MEETINGS OF THE

Boards of Directors

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

Date:

April 20, 2023

Starting Time

Directly Following Study Session (11:15 a.m.)

Meetings to occur sequentially

Location:

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

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

Agenda

April 13, 2023

Joint Meeting Agenda
Valley Metro RPTA
And
Valley Metro Rail
Thursday, April 20, 2023
Valley Metro, 101 N. 1st Avenue, 10th Floor
Boardroom/Webex
11:15 a.m. (Directly following Board Study Session)

	Action Recommended
1. Public Comment	1. For Information
The public will be provided with an opportunity at this time to address the committees on **non-agenda items and all action agenda items for the Joint, RPTA and VMR meeting agendas.** Up to three minutes will be provided per speaker unless the Chair allows more at their discretion. A total of 15 minutes for all speakers will be provided.	
2. Chief Executive Officer's Report	2. For information
Jessica Mefford-Miller, CEO, will brief the Joint Boards of Directors on current issues.	
3. Audit and Finance Subcommittee Update	3. For information
Councilmember Stipp, AFS Chair, will provide an update on the discussions and actions taken at the AFS meeting.	
4. Minutes	4. For action
Minutes from the March 16, 2023 Joint Board meeting are presented for approval.	
5. Fiscal Year 2022 (FY22) Transit Performance Report (TPR)	5. For information
Staff will provide information regarding system ridership, operating costs, fare revenue and performance indicators contained within the FY22 Transit Performance Report, as well as the addition of Streetcar.	

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

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

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

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

8. <u>Next Meeting</u>	8. For information

The next meeting of the Joint Board is scheduled for **Thursday, May 18, 2023 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**
April 13, 2023

SUBJECT
Public Comment

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

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COMMITTEE PROCESS
None

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

ATTACHMENT
None

Information Summary

DATE
April 13, 2023

AGENDA ITEM 2

SUBJECT
Chief Executive Officer's Report

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

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COMMITTEE PROCESS
None

CONTACT
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ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 3**
April 13, 2023

SUBJECT
Audit and Finance Subcommittee (AFS) Update

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

BACKGROUND | DISCUSSION | CONSIDERATION
The draft minutes from the April 6, 2023 AFS meeting are attached for further details of the meeting.

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
This item is presented for information only.

CONTACT
Ken Kessler
Chief Financial Officer
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kkessler@valleymetro.org

ATTACHMENT
Draft April 6, 2023 AFS meeting minutes

Minutes

April 13, 2023 **AGENDA ITEM 3**

Audit and Finance Subcommittee
Thursday, April 6, 2023
Via WebEx/Phone
12:00 p.m.

Meeting Participants
Councilmember Bill Stipp, City of Goodyear – **CHAIR**
Mayor Brigette Peterson, Town of Gilbert (phone)
Vice Mayor Laura Pastor, City of Phoenix

Members Not Present
Councilmember Clay Goodman, City of Buckeye
Vice Mayor Francisco Heredia, City of Mesa

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

Chair Stipp said we'll go ahead and call to order the Audit and Finance Subcommittee meeting for today. We are missing Councilmember Goodman and Vice Mayor Heredia, but we do have a quorum so with that, we'll go ahead and open with Public Comment.

1. Public Comment

Chair Stipp said and I assume we have one. Mr. Crowley, your three minutes will start.

Mr. Crowley said when Bryan Jungwirth was a deputy director and such, when I asked for the stuff on the all the buses and such, there was an internal that had all of that, so when your staff sends this to me and says, we don't know. I have a problem with it because I'm trying to get on the record that, you know, with the different communities, where's the infrastructure for the limited bus lines that are there. And in here it also says you guys don't do any of the bus stops and such and that's because the Board when it was doing all the cutbacks said infrastructure is not what should be there.

Now, being that when I got with the people that wrote the Prop 400, myself and said what did the bus -- what was the part of that? And it was that the infrastructure was to be put in as a part of it to get it done. Now, instead of bus stops, we have you. Now, at 40% of your budget going to staff, I'd rather have more buses especially since that staff is divided how, to facilitate the rail.

And speaking of such, Mayor Gilbert, I got that article about how Gilbert will not have light rail. Well, is that Gilbert communicating to MAG and the legislature saying and whatever you build for you guys, and do you have any idea of what they're coming up with yet. But it states in here that -- first, it states that light rail is dead in Gilbert, never had light rail, so how is it dead. And the commuter rail talks continue and then the next article is they were split over the commuter talks. Where is the bus talks? They got one friggin' road. Where are the talks about putting bus stops on that road? Where are all of your bus stops for each of the different communities? And I love that you tell me that you don't have that information. It's a part of your history. Did you just flush all the documents when you guys got your positions?

Have a pleasant day and I'll see you guys after the meeting.

Councilmember Pastor said so I have a question to some of Blue's comments and the questions are how do we communicate with MAG and how do we work with MAG on, as he was stating, Gilbert has indicated that they don't want light rail and how is that then conversation with MAG and then in the process of the Prop 400E. In addition to that, the bus routes and how Blue has been talking about how's that determined where the bus routes go and the connectivity of it? And you don't have to answer today. I'm just trying to get answers for Blue to be able then to say we have given some answers and here's what we found.

Ms. Mefford-Miller said I can actually answer them if that's preferred, Councilmember Mr. Chair. Thank you for the opportunity. First, I'll address bus and then light rail.

So the bus routes that are included in the Momentum Plan or are reflected in the funds we draw down associated with the Transit Lifecycle Program, MAG is setting up kind of a high level framework for a super grid that we refer back to. That doesn't encompass all of the bus system and the mobility networks that keep shape. Keep in mind as we're developing a long-range plan, it is a long-range plan and that's essential when we're talking about fixed guideway infrastructure, a big capital like light rail. Bus service is more fluid and there are some changes. There have been some major changes between that plan being developed now almost 20 years ago and the way bus service is provided today. Namely, there are a number of initiatives and programs that were scaled back during the Great Recession that have never been implemented and that is because the actual revenues fall short of projected revenues.

I will say in the current Momentum Plan, the revenue projections have been more conservative trying our best, when I say our best, these projections come from ADOT and MAG, trying our collective best to be more conservative in there (Indiscernible) accurate.

Now, within bus network planning though, there is a great deal of planning that happens at that sub-five-year level, so we're dealing with available PTF or Public Transportation Fund resources which are the proceeds of our regional tax. Right now, it's Proposition 400. We are working with our member cities to develop and deliver that plan for bus service and for subsidies like City of Phoenix, for example. There is also local funding there for that. So we have a budget and we're developing the optimal network for that.

Our understanding of what the bus network needs to look like in 2040 versus what we'll actually need in 2040 vary a little bit, so we have to have some flexibility. That is in part the power of what I call our rubber wheel mobility services, bus, paratransit, RideChoice and microtransit service, is that we can be more responsive to changing patterns of development, demand for transit, community appetite for transit and available funding. So we are more or less with the exception of those changes we made in response to the Great Recession, delivering the mobility plan that was envisioned in that plan.

Moving forward, we're working in broad brush strokes as we think about parts of the Valley that don't today have bus service. We're hearing a lot from our state legislators. For instance, about service in East Valley east of Power Road and service in West Valley on the western fringes. We're hesitating to draw lines on the map of where bus service needs to be. That has to be a conversation with those communities about what they'd like and we've got to explore and pilot some different programs.

I will mention that our forthcoming requests for proposals and the operating model is giving us that flexibility that we haven't had in the past to implement new types of mobility and pilot out services in respond to those evolving needs.

On the capital side, some communities are choosing, Mr. Crowley mentioned bus stops, some communities are choosing to leverage public transportation funds to invest in bus stops. This does tend to be a more local decision, but Valley Metro plays an active role in locating and supporting the infrastructure through services like design associated with our job order contract to support bus stop infrastructure. But the selection of bus stops to improve is a joint venture between Valley Metro and cities. The maintenance of bus stops is an obligation of the cities.

Does that answer the bus stops question?

Councilmember Pastor said if I think like Blue, I'm not sure if I do. But I would then say well, those bus stops that weren't implemented during the Great Recession at what point will they be implemented? Or is that conversation on the table?

Ms. Mefford-Miller said so that conversation's not on the table so rather than going back to a now almost 20-year plan, it's time to take a fresh look based on where we're at today and where we project we'll be. And that is much more appropriate.

One of the items we'll be conducting and you're actually going to see it in the FY24 budget, is a comprehensive operational analysis. What that is it takes a look at our bus network, the productivity and performance. It also looks at how we're growing, or we're expected to grow. And out of that we'll develop recommendations for how the bus network will evolve. So we won't look back 20 years, but rather we'll look at the here and now and look forward about ten years and that's a more appropriate horizon for bus network planning.

And then on the light rail side, so we communicate with MAG every day on any number of issues including conversations about 400 E. We it concerns light rail planning though light rail future corridors are codified in the Momentum Plan, that is the regional plan that all of our member cities contribute to that was developed through the leadership of MAG and is housed within their organization.

The town of Gilbert does not nor have they had light rail lines on the map. So as Mr. Crowley points out, the town of Gilbert has -- some members of Gilbert town council have indicated that they would like to pass measures to prohibit the planning or investment in light rail in Gilbert. However, there are not lines on the map envisioned for Gilbert for light rail at this time, so no action needs to be taken at the MAG or Valley Metro level.

Councilmember Pastor said thank you. I hope it answers your questions, Blue.

Chair Stipp said okay. No other speakers? Okay.

2. <u>Chief Financial Officer's Update</u>

Mr. Kessler said thank you, Mr. Chair. Just a few items to mention here in my comments. Previously, the monthly revenues were shared in the CFO comments, and I just want to kind of bring that back just so that you have a look at kind of where we're at, how the year's doing in terms of our sales tax revenue. So you can see here we're pretty consistently showing about a 10 to 11% year to date growth over prior year. So that's pretty good news. It's a little bit ahead of inflation actually so that's kind of good news and we're on track to exceed the budget as well as exceed, obviously, last year's revenues.

And I did want to mention TFLEx workshop. This is Transit Finance Learning Exchange. This is a consortium of transit agencies, basically, financial professionals that belong to this organization. They hold a couple workshops a year. They have a number of other activities. With the pandemic and everybody really ramping up their abilities to meet remotely has provided this group an opportunity to kind of meet more often through remote means. But the workshop did become in person again last fall. It was held in Denver.

Just this past week on the 3rd and 4th of April, we hosted it here at Valley Metro, actually, in this room. It's about 12 transit agencies attended this spring's workshop. There was a lot of really good discussion. Transit financial professionals sort of sharing ideas and thoughts and this year's theme was really around strategies to meet change, supply and demand, you know, the impacts of the pandemic and how things have shifted across the transit industry, obviously, as well as other industries.

So many good discussions, sessions that we had, some breakout panel discussions as well as some speaker presentations and then Valley Metro staff provided a tour of the Downtown Hub area to the participants at the end of day two just to kind of some them the improvements that were made in the downtown area to provide for the eventual two-line system once South Central is complete and we have a Northwest and a north-south-east-west lines for our system. The group very knowledgeable very experienced individuals and it was a good collaboration and there were four Valley Metro staff including myself that attended, so it was very helpful for us to kind of hear these discussions from other transit financial professionals.

That concludes my comments.

Chair Stipp said awesome, thanks. Any questions for Ken? Seeing none.

3. Minutes

The minutes from the March 2, 2023, meeting are presented for approval.

Chair Stipp said may I have a motion and a second.

Motion by Councilmember Paster, second by Mayor Peterson.

Thanks. Any discussion? Seeing none.

All in favor, say aye. Any opposed? All right. Ayes have it.

IT WAS MOVED BY COUNCILMEMBER PASTOR, SECONDED BY MAYOR PETERSON AND UNANIMOUSLY CARRIED TO APPROVE THE MARCH 2, 2023 AFS MEETING MINUTES.

4. Internal Audit Update

Ms. Beckstrom said thank you, Mr. Chair. My comments will be relatively brief today.

In March, we continued to work on our Fare Collections and Reduced Fare audits. We're nearing the completion of field work and we'll enter into the reporting stages on those two audits in the coming week.

We've also completed the field work on elements 1 through 4 on our Safety, Internal Safety and Security audits and will complete that report within the next week to share with our Safety and Security division.

We are short-staffed. We lost one senior auditor to a promotional opportunity, but we're working with HR to bring on some new highly qualified candidates to our team as soon as possible.

Valley Metro is on track for audit recommendation implementation. There have been no changes from last month in the tracking of the recommendations. The next recommendation follow up is due at the beginning of May.

For external audits, Valley Metro staff are busy prepping for the Arizona Department of Transportation upcoming triannual review with Valley Metro which is scheduled to begin the week of May 15th.

That concludes my update happy to answer any questions.

Chair Stipp said perfect. Any questions for Sebrina on this? No. Seeing none. Thank you, Sebrina. I appreciate the brevity.

5. <u>FY24 Operating and Capital Budget Information for Valley Metro RPTA and Valley Metro Rail</u>

Mr. Kessler said thank you, Mr. Chair, members of the Subcommittee. I'll be starting the discussion with the RPTA budget and then after that we'll move on to the Valley Metro Rail.

First, just want to let you know. In the packet, we've included all the initiatives that's includes the new Valley Metro recommended as well as the ongoing obligations, but the presentation here we will focus on the new initiatives for today's discussion.

Just want to mention, here's the use of funds in the operating budget. Just a few changes from the last time you saw these numbers. There's a slight addition to fixed route operations for an adjustment to the fuel estimates for the East Valley as well as some other minor adjustments made since last month.

On the source of funds. No significant changes here. Just a minor adjustment to align the sources with the use of funds.

And just a reminder and sort of the construction of how we talk about the budget. We start with the base budget, add in the ongoing obligations those things that are continuing commitments or inflation, ridership related sort of the things out of our control and in order to continue existing service and then we add in the Valley Metro recommendations or new initiatives to arrive at the total budget for the coming year.

So here's what that looks like in numbers. Again, just small, very small changes from last month, but still Valley Metro recommended making up a very small portion just 6% of the overall change from FY23 to FY24.

And the four budget goals for FY24 here. The initiatives that are in the presentation are presented by goal. We also have some supplementary information in the packet that provides a little more detail on that. The Valley Metro recommended or new initiatives by goal in the packet as well as much more detailed initiative sheets that are behind that giving the finest level of detail on all the initiatives we have included.

So first, a couple initiatives that under the build and invest in the team to fulfill the vision goal. The Mpact conference hosting, Mpact previously was called Railvolution. Valley Metro is slated to host that this fall so there are some costs associated with hosting that, but the main point I want to make here are the costs that are associated with that are almost 100% covered by sponsorships and fund raising done by Mpact for the conference.

And then the second item we have here, the Valley Metro staff merit and labor market adjustments. We're recommending a 3% merit, 5% COLA adjustment for FY24. We have recently looked at some of the other cities and agencies around the Valley, looked at some of the other transit agencies, TFLEx is a great contact to talk to other transit agencies and look at what they're doing in terms of salaries and adjustments and things like that. So based on the information we've looked at, we're recommending 3% merit, 5% COLA. And the 3% merit is up to 3%, so it's not across the board everybody automatically gets 3%.

And just want to highlight, you know, here in the Valley we still are experiencing about 8 to 9% inflation. The TFLEx workshop, we did have a local ASU economist that provided a presentation and had a lot of good information specifically around the state of Arizona and the Phoenix market sharing that information.

So any questions on these initiatives.

Chair Stipp said Mayor Peterson, did you have any questions?

Mayor Peterson said no, sir.

Chair Stipp said I just don't want to go through that. Ken, on these two I did have one question. So the conference hosting you mentioned you're anticipating that to be kind of offset with revenue. Will we be calling out a revenue line on the revenue side of our budget to reflect those pieces or does that fall into another category? How do we show that this is almost a wash?

Mr. Kessler said thank you for that question, Mr. Chair. Yes. It basically falls into other. There's not a specific line for something this small given the size of our overall budget. We don't necessarily identify this separately. And so it is in our budget because the host agency for these conferences typically does all of the, you know, purchasing and lining up, you know, receptions and different activities and things related to the conference, so that's why it's in our budget. But, again, those funding raising, sponsorship revenues come in to offset that.

Chair Stipp said is it going to be difficult to kind of at the end give a summary report that shows the expenditures versus the revenue? So that we can demonstrate to the taxpayer that we're not hosting a conference on their dime.

Mr. Kessler said certainly. We could absolutely do that.

Chair Stipp said because I think that will be important and if we can, personally, I would suggest that we make some reference to that for the full Board, so they understand it. If they do a quick look and just look at this sheet and actually don't read the follow up, this is going to lead to a lot of questions by a number of the Board members, so I think we need to call that out, kind of we need to call that one out for sure because this is unusual. The market study and whatnot I think everyone will just kind of nod through it, but this one really kind of caught my eye and I'm sure I'm not going to be the only one so. That was one of the two questions that I have.

Mr. Kessler said certainly. We can do that. I just want to mention last month we had a really good discussion, a deep dive into the initiatives, all the initiatives with Financial Working Group and RTAG. The discussion was very good. There were a lot of good questions. We have included in the packet as well questions that we've received and the answers to those questions as we did last year with that question-and-answer log so we can kind of keep track of what's been asked and what are the responses. And I just want to mention to this body that, you know, that was a very good discussion to kind of kick things off in this budget season and appreciate the staff effort in, you know, being prepared for that both on the city side as well as the Valley Metro side. We had good participation from Valley Metro staff to help answer some of the questions that budget staff really didn't have the detailed answers to. So just wanted to mention that.

And then moving on to the next goal. Ensure the safety and security of our riders. A couple initiatives in here. Basically, technology related. We did have a APTA peer review recommendation for a cybersecurity audit. Also, did want to mention cybersecurity is also becoming a new, more highly visible focus area for the FTA. They added cybersecurity into the most recent triannual review that was conducted at the City of Phoenix last year. It was very, very brief and sort of high level, but with the caveat that next go round it's going to get into a lot more detail and they will be looking for a lot more specifics. So cybersecurity is definitely a more focused topic.

And these are a couple items coming out of those annual assessments and following up on findings to identify vulnerabilities. And also, being able to implement corrective actions for any potential audit findings that come out of the cybersecurity audit. There's also additional licenses for security software to monitor and address any potential or new vulnerabilities.

Councilmember Pastor said question about safety and security, and I probably know the answer, but I just want to make sure my answer is correct. We are having challenges both on bus and rail regarding safety and security and let me see if I, the bus safety and security piece is with Phoenix and then is the rail piece with Valley Metro and the three cities on the safety and security piece. And I know we're not on rail yet but. I just want to put that out there.

Mr. Kessler said Councilmember Pastor, in terms of safety and security in the terms that you're speaking of it, it’s really on the bus, it's the mostly the individual cities that take care of that. On the rail system, it's a combination of, you know, the Allied Universal security folks that are out there as well as local PD's. But I just did want to mention here. This is really cybersecurity. It's not really related to that kind of safety and security. It's more technology related.

Councilmember Pastor said I understand that, but this is an opportunity and space where I can talk about safety and security. So that's why I jumped in.

Ms. Mefford-Miller said within the budget, the Allied Universal security is part of Valley Metro Rail's operating budget and that is led by our Safety, Security, Quality Assurance team. We also have essential touch points with our local law enforcement partners and in Valley Metro Rail, of course, that's Phoenix, Mesa and Tempe.

On Valley Metro bus side, in our last year's budget, we added the position of bus security coordinator. We have filled that position. That individual, Dave Munley, is relatively new in his role, but what he is tasked with doing is working with our member cities, our operations staff and our bus operators to develop a bus security program. We will be heavily dependent on the responsiveness from our local law enforcement partners across our entire bus service area to respond to issues and incidents aboard Valley Metro bus that require local law enforcement assistance. So the program is early on and we recognize that we've got a great deal of work to do in the area of bus security.

Councilmember Pastor said I'm sure all the other cities have the same dynamic that I have is that I am advocating for the constituents of Phoenix and all the other constituents that we have that close relationships with the cities and in particular, with our police officers and enforcement area because I'm starting to get more and more issues on both the rail and the bus and they're confused and I don't want to confuse them, but what I mean is when we say bus and rail, they think Valley Metro. And then it becomes a little bit more cumbersome when we start to break down and say, well, that's really the city's responsibility and we really need our safety and security plans across the region active and strong. And being in a proactive manner. So what the constituents are hearing is that the Allied Security is responsible for that. And so, somehow, some way we need to close that gap and be able to have the same message to all our constituents. Thank you.

Chair Stipp said I don't disagree because as we see those reports that come out it sounds like there may be some need for a public education component of that as well. It's not just a standing security issue, but who do I call when I have this issue. There may be more to this so kind of work that through. But thanks for your comments.

Ms. Mefford-Miller said Mr. Chair, Councilmember, there might be an opportunity to come back to probably the Board and the RTAG and TMC/RMC perhaps with a report out from Safety and Security on the programs including the recommendations report from the recent APTA, American Public Transit Association, safety and security peer review that occurred in late February. We don't yet have that final report, but soon will. So perhaps this is a study session whereby we have the opportunity to have a conversation.

Chair Stipp said I guess I don't know that it falls under the executive session material, but I would ask that we look at that very carefully to see if that's something we actually want to talk about in a public meeting or if that's something we need to talk about in private.

Ms. Mefford-Miller said it may well be and when we receive that recommendations report, we'll have Mr. Wawro review that. There may well be SSI, SAP security sensitive information.

Chair Stipp said right. I just want to kind of call that out as well.

Ms. Mefford-Miller said thank you.

Chair Stipp said thanks everybody.

Mr. Kessler said the next goal we're looking at, serving the customer by improving and maintaining the system. A couple initiatives here. I think Jessica had mentioned this briefly, a bus system comprehensive operational analysis. This is really a deep dive looking at the complete system and determining what the appropriate levels and modes of service are. You know, given the changing dynamics we're experiencing as a result of the pandemic, our reality is quite different, so it's time to have this sort of deep dive and very comprehensive look at how we're operating, where we're operating, what we're operating to make any necessary changes to make sure what we're doing makes sense, is efficient, cost effective and works for our communities.

The other item on this goal is the road vehicle fleet manager, the new position. This position will focus on coordinating and all the planning, purchasing and maintenance for rubber tire vehicles. That's your revenue fleet on the bus and paratransit side as well as all the non-revenue fleet that we use to support our services. Rubber tire fleet sort of planning and coordination has been kind of disperse throughout the agency. There hasn't been a real focused effort historically and this would add a position that's focused on that to make sure everything is well coordinated. Phoenix has a position very similar to this that they can relate to when we talked about this with Financial Working Group to kind of explain kind of how this position works and, you know, sort of the duties and tasks that it will undertake. So this is some very needed here to help support the bus fleet, the paratransit fleet and non-revenue vehicles.

Any questions on these initiatives?

Councilmember Pastor said I have one question. And that question is, I understand what the position is as the manager, but I'm going to be Blue right now and I would like to know how important this is and I'm assuming it's a safety piece that’s why we need a fleet manager to be able to look at all our bus and rail and the reason why I'm asking the question is because I heard him earlier and speaking with I'd rather have bus service. So I would just like, for the record, the importance of it.

Ms. Mefford-Miller said I'll take that. Councilmember, Mr. Chair. So the region spends a significant percentage of our transit funding, our local public transportation funds and our federal capital funds on acquiring and to a smaller extent maintaining our fleet and that includes our buses, vans as well as our light rail vehicles. Transit fleet composition and maintenance requires very careful planning. We also have programs that are required like transit asset management that mandates that we maintain a close eye on the conditions of all of our transit assets as well as develop entire lifecycle maintenance programs for those assets.

On the bus and van side, we subcontract out for the maintenance of those assets however, that's the day to day, month to month maintenance that is not fleet planning. That is not goal setting, and this is a layer within our organization that we're missing. It's long been missing. This position is a net add. We have talked about this in different forums. We have taken vacant positions within the organization and repurposed them and that is how we create the chief maintenance officer that will be joining us later this summer. We have a deputy on the rail system side, Rob Rosenberg, here who does a fantastic job of leading the maintenance of all of our rail system assets, rail cars and our maintenance of way. We do not have a corresponding position on the bus side and especially as we move through our fleet transition plan where we are transitioning away from compressed natural gas over a period of time to zero emissions vehicles, we are in need of leadership and technical expertise to manage this program.

Right now, we just don't have that. In fact, we had a detailed conversation this morning with a member city Honor Fleet Transition program and today, that's me carrying the water on fleet transition planning. So we need this professional. It's a matter of safety and it's also a matter of asset management.

Chair Stipp said if you're not going to have the exact number and if you do, I'm going to be blown away, but do we know the total value of our rubber wheeled fleet?

Ms. Mefford-Miller said we know it, but I don't have it in my fingertips. Do you, Ken?

Chair Stipp said I mean, I know you know it. But I mean, just for the sake of this conversation today, if you had to guess.

Ms. Mefford-Miller said I would defer it and say Tom, what's the bus fleet? Or Dan, what's the bus fleet? And Tom, what's the van fleet?

Mr. Young said van fleet is about $10.2 million right now.

Ms. Mefford-Miller said thank you. Or the fleet size maybe, Dan.
Mr. Filippino said the fleet size is approximately 350 buses.

Chair Stipp said and a bus runs $5 million apiece?

Ms. Mefford-Miller said we'll say about 800,000.

Chair Stipp said so just keep the math simple. One million dollars apiece, 350 buses so we're talking $350 million plus. So I think for the sake of the discussion for anyone who is from the public that would listen to this a position for $170,000 to maintain $350 million worth of assets is probably a good investment.

I'm not saying your question wasn't valid because I think it's a very valid question. But I think to point out when we talk about this particular position particularly for the rest of the Board, I think to make them aware of how big our fleet actually is because there's a lot of misconception about what do we actually own, what do we lease, you know. And to bring this into perspective for the rest of the Board will be really key going forward as well because this is a really good discussion.

Mr. Kessler said that's a great point, Mr. Chair. We'll add those numbers when we go to the full Board to give that context.

Chair Stipp said even if you have to update the material that you put the numbers and all that. Just updating that might be really helpful too. So great discussion. Thanks.

Mr. Kessler said our fourth goal here has three initiatives within it. The first one is really to help the general counsel, internal audit and safety security & quality assurance in tracking incidents, identifying risks and documenting actions and compensating controls to help mitigate liability. And really, bottom line here is to be able to better control our insurance costs sort of how we manage all the things that go around impacting that.

Fare collection system accounting. This is a function that Phoenix has been providing for a number of years. With the implementation of the new fare collection modernization project, we're regionalizing this, moving it into Valley Metro. And this is, basically handling all the fare media, revenues and ridership and tracking and accounting for that and doing the distribution of those revenues to the various providers and the member cities.

And the last item here, comprehensive fare study. This is that item that came out of our Board study session on fares. A couple months ago the Board directed us to do a study. This is the RPTA share and as we're mentioning, some of these spans across both RPTA as well as Valley Metro Rail so we'll see some of these on the other side on the rail side when we get to those initiatives.

Just want to move from operating into capital. We made some slight adjustments to capital programs since last month when you saw this. Just a little adjustment on the regional facilities to update the projects going on there. And then a corresponding adjustment to the sources of funds in total there. If you looked at it closely, I do want to mention we initially showed zero dollars in the PTF, Public Transportation Funds, last month, but based on revising estimates to the reserves available that has been adjusted as well as in addition to the little increased cost for the regional facilities capital item.

Chair Stipp said that did not catch my eye, but it does now. So we're reducing PTF fund use?

Mr. Kessler said we reviewed the estimated ending balance that would be available to utilize next year. So we're using the same amount of PTF funds, it's just how much of it is new PTF funds next year that will actually be incoming revenue versus how much is coming out of the actual fund balance that's there at the beginning of the year.

Chair Stipp said because I think that change, you know, the 163% at the bottom is going to be eye catching. We may want to separate this and talk about PTF reserve and just kind of call this out and put those two actually next to one another so that you can see that this is, and I'm kind of assuming that we went from $28.1 million to $8.9 million, the difference between those two is going to show up in that reserve use.

But the math doesn't work out. That's $21 million or $2 point some million, but actually, it does. To show those, do you know what I'm saying? You kind of see where I'm going with this? That's going to raise a level of concern unless we actually really call it out. I realize they're the same thing and it's all semantics that a carry forward in reserve at 33.1 is exactly the same as PTF reserve at $20 million or $19.2 million or whatever, but we probably want to call that out separately just to bring that awareness to it. Because if someone just looks at the percentages, they're going to lose their mind at 163%. All the smart from RTAG and the Financial Working Group and you and we all get it, but I think we've got to really call it out for the rest of the Board to make sure that that.

Mr. Kessler said that's a good point. It's also a result of the nature of capital and the fluctuations in capital from year to year so the capital programs increasing a little bit the balances available fluctuate from year to year and how much we have to use and apply to next fiscal year's budget versus tapping into new revenues coming in the current year. So, we'll certainly work on having better alignment and explanation for that as we go forward.

Chair Stipp said I think it really begs the question. So we're going to use this, let's just call it $20 million of reserve money, and we're not going to use $20 million of PTF, what are we going to do with that $20 million if it comes in PTF? Because PTF continues to flow, so we're always going to have $20 million. At some point, that's either going to push us into either the transition year of no PTF so hopefully, a Prop 400 extension. We probably need to have that discussion as well. What does this look like? Are we just doing it early, are we going to wait until the end? Kind of a moot point. I think at the end of the day it's still the same dollars. Doing it now or doing it at the end. It's a pay me now, you know, or later. But either way it's still going to come forward. I think we've got to figure out an explanation for that. Rather than just the box because that will, I think, generate 10,000 questions that aren't really going to come through. It someone catches it like I did today then the Board meeting will be three hours long. Thanks.

Mr. Kessler said I appreciate that.

Passthrough funds, no real changes here from last month. Again, these are passthroughs from RPTA going mostly to VMR and then the Arizona Lottery funds that are dispersed to the member cities. And then passthrough fund sources where the monies come from. No real changes there from last month.

And that brings us to VMR. Any more questions on RPTA side?

Chair Stipp said I'm going to say second question, but it's maybe more of an observation. So we've chunked this thing up now between initiatives, inflation and this ongoing of what you call commitments or whatever. It may be helpful to have one chart or something that shows this is how these all break down. Because if we're going to look at this as today we looked a $2.1 million or $2.2 million, next month we're going to look at $2.2 million, but I think if we're doing these summary documents of where all this money's coming from just in totality ongoing $2.2 million, just some big chunk at the end. For those that like to read ahead, we may just want to give them a preview of what that looks like in the summary.

Because that was one thing that caught my eye. I'm like well, I don't see this in its totality. And then the second observation, that was my question number two, but my other observation then is the breakdown by topic or goals that you guys had was very, very helpful in seeing how this works in the larger organizations. So I wanted to call that out as kind of a kudos that that helps, okay, why are we doing this, well, it's to help this. And I thought that was extremely, extremely helpful so that was a kudo so. All right.

Mr. Kessler said good to hear. Appreciate the feedback. That's the goal to make this more understandable for Board members to understand how we get from point A to point B and give kudos to Jim Hillyard for developing this approach last year.

So going on to Valley Metro Rail now. So use of funds in the operating budget here broken down by light rail, streetcar, future project development, agency operating. One thing I do want to note, and I mentioned this to the Financial Working Group is that future project development is really supporting the capital program. And so, we're working towards moving this out of a category called operating into the capital program for one primary, well, two primary reasons. It's more appropriate there and it's highly funded by PTF funds and PTF funds are not to be used for operations under Prop 400 so we just want to make sure we're clarifying that, you know, these PTF funds that show up -- because when we look at the next slide here, you know, we see PTF funds and to somebody who's not intimately familiar with how this budget's constructed they may construe that to be money being used for operations and it's not. It's just the way future project development has been categorized within the budget. So this will then show up in the capital budget going forward. We just, as we're putting this packet together, we hadn't had the time to kind of do that because there's a lot of moving pieces within Mike's very complex structure of spreadsheets that develops the budget.

So very, very little changes from last month here for, obviously, the total operating budget, source and uses. Again, here's the construct of how we present the budget and here's the breakout of the obligations per se versus the Valley Metro recommended or new initiatives.

One thing to point out here, the purple, or I'm sorry, the green, the Valley Metro recommended here is fairly large compared to the RPTA side and I do want to mention we included in here the Northwest Extension because it's new initiatives because it's new service, but it's really an ongoing obligation here, right. I mean, an obligation to the City of Phoenix, we built it, we need to operate it and we have an obligation to the FTA because they helped fund it and we need to operate it. So we kind of debated this and I kind of, you know, thought well, it's a new initiative, new service, so let's put it here. But I just want to point that out that Northwest Extension is actually 15% of the overall change here so that would change that recommended really down to 23% versus 77% on ongoing obligations.

And, again, here's the goals. Again, everything in the packet with new initiatives will be presented here and discussed today.

And under the first goal here just have the one item the merit and COLA for VMR staff. Any questions on this one?

Under the next goals, we have three initiatives. This number 3 and number 5 are the same items that we had on the RPTA side. This is the Valley Metro Rail share of those particular initiatives and then we have the Northwest Extension Phase II security new costs that will be in the budget next year for that extension of that service opening midyear next fiscal year. Any questions on this one? Seeing none.

On the service customer by including and maintaining the system. Again, this is the Northwest, this is the actual operations the previous one was the security. Here's the operations for Northwest commencing next fiscal year. We do have a few non-revenue maintenance vehicles in the new initiatives. This is for really enhancing the efficiency of our field operations for our maintenance staff providing a few additional vehicles to make sure that they can get around more efficiently and timely with staff that are out there doing maintenance and assessing the system.

Number 9, rail maintenance planning. This is really an effort to bring on a consultant to help us build on existing foundations of a TAM plan. That's Transit Asset Management and that plan is required by FTA and we have, you know, the basic in place, but this is really to expand on that and provide a more detailed comprehensive long term plan for all assets for the Valley Metro Rail agency and provide a plan that will actually work to help inform budgets and we'll be able to plan better for those ongoing maintenance activities and budget appropriately for them.

And then the next item, number 10 is ruggedized laptops and tablets for field use. Really this helps improve the efficiency out there. It removes a lot of the paper. Folks have to print out paperwork orders and things like that to utilize while they're in the field. This will provide them that ability to, you know, move around with electronic access to documentation. That also includes the data plan necessary for those devises as well as data plans needed for the routers onboard all the light rail vehicles and streetcar vehicles.

The material handler. This is a proposed new position to provide PM coverage. Right now, there's not complete PM coverage for this duty and it makes it more difficult to control inventory, dispense parts out to the folks who need them doing the maintenance in the PM part of the operation.

And then the last item here is the Valley Metro Rail share of that road vehicle fleet manager we talked about on the RPTA. There's a little portion of the costs for that position that will be on the Valley Metro Rail side for the non-revenue fleet that supports rail operations. Any questions on this one?

Chair Stipp said just a couple of observations. First, on the non-revenue maintenance vehicles, we had a tremendous amount of discussion about that last year. Are we prepared to talk through that with the Board? And I'm sure the answer to that is yes.

Ms. Mefford-Miller said we are and, in this forum, and at the full Board, we'll have our subject matter experts. In this case, it's Rob Rosenberg who can address what type of vehicles they are and how they correspond actually to the capability expansion of staff associated with our physical extensions of the rail system.

Chair Stipp said I just didn't want to get lost in that conversation again.

And then we talked about the materials handler, and you talked used the phrase "PM", which could mean two things. One, is nighttime or, two, is preventative maintenance, so.

Mr. Kessler said I should have used the term nighttime.

Chair Stipp said I just want to make sure that I assumed it was, but we all know what I am so.

Mr. Kessler said excellent point there in this context PM could be preventative maintenance.

Chair Stipp said I wasn't sure and so I think we just want to bring some clarity. We have a lot of new Board members and I want to make sure that they understand that we run actually a night operation.

Mayor Peterson said that's a great point. Thank you for that.

Mr. Kessler on the fourth goal here, we have a couple items. Again, these are just the Valley Metro Rail share of a couple items we talked on the RPTA side. Happy to entertain any additional questions there might be on these items. Okay. We will move on.

The capital budget. Just some very, very minor revisions to estimates for the projects. In total, just about a half a million change in the FY24 amount compared to last month's presentation, so it's just some updated numbers for those projects. And then the corresponding updates to the revenue sources related to those projects as well. Any questions on the capital program?

Here's our timeline. The arrow shows where we're at here today with AFS on the 6th of April and the steps we have planned going forward to further talk about the budget and work towards adoption in June.

Chair Stipp said Ken and everybody, I think I hopefully speak for everyone, I genuinely appreciate the simplicity which is really helpful for us as Board members going forward. Not that we need it simple, but the less complicated it is, the easier it is for us to, who don't live this day in and day out, so I appreciate everyone's effort with this budget package.

And I think the new format has finally settled in so to Jim's credit, you know, it explains every piece and we're able to move forward. Quite frankly had I known it was going to be this simple, I probably would have combine a couple of these meetings together, but I'm sure every appreciates not being here for longer than an hour, hour and a half either so just thank you for that.

So if there's nothing else on Item number 5, we'll move to Item 6.

6. Intergovernmental Agreements, Contract Change Orders, Amendments and Awards

Chair Stipp said this is presented for our information only which is the intergovernmental agreements, contract change orders, amendments and awards. Again, if anybody has questions on those moving forward, please reach out to Valley Metro staff before the Board meeting when those come before us. Seeing or hearing no comments we'll move to Item 7.

7. Report on Current Events and Suggested Future Agenda Items

Chair Stipp said are there any? Chair Stipp said seeing none.

The next meeting of the Audit and Finance Subcommittee is scheduled for May 4, 2023 at 12:00 p.m.

Chair Stipp said this is to talk about the inflationary items. Is that correct?

Mr. Kessler said we'll be talking about the two sort of obligations categories going into the detail on that.

Chair Stipp said is it as long or short as this is?

Mr. Kessler said I would say probably about the same. There's probably more items to it. We can get through it more quickly. Again, just the nature of the items because they're not necessarily anything new.

Chair Stipp said what I was wondering is if we didn't combine the inflation and ongoing, but I don't want to throw a left turn here in the middle of rush hour so.

The meeting was adjourned.

Without further discussion, the meeting was adjourned at 1:08 p.m.

Minutes

April 13, 2023 **AGENDA ITEM 4**

Joint Boards of Directors
Thursday, March 16, 2023
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

RPTA Meeting Participants
Councilmember Laura Pastor, City of Phoenix **- Chair** (phone)
Councilmember Bill Stipp, City of Goodyear – **Vice Chair**
Councilmember Max White, City of Avondale
Councilmember Clay Goodman, City of Buckeye
Councilmember O.D. Harris, City of Chandler
Councilmember Monica Dorcey, City of El Mirage (phone)
Vice Mayor Peggy McMahon, Town of Fountain Hills
Mayor Brigette Peterson, Town of Gilbert
Councilmember Lauren Tolmachoff, City of Glendale
Supervisor Jack Sellers, Maricopa County (phone)
Councilmember Francisco Heredia, City of Mesa (phone)
Councilmember Jon Edwards, City of Peoria
Vice Mayor Jeff Brown, Town of Queen Creek
Councilmember Kathy Littlefield, City of Scottsdale (phone)
Councilmember Aly Cline, City of Surprise
Vice Mayor Jennifer Adams, City of Tempe
Mayor Michael LeVault, Town of Youngtown

Members Not Present
Councilmember Aldofo Gamez, City of Tolleson
Mayor Rui Pereira, Town of Wickenburg

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

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

Chair Stipp said we'll go ahead and call to order the Valley Metro RPTA and Valley Metro Rail Joint Meeting. I'd like to welcome everybody, give our best wishes to Councilmember Pastor. Hopefully, she feels better.

Pat, will you do a roll call?

Ms. Dillon said yes, sir. Good morning, everyone.

City of Avondale, Councilmember Maxine White? Present.
City of Buckeye, Councilmember Clay Goodman? Present.
City of Chandler, Councilmember Harris? Here.
City of El Mirage, Councilmember Monica Dorsey? Here.
Town of Fountain Hills? Vice Mayor Peggy McMahon? Present.
Town of Gilbert, Mayor Brigette Peterson? Here.
Swift City, Councilmember Lauren Tolmachoff? Glendale is present.
City of Goodyear, Councilmember Bill Stipp? Yes, present.
Maricopa County, Supervisor Jack Sellers?
City of Mesa, Vice Mayor Francisco Heredia? Here.
City of Peoria, Councilmember Jon Edwards? Present.
City of Phoenix, Vice Mayor Laura Pastor? Here.
Town of Queen Creek, Vice Mayor Jeff Brown? Present.
City of Scottsdale, Councilmember Kathy Littlefield? Here.
City of Surprise, Councilmember Aly Cline? Here.
City of Tempe, Vice Mayor Jennifer Adams? Here.
City of Tolleson, Councilmember Adolfo Gamez?
Town of Wickenburg, Mayor Rui Pereira?
Town of Youngtown, Mayor Michael LeVault? Yes, Pat, I'm here.

Ms. Dillon said great, thank you. Chair, we're ready to proceed.

Chair Stipp said just as a reminder, if a committee member would like to ask a question if you're online, please either give us a little hand wave or type your comments into the box and we will read those aloud.

1. <u>Public Comment</u>

Chair Stipp said the public will be provided with an opportunity at this time to address the Committees on non-agenda items and all action agenda items for the Joint RPTA and Valley Metro Rail meeting agendas. Up to three minutes will be allowed per speaker unless I decide to grant otherwise. A total of 15 minutes for all speakers will be provided.

And I saw Mr. Crowley here. I assume he is our only speaker.

Ms. Dillon said yes.

Mr. Crowley said I have also turned in stuff over to RPTA for their meeting and also

RPTA Rail or the Rail for specific items. I also did for the three items on your mixed agenda, so rather than going over that, or will those be a part of the minutes and that? Will they have been contacted or what?

Ms. Dillon said Mr. Crowley, the information that you provided yesterday will be written into the Board minutes where it is appropriate and after meeting with legal counsel, we will note in the RPTA and VMR minutes that you made public comment under Joint Agenda, and I will copy and paste those items in italics so that they will be seen with the actual minutes.

Mr. Crowley said of those meetings?

Ms. Dillon said yes, sir.

Mr. Crowley said great. I'd like that minute back that we were having to discuss the legality of it. Thank you, sir.

Got a picture here of Gilbert and I have an article there about how her council believes that they have killed the light rail, which didn't exist in Gilbert to quote somebody. So the light rail in Gilbert isn't going to exist, but with the extension of Prop 400, that rail monstrosity that you guys are and are doing, will it include a Gilbert extension? What is it that it's going to have and be?

But the thing that I find most fascinating is, as you and I know, there's 25 linear miles of bus and 135 miles of linear roadway. It's nice that they don't want to do the rail, but is your council and you ever going to get around to the bus? Because that's what most of your communities haven't done.

And when I look at what is going on over at MAG and how they're doing what they're doing, I realize that there was a council, a member of the Board whose husband I showed what we were trying to develop back in 1985 to get some input from him on what he thought of it and Mrs. Littlefield, you know that I'm talking about Bob. It was over on 44th Street and Thomas that his offices were.

Because I was the bus chairperson, so when what we put out there, how have you done what you should have done because there's 1100 bus stops within your communities that some of them have no bench and all of those 1100 have no shelter. In the 20 years that you've been doing this stuff, I understand that you had to cut back things, but when you chopped infrastructure for the people that are using it not just routes. Is that a responsible use of time, treasure, et cetera?

Well, with what's going on over at MAG, hopefully they send something that is based on the volumes, et cetera. But my favorite part of all of this is whatever the legislature does decide to pass and get back to you. If it doesn't have you guys being responsible and getting the job done which it should be as in the whole grid for the whole Valley, I'll be campaigning against it, and you have a higher bar this time. They made it 60% so me and just 39 others, percentiles.

Have a good day.

2. <u>Chief Executive Officer's Report</u>

Ms. Mefford-Miller said thank you, Mr. Chair, members of the Board. I have a few items I'd like to provide you with updates on this morning.

We have been talking for many months about our operator vacancy rate. Also, the vacancy rate for a number of our critical frontline positions. I'm pleased to report that we have made strong progress in our vacancies. Our goal line is represented by the flat red line, green line is rail and purple line is our bus operator vacancy rate. Our rail operator vacancy rate has actually diminished, and we're now fully staffed for light rail and streetcar operators. Thanks to work with this Board on increasing the contract authority. We also worked with ACI. We had a hard push to increase our workforce in time for Super Bowl. Also, the opening of Northwest Phase II at the beginning of next year and we hit our goal post and we're working to continue to support and provide training to those new operators. We know that the first six months of employment within frontline transit workers is a most critical time for retention.

On the bus side, we have made great strides with our East Valley contract now held by Trans Dev. We expect that my May we would be fully staffed if our current training rates continue. Our missed trips have fallen to right around or a little bit below 3% on the Trans Dev East Valley contract. We are still working with Total Transit in the West Valley to increase their numbers. It's a much smaller contract, but we're continuing to struggle. We do have operators in the pipeline now and we are hopeful that those operators will be successful and will stay on the contract with us.

With respect to safety and security and contract cleaning, we are at near full staffing between the employees who are currently assigned to the contracts and then the use of overtime and folks who are begin assigned to fill our shifts. The presence of these team members across the system is noted. We can see it in the clean buses and trains that are leaving our divisions each day and that the condition of the platforms which is very good today. We also see that in the presence of security across the light rail system.

In December through February, we conducted a customer survey focused on safety and security. We'll share those, currently, preliminary results with you soon, but I will tell you that while we have a way to go our customers are seeing the positive impact of increased security across the light rail system. We will continue to build on that.

Vice Mayor Adams?

Vice Mayor Adams said yes. Could you tell me what the percentage of increase in satisfaction is?

Ms. Mefford-Miller said the overall satisfaction since our last survey, which was in 2019 has actually declined. I'll tell you that a positive is that increased visibility and presence that went up, but overall satisfaction declined. What we're hearing and we'll have a deeper conversation about this, but what customers are telling us that makes them feel less secure is the behavior of their fellow customers across the system. And I would say this is consistent with what we're seeing in transit agencies across the country and in public spaces across the country. And this is a strong area of emphasis for us.

Just two weeks ago, we were pleased to host an APTA, that's American Public Transit Association, safety and security peer review. We had leadership not only from APTA's safety and security team, but from our peers in San Diego, Seattle and Miami, thank you, Don, here looking at our safety, security and quality assurance programs and making recommendations, so we've got some things that we're working on. It was a wonderful peer review. I am proud of the progress of our team, but we are focusing our resources on our programs to be responsive to the situation we find ourselves in now and civil behavior which is different than it was even just a few years ago. So we've got work to do.

Vice Mayor Adams said thank you.

Ms. Mefford-Miller said it's a pleasure. Last month, we launched mobile ticketing. I mentioned this before, but now I want to share some data with you. We launched mobile ticketing February 1st and since that time, we have over 47,000 mobile ticketing transactions and that data is broken out for you hear. It's a lot of one-rides and one day full fare which is what we expect. Mobile ticketing is one of the tools that's going to allow us to attract ridership for extemporaneous trips or occasional riders. Our monthly pass holders at this time, they're still typically using a hard copy pass to access the system, but occasional trip making needs to be a big part of our push for restoring our ridership. Mobile ticketing is one of those tools that's going to help us along the way.

We have made great progress in capital projects, and I want to give you some updates and share some of that progress with you. Our Northwest Phase II is scheduled to open in early 2024. We're now 80% complete through construction. We will begin testing later this spring and through the summer. It really is a year-long ramp up process before we actually begin revenue service. Major components continue to advance. Our escalator build out is set so on the photo on the right under those plastic tents, those are actually two escalators at our terminal station at Metrocenter. Our traction power substation buildings are set, our track work and concrete work is 90% complete and our at-grade stations out there in the community are really starting to take shape.

I'm going to show you a little bit of the art. On the left, that's 25th and Dunlap station and this is artist Peter Goldlust. He was inspired by the Phoenix lights occurrence back in 1997, so we've got a little bit of alien art happening at our 25th and Dunlap station. The picture on the right shows the mosaic tile that's being installed up the staircase at our Metrocenter station. This is beautiful work. It shows hummingbirds in a native desert landscape. It really is something to see. We look forward to touring the station with you once it's complete. The artist here is Oliverio Balcells and I think this is just a wonderful and colorful addition. The concrete pylons around the station as well are stamped and are being painted. So, it really is beautiful.

Moving on right here to downtown with the South-Central Extension/Downtown Hub project, we're about 65% complete with construction. The image on the left shows the general feel of the downtown environment. This happens to be CityScape. We did lift up much of that work in advance of Super Bowl near the end of December. We're going to see continue work throughout downtown. This is things like our traction power substations or signal houses up until we begin preparing for revenue service. The image on the right is a piece of art that's part of the South-Central Extension/Downtown Hub. This artist Jennyfer Stratman with her newly installed work and this is at the 5th Street signal building on the north side of Washington near the downtown hub. And the artwork will actually be lit in the evening hours so you can see the beautiful colors there.

Further down south, the project focus remains on wrapping up still our underground utility work. This is utilities. It includes sewers, completing some digging and now shifting to roadway improvements. The image here shows a roundabout that's taking shape. That's immediately adjacent to the Rio Salado Autobahn Center right in the heart of South Central.

I want to highlight one particular program that is part of our Artsline project. We are highlighting an artist for spring of 2023. Her name is Farnaz Mansouri. She created this mural which is really beautiful. This is at our Roosevelt station, so just a station north of here. This kicks off our Art Detour 35 program and this month we are celebrating Women's History month and Iranian artist Farnaz Mansouri's goal is to create art that people can see from different perspectives. She finds that we all experience, and I would agree having seen this art, we all experience this and come away with a different conclusion about what this means to each of us. And so, it's working at the intersection of the transit experience and the human experience. I think that this artwork really shines, so I encourage you when you have the opportunity to make your way to Roosevelt station.

This month, we also announced a partnership with the Phoenix Rising football club. I'm super excited about this. Phoenix Rising in partnership with City of Phoenix is constructing their new stadium near our 38 station. It's just a couple hundred feet away from the station and when they begin play on April 1st, fans will be able to use their soccer ticket to access light rail fare. We're very excited about this and this expands our program of really pushing light rail into the fore or urban experiences across the Valley.

One of my favorite times of year is the week, which is this week, when we celebrate Transit Worker Appreciation Week. So for us at Valley Metro from yesterday March 15th through this Saturday March 18th, we're hosting events throughout our system, where we are honoring and recognizing our transit workforce. These are people who show up for work at 3 o'clock in the morning, who get off work sometimes at one o'clock in the morning. Many of our transit workers are driving, they are out there alone on a bus, train or van through most of their shift or they are working overnight to maintain our trains or overhead catenary systems and our tracks. We enjoyed lunch yesterday actually at our Operations and Maintenance Center with each of our shifts. Friday, we'll host events at our bus facilities.

Looking ahead, meetings for the month of April. We've got TMC, RMC April 5th followed immediately by AFS on the 6th and Boards of Directors in this room on April 20th.

We've got a full agenda looking ahead to the month of April. We've got a great many things that we'll be bringing to you. And then month of May we are scheduled for the same line-up May 3rd, 4th and 18th.

May I answer any questions for you, members of the Board, Mr. Chair?

Chair Stipp said thank you. Any questions? Seeing none. Thank you, Jessica.

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

Chair Stipp said so we had a kick-off to the budget which is basically where we start for the month of March. Ken Kessler did introduce our new comptroller Michael Matthews. Is Michael here? No. Okay. I can't see who's sitting behind me, but we've got our new comptroller on board. We looked at the new annual comprehensive financial report and the single audit reporting package. We took a look at those. We had a review of the credit card transactions. That is not taken a full audit format. We're doing that in a review format. Please look at the minutes if you're curious about where we're at in that, but credit card transaction are holding appropriate, which is good. The remainder of the internal audit update was given.

But most importantly is the start of the FY24 operating and capital budget information. Ken Kessler and Tyler Olson gave us a big overview. Just for the Board's information, because of the way the calendar falls we typically start looking at the budget in actually the month of March, but because our meeting was on March 2nd that was not enough time for our internal city staffs to take a look at it because they had just seen the information the week prior. So we will be looking in the month of April at the new initiatives, the month of May we'll look at inflation and ongoing with hopes of a June budget adoption. So to kind of put that on everyone's radar. Your staff should be fully immersed now in the budget information that was presented to the Financial Working Group and we will start that very much in earnest in the month of April.

And with that, that ends my report pending any questions. Seeing none.

4. Consent Agenda

Chair Stipp said the Consent Agenda is presented for action. Does anyone have any questions or wish to remove an item on the Consent Agenda? Seeing none. I'd like to request a motion and a second to approve the Consent Agenda.

Motion by Councilmember Goodman, second by Councilmember Edwards.

Any discussion? Seeing none.

All in favor, say aye. Any opposed? The ayes have it.

IT WAS MOVED BY COUNCILMEMBER GOODMAN, SECONDED BY COUNCILMEMBER EDWARDS AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA ITEMS 4A-4E.

5. Strategic Planning Services Contract Award

Ms. Mefford-Miller said thank you, Mr. Chair. Valley Metro released a competitive request for proposals for strategic planning services. Just as a recap and for many of our Board members who are new to us, the strategic planning process will replace a now much dated strategic plan. This is not a long-range transportation plan, so this is not the process in which we decide where the lines on the map or the extensions are, if you will. This is the strategic business planning process that will guide Valley Metro in our activities over the course of the next five years. We anticipate a program where we would have heavy engagement from our stakeholders especially our member cities and this Board.

We anticipate the project would require six months to complete from March through September of 2023. We received four proposals for this project and the winning proposal for both technical merit and best in final offer financial cost was Guidehouse Incorporated and they have submitted a proposal not to exceed $410,000, which we are recommending to this Board for approval.

Any questions I may answer about the strategic plan or this contract?

Chair Stipp said great. I'd like to request a motion and a second to authorize the CEO to execute a one-year base contract with four one-year extension options with Guidehouse Incorporated for strategic planning services in a total amount not to exceed $410,000.

Motion by Vice Mayor Adams, second by Councilmember Tolmachoff.

Any discussion?

Councilmember White said just making sure that the $410,000 that's on a six month's basis, so every six months?

Ms. Mefford-Miller said so it's a one-year contract. We expect the work according to the work plan submitted by Guidehouse to occur primarily or entirely between March through September. So the total cost for the work is $410,000.

Councilmember White said thank you.

Chair Stipp said any other questions? Seeing none. Then we'll vote.

All in favor, say aye. Any opposed? The ayes have it.

IT WAS MOVED BY VICE MAYOR ADAMS, SECONDED BY COUNCILMEMBER TOLMACHOF AND UNANIMOUSLY CARRIED TO APPROVE THE CEO TO EXECUTE A ONE-YEAR BASE CONTRACT WITH FOUR ONE-YEAR EXTENSION OPTIONS, WITH GUIDEHOUSE, INC. FOR STRATEGIC PLANNING SERVICES IN A TOTAL AMOUNT NOT TO EXCEED $410,000.

6. Transit Life Cycle Program Overview

Ms. Mefford-Miller said I'd like to introduce Mr. Ken Kessler, our Chief Financial Officer who will provide the TLCP overview many of you are familiar with. If you are new to our Board, you may not be familiar with the Transit Lifecycle Program which is a component of how funds from Proposition 400 are administered. Mr. Kessler.

Mr. Kessler said thank you, Jessica. Chair, members of the Board, providing an overview for the TLCP.

Sort of give you the context of this presentation. It's been about three years since the Board has approved an update to the TLCP, so we plan to bring that forward next month for the approval of the most recent update and that's incorporating updated costs and revenues and those sorts of things. And so, this month I wanted to provide an overview of the TLCP and especially for newer Board members who haven't been around since we've addressed the TLCP most recently just to provide an understanding of what the program is and how it works.

Okay. So basically, the Transit Lifecycle Program is a component of the overall RTP, the Regional Transportation Plan. This is a plan that is developed by MAG and the RTP that was developed for the current Prop 400 program was developed back in the early 2000's and Prop 400 was the result of that that went to the voters in 2004 that became effective January 1st of 2006.

Just wanted to highlight the components of the overall Prop 400 plan includes freeways, streets and arterials as well as transit services and projects. Want to point out that as the plan was being developed the transpiration needs were basically assessed by subregion and what I mean by that is there's a east, a west and a central subregion that the Valley is sort of divided into in terms of how the plan was put together and priorities were established. And each of those subregions basically prioritized what they thought was important in their subregion in terms of allocation of funds towards the different modes of transportation included in the plan.

This is a very busy slide, I know. I just wanted to include this in here just to show the numbers that show how those priorities were laid out and specifically, you can see the total transit bus and rail line there. You can see the great variation in terms of the priorities in terms of transit across the subregions in the Valley. And that's sort of how it was decided back then, you know, where the investments would go.

And just the tax itself. In November 2004, it was passed by the voters of Maricopa County. It's a half cent sales tax. It was actually an extension of the existing tax at the time which was passed in '85 which was primarily for the freeway expansion program. There was a little bit of funding for transit basically for planning efforts on transit. And then just wanted to point out there's an allocation of the different modes in terms of the sales tax funding. You see there those are the allocations that are actually in state statute. There's no control over making any changes to those unless there's a change in legislation.

And just want to kind of point out the distribution of the sales tax. If we can get this, can you advance it Stephanie? Keep advancing it. One more time. And so, this shows the PTF which is the funds dedicated to transit there in the purple, the green is the regional area road fund and that basically is the funding portion of the sales tax that goes to arterials, freeways, and then a minimum portion of the regional area fund goes to MAG and RPTA for planning efforts.

Just want to touch on the TLCP guiding principles that were established at the outset of the plan in the early 2000's. Here are the six guiding principles for how the program is to be managed and overseen.

And then the policy allocations, this is basically how the sales tax is allocated. Again, as I mentioned, you know, there's a lot of the requirements driven by state statute.

Basically, on the bus side, it allows for capital, maintenance, and operation for public transit. On the rail side, it's specific to just capital costs and utility relocations that are associated with those capital projects.

And then just wanted to point out within the PTF the basically that's a third of the overall sales tax, there's a RPTA board policy that was adopted in 2005 that splits the PTF funds amongst the transit modes, so you see the percentage split there between the bus program and the rail program.

And in terms of the revenue forecast, this is a process that is performed by ADOT. They convene a panel each year of various experts in certain fields with economic expertise. They bring together their projections and they have like a high and a low and a medium forecast and they land on an official forecast that they publish each fall typically around September, October. We received the latest update from ADOT in October of '22.

And just want to point out here, this is the forecast over time, so you see the original RTP back in 2003. Just want to point out each bar represents the full 20-year forecast, so it's not a year by year, it's an annual amount that's being depicted there. Each bar is a 20-year forecast. So back in 2003, you can see there's about $5 billion was the original forecast as the plan was originally developed. You see it go down there in the mid-2000's and, you know, as a result of the Great Recession which we all experienced, there was a drop in the forecast of over $2 billion which over recent years that forecast is gradually climbed back up a little bit and the latest ADOT forecast is about $1.7 or $1.8 billion less than the original forecast. So that kind of -- kind of tells the story of, you know, the ability to deliver the programs and services that were in the original plan.

And so, as a result of that Great Recession impact, VMR and RPTA had to make some adjustments to rebalance the plan and part of the process with the TLCP is it's required to be balanced across revenues and expenditures. The VMR approach was basically a chronological approach. At the time, they looked at the projects in chronological order and basically, when funds ran out, the projects left in that plan after that chronologically were deferred or were cancelled. On the RPTA side, it was a different approach. It was kind of based on jurisdictional equity. Jurisdictional equity was an original guiding principle in a loose sense sort of just making sure there's basic equity across the region by city and subregion, but in order to balance, rebalance the bus side of the TLCP, jurisdiction equity became a board policy that basically the member cities had pushed for to be the guiding principle so that the bus funds are allocated at this point in time, since then, based on jurisdictional equity by city and primarily, the policy is at the subregional level, so the east, west and the central subregion.

And then in terms of the rail program, here's a slide that shows the various projects that were in the Prop 400 rail program. I do want to note Gilbert Road Extension in there was not in the original Prop 400 plan. That project came to fruition as a result of Mesa making a decision to shift some of their federal funds that were in the program on the arterial side of the overall RTP over to the rail transit side to make that project happen, so although that wasn't necessarily funded with the sales tax, the federal funds that were earmarked initially in the overall plan for some Mesa arterial projects were moved over to the rail side to make that project come to fruition.

And that's the end of my presentation. I'd be happy to answer any questions.

Vice Mayor Adams said thank you for your presentation. I appreciate it. I just was wondering what the latest is as far as Prop 400 at the state house.

Mr. Kessler said I'll let Jessica take that. She's been knee deep, maybe waist deep, maybe a little higher in that.

Ms. Mefford-Miller said thank you, Mr. Kessler. Thank you for your question, Vice Mayor Adams. This morning there was a hearing within the House Transportation Committee. They did vote to advance a bill that includes a 26% transit allocation for 400E. The original bill and the bill that would implement the momentum plan that this region developed over three years with unanimous support from all of our mayors and with a great deal of public involvement would require a 40.4% allocation to public transit.

So the bill will now advance out of committee. There will be we understand a series of listening sessions. There was no testimony at the hearing this morning, by the way. A series of listening sessions and hopefully, opportunity for testimony to influence the shape of this bill before it is presented to the full House for their vote and then goes up to the Senate. So we are pleased at the time and attention that our state legislators are paying to the important topic of renewing the Prop 400 sales tax program however, this bill in its current form I must inform you that this does not allow us to fulfill the requirements of the momentum plan. And at that funding level, this would not allow us to sustain our current operations and to expand service moving forward.

So we're keeping up the conversation, continuing to engage with our partners as well. I'm continuing to meet with our legislators on a near daily basis to help them understand what the budget looks like and what the importance of this plan is. So we're a long way from the finish line, but we've got a live bill, we have a vehicle that we can work from. I'm optimistic that we will get there. We're working very closely as well with our partners at MAG, Ed Zuercher and I are in daily contact about the momentum of the bill itself and our strategy moving forward. We will get there. We will continue to provide you updates and we will continue to need your leadership and support and that of the cities that you represent.

Vice Mayor Adams said so we're not at 40%, but we're still trying to get to 40%.

Ms. Mefford-Miller said we're at 26% as of this morning.

Vice Mayor Adams said and what can we do to help?

Ms. Mefford-Miller said so I think direct communication to our legislators from you as Valley Metro RPTA and Valley Metro Rail board members I think would be incredibly helpful. I'm going to continue to carry that message. Also, that message coming from our business community and stakeholders some of the institutions who rely on transit service to carry their employees, their customers and their students would be incredibly helpful. I would be happy to have a conversation about what that landscape might look like and who those super users are within each of your communities. But the more we can communicate with the legislature I think the better off we are at securing a more stable funding future for our regional public transit system.

Vice Mayor Adams said thank you so much.

Councilmember Tolmachoff said I just had a thought that this has been a top front of mind for all of us for quite some time, but we've never dedicated an actual study session and we've never actually given our CEO any actual direction as far as how we want to move forward as an agency in trying to get this thing across the finish line. So I mean, I think it's so important to literally every single thing we do that it might be, whether there's a consensus to do that to devote a study session just to how are we going to best approach and to actually have an open discussion from all of the board members to talk about how do we think we should be moving forward trying to speak to the legislature, what are some good talking points. I know I've talked to a few of the legislators and I'm like there's so much being done about housing and affordable housing and workforce and addressing homelessness and I said do you think these people are going to have cars? I mean, I just think that it's so important to the future of this organization that I feel like we should address at least one study session to this topic. Thank you, Mr. Chair.

Ms. Mefford-Miller said thank you, Councilmember Tolmachoff. We will take that direction and follow up today. It is timely so I would recommend conducting that study session at our April Board meeting.

Vice Mayor Adams said could we have something earlier than that? Just because of the timeline that we're on. You know, just a separate study session.

Ms. Mefford-Miller said yeah. If there is an appetite to conduct a study session, we could schedule and agendize that. We would work through Pat and Michael, so Pat could be in contact regarding scheduling opportunities.

Vice Mayor Adams said I think that would be great. The sooner the better.

Ms. Mefford-Miller said thank you.

Chair Stipp said do let me just ask it, the generic question because I think I hear where you want to go, but what do we hope is the outcome from that study session?

Councilmember Tolmachoff said I would say that we haven't given Jessica any clear direction on it and she's down there engaging with different groups of people without really even knowing, just having a discussion across the board. And also, a clear picture of where we would be. I'd like to at least look at some data sets based on what the current proposal is what would that even look like so that we can make legitimate arguments and I think there's worthwhile conversations and nobody has said whatever it was 26% funding, what would that even look like. So things like that.

Chair Stipp said just want to make sure we've got clear, clear direction.

Councilmember Cline said do you have the bill number that was live this morning so that if I'm talking to my intergov I don't say, hey, the bill and there's like 127 of them going.

Ms. Mefford-Miller said Councilmember Cline, let me get that. Oh, there we go. Alexis was listening in. 1246.

Councilmember Cline said perfect. Thank you.

Vice Mayor Brown said Jessica, you've talked a bit about the 40.4% and the percentage and it's certainly clear that that would be the primary concern. Are there any other concerns or thoughts with respect to the 1246 bill? And then my next question I'll just load it right up front is: What about other bills and what are the thought processes? Whether to ride one or to hedge bets?

Ms. Mefford-Miller said this is the most recent bill that has been dropped. We understand that Sen. Livingston would also like to propose a bill. That hasn't happened yet so currently this is the bill that we're working on. There are four specific changes that our partners at MAG would want to see adjustments on within this language. So it really is more than just the 40.4% allocation. It gives us something to work from. And so, what this board might choose to do in a study session is to perhaps pass a resolution or give some specific direction regarding Valley Metro RPTA and/or Valley Metro Rail's position on that allocation. The allocation remains the biggest sticking point.

So, for example, the Board might say we would like to pursue a resolution that endorses a 26% allocation or a 40.4% allocation. That might be the path that we want to go down.

Vice Mayor Brown said I appreciate that answer and I think, Chair Stipp, if I might, that makes sense since it's more than just the one variable to conduct some sort of a study session and obviously, timing is of the essence.

Chair Stipp said absolutely. Any other questions or comments? I do have a couple of questions. Oh, go ahead. Someone online?

Councilmember Pastor said so I would, obviously, I'm hearing the conversation and I think it is desperately needed to have a study session. And out of that study session we do come out with some very concrete pieces as Jessica stated as a resolution of this is where the stance is and then from there really do an outreach effort, but we have to move quickly because this is, you know, happening fast and furious. And an outreach effort and divide and conquer of who we need to contact and on how we move and what our talking points are. So I think it's vital that we do it in a study session.

Councilmember Tolmachoff said I'd just like to clarify too. I know what our current funding as our capital improvement plan and our ongoing operations, if this ends up being a negotiation, I think it's important for the Board to understand, if we have to negotiate, what is our bottom line? Where do we have to say we we're going to have to reject this. We may be able to get somewhere below the 40.4, but what is that number and what would it look like? So I think just even having a look at the actual data and looking at how, because I have no idea what 26% even means without doing it, the study session and understanding. There's, obviously, things in there that we cannot do without, but are there things we could push back or there may be some room for us to negotiate, which is pretty likely, where do we stand as far as how can we still deliver service at what number?

Ms. Mefford-Miller said I think it would be helpful if we invited MAG to provide this presentation to the Board since they are the keepers of the regional plan and not Valley Metro. I think we can explore these options in levels of funding and MAG has given a great many presentations to different committees in the House, in the Senate on this topic, so I would love it if we could have them here in the room and move through these questions.

Chair Stipp said great. Thank you. Michael, I think you had a comment.

Mr. Wawro said yes, thank you, Chair, and thank you, Jessica, for bringing it back around to the regional plan. I just wanted to advise the Board that this agenda item is about the TLCP and so, what you brought up is an incredibly important conversation and I think it's a great suggestion to have a study session. But we should probably agendize that and then have the rest of that conversation at that time.

Chair Stipp said okay. Thank you for the advice. Any other questions before I launch into mine? My one.

So Ken, can we go back. I think to slide 29. I think it's only a couple slides back. Yeah. This one. That will work. Just for the Board's understanding for the new Board members. The board policy about PTF allocations is simply that. It's a board policy that we can elect to change at any time. We've had previous discussions over the past few years about whether this needs to change or not. We've had ups and downs with jurisdictional equity discussions, so when you're hearing this information for the very first time, I just wanted to point that there are some things within this that are state statute driven and there are some that are this board policy driven. So if this conversation comes back up again just kind of keep that in mind. That was all I wanted to point out. We aren't locked into that particular board policy of 2005, and we realize that was almost 20 years ago so things do change over time. So I just wanted to kind of point that out for new board members.

Mr. Kessler said yes, that's correct, Chair. And so it's within the public transportation funds, the 33 1/3% of the overall sales tax. That's where the board purview is moving things around there.

Chair Stipp said and while you didn't show them, we have also have reductions in bus service that did not occur as well throughout the lifespan. We spent a lot of time, and you focused on a lot of the light rail projects, but there are a number of bus routes that did not ever come to fruition because of the reduction in the overall tax collection as well so.

Mr. Kessler said that is correct.

Chair Stipp said again, just kind of keeping everyone kind of on the same page with that. Any other questions for Ken on the Transit Lifecycle Program. This information was presented only for our information so there is no action to be taken.

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

Chair Stipp said again, this item is presented for information only. Are there any questions on this section? Seeing none.

8. Report on Current Events and Suggested Future Agenda Items

Chair Stipp said this is probably where our study session question belongs. No, I do not want you to do it again. So we've already been yelled at once, we don't need to be yelled at twice.

Mayor Peterson said Chairman, could I suggest that if we are going to do that meeting that it perhaps be a virtual study session. It might be a lot easier especially since right now is spring break and we are looking at a time crunch on this situation.

Chair Stipp said great suggestion. Thank you. Any other comments, questions, future agenda items.

9. Next Meeting

The next meeting is scheduled for Thursday, April 20, 2023, at 11:15 a.m.

Without further discussion, the meeting was adjourned at 12:08 p.m.

Information Summary

DATE **AGENDA ITEM 5**
April 13, 2023

SUBJECT
Fiscal Year 2022 (FY22) Transit Performance Report (TPR)

PURPOSE
To provide information regarding system ridership, operating costs, fare revenue and performance indicators contained within the FY22 Transit Performance Report, as well as the addition of Streetcar.

RECOMMENDATION
This information is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
The Transit Performance Report (TPR) is updated annually using data provided by member agencies and the Valley Metro Regional Ridership report. The TPR includes information for each mode in the Phoenix region:

- Fixed-route bus
- Light rail
- Streetcar
- Paratransit
- Vanpool

COST AND BUDGET
There is no budget impacts at this time.

COMMITTEE PROCESS
RTAG: March 21, 2023 for information
TMC/RMC: April 5, 2023 for information
Boards: April 20, 2023 for information

CONTACT
Henry Ikwut-Ukwa
Director, Capital and Service Development
602-322-4420
hukwa@valleymetro.org

ATTACHMENT
DRAFT Executive Summary, FY22 Transit Performance Report

Transit Performance Report (TPR)

FY22

April 2023

1

FY22 System Highlights

July 1, 2021 – June 30, 2022

VALLEY METRO RAIL | VALLEY METRO

- **14.37% increase** in total boardings from FY21
- **70% of system boardings** on bus
- **3.77 boardings per mile** on Valley Metro Rail
  - Highest of all modes
- **90.3% on-time performance** for ADA paratransit trips
  - On par with FY21
- **$5.18 average fare** for vanpool users
  - 86.8% farebox recovery

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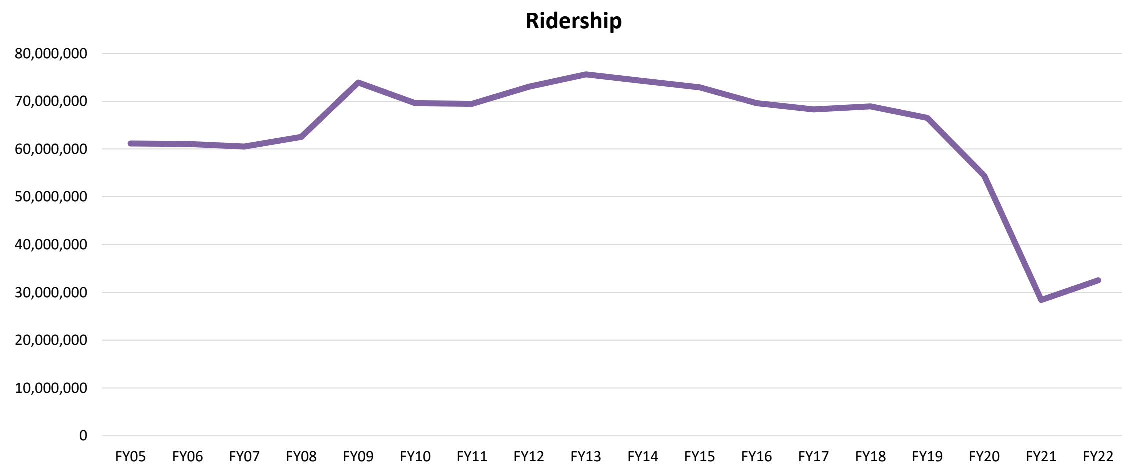
All Modes Historical Trends



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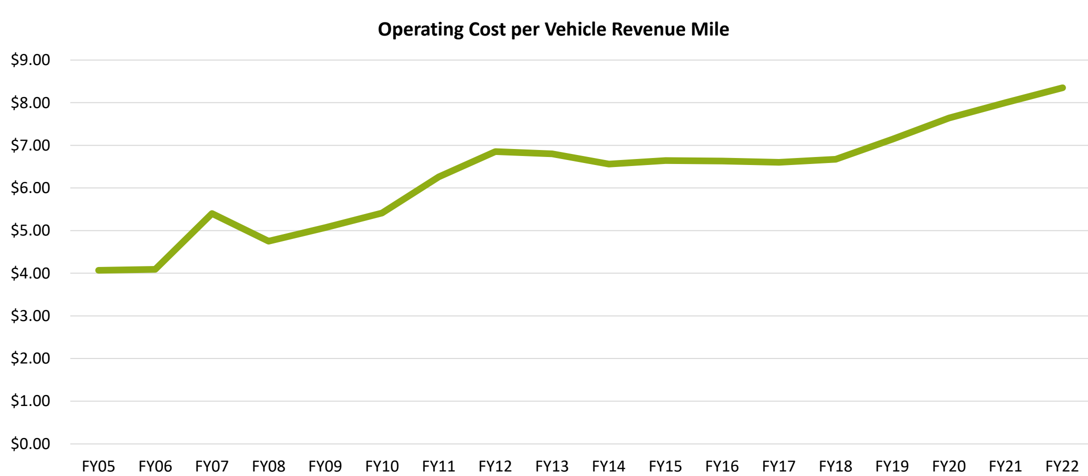
All Modes Historical Trends



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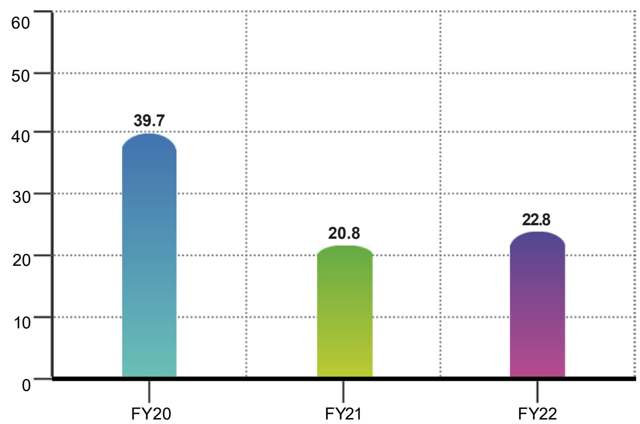
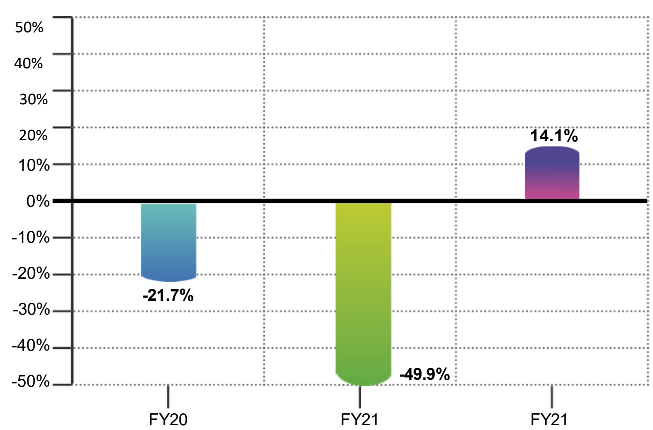
Bus System Historical Trends

Total Bus Boardings (in millions)

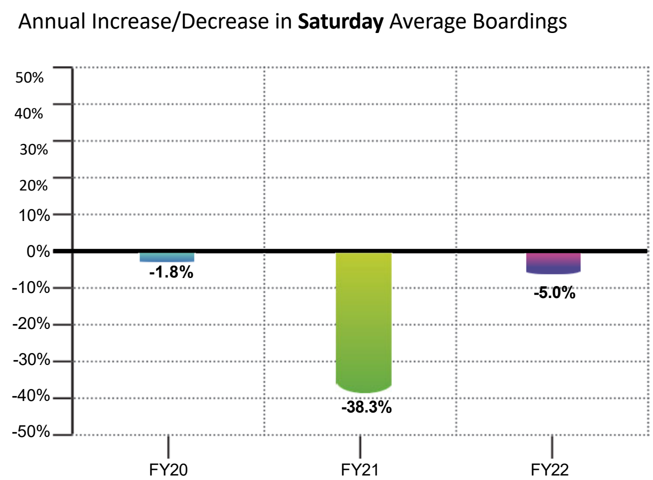


Bus System Ridership Trends

Annual Increase/Decrease in **Weekday** Average Boardings



Bus System Ridership Trends



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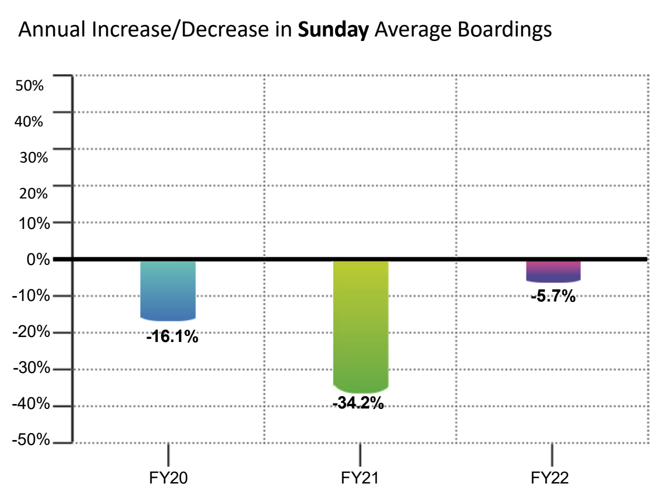
Bus System Ridership Trends



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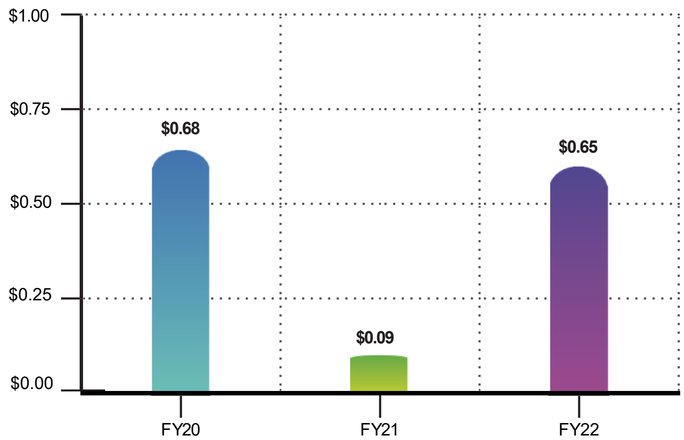
Bus System Historical Trends

Average Fare Collected Per Trip



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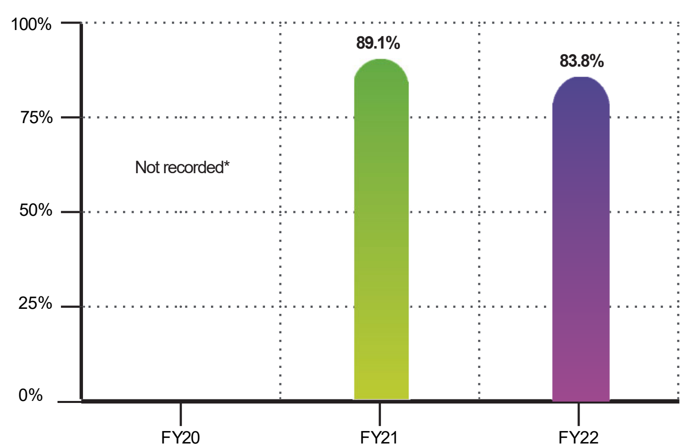
Bus System Historical Trends

On-Time Performance



*The region’s bus fleet was being equipped with new tracking technology, so no on-time performance data is available for FY20

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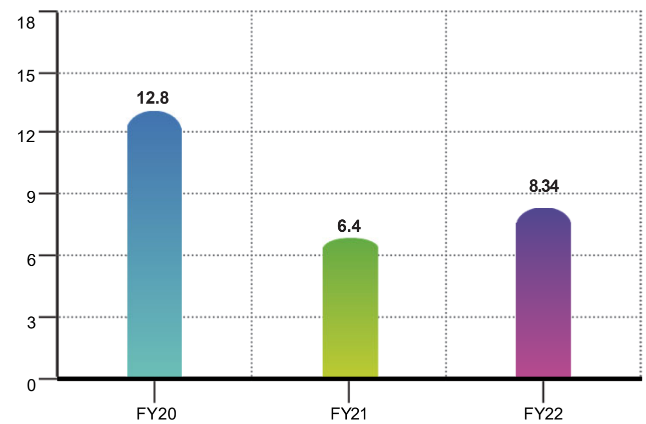
Rail System Historical Trends

Total Light Rail Boardings (in millions)



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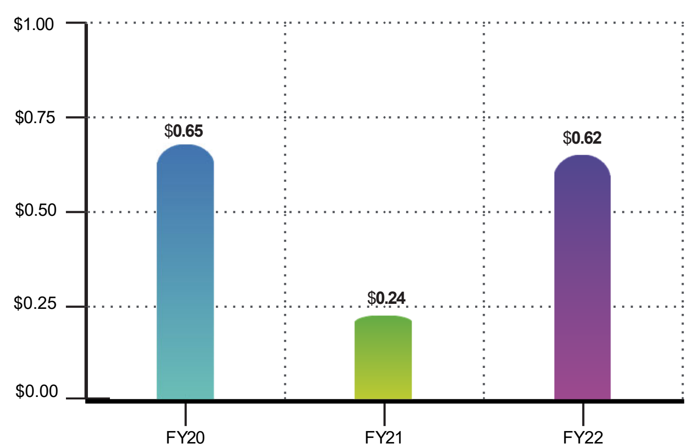
Rail System Historical Trends

Average Fare Collected Per Trip



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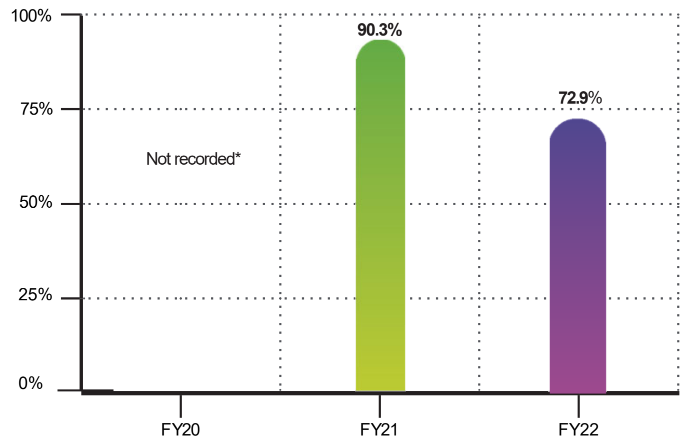
Rail System Historical Trends

On-Time Performance



*The Valley Metro Rail fleet was being equipped with new technology, so no on-time performance data is available for FY20

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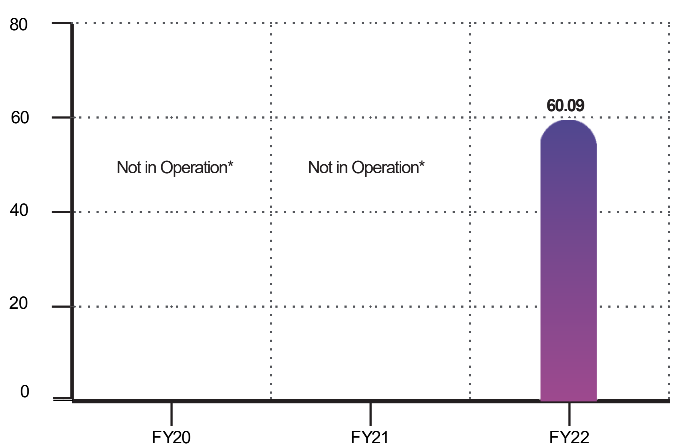
Streetcar Historical Trends

Total Streetcar Boardings (in thousands)



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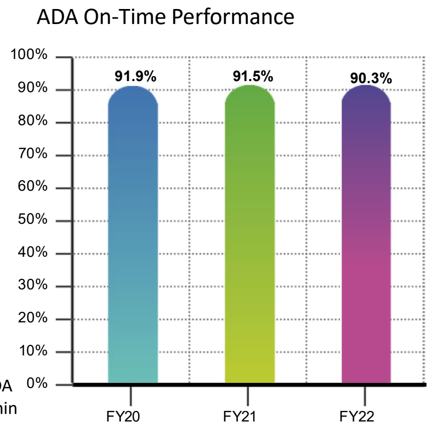
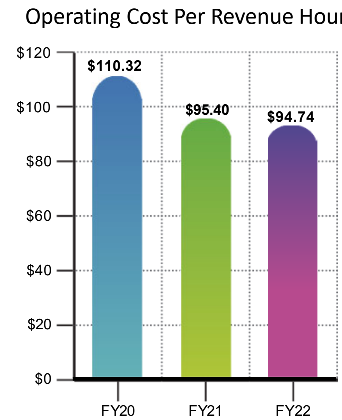
Paratransit Historical Trends





*On-time performance measures how many ADA boardings occurred within 30 minutes of the pick-up time given to the passenger at the time of their reservation.

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Information Summary

DATE **AGENDA ITEM 6**
April 13, 2023

SUBJECT
Travel, Expenditures and Solicitations

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

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

CONTACT
Ken Kessler
Chief Financial Officer
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Kkessler@valleymetro.org

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

Valley Metro
Travel Reimbursement Report
For Travel Completion Dates
2/1/23 through 2/28/23

Job Title	Purpose of Travel	Location	Dates Traveled	Total Travel Cost	Airfare	Other Transport	Lodging	Meals	Misc.
Chief Executive Officer	Washington, DC Congressional Meeting	Washington, DC	2/6/23-2/8/23	$1,384.21	$749.80	$58.69	$432.22	$143.50	
Deputy Director Maintenance	Siemens Facility Visit	Sacramento, CA	1/18/23-1/20/23	$1,071.00	$337.81	$122.33	$334.06	$172.50	$104.30 [1]
Total this reporting period				$2,455.21					
Year to Date				**$78,376.60**					

Report reflects Out of State (AZ) Travel

** Misc*
[1] Parking / Gas

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

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
10001198	2/24/2023	City of Phoenix	AZ Lottery Disbursement and FR Bus Service Reimbursment	7,084,702.56
10001141	2/6/2023	First Transit Inc	Monthly Transit Services	6,425,551.78
10001149	2/6/2023	City of Phoenix	FR Bus Service	2,502,797.64
1001321	2/24/2023	City of Mesa	AZ Lottery Disbursement	1,275,949.00
10001179	2/16/2023	Transdev Services Inc	General Paratransit Service	1,274,840.75
90000149	2/24/2023	ADP LLC	PPE 2/19/2023 Payroll Liabilities	1,122,386.11
90000146	2/10/2023	ADP LLC	PPE 2/05/2023 Payroll Liabilities	1,112,410.54
1001341	2/24/2023	City of Chandler	AZ Lottery Disbursement	699,551.00
1001345	2/24/2023	Town of Gilbert	AZ Lottery Disbursement	678,376.00
1001351	2/24/2023	City of Scottsdale	AZ Lottery Disbursement	641,566.89
1001346	2/24/2023	City of Glendale	AZ Lottery Disbursement	627,782.00
1001350	2/24/2023	City of Peoria	AZ Lottery Disbursement	484,303.00
10001200	2/24/2023	City of Tempe	AZ Lottery Disbursement	458,380.00
90000148	2/24/2023	Cigna Health and Life Insurance Company	Health Insurance Premiums	454,978.65
10001145	2/6/2023	Total Transit Enterprises LLC	Monthly West Valley Contracted Fixed Route	424,323.98
10001139	2/6/2023	DMS Facility Services Inc	Facilities Maintenance Services	389,495.94
10001199	2/24/2023	City of Surprise	AZ Lottery Disbursement	364,134.00
10001138	2/6/2023	Creative Software Solutions LLC	Ridechoice Management Services	345,658.84
90000147	2/24/2023	ASRS	PPE 2/19/23 ASRS Contributions & LTD	300,511.30
90000145	2/10/2023	ASRS	PPE 2/05/23 ASRS Contributions & LTD	292,131.18
1001347	2/24/2023	City of Goodyear	AZ Lottery Disbursement	244,334.00
1001339	2/24/2023	City of Buckeye	AZ Lottery Disbursement	236,357.00
1001338	2/24/2023	City of Avondale	AZ Lottery Disbursement	225,883.00
10001186	2/24/2023	101 North First Ave LLC	101 Building Rent	185,266.59
10001174	2/16/2023	Creative Software Solutions LLC	Ridechoice Management Services	156,812.80
10001176	2/16/2023	HDR Engineering Inc	Planning and Community Relations Support Services	154,731.82
90000151	2/28/2023	Surepays	RPTA Monthly Utilities	148,221.14
10001156	2/6/2023	WSP USA Inc	Project Development Support	107,870.34

10001169	2/13/2023	ACRO Service Corporation	Staffing Services and Related Solutions-IT Project Management Services	104,976.00
10001180	2/16/2023	Trapeze Software Group	Staffing Services and Related Solutions-IT Project Management Services	102,851.66
10001178	2/16/2023	Second Generation Inc, dba Ajo Transpor	Monthly Rural Connector Services	100,311.88
10001168	2/10/2023	MTM Transit LLC	Paratransit Training Services	100,256.32
1001342	2/24/2023	City of El Mirage	AZ Lottery Disbursement	90,694.00
1001334	2/24/2023	QCM Technologies Inc	Information Security Program Support	68,398.01
1001327	2/24/2023	Hye Tech Network & Security Solutions L	Managed Services and Support Agreement	68,036.50
10001165	2/10/2023	Senergy Petroleum LLC	Bulk Fuel	67,261.00
90000150	2/28/2023	Wells Fargo Bank	Monthly Credit Card Charges	66,775.04
1001343	2/24/2023	Town of Fountain Hills	AZ Lottery Disbursement	60,225.00
10001148	2/6/2023	Vix Technology (USA) Inc	Customer Service Network	55,889.00
10001195	2/24/2023	Vix Technology (USA) Inc	Customer Service Network	55,889.00
10001193	2/24/2023	URW LLC	Landscape Maintenance Services	52,687.34
1001335	2/24/2023	SHI International Corp	Software Value Added Reseller	46,107.07
10001204	2/24/2023	Senergy Petroleum LLC	Bulk Fuel	45,565.40
10001146	2/6/2023	URW LLC	Landscape Maintenance Services	44,242.28
10001157	2/10/2023	CDW Government LLC	Software Value Added Reseller	43,164.69
1001349	2/24/2023	Town of Paradise Valley	AZ Lottery Disbursement	31,987.00
10001182	2/16/2023	Krauthamer & Associates LLC	Recruitment Services	26,485.00
1001276	2/6/2023	ACRO Service Corporation	Staffing Services and Related Solutions-IT Project Management Services	26,084.00
				29,677,194.04

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

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
50000980	2/6/2023	Kiewit Infrastructure West Company	CMAR Services for South Central-Downtown Hub	13,126,285.84
50000990	2/10/2023	Kiewit-McCarthy, a Joint Venture	CMAR Services for Northwest Phase II	7,750,372.81
50001013	2/16/2023	Siemens Mobility	Light Rail Vehicles	5,099,469.89
50000986	2/10/2023	Alternate Concepts Inc	Transportation Services	1,293,405.01
50000974	2/6/2023	Alternate Concepts Inc	Transportation Services	1,235,587.66
50000997	2/16/2023	AECOM Technical Services Inc	Design Services for South Central-Downtown Hub	531,948.58
50001017	2/24/2023	Allied Universal Security Services	Fare Inspection and Security Services	527,556.09
90000020	2/28/2023	Surepays	VMR Monthly Utilities	337,606.99
50000975	2/6/2023	ARCADIS	Consulting Support Services	250,859.78
50000973	2/6/2023	Allied Universal Security Services	Fare Inspection and Security Services	243,699.67
50000994	2/10/2023	City of Phoenix	Quarterly Advertising Revenue Payment	160,875.39
50001009	2/16/2023	PGH Wong Engineering Inc	System Design Services	140,021.97
50001026	2/24/2023	Kinkisharyo International LLC	TD Box Gasket	77,700.00
50001006	2/16/2023	Leach International Corp	Relays	75,294.00
5001492	2/24/2023	Sanderson Ford Inc	New Vehicle Purchases	65,483.76
50001021	2/24/2023	CHK America Inc	Wayfinding Map Design Services	65,320.00
50001028	2/24/2023	PGH Wong Engineering Inc	System Design Services	55,774.70
5001425	2/6/2023	Creative Machines Inc	Design Services for South Central	55,250.00
50001003	2/16/2023	HDR Engineering Inc	South Central Ext Archaeology	51,471.11
50000992	2/10/2023	PGH Wong Engineering Inc	System Design Services	45,745.14
50000981	2/6/2023	Pario Solutions	Juniper Renewal	40,420.00
50000991	2/10/2023	Penn Machine Company LLC	Axle Assembly	38,947.50
5001444	2/10/2023	City of Mesa	Quarterly Advertising Revenue Payment	38,626.21
50001032	2/24/2023	City of Phoenix	Fare Handling Fee	32,068.00
50000979	2/6/2023	HDR Engineering Inc	South Central Ext Archaeology	27,214.82
5001424	2/6/2023	Clifton Larson Allen LLP	CAFR Audit	26,379.68
5001430	2/6/2023	SHI International Corp	Information Technology Solutions & Services	25,726.07
50001016	2/24/2023	AECOM Technical Services Inc	Design Services for South Central-Downtown Hub	25,717.69
				31,444,828.36

VALLEY METRO

Procurement Report
for April Board Month

RECENTLY COMPLETED PROCUREMENTS

Contract Administrator	Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments

ACTIVE PROCUREMENTS

Contract Administrator	Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
Lori N	Joint	RFP	Strategic Planning Development	No	January 2023	02/03/23	March 2023	$410,000.00	TBD	Pending Board Approval
Christian J	RPTA	RFP	Administrative Broker Services (Demand Response)	Yes	September 2022	November 2022	March 2023	$118,444,593.00	5 years + 3 options	Pending Board Approval
Christian J	RPTA	RFP	Regional ADA Paratransit Services Operations & Maintenance	Yes	September 2022	October 2022	March 2023	$145,551,351.00	3 years + 3 options	Pending Board Approval
Christian J	RPTA	RFP	Vanpool Services	Yes	March 2023	TBD	TBD	TBD	5 years	SOW Development
Rick W	RPTA	RFP	East Valley Fixed Route Bus Services	Yes	November 2022	March 9, 2023	August 2023	$400,000,000.00	3 yrs + 4yr+3yr opt	In Evaluation
Chris B	VMR	COOP	Aerial Device/Bucket Trucks	No	N/A	N/A	2/16/23	$970,271.00	TBD	Initiating Documents
Chris B	VMR	Sole Source	Railpod Equipment	Yes	TBD	N/A	TBD	$677,000.00	TBD	Initiating Documents
Chris B	VMR	Sole Source	LRV Truck Rebuild	Yes	TBD	N/A	TBD	$414,289.00	TBD	Initiating Documents

FUTURE PROCUREMENTS

Contract Administrator	Agency	Procurement Type	Procurement Title	FTA Funding	Release Date	Proposal Due Date	Targeted Board Award Date	Estimated Contract Value	Term of Contract	Comments
Chris B	Joint	RFP	Facilities Maintenance Services	No	April 2023	TBD	TBD	TBD	TBD	SOW Development
Chris B	VMR	RFP	LRV Electronic Repairs	Yes	TBD	TBD	TBD	$210,000.00	3 years + 1 option	SOW Development
Chris B	RPTA	RFP	West Valley Fxed Route and Maintenance Services	Yes	TBD	TBD	TBD	TBD	TBD	SOW Development
Chris B	VMR	Sole Source	SCV Sole Source Parts	Yes	TBD	N/A	TBD	$1,000,000.00	5 Years	SOW Development
Christian J	VMR	Sole Source	Tires/Blocks	No	TBD	TBD	TBD	$1,592,768.00	5 years	SOW Development
Chris B	VMR	Sole Source	LRV Air Compressors	Yes	TBD	N/A	TBD	TBD	TBD	SOW Development
Jennifer H	RPTA	RFP	Autonomous Vehicle Research	Yes	TBD	TBD	TBD	$250,000.00	5 years	SOW Development
Jennifer H	VMR	RFP	Capitol Extension CMAR 2-Step	Yes	TBD	TBD	TBD	TBD	5 years	SOW Development
Edwin N.	VMR	RFQ	Capitol Extension Design	Yes	TBD	TBD	TBD	TBD	5 years + 3 options	SOW Development
Edwin N.	VMR	RFQ	Capital Extension - Public Art	No	TBD	TBD	TBD	TBD	5 years	SOW Development
Edwin N.	Joint	RFP	Classification and Total Compensation Study	No	TBD	TBD	TBD	$332,000.00	5 years	SOW Development
Edwin N.	Joint	RFQ	General Consulting Support Services	No	TBD	TBD	TBD	TBD	5 years + 3 options	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 7**
April 13, 2023

SUBJECT
Report on Current Events and Suggested Future Agenda Items

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

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION
None

COMMITTEE PROCESS
None

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

ATTACHMENT
None.

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date

Agenda

April 13, 2023

Valley Metro RPTA
April 20, 2023
Boardroom/Webex
Valley Metro, 101 N. 1st Avenue, 10th Floor
11:15 a.m. (Directly following the Study Session)

		Action Recommended
CONSENT AGENDA		
1A.	Minutes Minutes from the March 16, 2023 Board meeting are presented for approval.	1A. For action
1B.	City of Phoenix Grant Pass-Through Intergovernmental Agreement (IGA) Amendments – Section 5307 Capital Funds Staff recommends that the Board of Directors authorize the CEO to execute IGA amendments with the City of Phoenix for the listed grants.	1B. For action
REGULAR AGENDA		
2.	Proposed October 2023 Service Changes Staff will provide an update on the proposed October 2023 transit service changes and community outreach plan.	2. For information
3.	FY24-28 Short Range Transit Program Staff recommends that the Board of Directors accept the FY24-28 Short Range Transit Program report and direct the CEO to share it with MAG in support of the Transportation Improvement Program process.	3. For action
4.	2023 Transit Life Cycle Program - Bus Update Staff recommends that the Board of Directors approve the Transit Life Cycle Program Update.	4. For action

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

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

6. Next Meeting — 6. For information

The next Board meeting is scheduled for **Thursday, May 18, 2023 at 11:15 a.m.**

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

Minutes

April 13, 2023 **AGENDA ITEM 1A**

Valley Metro RPTA
Thursday, March 16, 2023
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

<u>RPTA Meeting Participants</u>
Councilmember Laura Pastor, City of Phoenix **- Chair** (phone)
Councilmember Bill Stipp, City of Goodyear – **Vice Chair**
Councilmember Max White, City of Avondale
Councilmember Clay Goodman, City of Buckeye
Councilmember O.D. Harris, City of Chandler
Councilmember Monica Dorcey, City of El Mirage (phone)
Vice Mayor Peggy McMahon, Town of Fountain Hills
Mayor Brigette Peterson, Town of Gilbert
Councilmember Lauren Tolmachoff, City of Glendale
Supervisor Jack Sellers, Maricopa County (phone)
Councilmember Francisco Heredia, City of Mesa (phone)
Councilmember Jon Edwards, City of Peoria
Vice Mayor Jeff Brown, Town of Queen Creek
Councilmember Kathy Littlefield, City of Scottsdale (phone)
Councilmember Aly Cline, City of Surprise
Vice Mayor Jennifer Adams, City of Tempe
Mayor Michael LeVault, Town of Youngtown

<u>Members Not Present</u>
Councilmember Aldofo Gamez, City of Tolleson
Mayor Rui Pereira, Town of Wickenburg

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

Chair Stipp said with that, we will call to order the Valley Metro RPTA Board meeting for Thursday, March 16th.

<u>Recorded Comment by Blue Crowley</u>
Mr. Crowley said Valley Metro meeting for March 16, the Valley Metro. My comments are for agenda item 5 the Valley Metro fiscal year primary operating and capital budget.

And when I look at the makeup of the facility knowing that you've pointed out to me the 42% of the amount of money we spend is for this.

I look at the 484 employees budgeted that 254 are RPTA/shared agency and then 230 are just VMR only activities. I find that of the 254 knowing that shared agency activities is there any problem with them understanding that it's -- that they should have been putting in multi-modal all the length of the new extension, the Capital Extension. So when I see the amounts what we're paying how are you getting the bang for the buck when, what is it, five of the stops along the Capital Extension are not connected to the bus system. And that we spent, what, $13 million for them to design. Oh, yeah, only $600,000 came from the bus. Is that the reason it was so inadequately done?

1. <u>Consent Agenda</u>

Chair Stipp said this is presented for action. Are there any questions or is anyone like an item pulled from the Consent Agenda? Seeing none. I'll entertain a motion and a second to approve the Consent Agenda.

Motion by Councilmember White, second by Mayor Peterson.

Any discussion on the Consent? Seeing none.

All in favor, say aye. Any opposed? The ayes have it.

IT WAS MOVED BY COUNCILMEMBER WHITE, SECONDED BY MAYOR PETERSON AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA, ITEMS 1A-1D.

2. <u>Administrative Broker Services (Demand Response) Contract Award</u>

3. <u>ADA Paratransit Operations and Maintenance Services Contract Award</u>

Ms. Mefford-Miller said thank you, Mr. Chair. I will ask Tom Young Director of Accessible Transportation Services to join us at the podium and remain there for Items 2 and 3.

Mr. Young said thank you, Jessica, Chair Stipp, members of the Board. I'm going to give a brief or a high-level overview of actually the next two items on the agenda. Is this going to work? Okay.

So to start with Valley Metro manages two demand response programs, RideChoice and then the ADA Paratransit program. The RideChoice program provides alternative travel options for people with disabilities, seniors, some low-income individuals, and some veterans. There are currently 11 participating jurisdictions in the RideChoice program.

Shifting to the ADA Paratransit program, it's a highly regulated demand response service for people with disabilities under the Americans with Disabilities Act. The ADA program provides service to people with disabilities that cannot functionally use the regular fixed route or light rail services. At minimum, it operates within 3/4 of a mile of the bus service and also within a radius of rail stations.

I'm going to begin with the administrative broker services or the demand response contract award. The broker is going to be responsible for taking all reservations for both demand response services, RideChoice and ADA paratransit.

They're also going to be responsible for contracting with the RideChoice service providers and scheduling all the trips for both the programs. As part of this contract, the award also includes the management of other demand response programs to include microtransit as may come in the future in different jurisdictions. The contract term for this contract is a base five years with three one-year options for extension for a total of eight years. For reservations and scheduling of the trip, the contract expenditure is not to exceed $54,344,400. And for the provider costs for both the RideChoice and paratransit overflow providers, the not to exceed amount is $64,100,193. For a total contract award of $118,444,593 for the full eight-year period.

The second item is actually the operations and maintenance contract for the operation of the ADA paratransit program in Valley Metro owned vehicles. This contract will operate or higher the drivers to operate the vehicles, maintenance staff to maintain the vehicles and all other staff to manage the services on the street. The contract is a base three-year contract with three one-year extensions for a total of six years.

Just a note here because I've had a lot of questions. The reason one of the contracts is eight years and the other is six years is because we wanted in the future to stagger contract awards so that we're not making a hundred percent change of the entire system at the same time. The full six-year contract is projected to not exceed $145,551,351 total.

At this time, I can answer any questions on both the next two items on the agenda, the administrative broker contract and the operations and maintenance contract.

Chair Stipp said thank you, Tom. We'll go ahead and we'll start with the administrative broker services, which is Item 2 on the agenda. I'll take a motion and a second. And then we can ask Tom the questions, so we'll separate these two kind of appropriately from one another.

So I'd like to request a motion and a second to authorize the CEO to execute a contract with Creative Software Solutions, LLC doing business as MJM Innovations for administrative broker services or demand response for a total contract value not to exceed $49,404,000 plus a 10% contingency of $4,940,400 for a total of $54,344,400. In addition, ADA paratransit overflow provider and RideChoice provider services is reimbursed through this contract as a direct passthrough cost without markup or profit at a not to exceed cost of $64,100,193 for a total contract of $118,444,593. Do I have a motion?

Motion by Councilmember Tolmachoff, second by Councilmember Cline.

Any discussion or questions for Tom?

Councilmember Goodman said Mr. Chair, I have a question.

Chair Stipp said yes, sir, Mr. Goodman.

Councilmember Goodman said can you go back a couple of slides to the list of participating cities? I couldn't help but notice that Buckeye doesn't appear on either one of these lists. So first question, was that a choice by Buckeye not to participate in either one of these programs? And I have a follow-up.

Mr. Young said as far as the RideChoice program, Buckeye as not requested to participate in this program. We've had discussions, but it has not moved forward yet. As far as the ADA paratransit program, the existence of fixed route service is what defines that service area, so at this time without the fixed route, the ADA paratransit is not there.

Councilmember Goodman said makes sense. And then you had shared a comment that once microtransit, and I'm paraphrasing, but once microtransit becomes a reality that that would be an extension of this contract. Did I understand that correctly?

Mr. Young said that is correct. So as we're setting up the administrative broker, we want them to have the ability to manage any demand response type program, which will include microtransit.

Councilmember Goodman said and Buckeye should it so choose could participate at that point?

Mr. Young said yes.

Councilmember Goodman said thank you.

Chair Stipp said great questions. Anybody else have any questions? No seeing any online, so we'll go ahead and vote.

All in favor of Item 2, please say aye. Any opposed? The ayes have it.

IT WAS MOVED BY COUNCILMEMBER TOLMACHOFF, SECONDED BY COUNCILMEMBER CLINE AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CEO TO EXECUTE A CONTRACT WITH CREATIVE SOFTWARE SOLUTIONS, LLC (DBA MJM INNOVATIONS) FOR ADMINISTRATIVE BROKER SERVICES (DEMAND RESPONSE) FOR A TOTAL CONTRACT VALUE NOT TO EXCEED $49,404,000 PLUS A 10 PERCENT CONTINGENCY OF $4,940,400 FOR A TOTAL OF $54,344,400. IN ADDITION, ADA PARATRANSIT OVERFLOW PROVIDER AND RIDECHOICE PROVIDER SERVICES IS REIMBURSED THROUGH THIS CONTRACT AS A DIRECT PASS-THROUGH COST WITHOUT MARK-UP OR PROFIT AT A NOT TO EXCEED COST OF $64,100,193; TOTALING $118,444,593.

Item 3 is the ADA paratransit operations and maintenance contract service award. So I'll request a motion and a second to authorize the CEO to execute a three year base contract with three one-year options with MTM Transit for ADA paratransit operations and maintenance services for a total contract value not to exceed $132,319,410 plus a 10% contingency of $13,231,941 in a total amount not to exceed $145,551,351. Do I have that motion?

Motion by Vice Mayor Adams, second by Councilmember Harris.

Any discussion or questions on this? All right. Was that a question, Jack, or are you just pointing? No. Okay.

Supervisor Sellers said no question, thank you.

Chair Stipp said so with that, we'll vote.

All in favor, say aye. Any opposed? The ayes have it.

IT WAS MOVED BY VICE MAYOR ADAMS, SECONDED BY COUNCILMEMBER HARRIS AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CEO TO EXECUTE A THREE-YEAR BASE CONTRACT WITH THREE ONE-YEAR OPTIONS WITH MTM TRANSIT FOR ADA PARATRANSIT OPERATIONS AND MAINTENANCE SERVICES FOR A TOTAL CONTRACT VALUE NOT TO EXCEED $132,319,410 PLUS A 10 PERCENT CONTINGENCY OF $13,231,941 IN AN AMOUNT NOT TO EXCEED A TOTAL OF $145,551,351.

4. Authorization to Issue a Request for Proposals (RFP) for West Valley Transit Services

Ms. Mefford-Miller said thank you, Mr. Chair. I'll take that item. The item before you is a request to the Board for Valley Metro RPTA to issue a request for proposals for services in the West Valley. I want to highlight, and I think this is a good continuation of the conversation that Tom was just presenting and Councilmember Goodman to your question about the evolution of service in the West Valley over time.

It is time for us to procure new services. Our current contract expires on June 20th of 2024. That is held by Total Transit. We are also at a moment where our demand for mobility is changing in the West Valley. Current West Valley service that operates today includes five express bus routes, the Grand Avenue Limited and then the Avondale Zoom and the Peoria POGO circulators. With respect to the Zoom and the POGO routes, we anticipate that that service over time is going to disappear because of a lack of productivity. At the same time, many of our West Valley cities and some of our East Valley cities have begun implementing microtransit pilot programs.

So as we structure our new contract for transit operations and maintenance services what we are requesting this Board approve that we put out is an array of services that would include fixed route including commuter express service, local ex -- local serviced and demand responsive service, which could include paratransit and microtransit. We like to think of this like a menu of options that we can enter into a contract with a provider for and then choose to execute those options over time as the demand of our cities grow and evolve.

We're requesting that this RFP be structured as a five-year contract as a base with five one-year option years that allow us to extend or choose not to extend moving forward. The period of performance for this new contract would begin July 1 of 2024. At this time, we're estimating the operations maintenance budget for this program to be about $7 million per year much of which would be funded by regional transportation sales tax proceeds and potentially, with member city funding as well depending on the scope of services to be provided.

We think that this forward-looking more flexible approach will allow us to more effectively meet the needs of our member cities and customers who live and work there into the future. In the background, you've heard from Tom about the tools and technology that we are acquiring thanks to the approval of this Board today to be able to support the execution of this service. We also have parallel efforts to prepare the capital for supporting such a service profile. We're currently conducting a feasibility study for a West Valley operations and maintenance study and will begin a design process on that very soon.

We're also working with our member cities in the West Valley to secure federal funding opportunities for the vehicles that would support this service including battery electric microtransit vehicles, so it's an ongoing conversation and I see our member city staff here that we have been working with on a near daily basis to begin this program. Are there any questions I can answer or thoughts from this committee on this proposal?

Chair Stipp said does anyone have questions? Yes, Vice Mayor.

Vice Mayor Adams said yes, when you talk about like the pilot programs, would this help Tempe expand our Orbit into south Tempe? Because right now, our Orbit just runs in certain section of town and the south Tempe (Indiscernible). I'm wondering if that would be a possibility.

Ms. Mefford-Miller said so this particular item is for operations and maintenance that are specific to the West Valley, but service concept itself could potentially be applicable. We're just wrapping up a West Valley microtransit feasibility study that was lead by our planning team and conducted in partnership with our West Valley cities and so, Vice Mayor, what I would suggest that Valley Metro RPTA and City of Tempe work together to define a scope of a study for that southern portion of Tempe that you're referencing I'm familiar with to determine whether or not microtransit or a different mode or technology might be beneficial in that community.

Vice Mayor Adams said I apologize. Thank you so much.

Councilmember Tolmachoff said so would this contract, would the bid be based on the number of miles, is that?

Ms. Mefford-Miller said it includes a number of miles and then we would have a rate, of course, for those miles. And so, we would have a menu and cost associated with each of those options.

Councilmember Tolmachoff said so I know one of the things we've run into and as things evolve in the Valley and cities become more progressive in delivering these kinds of services, I'm curious, what type of obligations do we as cities have? Because I know we've had these conversations before and cities are like well, we're moving into a different direction, but the contract was bid and we're under contract for delivery of a certain number of miles. I'm glad to see we have one-year renewals so that gives cities an opportunity to opt out should they choose that whatever this model is isn't going to work for them in the future. But what kind of obligation or should we build any obligation in? Because what happens is then the cities that are staying in the system are responsible for fulfilling the contract and the cost per mile for the rest of the cities goes up.

So that's been an issue in the past and I don't know if this would be the time maybe at least as far as West Valley to address that issue.

Ms. Mefford-Miller said so I think it is. We have to begin with an estimated number of service miles and hours and service type to that the contractor can provide us a price. And so, what I'd like us to do and what we are doing is starting out kind of small on those estimated miles and hours and allowing that room for growth rather than coming in high and backing down.

I also think having the menu of options for modes allows us to switch between them and that's what we're seeing with the discontinuance of the POGO and the Zoom today in West Valley. It's not that we're eliminating public mobility in those marketplaces, but we're moving from one product to another. And having that within the same contract with the same vendor allows us to do that without facing the penalty that we do now by reducing the fixed route miles and hours now it thereby increases the rate for the rest of the contract. That's a vulnerability for us.

I think beginning with a modest mile and hour estimate which we are proposing here and then putting these tools or modes within the same contract allows us to scale and switch between modes appropriately. Of course, with consistency for the customer. I'm not suggesting that every quarter or every six months we should be making a service change, but over the lifecycle of what could potentially be a 10-year contract especially at this moment when we think about how West Valley is going to change from 2024 to 2034, having this flexibility in modes and quantity I think is key.

Councilmember Tolmachoff said I'm pleased to see that because I think the lack of flexibility has been an obstacle for some cities in the past and so, and as long as the cities are committed to this service provider. And I know that we've had lots of discussions and I know Tempe decided to stay in until their contract had ended because it really does (Indiscernible) city's budget, we plan and when our cost per mile goes up, it really puts all of us in a bind because we've all kind of agreed this is what we're doing. But with the flexibility hopefully we can still keep everybody in and then you can, at the end of the five-year, every year you have an option to opt out if it's not working for you anymore.

Ms. Mefford-Miller said absolutely. There are still commitments though. So there are commitments on infrastructure side when it comes to purchasing vehicles, these are long term commitments. Certainly, when we get to the operations and maintenance facility, it's a long-term commitment. We need it. The model that we have now with the facility we're operating out of is not a good one and that facility is not posed to support any growth, so we need to do this. But this helps reduced the risk for the member cities and giving them more options allow them to, I think, purchase products and services that are more resonant with them recognizing that what's resonant today might look very different in five years.

Chair Stipp said any other questions? Seeing none online. Then I'd like to request a motion and a second to authorize the CEO to issue a federally compliant request for proposal to perform transit services which include express, local fixed route and demand response in the West Valley for a five-year base period with five one-year options for a total of ten years.

Motion by Councilmember Goodman, second by Councilmember White.

Any other discussion or questions? Seeing none.

All in favor, say aye. Any opposed? The ayes have it.

IT WAS MOVED BY VICE MAYOR ADAMS, SECONDED BY COUNCILMEMBER HARRIS AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CEO TO ISSUE A FEDERALLY COMPLIANT REQUEST FOR PROPOSALS (RFP) TO PERFORM TRANSIT SERVICES WHICH INCLUDE EXPRESS, LOCAL FIXED ROUTE, AND DEMAND RESPONSE IN THE WEST VALLEY FOR A FIVE-YEAR BASE PERIOD WITH FIVE ONE-YEAR OPTIONS FOR A TOTAL OF 10 YEARS.

5. FY 2024 Operating and Capital Budget Information for Valley Metro RPTA

Ms. Mefford-Miller said once again, it is budget season. Mr. Kessler is going to walk us through a high-level overview of budget process. We have a workshop coming up -- when Ken? Tuesday of next week with member city staff and I think that's going to be a joint RTAG and Financial Working Group meeting.

Mr. Kessler said that's correct. So I'm providing a high level overview. We've already brought this high-level overview to the Financial Working Group, TMC/RMC, the AFS and now, here at the Board. We'll get into the details starting next week, as Jessica mentioned, and dive into that more deeply as we go forward.

So just wanted to present here, these are some of the high-level key numbers associated with service, this is specifically operated by RPTA. It's not the entirety of the operating budget.

So and similar, high level key numbers for paratransit operations showing last year's budget compared to the FY24 proposed budget. And RideChoice here, similar numbers presented at a high level for that program.

Just wanted to kind of touch on the uses of funds for the total operating and capital budget. The passenger services being the largest portion capital between both VMR and RPTA as VMR receives PTF funds from RPTA as a passthrough for the capital program.

And quickly looking at the sources here. Again, PTF and federal being the biggest chunks of the sources of funds for operating and capital with member city as well.
And this here represents the entire operating budget. We have some items that the Board approved this year that the full year impact of those look like wage adjustments and things like that that were approved this year that had about a half year impact next year will have a full year impact in the FY24 budget.

And then looking at the source of funds, PTF, member city contributions and federal funds making up the majority of the total sources of funds for the operating budget.

And on the capital side, for RPTA, mostly regional fleet. Under the other regional projects, we have the fare collection project that's underway as well as farebox replacement that will be occurring next calendar year in the second half of FY24.
And the sources that fund the capital budget for RPTA, again, mostly federal funds and then the carry forward and reserves. Basically, those are the PTF fund balances that are being used to fund those projects.

Then we have some pass-through funds from RPTA to VMR as well as the lottery funds that are dispersed to the member cities. And the sources of those funds shown here. Again, the lottery funds, the regional area road fund that comes from the streets and freeway side and then reimbursements from VMR for capital and personnel reimbursements.

And then just want to show the schedule. Here we are in March presenting the high-level overview of our preliminary budget for next year, going into deep dive next week, as we mentioned, and then through April, May and looking at June for Board adoption of the budget.

And that concludes my presentation. I'd be happy to answer any questions.

Chair Stipp said that was very fast and high level. I do have a clarifying point, but I know Vice Mayor Adams has a question for you first.

Vice Mayor Adams said just the lottery funds, it said it had gone from, I don't know how much it was, to zero. And I'm just wondering what happened to our lotteries? The lottery funds (Indiscernible)

Mr. Kessler said that's the change is zero.

Chair Stipp said the change is zero.

Mr. Kessler said it's basically the same amount each year.

Vice Mayor Adams said I gotcha. Okay. Thank you very much for that. I was like what happened to the money? Okay. I gotcha.

Mr. Kessler said they tried to take it away 10 years ago, but they didn't succeed.

Vice Mayor Adams said good. And then I know -- but you want to go next and then if I have to ask more.

Chair Stipp said so, Ken, can you go back several slides? The fixed route operations showing a 17% change. Can you explain to the Board where that's represented that $20 million change?

Mr. Kessler said most of that, Mr. Chair, members of the Board, most of that is related to a full year impact of the wage rate adjustments that were approved by the Board back in December. So in the current year, we have about a half a year impact to that. Next year it will be a full year impact of those changes as well as increases on the Phoenix operated service as well.

Chair Stipp said I think it's important that the Board understand that that even though an individual city makes changes to their service, an increase or decrease, it reflects here.

Mr. Kessler said correct. Yes, because this is everything.

Chair Stipp said you and I know that. I'm trying to make sure everybody else understands.

Mr. Kessler said this is everything funded by RPTA so it's the service operated by Phoenix that's funded with PTF as well as RPTA operated service.

Chair Stipp said so should everybody be panicking that their individual member contracts are going to go up 17%?

Mr. Kessler said I don't think it's that proportion. Tyler? It's less because there's a significant chunk of that is Phoenix.

Chair Stipp said when we're talking high level, I mean, this is a lot of folks first glance at this. So I want to make sure that they don't go oh, my God, and walk out of here with a giant lump in their throat that as we go through this budget and your staff will see this next week that this will be a lot more palatable to you as an individual city.

Vice Mayor Adams said so just for clarification, and you can guess if you want, as far as the City of Tempe, like about what percentage of increase that they'll...

Mr. Kessler said that I don't know off the top of my head. I don't know if Tyler has it.

We'll have to get back to you.

Chair Stipp said they'll find out next week though, right?

Vice Mayor Adams said that would be helpful for me just to answer my questions. So thank you.

Mr. Kessler said and as I mentioned, the numbers are kind of fluid in this iteration. Next week's numbers will be much more refined as we move through the process and then soon we should be in a position where we'll have the actual numbers for the IGA's.

Vice Mayor Adams said great. Thank you so much.

Councilmember Tolmachoff said I have a couple. The two van pool operations 20% increase in use of funds. Is that increased ridership? Or just not sure what that...

Mr. Kessler said the van pool currently is and has been at fairly low levels since the pandemic. We are seeing some growth in that coming and we're also going to be procuring a new contract for that beginning the middle of the next fiscal year, so it will be in effect January 1st.

Councilmember Tolmachoff said I didn't know that may include the new vehicle. I know we had a big delay in procuring new vehicles. I mean, some of them took, I don't know, a year and a half or maybe longer than that, so...

Ms. Mefford-Miller said that's correct, Councilmember. And those costs are included in the new contract cost that begins mid-next year, it's capital and operations for that.

Councilmember Tolmachoff said because we hadn't had to pay for them because they hadn't been delivered so.

And then I had another question on the 19% increase in planning costs. What would that be attributed to?

Mr. Kessler said let me get to that one. Tyler, do you have detail on that, or we need to get back? I don't have the detail on that. Tyler Olson.

Mr. Olson said Councilmember Tolmachoff, thank you for your question. So the $700,000 increase or 19% you're seeing in planning there is related to our study that we're trying to find that West Valley facility, the multi-modal facility as well as some trailing origin and destination costs that are trailing into the next year combined with, which we'll share the detail with Financial Working Group and AFS this next month, some of the wage adjustments for merit and such for staff that's working in that budget.

Ms. Mefford-Miller said there's also, if I may, Mr. Chair, Councilmember, there is also an item in the FY24 draft budget for comprehensive operational analysis. This is looking into productivity and the performance of service across the entire system focusing on fixed route bus service to make recommendations and working with member cities for improved performance of that service. We're currently conducting what's called a runtime analysis, how long does it take for us to get from end to end, what do that passenger loads look like on board each vehicle and that will feed into this work. This is not something the agency has done in quite a long time, but should be.

Councilmember Tolmachoff said I know we've been behind on a lot of that and getting data so we're making good decisions that are going to work into the future. It just seemed like a big number to me, but I just want to make sure I understand. So the planning for the operations center and the cost of the personnel managing that project is built into the project because there's an also an administration and finance 23% and imagine that's got a lot to do with wages benefits and other things, but those have been separated out here?

Ms. Mefford-Miller said correct.

Chair Stipp said any other questions? And, again, just for the newer Board members, the Audit and Finance Subcommittee looks at each one of these items very much in depth and as you heard in the report, we're going to break down new initiatives, inflationary, we're going to separate those out from ongoing as we look at it so by the time you actually see the budget presentation start to take shape for the June meeting, we will have gone through many of that and what it appears to be today may look entirely different by the time we get through May. Just so for the new Board members so you understand how that process will shake out as well.

Your staff are also involved month in and month out through the Financial Working Group and the technical group, I'm drawing a blank all of a sudden on that acronym -- RTAG, thank you, and they work in conjunction with AFS as we kind of go through this so just so everyone's aware.

Councilmember White said I was just taking a look at the source of funds for operations, and I notice MAG went down 65%. Maybe I didn't understand why the MAG funds went down, but can I get some clarification on that?

Mr. Kessler said I think that's just a variation in terms of the funds being used. There's a $5 million, right, that we get from MAG each year? I think it's just the programming of the use of the funds. It's not necessarily the funds coming it. It's just how we program the funds for use.

Councilmember White said thank you for the clarity. I appreciate it.

Chair Stipp said this information was, obviously, presented for information only. Be the first of many that we'll see on this and without any other questions we'll go ahead and move on Item 6.

6. Report on Current Events and Suggested Future Agenda Items

Chair Stipp said does anyone have any? Seeing none.

7. Next Meeting

The next Board meeting is scheduled for Thursday, April 20, 2023 at 11:15 a.m.

The meeting was adjourned.

With no further discussion the meeting adjourned at 12:42 p.m.

Information Summary

DATE **AGENDA ITEM 1B**
April 13, 2023

SUBJECT
City of Phoenix Grant Pass-Through Intergovernmental Agreement (IGA) Amendments – Section 5307 Capital Funds

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute IGA amendments with City of Phoenix extending the terms of grant pass-through IGA's.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute IGA amendments with the City of Phoenix for the listed grants.

BACKGROUND | DISCUSSION | CONSIDERATION
Valley Metro requested extensions to pass-through IGA agreement number 142095-0 for AZ-90-X137-00. The extensions are needed to allow additional time to complete the projects identified in the grants. The table below summarizes the requested change:

Grant	Agreement Number	Source	Extension
AZ-90-X137-00	**142095-0**	**Section 5307 Capital Funds**	**12/31/2023**

Grant AZ-90-X137-00 has $176,621 of funding remaining from the original award of $400,000. $176,621 of the funding will be used to pay for the redesign to the bus shelters. The grant IGA expires on March 31, 2023, and an extension until December 31, 2023, is needed for additional time to utilize this funding.

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

COST AND BUDGET
No changes in cost and budget.

COMMITTEE PROCESS
RTAG: March 21, 2023
TMC/RMC: April 5, 2023, approved
AFS: April 6, 2023, for information
Board of Directors: April 20, 2023, for action

CONTACT
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ATTACHMENTS
None

Information Summary

DATE **AGENDA ITEM 2**

April 13, 2023

SUBJECT

Proposed October 2023 Service Changes

PURPOSE

To provide an update on the proposed October 2023 transit service changes and community outreach plan.

RECOMMENDATION

This item is for information only.

BACKGROUND | DISCUSSION | CONSIDERATION

Transit service changes are scheduled twice each year in April and October. In preparation for these service change dates, Valley Metro staff works closely with the Service Planning Working Group (SPWG), comprising representatives from Valley Metro member cities, to determine needed changes and to coordinate across jurisdictions. The SPWG meets monthly. The changes work in coordination with the five-year Short Range Transit Program (SRTP) as well as the Board-adopted Transit Standards and Performance Measures (TSPM) performance quartiles.

Changes have been proposed and continue to be discussed with the SPWG. Valley Metro staff is analyzing the proposed route changes in terms of the Board-adopted TSPM, Title VI impacts, defining possible fleet needs and all costs involved. The following is a list of all changes to be presented to the public for comment. More information about the potential route change will be provided on the Valley Metro website throughout the public outreach process. The proposed changes are route extensions and a modification. As a part of the public outreach process, impacts to paratransit service caused by fixed route changes will also be communicated to the public to solicit comments.

<u>Proposed Route and Schedule Changes:</u>

- Route 0—Central Ave: Modify weekday frequency from 20 minutes to 30 minutes from 6 a.m.-7 p.m.
- Route 3—Van Buren St: Modify weekday frequency to every 15 minutes from 6 a.m.-7 p.m. between 35th Ave. and 32nd St. and extend 15-minute frequency to 44th St.
- Route 7—7th Ave: Modify weekday frequency to 15 minutes from 6 a.m.-7 p.m. between Dunlap Ave. and Baseline Rd., and 30 minutes north of Dunlap Ave. and south of Baseline Rd.

- Route 16—16th St: Increase weekday frequency to 15 minutes from 6 a.m.-7 p.m. between Baseline Rd. and Northern Ave.
- Route 19—19th Ave: Increase weekday frequency to 15 minutes from 6 a.m.-7 p.m. for the entire route.
- Route 27—27th Ave: Increase weekday frequency to 15 minutes from 6-9 a.m. and 3-7 p.m. between Bell Rd. and Lower Buckeye Rd.
- Route 35—35th Ave: Increase weekday frequency to 15 minutes from 6 a.m.-7 p.m. between Lower Buckeye Rd. and Metrocenter Transit Center.
- Route 70—24th St/Glendale Ave: Increase weekday frequency to 15 minutes from 6 a.m.-7 p.m. between Baseline Rd. and 43rd Ave.
- Route 48—48th St: Extend route on Rio Salado Pkwy to Mesa Riverview.
- Peoria POGO: Eliminate route.
- Avondale ZOOM: Eliminate Route.
- DASH extension: Extend route to Roosevelt Rd. and 3rd Street. Add weekend service between Roosevelt Rd. and Jefferson St.

Public Outreach
Valley Metro is conducting community outreach beginning in May to notify the public and solicit input on the proposed service changes. Comments will be accepted from 5/8/2023-6/9/2023. Customers can provide feedback through the following channels:
- On-site region-wide information sessions (based on service change impacts)
- Webinar/Public Hearing (May 24, 2023)
- Social media
- Via email at input@valleymetro.org

Valley Metro communicates these input opportunities through newspaper advertising (30 days in advance of the public hearing date – English and Spanish publications), news release(s), website, email, social media, city publications and targeted outreach at key locations.

Following the public review process and final review by the Service Planning Working Group, proposed service changes operated and/or funded by Valley Metro will be brought before the Board for action. This will include any actions necessary to adjust affected transit service operating contracts and Intergovernmental Agreements with member agencies.

COMMITTEE PROCESS
RTAG: March 21, 2023 for information
TMC: April 5, 2023 for information
Board of Directors: April 20, 2023 for information

ATTACHMENT
None

CONTACT
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Information Summary

DATE **AGENDA ITEM 3**

April 13, 2023

SUBJECT

FY24-28 Short Range Transit Program

PURPOSE

To request acceptance of the FY24-28 Short Range Transit Program (SRTP) report and direction for the Chief Executive Officer (CEO) to share it with the Maricopa Association of Governments (MAG) in support of the Transportation Improvement Program (TIP) process.

RECOMMENDATION

Staff recommends that the Board of Directors accept the FY24-28 Short Range Transit Program report and direct the CEO to share it with MAG in support of the Transportation Improvement Program process.

BACKGROUND | DISCUSSION | CONSIDERATION

The SRTP documents potential transit service modifications throughout the region over the next five years and builds upon previous planning efforts. It identifies regional and local transit service improvements programmed in the TLCP and includes services proposed and funded by member cities. This document provides a platform on which all short-range transit plans for the region may be shared, collectively coordinated, and integrated to maximize efficiency and effectiveness in service provided to the public. It also serves as input for the TLCP, Fleet Management Plan (FMP), bi-annual service changes and the TIP.

The SRTP includes two planning periods, the short-term (one to three years), known as production years, and the long-term (four to five years), known as development years. Production year services must have committed funding sources and an implementation schedule. Development year services may require further analysis. For the production years, the SRTP analyzes all potential regionally funded modifications through a set of guiding principles and city feedback. The recommendations are developed concurrently with the annual TLCP update and are included therein.

SRTP Annual Update Process and Guiding Principles:

Staff worked with Valley Metro cities to document service modification requests and analyze, if applicable, the service requests using six Guiding Principles, which are built around the TLCP, and Board adopted Transit Standards and Performance Measures. The principles consider the following:

1. Financially Sustainable (Operations)
2. Financially Sustainable (Capital)
3. Current Transit Performance Threshold Quartile
4. Route in Original Proposition 400 Plan

5. Supports Major High-Capacity Transit Investments
6. Future Performance

The principles are used to evaluate regionally funded service changes requested, by fiscal year, for consideration to include them in the SRTP, as well as to update priorities. The principles are only used for significant service changes such as route extensions or new routes, and do not analyze minor modifications, such as small trip or weekend adjustments. Fleet availability is also an important consideration in determining the ability to implement service changes and the year in which to include them.

As called for in Guiding Principle 3, performance threshold quartiles are developed using five performance measures to evaluate existing transit services:

- On-Time Performance
- Boardings per revenue mile
- Boardings per revenue trip
- Farebox Recovery

Based on the FY22 Transit Performance Report, routes that were within the top or bottom quartile on any two of these performance measures were analyzed to identify potential performance improvements. Top performing routes are included if enhancements are needed to alleviate overcrowding. Each service type (local, key local & express) is ranked and analyzed separately.

Staff met several times with the Service Planning Working Group and held four rounds of sub-regional meetings to collectively review proposed changes and related analysis (mileage, costs, etc.), and to determine production and development year services for the FY22-26 SRTP update. Production year services will be considered for the bi-annual service change process and annual TLCP updates.

COST AND BUDGET
The costs of service and funding changes will be reflected in the annual Transit Life Cycle Program (TLCP) and bi-annual service change process.

COMMITTEE PROCESS
RTAG: March 21, 2023 for information
TMC: April 5, 2023 approved
Board of Directors: April 20, 2023 for action

CONTACT
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Appendix: Current SRTP Inventory

Route	Route Number	Service Type	Impacted City/Town	Operator	Change Type	Change Month	Change Year	Fiscal Year	Potential Service Change Concept	Funding Source
Production Years (Funding Committed)										
Indian School	41	Key Local	Phoenix	Phoenix	Cost Allocation	July	2023	**FY24**	Begin PTF funding of route in Phoenix.	PTF
Broadway	45	Key Local	Mesa	Valley Metro	Cost Allocation	July	2023	**FY24**	Begin PTF funding of route in Mesa.	PTF
48th St/Rio Salado	48	Local	Tempe	Valley Metro	Cost Allocation	July	2023	**FY24**	Begin PTF funding of route in Tempe.	PTF
Camelback	50	Key Local	Phoenix	Phoenix	Cost Allocation	July	2023	**FY24**	Begin PTF funding of route in Phoenix.	PTF
59th Ave	59	Local	Phoenix	Phoenix	Cost Allocation	July	2023	**FY24**	Begin PTF funding of route in Phoenix.	PTF
67th Ave	67	Local	Phoenix	Phoenix	Cost Allocation	July	2023	**FY24**	Begin PTF funding of route in Phoenix.	PTF
Glendale/24th St	70	Local	Phoenix	Phoenix	Cost Allocation	July	2023	**FY24**	Begin PTF funding of route in Phoenix.	PTF
Northern/ Shea	80	Local	Phoenix	Phoenix	Cost Allocation	July	2023	**FY24**	Begin PTF funding of route in Phoenix.	PTF
48th St/Rio Salado	48	Local	Tempe, Mesa	Valley Metro	Route Extension	October	2023	**FY24**	Extend to Mesa Riverview along Rio Salado. Match Tempe days of operation, span of service and frequency.	PTF
Gilbert Rd	136	Local	Chandler, Gilbert	Valley Metro	Service Increase	October	2023	**FY24**	Extend evening service weekdays and Saturdays to Chandler.	PTF
Chandler Blvd	156	Local	Chandler, Gilbert	Valley Metro	Service Increase	October	2023	**FY24**	Increase peak frequency to 15 minutes to Gilbert Rd.	PTF
ZOOM	ZOOM	Circulator	Avondale	Valley Metro	Route Elimination	October	2023	**FY24**	Eliminate route and replace with microtransit.	Local
Country Club/ Arizona Ave	112	Local	Chandler	Valley Metro	Route Extension	April	2024	**FY24**	Extend Route 112 to Hamilton High School or Snedigar Sports Center.	PTF
Dobson	96	Local	Chandler, Mesa	Valley Metro	Service Increase	April	2025	**FY25**	Weekday, improve service in Chandler by extending current service to add one evening round trip.	PTF
Baseline Rd	77	Local	Phoenix	Valley Metro	Service Increase	October	2024	**FY25**	Weekday, improve peak frequency to every 15 minutes between 51st Ave and 48th St in coordination with opening of South Central Rail	PTF
Alma School	104	Local	Chandler, Mesa	Valley Metro	Service Increase	April	2025	**FY25**	Add Saturday service until 9pm in Chandler.	PTF
Country Club	112	Local	Mesa	Valley Metro	Service Increase	October	2024	**FY25**	Improve frequency to 15 minutes from Main Street to end of line.	PTF
Gilbert Rd	136	Local	Mesa, Gilbert	Valley Metro	Service Increase	October	2024	**FY25**	Improve peak weekday frequency in Gilbert and Mesa (Main to Elliot).	PTF
Bell Rd	170	Local	Glendale, Peoria	Phoenix	Route Extension	October	2024	**FY25**	Extend service to 91st Ave	Local
Phoenix Circulator	New	Circulator	Phoenix	Phoenix	New Route	October	2024	**FY25**	New neighborhood circulator (ca. 10 linear miles).	Local
Baseline Rd	77	Local	Mesa, Gilbert	Valley Metro	Service Increase	April	2025	**FY25**	Extend East to Gilbert Rd	PTF
Chandler Express	542	Express	Chandler	Valley Metro	Service Increase	April	2025	**FY25**	Add one morning trip and one evening trip to service	Local
Southern Ave	61	Key Local	Phoenix	Valley Metro	Route Extension	October	2025	**FY26**	Extend 61 from 43rd Ave to 51st Ave	Local
Peoria Ave	106	Local	El Mirage	Phoenix	Route Extension	October	2025	**FY26**	Extend route west through El Mirage.	Local
Gilbert Rd	136	Local	Chandler, Gilbert	Valley Metro	Service Increase	October	2025	**FY26**	Extend Sunday service to Chandler end of line.	PTF
56th St	New	Local	Phoenix	Phoenix	New Route	October	2025	**FY26**	New Route 56A from Shea Blvd to Deer Valley Road (Desert Ridge Mall area).	Local
91St Ave	New	Local	Phoenix	Phoenix	New Route	October	2025	**FY26**	New Route 91 from Camelback Rd to Lower Buckeye Rd.	Local
Buckeye Circulator	New	Circulator	Buckeye	Valley Metro	New Route	October	2025	**FY26**	New, ca. 10-mile circulator in Buckeye. From Buckeye Transit Plan.	Local
Gilbert Express	New	Express	Gilbert, Phoenix	Valley Metro	New Route	October	2025	**FY26**	Add new commuter Express from Williams Field Rd. and Greenfield Rd. to Downtown Phoenix.	Local
Development Years (No funding commitment)										
McDowell	17	Key Local	Avondale, Phoenix, Goodyear	Phoenix	Service Increase	October	2026	**FY27**	Add Sunday service beyond 99th Ave. into Avondale & Goodyear.	Local
Thomas	29	Key Local	Avondale, Phoenix	Phoenix	Route Extension	October	2026	**FY27**	From Avondale mid-term Transit Plan, extend to Avondale Civic Center.	Local

Route	Route Number	Service Type	Impacted City/Town	Operator	Change Type	Change Month	Change Year	Fiscal Year	Potential Service Change Concept	Funding Source
Indian School	41	Key Local	Avondale	Phoenix	Route Extension	October	2026	**FY27**	From Avondale mid-term Transit Plan, extend to Litchfield Rd.	Local
Northern/ Shea	80	Local	Peoria, Glendale	Phoenix	Route Extension	October	2026	**FY27**	Extend route 80 to 99th avenue.	Local
Dunlap/ Cave Creek	90	Local	Peoria	Phoenix	Route Extension	October	2026	**FY27**	Extend route 90 to 99th Avenue.	Local
Thunderbird	138	Local	Surprise, El Mirage	Phoenix	Route Extension	October	2026	**FY27**	Extend service to Litchfield Rd.	Local
Ray Rd	140	Local	Gilbert	Valley Metro	Route Extension	October	2026	**FY27**	Extend 140 from Gilbert Rd to Power Rd.	PTF
Bell Rd	170	Local	Surprise, Glendale, Peoria	Phoenix	Route Extension	October	2026	**FY27**	Extend service to Surprise Civic Center	Local
Union Hills	186	Local	Glendale, Phoenix	Phoenix	Service Increase	October	2026	**FY27**	All weekday trips go to Arrowhead.	Local
Avondale/ Buckeye Express	563	Express	Buckeye	Valley Metro	Service Increase	October	2026	**FY27**	Add one additional trip to Buckeye PNR.	Local
Luke Circulator	New	Circulator	Surprise	Valley Metro	New Route	October	2026	**FY27**	Consider local circulator down to Luke Air Base.	Local
Surprise Circulator	New	Circulator	Surprise	Valley Metro	New Route	October	2026	**FY27**	Develop a new circulator route for downtown Surprise.	Local

Information Summary

DATE **AGENDA ITEM 4**

April 13, 2023

SUBJECT

2023 Transit Life Cycle Program - Bus Update

PURPOSE

To present the draft 2023 TLCP Bus Update for approval.

RECOMMENDATION

Staff recommends that the Board of Directors approve the 2023 Transit Life Cycle Program Update, including the RPTA Board policy clarification that Prop 400 rules apply to all PTF revenues collected during Prop 400.

BACKGROUND | DISCUSSION | CONSIDERATION

The TLCP was developed in 2005 to provide guidance for the implementation of the transit component of the Regional Transportation Plan. The TLCP includes Guiding Principles, policies, procedures, and financial forecasts to ensure that the program is balanced. Information presented in the TLCP is a 20-year summary encompassing the life of the Transportation Excise Tax authorized in Prop 400.

The most recent approved update to the TLCP was in September 2019. The COVID-19 pandemic created heightened uncertainty and risks relating to revenue forecasts and expenses. As a result, no TLCP update was completed in 2020-2022. However, a TLCP update for information was provided to the Board in June 2021 and a subsequent update was provided to the Audit and Finance Subcommittee in January 2022. Since the start of the pandemic, revenues have far exceeded projections. Although fare revenue collections and projections have decreased significantly, these losses have been more than offset by higher-than-expected PTF collections, a higher PTF forecast, and a large amount of federal COVID relief money.

ADOT released its most recent official forecast in October 2022. The 2023 TLCP Update, which uses the updated forecast has an increase of $129.7 million in total RPTA PTF revenues compared to the 2019 update.

Fiscal Year	2018 Forecast	2022 Forecast	$ Change	% Change
FY19 *(Actuals)*	$88,155,000	*$88,252,000*	$97,000	0.1%
FY20 *(Actuals)*	93,012,000	*92,532,000*	(480,000)	-0.5%
FY21 *(Actuals)*	98,172,000	*105,372,000*	7,200,000	7.3%
FY22 *(Actuals)*	103,181,000	*125,660,000*	22,479,000	21.8%
FY23	108,587,000	136,107,000	27,520,000	25.3%
FY24	113,728,000	140,397,000	26,669,000	23.4%
FY25	119,285,000	147,599,000	28,314,000	23.7%
FY26	72,656,000	90,574,000	17,918,000	24.7%
Total	**$796,776,000**	**$926,493,000**	**$129,717,000**	**16.3%**

NOTE: Numbers in italics indicate actuals.

Federal COVID Relief

RPTA has been awarded $117.9 million in federal COVID relief money for operations.

COVID Relief Bill	Operations Funding
CARES Act	$49,523,706
CRRSA Act	$19,788,385
ARP Act	$48,547,463
Total	**$117,859,554**

Short Range Transit Plan

The current Short Range Transit Plan (SRTP) has identified some service and/or funding changes that are requested to be incorporated into the bus program within the TLCP. The SRTP was developed cooperatively with member city transit staff and includes service improvements that are ready to be implemented in the next two years. It also includes many potential improvements that are not ready for implementation. These improvements will continue to be analyzed and developed and could be recommended for regional funding in a future TLCP Update.

Bus Program

<u>Capital Program</u>
In this update, there are some adjustments to fleet expenses and facilities. A 20 percent contingency is added to the Valley Metro fleet purchase costs that are in the budget plan to account for potential supply chain issues and/or higher costs relating to the zero-emissions fleet plan. However, also due to supply chain issues, some bus purchases are being deferred beyond Prop 400. Paratransit replacements increased as Valley Metro replaces contractor owned vehicles with agency owned vehicles. Vanpool replacements were deferred because of underutilization relating to the pandemic.

Bus stop construction and improvements were added for Gilbert and Scottsdale. While Transit Center and Park-and-Ride design and construction costs were added for Gilbert and Avondale, respectively, Phoenix cancelled its Laveen/59th Avenue Park-and-Ride. Since the North Glendale Park-and-Ride is now a significantly smaller project than previously envisioned, the PTF cost was reduced to $2.5 million. The smaller project is programmed without federal assistance to expedite project delivery.

Operating Program

Valley Metro planning staff developed the SRTP to guide the implementation of new service improvements, including those funded with PTF. The attached *Table 1* shows the service improvements included in the financial model. The table includes improvements approved in the 2019 TLCP model and programmed improvements from the 2023 SRTP.

The fund balance at the end of the program is anticipated to be about $32.2 million, down from $42.1 million in the 2019 update. The model is balanced for the life of Prop 400 and annual cash flow shows that the fund balance is positive in all remaining years. The following table summarizes the changes in fund balance.

Comparison of Net Revenues		**2019 Update**	**2023 Update**	**Change**
	Operations Revenues	$2,043.2	$2,161.5	$122.3
	Capital Revenues	$976.1	$1,046.2	$70.1
Total Revenue		$3,019.4	$3,207.7	$192.4
	Operations Expenditures	$1,729.1	$1,909.7	$180.6
	Capital Expenditures	$1,248.2	$1,265.8	$17.6
Total Expenditures		$2,977.3	$3,175.5	$198.2
Net Revenues less Expenditures		$42.1	$32.2	($9.9)

The TLCP Guiding Principles require that jurisdictional equity be maintained for the bus program. The policy allows that each sub-region can be within 2.5 percent above or below their policy allocation. In the current model, each of the sub-regions are within this policy threshold. No sub-region is currently over-allocated. Additionally, the policy stipulates that, regardless of sub-regional percentages, no jurisdiction can be under-allocated by $7.5 million or more without explicit approval of that city. In the current model, every jurisdiction is within policy.

Jurisdictional Equity Summary by Sub-Region in 20 Year Plan				
($ in millions)				
March 1, 2023				
Sub-Region	Total Revenue Allocation	Total Costs Allocated	Allocation Under (Over)	Percent Under (Over)
Central	$478.1	$471.3	$6.9	1.4%
East	$854.0	$841.6	$12.4	1.5%
West	$174.5	$172.1	$2.5	1.4%
Total	**$1,506.7**	**$1,484.9**	**$21.8**	**1.4%**

These numbers include a $7.0 million set-aside by Scottsdale and temporary cost shifts from local funding to PTF funding for various cities.

RPTA BOARD POLICY CLARIFICATION
Board approval of this 2023 TLCP Update stipulates that:

Prop 400 rules apply to all PTF revenues collected during Prop 400. Any PTF balance remaining at the end of Prop 400 shall be spent in accordance with Prop 400 TLCP Jurisdictional Equity policies instead of Prop 400 Extension policies.
This policy clarification has been requested by city staff at RPTA's sub-regional meetings. This clarification is intended to mitigate the assumption that, if a sub-region does not fully spend its allocation during the Prop 400 period, that it will no longer have control over how the carryover PTF is allocated. The goal of this policy clarification is to allow the sub-regions to spend their Prop 400 PTF more judiciously instead of acting out of fear of losing this money once Prop 400 expires or Prop 400 Extension (Prop 400E) goes into effect. City staff has indicated that they would be more inclined to limit PTF spending if there are assurances that they will not lose their PTF allocations at the end of Prop 400.

OUTSTANDING ISSUES/RISKS
The financial model incorporates the recent labor increases to the East Valley and West Valley bus contracts but does not include the new contractor rates for the upcoming East Valley and West Valley contracts, which are not yet known. The model does, however, include RFP contingencies of 7.5 percent for each contract meaning that the model assumes rates will increase by 7.5 percent in the first year of each respective bus contract.

Likewise, the model also includes a 5.0 percent increase in PTF funding ADA demand services in FY2024 to help mitigate out-of-pocket increases to cities for these ADA-related expenses in the first year of the new Paratransit and RideChoice contracts.

Moreover, although a fleet contingency is already factored into the model, due to supply chain issues, capital costs may exceed what is currently programmed.

The financial model assumes that fare revenues will continue to lag and not return to pre-pandemic levels until after Prop 400.

COST AND BUDGET
The proposed changes to the TLCP bus model have already been incorporated into the proposed FY2024 Operating and Capital Budgets and the Five-Year Operating and Capital Forecasts. Revenues and expenditures forecast within the TLCP are balanced as required by State Statute.

COMMITTEE PROCESS
RTAG: March 29, 2023 for information
TMC/RMC: April 5, 2023 approved
Boards of Directors: April 20, 2023 for action

CONTACT
Ken Kessler
Chief Financial Officer
kkessler@valleymetro.org

ATTACHMENT
Tables 1 and 2

Table 1

Route Number	Route	Fiscal Year	Description	Status
30	University Drive	2023	Replace local funding, existing service levels in Mesa	Approved
41	Indian School Road	2023	Match Phoenix service span expansion 5 AM - Midnight Weekdays and Weekends	Approved
83	83rd Avenue	2023	Replace local funding, existing service levels in Peoria	Approved
112	Arizona Avenue	2023	Replace local funding, existing service levels in Chandler	Approved
156	Chandler Boulevard	2023	Increase peak frequency to 15 minutes to Gilbert Rd	Approved
170	Bell Road	2023	Replace local funding, existing service levels in Glendale	Approved
45	Broadway Road	2024	Replace local funding, existing service levels in Mesa	Approved
48	48th Street/ Rio Salado	2024	Extend to Mesa Riverview along Rio Salado; match Tempe days of operation, span of service, and frequency	Approved
112	Country Club/ Arizona Avenue	2024	Extend Route 112 to Hamilton High School or Snedigar Sports Center	Approved
156	Chandler Boulevard	2024	Increase peak frequency to 15 minutes to Gilbert Rd	Approved
96	Dobson Road	2025	Weekday, improve service in Chandler by extending current service to add one evening round trip	Approved

Table 2

Route Number	Route	Fiscal Year	Description	Status
30	University Drive	2023	Improve Saturday frequency in Mesa only to match Tempe	Programmed
30	University Drive	2023	Add Sunday service and frequency in Mesa only to match Tempe	Programmed
72	Rural Road	2023	Replace local funding, existing service levels in Chandler	Programmed
77	Baseline Road	2023	Extend to West Mesa PNR	Programmed
81	McClintock Road	2023	Replace local funding, existing service levels in Chandler	Programmed
96	Dobson Road	2023	Replace local funding, existing service levels in Chandler	Programmed
138	Thunderbird	2023	Replace local funding, existing service levels in Glendale	Programmed
140	Ray Road	2023	Replace local funding, existing service levels in Chandler	Programmed
156	Chandler Boulevard	2023	Replace local funding, existing service levels in Chandler	Programmed
170	Bell Road	2023	In Scottsdale, match Phoenix service span expansion 5 AM - Midnight Weekdays and Weekends	Programmed
531	Mesa/Gilbert Express	2023	Eliminate one round trip	Programmed
533	Mesa Express	2023	Eliminate two round trips	Programmed
535	Northeast Mesa Express	2023	Eliminate one round trip	Programmed
541	Chandler/Mesa Express	2023	Eliminate Route	Programmed
571	Surprise Express	2023	Reroute inbound trip to 101/I-10	Programmed
573	West Glendale Express	2023	Eliminate north portion of route overlapping with Route 575, start and end route at Glendale PNR	Programmed

Table 2 (continued)

Route Number	Route	Fiscal Year	Description	Status
41	Indian School Road	2024	Replace local funding, existing service levels in Phoenix	Programmed
48	48th St/Rio Salado	2024	Replace local funding, existing service levels in Tempe, extend to Mesa Riverview	Programmed
50	Camelback Road	2024	Replace local funding, existing service levels in Phoenix	Programmed
59	59th Avenue	2024	Replace local funding, existing service levels in Phoenix	Programmed
67	67th Avenue	2024	Replace local funding, existing service levels in Phoenix	Programmed
70	Glendale/24th Street	2024	Replace local funding, existing service levels in Phoenix	Programmed
80	Northern/ Shea	2024	Replace local funding, existing service levels in Phoenix	Programmed
136	Gilbert Road	2024	Extend evening service weekdays and Saturdays to Chandler	Programmed
77	Baseline Road	2025	Weekday, improve peak frequency to every 15 minutes between 51st Ave and 48th St in coordination with opening of South Central Rail	Programmed
77	Baseline Road	2025	Extend East to Gilbert Rd	Programmed
104	Alma School Road	2025	Add Saturday service until 9 PM in Chandler	Programmed
112	Country Club/ Arizona Avenue	2025	Improve frequency to 15 minutes from Main Street to end of line	Programmed
136	Gilbert Road	2025	Improve peak weekday frequency in Gilbert and Mesa (Main to Elliot)	Programmed
136	Gilbert Road	2026	Extend Sunday service to Chandler end of line	Programmed

Transit Life Cycle Program 2023 Model Update - Bus

April 2023

1

Transportation Excise Tax

Proposition 400 approved in November 2004

- Half-cent sales tax for Maricopa County
  - Extension of tax approved in 1985 for freeway improvements
  - Provides funding for freeway, arterial and transit improvements
  - Funding allocations are in State statutes and revenues cannot be transferred between programs
    - 33.3% for transit program
    - 56.2% for freeway program
    - 10.5% for arterial program

2

2

TLCP Policy Allocations

RPTA Board adopted policies for TLCP Oct 2005

- Transit PTF allocated to bus and rail programs
  - 56.76% annually to bus program
  - 43.24% annually to rail program
- Each program has a financial model to ensure balanced revenues and expenditure

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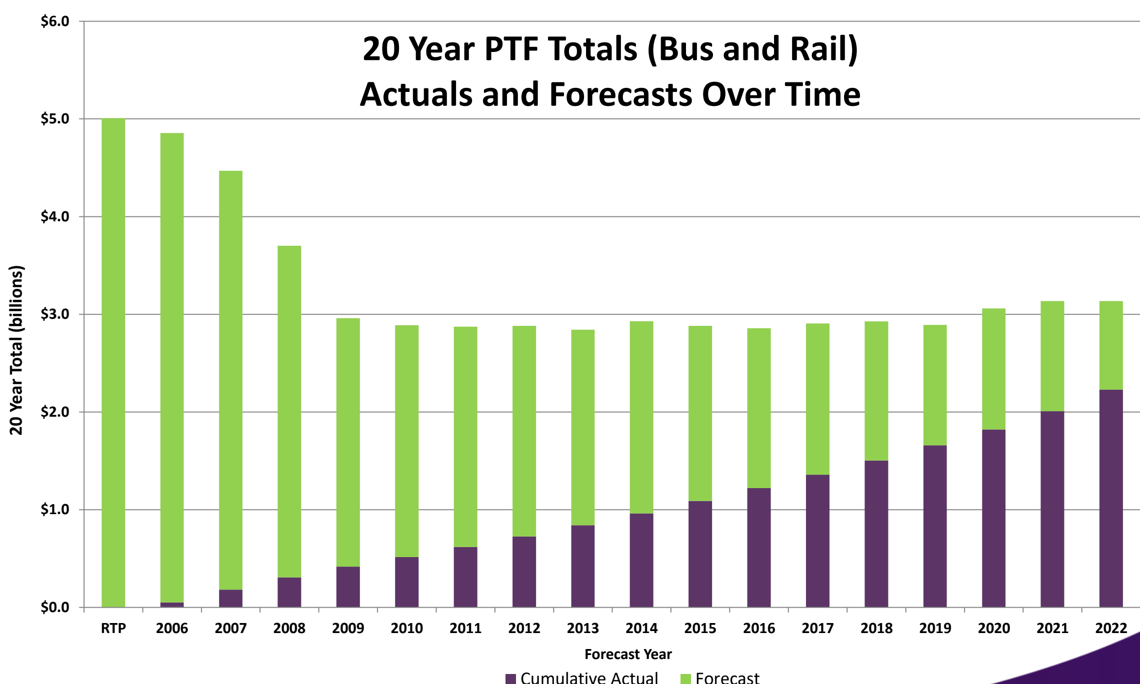

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Overview

- Most recent approved update to the TLCP was September 2019
- COVID-19 pandemic created heightened uncertainty and risks to revenue forecasts and expenses
  - No TLCP update completed in 2020-2022
- TLCP updates for information was provided to the Board in June 2021 and to the AFS in January 2022
- Since pandemic, revenues have far exceeded projections
  - PTF – higher actuals and forecast
  - Large amount of COVID relief money
  - Fare revenue collections and projections decreased significantly but were more than offset by the other revenue gains

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Bus PTF: 2022 vs. 2018 ADOT Forecasts

($ in Millions)

Fiscal Year	2018 Forecast	2022 Forecast	$ Change	% Change
FY19 *(Actuals)*	$88,155,000	*$88,252,000*	$97,000	0.1%
FY20 *(Actuals)*	93,012,000	*92,532,000*	(480,000)	-0.5%
FY21 *(Actuals)*	98,172,000	*105,372,000*	7,200,000	7.3%
FY22 *(Actuals)*	103,181,000	*125,660,000*	22,479,000	21.8%
FY23	108,587,000	136,107,000	27,520,000	25.3%
FY24	113,728,000	140,397,000	26,669,000	23.4%
FY25	119,285,000	147,599,000	28,314,000	23.7%
FY26	72,656,000	90,574,000	17,918,000	24.7%
Total	**$796,776,000**	**$926,493,000**	**$129,717,000**	**16.3%**

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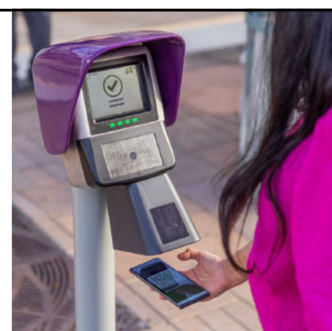
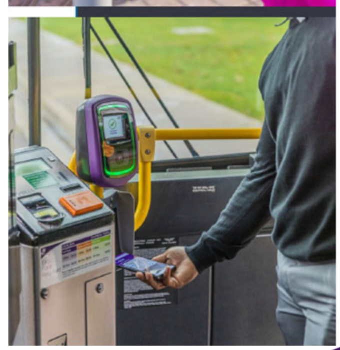
COVID Relief for RPTA Operations

COVID Relief Bill	Operations Funding
CARES Act	$49,523,706
CRRSA Act	$19,788,385
ARP Act	$48,547,463
Total	**$117,859,554**

RPTA Assumptions

- Increased bus labor rates
- RFP contingency assumptions
- Planned fleet acquisitions
- Fare Collection System Modernization





Operating Program Changes

Revenues
- 2022 Official ADOT PTF Forecast
- Reduced fare revenue forecast
- COVID relief money (CARES, CRRSAA, ARPA)

Expenses
- Updated actuals and projections
- Set-aside
- SRTP adjustments
  - Committed in first 2 years
  - Adjustments programmed
  - Temporary cost shifts to PTF
- Fare Collection System Modernization (FCSM)
  - Retail network and customer service

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Service Adjustments Added Since 2019

Route Number	Route	Fiscal Year	Description
30	University Drive	2023	Improve Saturday frequency in Mesa only to match Tempe
30	University Drive	2023	Add Sunday service and frequency in Mesa only to match Tempe
72	Rural Road	2023	Replace local funding, existing service levels in Chandler
77	Baseline Road	2023	Extend to West Mesa PNR
81	McClintock Road	2023	Replace local funding, existing service levels in Chandler
96	Dobson Road	2023	Replace local funding, existing service levels in Chandler
138	Thunderbird	2023	Replace local funding, existing service levels in Glendale
140	Ray Road	2023	Replace local funding, existing service levels in Chandler
156	Chandler Boulevard	2023	Replace local funding, existing service levels in Chandler
170	Bell Road	2023	In Scottsdale, match Phoenix service span expansion 5 AM - Midnight Weekdays and Weekends
531	Mesa/Gilbert Express	2023	Eliminate one round trip
533	Mesa Express	2023	Eliminate two round trips
535	Northeast Mesa Express	2023	Eliminate one round trip
541	Chandler/Mesa Express	2023	Eliminate Route
571	Surprise Express	2023	Reroute inbound trip to 101/I-10
573	West Glendale Express	2023	Eliminate north portion of route overlapping with Route 575, start and end route at Glendale PNR

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Service Adjustments Added Since 2019

Route Number	Route	Fiscal Year	Description
41	Indian School Road	2024	Replace local funding, existing service levels in Phoenix
48	48th St/Rio Salado	2024	Replace local funding, existing service levels in Tempe, extend to Mesa Riverview
50	Camelback Road	2024	Replace local funding, existing service levels in Phoenix
59	59th Avenue	2024	Replace local funding, existing service levels in Phoenix
67	67th Avenue	2024	Replace local funding, existing service levels in Phoenix
70	Glendale/24th Street	2024	Replace local funding, existing service levels in Phoenix
80	Northern/ Shea	2024	Replace local funding, existing service levels in Phoenix
136	Gilbert Road	2024	Extend evening service weekdays and Saturdays to Chandler
77	Baseline Road	2025	Weekday, improve peak frequency to every 15 minutes between 51st Ave and 48th St in coordination with opening of South Central Rail
77	Baseline Road	2025	Extend East to Gilbert Rd
104	Alma School Road	2025	Add Saturday service until 9 PM in Chandler
112	Country Club/ Arizona Avenue	2025	Improve frequency to 15 minutes from Main Street to end of line
136	Gilbert Road	2025	Improve peak weekday frequency in Gilbert and Mesa (Main to Elliot)
136	Gilbert Road	2026	Extend Sunday service to Chandler end of line

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Capital Program Changes Since 2019 TLCP

Facilities plan changes

- North Glendale Park-and-Ride programmed with local and PTF funds only – removed federal and reduced scope
- Avondale Transit Center and Gilbert Park-and-Ride added
- Laveen Park-and-Ride canceled by Phoenix
- New bus stop construction and improvements in Gilbert and Scottsdale

Fleet plan changes

- Updated fleet replacement plans
- Paratransit replacements increased to replace contractor provided vehicles
- Vanpool replacements decreased due to COVID underutilization

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Regional PTF Costs in 20 Year Plan

Category	Amount
Regional services	$159.4
ADA certification	$37.1
Planning and administration	$4.5
Regional ITS	$22.5
Vanpool vans	$2.5
Debt service	$19.1
Minimum cash balance	$27.7
Total Regional Costs	**$272.8**

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Comparison of Net Revenues & Expenditures

($ in millions)

Comparison of Net Revenues & Expenditures		2019 Update	2023 Update	Change
	Operations Revenue	$2,043.2	$2,161.5	$122.3
	Capital Revenue	$976.1	$1,046.2	$70.1
Total Revenue		$3,019.4	$3,207.7	$192.4
	Operations Expenditures	$1,729.1	$1,909.7	$180.6
	Capital Expenditures	$1,248.2	$1,265.8	$17.6
Total Expenditures		$2,977.3	$3,175.5	$198.2
Net Revenues less Expenditures		$42.1	$32.2	($9.9)

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Jurisdictional Equity

TLCP Guiding Principle to maintain jurisdiction equity

- Applies to Prop 400 revenues for the bus program only
- Policy allocations were determined based on projects and planning cost estimates from 2003 Regional Transportation Plan
- Actual and forecasted costs for services, fleet, capital facilities are allocated to cities
- Each sub-region to be within +/- 2.5% of policy allocation
- Each jurisdiction to be within $7.5 M of policy allocation

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JE by Subregion (20 Year Plan)
$ in Millions

Sub-Region	Total Revenue Allocation	Total Costs Allocated	Allocation Under (Over)	Percent Under (Over)	Amount to Program
East	$854.0	$841.6	$12.4	1.5%	$0.0
Central	$478.1	$471.3	$6.9	1.4%	$0.0
West	$174.5	$172.1	$2.5	1.4%	$0.0
Total	**$1,506.7**	**$1,484.9**	**$21.8**	**1.4%**	**$0.0**

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JE by Jurisdiction

East Valley

Jurisdiction	Total Revenue Allocation	Total Costs Allocated	Allocation Under (Over)	Percent Under (Over)
Chandler	$142,577,544	$140,707,058	$1,870,486	1.3%
County E	$0	$2,285,574	($2,285,574)	N/A
Fountain Hills	$1,280,682	$701,038	$579,643	45.3%
Gilbert	$92,163,884	$89,386,415	$2,777,469	3.0%
Guadalupe	$105,468	$3,654,293	($3,548,825)	-3364.8%
Mesa	$292,914,513	$290,853,567	$2,060,947	0.7%
Paradise Valley	$8,060,762	$3,880,067	$4,180,695	51.9%
Queen Creek	$919,077	$416	$918,661	100.0%
Scottsdale	$156,800,645	$150,966,082	$5,834,563	3.7%
Tempe	$159,166,140	$159,123,000	$43,140	0.0%
Total	**$853,988,715**	**$841,557,510**	**$12,431,205**	**1.5%**

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JE by Jurisdiction

Central Valley

Jurisdiction	Total Revenue Allocation	Total Costs Allocated	Allocation Under (Over)	Percent Under (Over)
County C	$0	$90,116	($90,116)	N/A
Phoenix	$478,146,293	$471,172,521	$6,973,772	1.5%
Total	**$478,146,293**	**$471,262,637**	**$6,883,656**	**1.4%**

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JE by Jurisdiction

West Valley

Jurisdiction	Total Revenue Allocation	Total Costs Allocated	Allocation Under (Over)	Percent Under (Over)
Avondale	$23,172,806	$19,110,921	$4,061,885	17.5%
Buckeye	$1,099,880	$4,788,298	($3,688,418)	-335.3%
County W	$9,823,582	$14,335,473	($4,511,891)	-45.9%
El Mirage	$3,405,107	$1,449,893	$1,955,214	57.4%
Gila Bend	$2,049,091	$0	$2,049,091	100.0%
Glendale	$85,564,607	$85,300,152	$264,455	0.3%
Goodyear	$3,902,313	$4,852,007	($949,694)	-24.3%
Litchfield Park	$3,420,174	$3,020	$3,417,154	99.9%
Peoria	$33,403,193	$31,959,768	$1,443,425	4.3%
Surprise	$3,495,508	$4,986,290	($1,490,782)	-42.6%
Tolleson	$4,640,588	$4,683,211	($42,623)	-0.9%
Wickenburg	$331,471	$0	$331,471	100.0%
Youngtown	$241,070	$616,832	($375,762)	-155.9%
Total	**$174,549,390**	**$172,085,865**	**$2,463,525**	**1.4%**

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RPTA Board Policy Clarification

- City staff has requested that the RPTA Board clarify that Prop 400 rules apply to all PTF revenues collected during Prop 400
  - This conforms to guidance from MAG
- Any carryover Prop 400 PTF balance would be spent according to Prop 400 TLCP JE policies (as opposed to Prop 400E policies)
- Ensures that Prop 400 money is not governed by a "use it or lose it" approach
  - Allows for a more judicious spending plan
- Board approval of this 2023 TLCP Update signifies approval of this policy clarification

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Recommendation

Staff recommends the Board of Directors approve the Transit Life Cycle Program Update, including RPTA Board policy clarification that Prop 400 rules apply to all PTF revenues collected during Prop 400.

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Information Summary

DATE **AGENDA ITEM 5**
April 13, 2023

SUBJECT
Report on Current Events and Suggested Future Agenda Items

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

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

STRATEGIC PLAN ALIGNMENT
None

COMMITTEE PROCESS
None

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

ATTACHMENT
None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date

Agenda

April 13, 2023

Valley Metro Rail
Thursday, April 20, 2023
Boardroom/Webex
Valley Metro, 101 N. 1st Avenue, 10th Floor
11:15 a.m. (Directly following the Board Study Session)

Action Recommended

CONSENT AGENDA

1A. Minutes	1A. For action

Minutes from the March 16, 2023 Board meeting are presented for approval.

1B. Facility LED Lighting Replacements Contract Award	1B. For action

Staff recommends that the Board of Directors authorize the CEO to execute a contract through a Mohave cooperative purchasing agreement with Jenco Inc., for a term of three years with two option years to provide LED Lighting for the Maintenance of Equipment (MOE) offices and shop, the Maintenance of Way (MOW) shop, and the Operations and Maintenance (OMC) yard for a not-to-exceed amount of $805,500.

1C. Asphalt Repairs at Park-and-Rides Contract Award	1C. For action

Staff recommends that the Board of Directors authorize the CEO to execute a contract with Sundland Asphalt & Construction, LLC, under a Mohave cooperative purchasing agreement for asphalt repairs at seven Valley Metro park-and-rides for a not-to-exceed amount, at a cost of $356,520.

1D. Station Names for the South Central Extension/Downtown Hub Project	1D. For action

Staff recommends that the Board of Directors approve the names and points of interest as listed in Attachment A in support of the South Central Extension/ Downtown Hub project.

REGULAR AGENDA

2. <u>2023 Transit Life Cycle Program – Rail Update</u> Staff recommends that the Board of Directors approve of the Transit Life Cycle Update.	2. For action
3. <u>Report on Current Events and Suggested Future Agenda Items</u> Chair Adams will provide members the opportunity to report on current events and suggest future agenda items for consideration.	3. For information
4. <u>Next Meeting</u> The next meeting of the Board is scheduled for **Thursday, May 18, 2023 at 11:15 a.m.**	4. For information

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

Minutes

April 13, 2023 **AGENDA ITEM 1A**

Valley Metro Rail
Thursday, March 16, 2022
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

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

Chair Adams called the meeting to order at 12:47 p.m.

Chair Adams said good afternoon, everyone, welcome. I will call the February meeting of Valley Metro Rail Board to order.

Recorded Comments from Blue Crowley
Mr. Crowley said this is Blue Crowley and I'm calling on the Valley Metro Rail meeting of March 16th. And it's the information summary of March 9th, 2023, that I'm commenting on. The Valley Metro Rail fiscal primary operating and capital budget. I have the problem of that the operating costs are not anything to do with Valley Metro. It's the city, so when you're putting them both together, it's convoluting what you have to say. And how you doing it and getting it done.

I also find that when I look and see that it says that there are 484 employees budgeted for the interagency and 254 are budgeted for RPTA/shared. But then we have 230 that are just the VMR. And when I look at those 254 shared, I go why did you take home any checks with on the extension going to the Capital, five of the stops are not intermodal. You don't have any connectivity to the bus. So when you're all sitting there working it out, why didn't you do your job. Because when it came to the 230 VMR employees, they made sure that employee -- or the customers or clients were not the thing that got dealt with because if they did that would make it intermodal. They made sure that it works best for what the rail thinks the rail is.

1. Consent Agenda

Chair Adams said the Consent Agenda which is presented for action. Are there any questions or are there any items that need to be pulled for separate consideration? Seeing none. I request a motion and a second to approve the Consent Agenda?

Motion by Councilmember Harris, second by Vice Mayor Adams.

All in favor? All opposed? Motion carries.

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

2. FY 2024 Operating and Capital Budget Information for Valley Metro Rail

Mr. Kessler said so same intro remarks as the Valley Metro RPTA budget. High level initial look at the budget. Let's see if I can get the clicker to work for me.

So we'll start light rail operations, here's the baseline key numbers for rail for FY24. Streetcar, just want to note here, looking at discrepancy in fare revenue, the current year is only a partial year budget for fare revenues because of the one-year free fare period for that operation.

Looking at the project development. These are a number of projects that are underway and various planning and preliminary design efforts as well as the capital development in administration and system planning budget.

Visual look at the use of funds for the total operating and capital program. Capital activities being the overall majority of the rail program for FY24 and passenger service as being the second largest component.

And in terms of the source of funds, we have member city contributions and federal funds with PTF being the next largest portion of the overall source of funds.

And then on the use of funds, looking at a little bit of detail on the various operations and categories or functions. You have the rail O&M plus security. We have an increase there again. Primarily the increase driven by those wage rate adjustments, the full year impact of that plus the Northwest Extension Phase II operations coming on board midyear FY24. And then streetcar, again there, that increase largely being driven by the increase in the wage rates that was approved by the Board.

And future project development, that just kind of ebbs and flows depending on what sort of studies various cities want looked at and different aspects of the planned projects that are underway, so just want to note there that increase is not necessarily a cost of doing the work but it's more what work is being done, the level of effort.

Looking at the operating source of funds, again, here looking at the member city contributions, federal funds being the primary source there for the operating budget.

And then on capital, here's the various projects underway. South Central and Northwest both well over 50% done. Tempe Streetcar is wrapping up. Gilbert Road is still on here because there's some payments for vehicles related to that project that will be made in FY24 and then the OMC Expansion wrapping up with the guard house being constructed.

And then here's the sources on the capital side. Again, largely federal and member city contributions with some PTF as well contributing to the capital program.

And same schedule we just saw in the RPTA meeting.

Chair Adams said thank you. I need to take a motion on this, right?

Ms. Dillon said no, ma'am. It's for information only.

Chair Adams said no, no action. I don't have any questions. Do you have any questions? Okay. Laura, do you have any questions? Thank you very much.

Mr. Kessler said thank you.

3. Report on Current Events and Suggested Future Agenda Items

Chair Adams said do we have anyone that wants to comment on reports or current events or any agenda items for future meetings? No. Okay.

Seeing none.

3. Next Meeting

The next Board meeting is scheduled for Thursday, April 20, 2023 at 11:15 p.m.

Chair Adams adjourned the meeting.

Without further discussion, the meeting was adjourned at 12:53 p.m.

Information Summary

DATE **AGENDA ITEM 1B**

April 13, 2023

SUBJECT

Facility LED Lighting Replacements Contract Award

PURPOSE

To request authorization for the Chief Executive Officer (CEO) to execute a contract through a Mohave cooperative purchasing agreement with Jenco Inc., for a term of three years with two option years to provide LED Lighting for the Maintenance of Equipment (MOE) offices and shop, the Maintenance of Way (MOW) shop, and the Operations and Maintenance (OMC) yard for a not-to-exceed amount of $805,500.

RECOMMENDATION

Staff recommends that the Board of Directors authorize the CEO to execute a contract through a Mohave cooperative purchasing agreement with Jenco Inc., for a term of three years with two option years to provide LED Lighting for the Maintenance of Equipment (MOE) offices and shop, the Maintenance of Way (MOW) shop, and the Operations and Maintenance (OMC) yard for a not-to-exceed amount of $805,500.

BACKGROUND | DISCUSSION | CONSIDERATION

The OMC construction started in 2006. In that timeframe, a few components have exceeded their useful life expectancy and need to be repaired or upgraded. In the run up to the OMC expansion as part of the South Central / Downtown Hub capital project, replacing all lighting in the facility was considered. But the bid came in much higher than the estimate and was therefore not pursued. However, all the new offices and shop areas that were part of the OMC expansion were all fitted with LED. Valley Metro would like to upgrade the current lighting in the remaining areas to LED lighting, specifically in the following areas:

- MOE & MOW Shop
- OMC Yard
- MOE Offices

Valley Metro Facility Management would like to reduce maintenance, provide for sustainability, and provide better efficiency by replacing the OMC metal halide lights with LED Lighting. The LED lighting upgrade will improve the quality of light which improves safety, reduce maintenance, and reduce energy consumption. This project will begin with replacing 406 shop lights and advance to the OMC yard and MOE building offices.

Valley Metro requires an experienced electrician that has successfully completed this type of lighting replacement. Valley Metro is using a Cooperative Contract with Mohave Educational Services for these services. Cooperative Agreements are contracts that are solicited and awarded by other public entities and whose cooperative language allows Valley Metro to utilize these contracts for goods and services it requires.

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

COST AND BUDGET
The cost for the repairs over the three years with two option years contract is an amount not to exceed $805,500. The cost for the Facility LED Replacements is included in the Valley Metro Rail Proposed FY2023 Operating and Capital Budget. Contract obligations beyond FY2023 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2023 thru FY2027).

The source of funding is from Member Cities.

COMMITTEE PROCESS
RTAG: March 21, 2023 for information
RMC: April 5, 2023 approved
Board of Directors: April 20, 2023 for action

CONTACT
Rob Rosenberg
Deputy Director of Rail Maintenance and State of Good Repair
602-652-5081
rrosenberg@valleymetro.org

ATTACHMENT
None

Information Summary

DATE **AGENDA ITEM 1C**
April 13, 2023

SUBJECT
Asphalt Repairs at Park-and-Rides Contract Award

PURPOSE
To request authorization for the Chief Executive Officer (CEO) to execute a contract with Sundland Asphalt & Construction, LLC, under a Mohave cooperative purchasing agreement for Asphalt Repairs at seven Valley Metro park-and-rides for a not-to-exceed amount of $356,520.

RECOMMENDATION
Staff recommends that the Board of Directors authorize the CEO to execute a contract with Sundland Asphalt & Construction, LLC, under a Mohave cooperative purchasing agreement for asphalt repairs at seven Valley Metro park-and-rides for a not-to-exceed amount, at a cost of $356,520.

BACKGROUND | DISCUSSION | CONSIDERATION
Valley Metro Facility Management has identified seven park-and-rides that require asphalt repair or crack fill, seal coat, and re-striping to keep the facilities in a good state of repair. The park and ride lots that require asphalt repair are as follows:

- Gilbert
- Mesa Dr / Main St
- Price / Apache Blvd
- 7th / Camelback
- 19th / Camelback
- 19th / Montebello
- Dunlap / 19th

Valley Metro is using a Cooperative Contract from Mohave Educational Services for these services. Cooperative Agreements are contracts that are solicited and awarded by other public entities and whose cooperative language allows Valley Metro to utilize these contracts for goods and services it requires.

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

COST AND BUDGET
The cost for the repairs is an amount not to exceed $356,520. The cost for the asphalt repairs is included in the Valley Metro Rail Proposed FY2023 Operating and Capital Budget. Contract obligations beyond FY2023 are incorporated into the Valley Metro Rail Five-Year Operating Forecast and Capital Program (FY2023 thru FY2027).

The source of funding is from member cities.

COMMITTEE PROCESS
RTAG: March 21, 2023 for information
RMC: April 5, 2023 approved
Board of Directors: April 20, 2023 for action

CONTACT
Rob Rosenberg
Deputy Director of Rail Maintenance and State of Good Repair
602-652-5081
rrosenberg@valleymetro.org

ATTACHMENT
None

Information Summary

DATE
April 13, 2023

AGENDA ITEM 1D

SUBJECT
Station Names for the South Central Extension/Downtown Hub Project

PURPOSE
To request authorization to establish formal names and points of interest for the light rail stations being constructed as part of the South Central Extension/Downtown Hub project between Lincoln Street and Baseline Road.

RECOMMENDATION
Staff recommends that the Board of Directors approve the names and points of interest as listed in Attachment A in support of the South Central Extension/Downtown Hub project.

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

Station naming in the Downtown Hub portion of the project will be proposed in a separate board action at a later date.

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

COMMITTEE PROCESS
RTAG: February 21, 2023 for information
RMC: April 5, 2023 approved
Board of Directors: April 20, 2023 for action

CONTACT
Henry Ikwut-Ukwa, P.E.
Chief, Capital and Service Development
hukwa@valleymetro.org

ATTACHMENTS
A. Draft Station Names
B. Station Naming Policy

ATTACHMENT A
DRAFT STATION NAMES

FULL STATION NAMES	ABBREVIATED NAME	POINT OF INTEREST (POI)
Lincoln Street/Central Avenue	Lincoln/Central Ave	Warehouse District Carver Museum
Lincoln Street/1st Avenue	Lincoln/1st Ave	Grant Park
Buckeye Road/Central Avenue	Buckeye/Central Ave	Central Park Central City South
Pioneer Street/Central Avenue	Pioneer/Central Ave	Rio Salado Audubon Center
Broadway Road/Central Avenue **Martin Luther King Jr. Boulevard/Central Ave**	Broadway/Central Ave MLK Blvd/Central Ave	Ed Pastor Transit Center Travis Williams Family Center
Roeser Road/Central Avenue	Roeser/Central Ave	
Southern Avenue/Central Avenue	Southern/Central Ave	South Mtn Community Center
Baseline Road/Central Avenue **Cesar Chavez Boulevard/Central Avenue**	Baseline/Central Ave Cesar Chavez Blvd/Central Ave	South Mtn Park/Preserve

ATTACHMENT B
STATION NAMING POLICY
(REVISED)

Station Names

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

Rail stations shall be named using the following standard criteria:

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

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

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

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

Point Of Interest Naming Policy

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

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

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

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

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

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

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

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

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

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

Adopted by Valley Metro Rail Board of Directors on September 29, 2004.

Information Summary

DATE **AGENDA ITEM 2**
April 13, 2023

SUBJECT
2023 Transit Life Cycle Program - Rail Update

PURPOSE
To present the draft 2023 TLCP Rail Update for approval.

RECOMMENDATION
Staff recommends that the Board of Directors approve the 2023 Transit Life Cycle Program Update.

BACKGROUND | DISCUSSION | CONSIDERATION
The TLCP was developed in 2005 to provide guidance for the implementation of the transit component of the Regional Transportation Plan. The TLCP includes Guiding Principles, policies, procedures, and financial forecasts to ensure that the program is balanced. Information presented in the TLCP is a 20-year summary encompassing the life of the Transportation Excise Tax authorized in Prop 400.

The most recent approved update to the TLCP was in September 2019. The COVID-19 pandemic created heightened uncertainty and risks relating to revenue forecasts and expenses. As a result, no TLCP update was completed in 2020-2022. However, a TLCP update for information was provided to the Board in June 2021 and a subsequent update was provided to the Audit and Finance Subcommittee in January 2022. Since the start of the pandemic, revenues have far exceeded projections. Although fare revenue collections and projections have decreased significantly, these losses have been more than offset by higher-than-expected PTF collections, a higher PTF forecast, and a large amount of federal COVID relief money.

ADOT released its most recent official forecast in October 2022. The 2023 TLCP Update, which uses the updated forecast has an increase of $99 million in total VMR PTF revenues compared to the 2019 update.

Fiscal Year	2018 Forecast	2022 Forecast	$ Change	% Change
FY19 *(Actuals)*	$67,157,000	*$67,230,000*	$73,000	0.1%
FY20 *(Actuals)*	70,857,000	*70,491,000*	(366,000)	-0.5%
FY21 *(Actuals)*	74,788,000	*80,272,000*	5,484,000	7.3%
FY22 *(Actuals)*	78,604,000	*95,728,000*	17,124,000	21.8%
FY23	82,722,000	103,687,000	20,965,000	25.3%
FY24	86,638,000	106,955,000	20,317,000	23.5%
FY25	90,872,000	112,441,000	21,569,000	23.7%
FY26	55,349,000	69,000,000	13,651,000	24.7%
Total	**$606,987,000**	**$705,804,460**	**$98,817,000**	**16.3%**

NOTE: Numbers in italics indicate actuals.

Federal COVID Relief - Capital

The region was awarded $99 million in Capital Improvement Grant (CIG) money from the American Rescue Plan Act (ARP Act). $81.3 million was awarded for the South Central/Downtown Hub (SCE/DH) and $17.4 million was awarded for the Valley Metro Streetcar (TSC). The $81.3 million is going to Phoenix to offset its local contributions for SCE/DH. The $17.4 million for TSC will supplant PTF funds used in the TLCP.

Advanced/Additional CIG Appropriations

The 2022 Federal Appropriations advance appropriated the remaining CIG money in their Full Funding Grant Agreements for SCE/DH and Northwest Phase II (NWEII). SCE/DH and NWEII were appropriated $232.1 million and $58.1 million, respectively.

The 2023 Federal Appropriations included an additional $21.1 million appropriation of CIG money for SCE/DH. This supplanted an equivalent amount of City of Phoenix T2050 money that was allocated for the project.

Rail/High-Capacity Transit Program

This update makes changes to the adopted 2019 TLCP Update. Among the major changes are changes in the cost estimates for the Capitol, Gilbert Road, Valley Metro Streetcar, Northwest Phase II, South Central/Downtown Hub, I-10 West, the Fare Collection System Modernization project, and project development.

Below is a summary of the proposed changes to the projects.

Capitol – The project cost has increased to $531 million. Cost projection increases are due to additional estimated track miles, industry and materials price increases relating to inflation and supply chain issues, and an updated utility relocation assessment that includes high-tech communications around the Capitol area. The timeline of this project has been delayed and some of these capital construction costs will be incurred after the expiration of Prop 400. The entire PTF contribution to the project is programmed during

Prop 400, but a significant amount of funding for the project is provided by the City of Phoenix and federal funds after the expiration of Prop 400. The project is currently in the planning phase.

Gilbert Road – The project cost forecast has decreased to $182 million. The cost decrease is due not spending all the programmed contingency. This extension is operational, but there are still some outstanding expenses for light rail vehicle purchases.

Tempe Streetcar (TSC) – ARP Act funding frees up PTF to be used for various project enhancements. $8 million of PTF is reprogrammed to provide funding for TSC enhancements including signals, drainage, safety, and operational improvements.

Northwest Phase II – Since the last update, the FTA project cost increased to $401 million to account for financing costs being added to the project. The updated project cost matches the total in the Full Funding Grant Agreement. Some additional PTF money is programed for art projects.

South Central/Downtown Hub – Since the last update, the FTA project cost increased to $1.345 billion to account for financing costs being added to the project in addition to adjustments to escalation forecasts and contingencies. The updated project cost matches the total in the Full Funding Grant Agreement. Additional costs are associated with Concurrent Non-Project Activities (CNPAs). $9 million is programmed for the Third Avenue Loop, which will serve as the East/West turnback of the line to Mesa. The Third Avenue Loop will be considered a regional asset. Moreover, some additional PTF money is programed for art projects.

I-10 West – The TLCP no longer includes the construction for 10WEST in Prop 400 since the project is now included in the Prop 400 Plan.

Fare Collection System Modernization – The TLCP programs $7 million in PTF in FY2022-FY2024 for civil site work that is required to install the new standalone validators and Fare Vending Machines (FVMs) at existing rail platforms as part of the regional Fare Collection System Modernization (FCSM) project currently underway. The civil site work includes the rerouting of electrical and communications conduits and building new foundations. This money also includes some funding for the validator and FVM equipment.

Project Development – The TLCP programs an additional $16 million of PTF money for project development, which includes $15 million for 10WEST and $1 million for the West Phoenix High-Capacity Transit Study.

Corridor	2019 TLCP Open Year	2023 TLCP Open Year
Tempe Streetcar	2021	2022
Capitol	2023	2027*
Northwest Phase II	2023	2024
South Central	2023	2024
West Phoenix	2040	2040
I-10 West	2030	2030*
Northeast Phoenix	2040	N/A

NOTE: Calendar years are shown.

**The dates are shown are for budget programming purposes. The Capitol and I-10 West projects are in the project development phase. Project schedules will be refined as development continues.*

OUTSTANDING ISSUES/RISKS

Currently, the rail program financial model is balanced, with a surplus of $16 million of PTF remaining at the end of Prop 400, which satisfies the Working Capital Requirement.

In the event that PTF or federal revenues are insufficient to cover project costs, capital costs may shift to the relevant member cities.

COST AND BUDGET

The proposed changes to the TLCP rail model have already been incorporated into the proposed FY2024 Operating and Capital Budgets and the Five-Year Operating and Capital Forecasts. Revenues and expenditures forecast within the TLCP are balanced as required by State Statute.

COMMITTEE PROCESS

RTAG: March 29, 2023 for information
RMC: April 5, 2023 approved
Board of Directors: April 20, 2023 for action

CONTACT

Ken Kessler
Chief Financial Officer
kkessler@valleymetro.org

ATTACHMENT

None

Transit Life Cycle Program 2023 Model Update - Rail

April 2023

1

Transportation Excise Tax

Proposition 400 approved in November 2004

- Half-cent sales tax for Maricopa County
  - Extension of tax approved in 1985 for freeway improvements
  - Provides funding for freeway, arterial and transit improvements
  - Funding allocations are in State statutes and revenues cannot be transferred between programs
    - 33.3% for transit program
    - 56.2% for freeway program
    - 10.5% for arterial program

2

2

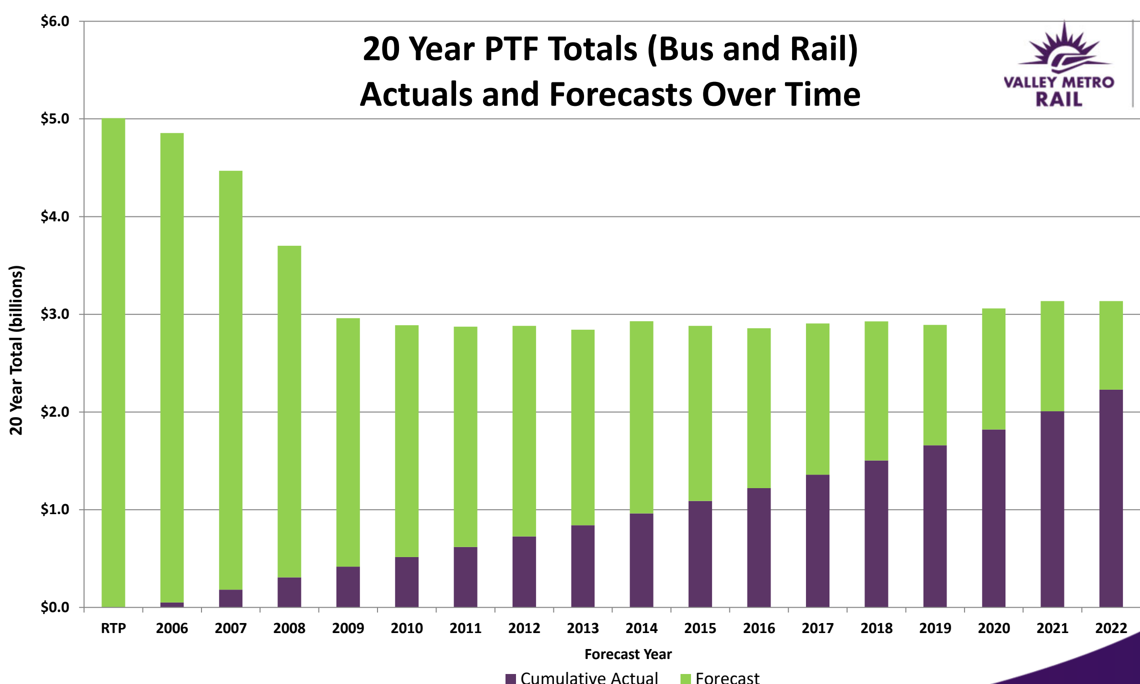
TLCP Policy Allocations

RPTA Board adopted policies for TLCP Oct 2005

- Transit PTF allocated to bus and rail programs
  - 56.76% annually to bus program
  - 43.24% annually to rail program
- Each program has a financial model to ensure balanced revenues and expenditure

3

3



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Overview

- Most recent approved update to the TLCP was September 2019
- COVID-19 pandemic created heightened uncertainty and risks to revenue forecasts and expenses
  - No TLCP update completed in 2020-2022
- TLCP updates for information was provided to the Board in June 2021 and to the AFS in January 2022
- Since pandemic, revenues have far exceeded projections
  - PTF – higher actuals and forecast
  - Large amount of COVID relief money
  - Fare revenue collections and projections decreased significantly but were more than offset by the other revenue gains

5

5

Rail PTF: 2022 vs. 2018 ADOT Forecasts

($ in Millions)

Fiscal Year	2018 Forecast	2022 Forecast	$ Change	% Change
FY19 (Actuals)	$67,157,000	*$67,230,000*	$73,000	0.1%
FY20 *(Actuals)*	70,857,000	*70,491,000*	(366,000)	-0.5%
FY21 *(Actuals)*	74,788,000	*80,272,000*	5,484,000	7.3%
FY22 *(Actuals)*	78,604,000	*95,728,000*	17,124,000	21.8%
FY23	82,722,000	103,687,000	20,965,000	25.3%
FY24	86,638,000	106,955,000	20,317,000	23.5%
FY25	90,872,000	112,441,000	21,569,000	23.7%
FY26	55,349,000	69,000,000	13,651,000	24.7%
Total	**$606,987,000**	**$705,804,000**	**$98,817,000**	**16.3%**

6

6

COVID Relief for VMR Operations

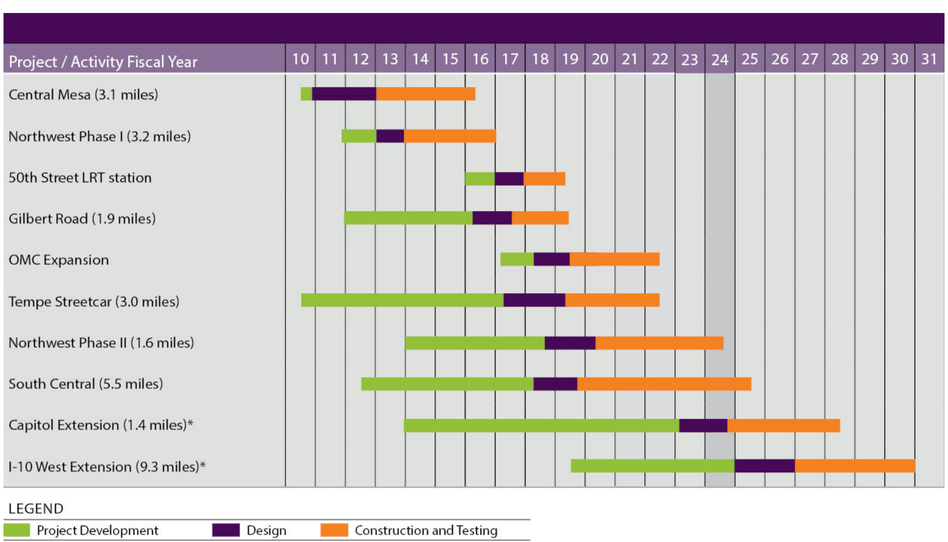
COVID Relief Bill	Operations Funding
CARES Act	$ 45,123,200
CRRSA Act	$ 20,589,007
ARP Act	$ 50,255,694
Total	**$ 115,967,901**

This money offsets member city contributions for VMR operations and maintenance.

7

7

Capital Project Schedule



*Capitol Extension and I-10 West Extension are in project development phases. Project schedules will be refined as development continues.

8

8

Start of Revenue Service

Changes Since 2019 Update

Corridor	2019 TLCP Open Year	2023 TLCP Open Year
Tempe Streetcar	2021	2022
Capitol	2023	2027
Northwest Phase II	2023	2024
South Central/DH	2023	2024
West Phoenix	2040	2040
I-10 West	2030	2030
Northeast Phoenix	2040	N/A

9

Capital Project Changes from 2019

- Gilbert Road – cost estimate decrease
  - Project underruns/underutilized contingency
- Tempe Streetcar – ARPA funding frees up PTF for project enhancements
- Northwest Phase II – cost estimate increase
  - Increased costs due to financing costs being added
- South Central/Downtown Hub – cost estimate increase
  - Increased costs largely due to financing costs being added
- Capitol – cost estimate increase
  - Additional track miles; increased construction costs; high-tech communications replacements around Capitol; inflation
  - Non-PTF costs not fully captured during Prop 400

10

10

Other Project Changes from 2019

- I-10 West deferred beyond Prop 400
- Fare Collection System Modernization
- \$9 M in PTF for 3rd Ave Loop (SCE/DH PTF-funded CNPA)
- Additional \$16M of PTF for project development

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11

Capital Funding Changes from 2019

- Full Funding Grant Agreement (FFGA) for the SCE/DH in December 2020
- FFGA for NWEII in November 2021
- ARPA includes \$81.3 M in additional federal CIG money for SCE/DH and \$17.4 M for TSC

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Advanced/Additional CIG Approps

- 2022 Federal Appropriations
  - SCE/DH: $232M
  - NWEII: $58M
- 2023 Federal Appropriations
  - SCE/DH: Additional $21M

13

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2023 Corridor Cost Estimates

	2019 Update	Base	Utilities	2023 Total	Change
Central Mesa	$185.1	$181.0	$0.6	$181.6	($3.5)
Northwest Phase I	$323.1	$292.0	$31.1	$323.1	$0.0
Gilbert Road	$184.1	$179.0	$0.0	$179.0	($5.1)
Tempe Streetcar	$192.4	$193.2	$5.7	$198.9	$6.5
Capitol	$257.1	$127.5	$0.0	$127.5	($129.6)
Northwest Phase II	$376.3	$318.8	$83.2	$402.0	$25.7
South Central/DH	$1,275.0	$1,136.0	$226.4	$1,361.2	$86.2
West Phoenix	$0.0	$0.0	$0.0	$0.0	$0.0
I-10 West	$215.6	$0.0	$0.0	$0.0	($215.6)
Northeast Phoenix	$0.0	$0.0	$0.0	$0.0	$0.0
Sub-Total Corridor Extensions	**$3,008.7**	**$2,427.5**	**$347.0**	**$2,773.4**	**($235.5)**

NOTE: Totals shown include the FTA project amount + PTF programmed for art or enhancements during Prop 400.

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2023 Other Capital Costs

Other Capital Expenditures	2019 Update	Base	Utilities	2023 Total	Change
LRV Acquisition	$98.7	$101.6	$0.0	$101.6	$2.9
50th Street Station	$24.4	$23.6	$0.0	$23.6	($0.8)
OMC Expansion	$68.2	$59.6	$0.0	$59.6	($8.6)
CP/EV Regional Reimbursements	$272.4	$198.8	$73.6	$272.4	$0.0
State of Good Repair	$46.8	$58.2	$0.0	$58.2	$11.4
Systemwide Improvements	$29.4	$35.1	$0.0	$35.1	$5.7
Corridor Planning/CPDA	$58.4	$73.5	$0.0	$73.5	$15.1
Design Standards & System Planning	$101.1	$106.3	$0.0	$106.3	$5.2
Sub-Total Other Capital	**$699.4**	**$656.7**	**$73.6**	**$730.3**	**$30.9**

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2023 Capital Revenues

Revenues	2019 Update	2023 Update	Change	% Change
PTF	$1,258.5	$1,355.6	$97.1	7.7%
FTA 5309	$1,045.6	$1,003.3	($42.3)	-4.0%
CMAQ	$423.9	$431.5	$7.6	1.8%
Other federal	$40.7	$42.0	$1.3	3.2%
Phoenix T2050	$906.1	$671.7	($234.4)	-25.9%
Mesa	$14.1	$15.2	$1.1	7.8%
Glendale	$0.1	$0.1	$0.0	0.0%
Tempe	$13.2	$16.3	$3.1	23.5%
Chandler	$0.7	$0.8	$0.1	14.3%
MAG / RPTA	$23.4	$19.9	($3.5)	-15.0%
Interest / Other	$3.5	$3.8	$0.3	8.6%
Sub-Total Capital Revenue	**$3,729.8**	**$3.560.2**	**($169.6)**	**-4.5%**

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2023 Cash Flow Summary

			TLCP Totals	Funding Surplus/ (Shortfall)
Total Program Revenues			$3,560.2	
Total Base Program Cost			($3,053.1)	
Funding surplus before PTF utility expenses and financing				$507.1
Non-Prior Right Utility Relocations			($420.6)	$86.5
Financing Needs anticipated:	Proceeds	Debt Service		
Series 2009/2016/2019	$76.7	($102.7)		
Series 2014	$115.0	($156.9)		
Advance Funds by Phoenix	$60.0	($62.3)		
Total Financing	$251.7	($321.9)	($70.2)	
Total Program Cost 2026			($3,543.9)	
Net Fund Balance				**$16.3**

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Risks/Outstanding Issues

- PTF fully programmed
  - Ending balance of $16M, which satisfies the Working Capital Requirement policy
- Any significant shortfall in PTF collections would result in capital cost shifts to the relevant member cities

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Recommendation

Staff recommends that the Board of Directors approve the Transit Life Cycle Program Update.

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Information Summary

DATE
April 13, 2023

AGENDA ITEM 3

SUBJECT
Report on Current Events and Suggested Future Agenda Items

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

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION
None

COMMITTEE ACTION
None

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ATTACHMENT
None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date