MEETINGS OF THE

Boards of Directors

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

Date:

June 18, 2020

Starting Time

11:15 a.m.

Meetings to occur sequentially

Location:

Valley Metro

Via Webex

Phoenix

Valley Metro is not accepting visitors at this time. Please join the Board meeting via Webex.

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Agenda

June 11, 2020

Joint Meeting Agenda
Valley Metro RPTA
And
Valley Metro Rail
Thursday, June 18, 2020
Webex/Phone
11:15 a.m.

		Action Recommended
1.	Public Comment	1. For Information
	Public comment is being taken in written format and will be entered into the official minutes of the meeting.	
2.	Chief Executive Officer's Report	2. For information
	Scott Smith, CEO, will brief the Joints Boards of Directors on current issues.	
3.	COVID-19 Update	3. For information
	An update on transit operation impacts related to COVID-19 will be provided.	
4.	Possible Executive Session	4. For action
	The Boards of Directors may vote to enter Executive Session for discussion or consultation and for legal advice with the attorney or attorneys of the public body and to consider its position and instruct its attorneys regarding the public body's position concerning matters listed on the agenda, personnel matters and contracts as authorized by A.R.S. Sections 38-431.03 A.1, A.3., and A.4.	
	The agenda for Executive Session involves discussion and consultation regarding contractual compliance implications under the COVID-19 pandemic and impacts to transit operations and transportation-related workforce.	

5. <u>Executive Session Action Items</u>	5. For action
The Boards of Directors may take action related to items discussed as part of Agenda Item 4.	
6. <u>Minutes</u>	6. For action
Minutes from the May 21, 2020 Joint Board meeting are presented for approval.	
7. <u>Audit and Finance Subcommittee Update</u>	7. For information
Councilmember Arredondo-Savage, Chair of AFS, will provide an update on the discussions and action taken at the AFS meeting.	

CONSENT AGENDA

8A. <u>Fiscal Year 2021 (FY21) Intergovernmental Agreements (IGA)</u>	8A. For action
Staff recommends that the Boards of Directors authorize the CEO to execute the FY21 IGAs and IGA amendments as listed and for the periods of performance and in the amounts indicated for each agreement.	
8B. <u>Autonomous Vehicle Pilot Program with Waymo Contract Extension</u>	8B. For action
Staff recommends the Boards of Directors authorize the CEO to issue an extension of service for the Autonomous Vehicle Pilot for one year. The extended period of service will be from July 1, 2020 to June 30, 2021 at a cost not to exceed $50,000.	

REGULAR AGENDA

9. <u>Enterprise Resource Planning (ERP)/Enterprise Asset Management (EAM) System Contract Award</u>	9. For action
Scott Smith, CEO, will introduce Paul Hodgins, Chief Financial Officer, who will request that the Boards of Directors authorize the CEO to execute a contract with Denovo Ventures, LLC for an integrated ERP/EAM System in an amount not to exceed $7,113,070 for a contract period of 47 months with options to extend not to exceed a	

maximum term of 10 years.

10. <u>Travel, Expenditures and Solicitations</u>	10. For information
The monthly travel, expenditures and solicitations for Valley Metro RPTA and Valley Metro Rail are presented for information.	
11. <u>Future Agenda Items Request and Update on Current Events</u>	11. For information
Chairs Wright and Methvin will request future agenda items from members, and members may provide a report on current events.	
12. <u>Next Meeting</u>	12. For information
The next meeting of the Boards of Directors is scheduled for **Thursday, August 27, 2020 at 11:15 a.m.**	

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

Information Summary

DATE **AGENDA ITEM 1**
June 11, 2020

SUBJECT
Public Comment

PURPOSE
Public comment is being taken in written format and will be entered into the official minutes of the meeting.

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COMMITTEE PROCESS
None

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

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 2**
June 11, 2020

SUBJECT
Chief Executive Officer's Report

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

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COMMITTEE PROCESS
None

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

ATTACHMENT
None

Information Summary

DATE
June 11, 2020

AGENDA ITEM 3

SUBJECT
COVID-19 Update

PURPOSE
An update on transit operation impacts related to COVID-19 will be provided.

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COMMITTEE PROCESS
None

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

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 4**
June 11, 2020

SUBJECT
Possible Executive Session

PURPOSE
The Boards of Directors may vote to enter Executive Session for discussion or consultation and for legal advice with the attorney or attorneys of the public body and to consider its position and instruct its attorneys regarding the public body's position concerning matters listed on the agenda, personnel matters and contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation; all as authorized by A.R.S. Sections 38-431.03 A.1, A.3., and A.4.

The agenda for Executive Session involves discussion and consultation regarding contractual compliance related to the COVID-19 pandemic and the potential transit operations and transportation-related workforce.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
The Joint Boards of Directors may vote to enter Executive Session.

CONTACT
Michael Minnaugh
General Counsel
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mminnaugh@valleymetro.org

ATTACHMENT
None

Information Summary

DATE
June 11, 2020

AGENDA ITEM

SUBJECT
Executive Session Action Items

PURPOSE
The Joint Board of Directors may take action related to items discussed as part of the Agenda Item 4.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
The Joint Boards of Directors may take action related to the items discussed as part of Agenda Item 4.

CONTACT
Michael Minnaugh
General Counsel
602-262-7433
mminnaugh@valleymetro.org

ATTACHMENT
None

Minutes

June 11, 2020 **AGENDA ITEM 6**

Joint Boards of Directors
Thursday, May 21, 2020
Via Webex/Phone
11:15 a.m.

RPTA Meeting Participants
Mayor Kevin Hartke, City of Chandler **(Chair)**
Mayor Kate Gallego, City of Phoenix **(Vice Chair)** (phone)
Councilmember Jon Edwards, City of Peoria **(Treasurer)** (phone)
Mayor Alexis Hermosillo, City of El Mirage (phone)
Councilmember Mike Scharnow, Town of Fountain Hills (phone)
Councilmember Jared L. Taylor, Town of Gilbert (phone)
Councilmember Lauren Tolmachoff, City of Glendale (phone)
Vice Mayor Bill Stipp, City of Goodyear (phone)
Supervisor Jack Sellers, Maricopa County (phone)
Councilmember Francisco Heredia, City of Mesa (phone)
Councilmember Jon Edwards, City of Peoria (phone)
Mayor Gail Barney, Town of Queen Creek (phone)
Councilmember Susanne Klapp, City of Scottsdale (phone)
Councilmember Roland F. Winters Jr., City of Surprise (phone)
Councilmember Robin Arredondo-Savage, City of Tempe
Mayor Rui Pereira, Town of Wickenburg (phone)
Mayor Michael LeVault, Town of Youngtown (phone)

Members Not Present
Vice Mayor Pat Dennis, City of Avondale
Vice Mayor Craig Heustis, City of Buckeye
Councilmember Linda Laborin, City of Tolleson

Valley Metro Rail Participants
Councilmember Robin Arredondo-Savage, City of Tempe **(Chair)**
Councilmember Francisco Heredia, City of Mesa **(Vice Chair)** (phone)
Mayor Kate Gallego, City of Phoenix (phone)
Mayor Kevin Hartke, City of Chandler

Chair Hartke called the meeting to order at 11:24 a.m. The pledge was recited.

Mr. Chair said welcome, Suzanne. I do want to welcome -- we have two new Board Members that are joining us. This is their first session, Vice Mayor Craig Heustis, City of Buckeye and Vice Mayor, are you on yet?

Mr. Chair said all right. As well as Councilmember Jared Taylor, Town of Gilbert, my next-door neighbor. I want to welcome you to this Board as well.

If committee members would like to ask a question or make a comment during the meeting, please type in your comment in the box and it will be read aloud and answered. We do ask that everyone please mute your computer microphones or phone. It makes it a lot less distracting for us and for you who are participating.

1. Public Comment

Today's meeting public comment is being taken in written format and will be entered into the official minutes for the meeting.

2. Chief Executive Officer's Report

Mr. Chair said at this point, I'd like to call Scott Smith on the Chief Executive Officer's report. Scott.

Mr. Smith said thank you, Mayor. Appreciate this opportunity and I'd also like to from the staff standpoint give a welcome to Councilmember Taylor and Vice Mayor Huestis for joining the Board. I look forward to, at some point in time, getting you in the room here as we all hopefully return to some sense of normality and get to meet physically in the same room so thanks to all.

I just want to go over a couple things that we're doing, and these relate primarily the first ones to our capital program on the light rail. One thing we try to do as we move forward with construction is involve the community in efforts to support our local businesses. We have historically had what we call a Shop On Program where we're very active in Shop On Main Street, Shop on Central, Shop at 19th Avenue. We've gone viral on that or gone to the Internet and we now have a GIS-based business directory that we're utilizing in Tempe that you see on your screen where you can access the Shop On businesses through our website and we'll be creating one also for South Central/Downtown Hub those projects.

We've also had to change the way that we support our local businesses through our Meet and Eat Lunches which we've had. We have worked with our community outreach and also have teamed up with Friends of Transit to help do a bunch of Meet and Eat and support our local businesses. Well, with the changes with COVID-19, we've evolved from Meet and Eat to a Grab and Go Week. So we highlight businesses during the week, we encourage staff, our construction staff, and public to order take out from the restaurant. It's been actually very successful over the years and the first few times we've done it on the Grab and Go, it's also done well.

We did Stickler's and El Nuevo Taquito before and this week's restaurant is Crazy Jim's in downtown Phoenix. So if you're anywhere near downtown Phoenix, please Grab and Go at Crazy Jim's and support them this week. We really need to be sensitive to the fact that not only do we have our construction, but COVID-19 it's a double hit to our local businesses and we want to do whatever we can to support them and help them get through this time.

Finally, normally we would have with us today the winner of our Design and Transit Wrap Contest. This is the 20th year we've done this, and I certainly miss having this high school artist and her family. This year's winner is Kate Flores a senior from Arcadia High School. There were 108 entries from across the Valley from cities from Avondale to Mesa, Chandler, Gilbert, Paradise Valley, all over. 108 entries, but Kate's entry won the award with the judges. You can see it there on your screen.

Congratulations, Kate. You'll also see that wrap on both the bus that you see and the light rail for the next year so literally millions of people will be able to see Kate's work. And it's always a lot of fun for me to see the incredible talent that our high school students have. You know, we have the calendar also where we open it up to elementary schools and it's just another way that we can be in the communities so we're thankful for that opportunity.

Just a review of our calendar upcoming. Until further notice we will assume that our June meetings will be held via -- online via Webex. The TMC/RMC, as you can see, we have not formally scheduled a study session. We haven't decided on an issue yet, but if we do we'll give you plenty of notice. And then the Board Meeting on June 18th. This is a very important Board Meeting because, I think as you heard during the study session, this is the meeting in which Paul will present the final budget for Board action so Mr. Chair, that's my report.

Chair Hartke said thank you, Mr. Smith.

3. <u>COVID-19 Update and Extension of Board Executive Committee</u>

Mr. Chair said and next Mr. Smith will continue with the COVID-19 update.

Mr. Smith said and for this I'm going to turn it over to Jim Hillyard to give a quick update as to where we stand as far as COVID-19. Jim.

Mr. Hillyard said good morning, Members. I'll just highlight the few things that have changed since our last presentation to you.

Moving to our second slide. Our priorities remain the same. We are beginning to create a campaign that will emphasize the need for face coverings. As ridership returns and social distancing becomes more challenging, we think it's important to protect both our riders and operators.

On the next slide bus operations. You'll see that ridership has remained essentially the same since our last discussion. There are several changes since the last meeting staring from the bottom of the blue text. As I'm sure you know, on May 4th Phoenix made some adjustments to its service hours eliminating early morning and last night service hours. Valley Metro made conforming changes on the 18th of May which gave us time to make adjustments with our contractor.

And then lastly in bus operations, we've been working on creating enhanced driver area separation. We're in the process of installing a temporary barrier. It will be essentially a clear plastic sheet that separates the driver from the fare box and the front entry. And we're participating with Phoenix in an RFP to purchase and install longer term, more permanent barriers that would allow us to return to front door boarding and return to normal enforcement of fare policy.

Our bus operation contingencies remain the same. We have not needed a level -- to implement any of the three levels of contingency due to operator shortages.
Slide three. On the rail operations side, ridership remains at approximately 50 percent below normal and, as we discussed previously, we've implemented Level 1, our Level 1 contingency which has increased headways from 12 to 15 minutes.

One of the areas where we have seen significant ridership changes in paratransit. Previously, we were seeing about a 75 percent below the prior year level of ridership. That's crept up, as you can see, a good ten points. We continue to see it moving in that range over the last several weeks. In addition, Transdev initially laid off up to 63 drivers. It's now beginning to bring those folks back and I think they've brought become ten in the last week and anticipate continuing to call the drivers back should ridership remain at this level.

And then lastly just a quick overview of the methodology that Valley Metro's using for contingency planning. We've essentially broken down our view of the pandemic into the five phases that you see in the left-hand column. We consider ourselves in containment now with maximum focus on slowing the spread.

We anticipate in the weeks to come moving into what we're calling a phased return. Where we begin striking a thoughtful balance between containment and return to more normal operations. We'd anticipate that continuing for a -- from several weeks to several months. During that time, we'll have the opportunity to make more lasting changes, for example, to our floor plan and to other types of operations that will allow us to provide greater social distancing in the course of normal operations.

At that point, we'll move into the phase that we're terming a full return with precautions. We recognize that at any point, we could see new outbreaks and would require us to adjust our approach and so we've reflected that in the second to last phase.

And then finally at the point when a vaccine or a treatment is available and we're able to all return to full normal operations, we consider that the post-pandemic period.

And so along the top, you have the focus areas that we've identified for dedicated planning around. Paul spent quite some time this morning talking about our planning around the budget area. In the operations and safety area, barriers I mentioned earlier are a good example. Other good examples are, you know, we'll be watching ridership very closely in the weeks to come. As folks begin to return to work, we're running a reduced schedule for Express Service. We're going to need to monitor that ridership closely to make sure that ridership isn't impeding our ability to allow folks to socially separate.

And similarly, you know, we'll be looking closely at our regular service. At the moment we have drivers that are empowered to try to maintain social distancing through the number of folks that they're picking up at a stop. And we need to monitor the ridership closely to make sure that we've got sufficient vehicles to allow that to continue and really strike a balance between, you know, meeting the service needs of our riders and meeting the safety needs.

We have a group that's working on messaging and outreach so that when it becomes safe to begin really encouraging folks to come back to transit that we're ready to do so. And then probably the greatest area of emphasis has been on the Valley Metro staff and our embedded contractors. We're working on or finalizing our planning now to begin bringing folks back in a stepwise phased return to the office in June. And then planning for the longer run changes needed for the full return in the months that follow. And then lastly we're very conscious that all of these factors bear on our stakeholders and public perception as we look to Prop 400 Extension.

And so that's a quick overview of where we are both externally and internally. If there are any questions, I'd be happy to answer them.

Mr. Smith said okay, Mr. Chair. I'd like to reiterate. We're like your cities that we have sort of a bifurcated staff situation where we have actually almost the majority of our staff never did work remotely because they're out there every day putting themselves at personal risk to drive our buses, our paratransit, our trains, and to maintain those.

I would like to -- I've been -- Jim's report that you may have read in the media about some systems who have had significant impact to their operations staff. We have so far, knock on wood, avoided that. We have very, very limited cases of, I only want to say of testing positive because I'm not sure we've had, what one person who's tested, one maybe two who's tested positive. I may have jinxed us. So we have avoided that which is one reason we've enable to maintain levels of service as we've had, but we're always leery and every day we have a report from all of our operation staff to see what our call outs are. Meaning did anybody not show up because of sickness. And we monitor that very, very closely to see what that is. But I wanted to give you an update, we have avoided that so far.

Mr. Smith said there is one other item at part of the COVID update, Item 3 that you'll see on your agenda. And that is our request, staff's request to extend the existence of the Board Executive Committee which was established a couple three months ago to allow us to react more quickly should there be quick changes necessary. For the rest of the Board, this Executive Committee is made up of the same members that are on the Audit and Finance Committee plus Mayor Hartke so six members.
We have a placeholder meeting every week although we don't necessarily meet every week, but we meet at least every other week to give detail updates, ask questions. And the reason for this existence is should there be a requirement that we have to react or adjust quickly from a contractual or a Board approval requirement, we have a group in place that can take those actions. With those actions later presented to the full Board for their approval.

As you've seen, we have not had to do that yet. We, but we do foresee some issues that might come up in the next couple of months. This committee expires on May 31st. We're asking the full Board to extend the life of this committee through August 31st. That will get us through the June, July where we're not meeting as a regular Board and then we'll see how it goes through August.

So Mr. Chair that is our request is that the Board approve an extension of the temporary Board Executive Committee through August 31st, 2020, under the same terms and conditions that were approved previously.

Chair Hartke said thank you. Board, any questions? If not, I would entertain a motion to continue the smaller, more agile working group.

IT WAS MOVED BY COUNCILMEMBER ARREDONDO-SAVAGE, SECONDED BY COUNCILMEMBER SCHARNOW AND UNANIMOUSLY CARRIED TO EXTEND THE TEMPORARY BOARD EXECUTIVE COMMITTEE THROUGH AUGUST 31, 2020.

Chair Hartke said you know, we're very attentive to make sure that if there's any work that can be done in this larger sense that we defer, for example, yesterday we had scheduled a meeting, but it did not seem to make sense to us since we were meeting today to carry the business in that sense where we could address it today. All right.

Mr. Smith said and Mayor, if you could that is a good thing. Just so for everyone's notice, if you'd like to come in, we meet via Webex every Wednesday. The placeholder is 1:30 every Wednesday so anyone is welcome to listen in if you'd like to see how the Executive Committee functions. We don't hold it every week, but that's the placeholder. Every Wednesday at 1:30.

Mr. Chair said so call Pat before you set your calendar and set aside a window and a space to do that. All right. Thank you.

4. Possible Executive Session

No action taken.

5. Executive Session Action Items

I don't believe we have an Exec Session necessary so we will continue on.

6. Minutes

Chair Hartke said minutes from the April 16, 2020, Joint Board Meeting presented for approval.

IT WAS MOVED BY COUNCILMEMBER ARREDONDO-SAVAGE, SECOND BY COUNCILMEMBER SCHARNOW AND UNANIMOUSLY CARRIED TO APPROVE THE APRIL 16, 2020 JOINT BOARD MEETING MINUTES.

7. Audit and Finance Subcommittee Update

Councilmember Arredondo-Savage said thank you, Mayor. I had pretty much gave us our update a little bit sooner, but just so everybody knows. One thing that the Audit and Finance Committee are working on thanks to Alexis is we are preparing an Internal Audit Procedure Manual and also an Internal Audit Charter. So those will be reviewed and coming forward to the full Board in the near future.

Mr. Chair said thank you. Any questions? All right.

8. Consent Agenda

Chair Hartke said items are presented on the consent agenda for approval. Would anyone like any of the items to be removed from the consent agenda?

Vice Mayor Stipp said this this is Bill Stipp. Sorry. I'd like Item 8A removed.

Mr. Chair said all right. We'll remove that to action for conversation. Any additional ones? Hearing none. All right.

IT WAS MOVED BY COUNCILMEMBER SCHARNOW, SECONDED BY COUNCILMEMBER ARREDONDO-SAVAGE AND UNANIMOUSLY CARRIED TO APPROVE CONSENT AGENDA ITEMS 8B THROUGH 8D.

8A. Information Technology Contract Staffing Renewal

Chair Hartke said Bill, do you have some comments related to Item Number 8A?

Vice Mayor Stipp said so we had a discussion about this at AFS last week and through the Intergov Communication channels, I actually got an answer to it this morning. The crux of the question and the concern is we're being asked to approve a contract for just under $600,000 for three people for another year as we are all facing pretty substantial budget implications. And the information that we received last week was well, we don't quite use all of them for the full time. And it very concerning to me that -- and if you read the background material, you'll see it's a -- I think it's a justifiable contract, but for $600,000 for three people even if we paid them top dollar at $150,000 we're still saving a $150,000 a year in total.
So the response that I got from staff was well, this is more of the philosophical discussion and perhaps not related to that to this particular item and maybe that's true. But I think it's really important for the entire Board to look at this contract and say it's good through FY2021 which we heard from Paul this morning if all of the revenue figures hold up and the CARES money comes through we theoretically have the money for it.

But a year from now when we're getting ready to have this discussion again, we really need to have a serious discussion about the use of contractors for these positions because it's easier to contract then it is to try to find the staff. $600,000 for an IT contract is a lot of money particularly at this time of year and when we're getting ready to have discussions about service reduction. We really need to have a hard look internally as a Board at what the Valley Metro administration looks like.

If our whole purpose is to keep wheels on the road to move people from point A to point B and we all know that the most vulnerable parts of our population are the ones who rely heavily on our services. And when we start the reduce those services we're having a much deeper impact in our communities then I think most of us really appreciate.

So if there's a presentation to explain further what these positions are I would love to hear it. If not, I appreciate everybody listening to me ramble once again, but I think it's important for the entire Board to understand really what we're doing here and for this to be on consent doesn't really tell the whole story to the entire Board particularly based on the length of the conversation that we had last week. Thank you, Mr. Chair.

Chair Hartke said Jim.

Mr. Hillyard said that's all right. Mr. Chairman, Vice Mayor, thanks very much for your comments and for the discussion last week. We appreciated the dialog and based on that went back and took another look at whether this was the most cost efficient way of obtaining these services and I'll -- there's three different roles here. The full stack developer, that's the really big ticket contractor and then two business analysts. So I'd like to talk just a little bit about each of those because we want to take -- do justice to last week's conversation.

So with respect to the full stack developer, the first question for us was: Would it make more sense to be approaching this as an FTE rather than a contractor as a way of bringing down this cost? The first thing we did was to review in more detail the work that we expect this contractor to conduct in FY2021. For the first six months of the year, we think our original estimate was pretty good. In that period, we're going to be conducting a full re-architecting of our network. Networking technology's changed a lot in the last ten years. It's been eight years since we re- architected our network so we're engaging in that. And we believe that that's going to fully occupy this person for that period.

But we expect that to wrap up in the -- at the end of the first half of the fiscal year and after that we really think we're only going to need about 20 hours a week of this individual's time. And so if we incorporate that revision in the 2nd half of the year then the cost of this contractor would drop from the $252,000 you see reflected here to about $195,000.

Now, at that point, that contracting cost is about on par with the cost of hiring this as an FTE. Because these are 15-year super-highly skilled technicians and we're bringing in that would be competing with the private sector head-to-head on. So then the question is: Should we just have that as a full time position? Or continue to have it as a contractor?

I think our judgment was that for this position specifically maintaining it as a contractor makes sense really for two reasons. First, it does give us greater flexibility. It could be that we find that we need to make further adjustments for sustainability purposes and as a contractor, we can just dial down the hours. We're not committed to that cost in the way that we would be as an FTE.

Secondly, in FY2022, we believe that our focus will shift to working on the mobile app and the mobile fare payment system through the contract that we and Phoenix are jointly implementing. And we really think that the amount of time that we need this level of high skilled developer is going to fall well below even halftime. And so if we brought this person on as an FTE this year, we'd just lay them off next year and we'd rather not do that.

So given that the costs are basically a push at this point with the reduction in hours that we baked in, we think it probably makes the most sense to maintain this as a contractor for this year and then, you know, reevaluate next year because we expect the numbers to be much lower.

The second two positions that you see reflected here are businesses analyst position and you may be aware. Business analyst are the folks who specialize in sort of translating between human speak and geek speak so they're the folks that get with your users and say, tell me what you need this system to do. Tell me what problems you're solving and then they translate that into functional and technical requirements that allow us to either build a system that will meet our users' needs or RFP for a system that will meet our user's needs.

I'm a huge believer in the importance of business analysts. I think a lot of IT shops under appreciate them. There's a fair amount of research out there that shows that 80 percent of your risk in terms of cost and time is in having bad requirements up front. If you're not shooting at the right target, then you have to adjust after the fact and that's costly.

And so, we had two contract business analysts reflected here. We know that we're going to continue to have work for at least one time full time business analyst for the foreseeable future because there's just an awful lot of work in sitting down with our users and, in some cases with your users, as we did recently with a system to provide paratransit information in an online way, to understand be those requirements and build. And so, I think our recommendation here would be a further modification to this memo that would drop out one of the business analysts and replace that with an FTE. We think that will bring the total cost of ownership of that position down by about $30,000 to $40,000 a year.

Chair Hartke said thank you Jim.

Councilmember Arredondo-Savage said Jim, I just want to say thank you for the further information and Bill, thank you for bring this up because this was part of our big discussion that we had last week in the AFS and for those of you that don't know. One of the things that we actually are responsible for is reviewing the contract renewals. And I think in these circumstances this is one that rose to the level of concern and like I think Bill eloquently mentioned our concern from the AFS perspective in moving forward so appreciate you being prepared to share some more information in regards to the importance of the contract so thank you.

Chair Hartke said Board, is there any additional questions or comments related to Item 8A? All right. Hearing none. Is there a motion to approve this action?

IT WAS MOVED BY COUNCILMEMBER ARREDONDO-SAVAGE, SECOND BY COUNCILMEMBER SCHARNOW AND UNANIMOUSLY CARRIED TO APPROVE CONSENT AGENDA ITEM 8A.

9. <u>Quarterly Reports</u>

This item is presented for information only.

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

This item is presented for information only.

11 <u>Future Agenda Items Request and Update on Current Events</u>

Is there anything a future agenda items that you would like to see presented? Or anything you would like to inform the committee? Hearing none.

With no further discussion the meeting adjourned at 11:55 a.m.

Information Summary

DATE
June 11, 2020

AGENDA ITEM 7

SUBJECT
Audit and Finance Subcommittee (AFS) Update

PURPOSE
Councilmember Arredondo-Savage, Chair of AFS, will brief the Joint Boards of Directors on discussions and actions taken at the Audit and Finance Subcommittee meeting.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
This item is presented for information only.

CONTACT
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Chief Financial Officer
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ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 8A**
June 11, 2020

SUBJECT
Fiscal Year 2021 (FY21) Intergovernmental Agreements (IGA)

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute FY21 IGAs and IGA amendments for projects in the approved Valley Metro RPTA FY21 Operating and Capital Budget.

COST AND BUDGET
Please see the attached spreadsheet.

RECOMMENDATION
Staff recommends that the Boards of Directors authorize the CEO to execute the FY21 IGAs and IGA amendments as listed and for the periods of performance and in the amounts indicated for each agreement.

BACKGROUND | DISCUSSION | CONSIDERATION
There are a number of IGAs and IGA amendments that require Board approval prior to the start of FY21. The attachment provides a list of the FY21 RPTA required IGAs and renewals.

The IGAs are based on the latest estimates of costs and services funded by each member. IGA changes that are required as a result of service changes in October 2020 and April 2021 will be brought to the Board for approval after the final list of service changes is determined.

COMMITTEE ACTION
RTAG: May 19, 2020 for information
TMC/RMC: June 3, 2020 approved
Boards of Directors: June 18, 2020 for action

CONTACT
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ATTACHMENT
Attachment 1 - List of FY21 IGAs

Expense/ Revenue	Member Agency/Jurisdiction Intergovernmental Agreement No.	Brief Description	FY 2020 Amount	FY 2021 Amount	Change from FY 2018 to FY 2019
Expense	AZ Dept. of Environmental Quality	Repayment of Lottery Advance	$2,000,000	$2,000,000	$0
PTF Reimbursement	City of Avondale 106-75-2020	ADA Allocations	$148,200	$265,905	$117,705
PTF Reimbursement	City of Avondale 106-75-2020	Fixed Route Transit Services	$1,199,913	$183,200	($1,016,713)
PTF Reimbursement	City of Avondale 106-75-2020	RideChoice	$0	$57,966	$57,966
PTF Reimbursement	City of Avondale 106-75-2020	Paratransit	$148,200	$139,227	($8,973)
Revenue	City of Avondale 106-75-2020	Fixed Route Transit Services	$1,276,849	$0	($1,276,849)
Revenue	City of Buckeye 166-75-2020	Fixed Route Transit Services	$39,500	$29,000	($10,500)
PTF Reimbursement	City of Chandler 118-75-2020	ADA Allocations	$1,719,350	$1,729,000	$9,650
PTF Reimbursement	City of Chandler 118-75-2020	Fixed Route Transit Services	$6,011,005	$3,843,438	($2,167,567)
PTF Reimbursement	City of Chandler 118-75-2020	Paratransit	$1,719,350	$1,629,000	($90,350)
Revenue	City of Chandler 118-75-2020	Paratransit	$906,245	$249,320	($656,925)
Revenue	City of Chandler 118-75-2020	Fixed Route Transit Services	$1,734,532	$1,078,415	($656,117)
Revenue	City of Chandler 118-75-2020	RideChoice	$194,290	$166,747	($27,543)
Revenue	City of Chandler AAFA-COC-2019	Arizona Avenue Alternatives Analysis FA	$600,000	$0	($600,000)
PTF Reimbursement	City of El Mirage 121-48-2020	ADA Allocations	$26,900	$26,220	($680)
PTF Reimbursement	City of El Mirage 121-48-2020	Paratransit	$26,900	$26,220	($680)
Revenue	City of El Mirage 121-48-2020	Paratransit	$7,419	$30,904	$23,485
PTF Reimbursement	City of Glendale 133-75-2020	ADA Allocations	$784,844	$759,003	($25,841)
PTF Reimbursement	City of Glendale 133-75-2020	Fixed Route Transit Services	$3,843,888	$2,100,728	($1,743,160)

Expense/ Revenue	Member Agency/Jurisdiction Intergovernmental Agreement No.	Brief Description	FY 2020 Amount	FY 2021 Amount	Change from FY 2018 to FY 2019
Revenue	City of Glendale 133-75-2020	Paratransit	$1,192,995	$1,223,522	$30,527
PTF Reimbursement	City of Goodyear 136-75-2020	ADA Allocations	$14,400	$14,155	($245)
PTF Reimbursement	City of Goodyear 136-75-2020	Paratransit	$14,400	$14,155	($245)
PTF Reimbursement	City of Goodyear 136-75-2020	Fixed Route Transit Services	$16,215	$0	($16,215)
Revenue	City of Goodyear 136-75-2020	Fixed Route Transit Services	$191,378	$0	($191,378)
Revenue	City of Goodyear 136-75-2020	Paratransit	$75,119	$0	($75,119)
Revenue	City of Goodyear 136-75-2020	RideChoice	$0	$0	$0
Revenue	City of Mesa 145-75-2020	Paratransit	$754,783	$0	($754,783)
PTF Reimbursement	City of Mesa 145-75-2020	ADA Allocations	$3,843,530	$3,760,005	($83,525)
PTF Reimbursement	City of Mesa 145-75-2020	Fixed Route Transit Services	$11,582,811	$7,727,489	($3,855,322)
PTF Reimbursement	City of Mesa 145-75-2020	Paratransit	$3,843,530	$3,358,256	($485,274)
PTF Reimbursement	City of Mesa 145-75-2020	RideChoice	$0	$401,749	$401,749
Revenue	City of Mesa 145-75-2020	Fixed Route Transit Services	$4,738,298	$2,786,753	($1,951,545)
Revenue	City of Mesa 145-75-2020	RideChoice	$914,968	$301,516	($613,452)
PTF Reimbursement	City of Mesa FDAA-COM-2019	Fiesta District Alternative Analysis FA	$900,000	$0	($900,000)
PTF Reimbursement	City of Peoria 151-75-2020	ADA Allocations	$247,100	$241,110	($5,990)
PTF Reimbursement	City of Peoria 151-75-2020	Fixed Route Transit Services	$1,651,871	$999,633	($652,238)
PTF Reimbursement	City of Peoria 151-75-2020	Paratransit	$0	$0	$0
Revenue	City of Peoria 151-75-2020	Paratransit	$547,710	$510,648	($37,062)
Revenue	City of Peoria 151-75-2020	Fixed Route Transit Services	$1,272,957	$147,442	($1,125,515)

Expense/ Revenue	Member Agency/Jurisdiction Intergovernmental Agreement No.	Brief Description	FY 2020 Amount	FY 2021 Amount	Change from FY 2018 to FY 2019
No Budget Impact	City of Peoria 151-35-2020	Peoria Park and Ride Operations and Maintenance	$697,362	$0	($697,362)
Expense	City of Phoenix 139285	Fixed Route Transit Services - RPTA Buys	$10,635,095	$5,863,262	($4,771,833)
PTF Reimbursement	City of Phoenix 143071	Fixed Route Transit Services	$1,501,211	$1,173,356	($327,855)
Revenue	City of Phoenix 143071	Fixed Route Transit Services - Phx Buys	$8,182,583	$5,233,911	($2,948,672)
PTF Reimbursement	City of Phoenix - ATAN	ATAN Bus Stop Improvement Projects	$1,017,000	$0	($1,017,000)
PTF Reimbursement	City of Scottsdale 160-75-2020	ADA Allocations	$1,602,600	$1,370,185	($232,415)
PTF Reimbursement	City of Scottsdale 160-75-2020	Fixed Route Transit Services	$8,123,385	$2,214,214	($5,909,171)
PTF Reimbursement	City of Scottsdale 160-75-2020	Paratransit	$1,475,654	$985,197	($490,457)
Revenue	City of Scottsdale 160-75-2020	Paratransit	$12,050	$0	($12,050)
PTF Reimbursement	City of Scottsdale 160-75-2020	RideChoice	$0	$246,021	$246,021
PTF Reimbursement	City of Surprise 166-75-2020	ADA Allocations	$52,600	$51,395	($1,205)
PTF Reimbursement	City of Surprise 166-75-2020	Paratransit	$52,600	$51,395	($1,205)
PTF Reimbursement	City of Surprise 166-75-2020	Senior Shuttle	$0	$0	$0
PTF Reimbursement	City of Surprise 166-75-2020	Fixed Route Transit Services	$125,038	$92,217	($32,821)
Revenue	City of Surprise 166-75-2020	Fixed Route Transit Services	$106,641	$90,453	($16,188)
Revenue	City of Surprise 166-75-2020	Senior Shuttle	$125,985	$0	($125,985)
Revenue	City of Surprise 166-75-2020	RideChoice	$444,102	$468,659	$24,557
Revenue	City of Surprise 166-75-2020	Paratransit	$301,053	$349,570	$48,517
Expense	City of Tempe 169-75-2020-EVBOM	EVBOM	$5,788,277	$5,813,291	$25,014

Expense/ Revenue	Member Agency/Jurisdiction Intergovernmental Agreement No.	Brief Description	FY 2020 Amount	FY 2021 Amount	Change from FY 2018 to FY 2019
Revenue	City of Tempe 169-31-2019	Reduced Fare	$1,000	$1,000	$0
Revenue	City of Tempe 169-31-2020	Paratransit	$600,607	$12,012	($588,595)
Revenue	City of Tempe 169-31-2020	RideChoice	$195,416	$243,817	$48,401
PTF Reimbursement	City of Tempe 169-31-2020	Fixed Route Transit Services	$5,927,375	$4,595,728	($1,331,647)
Revenue	City of Tempe 169-31-2020	Fixed Route Transit Services	$20,107,819	$11,580,326	($8,527,493)
PTF Reimbursement	City of Tempe 169-31-2020	ADA Allocations	$1,141,170	$1,119,955	($21,215)
PTF Reimbursement	City of Tempe 169-31-2020	RideChoice	$0	$39,973	$39,973
PTF Reimbursement	City of Tempe 169-31-2020	Paratransit	$1,141,170	$1,079,982	($61,188)
PTF Reimbursement	City of Tolleson 172-75-2020	ADA Allocations	$11,300	$11,115	($185)
PTF Reimbursement	City of Tolleson 172-75-2020	Fixed Route Transit Services	$362,602	$205,103	($157,499)
PTF Reimbursement	City of Tolleson 172-75-2020	Paratransit	$0	$11,115	$11,115
Revenue	City of Tolleson 172-75-2020	Paratransit	$61,285	$23,565	($37,720)
Revenue	City of Tolleson 172-75-2020	Fixed Route Transit Services	$411,277	$174,632	($236,645)
Revenue	City of Tolleson 172-75-2020	RideChoice	$0	$6,956	$6,956
Revenue	Gila River Indian Community 128-75-2020	Fixed Route Transit Services	$151,120	$98,517	($52,603)
Revenue	Maricopa Association of Governments (MAG) #1	Transit Planning Services	$724,720	$724,720	$0
Revenue	Maricopa Association of Governments (MAG) #2	Origin Destination Study Agreement	$200,000	$0	($200,000)
Revenue	Maricopa Association of Governments (MAG) #3	Regional Rideshare/Telework	$594,000	$594,000	$0
Revenue	Maricopa Association of Governments (MAG) #954	Northwest Sun Cities Transit Implementation Study	$64,452	$0	($64,452)

Expense/ Revenue	Member Agency/Jurisdiction Intergovernmental Agreement No.	Brief Description	FY 2020 Amount	FY 2021 Amount	Change from FY 2018 to FY 2019
PTF Reimbursement	Maricopa County	Paratransit	$143,300	$139,840	($3,460)
Revenue	Maricopa County	RideChoice	$871,949	$487,371	($384,578)
Revenue	Maricopa County	Paratransit	$761,898	$557,537	($204,361)
PTF Reimbursement	Maricopa County	ADA Allocations	$143,300	$139,840	($3,460)
Revenue	Maricopa County	Trip Reduction Expansion	$370,000	$370,000	$0
Revenue	Maricopa County	Trip Reduction	$150,000	$150,000	$0
PTF Reimbursement	Town of Fountain Hills 124-75-2020	ADA Allocations	$14,900	$14,535	($365)
PTF Reimbursement	Town of Fountain Hills 124-75-2020	Fixed Route Transit Services	$28,120	$16,164	($11,956)
PTF Reimbursement	Town of Fountain Hills 124-75-2020	RideChoice	$14,900	$9,236	($5,664)
Revenue	Town of Fountain Hills 124-75-2020	RideChoice	$7,711	$0	($7,711)
PTF Reimbursement	Town of Gilbert 130-75-2020	Fixed Route Transit Services	$4,011,931	$2,515,083	($1,496,848)
PTF Reimbursement	Town of Gilbert 130-75-2020	Paratransit	$1,318,400	$1,290,005	($28,395)
Revenue	Town of Gilbert 130-75-2020	Paratransit	$1,143,102	$608,503	($534,599)
Revenue	Town of Gilbert 130-75-2020	RideChoice	$91,990	$199,740	$107,750
PTF Reimbursement	Town of Guadalupe 139-75-2020	Fixed Route Transit Services	$230,210	$144,188	($86,022)
PTF Reimbursement	Town of Youngtown 172-75-2020	Paratransit	$1,600	$1,615	$15
Revenue	Town of Youngtown 172-75-2020	Paratransit	$85,875	$45,972	($39,903)

Information Summary

DATE **AGENDA ITEM 8B**
June 11, 2020

SUBJECT
Autonomous Vehicle Pilot Program with Waymo Contract Extension

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to issue an extension of services for the Autonomous Vehicle Pilot.

COST AND BUDGET
Regional Public Transportation Authority (RPTA) funding in the amount of $50,000 is included in the proposed FY 2021 budget. In FY 2019, the Board approved $200,000 for this pilot project through FY 2020. Only $14,292 has been expended to-date due to a delay in the official pilot start. As a result, an extension of the pilot through FY 2021 is needed. However, the pilot has also proven less expensive than anticipated and, including the authorization in this memo, is projected to cost less half of the Board's original authorization.

RECOMMENDATION
Staff recommends the Boards of Directors authorize the CEO to issue an extension of service for the Autonomous Vehicle Pilot for one year. The extended period of service will be from July 1, 2020 to June 30, 2021 at a cost not to exceed $50,000.

BACKGROUND | DISCUSSION | CONSIDERATION
RPTA executed a two-year contract with Waymo in July 2018 with a budget of $200,000 to pilot test-use cases of autonomous vehicles to gain insight about public perception and integration of cutting-edge technology to enhance the regional public transportation system. The current contract expires June 30, 2020. However; planning and coordination between Valley Metro, Waymo, and ASU delayed the official start of the pilot until 2019. As a result, an extension of the contract is necessary to complete the pilot.

In September 2018, Valley Metro conducted a test with employees to ensure the pilot would provide an acceptable customer experience. In April 2019, Arizona State University was added as our research partner to collect and analyze data to assess the behavioral impacts and operational aspects of Autonomous Vehicle services. ASU's participation was funded using the FTA's Mobility on Demand Sandbox grant. As a result, there was a need to identify research questions of interest to Valley Metro, the

FTA, ASU, and Waymo. This coordination took longer than initially anticipated and delayed the official start of the pilot until FY 2019. As a result, the pilot will conclude in FY 2021.

COMMITTEE ACTION
RTAG: May 19, 2020 for information
TMC/RMC: June 3, 2020 approved
Boards of Directors: June 18, 2020 for action

CONTACT
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ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 9**
June 11, 2020

SUBJECT
Enterprise Resource Planning (ERP)/Enterprise Asset Management (EAM) System Contract Award

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a contract with Denovo Ventures, LLC for an integrated ERP/EAM System in an amount not to exceed $7,113,070, which includes a contingency of $474,894.

COST AND BUDGET
The contract includes implementation, training and change management services and the purchase of licenses/software fees totaling $4,748,944, plus a 10% contingency of $474,894. The upfront costs will be shared equally between RPTA and Valley Metro Rail (VMR). Funding from RPTA will be from Regional Area Road Funds (RARF). Funding from VMR will be regional Public Transportation Funds (PTF).

Annual On-going costs for software licenses fees are $472,308 for the first 47 month contract term for a total of $1,889,232. Additional optional terms may allow for inflationary increases. The annual fees will be shared among RARF, PTF and member city contributions.

Implementation Services	$4,748,944	
Contingency	$474,894	
Annual Fees	$1,889,232	* total for initial term
Total	$7,113,070	

RECOMMENDATION
Staff recommends that the Boards of Directors authorize the CEO to execute a contract with Denovo Ventures, LLC for an integrated ERP/EAM System in an amount not to exceed $7,113,070 for a contract period of 47 months with options to extend not to exceed a maximum term of 10 years.

BACKGROUND | DISCUSSION | CONSIDERATION
Valley Metro currently has multiple financial systems that are not integrated and/or unable to integrate with each other. Certain aspects of these systems have been in use for more than 10 years. Staff must use numerous shadow systems with manual uploads and downloads to accomplish work. A needs assessment was completed by Valley Metro's consultant Plante Moran and authorization was given to the CEO by the

Board in June 2019 to issue a Request for Proposals (RFP) for Enterprise Resource Planning System.

In September 2019, Valley Metro issued a RFP for the ERP System and requested proposals from qualified providers of municipal software solutions whose product offering meet or exceeded current Valley Metro requirements to provide a robust solution set that will allow Valley Metro to leverage this investment well into the future as the needs of Valley Metro grow and evolve.

The solicitation included the following evaluation rounds:

ROUND 1 – Minimum Criteria
RFP Response Timeliness
Response Authorization
Response Completeness
Minimum Client Software Installations

ROUND 2 -Technical Criteria	
Functional requirements	40%
Cost including both initial and on-going	20%
Implementation requirements, plan and timeline	30%
General Vendor to include number and size of comparable municipal installations (preference for those in Arizona), financial stability, completeness of response, and quality of proposal response	10%
TOTAL	100%

ROUND 3 – Demonstrations/Reference Checks	
Functional and Usability	30%
Service and Support	25%
Investment and Costs	20%
Technical Requirements	15%
Vendor Viability	10%
TOTAL	100%

A total of 10 firms submitted proposals with five moving to the 2nd round and three of the five moving to the 3rd round.

A selection committee, comprised of key Valley Metro staff evaluated the proposals including live demonstrations held at Valley Metro locations with three of the five firms. Reference checks via WebEx were also completed. Based on the proposals, demonstrations and reference checks Denovo Ventures, LLC was selected.

COMMITTEE ACTION
RTAG: May 19, 2020 for information
TMC/RMC: June 3, 2020 approved
Boards of Directors: June 18, 2020 for action

CONTACT
Paul Hodgins
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ATTACHMENT
None

Enterprise Resource Planning
Enterprise Asset Management

Recommended Contract Award

June 2020

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Background

- **Valley Metro hired Plante Moran in December 2018**
  - Assess current systems/capabilities
  - Map current business processes
  - Develop requirements for future system
  - Assist with procuring/selecting new system

- **Board of Directors approved issuance of RFP for ERP/EAM in June 2019 and the RFP was issued in September 2019.**

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Assessment Key Findings

Technology Key Findings

Need for new ERP system apparent

- Limited system functionality and reporting capabilities
- Lack of real-time data due to disconnected systems environment
- Poor user experience and lack of confidence in systems
- Multiple systems and processes in place (dual entry, shadow systems)
- Lack of standardization (workflows and approval processing)

Current technology does not support the organization as a whole

Process Key Findings

- **Lack of overall strategic ERP vision and governance**
  - Broad ERP footprint (high cost design)
  - Lack of system integration, dual entry and shadow systems
  - Siloed based approach to technology
  - Process inconsistencies across departments
  - Lack of governance over IT systems
- **Lack of consistent, efficient business processes**
  - Business processes are not efficient
  - Lack of general understanding across the enterprise
  - Many attempts to enhance business processes in a silo

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Readiness Assessment Findings

Risks to changing the ERP system	Risks of not changing the ERP system
- Not correctly mapping out business processes that will be included in the system - Concerns that management does not understand the current process therefore, may not identify how to improve process - Loss of historical comparison when changing account structure - Data conversion/data loss - Overcoming learning curve - Additional training costs	- Continuing with outdated siloed processes/systems - Not having shared data - Continue to struggle with efficiency and productivity - Continue operating a disconnected environment - Continue with system/processes that allow for errors - Falling behind with technology - Unable to make informed decisions - Inadequate controls and risk

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Procurement Summary

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Proposal Review

- **Proposals received in November 2019**
  - 10 proposals received
  - 5 proposals met minimum criteria
  - 3 proposers were brought in for demonstrations
    - Virtual reference checks were conducted with organizations using the finalist systems
- **Evaluation Team unanimously agreed to move forward with Denovo for the implementation of the following products:**
  - Oracle ERP
  - Trapeze EAM

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Implementation Team

- **Denovo Ventures, LLC**
  - Third party implementer for Oracle Cloud
  - Oracle Platinum Partner
- **Trapeze**
  - Transit specific technology solutions
- **nMomentum**
  - Change management

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Enterprise Resource Planning (ERP)

Oracle Cloud

- General Ledger
- Accounts Payable
- Accounts Receivable and Billing
- Budget
- Cash Management
- Contracts Management
- Fixed Asset Management
- Inventory
- Payroll
- Procurement
- Projects and Grants Management
- Time and Labor

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Trapeze EAM

- **Cloud Managed Service**
  - Asset Management
    - Rolling stock, non-revenue vehicles, facilities, linear infrastructure
  - Work Management
    - Work orders
    - Resource assignment (vehicles, tools, etc.)
    - Warranty management
  - Inventory Management
  - State of Good Repair
    - Meet FTA TAM requirements
      - Asset condition

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Contract Term

- **Initial Term 47 months**
  - Aligns with Oracle HRIS term
- **Two 3-Year options**
- **Maximum term of 10 years**

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Costs

- **Do nothing**
  - Current systems estimated $900,000 per year
  - 10-Year Cost: $9 million

- **Denovo proposal**
  - Implementation Cost: $4,748,944
  - Annual License Fees: $472,308
  - 10-Year Cost: $9,472,024

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Project Objectives

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Project Benefits

- **Integrated Systems Environment**
  - Eliminate time consuming reconciliations between multiple sources
  - Error checking and transaction validation
  - ERP and EAM system cohesion

- **Increased System Capabilities**
  - Reduce dependency on shadow systems supporting the ERP/EAM processes by using functionality native to these systems
  - Access to On Demand reporting and analytics with an increased emphasis on data transparency
  - Electronic workflow, tracking and approvals.

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Project Benefits

- **Internal Control Improvements**
  - Segregation of duties
  - Permissions/role management
- **Process Documentation and Training**
  - User training and tailored system documentation to support ongoing training
  - Opportunity to modernize business processes
- **Overcome Past Practices**
  - Re-focus on process outcomes
  - Reduce knowledge silos
  - Eliminate paper-dependent processes

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Project Benefits

- **Cycle Time**
  - Reduced handoffs
  - Quicker payment processing with invoice submission and review enhancements
  - Parallel vs. linear tasks
  - Workflow and status tracking
- **Search / Indexing**
  - Moving towards 'One Source of Truth'
  - Increased accessibility to data
  - Consistent data indexing
- **Mobility**
  - Ability to access approvals, work orders, time requests and time entry via mobile devices

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Recommendation

Staff recommends that the Boards of Directors authorize the CEO to execute a contract with Denovo Ventures, LLC for an integrated ERP/EAM System in an amount not to exceed $7,113,070 for a contract period of 47 months with options to extend not to exceed a maximum term of 10 years.

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Thank You

VALLEY METRO

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Information Summary

DATE
June 11, 2020

AGENDA ITEM 10

SUBJECT
Travel, Expenditures and Solicitations

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

Travel has been suspended at this time.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
This item is presented for information only.

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

Valley Metro Regional Public Transportation Authority
Monthly AP Payments over $25,000
April 21, 2020 to May 20, 2020

Document Number	Name	Transaction Description	Effective Date	Transaction Amount
20200508W001	First Transit, Inc.	March 2020 FR Bus Service - Unification	5/8/2020	5,913,423.42
20200515W001	City of Phoenix	April 2020 FR Bus Svc, DAR, FR Svc Op Supp	5/15/2020	2,417,101.54
20200515W005	Transdev Services, Inc	Feb. 2020 Regional Paratransit Services	5/15/2020	1,726,743.89
20200508W007	ADP, LLC	PPE 5/3/20 Wages Payable - Reverse Wire	5/8/2020	594,490.46
20200424W006	ADP, LLC	PPE 4/19/20 Wages Payable-Reverse Wire	4/24/2020	580,342.56
20200508W006	Total Transit Enterprises, LLC	March 2020 West Valley FR Transit Svc	5/8/2020	454,814.89
20200508W003	New Flyer of America, Inc.	6851 New Flyer SR-2424 Coach XN40 (80% pymt)	5/8/2020	427,796.60
20200508W003	New Flyer of America, Inc.	6852 New Flyer SR-2424 Coach XN40 (80% pymt)	5/8/2020	427,796.60
20200424W004	New Flyer of America, Inc.	6847 Coach SR-2424 (80% pymt)	4/24/2020	427,796.60
20200424W004	New Flyer of America, Inc.	6848 Coach SR-2424 (80% pymt)	4/24/2020	427,796.60
20200424W004	New Flyer of America, Inc.	6849 Coach SR-2424 (80%pymt)	4/24/2020	427,796.60
20200424W004	New Flyer of America, Inc.	6853 Coach SR-2424 (80% pymt)	4/24/2020	427,796.60
20200515W	Cigna Health and Life Insurance Company	May 2020 Cigna Health Premiums	5/15/2020	367,174.41
41588	American Logistics Company, LLC	Feb. 2020 RideChoice Management Services	4/30/2020	292,509.34
41565	American Logistics Company, LLC	Jan. 2020 RideChoice Management Services	4/23/2020	290,224.18
41565	American Logistics Company, LLC	Dec. 2019 RideChoice Management Services	4/23/2020	282,627.39
41588	American Logistics Company, LLC	November 2019 RideChoice Management Services	4/30/2020	278,657.98
20200508W007	ADP, LLC	PPE 5/3/20 Federal, State, SS/Med EE/ER Tax - ACH	5/8/2020	238,792.62
20200424W006	ADP, LLC	PPE 4-19-20 Federal, State, SS/Med EE/ER Tax - ACH	4/24/2020	234,014.55
20200508W008	ASRS	PPE 5/3/20 ASRS Contributions Employee	5/8/2020	110,550.74
20200508W008	ASRS	PPE 5/3/20 ASRS Contributions Employer	5/8/2020	110,550.74
20200424W007	ASRS	PPE 4/19/20 ASRS Contributions Employee	4/24/2020	108,248.66
20200424W007	ASRS	PPE 4/19/20 ASRS Contributions Employer	4/24/2020	108,248.66
20200508W003	New Flyer of America, Inc.	6852 New Flyer SR-2424 Coach XN40 (20% pymt)	5/8/2020	106,949.15
20200508W003	New Flyer of America, Inc.	6853 New Flyer SR-2424 Coach XN40 (20% pymt)	5/8/2020	106,949.15
20200508W003	New Flyer of America, Inc.	6847 New Flyer SR-2424 Coach XN40 (20% pymt)	5/8/2020	106,949.15
20200508W003	New Flyer of America, Inc.	6848 New Flyer SR-2424 XN40 (20% pymt)	5/8/2020	106,949.15
20200508W003	New Flyer of America, Inc.	6851 New Flyer SR-2424 Coach XN40 (20% pymt)	5/8/2020	106,949.15
20200515W003	New Flyer of America, Inc.	6849 New Flyer Coach SR-2424 XN40 (20% pymt)	5/15/2020	106,949.15
20200501W002	Medical Transportation Management, Inc.	Feb. 2020 In-Person Eligibility Assessment and Travel Training Services	5/1/2020	95,700.19
20200508W004	Second Generation, Inc. dba Ajo Transportation	March 2020 Rural Connector Route	5/8/2020	66,643.29

Valley Metro Regional Public Transportation Authority
Monthly AP Payments over $25,000
April 21, 2020 to May 20, 2020

Document Number	Name	Transaction Description	Effective Date	Transaction Amount
20200501W001	CopperPoint Insurance Company	May 2020 Mobility and Call Center Rent and CAM	5/1/2020	52,008.57
05152020	Wells Fargo	April 2020 Credit Card Purchases	5/15/2020	50,098.27
41604	Guidesoft Inc.	3/9-3/22/20 IT Services Consultant	4/30/2020	47,388.36
41626	Creative Bus Sales Inc.	49363 2020 Ford Transit 150 Van Silver	5/7/2020	43,562.21
41626	Creative Bus Sales Inc.	49365 2020 Ford Transit 150 Van Silver	5/7/2020	43,562.21
41626	Creative Bus Sales Inc.	49367 2020 Ford Transit 150 Van Silver	5/7/2020	43,562.21
41626	Creative Bus Sales Inc.	49368 2020 Ford Transit 150 Van Silver	5/7/2020	43,562.21
41626	Creative Bus Sales Inc.	49369 2020 Ford Transit 150 Van Silver	5/7/2020	43,562.21
41626	Creative Bus Sales Inc.	49370 2020 Ford Transit 150 Van Silver	5/7/2020	43,562.21
41626	Creative Bus Sales Inc.	49371 2020 Ford Transit 150 Van Silver	5/7/2020	43,562.21
41626	Creative Bus Sales Inc.	49372 2020 Ford Transit 150 Van Silver	5/7/2020	43,562.21
41626	Creative Bus Sales Inc.	49376 2020 Ford Transit 150 Van Silver	5/7/2020	43,562.21
41626	Creative Bus Sales Inc.	49378 2020 Ford Trnasit 150 Van Silver	5/7/2020	43,562.21
41626	Creative Bus Sales Inc.	49379 2020 Ford Transit 150 Van Silver	5/7/2020	43,562.21
41626	Creative Bus Sales Inc.	49381 2020 Ford Transit 150 Van Silver	5/7/2020	43,562.21
41630	Enterprise Rideshare	Feb. 2020 Vanpool Services	5/7/2020	43,179.43
41626	Creative Bus Sales Inc.	49357 2020 Ford Transit 150 Van Silver	5/7/2020	42,667.03
41626	Creative Bus Sales Inc.	49360 2020 Ford Transit 150 Van Silver	5/7/2020	42,667.03
41626	Creative Bus Sales Inc.	49361 2020 Ford Transit 150 Van Silver	5/7/2020	42,667.03
41599	Dye Management Group, Inc.	Marc 2020 Transit Asset Management Consultant	4/30/2020	40,975.00
41626	Creative Bus Sales Inc.	49303 2020 Ford Transit 150 Van Silver	5/7/2020	40,959.04
41656	Guidesoft Inc.	IT Services Consultants Weeks Ending 3/29/20 and 4/5/20	5/14/2020	40,103.48
41624	CHK America, Inc	March 2020 Wayfinding Map Design Services	5/7/2020	38,060.00
41593	CDW Government LLC	DUO Renewal	4/30/2020	35,186.40
41610	Mosaic451, LLC	March 2020 Managed Security Services	4/30/2020	34,600.00
R20200430W003	City of Mesa	April 2020 Utilities	4/30/2020	28,928.61
41597	Clean Energy	Feb. 2020 CNG Fueling Equip Repair and Maintenance	4/30/2020	25,152.69
41655	Greater Phoenix Economic Council	GPEC Investment-Director's Council May 2020-April 2021	5/14/2020	25,000.00
				18,631,721.47

Valley Metro Rail, Inc.
Monthly AP Payments over $25,000
April 21, 2020 to May 20, 2020

Document Number	Name	Transaction Description	Effective Date	Transaction Amount
20200424W002	Stacy and Witbeck, Inc.	March 2020 Tempe Streetcar	4/24/2020	5,100,240.73
20200515W005	Stacy and Witbeck, Inc.	March 2020 Tempe Streetcar Project	5/15/2020	3,117,402.10
20200508W005	Hensel Phelps Construction Co	March 2020 OMC Expansion	5/8/2020	2,530,717.00
20200515W003	Kiewit Infrastructure West Co.	Jan 2020 S Central Extension	5/15/2020	1,743,205.28
20200508W001	Alternate Concepts Inc.	March 2020 Transportation Services	5/8/2020	900,796.14
20200515W002	Hill International, Inc.	Feb 2020 Program Management	5/15/2020	853,125.73
035268	CenturyLink Assets Accounting - BART	Gilbert Road Extension Utilities	4/30/2020	798,444.15
20200501W003	Stacy and Witbeck-Sundt JV GRE	6/29/19-2/28/20 Gilbert Road Extension	5/1/2020	585,237.90
20200508W	Allied Universal Security Services	March 2020 Fare Inspection and Security Services	5/8/2020	564,820.56
20200424W	HDR Engineering, Inc.	Feb 2020 Planning and Community Relations	4/24/2020	539,621.12
035299	Arizona Department of Transportation	NW Extension Phase 2 Consultant Construction Inspection	5/7/2020	240,000.00
20200501W002	DMS - Facility Services, Inc.	March 2020 Facilities and LRV Cleaning Services	5/1/2020	231,691.55
035340	Arizona State University	Automation Demonstration Lessons MOD Sandbox Project 5/1/19-3/31/20	5/14/2020	197,499.84
20200501W	101 North First Ave LLC	May 2020 101 Bldg Rent	5/1/2020	162,817.32
20200515W	ARCADIS	March 2020 Consuting Support Services	5/15/2020	162,242.04
V20200430W	APS	April 2020 Utilities	4/30/2020	151,508.16
035291	Traction Systems, Inc.	Traction Motor Overhaul	4/30/2020	124,487.92
035339	Altec Industries, Inc.	Bucket Truck Repairs and Service	5/14/2020	120,235.43
035339	Altec Industries, Inc.	Bucket Truck Repairs ans Service	5/14/2020	120,235.43
V20200430W021	SRP	April 2020 Utilities	4/30/2020	78,234.94
20200501W002	DMS - Facility Services, Inc.	March 2020 Facility Maintenance Services	5/1/2020	68,766.47
035279	King's View LLC	KN95 CE/FDA Masks	4/30/2020	60,000.00
20200508W	Allied Universal Security Services	March 2020 Fare Inspection ans Security Services	5/8/2020	55,727.10
20200424W001	Siemens Mobility, Inc.	Propulsion Circuit Boards	4/24/2020	55,669.80
20200515W004	Siemens Mobility, Inc.	Milestone C2 LRV Acquisition Program	5/15/2020	49,940.99
035288	Sperry Rail, Inc.	Rail Testing Service	4/30/2020	45,500.00
20200508W003	Dellner Inc.	LRV Coupler Overhaul	5/8/2020	42,996.00
20200508W002	Award Winning Restorations	LRV 121 Change Color Scheme	5/8/2020	33,960.00
035358	Stantec Consulting Services, Inc.	Feb 2020 Tempe Streetcar Design Service	5/14/2020	28,124.00
				18,763,247.70

Procurement Report
as of 05/18/2020

RECENTLY COMPLETED PROCUREMENTS

Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
RPTA	RFP	HD Circulator Vehicles	Yes	September 2019	November 2019	April 2020	$15,565,802.00	5 Years	Executed
RPTA	RFP	Transportation Demand Management (TDM) Platform Solution	No	November 2019	December 2019	April 2020	$407,550.00	3 years + 2 one-year options	Executed

ACTIVE PROCUREMENTS

Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
Joint	RFP	ERP and EAM Solution	No	September 2019	November 2019	June 2020	$5,000,000.00	TBD	In Evaluation
Joint	RFP	Videography Services	No	January 2020	February 2020	April 2020	$170,000.00	2 years + 2 one-year options	Routed for Signature
Joint	RFP	Operations Cleaning Services	Yes	May 2020	June 2020	October 2020	$14,330,000.00	3 year + 1 two-year option	Solicitation Issued
Joint	COOP	Alesig Maintenance and Support	No	N/A	N/A	May 2020	$450,000.00	1 year + 2 one-year options	Pending Board Approval
Joint	Sole Source	Paratransit Eligibility, Scheduling and Dispatch Software	No	N/A	N/A	May 2020	$720,000.00	4 years	Initiating Documents
Joint	Purchase Order	Consulting IT Staff	No	N/A	N/A	May 2020	$590,000.00	1 year	Pending Board Approval
Joint	Purchase Order	Information Technology Infrastructure Refresh	No	N/A	N/A	May 2020	$1,217,100.00	1 year	Pending Board Approval
Joint	Purchase Order	Security Log Collector Maintenance and Support	No	N/A	N/A	May 2020	$207,600.00	3 years	Pending Board Approval
RPTA	RFP	Bus Wash Replacement	No	November 2019	January 2020	May 2020	$914,000.00	6 years	Pending Board Approval
RPTA	Purchase Order	Transportation Planning Software	No	N/A	N/A	May 2020	$187,000.00	3 years	Pending Board Approval
RPTA	RFP	Retail Sales Networks for Fare Collection and Customer Service	No	February 2020	May 2020	August 2020	$35,000,000.00	5 years + 3 yr + 2 yr	Solicitation Issued
RPTA	RFP	Bus Inspection Services - Re-Issue	Yes	April2020	May 2020	August 2020	$1,600,000.00	5 years	Offers Received
RPTA	RFP	Bus Inspection Services	Yes	March 2020	April 2020	June 2020	$1,600,000.00	5 years	Cancelled
VMR	IFB	Paver Maintenance	No	December 2019	January 2020	N/A	$149,000.00	3 Years	Cancelled
VMR	IFB	Alignment Sweeping Services	No	May 2020	June 2020	N/A	$100,000.00	3 years + 2 options	Solicitation Issued
VMR	Sole Source	Accident Repair for LRV		N/A	N/A	May 2020	$1,495,626.00	Repair Completed	Pending Board Approval
RPTA	Sole Source	Farebox Maintenance and Support	No	N/A	N/A	May 2020	$726,644.00	3 years + 1 option	Pending Board Approval

FUTURE PROCUREMENTS

Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
Joint	RFP	Landscaping Services	No	March 2020	April 2020	June 2020	$2,450,000.00	3 year + 2 options	SOW Development
VMR	Sole Source	Aconex renewal & introduce archiving	No	N/A	N/A	August 2020	$1,800,000.00	5 years	SOW Development
VMR	Sole Source	SCV Managed Inventory Program	No	N/A	N/A	December 2020	$1,000,000.00	5 years	SOW Development

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

Information Summary

DATE **AGENDA ITEM 11**
May 14, 2020

SUBJECT
Future Agenda Items Request and Report on Current Events

PURPOSE
Chairs Hartke and Arredondo-Savage will request future agenda items from members, and members may provide a report on current events.

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION
None

COMMITTEE PROCESS
None

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

June 11, 2020

Valley Metro RPTA
Thursday, June 18, 2020
Webex/Phone
11:15 a.m.

Action Recommended

1. Public Comment — 1. For Information

Public comment is being taken in written format and will be entered into the official minutes of the meeting.

2. Minutes — 2. For action

Minutes from the May 21, 2020 Board meeting are presented for approval.

3. Valley Metro RPTA Fiscal Year 2021 (FY21) Proposed Operating and Capital Budget and Five-Year Operating Forecast and Capital Program (FY21 through FY25) — 3. For action

Scott Smith, CEO, will introduce Paul Hodgins, Chief Financial Officer, who will request that the Board of Directors approve the Fiscal Year 2021 Proposed Operating and Capital Budget and for acceptance the FY21-25 Five-Year Operating and Capital Forecast.

4. Election of Officers and Subcommittee Members — 4. For action

The Board will elect Board officers and Board subcommittee positions for FY 2021.

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

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

5. Next Meeting — 5. For information

The next Board meeting is scheduled for **Thursday, August 27, 2020 at 11:15 a.m.**

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

Information Summary

DATE
June 11, 2020

AGENDA ITEM 1

SUBJECT
Public Comment

PURPOSE
Public comment is being taken in written format and will be entered into the official minutes of the meeting.

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COMMITTEE PROCESS
None

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

ATTACHMENT
None

Minutes

June 11, 2020 **AGENDA ITEM 2**

Board of Directors
Thursday, May 21, 2020
Via Webex/Phone
11:15 a.m.

RPTA Meeting Participants
Mayor Kevin Hartke, City of Chandler **(Chair)**
Mayor Kate Gallego, City of Phoenix **(Vice Chair)** (phone)
Councilmember Jon Edwards, City of Peoria **(Treasurer)** (phone)
Mayor Alexis Hermosillo, City of El Mirage (phone)
Councilmember Mike Scharnow, Town of Fountain Hills (phone)
Councilmember Jared L. Taylor, Town of Gilbert (phone)
Councilmember Lauren Tolmachoff, City of Glendale (phone)
Vice Mayor Bill Stipp, City of Goodyear (phone)
Supervisor Jack Sellers, Maricopa County (phone)
Councilmember Francisco Heredia, City of Mesa (phone)
Councilmember Jon Edwards, City of Peoria (phone)
Mayor Gail Barney, Town of Queen Creek (phone)
Councilmember Susanne Klapp, City of Scottsdale (phone)
Councilmember Roland F. Winters Jr., City of Surprise (phone)
Councilmember Robin Arredondo-Savage, City of Tempe
Mayor Rui Pereira, Town of Wickenburg (phone)
Mayor Michael LeVault, Town of Youngtown (phone)

Members Not Present
Vice Mayor Pat Dennis, City of Avondale
Vice Mayor Craig Heustis, City of Buckeye
Councilmember Linda Laborin, City of Tolleson

Chair Hartke called the RPTA meeting to order at 11:55 a.m.

1. Public Comment

Chair Hartke said again, for today's meeting public comment is being taken in written format and will be entered into the official minutes of the meeting.

2. Minutes

Chair Hartke said Minutes from the April 16, 2020, board meeting are presented for approval. Are there any questions or comments?

Hearing none. I'd like it request a motion and a second to approve the board meeting minutes from April 16, 2020.

IT WAS MOVED BY COUNCILMEMBER WINTERS, SECONDED BY COUNCILMEMBER ARREDONDO-SAVAGE AND UNANIMOUSLY CARRIED TO APPROVE THE APRIL 16, 2020 BOARD MEETING MINUTES.

3. Consent Agenda

Chair Hartke said items 3A through 3F are presented on the consent agenda for approval. Would anyone like any of these items removed from the Consent Agenda? Hearing none. A request a motion and a second to approve the consent agenda.

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

4. Future Agenda Items Request and Report on Current Events

Chair Hartke said does any member have an agenda item you would like to see on future meetings? Or do you have anything you would like to report or inform the board about? Hearing none. Our next meeting is Thursday, June 18.

With no further discussion the meeting adjourned at 11:57 a.m.

Information Summary

DATE **AGENDA ITEM 3**
June 11, 2020

SUBJECT
Valley Metro RPTA Fiscal Year 2021 (FY21) Proposed Operating and Capital Budget and Five-Year Operating Forecast and Capital Program (FY21 through FY25)

PURPOSE
To provide an overview of the FY21 Proposed Operating and Capital Budget and the Five-Year Operating Forecast and Capital Program (FY21 through FY25).

RECOMMENDATION
Staff recommends that Board of Directors for approve the Fiscal Year 2021 Proposed Operating and Capital Budget and for acceptance the FY21-25 Five-Year Operating and Capital Forecast.

BACKGROUND/DISCUSSION/CONSIDERATION
The Valley Metro Regional Public Transportation Authority (RPTA) FY21 combined operating and capital budget (the budget) is $335.1 million (M) and includes $82.0M of expenses for light rail/high capacity transit capital.

The Proposed FY21 budget has been prepared with the goal of delivering a fiscally prudent, balanced budget using carry forwards and reserves when needed. The budget was developed in compliance with Board of Directors' adopted budget, financial and Transit Life Cycle Program (TLCP) policies.

As a result of the anticipated economic impacts of the COVID-19 pandemic, we have made some reductions to the operating budget in the areas of administration as well as deferred some fleet purchases for service expansion. The updated Proposed budget also incorporates Federal Funding from the CARES Act as well as more conservative estimates for Prop 400 funding and fares. The full impact of the pandemic may not be known for six months or more.

The budget does not include any service reductions as a result of the economic impacts from the pandemic. The CARES Act funding was provided by FTA to account for any loss of revenues, either fares or sales tax, which will support current levels of service. However, the CARES Act funds will largely be used in FY21, with very little left to support service in FY22 and beyond. Beginning in June, Valley Metro will work through the Service Planning Working Group to develop options for long term service changes to address reduced revenues. We anticipate developing options over the next 6 months for implementation as soon as April 2021.

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

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

The total operating budget of $196.5M, which includes pass-throughs, represents a $8.1M (4%) decrease from the previous year's operating budget of $204.5M. The total capital budget of $138.7M, which includes pass-throughs, represents a $29.8M (18%) decrease from the previous year's capital budget of $168.4M.

The CARES Act funding reduces the regional and local commitments for operations funding by $49.8M, which includes reductions of $24.6M from PTF and $25.2M from local sources.

The RPTA and Valley Metro Rail (VMR) budgets are developed with a unified staff plan, with department managers planning the level of effort required to meet the bus and rail activities. Salary and overhead charges to bus and rail projects are based on actual time worked on each project. As a result of the current economic uncertainty, all staffing has been re-evaluated for criticality and the proposed staffing levels have decreased through a combination of removing most new positions and deferring some unfilled positions. For FY21 there are 412 employees budgeted in the integrated agency, with 218 FTE's budgeted to RPTA/Shared agency activities and 194 budgeted to VMR only activities.

We have included a placeholder of 3% for salary increases. The budget and revenues for the first quarter of FY21 will be reviewed with the Financial Working Group and AFS in October. If AFS does not have sufficient information at that time, a second review in January would occur. The implementation of any salary changes would be dependent on the review and recommendation by AFS, with final approval by the Board of Directors.

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
Proposed Budget Review:
Financial Working Group: February 18, 2020 for information
RTAG: February 18, 2020 for information
TMC: March 4, 2020 for information
AFS: March 12, 2020 for information
Boards of Directors Study Session: April 16, 2020 for information
AFS: May 14, 2020 for information
Board of Directors: May 21, 2020 for information

Proposed Budget Adoption:
TMC: June 3, 2020 approved
AFS: June 11, 2020 approved
Board of Directors: June 18, 2020 for action

RECOMMENDATION
Staff recommends that Board of Directors approve the Fiscal Year 2021 Proposed Operating and Capital Budget and for acceptance the FY21-25 Five-Year Operating and Capital Forecast.

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

ATTACHMENT
None

RPTA

Additional Information Requested

1

Travel

- **Budget has been reduced by $100K**
- **Some travel is required**
  - Vehicle design/inspections, FTA Project Meetings, etc.
- **All travel will be reviewed for essential business operations**

2

2

Merit Adjustment, Staffing

- **3% placeholder in budget, reviewed by AFS in Q2**
  - Will require Board approval
- **Staffing reductions will not be replaced with consultants**
  - Additional info provided to FWG on vacant number of positions

FTE	March	May	Change	Vacant	FY21 New
RPTA/Shared Agency Activities	124	118	(6)	5	1
RPTA only Activities	114	100	(14)	11	3
VMR only Activities	204	194	(10)	8	2
Total FTE	**442**	**412**	**(30)**	**24**	**6**

Tuition Reimbursement

- **Request for FY20 actuals**

FY20 Actual (thru April)	FY20 Forecast	FY21 Budget	Increase over FY20
$ 75,000	$ 90,000	$ 105,000	$ 15,000

Office Space

- **Current office lease expires in 2025**
  - Aligned with expiration of Prop 400
- **Short Term**
  - Staff will begin a phased return
- **Long Term**
  - Exploring opportunity to telework
  - Evaluate beyond pandemic

5

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RPTA

FY21 Proposed Budget and 5-Year Forecast

June 2020

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Baseline: RPTA Operations

	FY19	FY20	FY21
BUS OPERATIONS			
Passenger boardings	13,863,645	14,200,000	3,501,000
Service miles delivered-RPTA operated	12,543,000	12,866,000	13,049,000
Gross Operating Costs	$ 83,084,000	$ 88,318,000	$ 90,017,000
Fare Revenues	$ 9,064,000	$ 8,837,000	$ 2,179,000
Fare Recovery	11%	10%	2%
Average Fare	$ 0.65	$ 0.62	$ 0.62

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Baseline: RPTA Operations

	FY19	FY20	FY21
PARATRANSIT OPERATIONS			
Trips	460,115	460,000	439,000
Gross Operating Costs	$ 21,082,000	$ 23,646,000	$ 22,604,000
Fare Revenues	$ 1,617,000	$ 1,840,000	$ 1,768,000
Fare Recovery	8%	8%	8%
Cost per Trip	$ 45.82	$ 51.40	$ 51.49
Average Fare per trip	$ 3.51	$ 4.00	$ 4.03

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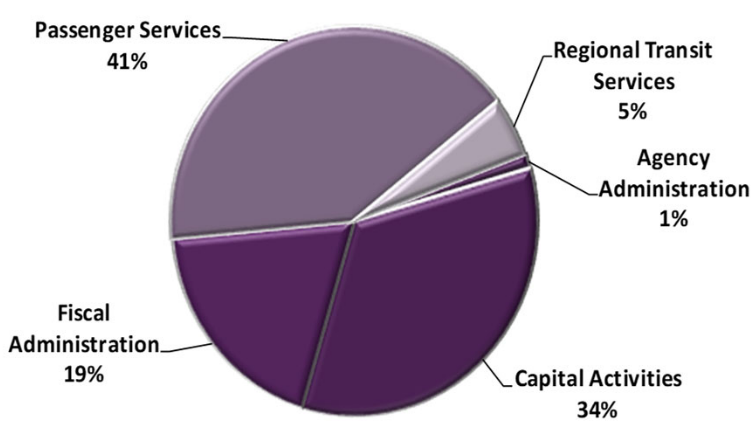
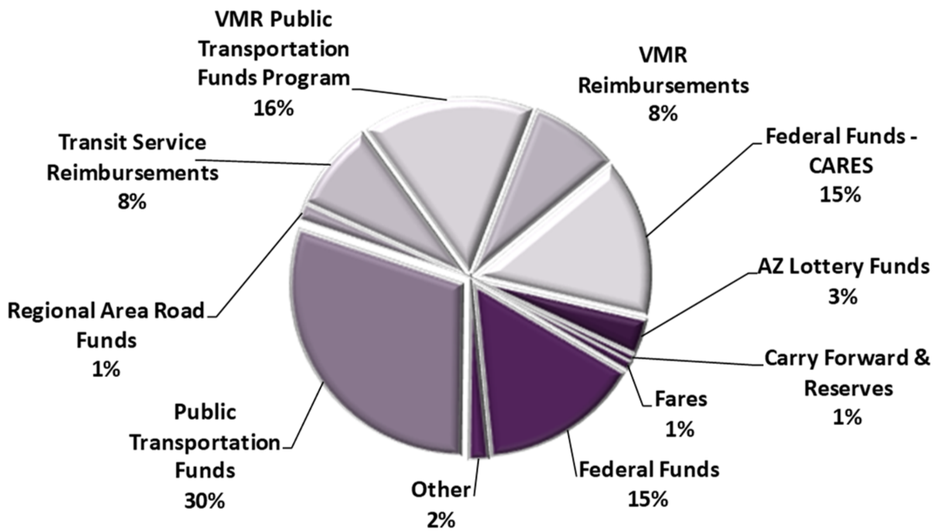
Baseline: RPTA Operations

		FY19		FY20		FY21
RIDECHOICE OPERATIONS						
Trips		84,000		201,000		237,000
Gross Operating Costs	$	1,802,000	$	4,055,000	$	4,792,000
Fare Revenues	$	265,000	$	683,000	$	798,000
Fare Recovery		15%		17%		17%
Cost per Trip	$	21.45	$	20.17	$	20.22
Average Fare per trip	$	3.15	$	3.40	$	3.37

Uses of Funds: Operating & Capital



Sources of Funds: Operating & Capital



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11

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

Uses of Funds	FY20	FY21	Change $	Change %
Fixed Route Operations	$101.7	$103.8	$2.2	2%
Demand Service Operations	42.7	31.4	(11.3)	-26%
Vanpool Operations	0.9	1.0	0.1	7%
Planning	2.1	2.0	(0.1)	-7%
Commute Solutions	1.3	1.3	(0.0)	-1%
Administration and Finance	4.6	4.1	(0.5)	-11%
Regional Services	12.8	13.6	0.8	6%
RPTA Operating	**$166.2**	**$157.3**	**($8.9)**	**-5%**

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

Source of Funds	FY20	FY21	Change $	Change %
Public Transportation Funds	$91.4	$62.5	($28.8)	-32%
Regional Area Road Funds	4.6	4.7	0.1	1%
Transit Service Agreements	47.4	28.4	(19.0)	-40%
MAG Funds	0.5	0.2	(0.3)	-55%
AZ Lottery Funds	0.2	0.1	(0.1)	-73%
Federal Grants	9.0	7.5	(1.6)	-17%
Federal CARES Act	0.0	49.8	49.8	0%
Fare Revenues	11.3	2.9	(8.3)	-74%
Other Revenues	0.6	0.4	(0.2)	-36%
Carry forward and Reserves	1.2	0.8	(0.4)	-30%
RPTA Operating	**$166.2**	**$157.3**	**($8.9)**	**-5%**

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

Uses of Funds	FY20	FY21	Change $	Change %
Regional Fleet	$43.4	$49.4	$5.9	14%
Regional Facilities	5.2	4.1	(1.1)	-22%
Other Regional Projects	1.0	1.2	0.2	21%
Member Agency Disbursements	5.1	5.6	0.5	9%
Debt Service	25.3	24.5	(0.8)	-3%
RPTA Capital	**$80.0**	**$84.7**	**$4.7**	**6%**

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

Source of Funds	FY20	FY21	Change $	Change %
Public Transportation Funds	$28.6	$39.5	$10.9	38%
Other Revenues	0.5	0.2	(0.3)	-55%
Federal Grants	38.2	43.4	5.1	13%
Carry forward and Reserves	12.7	1.6	(11.1)	-87%
RPTA Capital	**$80.0**	**$84.7**	**$4.7**	**6%**

Pass-thru Funds: Uses ($,000,000)

Uses of Funds	FY20	FY21	Change $	Change %
VMR RARF Disbursements	$0.5	$0.5	$0.0	0%
AZ Lottery Funds Disbursements	11.2	11.2	0.0	0%
VMR Personnel Costs	26.8	27.5	0.7	3%
Rail Program Disbursements	88.4	53.9	(34.4)	-39%
RPTA Pass-Thru	**$126.8**	**$93.2**	**($33.6)**	**-27%**

Pass-thru Funds: Sources ($,000,000)

Source of Funds	FY20	FY21	Change $	Change %
VMR Reimbursements	$26.7	$27.5	$0.8	3%
AZ Lottery funds	11.2	11.2	0.0	0%
VMR PTF Rail Program	52.2	53.9	1.7	3%
VMR PTF Reserve Funds	36.2	0.0	(36.2)	-100%
Regional Area Road Funds	0.5	0.5	0.0	0%
RPTA Pass-Thru	**$126.8**	**$93.2**	**($33.6)**	**-27%**

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RPTA/Shared Staff Changes from FY20 to FY21

Positions by Division	FY20 Budget	FY21 Budget	Change
Agency Business, Technology & Services	51	51	0
Capital and Service Development	29	28	-1
CEO Executive Office	6	4	-2
Communication & Strategic Initiatives	14	14	0
Finance & Procurement	35	34	-1
Human Resources	11	9	-2
Internal Audit Services	3	2	-1
Legal	2	4	2
Operations and Maintenance	75	66	-9
Safety and Security	5	6	1
Total RPTA and Shared Positions by Division	**231**	**218**	**-13**

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RPTA

FY21-25 Proposed Five-Year Forecast

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5-Year Operating Assumptions

Fixed Route Service Changes

- FY21-24 SRTP Changes as of May 2020

Demand Service

- Paratransit trips forecasted to increase 1% annually
- RideChoice trips forecasted to increase 6% in FY22, increase 5% each year after

Fare Revenue

- FY21-FY24 adjusted revenues for phased return of pre-Covid levels, 15% increase in FY25 with replacement fare collection system and control of reduced fare at point of sale

Federal PM revenue level per MAG forecast

- FY22 up 1.8%, increase 1.9% each year after

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5-Year Operating Sources and Uses

	FY21	FY22	FY23	FY24	FY25	Total
Operating ($,000)						
Sources of Funds						
Public Transportation Funds	$ 63,376	$ 100,755	$ 102,285	$ 104,789	$ 106,997	$ 478,202
Regional Area Road Funds	5,180	5,258	5,337	5,417	5,497	26,689
Transit Service Reimbursements	28,386	45,801	47,616	48,587	50,274	220,664
VMR Reimbursements	27,530	29,703	30,594	31,512	34,101	153,440
AZ Lottery Funds	11,200	11,200	11,200	11,200	11,200	56,000
Federal Funds	7,459	8,056	8,781	9,571	10,432	44,299
Federal Funds - CARES Act	49,774	1,211	-	-	-	50,985
Fares	2,944	8,844	9,922	11,001	13,129	45,840
MAG Funds	225	225	225	225	225	1,125
Other	413	370	378	385	393	1,939
Total Sources of Funds	**196,487**	**211,423**	**216,338**	**222,687**	**232,248**	**1,079,183**
Uses of Funds						
Fixed Route Operations	103,833	105,287	108,348	111,559	116,379	545,406
Paratransit Operations	31,392	42,460	42,952	44,693	46,354	207,850
Vanpool Operations	953	982	1,011	1,041	1,073	5,060
Planning	2,033	2,074	2,115	2,157	2,201	10,580
Commute Solutions	1,299	1,325	1,351	1,379	1,406	6,760
Regional Services and Administration	13,917	14,195	14,479	14,769	15,064	72,425
Adminstration and Finance	3,610	3,682	3,756	3,831	3,908	18,787
Operating Contingency	500	515	530	546	563	2,655
Pass-through Disbursements	38,950	40,903	41,795	42,712	45,301	209,662
Total Uses of Funds	**$ 196,487**	**$ 211,423**	**$ 216,338**	**$ 222,687**	**$ 232,248**	**$1,079,183**

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5-Year Capital Assumptions:

- **Bus Fleet - $118.4 Million for 5 years**
  - Only replacement units in FY21; Deferred all FY21 expansion units to FY22
  - 85% Federal /15% PTF
- **Vanpool Fleet - $17.1 Million**
  - 45 replacement units; 25 expansion units annually -100% Federal STP
- **Facilities and Equipment - $13.2 Million**
  - Laveen Park and Ride - Local match PTF
  - Fare Collection System Upgrade- Local match PTF
  - Mesa Bus Facility Upgrades- 100% PTF
  - Mid-Life Bus Engine Rebuilds (249 units) - 80% Federal / 20% PTF
  - IT Infrastructure Upgrades - 100% PTF

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5-Year Capital Sources and Uses

Capital ($,000)	FY21	FY22	FY23	FY24	FY25	Total
Sources of Funds						
Public Transportation Funds	$ 39,529	$ 36,774	$ 32,771	$ 30,170	$ 28,210	$ 167,454
Federal Funds	43,365	18,970	25,429	14,605	19,986	122,355
Other	225	114	-	117	143	599
Carry Forward & Reserves	1,611	2,270	1,000	1,000	1,000	6,881
VMR Public Transportation Funds Program	-	56,248	60,419	64,985	70,802	252,454
VMR Public Transportation Funds Reserve	53,930	41,364	45,307	71,913	-	212,514
Total Sources of Funds	**138,660**	**155,740**	**164,926**	**182,790**	**120,141**	**762,257**
Uses of Funds						
Regional Fleet	49,379	24,011	30,140	17,632	23,969	145,131
Regional Facilities	4,094	3,210	2,134	2,312	1,406	13,156
Other Regional Projects	1,185	1,098	1,098	882	882	5,145
Member Agency Disbursements	5,563	5,346	3,979	2,731	1,329	18,948
Debt Service	24,509	24,463	21,849	22,335	21,753	114,909
Rail Program Disbursements	42,924	97,612	105,726	136,898	40,874	424,034
VMR Reserve for Future Use	11,006	-	-	-	29,928	40,934
Total Uses of Funds	**$ 138,660**	**$ 155,740**	**$ 164,926**	**$ 182,790**	**$ 120,141**	**$ 762,257**

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Budget Schedule

Committee/Boards/FWG	
Aug 29, 2019	Board Study Session
Oct 10, 2019	Present Key Assumptions to AFS
Feb 3, 2020	Present update of Key Assumptions to AFS
Feb 13, 2020	Present annual budget to FWG
Feb 18, 2020	Present 5-year plans to FWG
March	Present Annual Budgets to Committees/Boards for Info
April	Board Study Session
May	Present Annual Budgets and 5-Year plans to AFS and Board for Info
June	Present Annual Budgets and 5-Year plans for action

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Thank You

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Information Summary

DATE **AGENDA ITEM 4**
June 11, 2020

SUBJECT
Fiscal Year 2021 (FY21) Election of RPTA Board Officers and Subcommittee Positions

PURPOSE
The Board will vote to elect Board officer and Board subcommittee positions for FY21.

RECOMMENDATION
Staff recommends that the Board of Directors elect officers and subcommittee members to serve from July 1, 2020 to June 30, 2021 for the following positions based on letters of interest received:

<u>Board Officers</u>
- RPTA Board Chair – Councilmember Jon Edwards, City of Peoria
- RPTA Board Vice Chair – Council Member Francisco Heredia, City of Mesa
- RPTA Board Treasurer – Mayor Kate Gallego, City of Phoenix

<u>Audit and Finance Subcommittee</u>
- Councilmember Lauren Tolmachoff, City of Glendale

<u>RPTA members of the Valley Metro RPTA and Valley Metro Rail Joint Board Subcommittee</u>
- Mayor Kevin Hartke, City of Chandler
- Vice Mayor Bill Stipp, City of Goodyear

BACKGROUND/DISCUSSION/CONSIDERATION
Board officer and Board subcommittee elections are scheduled for June of each year. On May 22, 2020 a memo was distributed to Board members announcing that election of officers and subcommittee appointments would be brought forward at the June meeting for the following positions:

- Chair of the Board of Directors:
- Vice Chair of the Board of Directors;
- Treasurer of the Board of Directors;
- Audit and Finance Subcommittee member (two positions); and
- RPTA/Valley Metro Rail Board (VMR) Subcommittee members (two positions).

The May 22, 2020 memo requested letters from Board members interested in filling the positions above for FY20. The letters were due June 5, 2020. As of the due date, one letter of interest was received for each of the open positions and are available upon request for your information.

COST AND BUDGET
There is no fiscal impact.

COMMITTEE PROCESS
Board of Directors: June 18, 2020 for action

CONTACT PERSON
Mayor Kevin Hartke, Chair
City of Chandler

ATTACHMENT
None

Letters of Interest are available upon request.

Information Summary

DATE **AGENDA ITEM 5**
June 11, 2020

SUBJECT
Future Agenda Items Request and Report on Current Events

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

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

STRATEGIC PLAN ALIGNMENT
None

COMMITTEE PROCESS
None

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

June 11, 2020

Valley Metro Rail
Thursday, June 18, 2020
Via Webex/Phone
11:15 a.m.

	Action Recommended
1. Public Comment	1. For Information
Public comment is being taken in written format and will be entered into the official minutes of the meeting.	
2. Minutes	2. For action
Minutes from the May 21, 2020 Board meeting are presented for approval.	

CONSENT AGENDA

3A. Intergovernmental Agreement between the City of Phoenix and Valley Metro Rail, Inc for Bridge Inspections	3A. For action
Staff recommends that the Board of Directors authorize the CEO to execute an Intergovernmental Agreement between the City of Phoenix and Valley Metro Rail, Inc for Bridge Inspections and incur costs not to exceed $500,000.	
3B. Amendment to the Agreement for Operations and Maintenance of the Light Rail Transit System between the City of Phoenix and Valley Metro (Agreement No. 122030-AR-0)	3B. For action
Staff recommends that the Board of Directors authorize the CEO to execute an amendment to the agreement for Operations and Maintenance of the Light Rail Transit System between the City of Phoenix and Valley Metro. The O&M Agreement does not specify costs. It only defines responsibilities for O&M.	

3C.	Northwest Extension Phase II Third Party Utility Relocation Work Orders	3C.	For action

Staff recommends that the Board of Directors authorize the CEO to execute Work Orders with third party utility companies for them to relocate their utilities for an amount not to exceed $18,423,900, in conjunction with the NWEII light rail project.

3D.	South Central Extension/Downtown Hub Design and Construction Agreement	3D.	For action

Staff recommends that the Board of Directors authorize the CEO to amend the Design and Construction Agreement between the City of Phoenix and Valley Metro Rail for the SCE/DH.

REGULAR AGENDA

4.	Valley Metro Rail, Inc. Fiscal Year 2021 (FY21) Proposed Operating and Capital Budget and Five-Year Operating Forecast and Capital Program (FY21 through FY25)	4.	For action

Scott Smith, CEO, will introduce Paul Hodgins, Chief Financial Officer, who will request that the Board of Directors approve the Fiscal Year 2021 Proposed Operating and Capital Budget and for acceptance the FY21-25 Five-Year Operating and Capital Forecast.

5.	Fiscal Year 2021 (FY21) Election of Valley Metro Rail (VMR) Board Officers and Subcommittee Positions	5.	For action

The Board will vote to elect Board officers and Board subcommittee positions for FY 2021.

6.	Future Agenda Items Request and Report on Current Events	6.	For information

Chair Arredondo-Savage will request future agenda items from members and members may provide a report on current events.

7. Next Meeting 5. For information

The next meeting of the Board is scheduled for **Thursday, August 27, 2020 at 11:15 a.m.**

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

Information Summary

DATE
May 28, 2020

AGENDA ITEM 1

SUBJECT
Public Comment

PURPOSE
Public comment is being taken in written format and will be entered into the official minutes of the meeting.

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COMMITTEE PROCESS
None

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

ATTACHMENT
None

Minutes

June 11, 2020 **AGENDA ITEM 2**

Board of Directors
Thursday, May 21, 2020
Webex/Phone
11:15 a.m.

Meeting Participants
Councilmember Robin Arredondo-Savage, City of Tempe (Chair)
Councilmember Francisco Heredia, City of Mesa (Vice Chair) (phone)
Mayor Kevin Hartke, City of Chandler
Mayor Kate Gallego, City of Phoenix (phone)

Chair Arredondo-Savage called the meeting to order at 11:58 a.m.

Chair Arredondo-Savage said we are going to go ahead and move right into our Valley Metro Rail board meeting. Thank you all for being here.

1. Public Comment

Chair Arredondo- Savage said public comment is being taken in written form and will be entered into the official record.

2. Minutes

Chair Arredondo-Savage said our next agenda item are the minutes from April 16, 2020, board meeting. Is there a motion and a second to approve the Board meeting minutes.

IT WAS MOVED BY MAYOR HARTKE, SECONDED BY MAYOR GALLEGO AND UNANIMOUSLY CARRIED TO APPROVE THE APRIL 16, 2020 BOARD MEETING MINUTES.

3. Consent Agenda

Chair Arredondo-Savage said items are presented on the consent agenda for approval. Are there any questions? Hearing none I will take a motion to approve the consent agenda.

IT WAS MOVED BY MAYOR HARTKE, SECONDED BY MAYOR GALLEGO AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA.

4. Northwest Extension Phase II (NWEII) Design Services Contract Amendment

Mr. Smith said thank you. These two contracts or these two approvals mean that we're really getting deep into the process for Northwest II and for South Central and I'm hoping Wulf is on the line.

Mr. Smith said if you want to take 4 and then 5 or if you want to give a presentation -- explanation on both of them together. Either one.

Mr. Grote said okay. Yes. I'll go ahead and start with Item 4. Madam Chair, Members of the Board, this item is to -- is for an extension of design services for the Northwest Extension Phase II project.

Just a couple of notes about the project so you know where it's at. We are just about done with design, in fact, we're reviewing right now the final design plans internally and with the City of Phoenix. We are anticipating that utility relocations for this project will be starting this summer. The date's still being determined at this point, but we do anticipate starting the work this summer for utilities.

So as we start to do the construction it's still important for us to have the design team on board there's several things that they do for us. They review contractor submittals and information requests. Design changes do come up during construction, so they're involved there as well and then they're doing the final as built drawings for us to make sure we have a good record of what was actually built.

So the item that we have here today is really to request authority to spend up to $4.6 million with Jacob's Engineering for this design services during construction. And also, to support a couple of other smaller items that have been requested by the City of Phoenix for design support that are also included in the memo. And I will note finally that this design services during construction phase of work was part of the initial advertisement for the project and we couldn't award it at that time because we had to wait until we knew more about what the project was actually going to be.

So with that we're looking for approval on this item.

IT WAS MOVED BY MAYOR HARTKE, SECONDED BY MAYOR GALLEGO AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CEO TO INCREASE THE NWEII LIGHT RAIL EXTENSION DESIGN CONTRACT WITH JACOBS ENINGEERING GROUP INC. BY $4,642,000 TO INCLUDE DSDC, ASSISTANCE TO THE CITY OF PHOENIX DURING THE REAL ESTATE ACQUISITION PROCESS AND CNPA SCOPE OF WORK TO THE CONTRACT.

5. South Central/Downtown Hub Construction Manager at Risk Contract Amendment

Madam Chair said Wulf, going on to Item Number 5.

Mr. Grote said so this item is for a contract amendment with our construction manager at risk for the South Central/Downtown Hub project.

And, again, just a quick update. We've been spending several months working in the downtown area with utility relocations and I'm, you know, I'm happy to say that even with the COVID-19 pandemic going on we've been able to continue work as scheduled. In fact, we've been able to accelerate certain tasks because of the lack of traffic in downtown Phoenix.

So while we've working in utilities in downtown, the current contract that we have with Kiewit only allows their work to go on within the downtown area. And we now not to move forward with the remainder of the construction program for this project including all the South Central portion of the work. And we've been working now for several months with Kiewit to finalize their guaranteed maximum price for the remainder of the project. And we have come to agreement on a price with Kiewit as well as with the Phoenix staff to move this forward so we're asking for authority to spend up to about$720 million for the remainder of this work.

And I will make just a couple more notes on this. There are going to be three different notices to proceed. The first one that will occur immediately is for utility work that will be going on south of downtown all the way to Baseline Road. Then in the fall, with approval from FTA for a letter no prejudice, we will be starting actual construction work in the downtown beyond the utilities. This will be track and some of our systems work that we have to do in downtown. And then finally in the -- probably in the spring or early of 2021, we will give a task order for the remainder of the construction, but that can only happen after we receive a full funding grant from the Federal Transit Administration and we're pushing hard to have that happen by the end of the year.

So with that I recommend that we move forward with this contract amendment for up to $719,779, 803.

IT WAS MOVED BY MAYOR HARTKE, SECONDED BY MAYOR GALLEGO AND UNANIMOUSLY CARRIED TO TO AUTHORIZE THE CEO TO EXECUTE A CONTRACT AMENDMENT WITH THE SOUTH CENTRAL EXTENSION/DOWNTOWN HUB CM@RISK CONTRACTOR, KIWET INFRASTRUCTURE WEST CO., TO CONSTRUCT THE REMAINDER OF THE PROJECT FOR AN AMOUNT NOT TO EXCEED $719,779, 803.

6. Future Agenda Items Request and Report on Current Events

Chair Arredondo-Savage said is there anything that the Board would like to discuss or add to a future agenda item? Anyone? None

Our next meeting is set for Thursday, June 18 at 11:15 a.m.

An email will go out for Board Officers so look for that. It will be coming from Pat.

With no further discussion the meeting adjourned at 12:09 p.m.

Information Summary

DATE **AGENDA ITEM 3A**
June 11, 2020

SUBJECT
Intergovernmental Agreement between the City of Phoenix and Valley Metro Rail, Inc for Bridge Inspections

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute an Intergovernmental Agreement (IGA) between the City of Phoenix and Valley Metro Rail for light rail bridge inspections.

COST AND BUDGET
Projected costs for bridge inspections over a 5-year period total approximately $500,000. The five-year period includes calendar years 2020-2024. No costs will be incurred in FY20. Obligations beyond FY20 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2021 thru FY2025). The source of funding is Member City and Federal.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute an Intergovernmental Agreement between the City of Phoenix and Valley Metro Rail, Inc for Bridge Inspections and incur costs not to exceed $500,000.

BACKGROUND | DISCUSSION | CONSIDERATION
Since completion of the initial 20-mile light rail line, the City of Phoenix Street Transportation Department has provided expertise to Valley Metro to conduct regular inspections of light rail bridges. The period of performance for this agreement between the City of Phoenix and Valley Metro ended on December 31, 2019. Given that the expiration has passed, it is necessary to extend the agreement to ensure that light rail bridges are regularly inspected and remain in good condition.

The agreement states that the City will perform inspections of bridges owned and operated by Valley Metro, and outlines procedures and scope of work. This Agreement carries forward the terms of the prior agreement and includes additional bridges that will be part of the South Central Extension/ Downtown Hub and Northwest Extension Phase II projects.

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: May 19, 2020 for information
RMC: June 3, 2020 approved
Board of Directors: June 18, 2020 for action

CONTACT
Wulf Grote, PE
Director, Capital & Service Development
602-322-4420
wgrote@valleymetro.org

ATTACHMENT
None

The draft agreement is available upon request.

Information Summary

DATE **AGENDA ITEM 3B**

June 11, 2020

SUBJECT
Amendment to the Agreement for Operations and Maintenance of the Light Rail Transit System between the City of Phoenix and Valley Metro (Agreement No. 122030-AR-0)

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute an amendment to the Agreement regarding Operations and Maintenance (O&M) of the Light Rail System between the City of Phoenix and Valley Metro.

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

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute an amendment to the agreement for Operations and Maintenance of the Light Rail Transit System between the City of Phoenix and Valley Metro.

The O&M Agreement does not specify costs. It only defines responsibilities for O&M.

BACKGROUND | DISCUSSION | CONSIDERATION
The O&M Agreement is the document that defines light rail operating parameters and the entities responsible for maintaining facilities, systems and elements along the corridor. For example, maintenance requirements are outlined for track work, roadways, landscape, street lighting, traffic signals, signage, etc. The O&M Agreement defines how parties will notify, acquire permits and gain access to another party's property; emergency access procedures; and protocols for coordination with emergency response personnel. The O&M Agreement also identifies insurance requirements, indemnification and agreement amendment procedures.

The O&M Agreement was last amended and restated in December 2012. This update is necessary to expand the definition of the system to include the South Central Extension/Downtown Hub and Northwest Extension Phase II, which are anticipated to open for revenue service in 2024, and include provisions specific to new facilities.

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: May 19, 2020 for information
RMC: June 3, 2020 approved
Board of Directors: June 18, 2020 for action

CONTACT
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Director, Capital & Service Development
602-322-4420
wgrote@valleymetro.org

ATTACHMENT
None

The draft amended agreement is available upon request.

Information Summary

DATE **AGENDA ITEM 3C**
June 11, 2020

SUBJECT
Northwest Extension Phase II Third Party Utility Relocation Work Orders

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute Work Orders with third party utility companies for them to relocate their utilities for an amount not to exceed $18,423,900, in conjunction with the Northwest Extension Phase II (NWEII) light rail project.

COST AND BUDGET
The estimated cost for relocation of third party utilities is $16,749,000 plus an additional $1,674,900 (10% Contingency) for a total of $18,423,900. A summary of the funding needs is shown below:

Required Third Party Relocation Authority	
Utility Company	**Relocation Cost Estimate**
APS	$5,000,000
AT&T/TCA	$350,000
CenturyLink	$1,730,000
Cox Communications	$1,500,000
LEVEL3	$200,000
Salt River Project - Fiber Optics	$130,000
Salt River Project - Irrigation	$660,000
Salt River Project - Power	$5,275,000
Salt River Project - Transmission	$500,000
Southwest Gas	$660,000
Telecom Group (TCG)	$230,000
ZAYO (Telecom Provider)	$514,000

Sub-Total	**$16,749,000**
10% Contingency	$1,674,900
Total	**$18,423,900**

This project is funded by the City of Phoenix, the regional Public Transportation Fund (PTF) and the Federal Transit Administration. Funding is included in the Preliminary Valley Metro Rail FY21 Operating and Capital Budget. Contract obligations beyond FY21 are incorporated into the Preliminary Five-Year Operating Forecast and Capital Program (FY21 thru FY25). The cost for utility work is included in the overall cost estimate established for the project.

RECOMMENDATION
Staff recommends that the Board of Directors authorize for the CEO to execute Work Orders with third party utility companies for them to relocate their utilities for an amount not to exceed $18,423,900, in conjunction with the NWEII light rail project.

BACKGROUND | DISCUSSION | CONSIDERATION
The Northwest Extension Phase II extends the light rail line within Phoenix by approximately 1.6 miles from 19th Avenue and Dunlap northwesterly to Metrocenter. An important element of this project is to relocate all underground utilities, both public and private, to avoid conflicts with the light rail guideway and to minimize future maintenance conflicts. This memo addresses only the private, third party, utility relocations.

To date, the Board has authorized $1,191,700 in funding for third party utility relocation design for Work Orders as summarized below:

Current Third Party Design Authority		
Date	**Action**	**Cost**
June 2017	Board approval to execute letters of authorization for third-party utility design	$964,091
December 2018	Board approval for amendment to increase funding for third party design activities	$119,273
Sub-total		**$1,083,364**
10% contingency		$108,336
Total		**$1,191,700**

Board authorization is now required to provide construction funding for all third party utilities to be relocated within the NWEII project.

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

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

COMMITTEE PROCESS
RTAG: May 19, 2020 for information
RMC: June 3, 2020 approved
Board of Directors: June 18, 2020 for action

CONTACT
Wulf Grote, P.E.
Director, Capital & Service Development
602-322-4420
wgrote@valleymetro.org

ATTACHMENTS
None

Information Summary

DATE **AGENDA ITEM 3D**
June 11, 2020

SUBJECT
South Central Extension/Downtown Hub Design and Construction Agreement

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to amend the Design and Construction Agreement between the City of Phoenix and Valley Metro Rail for the South Central Light Rail Extension/Downtown Hub (SCE/DH).

COST AND BUDGET
Funding for the SCE/DH will be through the Federal Transit Administration's Capital Investment Grant (CIG) program and will include local match participation by Phoenix and regional Public Transportation Funds (PTF). A separate agreement between Valley Metro Rail and the City of Phoenix addresses funding commitments for this project.

Expenses expected within FY21 are included in the Valley Metro Rail Preliminary FY21 Operating and Capital Budget. Contract obligations beyond FY21 are incorporated into the Preliminary Five-Year Operating Forecast and Capital Program (FY21 thru FY25).

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to amend the Design and Construction Agreement between the City of Phoenix and Valley Metro Rail for the SCE/DH.

BACKGROUND/DISCUSSION/CONSIDERATION
Valley Metro has completed final design for the SCE/DH, a 5.5 mile extension to connect with the current light rail system in downtown Phoenix and operate south to Baseline Road. Construction activities began in 2019 and will continue through 2024.

This Design and Construction Agreement delineates the responsibilities and expectations of each party during the design and construction phases of the SCE/DH project, including for project management reporting and coordination; execution of concurrent non-project activities; construction phasing and access; temporary traffic control; public notification; water service shutdowns; construction inspections; real estate acquisition; and other factors. This agreement will be operative until the project enters revenue operations and the conclusion of all design and construction activities, warranty work, and the completion and acceptance of as-built documents.

This agreement amends the August 2017 Design and Construction Agreement, to update the document based on current conditions and understandings.

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

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

COMMITTEE PROCESS
RTAG: May 19, 2020 for information
RMC: June 3, 2020 for approved
Board of Directors: June 18, 2020 for action

CONTACT
Wulf Grote, P.E.
Director, Capital and Service Development
602-322-4420
wgrote@valleymetro.org

ATTACHMENT
None

Draft agreement available upon request

Information Summary

DATE
June 11, 2020

AGENDA ITEM 4

SUBJECT
Valley Metro Rail, Inc. Fiscal Year 2021 (FY21) Proposed Operating and Capital Budget and Five-Year Operating Forecast and Capital Program (FY21 through FY25)

PURPOSE
To provide an overview of the FY21 Proposed Operating and Capital Budget and the Five-Year Operating Forecast and Capital Program (FY21 through FY25).

RECOMMENDATION
Staff recommends that Board of Directors approve the Fiscal Year 2021 Proposed Operating and Capital Budget and for acceptance the FY21-25 Five-Year Operating and Capital Forecast.

BACKGROUND | DISCUSSION | CONSIDERATION
The Valley Metro Rail, Inc. (VMR) FY21 combined operating and capital budget (the budget) is $507.6 million (M) and includes $42.9M in projects funded with Proposition 400 Public Transportation Fund (PTF) revenues for light rail/high capacity transit capital.

The Proposed FY21 budget has been prepared with the goal of delivering a fiscally prudent, balanced budget using carry forwards, reserves and bond proceeds. The budget was developed in compliance with Board of Directors' adopted budget, financial and Transit Life Cycle Program (TLCP) policies.

As a result of the anticipated economic impacts of the COVID-19 pandemic, we have made some reductions to the operating budget in the areas of administration as well as deferred some state of good repair activities. The updated Proposed budget also incorporates Federal Funding from the CARES Act as well as more conservative estimates for Prop 400 funding and fares. The full impact of the pandemic may not be known for six months or more.

The budget does not include any service reductions as a result of the economic impacts from the pandemic. The CARES Act funding was provided by FTA to account for any loss of revenues, either fares or sales tax, which will support current levels of service. However, the CARES Act funds will largely be used in FY21, with very little left to support service in FY22 and beyond. Beginning in June, Valley Metro will work through the Service Planning Working Group to develop options for long term service changes to address reduced revenues. We anticipate developing options over the next 6 months for implementation as soon as April 2021.

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

The total operating budget of $72.0M represents a $1.7M (2%) increase from the previous year's operating budget of $70.3M. The total capital budget of $435.6M represents a $26.3M (6%) increase from the previous year's capital budget of $409.3M.

The CARES Act funding reduces the regional and local commitments for operations funding by $43.0M, allocated to the member cities by track miles.

The RPTA and Valley Metro Rail (VMR) budgets are developed with a unified staff plan, with department managers planning the level of effort required to meet the bus and rail activities. Salary and overhead charges to bus and rail projects are based on actual time worked on each project. As a result of the current economic uncertainty, all staffing has been re-evaluated for criticality and the proposed staffing levels have decreased through a combination of removing most new positions and deferring some unfilled positions. For FY21 there are 412 employees budgeted in the integrated agency, with 218 FTE's budgeted to RPTA/Shared agency activities and 194 budgeted to VMR only activities.

We have included a placeholder of 3% for salary increases. The budget and revenues for the first quarter of FY21 will be reviewed with the Financial Working Group and AFS in October. If AFS does not have sufficient information at that time, a second review in January would occur. The implementation of any salary changes would be dependent on the review and recommendation by AFS, with final approval by the Board of Directors.

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
Proposed Budget Review:
Financial Working Group: February 18, 2020 for information
RTAG: February 18, 2020 for information
RMC: March 4, 2020 for information

AFS: March 12, 2020 for information
Boards of Directors Study Session: April 16, 2020 for information
AFS: May 14, 2020 for information
Board of Directors: May 21, 2020 for information

Proposed Budget Adoption:
RMC: June 3, 2020 approved
AFS: June 11, 2020 approved
Board of Directors: June 18, 2020 for action

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

ATTACHMENT
None

VMR

Additional Information Requested

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VMR Operations

- **Concerns regarding increasing costs of light rail**
  - Presented key budget driver detail
    - Operations Contractor
    - Phasing-in of new staff from FY20
- **Will explore different scenarios for options on pulling back costs**
  - Service frequency
  - Security
  - Maintenance and cleaning

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Valley Metro Rail

FY21 Proposed Budget and 5-Year Forecast

June 2020

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Baseline: Light Rail Operations

	FY19 Actuals	FY20	FY21
RAIL OPERATIONS			
Passenger boardings	15,084,000	15,827,000	3,783,000
Service miles delivered	3,352,000	3,593,000	3,610,000
Gross Operating Costs	$ 48,417,000	$ 55,039,000	$ 57,716,000
Fare Revenues	$ 11,072,000	$ 11,712,000	$ 2,710,000
Fare Recovery	23%	21%	5%

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Baseline: Streetcar Operations

	FY19 Actuals	FY20	FY21
STREETCAR OPERATIONS (6 weeks)			
Passenger boardings			71,000
Service miles delivered			24,000
Gross Operating Costs			$ 723,000
Fare Revenues			TBD
Fare Recovery			0%

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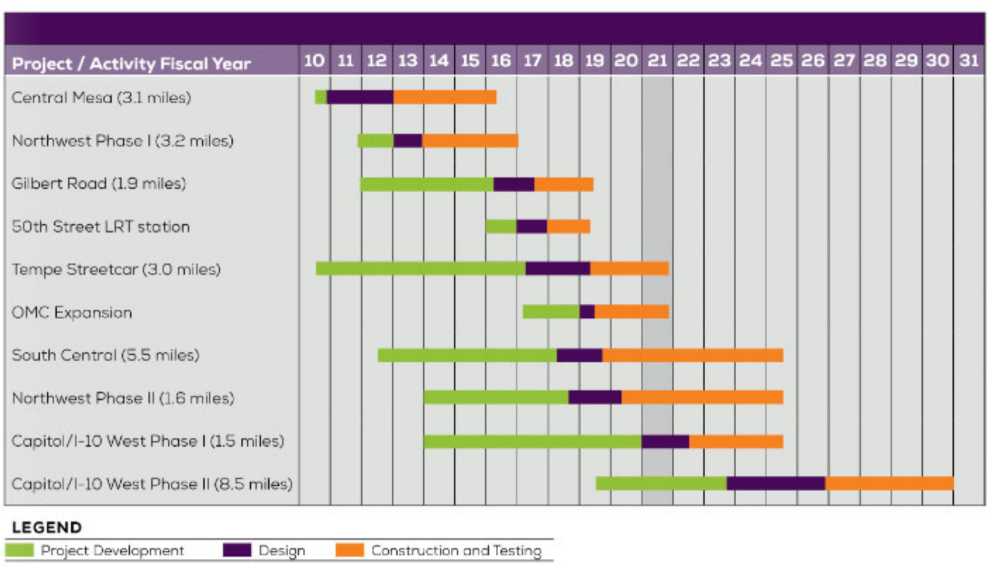
LRT Capital Project Schedule



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Uses of Funds: Project Development ($,000)

Uses of Funds	FY21
Capitol/I-10 West Phase I	$3,307
Capitol/I-10 West Phase II	125
Fiesta District Corridor Study	241
Downtown Chandler/Arizona Ave AA	168
Tempe/Mesa Streetcar System Study	71
Systems Planning & Project Development	6,290
Capital Project Development Administration	1,484
Total Uses	**$11,686**

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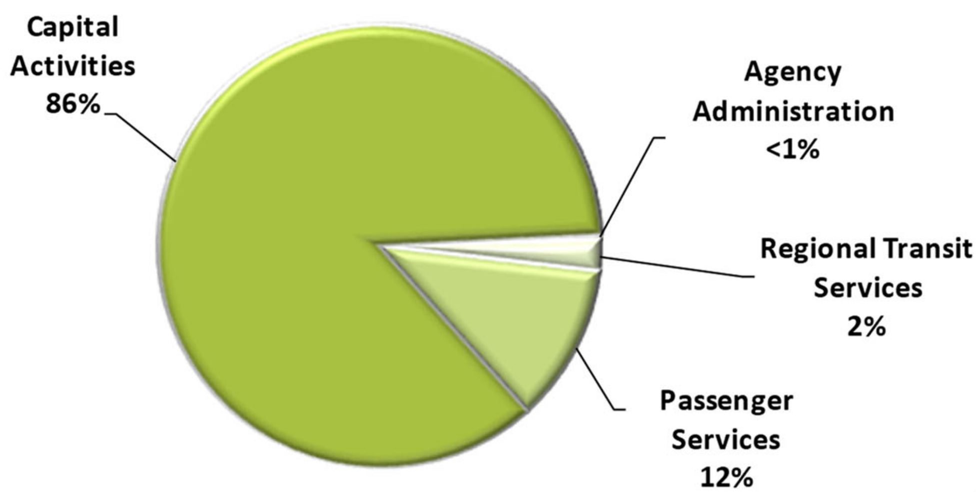
Uses of Funds: Operating & Capital



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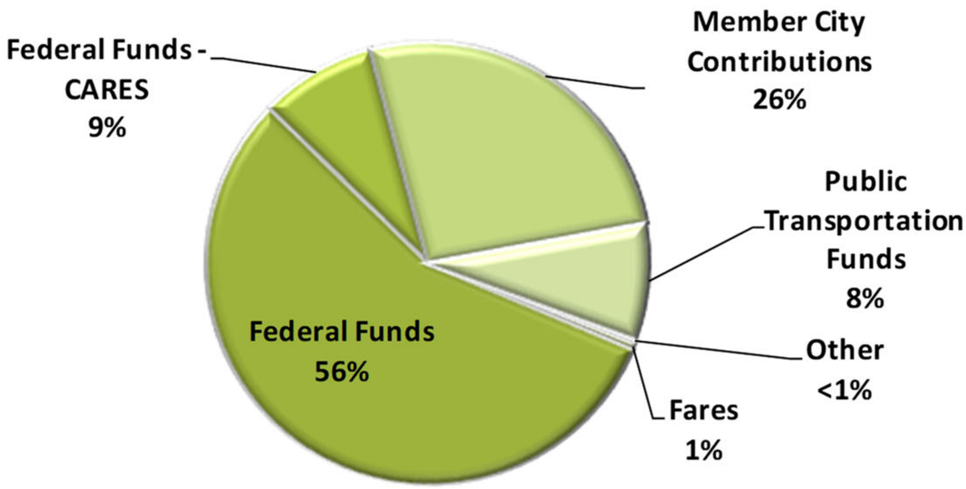
Sources of Funds: Operating & Capital



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

Uses of Funds	FY20	FY21	Change $	Change %
Light Rail Operations & Maintenance	$45.7	$49.2	$3.6	8%
Streetcar O&M	0.0	0.6	0.6	-
Security	9.4	8.6	(0.8)	-8%
Future Project Development	13.2	11.7	(1.5)	-11%
Agency Operating	2.1	1.9	(0.3)	-13%
Total Operating Uses	**$70.3**	**$72.0**	**$1.7**	**2%**

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

Sources of Funds	FY20	FY21	Change $	Change %
Advertising	$1.4	$0.3	-$1.1	-80%
Fares	11.7	2.7	(9.0)	-77%
Federal Funds	2.6	1.5	(1.0)	-39%
Federal Funds - CARES	0.0	43.0	43.0	-
MAG Funds	0.5	0.5	0.0	0%
Public Transportation Funds	10.5	10.5	(0.0)	0%
Member City Contributions	43.2	12.9	(30.3)	-70%
Regional Area Road Funds	0.5	0.5	0.0	0%
Other	0.0	0.1	0.1	-
Total Operating Sources	**$70.3**	**$72.0**	**$1.7**	**2%**

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

Uses of Funds	FY20	FY21	Change $	Change %
Tempe Streetcar	$85.7	$39.8	($45.9)	-54%
South Central/Downtown Hub	223.3	253.1	29.9	13%
Northwest Phase II	39.7	91.3	51.7	130%
OMC Expansion	32.1	27.9	(4.2)	-13%
Gilbert Road Extension	4.1	3.3	(0.8)	-19%
50th Street Station	1.2	0.0	(1.2)	-100%
Central Mesa Extension	0.3	0.0	(0.3)	-100%
Systemwide Improvements	9.4	11.5	2.1	22%
State of Good Repair	13.5	8.7	(4.8)	-35%
Total Capital Uses	**$409.3**	**$435.6**	**$26.3**	**6%**

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

Sources of Funds	FY20	FY21	Change $	Change %
Federal Funds	$108.3	$282.6	$174.3	161%
Member City Contributions	224.6	120.6	(104.0)	-46%
Public Transportation Funds	77.9	32.4	(45.4)	-58%
City of Mesa Financing	(1.5)	0.0	1.5	-100%
Total Capital Sources	**$409.3**	**$435.6**	**$26.3**	**6%**

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VMR Only Staff Changes from FY20 to FY21

	FY20 Budget	FY21 Budget	Change
Positions by Division			
Agency Business, Technology & Services			0
Capital and Service Development	28	24	-4
CEO Executive Office			0
Communication & Strategic Initiatives	1	1	0
Finance & Procurement	1	1	0
Human Resources			0
Internal Audit Services			0
Legal			0
Operations and Maintenance	161	164	3
Safety and Security	5	4	-1
Total VMR Only Positions by Division	**196**	**194**	**-2**

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VMR

FY21-25 Proposed Five-Year Forecast

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5-Year Operating Assumptions:

New Service

- Tempe Streetcar (3.0 miles) - May 2021
- South Central (5.0 miles) – Dec 2024
- Northwest Ext. II (1.6 miles) – Jan 2025

Fare Revenue

- Ridership is forecasted to decrease from previous years due to Covid-19
- FY22 fare revenue is 75% of pre-covid19 forecast, with 10% increase each year.

Federal PM revenue

- FY22 up 1.5% and each year after.

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5-Year Operating Sources and Uses

	FY21	FY22	FY23	FY24	FY25	Total
Operating ($,000)						
Sources of Funds						
Advertising	$ 275	$ 660	$ 879	$ 1,100	$ 1,100	$ 4,014
Fares	2,710	8,129	9,211	10,296	12,462	42,808
Federal Funds	1,546	1,569	1,593	2,457	1,641	8,806
Federal Funds - CARES	42,961	-	-	-	-	42,961
MAG Funds	500	500	500	500	500	2,500
Member City Contributions	12,890	56,862	58,176	56,968	63,720	248,616
Other	130	130	130	130	130	650
Public Transportation Funds	10,483	7,008	7,649	7,706	7,751	40,597
Regional Area Road Funds	500	500	500	500	500	2,500
Total Sources of Funds	**71,995**	**75,358**	**78,638**	**79,657**	**87,804**	**393,452**
Uses of Funds						
Operations & Maintenance	49,840	55,784	57,985	58,038	65,613	287,260
Security	8,599	9,640	10,020	10,029	11,335	49,623
Future Project Development	11,686	8,008	8,649	9,546	8,751	46,640
Agency Operating	1,870	1,926	1,984	2,044	2,105	9,929
Total Uses of Funds	**$ 71,995**	**$ 75,358**	**$ 78,638**	**$ 79,657**	**$ 87,804**	**$ 393,452**

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5-Year Operating by Segment

	FY21	FY22	FY23	FY24	FY25	Total
Operations (,000)						
Base 27.9 miles	$ 57,716	$ 58,870	$ 61,321	$ 61,249	$ 63,579	$ 302,735
South Central	-	-	-	-	5,119	5,119
Northwest 2	-	-	-	-	1,295	1,295
Tempe Streetcar	723	6,554	6,685	6,819	6,955	27,736
Total Operations	**$ 58,439**	**$ 65,424**	**$ 68,006**	**$ 68,068**	**$ 76,948**	**$ 336,885**
Light Rail Cost per Mile	$16.31	$16.63	$16.97	$17.31	$17.65	
Streetcar Cost per Mile	$30.12	$31.36	$31.99	$32.63	$33.28	

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5-Year Capital Sources and Uses

Capital ($,000)	FY21	FY22	FY23	FY24	FY25	Total
Sources of Funds						
Federal Funds	$ 282,658	$ 164,756	$ 168,312	$ 220,004	$ 74,358	$ 910,088
Member City Contributions	120,518	153,543	163,583	116,400	(4,956)	549,088
Public Transportation Funds	32,443	90,600	98,078	129,193	33,124	383,438
Total Sources of Funds	**435,619**	**408,899**	**429,973**	**465,597**	**102,526**	**1,842,614**
Uses of Funds						
Tempe Streetcar	39,837	1,543	-	-	-	41,380
South Central	253,136	245,443	254,837	292,855	46,554	1,092,825
Northwest Phase II	91,334	86,200	82,527	65,331	5,932	331,324
OMC Expansion	27,860	1,840	-	-	-	29,700
Gilbert Road Extension	3,296	-	-	-	-	3,296
Capitol I-10 West Phase I	-	47,614	83,175	103,424	47,952	282,165
Systemwide Improvements	11,461	14,404	990	277	240	27,372
State of Good Repair	8,695	11,855	8,444	3,710	1,848	34,552
Total Uses of Funds	**$ 435,619**	**$ 408,899**	**$ 429,973**	**$ 465,597**	**$ 102,526**	**$ 1,842,614**

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5-Year State of Good Repair

State of Good Repair ($,000)	FY21	FY22	FY23	FY24	FY25	Total
PTF Funded						
Maintenance Buildings	$ 3,950	$ 273	$ 100	$ -	$ -	$ 4,323
Revenue Vehicles - Overhaul (SOGR)	2,203	8,025	6,251	3,242	1,490	21,211
Pesonal Service & Overhead	236	292	237	121	54	940
Total PTF Funded	6,389	8,590	6,588	3,363	1,544	26,474
Member City Funded						
Guideway	139	106	106	-	233	584
Maintenance Buildings	-	50	-	-	-	50
Passenger Stations	1,200	2,163	1,450	-	-	4,813
Revenue Vehicles - Overhaul (SOGR)	683	676	208	324	-	1,891
Service Vehicles (non-revenue)	169	106	-	-	56	331
Other	29	-	-	-	-	29
Pesonal Service & Overhead	86	164	92	24	15	381
Total Member City Funded	2,306	3,265	1,856	348	304	8,079
Total State of Good Repair	**$ 8,695**	**$ 11,855**	**$ 8,444**	**$ 3,711**	**$ 1,848**	**$ 34,553**

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Budget Schedule

Committee/Boards/FWG	
Aug 29, 2019	Board Study Session
Oct 10, 2019	Present Key Assumptions to AFS
Feb 3, 2020	Present update of Key Assumptions to AFS
Feb 13, 2020	Present annual budget to FWG
Feb 18, 2020	Present 5-year plans to FWG
March	Present Annual Budgets to Committees/Boards for Info
April	Board Study Session
May	Present Annual Budgets and 5-Year plans to AFS and Board for Info
June	Present Annual Budgets and 5-Year plans for action

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Recommendation

Staff recommends that Board of Directors approve the Fiscal Year 2021 Proposed Operating and Capital Budget and for acceptance the FY21-25 Five-Year Operating and Capital Forecast.

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Thank You

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Information Summary

DATE **AGENDA ITEM 5**
June 11, 2020

SUBJECT
Fiscal Year 2021 (FY21) Election of Valley Metro Rail (VMR) Board Officers and Subcommittee Positions

PURPOSE
The Board will vote to elect Board officers and Board subcommittee positions for FY21.

RECOMMENDATION
Staff recommends that the Board of Directors elect officers and subcommittee members to serve from July 1, 2020 to June 30, 2021 for the following positions based on letters of interest received:

<u>Board Officers</u>
- Board Chair – Councilmember Francisco Heredia, City of Mesa
- Board Vice Chair – Mayor Kate Gallego, City of Phoenix

<u>Audit and Finance Subcommittee</u>
- Councilmember Robin Arredondo-Savage, City of Tempe

BACKGROUND/DISCUSSION/CONSIDERATION
Board officer and Board subcommittee elections are scheduled for June of each year. At the May 2020 Board meeting, it was announced that election of officers and subcommittee appointments would be brought forward at the June meeting for the following positions:

- Chair of the Board of Directors:
- Vice Chair of the Board of Directors; and
- RPTA/Valley Metro Rail Board Subcommittee members
- Audit and Finance Subcommittee

Following the May 2020 Board meeting, the Chairwoman distributed a memorandum requesting letters from Board members interested in filling the above positions for FY21. The letters were due June 5, 2020.

COST AND BUDGET
There is no fiscal impact.

COMMITTEE PROCESS
Board of Directors: June 18, 2020 for action

CONTACT PERSON
Chairwoman Robin Arredondo-Savage
Councilmember, City of Tempe

ATTACHMENT
None

Letters of Interest are available upon request.

Information Summary

DATE **AGENDA ITEM 6**
June 11, 2020

SUBJECT
Future Agenda Items Request and Report on Current Events

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

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION
None

COMMITTEE ACTION
None

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