing is we've agreed with the contractor not to start any construction before April.

Chair Williams said okay. Takes us to the next item.

Mr. Grote said the next item we have a presentation that we've prepared that I'd like to bring Josh Matthews up for that. I'm going to just introduce this. Our intent here is today is to award a design build contract to Hensel Phelps to expand our maintenance facility.

Josh Matthews has been our project manager through the planning and the preliminary engineering process and just to give you a quick description of what the project is, he'll do that and then I'll come back and talk to you about the procurement itself.

Mr. Smith said and to answer your question, regardless of what happens in August this expansion needs to be undertaken. This is completely irrelevant to any of the questions that are currently before as far as future expansion. This expansion still needs to take place. And Josh will explain why.

Mr. Matthews said thank you, Madam Chair, members of the Board. As Wulf said, my name is Josh Matthews. I've been with Valley Metro under Wulf for about five years. And I've had the pleasure of being the project manager for this project for two years.

Just to give you a little background, this is our current operation and maintenance center for those that don't know, it is off of 48th Street just south of Washington really close to the 50th Street Station. It was built in 2006 for the light rail vehicles that we received from Kinkisharyo for the starter line.

So the OMC, as you can see on this graphic is made up of five primary facilities. The largest and most notable is the maintenance of equipment building labeled M-O-E. It's the big white square in the middle of the site.

That is where our vehicles are maintained. We have off space, we have shop space, parts storage as well as comfort facilities for the employees such as kitchens, locker rooms, bathrooms et cetera. We also have the MOW or the maintenance of way building which is the smaller white square to the east. That's where our staff that maintain the guideway, the station platforms, the traction power substations that's where they're housed includes very similar type facilities shop space, offices, comfort facilities for the staff.

We also have if you look in the lower part of it, we have two cleaning areas. The first one is the service and cleaning platform which is an at-grade station that allows our cleaning staff to board the train and clean the inside. And then we have the vehicle wash which allows the train to be driven through and washed on the outside.

Lastly in the orange and in the green, you can see the track work including the storage track to the north where we store all of our vehicles when they're not in service.

A few other key points, we have our yard entry lead on the east side which goes to the main line allows the vehicles to go in and out of the facility. We have the traction power substation that provides all of the power for the facility and we do have solar panels which were mentioned in the previous to board meeting both on the solar or on the canopies as well as on the ground in the northwest corner of the site.

Our current optimal storage for vehicles is 36 vehicles. This was based on the original order that we made for 36 vehicles for the starter line. However, very shortly thereafter Valley Metro determined that we wanted to purchase more vehicles using local dollars, so we purchased 14 more to bring our fleet size up to 50. However that was done at a later date and the OMC there was no major expansion to house those 50 vehicles.

Now currently we are operating the 50 vehicles and we can make it work. But the site's optimal storage capacity is 36 vehicles.

And so we begin a study to look at a needs assessment for the OMC expansion three years ago. We looked at this as our assumption for the fleet size that we are going to be procuring in the next few years. As you can see, we have an initial 50 vehicles from Kinkisharyo.

We have seventeen vehicles on order. The first eleven are from Siemens light rail vehicles, eight of those is for existing system capacity to bring us up to our spare ratio standards and provide additional three-car train service for specific events. And we have three vehicles for the Gilbert Road extension. Those are on order right now and will be delivered in 2019, 2020.

We also have six streetcar vehicles that are being produced by Brookville streetcar company in Pennsylvania. So when this facility is expanded and those vehicles are on order and coming in in late or middle of 2020.

Then when those vehicles come, we'll have three separate types of vehicles at the OMC. After our needs assessment and based on working with the OMC staff and said what are your problems right now. There were multiple problems including like I said the storage capacity and the service and cleaning platform we have vehicles backing up when they come in in the evening.

We also looked at what are the problems going to be if we were to expand to somewhere of 92 vehicles and that includes an additional 25 vehicles for projects like South Central and Northwest Phase II and Cap/I-10 Phase I.

So our OMC staff helped us progress us through the planning study into a preliminary engineering where we developed 30 percent design drawing that would lead us into procuring a design build contractor to complete this project for us.

We chose design build because it improves communication during design and construction instead of having two separate contractors do that work as well as it accelerates the project completion because we do have vehicles coming in right now, we wanted to move this project ahead as quickly as possible.

This graphic provides an overview of the expansion that we are proposing right now. As you can see in the blue blobs that expand out on the MOE and the MOW we're expanding both of those buildings significantly.

The MOE we're going to be providing additional shop space. We're going to be building a new operations op-ready room to allow the operators to get ready in the morning. And then convert the old operating room to office space.

We're going to be expanding parts storage because like I said we're going to have three vehicles which means we'll have three different parts for three different vehicles as well as the maintenance of way building because we have additional track work, additional stations that will be being maintained.

We're expanding their office space their shop space and their facility.

We're adding a new service and cleaning platform. This is one of the most desired components of this project because, as I mentioned, we have vehicles backing up when they come in way up here. It creates an unsafe situation for operators getting in and out of the vehicles.

And then we are also adding additional storage track to the north. As you can see right now that's a wash area and so we're going to be building a retaining wall and expanding out to provide space for those additional vehicles.

We also are going to require new traction power substation because we have so many extra vehicles we're going to need more power to power those vehicles and the facility. And we're going to be including about another hundred parking spaces for employees.

And so one of the things that we've had questions about is what facilities are applied to which projects or, you know, what components of this can be applied to, let's say, the first seventeen vehicles that were getting versus South Central and those future projects.

So right now the OMC needs expansion just based on where we are with our 17 vehicles that we're receiving that are already on order. We need additional shop space. We need additional storage tracks to store those vehicles which includes that retaining wall which we'll need to build. One of the keys is if we're going to build that retaining wall, we only want to build it once. We don't want to build it to expand two tracks and then have to come back and build another retaining wall to build the third track. We're going to need, like I said, the traction power substation will be needed for those first 17 vehicles.

When we look at South Central or future projects we identified facilities for future fleet expansion. We need that one additional storage track which provides about 14 additional vehicles spaces to park vehicles as well as a new mezzanine and the maintenance of equipment building to provide another maintenance space maintenance stall for additional vehicles.

And then during our negotiations which Wulf will talk a little bit further, we deferred two components of this project. We added an additional south storage track for five additional vehicles and some improvements to the light rail vehicle washer which were deemed unnecessary during negotiations. I'll hand it off to Wulf to finish up and then we can take questions.

Mr. Grote said just one note about this slide before we leave it, the needs that we have the big cost needs that we have are really in the first element of this is that in the things that we need to satisfy our existing fleet as well as the 17 vehicles that are coming that are on order right now. So by if for some reason we decide that future expansions aren't moving forward we're still going to need these facilities.

We might be able to shave a little bit here and there, but for the most part, you know, the cost of adding the tracks on the north side for example most of the cost is in the retaining wall and that's the big ticket item. The maintenance of equipment building it's really hard to break that into pieces. You just got to do that all at one time.

So those all those on the top are the major cost elements of this and also considerations as we went forward, you know, in our negotiations. So as Josh mentioned this is a design build procurement which we are required to do a two-step process. We started with qualification statements. We received two, one from Sundt and one from Hensel Phelps Hensel Phelps firms to be qualified and we move them forward into the proposal process. We did receive in April we received not only their proposals but also their cost proposals as well. And I mentioned the month of April to show you how long we've been dealing with this.

We have been talking now for the last eight months about this expansion. And the reason that we've been talking so long is that the initial proposals that we've received to our surprise came in much higher than we anticipated. And really a lot of that has to do with the market. Some of it had to do with some of the scope additions that we recognized that we needed to have to make this facility work, but a great amount of that was really with the market that now exists in the construction world not just here but around the country. And I know ADOT is experiencing similar concerns and cost increases on many of their projects for the same things we're seeing.

So what we did after the April time frame is that recognizing the cost we thought, okay, how can we bring this thing back into our program the amount that we had for this project in our life cycle program. And so we looked at things that we could reduce and we also decided to go back to the two companies and ask them to look at possible scope reduction options. We had like nine different options into areas that, you know, how much would they take off if we didn't do these different things.

We did receive their best and final offers in July. And then in August we the selection committee recommended to move forward with Hensel Phelps. And then I should mention as far as this goes, this was unanimous by the committee as well as not only did they have the best proposal, but they also had the best cost, so they were best on both sides.

We proceeded to work with them over the next few months through December. Had nine different meetings with them. And over that time we recognized as we mentioned previously and Josh mentioned that most of the elements that we're moving forward with we really needed to move forward with now.

We really couldn't afford to wait on some of these things, although, we did in the process we were able to reduce overall the price about eight and a half million dollars through scope reductions as well as through price reductions by the contractor.

And we also did an independent cost estimate with numbers that came in very consistent with what our price proposals had been from the contractor. So we felt pretty good that the numbers were good numbers.

So what does all that mean? The top of this chart shows you the costs that are involved. The initial award to the construction contractor to Hensel Phelps would be for \$82.6 million. The overall project, if you add all the costs and contingencies in, is just under \$95 million dollars. What we had programmed in this project was just under 67 million dollars initially.

In working with our finance folks and Paul, we identified funds that are in our life cycle program in the reserve that we'd like to reallocate \$22 million. Some of that money coming from the PTF, public transportation fund, and some of that coming from federal congestion mitigation air quality funds. And the balance of that change would be coming out of the South Central project which is six million dollars.

Should we give them approval today, the plan is to provide a notice to proceed by early February. The first few months we'll actually give them a limited notice to proceed to move only forward with design, but in May according to their schedule they would need to start some of the construction elements early even though we'll continue with design pretty much through the rest of the year with the intense of having the project closed out in -- well, actually construction done in January of 2021 in time for the new vehicles -- the seventeen new vehicles that we have arriving.

So with that, the recommendation really is twofold. One is to award the contract, and the second one is to approve adjustment of our life cycle program to accommodate the additional funds.

Chair Williams said Wulf, can you go back a slide, please. The South Central light rail because do we have those dollars in hand? Is that federal money? Where's the money come from? What pot?

Mr. Smith said as you can see, that's the amount that's in the life cycle plan right now. Obviously, depending on what happens, if that doesn't happen and South Central never takes place, we still have those moneys between the amount within the regional the PTF that's currently allocated to South Central would still be available.

Chair Williams said is that like Prop 400 money?

Mr. Smith said yes, that's Prop 400 money. PTF is Prop 400 money.

Chair Williams said all right -- that's not a problem.

Mr. Smith said we're moving toward a plan where this would be built completely non at-risk money meaning that we could build it regardless of having to go back and redo things. This plan was put up before the initiative was filed.

And so the only part that we would have to go back and reprogram is the 5309 -- that's the federal capital grant program. That obviously if South Central is not built, that's not available.

We do have balances in the PTF and other sources that we could come back and backfill that by juggling around from some other things because, you know, one thing we're working on is if the project if the initiative goes through and let's say, then we'll have to re-juggle a whole lot of stuff because we have sitting out there a lot of regional funds that have been allocated to various projects and a lot of other sources that, you know, the whole landscape changes depending on what happens in August.

So, we were already planning for that and say what if proposals. This one is set up to where the impact would be minimal and we could easily juggle funds around to pay for it with existing money. I don't want to say cash in hand, but it's in the program.

Chair Williams said exactly. I just want to make sure. Other people are aware of what we're doing so that we're not so that this won't surprise us in August or September.

Mr. Smith said and depending on how this plays out, we may be coming back to you to further ask for some changes in the TLCP as we try to reposition funds to make maximum use and to limit the risk depending upon so we can move ahead with projects that need to be built like this and will be built regardless of what happens with the initiative and then, you know, shifting funds to where they're properly placed to where the risk is, is where those funds will be.

Chair Williams said thank you. I feel very positive. I do not have a problem, but I think we need to be cautious.

Mr. Smith said and we've had, just so you know, three, four, five meetings with your staff going over the various plans. And we're looking at ways, you know, obviously we're rethinking in light of the political climate. We're rethinking how all this program is put together because historically each of these projects were planned and the funding was all planned as if they were stand alone projects. I mean, South Central, for example, wasn't planned to even be built for another fifteen years.

That's when it is. So they have financial plans, meaning how do we use Prop 400, local moneys, federal moneys that were based on each of these ones being individualized.

Well, a few things have happened. Number one, we are playing catch-up with this project as you saw. You look at the big expansion in maintenance of way, for example. By the time Tempe Streetcar is done, we will have increased the amount of track in our light rail program by over 50 percent without an increase in the facilities that, as Josh said, from day one were undersized. And so that has to be done regardless of what happens.

And so we're looking. And the other thing is all these projects have sort of gotten squished together. So in many ways they're one big program with very, very close to building, so we're looking at how that whole thing is put together based on the realities of the world we're in. And that's not only here but in Washington D.C. We have a different environment in Washington D.C.

Chair Williams said can I just make -- in the future an item of this size, please don't put it on the consent.

Mr. Smith said it was supposed to not be on consent. We just messed up in doing it. As you can tell by the presentation we never did.

Councilmember Arredondo-Savage said that was exactly what I was going to say. This information was so good that it would have been great to even at least see that here and I really do support Mayor Williams idea of if this is something that's going to happen in the future, large item or something that has to do with a large policy discussion or expansions, definitely need to have a little bit more individualized attention, so I would one hundred percent support.

The other thing I just want to ask Wulf or Scott whoever it may be is when we start talking now, I mean, it's really great and exciting because, you know, the streetcar is -- well, you don't want to go down Mill right now, but it's pretty exciting, so when we talk about the light rail fleet and the streetcar fleet do we reference the same thing? Because I know they're a little bit different, the cars are a little different, but throughout your presentation you kind of mentioned two different fleets.

So how does that work? Does one incorporate the other?

Mr. Grote said each of the -- we actually today just have one fleet. And that's the vehicles that we have from Kinkisharyo. Very soon the light rail vehicles that we're going to be receiving from Siemens, while they're similar, there a lot of differences and they all have their set of parts and needs and we're going to have to maintain them somewhat different.

The same thing with the Brookville streetcars they'll have their own parts areas. So while they're very similar in how they function they do have different kinds of maintenance needs that we have to address. So we do have within this facility we have a set aside area specifically for the streetcar where they'll be maintained.

Councilmember Arredondo-Savage said so when you reference the fleet then you're talking about all three different types of fleet.

Mr. Grote said yes. Correct.

Mr. Smith said it would be like at the end of the day we have a Chevy Silverado pickups. Now we're buying Ford. They're basically the same but they're different. Now we're going to be a Toyota Highlander and that's your streetcar. It's smaller, which three different manufacturers -- two of them are very similar but one's a Ford, one's a Chevy, different parts.

Now you're bringing the Highlander in here and it's a smaller. The difference is is that the streetcar and our system has to be as you saw this facility is a long way away from downtown Tempe. So the streetcar has to run on both the light rail line and the streetcar line.

And that creates some challenges because we've had to upgrade our streetcar because there's some requirements to be on the light rail as it goes from the barn to the streetcar line it's on our light rail line.

So there's some complexities in here that we're taking care of and that means there's some complexities in your maintenance facility that have to be addressed.

Chair Williams said all right. Any more questions? Motion?

IT WAS MOVED BY COUNCILMEMBER ARREDONDO-SAVAGE, SECONDED BY COUNCILMEMBER LAUREN TOLMACHOFF AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA.

4. Respect the Ride Update – Station Ambassadors

Chair Williams said the next item is the Respect the Ride update.

Mr. Smith said thank you. Station ambassadors safety officers, whatever you want to do, I would just like to set this up by addressing what I think is some information that's essential.

When we came to you in October of 2017, it was to address a problem that was challenging our system. And that problem is that we did start out with a system that was basically fare inspection only. And I would love if we could still live in that world, but unfortunately the world changed around us. And if all riders would respect each other, then we wouldn't have an issue.

But we found that as our system has aged, we just hit ten years, as we've said, that behavior -- societal issues have changed behavior and people don't respect other riders, so that's why we came to you in October of 2017 with an upgraded Code of Conduct and some initiatives that we believe would help us to protect all people who are on.

Our program is not status based. It's behavioral based. We don't care who you are, where you come from, what you're doing, if you respect other riders you're fine and welcome in our system. But we're trying to do things that we can to maintain the integrity of the ride while also be fiscally responsible; hence, this proposal which we believe accomplishes both of those purposes. And I'll turn it over to Hillary to give you more details.

Ms. Foose said Madam Chair, members of the Board, thank you for your time. I'm here with Adrian Ruiz we're going to tag team this presentation a little bit.

For about Respect the Ride, Scott gave a great intro, you've heard about it quite a bit. You've seen this slide in particular quite a bit. Obviously our goal is to enhance the transit experience for all riders.

We strengthened our Code of Conduct, as Scott mentioned. We installed paid fare zones consisting of striping and signage which we are seeing are working. They're subtle, but they're just enough for people when they're walking across that orange line to know that there's a different set of rules applied.

We launched an educational campaign with characters right and wrong. Obviously they showcase in kind of a fun and lighthearted way the top violations that occur on our system and how to maybe do better on our system and that will continue to evolve over time.

Scott mentioned Alert VM our new safety and security app that's being received very well. We launched that in the fall. And next we wanted to talk to you about system presence and how do we increase in our proposal that's very multifaceted.

We have been playing around a little bit with the name. You see station ambassadors in front of you. We've thought about safety ambassadors and other names. In order to get -- we know the type of person and people that we want, and I'm going to convey that here to you today. And we're going to find the right name that provides the right description.

We want a staff who are engaging who can help own the platform to create an appealing atmosphere for all of our riders. It's not just customer service. It is about a group of people who can engage in community conversations, maybe even with some community policing background who can be the additional eyes and ears that we need on the system who can resolve issues whether that's related to safety issues or even operational issues who can help with cleanliness and maintenance who can report issues. They will have a radio so they'll be in constant contact with our control center.

But ultimately the staff will be able to be at such a level at a high level that they can have those customer conversations to help deter that kind of disrespectful behavior that we want to see less of on our system.



We also see the staff developing relationships in the field so they'll work with several sets of in-field staff today with Allied Universal, the team that Adrian manages that are security personnel.

They write citations. They conduct fare sweeps. They do fare inspection. We also have operation supervisors in the field to make sure the trains are running and that issues are resolved. And we also see this staff working with local law enforcement to build those relationships to be able to astutely deal with what our customers are experiencing and ultimately again be that deterrent to the behavior we'd like to see less of.

Continue on the rationalization for this program, we do feel presence is an important part of where Respect the Ride needs to go. We have increased our security personnel with your budget approval in FY19. That is also starting to make an effect.

We really feel like this next layer of staffing is an important next step. It really meets a customer need. I know that you hear in your community dialogues that the top thing we hear is they want to see more presence. They want to feel that they can interact with somebody. They want to feel that comfort that presence that staff can provide.

We also are seeing for the first time a ridership decline on our rail system and obviously there are sometimes economical reasons for that, but certainly safety and security tops our customer complaint list, as I mentioned in the bullet before.

In multi-tiered security, I can't emphasize this enough, the idea that we have a mix of staff who really support creating a safe and secure environment is quickly becoming a national best practice. We hear that in all of our dialogues with our peers.

Scott hears it from his counterpart CEOs, having that mix of staff who cite, who enforce, who are law enforcement, alongside a staff who is really there to advocate and serve the customer.

So the type of people we're looking for is maybe people with previous security or law enforcement background who worked in the community who worked maybe a homeless task force, who worked -- who can be able to have those kinds of community discussions is who we're looking for.

A little bit about how they'll work, we and this will modify as we evolve, we anticipate them working in zones maybe three to five stations. We looked at the majority of the day where we have -- as you know, we have an all-day peak. We have ridership all day long generally from 6:00 a.m. to 10:00 p.m.

We imagine them being flexible. We had thought about maybe initially the downtown areas, but we also have a lot of presence in the downtown area, so maybe we need to

adjust based on special events or where the trends are or where the high volume incident platforms are to really, again, be flexible enough to really deal with the needs of the system.

And I mentioned that partnership with the existing security and operations staff will be crucial. I mentioned a little bit about their background. And they'll look like they have authority with an official uniform. They'll be in radio contact. And obviously go through an extensive amount of training to make sure they're equipped to deal with operations and security on a system like ours that's growing.

So Respect the Ride, as you know, it continues to evolve. It has a variety of facets to it and where we see it going next is continuing to look at how we evolve security. We have incorporated and Adrian can talk to this a little bit more -- we have incorporated sworn officers into our mix of security.

We have a transit officer program and we want to look and see how that's evolving and whether or not we need to see increases in that. We will continue to evolve Right and Rong our educational campaign.

We'll learn a lot from our safety and security app and how we continue to grow that and certainly kind of unrelated but very related in terms of the perception of our system is how we maintain our system.

We're going into some major system improvement programs including the repainting of our stations and obviously adding new fleet. All of that helps to build up that positive perception of the system.

Naturally metrics - how do we know this program is successful is important to us and I know important to you and your staff.

We will be doing a baseline a very pointed perception survey at the beginning of this year to understand sort of the baseline where we're at in order to know how we're doing going forward.

But we also have a lot of metrics in areas that we can look at already and we're already starting to see positive trends. I'll note related to incident data that we evaluated a fall of 2017 versus fall of 2018 and we're already seeing a 30 percent decrease in incidents, so there's probably -- we want to take some credit for that for all the work that we've done with Respect the Ride but obviously knowing that there's still more work to do.

So we'll be looking at all of these stats to make sure because all of them will give us a different lens of how the program is working and we'll be reporting to you all on a regular basis.

Adrian, did you want to share anything?

Ms. Ruiz said Madam Chair, members of the Board, just a couple things that Hillary highlighted the particular person and people we're looking for versatility, flexibility all those Hillary spoke to. The short, mid, and long-term plan we had going back about three to four years ago when we talked about enhancing security services started with the scope of the contract security provider. We have done that. We have a good provider on board. We've added staff as well as scope and we're doing a lot of training with them.

The second was the transit police officer program. It's better. It's cheaper to rent cops than it is to own them and we know that. However, we've seen over the last year or so that we've lost really control of that program. It's really reverted back to the cities who are funding it and the police departments themselves.

So our ability to dictate where we want those cops to be, when, and where has kind of diminished a little bit. So, knowing that they're still there and we have a great relationship with them that community-based policing model we were looking for because they are not ours. The ownership for us to direct those services are limited. We see that inability to direct them the way we want them to.

In the ambassador program and what we name them is really kind of a universal approach. We're looking for input on what they're called, but they're not a courtesy clerk. They're not the bagger at your check out. They're going to do more than that.

In looking at what we want this group of people to be, is to have that routine presence that our ridership sees, that ownership of the three to five stations that they will own and they can be moved around is that they would be a field force multiplier that at any moment you could see that person at station X and then on the commute home see them at station Y but they've seen a presence there and they're moving around, it looks like there is 17 of them and there's only five of them. So we want a person that has an excellent command authority, command presence and can establish themselves in the community as a leader.

We are looking at people that potentially come with the community policing background -- don't necessarily have to be retired cops, but also working with our training administrator Julie Landspurg who is developing a training program for them -- in situational awareness, de-escalation, conflict management, and so on and customer service.

But I'll give you a scenario. We talked about how we would in security and operations be working to develop this person and these people. If we had regular briefings with them and we discover that ambassador passenger assistant agent Julie discovers that in the last six weeks that she's been working station "y" in city "x" she's discovered an increase in open container liquor violations. This did not happen out of the blue, but she's seen it increase over the last six to seven weeks.

Because she would have a direct contact, we would develop that in there with the community action officer and in that precinct or that law enforcement entity, she could actually take action on that and advise the officer, hey, is there anything going on with abatement in the area nearby. Do we have anybody over serving already intoxicated persons. We're starting to see an increase or uptick in liquor violations at this platform.

That would be something we would want this person to take ownership of and to brief us as a security team so we can elevate it if necessary. So that person is going to have that ownership and that versatility.

We see this developing into a very positive experience for our ridership as we see in special events when we increase staffing during high-volume events we see kudos to the cities, kudos to PD and security personnel. Love the presence. And very few incidents in our high-volume events because we have that presence.

So unless you have any questions, we appreciate the opportunity to present this to you and we welcome titles of the person as well.

Mr. Smith said and if I could add one thing, one thing that wasn't discussed, because I didn't ask them to discuss this is the cost and budget.

This is something that we were putting in for our 2020 budget the total cost we anticipate to be \$750,000. We'd like to start it before that in the current fiscal year. We can accommodate up to the -- we anticipate about \$250,000 to be spent in the current fiscal year which is through open positions and other things we can accommodate within the currently approved budget.

Beyond that, obviously this is a recurring cost. As we looked through our FY20 budget and beyond we're looking for ways that maybe those unfilled positions we eliminate and we replace them with these positions, but I think in talking with your staff as we go over the details we could be looking at a \$700 to \$750,000 ongoing expense. And if this program is successful we might even expand. We would come back to you and tell you.

So I want you to know, these are positions that are considered to be ongoing and will be included in our FY20 budget for how much of that ongoing cost will be new cost as opposed to redirected cost or other types of cost.

Councilmember Arredondo-Savage said thank you, I'm not sure who this question is for and I think Hillary you mentioned, but Adrian you may need to answer it, in regards to the increased security for 2019, what does that look like from where it was? I mean, I really do appreciate having these metrics so they're not very specific, so I would like to see some more specifics in the metrics to measure what that success is going to look like, but I'm kind of wondering if we're increasing security if that's what's happening are they going to kind of get mixed up and then so we're not really going to be very certain of which program is really making the biggest impact.

Ms. Ruiz said thank you, Madam Chair and members of the Board, is that our customer service complaints and kudos, so we break them down for security, system, and complaints. And we have seen a change in that we have -- the complaints against security meaning fare inspection field security officers and so on visibly acted on trains and platforms. We've seen those complaints actually turning into really them doing their job. People are being asked for their fare, you know, twice on a trip, fares being confiscated and so on.

When it comes to this position being a security agent or ambassador if we start to see changes in our customer service response or kudos to the customer service agent or the name of the person at the platform, I could see possibly ridership engagement and comments, hopefully not complaints, comments changing to where we see this as an improvement because they're not an enforcement entity.

They are not going to be writing tickets. They can ask for fare and that's a part of the engagement to talk to people on the platform make sure they have their pass. But they won't be ticket agents and they won't be writing citations. That's for the fare inspection team and the security team.

This person is going to be quasi ambassador agent for ridership experience and assisting us with, you know, if they have to stop a train for a reason they can do that, they have that authority because they're Valley Metro staff, if they can redirect or obligated to redirect security services to a location for a security issue, they have that authority.

So in making sure that we don't blend the two and know which one is working, I think if we really identify what the scope is, title them differently and really show the passenger ridership that they see this person very routinely on the platform, they see the gray shirts platform but primarily train taking passes and writing tickets and also being a security presence, I would hope to see that reflective in our customer service response and our surveys. So I hopefully answered your question.

Councilmember Arredondo-Savage said I think so. Well, maybe let me ask you this then. So maybe a little more specific in regards to what the expectations of as the increased security, you know, what are those metrics that you're expecting this year with the increased security numbers? So I'm guessing these ambassadors or whatever we decide to call them because I almost would hesitate to call them safety ambassadors as much as I would like to because they have no authority to really do anything that kind of worries me just a little bit. I don't want to set them up.

Mr. Smith said I think that's a misnomer. They will have the authority. That's not going to be their primary responsibility or duty. Obviously they can detain a person -- they have all the authority that a security personnel would have.

Councilmember Arredondo-Savage said I think they're from where I get it from a customer service perspective. I mean, that's just a question.

Mr. Smith said they are. They're a presence. But, you know, if there's a security situation they will be trained and we will expect them to exert their authority and responsibility, as Hillary said.

Councilmember Arredondo-Savage said to do what?

Mr. Smith said they can detain person, they can call police, they can do everything our current security personnel can do and then some.

But that's not what we're looking for from them. This is not a security officer. We're looking for them to provide that presence to where they can handle situations. They'll be authorized to do that, but that won't be their primary responsibility.

Councilmember Arredondo-Savage I mean, according to the presentation it was more about having, you know, eyes and ears on the ground.

Mr. Smith said a presence, yes. And being able to call the shots.

Councilmember Arredondo-Savage said I don't want to misrepresent it in the sense of what our expectations are and the difference between the security and versus an ambassador and how those work but how they work the synergy for them working together.

Mr. Smith said I think one of the things as I see it is, for example, since these are higher level and if you see by the numbers, these are \$45 to \$60,000 a year positions. They're fairly high-level positions, which means we want that level of person that we can trust to make the kind of decision that need to be made.

Since they have a specific territory and a specific job, and this is a big difference between the Allied Universal, we would hope that they would develop the kind of relationship with both the security Allied Universal supervisors and others, but also the local police force that precinct lieutenant and captain and whoever is there to be able to say they're on a first-name basis.

And if there is a situation they're much more effective in calling out or defining police help that they need then we would expect from our normal Allied Universal security or an operator which are trained to call the police but it's really nice if this person is on a first name basis with the lieutenant that's on duty and they have constant meetings back and forth. We're hoping to elevate that connection.

Councilmember Arredondo-Savage said and I'm not opposed to it. I mean, I think it's really great, I think we just need to be very clear of what our expectations are. And I

think the other thing, too, is we're talking about fifty FTEs. And when I look at the bigger scope of things of an organization that's growing and we've just added more FTEs, I just want to make sure that the relationship is very transparent and clear when it comes to the expectations and why we're doing what we're doing and making sure we're holding ourselves accountable that we are getting the results that we've expected from the very beginning. So that's why I'm really just making sure that is very clear the difference and the expectations so when we come back and we have a review in six months if we started a little bit early than we would know if we got to where we expected to be from today.

Ms. Foose said in terms of metrics, the management committee had similar concerns about how do we as we look at these metrics and the evaluation how do we identify what are the areas of Respect the Ride that are working. And so actually the management committee asked us in of the regular surveys that we do that we be very pointed about, you know, what's your feeling the on the ambassadors rank them one to five and these are the people with the green shirts on. You know, how, so they wanted us to be very clear so we can understand the facets that are working and enhance those that are and maybe modify the ones that aren't. So that was certainly a comment that came up that we will take forward.

Mr. Smith said one of the problems that we have is since this is a relatively new phenomenon for us, we don't have a whole lot of data. The second thing is that when we've asked questions on some of our surveys they've been very general: Do you feel safe on the system? Yes or no. And we unfortunately haven't because it hasn't been a huge problem. We haven't dug down a little deeper.

When working with the management committee, we're going to get very specific as Hillary said what makes you feel uncomfortable when you're on the train. We're going to get more specific on questions to why people might feel uncomfortable or unsafe.

The second thing is we're dealing with perception mostly. Our system is very safe. We have very few serious incidents. And when we do have those incidents it tends to be between people who know each other.

So taking like crime statistics doesn't give us the real picture. I'd like it to where the mayor goes out and she and I have this discussion a lot she can go out to a meeting and doesn't have three people coming up and telling her about a bad experience they had a light rail. And when you really dig down, it wasn't an experience that someone assaulted me, it's there was a person that was misbehaving and I didn't feel comfortable.

You know, so, we're trying to figure out what metrics we can have and this is why I think they mentioned the complaints where we can really dig into what's really happening out there and how we can measure perception. And those things will develop in the first quarter of this year.

But I wish we could say we had this great data to build from, but we don't have that base yet. In many ways we're starting from scratch and building that database to develop these metrics.

Councilmember Heredia said two things, are these just folks on the platform? Will they be riding on the trains as well? And then second point, piggybacking to Councilmember Arredondo-Savage is, is there any internal reporting metrics that these ambassadors will have like weekly or monthly as far as maybe contacts that they had to be built in because these seem for of the kind of the riders that the information from non-riders and riders that are coming in, but any internal pieces that you'll be evaluating as well from their work that they're doing on a daily basis?

Ms. Foose said so, yes, they're focused on the platform and yes we will be creating performance metrics to get to where we need them to be. Contacts is a great example.

Mr. Smith said but they may have a multiple platforms. They may have one platform if it's busy or they may have three. So they will be on the train between the areas. But, you know, this is a lot like community policing.

Where, you know, this is a Compstat type of thing where we're going to look and see where the activities and we can then move resources to where it's needed. So they be on one platform probably no more than three because then it gets a little wide, but they'll be riding the train between those three, but that will be their area. That will be their air specifically.

Ms. Ruiz said and Madam Chair, members of the Board, if I could just add one more thing, the actual intelligence we're looking for, I don't know if I mentioned it earlier, but that's like, as Scott said and Hillary mentioned, too, is this person is going to be very versatile, almost an extension of right arm security team for the staff. I have a manager and I have a coordinator. Then I go into my contract security services. But with Valley Metro, we have a security department and it's three of us: A director, a manager, and a coordinator. So we kind of see this as an extension of a combination of operations representation and direction and maintenance and also security, so that actual intelligence for notifying maintenance of an issue at a platform, notifying road supervisor of an issue of operations, holding a train for an incident on a train, redirecting security services to a station that has an issue, telling security services, hey, you need to spread out and work the platform.

That's what we see this individual being having the authority to do and having that command presence to do so and having the training and equipment to do so. And equipment what I mean by is a command presence in some kind of uniform that's more formal looking and not just a tee shirt, obviously.

So these are things we're in discussion about now and we want this position to evolve. And we want it to be again a force multiplier, meaning that this one person, if we have

the right person working a shift and working these three stations it looks like they're at all three at the same time because they are moving, they are going and they are engaging people and they are communicating directly with law enforcement so hopefully that answers your questions.

Councilmember Heredia said so I'm assuming that those calls are recorded someway.

Ms. Ruiz said yes. We would do a worksheet or through DCC, yes.

Chair Williams said other comments or questions? I'm glad to hear that you're going to find a new name. Ambassadors is what we have downtown.

Mr. Smith said I know. Well, as we look around the country, I mean, there's a variety of different names and we didn't like any of them and somehow ambassador came up. I think I probably threw it on the table. From day one we said we got to have a different name because people will automatically think of the downtown ambassadors and that's not what we want.

We're not going to have a contest, but we are open to ideas, you know, we don't want to call them like I said security officer because that's not really their role. But we want something that really more accurately identifies what they're doing. And frankly, we've sort of hit a block wall as to what to call them. So if you have any ideas, please let us know.

Chair Williams said I'm also glad to hear there's survey on here, I thought the people that were on the train were security and they weren't, they were ticket checkers. That's all they were. And I want to make dog gone sure that dog doggone sure that these people have the authority because all you need is one station to have a problem and if somebody sees them write a citation and that's going to be the end. The word will spread immediately. So I want to make sure they have the authority the do that they can actual take action.

Everything you said sounds wonderful. I just want to make sure we have the right people so that it really occurs. So with that.

Ms. Ruiz said thank you.

Ms. Foose said thank you.

Chair Williams said this item was presented for information and direction. No formal action is needed.

Mr. Smith said since it's in here current year. But now next year we will have included in the budget the continuation.

5. Election to Fill a Vacancy on the RPTA and Valley Metro Rail (VMR) Board Subcommittee

Chair Williams said the Board will elect a board member to fill a vacancy on the RPTA and VMR Board Subcommittee.

IT WAS MOVED BY COUNCILMEMBER TOLMACHOFF, SECONDED BY MAYOR HARTKE AND UNANIMOUSLY CARRIED TO ELECT COUNCILMEMBER HEREDIA TO THE JOINT BOARD SUBCOMMITTEE.

6. Future Agenda Items Request and Report on Current Events

Chair Williams said the next is future items. Anyone have any future items they'd like to discuss?

The next meeting is scheduled for Thursday, February 21, 2019 at 11:15 a.m.

Hearing none, we stand adjourned.

With no further discussion the meeting adjourned at 1:24 p.m.



Information Summary

DATE

February 14, 2019

AGENDA ITEM 3A**SUBJECT**

Non-Revenue Vehicle Purchases

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to purchase 3 non-revenue maintenance trucks complete with service bodies through a cooperative agreement under Arizona State Contracts from Sanderson Ford in an amount not to exceed \$121,612.

BACKGROUND | DISCUSSION | CONSIDERATION

Valley Metro Rail's 26-mile light rail line is primarily street running and includes 40 passenger stations, 22 sub-stations, and park and ride lots. The light rail will be expanding another 2 miles to include the Gibert Road Extension that includes additional passenger stations, sub-stations, and a park and ride lot. An additional station is being added to the system at 50th St and Washington. The trucks will be used for maintenance and support of system operations that includes facilities, track, and signal communications maintenance. The trucks will provide for efficient use of resources to perform maintenance tasks on the rail line. One truck will be for expansion needs and the other 2 trucks are for replacement. The expansion truck is needed because of additional staff and additional facility maintenance needs due to the rail extension. The other 2 trucks are to replace trucks that are over 10 years old and have over 150,000 miles on them. Below is a description of the type of trucks being purchased and that include service bodies:

1. Ford F-250 Super Cab Truck – Facilities Maintenance (Expansion)
2. Ford F-250 Crew Cab Truck – Track Maintenance (Replace 2008, 159K miles)
3. Ford F-150 Super Cab Truck – SigCom Maintenance (Replace 2008, 194K miles)

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

COST AND BUDGET

The purchase of the trucks will be a not to exceed amount of \$121,612. The cost includes extended warranties and sales taxes. The vehicles will be manufactured and delivered in FY19. The costs for the purchase of the 3 trucks is included in the Valley



Metro Rail Adopted FY19 Operating and Capital Budget. There is no Federal funding included in the purchase of these vehicles.

STRATEGIC PLAN ALIGNMENT

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

- o Goal 2: Advance performance based operation

COMMITTEE PROCESS

RTAG: January 15, 2019 for information

RMC: February 6, 2019 for action

Board of Directors: February 21, 2019 for action

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to purchase 3 non-revenue maintenance trucks complete with service bodies through a cooperative agreement under Arizona State Contracts from Sanderson Ford in an amount not to exceed \$121,612.

CONTACT

Ray Abraham

Chief Operations Officer

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rabraham@valleymetro.org

ATTACHMENT

None

Information Summary

DATE

February 14, 2019

AGENDA ITEM 3B**SUBJECT**

Fiscal Year 2018 Valley Metro Rail, Inc. Comprehensive Annual Financial Report (CAFR) and Single Audit Reporting Package (SARP)

PURPOSE

To request acceptance of the Comprehensive Annual Financial Report (CAFR) and Single Audit Reporting Package (SARP) for the period ended June 30, 2018.

BACKGROUND | DISCUSSION | CONSIDERATION

Valley Metro Rail, Inc. (VMR), an Arizona public nonprofit corporation. The By-Laws of the Corporation require an annual audit of the financial records to be performed by a certified public accountant. In addition, all recipients of federal grant funds are required to have an audit performed in compliance with the Single Audit Act provisions. The Comprehensive Annual Financial Report and Single Audit Reporting Package for the period ended June 30, 2018 fulfill these requirements. All reports are prepared in conformity with generally accepted accounting principles.

CliftonLarsonAllen LLP has completed the VMR audits for the period ended June 30, 2018 and reported no findings. VMR's Comprehensive Annual Financial Report for Fiscal Year 2018 received an unmodified opinion. VMR received the GFOA Certificate of Excellence for the FY17 CAFR, which demonstrates the agency's commitment to the highest standard of financial reporting for a government entity.

The Independent Auditors' Report is attached and the full CAFR is available from the Valley Metro website.

COST AND BUDGET

None

COMMITTEE PROCESS

RTAG: January 15, 2019 for information

RMC: February 6, 2019 approved

Board of Directors: February 21, 2019 for action

STRATEGIC PLAN ALIGNMENT

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



- o Goal 2: Advance performance based operation

RECOMMENDATION

Staff recommends that the Board of Directors for accept the FY18 Comprehensive Annual Financial Report and Single Audit Reporting Package.

CONTACT

Paul Hodgins
Chief Financial Officer
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phodgins@valleymetro.org

ATTACHMENT

Independent Auditors' Report

The complete reports are available on the Valley Metro website.
<https://www.valleymetro.org/finance-budget-reports>

INDEPENDENT AUDITORS' REPORT

Board of Directors
Valley Metro Rail, Inc.
Phoenix, Arizona

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of Valley Metro Rail, Inc. (VMR), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the VMR's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to VMR's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of VMR's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of VMR as of June 30, 2018, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Operations – Budget and Actual, listed as Other Supplementary Information in the table of contents, and the Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the financial statements.

The Schedule of Operations – Budget and Actual is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Operations – Budget and Actual is fairly stated in all material respects in relation to the financial statements as a whole.

The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Board of Directors
Valley Metro Rail, Inc.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2018, on our consideration of VMR's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of VMR's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering VMR's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Phoenix, Arizona
November 5, 2018



Information Summary

DATE

February 14, 2019

AGENDA ITEM 3C**SUBJECT**

Station Name/Point of Interest name for the 50th Street Station

PURPOSE

To request authorization to establish a formal name for the station being constructed at 50th and Washington Streets.

BACKGROUND/DISCUSSION/CONSIDERATION

The Valley Metro Rail Board of Directors approved a Station Naming Policy in 2004 that requires a geographic name as well as an option for a Point of Interest name for light rail stations. Station names (both geographic and any Points of Interest) are approved by the Board as stations are constructed. Points of Interest that meet the criteria may be identified at the Board's discretion. Point of Interest names are included in the policy to assist with passenger information and wayfinding.

A key consideration for this station location is the proximity to Ability360, a significant facility serving people with disabilities. The inclusion of "Ability360" as a Point of Interest on station signage would meet the Station Naming Policy criteria for "major civic or public educational facilities/areas that are easily recognized by the public as a desirable destination".

For those stations with Point of Interest names, the name itself is included on the station infrastructure, next to the geographic name. Points of Interest can also be used on signage and as an on-board train announcement.

COST AND BUDGET

Costs for typical station signage are included in the overall project budget.

COMMITTEE PROCESS

RMC: February 6, 2019 for action

Board of Directors: February 21, 2019 for action

RELEVANCE TO STRATEGIC PLAN

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

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

**RECOMMENDATION**

Staff recommends that the Board of Directors approval the name of “50th Street/Washington” and Point of Interest name of “Ability360” for the station being constructed at 50th and Washington Streets.

CONTACT

Wulf Grote, PE
Director, Capital & Service Development
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ATTACHMENT

- A. Station Naming Policy
- B. Recommended Station Names



STATION NAMING POLICY **(Revised - September 29, 2004)**

Station Names

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

Rail stations shall be named using the following standard criteria:

- Rail stations should be named with the maximum benefit and convenience of the user in mind and to assist patrons in navigating the system;
- All names shall identify as closely as possible the geographic location of the station (e.g. cross streets at the station location);
- Rail stations shall not be named after individuals -- either living or deceased;

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

Point Of Interest Naming Policy

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

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

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

- Points of interest must be major civic or public educational facilities/areas that are easily recognized by the public as a desirable destination;
- Such names shall be simple so as to be clearly understood by the user;
- All point of interest names shall be of facilities or institutions that have been built with significant public participation or of defined areas that have been designated by City Council action,



- The point of interest names shall be appended to the station banner signs to provide passenger visibility, but not in such a way as to confuse or overshadow the official station name.
- The point of interest names shall be no longer than 26 characters, including spaces.
- Point of interest names may also be added to the station directory map and information maps and brochures that provide station name information. The Agency shall retain the discretion to omit or shorten point of interest names with standard abbreviations where space is a consideration.

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



DRAFT STATION NAMES – 50th STREET AND WASHINGTON STATION

Recommendation		
FULL STATION NAMES (Printed Materials)	ABBREVIATED NAME (Station Sign)	POINT OF INTEREST (POI) (Station Sign and Printed Materials)
50 TH Street/Washington	50 th St/Washington	Ability360

Information Summary

DATE

February 14, 2019

AGENDA ITEM 4**SUBJECT**

Future Agenda Items Request and Report on Current Events

PURPOSE

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

BACKGROUND/DISCUSSION/CONSIDERATION

None

COST AND BUDGET

None

COMMITTEE ACTION

None

RECOMMENDATION

This item is presented for information only.

CONTACT

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ssmith@valleymetro.org

ATTACHMENT

None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date