Meetings of
BOARDS OF DIRECTORS

Joint Boards of Directors

Valley Metro RPTA

Valley Metro Rail

Date:
February 19, 2026

Starting Time:
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, please go to the 14th floor or call 602.262.7433.

Agenda

February 12, 2026

Joint Meeting Agenda
Valley Metro RPTA
And
Valley Metro Rail
Thursday, February 19, 2026
Valley Metro, 101 N. 1st Avenue, 10th Floor - Boardroom/You Tube
11:15 a.m.

	Action Recommended
1. Public Comment	1. For Information
The public will be provided with an opportunity at this time to address the committees on **non-agenda items and all action agenda items 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 on current issues.	
3. Audit and Finance Subcommittee Update	3. For information
Councilmember White, AFS Chair, will provide an update on the discussions and actions taken at the February AFS meeting.	

CONSENT AGENDA

4A. Minutes	4A. For action
Minutes from the January 22, 2026 Joint Board meeting are presented for approval.	
4B. Fare Media and Fulfillment Authorization to Issue a Solicitation	4B. For action
Staff recommends that the Boards of Directors authorize the Chief Executive Officer to issue a competitive solicitation to provide the printing, packaging, and distribution materials for fare media consumables.	

REGULAR AGENDA	
5. Travel and Expenditures The monthly travel and expenditures for Valley Metro RPTA and Valley Metro Rail are presented for information.	5. For information
6. Report on Current Events and Suggested Future Agenda Items Chair Adams will provide members the opportunity to report on current events and suggest future agenda items for consideration.	6. For information
7. Next Meeting The next meeting of the Joint Boards is scheduled for **Thursday, March 26, 2026 at 11:30 a.m.**	7. 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.

Executive Summary

DATE **AGENDA ITEM 1**
February 12, 2026

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.

RECOMMENDATION
This item is presented for information only.

BACKGROUND | DISCUSSION | CONSIDERATION
None

COST AND BUDGET
None

COMMITTEE PROCESS
None

CONTACT
Jessica Mefford-Miller
jmeffordmiller@valleymetro.org

ATTACHMENT
None

Executive Summary

AGENDA ITEM 2

DATE
February 12, 2026

SUBJECT
Chief Executive Officer’s Report

COST AND BUDGET
There are no costs associated with this item.

RECOMMENDATION
This item is presented for information only.

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

ATTACHMENT
None

Executive Summary

DATE
February 12, 2026

AGENDA ITEM 3

SUBJECT
Audit and Finance Subcommittee (AFS) Update

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

BACKGROUND | DISCUSSION | CONSIDERATION
The Audit and Finance Subcommitte met on Thursday, February 5, 2026.

COST AND BUDGET
None

COMMITTEE PROCESS
None

RECOMMENDATION
This item is presented for information only.

CONTACT
Ken Kessler
Chief Financial Officer
kkessler@valleymetro.org

ATTACHMENT
None.

Meeting Minutes

February 12, 2026 **AGENDA ITEM 4A**

Joint Boards of Directors
Thursday, January 22, 2026
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

RPTA Meeting Participants
Councilmember Jennifer Adams, City of Tempe – **Chair**
Councilmember Max White, City of Avondale **– Vice Chair** (phone)
Councilmember O.D. Harris, City of Chandler
Councilmember Peggy McMahon, Town of Fountain Hills (phone)
Councilmember Monica Dorcey, City of El Mirage
Councilmember Kenny Buckland, Town of Gilbert (phone)
Vice Mayor Lauren Tolmachoff, City of Glendale
Vice Mayor Wally Campbell, City of Goodyear
Supervisor Steve Gallardo, Maricopa County
Councilmember Francisco Heredia, City of Mesa (phone)
Vice Mayor Jon Edwards, City of Peoria (phone)
Councilmember Laura Pastor, City of Phoenix
Councilmember Jeff Brown, Town of Queen Creek (phone)
Councilmember Maryann McAllen, City of Scottsdale
Councilmember Earle Greenberg, City of Surprise (phone)
Councilmember Jennifer Adams, City of Tempe
Councilmember Jimmy Davis, City of Tolleson (phone)
Mayor BG Bratcher, Town of Wickenburg (phone)
Mayor Michael LeVault, Town of Youngtown (phone)

Members Not Present
Councilmember Jamine Berry, City of Buckeye
Councilmember Francisco Heredia, City of Mesa

Valley Metro Rail Participants
Councilmember Laura Pastor, City of Phoenix – **Chair**
Councilmember Jennifer Adams, City of Tempe – **Vice Chair**

The Chair called the meeting to order at 11:18 A.M.

Ms. Muller said good morning. I'll now call the roll.

Roll call by Lisa Muller.

City of Avondale, Councilmember Maxine White? Present.
City of Buckeye, Councilmember Jamaine Berry?
City of Chandler, Councilmember OD Harris?
City of El Mirage, Councilmember Monica Dorsey? Present.
Town of Fountain Hills, Councilmember Peggy McMahon? Present.
Town of Gilbert, Councilmember Kenny Buckland? Here.
City of Glendale, Vice Mayor Lauren Tolmachoff? Here.
City of Goodyear, Vice Mayor Wally Campbell? Here.
Maricopa County Supervisor, Steve Gallardo? Here.
City of Mesa, Councilmember Francisco Heredia?
City of Peoria, Councilmember Jon Edwards? Here.
City of Phoenix, Councilmember Laura Pastor? She's here.
Town of Queen Creek, Councilmember Jeff Brown? Good morning, I'm here.
City of Scottsdale, Councilmember Mary Ann McAllen? Present.
City of Surprise, Vice Mayor Earle Greenberg? Here.
City of Tempe, Councilmember Jennifer Adams? Here.
City of Tolleson, Vice Mayor Jimmy Davis? Present.
Town of Wickenburg, Mayor B.G. Bratcher? Present.
Town of Youngtown, Mayor Michael LeVault? Yes, I'm here.

Ms. Muller said great. Thank you.

Ms. Mefford-Miller said Madam Chair, I think we may proceed.

Chair Adams said thank you very much. If a committee member would like to ask a question or make a comment during the meeting, please type your comment in the box and it will be read aloud and answered. All meeting attendees, please mute your computer, microphone, or phone.

1. Public Comment

Chair Adams said number 1 is public comment.

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Do we have any speakers today?

Ms. Muller said no ma'am. There are none today.

Chair Adams said thank you.

2. Chief Executive Officer’s Report

Chair Adams said number 2 is the Chief Executive Officer's Report. Jessica Mefford-Miller will now provide her Chief Executive Officer's Report. I just call her Jessica all the time.

Ms. Mefford-Miller said That certainly works for me.

Good morning, Madam Chair, members of the board. Welcome to our first board meeting of 2026. Welcome back to the RPTA board Queen Creek Councilmember Jeff Brown, I see you joining us virtually, Councilmember Brown. Happy to have you back serving on the board. Thank you for your service.

I would like to give you a little bit of an update on things we've been working on since we last came together in November. A lot of some of the highlight items today are really focused on engaging with the community.

Our bus network redesign is well underway. Valley Metro staff and contractors are working in close partnership with the staff from our member communities, and we completed the first phase of our bus network redesign public engagement in the fall. We received over 4500 surveys and 500 individual comments. This was really a conversation with our riders about how the service is or isn't working for them so that we can incorporate that into our redesign.

Within the construct of our new public engagement plan that was shared with this board last year, we're conducting more engagement opportunities where our riders and members of the community are. That included on-system pop-up events, including 34 pop-up events. We often partnered with local businesses like coffee shops to host events near and on the system. We also conducted open houses and listening sessions for our bus operators. We are deepening in our engagement with our frontline team. They are the experts who are out there delivering our service every day, and their input matters. We also conducted focus groups to get a deeper dive.

And next steps for our engagement for bus network redesign will include board and member city conversations. Look for that in 2026.

And again, we have a committee of member city staff that's working closely with the team on this project, and we'll be taking that route-specific feedback and creating concepts for the public to provide input on. We are working toward a spring 2027 implementation date for the bus network redesign.

Next month, Michael Eshelman, our Deputy Chief of Service Planning, will be back to the board with an update on the bus network redesign.

We also celebrated the holidays of quite --

Chair Adams said Jessica, can I just interrupt you for a second?

Ms. Mefford-Miller said yes, ma'am.

Chair Adams said on the surveys, can we have like surveys, a comparison from last year surveys to this year, like a graph that shows how we're doing?

Ms. Mefford-Miller said so this engagement was specific to the bus network redesign, so it's really the first of its kind.

Chair Adams said oh, I see.

Ms. Mefford-Miller said this will be the first time in 20 years that we've had a comprehensive conversation with the community about bus service. So some of those conversations have been reintroducing ourselves to the community and really getting their input. And that's why this is going to be a multi-phase approach, but we're going to keep you posted along the way.

Chair Adams said great. Thank you.

Ms. Mefford-Miller said thank you, Madam Chair.

Vice May Davis said Did you say 20 years?

Chair Adams said 20 years.

Ms. Mefford-Miller said I did.

Vice Mayor Davis said Okay.

Ms. Mefford-Miller said I did. We've had a number of service changes, and we engage the public. Historically, we've conducted service changes twice a year. We're now conducting some service changes up to four times a year, most of them minor changes. Think adjusting running time so that we can achieve better on-time performance. And we've made great strides with our service performance in this fashion.

But this is a comprehensive look at the whole system. So rather than focusing on a subset of routes or extending a route to a new activity center, we're looking at the whole thing. And this really helps support the rollout and the movement toward Prop 479, which I'll talk about in just a minute.

Vice Mayor Davis said, that is pretty important considering it has been 20 years considering the growth (inaudible from Chair Adams) – I don’t even know which one this is . . . Considering the growth the Valley has had in the last, in my lifetime, I can't imagine it's just been 20 years. There's a million, two, three, four million more people probably. I don't know.

Ms. Mefford-Miller said and there have been changes, just not that comprehensive look at the entire system. And it's important to remember that it is a system. And while someone might use one route for their daily travel, it might take multiple routes to reach their destination. So how that system works together matters greatly.

Vice Mayor Davis said, “Thank you.

Councilmember Pastor said Jessica, I relate this to the West side design or corridor that MAG is doing. And I'm not sure if I'm really naming it correctly, but that's like the bus network -- looking at the network and where the network is and how the network's moving along with mainly Phoenix who manages or who manages but coordinates how we move seamlessly.

Ms. Mefford-Miller said right. The idea is to facilitate seamless flow on transit across the region, whether you're starting in the West Valley and ending up in Phoenix or traversing the entire Valley. And that's where we think that we have some work to do.

We've got a strong network of routes on a grid system. Traveling between them can be challenging, even in the best of weather like we're having right now. But we're looking at the connections between them. That's why engaging with our communities is a huge part of this process.

And then we'll also look at how -- kind of the finer details, like how we actually build up those schedules so that customers can, as seamlessly as possible, transfer. And that's what Michael's going to be back talking about in February.

Councilmember Pastor said I have one more question. Would this redesign also include future light rail?

Ms. Mefford-Miller said no.

Councilmember Pastor said okay.

Ms. Mefford-Miller said thank you for that question, Madam Chair, members of the board. The bus network redesign is explicitly focused on bus service to the exclusion of light rail.

This also does not include high-capacity bus projects such as bus rapid transit. So this is really the underlying framework of the transit system outside of those high-capacity routes. And I think it's important to remember that every day, 70% of Valley Metro riders are getting on board bus.

Councilmember Pastor said okay. I get that. I understand it. I'm assuming there will be one in the future.

Ms. Mefford-Miller said yes.

Councilmember Pastor said thank you.

Ms. Mefford-Miller said yes, Madam Chair, Councilmember.

Vice Mayor Davis said I would say 70% of the riders are on the bus because there's not equitable access to the light rail, particularly in the West Valley. But that's all.

Ms. Mefford-Miller said thank you, Councilmember.

Where we do have light rail, we did have a number of wonderful celebrations that I want to mention. Again, and through the lens of engaging with the community and meeting the people where we are. The weekend of December 12th, we hosted the Mesa Santa Express in coordination with Merry on Main. This is a wonderful event. We've hosted it for a number of years. Very successful. I'm very grateful for the dedication and the work of our community engagement team and our many volunteers from across not just Valley Metro, but our member communities who allowed us to deliver these wonderful celebrations.

Not to be outdone over on the Beeline, we also celebrated with Santa at the Thelda Williams Transit Center and Metro Parkway Station on December 7th. We had members of the community join us. The man in red himself made a guest appearance.

And we also conducted our first, what I'd like to think of as the first annual Holiday Fiesta on Central on December 19th. This was a wonderful event. We had over 600 members of the community on that Friday evening celebrate with us. We had vendors that featured some of the many small businesses on the South Central Corridor and allowed people like me to finish up some of that last-minute holiday shopping with those small businesses and food vendors.

We've been looking forward to this event for a long time. Last year at the urge of Council, we completed some finish paving and signage and lighting to welcome shoppers back to South Central, even while we were completing construction on the South Central extension. And now that it has been open for seven months, we are glad that our southernmost station at Central and Baseline it's not only the third busiest station in our system already, but this is a hub of activity and a gathering place for the community.

We also made national headlines in the month of December. The American Public Transit Association highlighted transit systems that are experiencing high ridership. Valley Metro ranked in the top five for ridership growth nationally from mid-size agencies like ours.

This story highlighted the 8% ridership growth that occurred on the Valley Metro system between fall 2023 and 2024. They're pulling from National Transit database data, so those numbers are a little bit in the rears, but I am pleased to tell you we have 7.3% ridership growth in the period from 2024 to 2025. This growth reflects the more reliable service that our riders are experiencing across the bus and rail systems, service frequency improvements, major investments in momentum across the system, and our continued focus on customer safety, security, and rider experience. So we are pleased to be holding our place in line among the top peers across the industry.

I also want to provide an update on an item coming to this board in the month of February, so do a little bit of foreshadowing. Valley Metro has been moving through a number of leases. Earlier in the fall, we did approve a new lease for our Mobility Center, which is located at 44th Street and Washington. At the end of this fiscal year, on June 30th, the lease on this building, we call it our headquarters location, or the 101 building, is set to expire.

Angie DeVore, Interim Chief Administrative Officer, has done a wonderful job of leading efforts to engage with our broker and potential offers in this space to find a new lease. Our current occupancy in this building -- to give you an idea of the order of magnitude that we're working with, in this building, we have 259 team members and contractors. Of that 259, 30 are contractors, 9 are City of Phoenix staff who are embedded with us here. That number has increased 58% or by a head count of 95 since 2017. 2017 was the last time we added square footage. Our current square footage is 70,316 square feet. Long term, we anticipate we might need closer to 74,000.

Our current strategy for the lease is this. We are taking a fiscally conservative near-term approach. So we'll come back to this board with a potential lease in February, looking at the space, we would need for the next 18 to 24 months. So we're not forecasting growth in additional positions.

Here's what we've been doing to actually limit our space requirements. We're leveraging office sharing and flexible workspace solutions, sometimes called hoteling. We're also doing desk sharing and hot-desking. Hot-desking is we've got a suite of desks and it's first come, first served. We've converted a number of our single offices to multi-occupancy, so we might have two people in what was otherwise a single office. And we're working to optimize utilization and sharing. Also really creating -- now this is moving forward in a new lease, creating more standard office sizes, so that we're maximizing our footprint, minimizing the shared spaces like conference rooms, so that we can ensure that every square footage is being consumed.
We did receive feedback.

Chair Adams said Jessica, I have a couple members that want to –

Councilmember Pastor said I have a question because it was brought to my attention and you mentioned it right now. It was about City of Phoenix staff. Can you give me some clarity on that?

Ms. Mefford-Miller said I will, yes. So City of Phoenix staff that hold office spaces in this building are typically those team members who are focused on capital project delivery. So currently there are nine office spaces reserved for City of Phoenix staff, and this is an agreement with City of Phoenix.

What we'd like to do -- and we received feedback by the way on this item from RTAG, which was held Monday or Tuesday of this week. What we'd like to do is try to skinny down that square footage requirement creating an opportunity to add space in the future as needed if system expansion or projects dictate, but not assuming that space will be needed.

As you're aware, we are in the process of closing out our most recent mega capital project, the South Central Extension, and so we'll enter a period, length of the period to be determined, where we're not in an active build mode. We are also in planning and design on the Rio East Dobson Streetcar Extension, so we typically have contractors or city staff embedded, but there are some things that we can do. We think it could be adding space in the future that we're not incorporating into a lease today, or it could be relying on spaces that are owned and occupied by those cities or contract firms.

Councilmember Pastor said so it's actual city staff -- employed by city staff? Like they're not contractors?

Ms. Mefford-Miller said thank you, Madam Chair, Councilmember, correct.

Councilmember Pastor said okay.

Ms. Mefford-Miller said thank you.

Chair Adams said we have another question. Councilmember Tolmachoff, it's all yours.

Councilmember Tolmachoff said thank you. Well, I'm just pleased to see that Valley Metro is willing to take a look. I know Jessica and I had this conversation about rather than increasing the space taking a good hard look at our footprint, and this has been kind of an ongoing conversation for quite some time. That we, you know, I mean, this is very expensive real estate, and especially, you know, making a commitment for space for, I think, to 2042 right now seems like we would be paying for space that we don't even really need right now. And I mean, with the new flex works schedule, hybrid schedule, this seems to be working well I understand, you know some people need to be in the office every day, but not everyone needs to be in the office every day. And, you know, lots and lots of organizations are finding huge savings with flex works schedules and saving a lot of money on rent.

And, you know, given the current climate and what our deliverables are and what we, you know, are the reasons that Valley Metro exists, I'm all about conservative. So I appreciate the idea that you're taking a good hard look at this, and I welcome the conversation in February. Thank you.

Ms. Mefford-Miller said thank you, Madam Chair, Councilmember Tolmachoff.

Chair Adams said good. Okay. Go ahead.

Ms. Mefford-Miller said finally, I want to just do a little bit of foreshadowing regarding a study session that we're planning for next month on February 19th on Prop 479. So we are now 22 days into the Prop 479 era, signalizing stable funding, continued support for public transportation across the region for the next 20 years, which will contribute to our ability to deliver a dynamic and growing transit system.

As part of that, we, together with our partners at MAG, are going to have to transition from the 400 era with its associated policies into a 479 era. The study session in February will be jointly conducted by MAG and Valley Metro staff. This will be an opportunity to walk board and city staff present in the room through the next steps that are so deserving of discussion and your input. We will provide important background, including historical plan development and current realities, factors around the numbers, how we're getting from baseline assumptions to cost drivers of the future program.

I also think it's important to refresh and highlight current and future next steps, including key changes to the 479 framework that are different from the 400 framework, the transition process, and some of the productivity and revenue generating solutions that we, together with MAG, plan to implement to mitigate growth and program cost as we seek to continue a regional dialogue for successful 400 closeout, which will come to this board, by the way, a plan for Prop 400 closeout will come to the board for approval at a later date. So it merits some discussion and collaboration in advance of that conversation. We look forward with your input, support, and collaboration to navigating the new funding environment, including balancing an increased share for public transit within the regional transportation sales tax against the increasing costs of labor, equipment, and overall transit operations, all so that we can deliver a more finely tuned productive transit system.

Some of the programs we're going to highlight that are really focused on productivity include that bus network redesign, which I spoke about earlier, fare policy, and you're going to hear today on -- an update to our fare study session from back in September, competitive grants and funding, and our new board ad hoc committee, which will help us through the changing economics of our transit environment.

So we remain solution and partner focused, and we look forward to that study session coming up next month. You'll hear from me. I know a number of our board members are virtual today. I will send an email out by the end of the week detailing some of this process to get you thinking and to solicit your questions and input along the way.

Madam Chair, members of the board, that concludes my update. Thank you.

Councilmember Pastor said I have a question.

Chair Adams said thank you very much. Did you have another question?

Councilmember Pastor said I do. On this joint meeting. I believe staff -- meetings are being held with our Intergov regarding some information from MAG, and so I am requesting to get that. I want to see the documents that were given to the Intergovs. I think the whole board should see it. There're conversations floating around, and before I go into the study session, I would like to have all the materials beforehand to understand what we're studying and what conversation we're having.

Chair Adams said I agree.

Ms. Mefford-Miller said thank you, Madam Chair. Members of the board, we'll work with MAG to ensure that when we receive that information, (inaudible) can pass that on to this board.

Councilmember Tolmachoff said Your mic is not on.

Chair Adams said your mic's not on.

Ms. Mefford-Miller said oh, I'm sorry. I apologize. Thank you, Madam Chair, Councilmember Pastor. We'll work with MAG to obtain that presentation that MAG shared with their Intergovs during a MAG committee meeting with you in advance, and this February study session is well-timed. This information will have been presented to MAG's Transportation Policy Committee the day before on February 18th. So we're trying to work to coordinate communication, and we can certainly do that by sharing that information with you this week.

Chair Adams said are you satisfied?

Councilmember Pastor said yes.

Councilmember Tolmachoff said Madam Chair, I have a question. I don't know if you can see my hands.

Chair Adams said oh, yes, go ahead.

Councilmember Tolmachoff said thank you. Jessica, I'd like to -- this is something I've wondered for a long time. These -- today you spoke about the whatever the social event was on South Central that drew 600 people -- with riders most likely but maybe not all riders, but do we -- do we capture data and use data for this type of events and what are our goals for these? Are we trying to increase ridership? Are we trying to help businesses along the rail line generate more revenue? Do we track that? And then how much are we spending per person who turns out? I know a lot, you know, cities have events, I know many of us have events, and we try to track, you know, how much are we investing, how many people showed up, how did it -- how did it affect whatever our goal was. If our goal was revenue, how did it affect revenue generated for that time period as opposed to, you know, that month, the previous year. So I'd just like to have a little bit more better understanding of what the goals are of these types of events whether they generate more we want to try to generate more riders what exactly are we doing, and what is our return on our investment?

Ms. Mefford-Miller said thank you, Madam Chair, Councilmember Tolmachoff. The goal of events like this is really multifaceted. It is to generate ridership by creating familiarity with the system from the community around this investment, especially people who might not use the transit service on a day-to-day basis for things like journey to work.

It's also building the relationship between Valley Metro and our services in the surrounding community, and I want to highlight in South Central and the Northwest Extension Phase II, these are communities that experienced many years of disruption. We've been kicking up dust for a good long while on Central Avenue in South Phoenix, so this is a moment for the community to come and see what we built together and experience that. That aspect of it's difficult to measure the ridership, we can measure, and I think I mentioned earlier, Central and Baseline Station is already our third busiest station, and we are exceeding our ridership projections for South Central at just seven months into the operation of our service.

I can obtain information from our community engagement team on event cost. I'm not sure what the specific event cost is, which really just comes from, you know, personnel and things like portable restrooms. The vendors are all paid, so the food and things aren't free, but staff also volunteered to support these events. And I'm grateful for the many hours across three weekends in December, no less, that Valley Metro staff showed up and volunteered.

I've answered your question as best I can. I'm looking at Hillary Foose, our Chief of Marketing Communications. I think that's everything we can respond to extemporaneously, because I would have to pull cost figures to give you more information about that.

Chair Adams said do we have any other questions regarding that? Oh, go ahead.

Councilmember Tolmachoff said what I'd like to see maybe is, I mean, do you do intercept surveys? You know, ask people who are there, are you, have you ridden the system, how often do you ride the system, you know, are you trying to gather data from the people that are there, are we bringing, are they already riders, are we bringing new riders, are you going to tell your friends about these, you know. Intercept surveys I think can give us a really good insight into who we are even attracting to these events.

Ms. Mefford-Miller said thank you, Madam Chair, Councilmember. You know, we're not conducting those intercept surveys today. I think that's a fantastic idea, so that it helps us understand who we are engaging with and how different that group is from the day-to-day riders. We do have more data from the day-to-day riders as we periodically do conduct pulse surveys on the system, but I think we could create a community engagement type pulse survey to share at events like this. But also, at those bus network redesign and other events that we host or participate in across the Valley.

Councilmember Tolmachoff said even just with the QR code that's, you know, available at the event -- scan it and answer questions. So you know, help us provide better service, whatever people are willing to do, take a -- take a minute if they can just, you know, scan a QR code rather than having -- it's usually more efficient than having people walking around with clip boards because people generally run away from that so, laughter.

Ms. Mefford-Miller said yes, absolutely. Thank you, Councilmember. I'll take this back to our community engagement team, and we'll look for ways to incorporate this into our special events and our ongoing engagement.

Chair Adams said do we have any further questions? Oh, Jimmy. And Jimmy has a question.

Vice Mayor Davis said not a question, but a comment. I think you hit it right where we disrupted Central Avenue and the south side for so long. It's really, nice to do things like this, to draw attention, to bring business to, you know, the companies that are there and the businesses that are there. I think it's a really, nice give back for us because we, definitely, disrupted their lives for a long time, so.

Chair Adams said anyone else? OD?

Councilmember Harris said yes. I just wanted to make sure, like, thank you for the report, even though I only heard just a summary of it. I just wanted to make sure that we continue to impress upon, like, making sure that the board is invited to these things as well, and making sure that that comes through our emails and stuff like that, even if we're not going to participate. I think that's important, and I don't feel like -- I feel like there's a time we want our, we want you to go out there and do that, but we also want to remind people you're not doing it by yourself. You're not doing it on your -- just on your own will. You're doing it at the -- at the work of what the board is directing you to do, and I think a lot of people need to understand that the decisions -- that decision that's being made is being made with this board, with the vision of the board, to represent the region as the elected officials. I kind of think it's important to always making sure that we're there, and if we're there, acknowledge that we're there, because the public needs to know this is -- this is, Valley Metro is a regional effort supported by multiple cities. Each one -- each elected official here represents a city -- a municipality, and that's important for people to know that, so I just kind of want to make sure that, that -- that no matter what, no matter how small or big, if it's a public thing that you're doing, it needs to be sent out to us as an invitation, when possible. There's certain things that we're not going to be able to -- you got to go to Washington D.C. I'm not looking to get that invitation, but if there's things that we're doing here that makes fiscal sense, then get the invitation out to us, at least allow us to make that decision. All right, thanks.

Ms. Mefford-Miller said thank you, Madam Chair, Councilmember Harris.

Chair Adams said okay. Do you have a comment?

Councilmember Pastor said go ahead, Mary Ann.

Councilmember McAllen said I would like to just agree with what OD said, because some of us, especially in Scottsdale, we're not seen as this big transportation hub, and it's not your high use, but it is a great opportunity for myself and our staff to -- when you send that information to us to -- to push it out. And I know that you do a lot of social media, so do I, and then people are like, oh, Valley Metro, Scottsdale, the connection is made. And I think that that's part of it, because then people ask questions, and then it also allows us to go to our constituents and say, see, we are a part of this, we want to be a larger part of this.

Ms. Mefford-Miller said thank you, Councilmember McAllen.

Chair Adams said Councilmember Pastor?

Councilmember Pastor said I just find it -- I think it's just very important to send out to everybody, because everybody is aware. Even if they can't attend, they can at least talk about it or be able to say how was that event.

The other piece is, it's nice to have my colleagues be able to attend some of our events, I mean, or any of our events, but it's nice because then we're supported, and it is, in a sense -- it is a regional board. And everybody are out -- the whole regional board then is able to see what is happening in other people's cities and be able then to go back to their constituents and say, here's what the future could look like. Go to Mesa, go to Tempe, go to Phoenix, go to the West side, Scottsdale, north, and, actually south too, and be able to see how the connectivity of our transit system is desperately needed and supported. And I think it's important that we just start marketing that way.

Chair Adams said very good. Any other comments?

Councilmember Tolmachoff said there's one on my end here.

Chair Adams said oh, sure. Yes.

Councilmember Tolmachoff said I just wanted to clarify and make sure that I wasn't misunderstood. I'm not suggesting that we don't do these events, and that we shouldn't have these events, especially for South Central and other areas where there's been long-term construction and disruption into their lives. That's not what I'm saying, but I'm saying I think there's opportunities possibly being missed that could benefit the organization at these events. That's my point. That we could probably take a little bit better look at exactly what are we doing, you know, what are we offering to them, and what kind of information (Inaudible - cross talk) I just think we might be missing an opportunity. So that was what my point was. Not that we don't do that. Thank you.

Chair Adams said and it looks like Peggy has her hand up.

Councilmember McMahon said Also from my vantage point I'm out in Fountain Hills like Scottsdale we don't you know have metro, etc. and I have people complaining about taxes and why we're paying for transit. And I think that for me personally, I would like to go to some of these events, take pictures, and post it on my page as well. So that my constituents see that we do have a connection and a nexus to downtown and transit, the money is being wisely spent, etc. So I think that it would be really a good idea to be able to participate more in some of those events.

Chair Adams said thank you. Max, did you have your hand up?

Councilmember White said yes, Madam Chair. Thank you so much, Madam Chair. Thank you so much, CEO, Mefford-Miller. As we transition into -- phase, I think another way to leverage these events. Something that I saw actually inspired by Councilmember Pastor, brought to my attention by Councilmember Davis.

But for example, tomorrow is the deadline for the CAPEX survey for Valley Metro. Will we be advertising that at these events? Will we be talking about the Capital Extension in that survey that's out there? I did not hear that in the recording that you provided to us. That's pretty, crucial for us in the West Valley, because if it doesn't go through the Capital Extension, I'm not sure how we'll get out here to Maryvale in the far west side of Phoenix and hopefully, one day in Ellison and Avondale we'll have access.

So whether we leverage these events to ensure that there's Valley wide awareness or leverage these events to ensure they know what we're surveying them on and what we need public feedback, I think we need to be innovative with engagement and think of alternative ways to be more engaging in our community, because I think that would have been an opportunity.
I'm not sure. Maybe you can answer for me. Were we able to urge and encourage people's awareness about the CAPEX surveys during these events?

Ms. Mefford-Miller said thank you, Councilmember White. Madam Chair, members of the board. We are encouraging the public to participate in any of our ongoing surveys or programs at the events.

For example, at South Central, which is our biggest event, we had a table focused on best network redesign, actually staffed by our Deputy Chief Michael Eshelman, talking with people about these projects and programs.

We're also sending staff to go to other events within the community, when requested. So if there are events in your community where you think a Valley Metro presence, whether it's general or it's focused on a particular project or program, we're also available to do that and we appreciate the many invitations that we've had over what is now the event season here in the Valley.

Chair Adams said thank you. Any other comments?

Councilmember Harris said I just had one specific comment.

Chair Adams said go ahead.

Councilmember Harris said I know that the -- and she may have already mentioned it, but I haven't seen nothing come across my desk about it, which is that the women's Final Four that's coming up. And so I don't know if you've previous -- if you already previously mentioned this in your comments or if you've sent anything to the board about what is our plan of action. I would like to get a plan of action for what does that look like. That's coming up pretty soon. I think it's in April. Seem like we should already be getting information about what that plan should look like. And so if we haven't already gotten that information -- I'm sure the team is working on it. But we would like to know -- I would like to know all the plans and how will they include Valley Metro.

We're going to be stepping up doing any sponsorships or anything like that. I would expect that the board would be invited to all those different things, but we need a detailed layout, and we need invitations for that so we can be included as a part of that -- that messaging. So perhaps -- do you already have that information out?

Ms. Mefford-Miller said thank you, Councilmember Harris, Madam Chair, members of the board. So we do not have information out just yet about final four. Typically, for mega events like Final Four, what Valley Metro is doing is preparing for additional levels of service to support the higher crowds that we have at these events. And that includes more personnel on the ground from our operating and our security and customer experience teams.

We're also typically doing some marketing and promotion work, working to invite the public and visitors aboard Valley Metro during those events. We typically don't sponsor those events as a public entity. We're just not resourced to be an event sponsor. Those sponsorships are typically coming from the private sector.

But we would be happy in the February update to provide a Final Four preview. And we've done this historically when we've conducted mega events like Super Bowl XVII, for instance, which was a big deal.

So if it suits the board, I would be happy to push that out in February at our board meeting.

Chair Adams said sure. That's great.

Councilmember Harris said and the call to action for participation, and if there is -- if there's going to be a participation or a call to action, probably want to know what that looks like as well. Thanks.

Chair Adams said thank you.

3. Consent Agenda

Chair Adams said so let's move on now to the Consent Agenda. The Consent Agenda is presented for action. Does the committee have any questions or do any items need to be pulled for separate discussion?

Max, you still have your hand up. Are you wanting to say something? Okay.

I request a motion and a second to approve Consent Agenda items 3A through 3C.

Motion by Councilmember White, second by Councilmember Pastor.

Is there any discussion that needs to happen?

Councilmember Harris said yes.

Chair Adams said go ahead.

Councilmember Harris said I wanted to discuss item 5. I'm sorry. Consent agenda. I'm sorry. No. No. I'm sorry.

Chair Adams said so do we have... Okay. So any other discussion?

Having said this, please say yay or aye. Any opposed? Motion carries.

IT WAS MOVED BY COUCILMEMBER WHITE, SECONDED BY COUNCILMEMBER PASTOR, AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA ITEMS 3A THROUGH 3C.

4. Annual Federal Public Transportation Agenda and 2026 Reauthorization Priorities

Chair Adams said now we're going on to the regular agenda -- agenda federal -- public transportation agenda, and 2026 reauthorization priorities. Jessica will now introduce item 4.

Ms. Mefford-Miller said thank you, Madam Chair, members of the board. I'd like to invite Alexis Tameron Kinsey, our Chief of Government Affairs and Policy, to present on this item.

Ms. Tameron Kinsey said thank you, Jessica. Good afternoon, Madam Chair, members of the board. As we start this year, we know and we may anticipate and anticipate challenges ahead.

But before we get into the annual agenda and authorization priorities, it is nice to be able to provide you with a legislative update with some good news coming out of Washington.

Earlier this month, the House and Senate appropriation leaders released, and the House overwhelmingly passed a bipartisan funding deal for fiscal '26 commerce, justice, science, interior, and energy and water spending bills. It was a mini bus. The Senate passed a conference package last Thursday, and it is now headed for the President's signature.

Why this is important for Valley Metro is that the CJS package included $1 million in earmarked funding championed by Representative Yasemin Ansari to support a Valley Metro community safety program. The pilot program would support staffing, training, and equipment for safety and security teams, which include the local law enforcement officers, to redirect members of the community who may be in or near crisis or who may pose a threat to their own safety or the safety of others on our transit system. So we are very proud to have that additional funding ultimately to drop a project, which I believe we've talked about previously at this board with regard to our safety and safety and community engagement.

Additionally, two days ago, the House and Senate appropriation committee leaders unveiled HR7148. It's the Consolidated Appropriation Act of 2026. It's the remaining appropriation bills that need-to funding, including the T-HUD, the Transportation, Housing, and Urban Development bill for 2026.

The House of Representatives is expected to vote on this measure this week, and the Senate will follow next week, which essentially, they have to complete these types of votes in order to avoid any government shutdown at the end of January 30th. So it's a good development to have.

And again, I believe late last year, I presented indicating that it was more than likely they would end up on the Senate side of the numbers, which are in keeping with fully funding public transit in addition to making sure that the money that we receive for formula programs is intact.
So back to the item for your consideration today is the annual federal transportation agenda and surface transportation priorities, which are in your packet.

To meet strategic funding objectives, each year our staff works with our federal consultants to review and update Valley Metro's public transportation legislative agenda. The purpose of the agenda is to assist the administration in implementation of regional programs, to guide responses to legislative administrative policy proposals at the federal level. It is also to provide information to member cities, regional stakeholders, and bring attention to the importance of federal funding grants, and other investments in transit in the metropolitan region.

This includes the development of public transit priorities, goals, critical strategy, guidance, and coordination in securing discretionary grants, including earmarks, which we have received from federal agencies as they become available, and to the maximum amount possible.

Additionally, this year we're presenting the existing five-year surface transportation program, otherwise known as the Infrastructure and Investment Jobs Act, IIJA, set to expire in

September. Therefore, we are including Valley Metro's priorities for surface transportation reauthorization for your consideration.

Together, the federal agenda and transportation priorities will be the basis of a federal advocacy toolkit for your use when you go back to NLC or any other opportunities to lobby not only our congressional delegation, but others, particularly in our agencies.

Our goals remain high level. As you're aware, FTA formula programs are set in surface transportation authorization bills, and Valley Metro utilizes a variety of federal formula funds to fund bus, paratransit vehicles, Ride Choice, travel training, congestion mitigation, air quality programs such as van pool, and preventative maintenance.

Valley Metro's reauthorization priorities include, but are not limited to, maintaining the investments established by the IIJA, supporting a baseline set at current funding levels plus inflation, and creating a new formula program that fully funds crime prevention and security capital costs that may extend to operating costs for police and other security personnel such as housed here at Valley Metro.

Now that the '26 funding bills are largely agreed upon, Congress's attention, at least the Transportation Committee chairs, will turn their attention back to reauthorization efforts, including their desire to get a bipartisan authorization bill to the floor by September 30th.
And with that, I'm happy to answer any questions that you may have.

Chair Adams said I have a question. Does this affect streetcar extension in Tempe and Mesa?

Ms. Tameron Kinsey said the grant that we have received for -- has been awarded for the Rio, Madam Chair, members of the board. So this funding does not affect that grant program. It was awarded in a previous year.

Chair Adams said okay.

Ms. Tameron Kinsey said so we'll continue to push forward on that.

Chair Adams said okay. Thank you.

Ms. Mefford-Miller said but I think if I may, Alexis, Madam Chair, members of the board, the tie-in and one of the key pillars of Valley Metro's federal lobbying agenda is to maintain funding for the capital investment grant program, which is the program that this region has successfully tapped into for five different rail extensions. And so that's a likely federal funding stream for the Rio East Dobson Streetcar Extension. So we are there lobbying for continued investment for this program.

Chair Adams said thank you for the clarification. Do we have any questions?

Councilmember Pastor said I don't have any questions. I have a statement. I'm actually really excited to hear that HR6938 got funded. I was part of that letter writing and it is actually awesome so that we can look at some of the behavioral health that people have -- and have people on the line to be able to diagnose -- no diagnose but be able to help and assist in that capacity besides police enforcement. It's awesome.

Chair Adams said good. Thank you. Any other comments? Seeing none. Do I have a motion and a second to approve the recommendation as presented on the screen?

Motion by Councilmember McAllen, second by Councilmember Pastor.

Do we have any discussion that needs to take place? Seeing none. All in favor, please vote aye. Anybody opposed? Motion carries. Excellent.

IT WAS MOVED BY COUNCILMEMBER MCALLEN, SECONDED BY COUNCILMEMBER PASTOR AND UNANIMOUSLY CARRIED TO APPROVE THE ANNUAL FEDERAL PUBLIC TRANSPORTATION AGENDA AND 2026 SURFACE TRANSPORTATION REAUTHORIZATION PRIORITIES.

5. Executive Recruitment Search Firm Contract Award

Chair Adams said now we're on number 5, executive recruitment search firm contract award. Jessica will now introduce item 5.

Ms. Mefford-Miller said thank you, Madam Chair, members of the board. Item five before you is a request to allow Valley Metro to enter into a cooperative agreement for executive and scarce skill recruitment services with Krauthamer & Associates for a one-year -- that expires October 12, 2026 with a one-year option to extend. This contract would be a not to exceed amount of $250,000. This would be a task order-based contract. So in other words, no funds would be spent until and unless those services were actually utilized.

As a matter of background, we have relied on executive recruitment services a number of times in our organization's history. Most recently, we have used external recruiting services for senior and scarce skill roles, notably including chief maintenance officer, deputy chief for service planning, deputy chief for rail operations. This is the firm that was also used in the placement that brought me to Valley Metro.

We're at a moment in time within our organization where we've got a couple of really, critical roles that we'd like to fill. We have added talent to the team. We have created specializations. Many of the team members along the wall to my left have been a part of that reorganization. As discussed with the joint subcommittee during my evaluation process last spring, we would like to introduce the role of a chief operating officer to the organization. The chief operating officer would lead our transportation functions, maintenance, service planning, and customer experience. Today all of those functions do report directly to me as one of 11 senior direct reports.

We would also like to reintroduce the role of chief administrative officer. Many of you may remember Jim Hilliard retired last year, and chief administrative officer would lead the functions of finance, procurement, human resources, information technology, and project management. So fairly classical chief operating officer and chief administrative officer roles.

We would like to fill -- or open these roles to internal, local, and national talent. Certainly, chief administrative officer is a role that we might be more likely to fill within a national or statewide talent pool. Those transit-specific roles we sometimes do have to look out across the industry. So this would help us fill those critical positions.

I do want to emphasize that this is a contract for professional services and is not requesting a spend authority for any staff positions. Any staff positions we would be recruiting for are already supported by our operating budget.

With that, I'm happy to take any questions on this item.

Chair Adams said OD?

Councilmember Harris said yes. Thank you so much. So what have we already done internally with the team that we do have to look at the role that you're seeking to fill? Have we done anything with that?

Ms. Mefford-Miller said so we conduct team building. Now, these are really critical roles. And so, I -- one of the things I think it's important to note about our organization, we're a pretty lean team. So take operations for example. We deliver our service through contract staff. So in bus and rail operations both, we've got a handful of team members who are part of that organization. I want to contrast that with a large organization that might directly operate service that has a significant bench to draw from. I also want to mention that most of those team members are new to their role and possibly new to the organization within the last three years.

When I arrived here almost four years ago, we had very lean benches. I had one guy running bus operations and bus maintenance, for example. So I'm proud of the team that we've built –

Councilmember Harris said I just wanted to -- thank you. My thing is, I'm trying to get like very specific.

Ms. Mefford-Miller said okay.

Councilmember Harris said $250,000 to me is a lot of money. I mean, we don't even spend that much money to finding a city manager, let alone putting $250,000 into a firm. I guess my question is that can our team -- you have a lot of, you have team members. I think I've just seen another opening for recruitment to fulfill a recruitment team that you have. You've got a recruitment right now hiring process that's going on that was supposed to get closed, but it got extended to the 25th. What I'm saying to you is that that core three people or two people, which would be another person wants you to hire the other person. Why can't they do that job? Why do we need to approve an additional dollar amount at this level?

And to me, we don't even pay that much money or we don't allocate -- And I'm not saying that you're spending that much money. So I don't want it to get confused. You're not saying we're going to spend this amount. You're just saying, hey, as we go for a larger search, there's going to be expenses that could. But I'm saying like even when we do our city manager recruitment for an executive, we don't spend that much. I'm just saying, tell me -- well, let's do this. Tell me about how you chose this particular company. Let's start there and then I can ask some more questions following that.

Ms. Mefford-Miller said okay. Thank you. I'll try to answer your questions in turn, Councilmember Harris.

First of all, with respect to the spend, I do want to be clear that this would be a not to exceed amount if we were to use this firm for multiple positions. So this is not an expenditure focused on one position. So I do want to be clear about that.

Number two, with respect to our team, we haven't made significant investments in our human resources team and our recruiting team. It's still a very lean team to date. We have Penny Lynch and I think one recruiting team member on staff today.

So the role of external recruiting services, and I know some of our cities use these services, it really is for those executive or hard to fill niche kind of positions. So I wouldn't use a recruiting firm for a position I think that we could support locally or in-house.

And we could support these recruitments in-house. That's certainly a possibility, Councilmember Harris, Madam Chair. We might not have the reach and for several of the positions that we've filled with executive recruiting services, we're reaching into organizations and tapping people. So it's a different process than pushing a recruitment out there and then responding to and working with who comes back to us. We're actually tapping people and mining teams to find some of this talent. And that's something we have had to do within our organization as we build this go-long transit service team.

And I feel like there was one other question, Councilmember Harris, that I might have missed. Would you remind me please?

Councilmember Harris said tell me why you chose this firm.

Ms. Mefford-Miller said oh, thank you. Thank you, Councilmember Harris. This is the firm that we have worked with. There are a few firms in the transit space specifically. This is a firm we've worked with, and we would have the opportunity to connect with that firm on a piggyback contract with another transit agency.

Councilmember Harris said I guess my thing is, this is -- when I think about what this looks like, I just kind of feel that right now, I almost think it's better to put this to pause only because of the fact that I think that once you hire this last recruitment, but once you put it out there, people are in need of jobs. I don't know if you guys seen the economy, but I might apply for the $250,000 job, whatever it's going to cost to do this job. I don't know what the cost is. I'm just throwing it out there. But this is a six-figure job.
You tell today that you're going to put out six-figure employment for this. A lot of people are going to apply. Maybe some of your team members might want to apply and move up.

So what I'm saying is this, I think what -- I think what needs to happen, which could be a form of a strategy, let's put together -- put together -- have your team put together, work with your HR team, if you haven't already. I'm not saying that you have or haven't because I haven't had this conversation with you before this meeting. Put together the job description, what exactly are you going looking, that you're looking for specifically. Pull it all together. Let the board see exactly what exactly you're looking at in terms of this role. If you haven't already did it, because you may have already done some steps, because you're looking at me like you've done some of these steps already. That's cool. What I am saying is that once we put it out, let's use our own people power. That $250,000, I mean, you could do 25 -- you can find that role, put it to task, tell HR, hey, work with your recruitment team, because we do have a specific recruitment team. Tell them we're going to put $25,000 worth of money into amplifying that this role is available and we can put it in national. If it costs a little bit more money to put it in national spots, that's fine, or a specific demographics that you have identified that has a wide database, then I think that could be one way of approach.

I just think right now with the way things are, I just think allocating that level, and based on my experience of hiring executives and being a part of the conversation, I was semi a part of the conversation when you were coming on board, and the board before me was making these decisions because it was coming to our city council. Our mayor, my mayor –

Chair Adams said OD (Inaudible)

Councilmember Harris said I know but I understand that, but you got to let me cook a little bit.

Chair Adams said okay.

Councilmember Harris said so let me cook. Let me tell the people why this is important, because $250,000 when we're looking at our budget is a lot of money to have allocated or to have on standstill or freeze.

So what I'm saying is that let's hold it. Let's put this to hold. Let's table it, and then let's try to do some more buildup, get back with the board in terms of like what that job is going to be, how you're going to go out, work with the recruitment team, and put together an internal strategy.

And then say, I need more resources to push the strategy that I'm thinking about forward because I just kind of feel right now financially, we as an organization, shouldn't allocate those type of dollars at this time towards such a project. I think a lesser amount would be better versus a higher amount. So that's what I'm thinking right now, and I don't know the details, so maybe you can add more color to what I don't know, but that's kind of what I'm thinking right now.

I'm not saying no, but I am saying, let's get more information to the board so we can kind of work with you to help you be successful. Thank you.

Chair Adams said thank you. Max, do you want to go ahead?

Councilmember White said thank you so much, Madam Chair. Thank you, CEO Mefford-Miller. I'm not sure. Michael probably is going to cringe, but I believe in a prior conversation somewhere this was part of a discussion. That's probably -- not sure, but I understood this to be something to anticipate.

Concerns for me, number one, and I'll just share it and be forthright, you're doing those other two jobs right now, CEO Mefford-Miller, and I am concerned that you are taking on broad scope type activity, and you have Penny to support you in the HR space. She does an amazing job. However, I do see the need for you to actually fill those roles so you can do that CEO thing that we all expect you to kind of do every day, but I always question money because in this environment where we have to cut back, I want to cut back. I know your preference for this firm is probably because this is the firm that brought you to us. I don't think there's a problem with that either.

However, I have some questions more about the HR side. What is their date from, like, for example, if we were to go out for that Chief Administrative Officer job tomorrow, so tomorrow is January 23rd, from the day they posted the job, what is their turnaround date? Is that $250,000 what we pay the firm and the salary of that person who joins us for the first year? That is sometimes banked into the recruitment cost. So I guess those are the types of questions. But I think if we're talking about spending money, I don't think there's a person on the board who wants to approve you spending a dime, quite honestly.

We're cutting back in every city, every town, every village, every hamlet in America is cutting back, but the reality is I'm more nervous about you doing all three of these jobs and not being able to focus on these overwhelming executive functions you must fulfill because you're spending time on these other things. And I think maybe this is more for something you can add to our study session to tell us why this term is the one you targeted so that way we understand better. I understand the not to exceed, so if you can give us those types of details in another setting because I'm not sure that you could answer all of our questions as specifically as we're going to ask them, but I do believe this was something that you asked for if you were going to stay on in this role, and I would hate not to fulfill that and not give you something that maybe this was something I talked to you about personally. I don't know if it was something that I have talked to you about because when I look at staffing and people resources, that is my background, that is something I have talent in in the HR space, and you are fulfilling three executive functions, and you are one human, and we have a high expectation of you (inaudible - background noise) so those are what I'll put out there.

I don't know if I can leave it as a statement and ask you to fulfill those responses in our study session or not, but that's what I have. Back to you, Madam Chair. Thank you.

Chair Adams said Thank you. Oh, we have Councilmember Edwards. He's had his hand up for a long time. Do you still have -- I don't see your hand up, so are you?
Councilmember Edwards said No, I took it down. I think I got what I need from the responses from my fellow board members.

Chair Adams said Thank you. Councilmember Tolmachoff.

Councilmember Tolmachoff said Thank you, Madam Chair. A couple things. My -- I guess the issue I have with this is there's nothing in this item that tells us how much you are going to spend on the recruitment that you're telling us that we need to do. So it says $250,000 for a variety of services apparently, but I don't know. We're talking about one specific recruitment. This agenda item doesn't tell us what the spend is for the -- to fulfill these roles. That's number one.

Number two, for me, with the change -- with the shift for 479 for some of the responsibility over to MAG, you know, I mean, are we going to -- by doing this -- I don't know if this is putting the cart before the horse because we're going to need to right size the organization or reorganize staff that's doing the transit life cycle and things like that, things that MAG is going to be taking over, you know, basically managing the funding. Things like those things are going to change and are we going to -- do we need to figure out how we're going to set up the organization under these new guidelines before we do these recruitments so you can align that? Are we doing this in the right order? That's my other question.

And my third question, I mean, cities generally only contract out for recruitment for city managers usually. I mean, there's places where you can post job openings nationally. For example, for transit -- transportation, I know, I looked just now APTA has a jobs page where you can advertise for and recruit transit professionals. I'd like to know, is this organization going to put in, you know, come up with an advertisement, put an advertisement on APTA's website, and is that what they're going to do or are they going to do -- I mean, I don't even really know what deliverables are other than just they're going to find a COO and a CAO.

But those are my three questions. What is the cost for this specific recruitment? And how much are they going to need to go build those two positions? Number two, are we -- have we had --

have you taken a, you know, an inside look at your organization and figured out what do we need to change or restructure under the new framework, how this is going to work with MAG? Should that be done before or after this? And then the last thing is, exactly what are they going to do, you know, whatever the cost is. I think -- I think we just -- I think we spent $50,000 on a search for a city manager for a national search. But I mean, there's places where people are looking for jobs -- go -- they know where to go and look for that information if somebody's looking to make a change. So those are my three questions.

Chair Adams said all right, Jessica.

Ms. Mefford-Miller said thank you, Councilmember Tolmachoff, Madam Chair, members of the board.
So to your question, Councilmember, on what are we spending per role, I believe on this contract, it is a function of the beginning salary for the position placed. And I believe that is 30.5%. And I'm looking at -- I'm phoning a friend and I see Penny nodding at me. So 30, thank you, Penny, 30.5% of annual salary. So the $250,000 was, you know, if we take a few key positions and fill it, that's where the not to exceed amount comes from. So certainly, it could be skinnied down, or we could not approve this item.

And I'll try to answer your question, Councilmember Tolmachoff, along with Councilmember Harris's earlier question. You know, what if we do it ourselves? We could certainly try. And we, of course, do have job descriptions drafted for the two roles I've talked about here today, Chief Administrative Officer and Chief Operating Officer. So we could go at it internally, if you will. That's an option. And assuming we were successful, not come back, perhaps we put a time on it and say if we have not found the right match for our role, then we come back and have a conversation about it.

With respect to Prop 479, the administration of 479, while that transfers to MAG, all of the accounting that we do for the expenditures associated with Valley Metro and our operating budgets and capital programs, those actually remain. So there won't be a transference of staff responsibility from Valley Metro to MAG. So while the 479 policy construct is a big change for us, and MAG is going to have to administer that, we are walking down that road together hand in glove. And the staff support from Valley Metro remains very much needed and certainly doesn't impact the need for the Chief Operating Officer to lead those, you know, five different functions that I mentioned or for the Chief Administrative Officer to lead those functions that I mentioned.

And thank you, Councilmember White, for acknowledging most of those functions today do report directly to my role.

Councilmember Tolmachoff said I don't have a problem with you filling the roles. I just don't -- I mean, even the 30.5% , that still doesn't tell me what is the actual amount of money that would be spent with this firm to recruit for those two roles. I still don't know what the answer is to that. I mean, I know you're asking for optimization for other recruitments, which I think that's, at least for me, part of the problem I'm having.

And we have, you know, we have a communications and marketing team that I think could, you know, very capably put together not just a job description for this type of -- for these type of jobs. You need to put together an actual package, an advertising package to make the job look attractive. But I mean, we have people who are capable of doing that. And I wouldn't be opposed to saying, let's give it -- let them get it out in the atmosphere and see what kind of response we get first from trying to save the 250 grand or whatever the actual amount is. And then if we find out we're getting crickets, we're not getting a response, we're getting a lot of unqualified people, then we know that we need to do this a different way. But I think that we should be able to, you know, you're a transit professional, you've work in other markets, you guys go to conferences, you know people, this kind of stuff gets out in the network. I think we probably would have a very good chance of recruiting some very good talent on our own. And I think we should try that. If we're not successful, we can still come back in whatever it is, 60 days and, you know, move ahead with the contract and have somebody do it for us. Thank you.

Ms. Mefford-Miller said Thank you, Councilmember.

Chair Adams said Kenny has had his hand up for some time. Go ahead, Kenny.

Councilmember Buckland said thank you, Madam Chair. So here's where my head is on this right now. I heard you and Maxine say that we have a lean organization. I believe that. I work in a very mixed (Inaudible - background noise) -- they're doing their jobs daily, let alone trying to go through the recruitment process. So I'm a little more hesitant on those really high critical number two positions to our CEO. Having a CEO invest into that and not have her -- all of her attention on this organization that really continues to improve and still needs a lot of work. So I do support a recruitment in the right way.

I think what's -- there's two things going on here for me. One thing that's missing, and I agree with Lauren, if this company is going to make this kind of money, they should be giving us a proposal as to what it looks like, right? We know we're looking at these specific jobs. They should be giving us a proposal on we can do that. It's going to cost it’s going to take this much time cost this much in dollars or you know whatever it however that expenses out so that we can have more confidence that we do have the right recruitment firm at the right price. Okay. So this is just very vague, like you're swiping $250,000. I'm sure that's not what it is, but it appears like we just threw out a number and hoping it hits. So I would need to see more of really a proposal.

The other thing that I'm concerned about is -- going back to the MAG thing, we're hearing -- I'm hearing things that are of concern. I don't know yet if they're true or not, but they're concerning.

We're getting a briefing in February, the day after, you know, there's more work with MAG, and nothing's been said on this. I would rather table this. Let's get through that and see what -- how these changes occur, what our budgeting looks like, because these are one of those things, if we're going into dire straits, this is one of those things that we may have to figure out how to do on our own. It's hard to, so I'll just leave it at that.

Chair Adams said thank you so much for your input. I think OD is next.

Councilmember Harris said thank you, Madam Chair. My thing is this, let's work together to -- let's work with you. I know you need these arms, because I always tell you, hey, stop doing all the work. Get the support you need. So I want to 100% support you on getting the arms that you need to do the work, because what you do is absolutely, incredible, and what you have been able to do for this organization has been phenomenal.

Now, we need to get you the help that you need to continue the work as we continue to expand this region, and connect the rails, and connect the bus activity. You need that help. You need that support. And if the truth is told, you're doing the dual work of one CEO that other organizations, like yours, typically have multiple people -- like you're saying, multiple arms helping them, because you're doing capital projects, you're doing expansions, and you're doing that.

So I think that -- I think that if you can work with us, we'll work with you, but let's try to see if you can get with your team, your expert on your team is Peggy, and she's over there. She does a wonderful job. Put together some type of conversation, something that you can work with your expert on, and see if you can get that back to us, and I will ask Madam Chair if we can table this conversation to a later date until she gets back with us and let us know.

So I'm making a motion to table this item, item number five, to get back with us with a later date to see what that could potentially look like in terms of a plan of action internally before we go externally.

Councilmember White said Councilmember White, second.

Chair Adams said so we have to have more discussion because we have some more people.

Councilmember Harris said right. So yeah. No, no. Well, the Chair -- Chair, I just wanted to, and Michael, you can correct us. Michael.

Mr. Wawro said so a motion and a second has been made to table. So now the only discussion that would be taken is on the motion to table.

Chair Adams said I apologize.

Mr. Wawro said there could be discussion on the motion to table, but otherwise we need to take a vote.

Councilmember Pastor said no, I know, but I mean... We have to take a vote. Sure. Sure.

Chair Adams said well, typically we can have discussion after we have the motion and the second.

Councilmember McAllen said not on the table.

Chair Adams said not on the table. Okay.

Councilmember Harris said Did John need me to...

Vice Mayor Davis said no, I'm totally fine with the motion, actually. I think that's a great idea. I did just want to thank you for all of the hard work that you do for this organization. Because I know that you are doing the job of like ten people. So I just -- I just wanted to publically, you know, recognize you for all of your hard work. I see it. I think we all do. So I don't want to, you know, you feel like you're getting beat up right now. It might feel that way because you are doing such a fantastic job. So I want you to know that. So thank you for all of your hard work.

Ms. Mefford-Miller said thank you, Vice Mayor.

Vice Mayor Davis said aside from that, you know, I do think there are lots of moving parts, right? So if we do table this and kind of wait to see what happens with the region, with the funding planning, I think that's great. And just more details, I think, especially like how much it costs per recruitment, right? What that's going to look like. I think that'd be important for all of us. That's all. That's all I wanted to add.

Chair Adams said okay.

Councilmember Pastor said I'm in agreement with this item being tabled and further discussion in the future. What I would like to see in this tabling of bringing back or a process is, I believe, I can speak about this, right? What I want to bring back, Michael, on the tabled item.

Mr. Wawro said within bounds. We're just speaking about what's coming back to the agenda.

Councilmember Pastor said right. So what I would like to see from this executive recruitment search contract is that a dialogue with RTA -- RTAG, TMC, and RMC group with really information only. So they're aware of this item coming in front of us and understanding the nuance of the item.

Secondly, I would like for you to bring back why we're doing what we're doing or why you're requesting to do this. All the different duties that you are doing because of these positions. To have an understanding. And the reason why I'm saying this is because, and Michael, you're going to have to come into play, is there was an executive session regarding what you needed. And so, I believe some of the items that were requested are now in front of us. So I'm staying within my boundary, legal boundary and everything. And so, I think that's important for board members to understand. So I'm requesting that those things happen within this item. So would there –

Councilmember White said Madam Chair, my hand was also up. I'm not sure if you saw that, Madam Chair.

Chair Adams said go ahead.

Councilmember White said thank you so much, Chair. I would like in the information brought back to the board um a more robust presentation to provide data analytics behind the success of this firm specifically. And their basic recruitment data that they would share with anybody to be inclusive. Because I think if you have a high need that we're thinking that you have, that we observe that you have, I can't take anything away from the work you're doing. I think that we need to know that this is the right firm to go. And maybe any analytics that you've done internally with Penny and her team should say, we looked at three different firms. This firm costs a certain amount. This firm costs another amount. And then move forward with this firm to let us be prepared.

Because it sounds like other municipalities are using different recruitment agencies and have different costs. So I'd like to see their performance and then their outcomes and how we select them.

Chair Adams said thank you for your input. You bet. Thank you. Peggy?

Councilmember McMahon said with everybody's discussion, my question now is, if this matter gets tabled, what's the time parameter? Is it going to push back the job search? And what's the effect on that? I don't -- I'm -- maybe Jessica can address that. But I do think if this matter is tabled, that we need to set a date or an approximate date when it's going to come back.

Chair Adams said thank you.

Councilmember McMahon said because the search needs to be done.

Chair Adams said thank you. Michael, you had your hand up. You had your hand up, Michael.

Mr. Wawro said thank you, Chair. So I do think it would be appropriate for the Chair in the motion to -- when it's tabled, to set a date for when the agenda item is going to be heard again. So it could be tabled until February.

Chair Adams said well, I think if not –

Mr. Wawro said then the item would come back up on February.

I think to Councilmember McMahon's statement, the recruitment would -- internally, the recruitment would continue at Valley Metro because that's an administrative matter and something that we're working on.

The issue that would be -- come back to the agenda, is whether or not a recruitment firm is going to be utilized and what that recruitment firm is.

Chair Adams said so I think my suggestion is we come back in March after we hear from MAG and see if there's anything that we're missing. And I've done a lot of recruiting myself for the City, for executive levels in my many roles that I had there.

And we always went to our internal or external, like American Public Works Association, we'd advertise there. We'd advertise -- you guys have, you know, your programs. Advertise in all those different places that a lot of times it's free or very inexpensive. And just see what we have out there because this -- this Valley is booming and people are sick of the cold up north. And I think that we could use that to our advantage because a lot of people are getting laid off. And why not try that first and save a lot of money?
The second thing I want to say is this item was not presented through the usual advisory group and management committee process. And so, I think that's part of the situation that's happened here also. And so I would -- I would just ask if we could do this in March. Go ahead and I'll take, we have two motions on the table.

So all in favor of tabling?

Councilmember Harris said Chair?

Councilmember Pastor said the maker of the motion has to give the date. Oh, oh, he said I did. He said the Chair did.

Mr. Wawro said there's a motion to table. It's at the discretion of the Chair whether to when to put things on the agenda.

Chair Adams said well, I would like to do it in March after we hear from -- is that okay?

Councilmember Harris said Chair, I wanted to ask in terms of the date, will this be a special action or are we looking to attach this to a meeting in March?

Chair Adams said so that would be up to Michael.

Mr. Wawro said Chair and Councilmember Harris, to answer your question. This is an agenda item for action. And so if you're tabling, it would remain an agenda item for action on the date that the Chair chooses to put it back on the agenda.

Chair Adams said so are you okay with March?

Councilmember Harris said so the first meeting in March?

Chair Adams said first meeting in March. I just want to hear from MAG first. I think that makes more sense and then we'll have a better -- but I would encourage you to continue trying to recruit the old-fashioned way.

Ms. Mefford-Miller said thank you, Madam Chair, members of the board. This is the clarification I have been looking for these past minutes because I've heard a number of different valuable pieces of insight and guidance from the board here this morning. But the point of clarification I'm looking for and want to ensure that we leave the room understanding, so I'm given to understand we can begin recruitment efforts internally, without the use of an executive recruiting firm. And by March, as we sit here in late January or begin a recruitment in late January, by March we'll know if we've been able to be successful. So under my understanding, this item would either come back to this body in March for consideration and possible approval, or perhaps it would not because we might have been successful on our own. I want to clarify that. So I am assured that I've got the right direction from the board this morning.

Chair Adams said yes. That's the direction. And really cast the net wide, because through all the organizations, I know you have, you know, women in transportation, I mean, you've got all kinds of organizations. So just please cast the net wide and let's see if we can get somebody the good old-fashioned way, which is free.

Ms. Mefford-Miller said I like it. Thank you, Madam Chair.

Chair Adams said yes. So okay. So we have a motion and a second.

All in favor to table this? Any opposed? Motion carries to table it.

Thank you. Thank you. Thank you, everyone.

Vice Mayor Greenberg said I actually have something to say. Can you guys hear me?

Chair Adams said oh, sure.

Vice Mayor Greenberg said if you get inundated with resumes, do you have some access to AI tools so that you are not spending your time going through all this?

UNDENTIFIED SPEAKER said All right. This is Peggy. Is that Peggy questioning?

Ms. Mefford-Miller said thank you, Vice Mayor Greenberg, Madam Chair, members of the board. We are in the process of finalizing several administrative policies, including an AI policy. So that is quite literally in my queue for reviewing, It's a long queue, it's in my queue for review and approval by the end of the week. So I will rely on our human resources team, as they do, to review and vet candidates, given the nature of the roles that I'm interested in pursuing. This would require a lot of involvement and phone calls and conversations from me reaching into the industry and across our region.

And so I will work, as we do with the HR team and our talented marketing team, who actually does a wonderful job producing very attractive brochures for many of our recruitments. And I would share that information with this body as well.

Chair Adams said thank you.

Vice Mayor Davis said I just want to add, we just added more work to her plate, for the record. Just so you're all aware of that. Just take that to bed with you tonight. Okay?

Chair Adams said well, she's going to find somebody. I know it. Okay. Any -- I see hands up on the monitor. Are they current hands up? Or are they... Lauren, your hand is up. Do you want to discuss anything?

Councilmember Pastor said sorry.

Chair Adams said I don't want to miss anybody. So okay. Okay. So we're good on that.

IT WAS MOVED BY COUNCILMEMBER HARRIS, SECONDED BY COUNCILMEMBER WHITE, AND UNANIMOUSLY CARRIED TO TABLE EXECUTIVE RECRUITMENT SEARCH FIRM CONTRACT AWARD WITH KRAUTHAMER & ASSOCIATES, LLC, FOR EXECUTIVE AND SCARCE SKILL RECRUITMENT SERVICES UNTIL MARCH 19, 2026.

6. Fare Study Update

Chair Adams said so can we move on to now item 6, fare study update. And good job on the discussion, you guys. Yeah, really. I really appreciate everybody's input, because it's very important. So anyway, go ahead on the fair study.

Ms. Mefford-Miller said Madam Chair, members of the board, this item is being presented for your information. This is actually a follow-up to the study session on fare policy that we had back in September. At that time, the board had a number of questions, many of which required analysis so staff has done that. And here to present the responses, Dane Ryals, our Manager of Fare Programs. We're also joined, just in case we need to phone a friend, by a team from Jacobs, who are working with us on this effort. So without further ado, Dane, please.

Mr. Ryals said thank you, Jessica. Madam Chair, members of the board, happy to be here today to provide an update on the fare study. As Jessica mentioned, we provided a pretty robust fare study session in the fall. And we're here to provide some of the responses to questions that you had.

We also want to provide some suggestions on next steps for some of the items that we were covering just so we can continue to make progress on this study and move things forward. As was mentioned, we do have our consultants on the line. So they'll be available to answer some of the questions, if needed.

I do also want to reference that in your packet, you have a pretty robust amount of materials, a longer version of this presentation, a city allocation of revenue and ridership impacts for each of the options considered, an analysis of low-income maps for both Valley Metro and some of our peer agencies. And we do have a fare study executive summary in your packet. There is a full version of the study upon request as well.

On the screen, you do see the ten items that we covered in the previous study session. Some of those do have bolded font on them. And those are the items that we really want to focus on today in considering the next steps of how we can move those items forward.

I also think it's important to remember that today it is really informational to provide an overview of the information we previously provided and the updates that were requested. Any of the items that we do discuss today would have additional analysis, including a Title VI analysis for many of them, some ongoing outreach and public outreach that would be required. And then, of course, the formal fare policy process. So if we do decide that any of these items are worthy of going on to the next steps, there would be additional steps required before they are adopted as a formal policy.

The first item that I'm going to cover that we discussed in the previous study session is a reduced fare program for Veterans. We currently have reduced fare available for disabled Veterans, but it is not extended beyond that group.

Veterans are 5% of our ridership, and over half of them are currently eligible for some kind of reduced fare. In October, we provided what the impact of the ridership and revenue would be for introducing a reduced fare for all Veterans. That's also shown on the screen today.

During that discussion, we also had questions and a lot of robust discussion about offering free fares for Veterans. So one of the items we took back was analyzing what it would look like to provide a free fare for all Veterans. As you can see in the packet, expanding from a reduced fare for Veterans to making it a free fare would more than double the revenue impacts of offering that option. That information is detailed in your packet for your information as well.

Based on the discussion that we had on the previous study session, as well as that -- that analysis that was done, we have proposed what next steps might look like for offering a reduced fare for all Veterans. As I previously mentioned, this is not a decision that's being made today. It would require additional analysis of our current system. We would have to go through a Title VI analysis, as well as do public outreach and engaging with the cities to ensure that this is an item that can move forward. And then we would come back to the board at a later date for an update, as well as potential adoption of this fare policy change.

I do want to pause there and see if there are any questions on that item.

Councilmember Harris said I got a question. Is this based on the current fare structure? So let's say, for instance, let's say it costs, I don't know exactly how much the current fare, let's say it's a dollar right now. Let's say all the fares is a dollar. When you look -- is this -- when we look at this particular item, it's -- we're looking at the percentage of what a Veteran would get discounted, not the actual dollar amount. We're not saying like, hey, here go a quarter. We're saying like, if the fares is a dollar today, then they're getting 50 cents off of it because it's a 50% decrease versus saying there's a dollar amount allocated to that reduction. Correct?

Mr. Ryals said thank you, Madam Chair and Councilmember. Yes. The discussion on this item would be including our Veterans in our reduced fare existing program. So it would be a $1 per boarding fare, which aligns with reduced fare that's available for seniors, youth, and people with disabilities. So it would be a reduced fare on the current fare. It would just fall within that same program. It would expand it.

Councilmember Harris said because we're adding. Okay. So we're expanding. Okay.

Mr. Ryals said correct.

Councilmember Harris said thank you. Thank you, Madam Chair.

Chair Adams said go ahead.

Mr. Ryals said the next item that we discussed in the previous study session was reduced fare for express and rapid bus service. Currently, express and rapid bus service does not have a reduced fare available. All boardings are a $3.25 fare.

In the discussion previously, we looked at three different options for offering reduced fare for express and rapid service, which included a half price of the express and rapid price, a $1 reduced fare, which would match what our current reduced fare is for our other services. And then we also looked at making the express and rapid pricing align with our local service for all riders.

The revenue and ridership impacts that you see on the screen have a range because it's a range of options that were provided. Of course, the range is based on which of the items would move forward.

We did provide some additional information in your packet regarding express and rapid ridership. 26.7% of our ridership would be qualified for reduced fare. But I also think it's really important to note that for express and rapid Service, 83% of the revenue and 80% of the ridership is through our Platinum Program. So the program where employers and other entities provide a card for their constituents to ride.

The other thing I also think is really important on this item to remember is that the City of Phoenix is planning to do a pilot of extended rapid service on two rapid routes this year. And if that pilot were to move forward because it's offering service for a longer period on the off-peak hours, we would actually be required to offer a reduced fare per the FTA guidelines. So not only is this a good benefit for reduced fare qualified riders, it also may be a requirement if that pilot were to move forward.

Based on that information, we do think that the best route forward would probably be the $1 reduced fare. And that is because it aligns with our current reduced fare for our other services and provides a seamless customer experience for reduced fare qualified individuals. I will pause there on that item.

Councilmember Harris said Madam Chair?

Chair Adams said yes, yes. OD.
Councilmember Harris said I just wanted to ask you specifically, the rapid, it says that you're going to be increasing -- so the reduced fare ridership program and the revenues that it brings, is that -- are we talking about reduction of total revenue dollars when we're looking at the rapid reduced fare alternatives? Is that what we're talking about? Another reduction of revenues?

Mr. Ryals said this would be a reduction -- it could be a reduction depending on the ridership impact simply because we don't currently offer a reduced fare on any express or rapid service.

So it would really depend on the ridership, weighing that out.

Councilmember Harris said and I will -- okay, so that's -- okay, that's going back to slide number seven. If we -- go back to slide number seven.

So this is -- this is basically -- will be in addition -- if we add this program, then we're going to lose revenue of $0.1 million to $0.4 million, is that?

Mr. Ryals said the range that is shown on the screen is accounting for the three different options available that were presented previously. So if we were to move forward to next steps, we would just select the option of option two, for example, and we would come back with additional analysis on the revenue impact prior to making any change to the program.

So that would be part of the next steps would be to do further analysis on which of these options would move forward to ensure that we have a full understanding of what the impact could be.

Councilmember Harris said and then my last question is, with your analysis, is this analysis pressed against impacts to inflation as well? Or is this just the current -- you've taken the current situation that we're in today, you haven't necessarily did the full analysis on inflation? Is that including inflation? Is that excluding?

Mr. Ryals said great question. Thank you. This is simply based on our current ridership and revenue impacts.

Councilmember Harris said thank you, Madam Chair.

Chair Adams said anybody else have any questions?

I just want to make a comment that I'm nervous about losing more money. That concerns me a great deal. So that's for my little opinion here about it.

Mr. Ryals said thank you, Madam Chair.

Chair Adams said yes. Thank you.

Mr. Ryals said going on to the next.
Chair Adams said Laura?

Councilmember Pastor said that's okay. I'll ask it.

Chair Adams said go ahead.

Mr. Ryals said the next item was the residential pass program. We covered in our previous study session that some agencies have chosen to provide a special program for residential developments to offer discounts or special pass pricing, especially as residential developments continue to increase along transit corridors.

Based on the discussion that we had in the previous study session, as well as some discussion with our peers, we think that the best opportunity at this time would be to promote our currently existing programs, such as the Platinum Program or group fares, to residential developments rather than developing a whole new program specifically for these agencies. So we don't necessarily think that the new program would be warranted at this time. That might be something that we consider down the road. However, we do think that the increase in marketing could give us a better understanding of the appetite for these types of programs.

That is a good transition right into the next item, which was the increased marketing of pass programs. Again, we covered in our previous discussion some of the items that we've established with the new fare system and ways to make these programs more efficient and more attractive to organizations and public entities.

We believe, as I just mentioned in the last section here that increased marketing and more targeted marketing of these programs would be really, valuable to the agency. So as we look at these options to introduce new fare programs or adjustments, we do also think that there's some additional marketing warranted to help increase the attractiveness of the programs and hopefully the participation, which we have seen with the launch of the new fare system as well.

Councilmember Harris said Chair?

Chair Adams said yes.

Councilmember Harris said and I just want to go back to the other page, right quick. Oh, no. No, sorry. Go the other way. Go back to increased marketing pass for pass program.

Mr. Ryals said sure.

Councilmember Harris said what was the cost? What was the -- do you have the estimated cost of what the marketing part -- if we was to say yes to this, do you have an estimated range of what that will cost in terms of marketing?

Mr. Ryals said we don't right now. I think if this item were to move forward, we would continue to evaluate where we want to target. We do have some marketing budget specifically for the fare system allocated, and we would determine if additional would be needed and where we'd want to have that focus if this were to continue forward.

Councilmember Harris said do you have a range?

Mr. Ryals said not right now. We could come back with that, though.

Councilmember Harris said okay. Thanks, Madam Chair.

Chair Adams said you bet. Any other questions? Seeing no hands. Go ahead.

Mr. Ryals said the next item is our transfer policy alternatives. We currently do not have transfers within our system. It is a pay-per-boarding system, which has been our fare policy for quite some time. And we did evaluate other options for introducing transfers, either for light rail only to transit between the A and B lines, or for electronic transfers, which would mean if you're using a Copper card or a mobile app, you would have a free transfer period within a certain amount of time.

As we mentioned in our previous study session, when we do evaluate offering a transfer on top of the smart fare or fare capping system that our new fare system provides, there's not a ton of added value for our customers. Most individuals who use our system, if they're using a Copper card, are going to pay up to the $4 daily fare, and they can ride as many times as they want on that $4. So adding a transfer, a free transfer window on top of that, really doesn't provide a lot of value to those customers. Really, the only value for a transfer would be for a single trip in a one direction, and that you're not going to make a return trip later that day.

Based on that discussion previously, as well as, you know, some of the information I just provided, we would suggest looking at some enhancements to comply with our current fare policy, to make a better user experience when you're purchasing a one-ride pass for the light rail. I think there are some adjustments that we could make to make that a little more seamless for our customers, but also just still be compliant with our current fare policy.

We also think that the new fare system will give us a lot of data and information down the road for future discussions. If we were to want to consider a transfer policy, we'll have a lot of trends and analysis that we can provide with the new fare collection system data to determine whether that's warranted.

Any questions on that one?

Chair Adams said no. Go ahead.

Mr. Ryals said special event pass program. So we currently do have a special event pass program, which provides some discounts for special events. We did provide some of those details in the previous study session.

The item that we discussed previously was to offer or to look at offering a menu of options that would be available to make the special event pricing more attractive to those event organizers. That might include discounts for volumes, the volume discounts of buying passes, or maybe adjusting some of the current pass pricing to make it, again, more attractive to those events.

Councilmember Harris said Madam Chair. So just going back, what are -- tell me about a couple of events or just name a couple of events that you think that this would fit within that scope.

Mr. Ryals said so I think there are a lot of like music festivals that happen, Tempe Beach Park, I know we talked about last time, where we're not currently getting a lot of activation of using transit for those events, at least not sponsored and as a part of the event experience. So I think those types of community, larger community events would be a great fit for this type of menu of services.

And within our pass program right now, we have a couple different ways we can offer that. We have a ticket partnership program, which is for the largest scale events in the region. And then the pass, the special events pass that I'm mentioning here would provide actual passes for maybe a more medium-sized event.

Councilmember Harris said so for this particular program, how does that make more money for the organization? How does that equate to more dollars into Valley Metros, I guess is my question? Because if we do the program, I'm all about doing special programs, but I just want to know what then -- what's the return on investment for Valley Metros is my question or CEO.

Ms. Mefford-Miller said if I may. Councilmember Harris, Madam Chair, members of the board. For a special event program, if we think about our system, especially our rail system, the way we're positioned, operating through downtown Phoenix, connecting directly to the airport, operating through Tempe, we know that we're home to many events. I see convention -- I'm downtown every day, and there are convention attendees everywhere. And then there are events by day, and there are event attendees everywhere by night.

Currently, we don't have a pass program that we could offer in partnership with, for instance, the convention center. If we had a pass program, imagine we're partnering with convention center. They're bringing a conference to town. We can work with them to offer a pass. They can have that information, download the app, download their special event pass before they ever land at Sky Harbor and think about getting a Waymo downtown instead of Valley Metro light rail.

So that's really the benefit, is to boost ridership, because we're already built for this. We're already connecting to so many of our major event venues, but we want to increase the share of transit utilization for those events and programs.

We already have some partnerships that I can point to, such as the partnership with the Phoenix arena. So visitors who are attending a -- or residents attending a Mercury or Suns game or concert at that location. Right now, it's a flash pass. They're using their ticket to show our fare inspectors that they've got a valid pass. This is really evolving that program and growing that program, and it's also creating a tool that we can use to capture the revenue associated with those boardings.

Councilmember Harris said so if it's possible that, like, I appreciate that's -- what you just shared.

Ms. Mefford-Miller said like the Final Four, you mentioned. The Final Four pass.

Councilmember Harris said is there a way that you can, for this particular slide, like I like what you were saying, in terms of the ROI, what you just named, how that comes back to Valley Metro, if there's a way that we can do a projected ideal of what that ROI for special -- for us doing special events, even if it's marking the data point of, hey, we now have gotten -- obtained 100,000 more riders because we did this. It brought in additional revenue to the region, and that number looks estimated like this. So I just kind of want to see what that kind of looks like from a numbers perspective, based on, like, you know, just based on a projection. I know it's a projection, but just based on that. If you could do that, that would be great.

Ms. Mefford-Miller said yes.

Councilmember Harris said thanks, Madam Chair.

Ms. Mefford-Miller said would that be doable?

Mr. Ryals said yes, we can do that.

Ms. Mefford-Miller said okay. Thank you.

Chair Adams said and Councilmember?

Councilmember McAllen said yes. As you were talking, I was thinking of just the recent tech conference that happened in Phoenix. There were so many attendees at Phoenix Civic Plaza. It literally broke the escalators. First time it had ever happened. Too many people in one building, right? I'm sure the fire department loved that. But what that says to me is people are coming from all over the Valley to get there, which is the opportunity to build this up, like what we were talking earlier, making sure that all of the representatives of this board can push out that information.
This would -- because right now in Scottsdale, in a week, we will have the largest PGA event in the world happening in Scottsdale. We should be getting bang for the buck on that, right? Valley Metro should, not just Phoenix. You know, Phoenix has the name, but it happens in Scottsdale. I'm just saying.

But with that being said, I'm thinking of all these events where you can market, you know, if they're in Scottsdale, if it's easier to bus them to the light rail for the resort straight down Scottsdale Road to get to Tempe, to bring them in straight from Tempe or from Mesa into Phoenix for these events. I'm thinking of the Final Four. I'm thinking of the Waste Management Open, this Digicon, all these events that happen. And that event that broke the escalators -- how come I can't think of what it was called?

Councilmember Harris said it was a semiconductor.

Councilmember McAllen said the semiconductor one. It's coming back to Phoenix next year. This is prime -- because these are tech geeks. No offense to anybody. But they'll be right on it. They'll want to use those passes. So I see huge success for this if it's, you know, properly implemented. I think it's a great idea. Yeah. Just my thoughts.

Mr. Ryals: Madam Chair, Councilmember, I think that's the right thing about this. This is really trying to make sure that it's attractive both to the event organizers as well as the attendees to use transit to get to those events that are already so connected.

Councilmember McAllen said to the travel agencies. Talking to the travel agencies about that. They're, you know, that are packaging this for the companies that are coming to these events.

Chair Adams said very good.

Councilmember McAllen said I'm excited.

Councilmember Pastor said my question's just a little bit different. We want people to ride our transit. And I know we're giving this discount. So how many -- I'm going backwards, how many people need to be riding the transit system to break even? Because I don't want to lose money. And so I'm working backwards and saying, all right, in order to reach this goal of where we are today without -- what is it going to take to make that happen? That's one question.

The second question is, Phoenix is not the only one close to a transit system. So is Mesa. And Tempe probably attracts many people. So this has to be really -- I know we're talking Phoenix, but -- and I know it's going to be a regional conversation. But really being deliberative on how we're going to go about doing this. And really it goes into the marketing. It's really in the marketing phase and those relationships and building that. And so I think that's critical in that sense.

I do know the medium size and the small size events, only because I had a conversation about this. A lot of people don't take the transit at that moment. It's really the big events and the mega events that this pretty much works in. Unless there's no parking, literally no parking around that event. So those are some things to think of.

Chair Adams said do you want to respond?

Ms. Mefford-Miller said just to your question, Madam Chair, members of the board,

Councilmember Pastor, the break-even point, which was your question and I think it's a very relevant question for this conversation. So if you introduce any new pass program, how do we know if we broke even? And with that, it's the average fare that riders are paying across the system. Because there are many different pass types and if I buy a monthly pass, my average fare is really the dollars I paid for that monthly pass divided by the amount of boardings I made.

So if your average fare goes up or remains constant, then you've broken even, you know, at worst. Or if your average fare erodes, then we have dipped into our revenue stream. So I think that's the good barometer and it's something that we track. Thank you.

Chair Adams said Jim? Jim, he has something.

Vice Mayor Davis said I just, again, want to point out that the East Valley and Central Phoenix are not the only places that have large-scale events. Glendale certainly has -- I don't know if they win or not, but they have the Cardinals and traffic is horrendous over there. So some type of -- sorry, Cardinals. Some type of, you know, transportation options would be great for that. You know, there's the Glendale Arena that has big, big concerts. There's the Phoenix Raceway that is in Avondale. I know for a fact they have one of the largest New Year's Eve EDM festivals. I can't confirm or deny that I have gone to something like that before. But, you know, just transportation options for special events across the region, not just in the East Valley and Central Phoenix, would always be welcome to us on the west side. Thank you. And you can always connect to our microtransit system in Tolleson, too, because that's awesome. Thanks.

Chair Adams said thank you. Okay. In the interest of time, can we move on?

Mr. Ryals said going on to the next one.

The next one is the semester pass program pricing. We do currently offer a semester pass, which is typically targeted for the community colleges and provides a 20% discount on the semester's worth of travel. I do want to mention, as we did last time, that this is separate from the Platinum Program and the ASU Pass, which is a little bit different structure. This is a per-semester pass.

In addition to the information we previously provided, we also have included revenue information using this most recent fiscal year's data on college revenue overall. So this includes the ASU Pass, the Platinum Pass, individuals who might be paying their fare their own way, as well as the light rail one rides and cash options.

Our recommendation to move on this item would be to continue to have conversation with the community college to ensure that whatever we determine may be a good path forward. It was best for the community colleges and their students, and obviously for us as the agency. We did previously pause the semester pass during this transition of the new fare system. And as of this semester, it has been reintroduced. So we'll also have more data on the usage of that semester pass program from this semester and moving forward to really get a better understanding of the current climate and how it might be used and how it could potentially evolve over time.

Chair Adams said I think the councilmember –

Councilmember Pastor said I have a question with that, because there was a very good system that worked with the community college. And as you can see, passes were not purchased from '22, and we're now starting '26. My question is, why did we leave that money off the table?

Mr. Ryals said part of the reason was the decline in the usage of the semester pass. So that had declined, especially around COVID. And then there was a pause as we got the new fare system up and running and available to them. They were still purchasing passes. So you can see in the revenue that was provided, the revenue that was coming in from the community colleges would have been under the group fares program. So the bookstores were still engaged, and they were still actually purchasing monthly passes. So we're actually going to be introducing the semester pass this semester, and they're basically transitioning from the once a month pass into the semester pass, which is a long-term pass for the students.

Councilmember Pastor said I think the challenge you're going to have with the community colleges is that each system, each program has different buckets of money for transportation, and they want to purchase single passes. And so you're going to have a challenge with that, because they're not going to be able to stretch their dollar for their students. And -- but you can test it.

Mr. Ryals said Madam Chair and Councilmember, we actually right now, as I mentioned, we are having the semester pass reintroduced, but they're also still purchasing day passes and monthly passes. So I think that'll give us a good sense of their usage now that both are available and see what works best for those colleges.

Chair Adams said can we wrap up this item?

Mr. Ryals said Yep. It's on to the next one.

So the next item is the review of our past pricing and multiples. I'll keep it short. We did provide a justification of our current past pricing and multiples by comparing it to our peers, and we do feel like we are in line with our peers at this time.
Our new system, as I mentioned, provides a lot greater detail of data and analysis that we can do down the road. And we think at this time, our best option to move forward would be to continue to analyze the usage of our system and our pricing, and at a later date, on a triennial basis, review our fare policy to determine if future changes would be necessary.

The last item we combined it into one, which was a previously two different items, is the social services fare income for low-income individuals.

In October, we presented two different options for how this could be done. There's a lot of discussion around these items, specifically about who would qualify and the potential revenue impacts, which you can see again on the screen here. Your packet includes an in-depth low-income analysis and maps comparing the Valley Metro service area and modes to our peers as well.

As a follow-up to that request, and that additional analysis that we did, we did find that there was no significant difference between bus and rail related to low-income status. That said, compared to our peers included in the packet that you have, Valley Metro service area does have the highest poverty rate of those peers that were analyzed.

Given the significant considerations and revenue impacts of this item, we also think that this is one we should continue the conversation about, use the data that we have available to us, and continue to have this as a part of the ongoing review of our fare policy down the road.

Any questions on that item?

Chair Adams said any questions?

Councilmember Harris said I'll have it at the end. Madam Chair, I have a question.

Chair Adams said are we at the end of his presentation?

Mr. Ryals said yes. We're almost done.

So I just want to mention we do have a lot of youth program information in the packet that was brought up as a part of the discussion last time. We wanted to make sure that we answered the questions that were presented about the various programs that are available and the potential for more across the region.

So in consideration of time, I will let you kind of read the summary slides there. As I mentioned during the presentation, we do have four items that we think are worthy of the additional analysis and consideration that would be required to move forward. But of course, we are looking for your guidance on those four items and whether or not additional analysis and information should be provided.
And then as a reminder, any of the items that do move forward in the next steps would require that additional analysis and the full fare policy process before they are adopted. So no change would be made based on today's discussion. It really would be moving on to the next steps for consideration.

Councilmember Harris said thank you for the presentation. I think it's really good the analysis that's going on. The one thing that I would like to come back here is -- this is great, but I'm also looking at the numbers in the bottom line. I would like to have the impact to inflation considered because right now, although I'm looking at the numbers and they're going down, and at this point, I'm trying to make sure that we establish our bottom line with some of the regional financial events that is taking place.

So what I would like to see happen is this report be the basis of a impact inflation report and what a fee analysis will look like today in 2026, perhaps going into 2027, and bring it back with those comparisons of numbers so I can better reflect on if this is conducive to the regional environment or is this more so you know, is this more so -- is this just more so us expanding what we're doing and not being financially responsible and making sure that we're regionally generating funds that actually helps move Valley Metro forward. So that's kind of where I'm at with that. Thank you, Madam Chair.

Vice Mayor Davis said I just wanted to share a little story really quick. On Sunday I go to church at Trinity Cathedral, which is on Central and Roosevelt. So the light rail is right there. I Lyfted to church on Sunday morning because I had to pick up my car. So I took the light rail. I was able to use the app successfully. I was laughing at myself because I couldn't figure out that QR code thing on the app. I kept trying to get a camera to open. But in your presentation, there's a picture that you put it under. It took me three different tries on three different occasions to figure that out. But anyway, I finally got it to work.

I just wanted to say that this was the best light rail experience that I've ever had. I've been on the light rail a handful of times throughout the years, coming from concerts or various things. And it was very peaceful. It was calm. It feels like a totally different vibe on the light rail now, which I think is amazing. I know the heightened security and pass checks. It's just really making a difference. It felt clean. There was a, you know, slew of characters, you know, along the ride. It was kind of entertaining. And, you know, I took the light rail down to the 7th Avenue and Camelback stop. So you can probably guess where I was picking my car up from.

But it was a great ride. I can see how the app is really convenient once you figure out, you know, that piece of it. And so I just wanted to commend everyone on great work. That's it.

Chair Adams said that makes sense. I agree. Any other comments or questions? Seeing none.

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

Chair Adams said thanks. Future agenda items is what we're on right now.

Councilmember White said Chair I didn't hear item number seven.

Chair Adams said I'm sorry it's both. It's current events or suggested future agenda items.

Councilmember White said I didn't hear travel expenditures.

Chair Adams said is somebody talking? Oh, it's Max. Max, I can't hear you.

Councilmember White said oh, I'm sorry. Item number seven, travel expenditures.

Chair Adams said Max, I can't hear you. Oh, she's talking to somebody else? Let's go with current events first.

Ms. Mefford-Miller said Madam Chair, I think Councilmember White was saying we missed agenda item seven.

Chair Adams said oh, we did. Yes, we did miss it. Thank you. I'm sorry. I've been up since 3am. So I'm getting a little punchy here.

Chair Adams said travel and expenditures. Yes, 7. Thank you, Max.

Ms. Mefford-Miller said it's just for information. If there are any questions, we're happy to answer.

Chair Adams said any questions about travel? Seeing none.

8. <u>Report on Current Events and Suggested Future Agenda Items</u>

Chair Adams said we'll report on current events and suggested future agenda items. So do we have current events?

I have the Indian Festivals at the end of February. So that is going to be a huge event. I believe it's sold out. And so that's going to be in Tempe.

Councilmember McAllen said I have two.

Chair Adams said yes, go ahead.

Councilmember McAllen said currently this week, we have Barrett Jackson auto auction at Westworld in Scottsdale through this Sunday. And then next week, we have the largest PGA event in the world happening, the Waste Management Open in Scottsdale, even though it's called the Phoenix Open.

Chair Adams said very good. OD, do you have anything?

Councilmember Harris said I got a future agenda item.

Chair Adams said let's do events first, and then we'll go to that. Any other events that we should know about? Okay. Seeing none. Go ahead, OD.

Councilmember Harris said just in correlation to what the board was directing the fee structure to look like, I would like to have a full report analysis on impacts to inflation in terms of our fee structure and our ride and our financial -- the financial cast for that progress up. Are we in line with where we are financially in terms of impacts to inflation? Because things have went up in the community. So I just kind of want to -- do you already have something like that?

Ms. Mefford-Miller said we don't. Thank you, Councilmember Harris, Madam Chair, members of the board.

We have not increased fares at Valley Metro in a number of years. The fare policy piece, which is what Dane was following up on today, is really the foundation of our fare structure and pricing. And so that is an item that's scheduled to come to the board. So I don't know that we've got that agendized yet in terms of a month, but we will certainly work with the chair and the team to schedule that for 2026. We are due to have a conversation on fare structure and pricing.

Councilmember Harris said so fare structure, pricing, and capital improvement impacts to inflation as well. So we know that things are going up in cost. So I just wanted to make sure that we have a steady hand with what's the impact, what's our cost going up.

So to be clear, I think you're asking for an informational presentation about inflationary impacts to capital projects.

Councilmember Harris said yes. Both, those two things, the fee and that, what you just said.

Ms. Mefford-Miller said probably separate items. We'd be happy to have those conversations.

Councilmember Harris said thank you.

Chair Adams said any other future agenda items? Seeing none.

9. Next Meeting

Chair Adams said our next joint meeting will be scheduled for Thursday, February 19, 2026, at 11:15 a.m. Meeting is adjourned.

Without further discussion, the meeting was adjourned at 1:30PM.

Executive Summary

DATE **AGENDA ITEM 4B**
February 12, 2026

SUBJECT
Fare Media and Fulfillment Authorization to Issue a Solicitation

COST AND BUDGET
Costs submitted in responses will be subject to either a price or cost analysis, including comparison to an independent cost estimate, if applicable. Specific costs and budget impact will be disclosed at the time of a request for award.

RECOMMENDATION
Authorization for the Chief Executive Officer to issue a competitive solicitation to provide the printing, packaging, and distribution materials for fare media consumables.

STRATEGIC PLAN ALIGNMENT

- Goal 1: Deliver excellent customer experience
  - Tactic 1.1: Incorporate human-centered design principles and practices
  - Tactic 1.2: Prioritize a unified customer experience across modes
- Goal 9: Financial sustainability
  - Tactic 9.3: Maximize revenue generation
  - Tactic 9.4: Support procurement with flexible language, create transparency, and enhance bid opportunities

COMMITTEE PROCESS
RTAG: January 20, 2026, for information
TMC/RMC: February 4, 2026, approved
Boards of Directors: February 19, 2026, for action

CONTACT
Ken Kessler
Chief Financial Officer
Kkessler@valleymetro.org

ATTACHMENT
None

Background Information

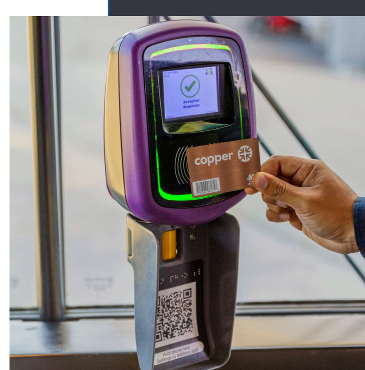
All fare media from the original Fare Collection System Modernization agreement between Vix and the City of Phoenix will be delivered as of the end of FY26. The Fare Media and Fulfillment contract will ensure Valley Metro can maintain fare media inventory to support the region's fare collection system, including extended-use and retail packaged smartcards, limited-use paper cards to support fare programs and special use needs, as well as receipt and ticket stock for fare machines.

Fare Media and Fulfillment Authorization to Issue a Solicitation

1

Fare Media and Fulfillment Authorization to Issue a Solicitation

- All fare media from the original contract delivered in FY26
- New fare media contract will support ongoing fare collection system needs
  - Extended-use smartcards
  - Retail cards
  - Limited-use fare program cards
  - Fare machine 1-Ride tickets
  - Fare machine receipt stock



2

2

Recommendation

- Authorization for the Chief Executive Officer to issue a competitive solicitation to provide the printing, packaging, and distribution materials for fare media.

3

3

Executive Summary

DATE **AGENDA ITEM 5**
February 12, 2026

SUBJECT
Travel and Expenditures

PURPOSE
The monthly travel and expenditures 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
kkessler@valleymetro.org

ATTACHMENTS
Valley Metro Travel Report
Valley Metro RPTA and Valley Metro Rail Monthly Accounts Payable over $25,000

Valley Metro
Travel Reimbursement Report

Job Title	Purpose of Travel	Location	Dates Traveled	Total Travel Cost	Airfare	Other Transport	Lodging	Meals	Misc.
Asst Mgr, Rail Operations	APTA OPWG Meeting	Salt Lake City, Utah	10/21/25-10/24/25	$1,378.19	$388.96		$808.23	$181.00	
Chief Executive Officer	TCRP Oversight & Project Selection Commission	Washington, DC	10/23/25-10/24/25	$170.05		$68.80		$101.25	
Deputy Chief, D&C	APTA Leadership: Exec Sessions & Workshops	Washington, DC	12/02/25-12/06/25	$2,222.77	$749.97	$32.47	$1,173.33	$267.00	
Deputy Chief, Transit Safety	APTA Safety & Risk Mgmt Seminar	San Diego, CA	12/06/25-12/10/25	$1,554.75	$351.61	$30.00	$908.84	$194.30	$70.00 [1]
Safety Manager, Bus	APTA Safety & Risk Mgmt Seminar	San Diego, CA	12/07/25-12/10/25	$1,506.76	$346.61	$132.00	$833.65	$194.50	
Asst Mgr, Rail Operations	APTA Safety & Risk Mgmt Seminar	San Diego, CA	12/07/25-12/10/25	$1,252.24	$196.60		$844.64	$211.00	
Program Manager	APTA Safety & Risk Mgmt Seminar	San Diego, CA	12/07/25-12/10/25	$1,488.29	$316.60	$76.00	$901.19	$194.50	
Fare Rev Ops & Fin Planning Supervisor	Synario (PFM) Fin Model Training	Philadelphia, PA	12/13/25-12/17/25	$1,739.79	$648.97	$150.05	$726.52	$144.25	$70.00 [1]
Management Analyst	Synario (PFM) Fin Model Training	Philadelphia, PA	12/14/25-12/17/25	$1,465.23	$649.36	$77.94	$571.68	$166.25	
Deputy Chief, Bus Maintenance	Gilling Bus Inspection	Livermore, CA	12/15/25-12/19/25	$1,563.51	$471.96	$219.26	$458.29	$414.00	
Bus Fleet Manager	Gilling Bus Inspection	Livermore, CA	12/15/25-12/19/25	$1,344.25	$471.96		$458.29	$414.00	

Total this reporting period	$15,685.83
Year to Date	**$100,342.91**

Report reflects Out of State (AZ) Travel

** Misc*
[1] Baggage Fees
[2] Flight Wi-Fi Fee
[3] Mobile Workshop
[4] Car Rental/Rideshare

Valley Metro Regional Public Transportation Authority
Monthly AP Payments over $25,000
Dec 2025

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
10004235	12/19/2025	Keolis Transit Services LLC	Fixed Route Bus Operations/Maintenance/Professional Services	7,997,495.53
10004278	12/30/2025	City of Phoenix	Transportation Services for East/West Valley-Fixed & ADA Routes	4,374,951.83
90000470	12/12/2025	ADP Inc	PPE 12/07/2025 Payroll Liabilities	1,894,985.93
90000476	12/30/2025	ADP Inc	PPE 12/21/2025 Payroll Liabilities	1,600,466.72
10004186	12/5/2025	MTM Transit LLC	Operation and Maintenance Services for Paratransit	1,352,797.74
10004226	12/12/2025	MJM Innovations	Broker Services	1,342,669.38
10004268	12/30/2025	MJM Innovations	Broker Services	973,901.08
10004229	12/12/2025	Keolis Transit Services LLC	Preventative Maintenance Services	959,239.93
10004213	12/12/2025	City of Phoenix	PTF Expenditure Reimbursement	826,012.94
1003439	12/12/2025	Rideco US Inc	Response Scheduling Software - Scheduling Software	825,876.87
90000473	12/30/2025	Cigna Health and Life Insurance Company	Health Insurance Premiums	764,888.82
10004218	12/12/2025	Commute with Enterprise	Vanpool Services	561,764.54
90000469	12/12/2025	ASRS	PPE 12/07/25 ASRS Contributions & LTD	433,830.48
10004202	12/12/2025	MJM Innovations	Broker Services	419,046.84
90000472	12/30/2025	ASRS	PPE 12/21/25 ASRS Contributions & LTD	417,264.34
10004241	12/19/2025	Scheidt & Bachmann USA Inc	Hardware and Software Maintenance Support	247,383.59
10004193	12/5/2025	City of Phoenix	PTF Expenditure Reimbursement	220,017.03
10004276	12/30/2025	101 North First Ave LLC	101 Building Rent	205,579.59
10004195	12/5/2025	Keolis Transit Services LLC	Engines and Transmissions	152,589.19
10004246	12/19/2025	Trapeze Software Group	Trapeze ATIS Agent Software License	146,722.38
90000477	12/31/2025	Surepays	RPTA Monthly Utilities	135,729.21
10004220	12/12/2025	J Banicki Construction Inc	JOC-Supplemental Construction Services	134,388.82
10004194	12/5/2025	Keolis Transit Services LLC	Engines and Transmissions	133,489.85
10004197	12/5/2025	Keolis Transit Services LLC	Engines and Transmissions	127,848.70
10004269	12/30/2025	MTM Transit LLC	Eligibility Assessment/Training costs	126,572.22
10004255	12/19/2025	Vix Technology USA Inc	Customer Service Network	118,389.57
1003456	12/30/2025	Carahsoft Technology Corporation	OpenGov License	117,459.62
10004175	12/5/2025	Scheidt & Bachmann USA Inc	Hardware and Software Maintenance Support	63,866.68
1003462	12/30/2025	Regional Transportation Authority of Pi	Ajo 685 Long Route Trips	55,891.77
10004264	12/30/2025	Senergy Petroleum LLC	Bulk Fuel	55,419.92

10004223	12/12/2025	QCM Technologies Inc	Information Technology Services	51,554.64
10004210	12/12/2025	Guidesoft Inc	Temporary Staff - IT related	51,429.00
10004180	12/5/2025	Senergy Petroleum LLC	Bulk Fuel	48,804.08
90000471	12/19/2025	Wells Fargo Bank	Monthly Credit Card Charges	46,750.09
10004227	12/12/2025	Keolis Transit Services LLC	Engines and Transmissions	46,566.40
10004184	12/5/2025	Insight Public Sector Inc	Asana Software Renewal	41,251.02
10004222	12/12/2025	Nationwide Retirement Solutions Inc	PPE 12/7/25	39,335.22
1003412	12/5/2025	CopperPoint Insurance Company	Workers Comp Premium Renewal	36,259.70
1003423	12/12/2025	Convergent Print Group LLC	Printing Services Wraps	34,079.48
10004228	12/12/2025	Keolis Transit Services LLC	Engines and Transmissions	32,863.85
10004280	12/30/2025	Valley Metro RPTA	Platinum Pass Program Services	32,844.75
1003427	12/12/2025	Hye Tech Network & Security Solutions L	Technology and Audio/Visual Solutions	31,666.67
10004267	12/30/2025	National Express Transit Corporation	West Valley Facility Lease	28,807.13
10004198	12/5/2025	Keolis Transit Services LLC	Engines and Transmissions	27,791.36
				27,336,544.50

Valley Metro Rail, Inc
Monthly AP Payments over $25,000
Dec 2025

Payment Number	Date	Supplier or Party Name	Transaction Description	Amount
50003954	12/30/2025	Alliant Insurance Services Inc	Commercial Property/Stock Insurance	6,410,997.56
50003958	12/30/2025	Inter-Con Security Systems Inc	Field Security Officers	1,470,133.58
50003913	12/12/2025	SDB Contracting Services	JOC-Supplemental Construction Services	711,826.88
50003960	12/30/2025	SRP	Third Party Utilities for SCE	599,605.97
90000054	12/31/2025	Surepays	VMR Monthly Utilities	535,934.98
50003905	12/5/2025	SRP	Third Party Utilities for SCE	494,693.36
50003945	12/30/2025	Jacobs Engineering	Capital Extension Design	441,293.74
50003910	12/12/2025	HDR Engineering Inc	Project Development Support	373,692.62
50003922	12/12/2025	SRP	Third Party Utilities for SCE	373,004.30
50003955	12/30/2025	Ardonagh Specialty Limited	Excess Liability Insurance	304,000.00
50003947	12/30/2025	Siemens Mobility Inc	LRV Vehicle Communication and Video System Upgrade	255,568.01
50003914	12/12/2025	Siemens Mobility Inc	LRV Vehicle Communication and Video System Upgrade	151,311.33
50003948	12/30/2025	URW LLC	Landscape Maintenance Services	122,636.46
50003930	12/19/2025	Penn Machine Company LLC	Tires and Tire Kit Mounting	109,480.00
50003893	12/5/2025	PGH Wong Engineering Inc	System Design Services	104,904.00
50003895	12/5/2025	Siemens Mobility Inc	Tires and Tire Kit Mounting	83,441.68
50003932	12/19/2025	URW LLC	Cleanup North and South side retentions - OMC	75,219.20
5003984	12/19/2025	Midstate Mechanical LLC	Boiler Replacement and Removal	70,703.00
5003996	12/30/2025	Powerex - Iwata Air Technology Inc	Air Compressor/Belt	63,769.30
50003938	12/19/2025	Southwest Transit Partners	CAPEX CM Risk Services - Pre-Construction Services	63,254.66
50003881	12/5/2025	ARCADIS	Consulting Support Services	62,490.38
50003928	12/19/2025	HDR Engineering Inc	Community Relations Support Services On-Call	59,127.09
50003892	12/5/2025	Knorr Brake Corporation	Brake Caliper	56,814.03
50003908	12/12/2025	Brookville Equipment Corp	Additional Spare Parts	47,040.00
50003943	12/30/2025	Brookville Equipment Corp	Skirt Assembly	43,748.97
50003959	12/30/2025	City of Phoenix	Vix FCMS charges	39,477.00
5003959	12/12/2025	All Fleet Services	Repair Services & Regular Maintenance for Non-Revenue Vehicles	39,062.35
50003903	12/5/2025	WEX Bank	Fleet Card Services	35,691.40
50003890	12/5/2025	Jacobs Engineering	Project Development Support	31,727.50
50003931	12/19/2025	Siemens Mobility Inc	Event Recorder	30,252.00
50003916	12/12/2025	Integrated Power Services LLC	Volt Insulation Mounting	29,386.62
5003935	12/5/2025	Convergent Print Group LLC	Printing Services Wraps	27,363.52
				13,317,651.49

Executive Summary

DATE
February 12, 2026

AGENDA ITEM 6

SUBJECT
Report on Current Events and Suggested Future Agenda Items

COST AND BUDGET
There are no costs associated with this item

RECOMMENDATION
This item is presented for information only.

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

ATTACHMENT
None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date

Agenda

February 12, 2026

Valley Metro RPTA
Board of Directors
Thursday, February 19, 2026
Boardroom/You Tube
Valley Metro, 101 N. 1st Avenue, 10th Floor
11:15 a.m.

		Action Recommended
CONSENT AGENDA		
1A.	Minutes Minutes from the November 13, 2025, Board meeting are presented for approval.	1A. For action
1B.	Retail Sales Network Contract Amendment Staff recommends that the Board of Directors authorize the Chief Executive Officer to execute a contract amendment with InComm, to extend the contract through March 31, 2029.	1B. For action
REGULAR AGENDA		
2.	Comprehensive Operational Analysis (Bus Network Redesign) Contract Amendment Staff recommends that the Board of Directors authorize the Chief Executive Officer to execute a contract amendment with Transportation Management and Design, Inc., to extend the contract through February 28, 2027, and increase the aggregate value of the contract not to exceed $899,633.	2. For action
3.	Fiscal Year 2025 (FY25) RPTA Annual Comprehensive Financial Report (ACFR) and Single Audit Reporting Package (SARP) This item is being presented for information. Action will be taken at the Audit and Finance Subcommittee meeting on February 5, 2026.	3. For information

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

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

5.	Next Meeting	5.	For information

The next Board meeting is scheduled for **Thursday, March 26, 2026 at 11:30 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 website.

Meeting Minutes

February 12, 2026 **AGENDA ITEM 1A**

Valley Metro RPTA Boards of Directors
Thursday, November 13, 2025
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

RPTA Meeting Participants
Councilmember Jennifer Adams, City of Tempe – **Chair**
Councilmember Max White, City of Avondale (phone)
Councilmember Jamine Berry, City of Buckeye
Vice Mayor Lauren Tolmachoff, City of Glendale
Vice Mayor Wally Campbell, City of Goodyear
Vice Mayor Jon Edwards, City of Peoria (phone)
Councilmember Laura Pastor, City of Phoenix
Councilmember Bryan McClure, Town of Queen Creek (phone)
Councilmember Earle Greenberg, City of Surprise (phone)
Mayor BG Bratcher, Town of Wickenburg (phone)

Members Not Present
Councilmember O.D. Harris, City of Chandler
Councilmember Monica Dorcey, City of El Mirage
Councilmember Peggy McMahon, Town of Fountain Hills
Councilmember Kenny Buckland, Town of Gilbert
Supervisor Steve Gallardo, Maricopa County
Councilmember Francisco Heredia, City of Mesa
Councilmember Maryann McAllen, City of Scottsdale
Councilmember Jimmy Davis, City of Tolleson
Mayor Michael LeVault, Town of Youngtown

The chair called the meeting to order at 11:50 A.M.

Chair Adams said the public comment. Public will be provided an opportunity at this time to address the committee 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. Do we have any questions?

Chair Adams said we need to make the agenda and so we'll go into the consent agenda first, there's no public comment.

1. Consent Agenda

Chair Adams said thank you. The Consent Agenda is presented for action. Ask the committee if there are any questions or if there are any items that need to be polled for separate discussion. Are there any items that need to be pulled?

Councilmember White said yes, item 1D. Thank you. It's just a question.

Chair Adams said oh, shocking. Okay. Go ahead with your question, please.

Councilmember White said I noticed that -- this is kind of more paratransit related, but I know that we -- I know Valley Metro is doing a study with On Demand, more specifically the WeRide program. And I would hate to approve our ADA paratransit knowing that that contract isn't really due to October of 2026 without having the study results of what is being done for On Demand transit at this point. Can the body address that or can we approve the Consent Agenda and that be taken as a note?

Vice Mayor Tolmachoff said Jessica, I'm happy to address that from the Glendale perspective, if you'd like.

So Councilmember White, so the City of Glendale has decided to -- because Prop 479 is going to fund the paratransit program off the top, the City of Glendale has decided to fund up until July 1st of 2026 when the regional funds will be available for paratransit program. We're bringing back Ride Choice. We ran a pilot program, and now we're rolling it out. We're rolling it out a bit early. And this is going to be, you know, City of Glendale is going to be covering the entire cost of that from now until the region starts picking up for paratransit riders only on Ride Choice.

So I think there you're talking about two completely, separate programs, whether this is the paratransit, which is qualified for regional funds, I believe under Prop 479. It's not On Demand. It's not open to anybody. It's only going to be available for paratransit riders. And that's what Glendale is moving forward with. I think that it's a different -- it's different than -- what the study is for cities, I think, Avondale and Goodyear asked to be able to roll out a WeRide program, an On Demand microtransit program for anyone. And that's not what this is.

Ms. Mefford-Miller said if I may, Madam Chair.

Chair Adams said yes, please.

Ms. Mefford-Miller said Councilmember White, I thought I heard 1B as in boy, but based on your remarks, I wonder if it's 1D as in dog.

Councilmember White said 1D as in dog because it's tied to paratransit.

Vice Mayor Tolmachoff said oh, okay.

Ms. Mefford-Miller said I heard the same thing as Vice Mayor Tolmachoff. Thank you for clarifying that. And thank you, Vice Mayor Tolmachoff, for addressing that response, which actually applies to 1B, City of Glendale and 1C, City of Peoria. They are very similar agreements.

I want to invite Tom Young, our Deputy Chief for Bus and Paratransit Operations to the podium to address your question, Councilmember White. And the short answer of it is yes. Will we explore expanding the footprint or the modes offered in a forthcoming paratransit request for proposals? The answer is yes.

I do want to note, I think it's important here, that the current paratransit operator, which is MTM, they operate all of the Valley Metro paratransit service. They do so from a depot in Northwest Gilbert as well as an outpost in Peoria. The nature of our contract requires that the exercise of any option years requires mutual agreement between both parties, Valley Metro, RPTA, and MTM.

MTM recently informed us in the month of September, actually, that they do not intend to pursue option years on this contract under the existing terms and conditions. So we're doing two things.

Number one, continuing to have a dialogue with MTM about the nature of our contract, including items such as the leases on both facilities. We've got a light footprint, I think 20 buses, housed at that satellite facility today in the city of Peoria. One of the options that we're exploring to try to reduce that overall contract cost is to shift those vehicles to the West Valley Bus Operations and Maintenance Facility, which Valley Metro RPTA, as of last year, now, or earlier this year, and we now hold that lease. And so if we can support those vans at West Valley, that eliminates the need for another lease.

We're also having a conversation on the lease of the facility at Gilbert, in Northwest of Gilbert, where the majority of our paratransit fleet is located.

We may or may not be able to come to agreement with MTM on continuing to support paratransit service. So per board policy, if we were to issue a request for proposals, we have to come to this body to request authority to prepare and release a request for proposals. And that's what the item is on this agenda today. I want to ask Tom Young to provide a little bit of context on what that RFP might look like to answer your question.

Councilmember White said no, Madam CEO, that was sufficient actually. Your answer did it all. And in the best interest of time, that is all I needed. Thank you so much.

Ms. Mefford-Miller said thank you, Councilmember.

Chair Adams said moving on. Any other questions?

Mr. Wawro said if I may?

Chair Adams said yes, please.

Mr. Wawro said since that item was pulled, I would suggest that you hold a vote on the Consent Agenda for the items except 1D, and then hold a second vote on 1D before you move on with the regular agenda.

Councilmember White said Madam Chair, I move we accept the consent agenda, minus 1D.

Chair Adams said okay. Do I have a second?

Vice Mayor Tolmachoff said second.

Chair Adams said all in favor, say aye. All opposed? Motion carries.

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

Councilmember White said Madam Chair?

Chair Adams said yes. Go ahead.

Councilmember White said I move we accept item 1D.

Chair Adams said I have a motion for 1D. Do I have a second?

Vice Mayor Tolmachoff said second.

Chair Adams said all in favor? All opposed? Motion carries. Thank you.

IT WAS MOVED BY COUNCILMEMBER WHITE, SECONDED BY VICE MAYOR TOLMACHOFF, AND UNANIMOUSLY CARRIED TO APPROVE CONSENT AGENDA ITEM 1D.

2. <u>Compressed Natural Gas Operations and Facility Maintenance Contract Amendment</u>

Chair Adams said we're now moving on to the compressed natural gas operations and facilities maintenance control contract. Jessica, would you like to introduce this item?

Ms. Mefford-Miller said thank you, Madam Chair, members of the board. I'd like to invite Greg Thompson, our Deputy Chief of Bus Maintenance, to the podium to provide a presentation on this item.

Mr. Thompson said thank you. Thank you, Jessica. Madam chair, members of the board. Today we're asking that the board authorize a two-year contract extension with Clean Energies to support, maintain, inspect, do repairs at our CNG station that's owned by Valley Metro at our Mesa facility. Clean Energy was awarded the contract in 2021 and has operated that station without issue since that time.

They have performed under the contract value as well. Staff did a comprehensive price/cost analysis prior to today to ensure that the contract amount is deemed fair and reasonable.

And with that, I can answer any questions that you may have.

The costs of the term of the contract is outlined in your packet for a total value of $1,611,200. I can answer any questions.

Chair Adams said do we have any questions out there, Board? Anybody with their hands up? It looks like we have no questions.

I request a motion then.

Motion by Councilmember McClure, second by Vice Mayor Tolmachoff.

Chair Adams said all in favor. All opposed? Motion carries. Thank you.

IT WAS MOVED BY COUNCILMEMBER MCCLURE, SECONDED BY VICE MAYOR TOLMACHOFF, AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A CONTRACT AMENDMENT WITH CLEAN ENERGY FUELS CORPORATION, TO EXTEND THE CONTRACT THROUGH JUNE 30, 2028, AND INCREASE THE AGGREGATE VALUE OF THE CONTRACT NOT TO EXCEED $1,611,200.

3. East Valley Fixed Route Service Contract Amendment

Chair Adams said moving on to number 3 now, the Fixed Route Service Contract Amendment. Jessica, I'll ask you to introduce this item.

Ms. Mefford-Miller said thank you, Madam Chair, members of the Board. The East Valley Fixed Route Bus Operations and Maintenance Service Contract Agreement is one of Valley Metro's largest service contracts.

This is the result of a request for proposals and a competitive process that we undertook in partnership with all of our East Valley cities and some of our West Valley and Phoenix cities also participated in the scoping of that contract. That process resulted in the award of a contract to Keolis Transit Services Incorporated that began on January 1, 2024. That began with a three-year base and then there is a one four-year option and one three-year option concluding that.

As we approach the end of our second year, we're at the moment where we must choose to enter into a contract option or to re-procure this operations and maintenance contract. We have moved through a thorough evaluation process. I know a number of conversations have occurred with our member communities in the context of our East Valley monthly meeting, as well as one-on-one conversations with cities and members of the board regarding performance of this contract.

With the Keolis contract, I want to acknowledge at the beginning of that contract, we had a rocky start. We have been working to make improvements and have successfully improved performance in a number of key areas, including service reliability or on-time performance. And I really credit the now emerging work of our Service Planning Team for working with Keolis to create schedules that are operable and our customers now enjoy more than a 10% improvement in reliability relative to this time last year.

We also were able to resolve significant workforce shortages. And today we are completing well over 99% of scheduled trips each day. We continue to have performance improvement challenges and associated performance improvement plans in a few areas, including operator training, safety, and maintenance.

I want to invite Tom Young to the podium to walk you through the contract terms, as well as a high-level snapshot of that performance improvement plan with Keolis. Tom.

Mr. Young said thank you, Jessica. Madam Chair, members of the board. I'm going try to hit the highlights of this at this point.

As Jessica said, it was a three-year base contract with Keolis, which started January 1st of 2024. We had two options. One's a four-year option and a second three-year option to extend.

As Jessica said, over the last 21 months, Keolis's performance has improved on almost -- or the majority of all of our KPIs, including the on-time performance, preventable accidents, and maintenance areas.

I want to highlight a couple areas where we are working on consistently. One is operator coverage. Primarily, how they set their extra board. Absenteeism is still somewhat high at this point, and the key to covering all the work is making sure that we have operators in the yard ready to take over the service when somebody calls off.

Safety, as far as preventable accidents. Up through July, they were moving in the right area on all trends, improving preventable accidents. The last couple of months, we have a couple mixed results at this point. A lot of it is based off of new hire operators, first-time transit operators. We're working with Keolis right now in reviewing their new hire operator training program to ensure that they're learning how to actually operate the full-size buses at this point.

Maintenance, we continue to work on maintenance issues with Keolis in all areas. They're really starting to improve, especially the miles between service calls at this point. We continue in improvement month over month, and we hit an all-time high over 6,000 miles between failures just this last month.

One of the things that we truly analyzed in looking at this, not only just the KPIs, but all overall support of this contract, Keolis management, their corporate support, and we actually weighed out the benefits of extending the contract versus what may occur if we re-procure, not only the cost incurred in re-procuring the services, but we've made such great strides over the first 22 months of the contract. We want to continue that momentum in working with Keolis and keep the service improvements going.

One of the other driving factors, we've been watching procurements that happen throughout the region right now, and most procurements, new procurements on the street are coming in approximately 10% to 15% higher than the current Keolis rates that we're paying at this point.

So with the analysis, with the service improvements, we are recommending the board to authorize the Chief Executive Officer to execute the contract amendment. Total aggregate value is $816,469,425 and that amount does include the first three-year base contract plus the four-year extension.

I can answer any questions at this time.

Vice Mayor Tolmachoff said I have a question. Thank you. I don't know what slide it was, said preventable collisions. This one. Does that mean driver at fault? Is that what that means? Or what exactly does that mean?

Mr. Young said so preventable collision, we measure it based off of, did the operator do everything within their power to avoid the accident? So it would be more or less the same as at fault, yes.

Vice Mayor Tolmachoff said and then so are the drivers cited when law enforcement show -- what happens when?

Mr. Young said one of the pieces, and I don't have the exact number, but the majority of preventable collisions right now are occurring in construction zones where it's a mirror hitting a construction site. Anytime there's contact with an object, we call that a collision. So most of these collisions are very minor collisions.

Vice Mayor Tolmachoff said some of those barricades are set up where it's pretty tight, even for a car so I can understand where that might be a problem. I was just curious what that meant. Thank you.

Chair Adams said are we working with the construction crews about the situation?

Mr. Young said yes. And a lot of the -- especially newer construction sites, Keolis has supervisors, and some of our superintendents actually go out and check the sites throughout the day and ask for stuff to be moved, if necessary.

Chair Adams said thank you. Are there any questions out there from the Committee? Seeing none. I'll request -- oh, do we have a question? A question, or you're going to make a motion to approve? That was, I don't know what it was. Do I have a motion to approve?

Motion by Vice Mayor Tolmachoff, second by Councilmember McClure.

Chair Adams said all right. All in favor, please say yes. Or aye. Motion carries.

IT WAS MOVED BY VICE MAYOR TOLMACHOFF, SECONDED BY COUNCILMEMBER MCCLURE, AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO EXECUTE A CONTRACT AMENDMENT WITH KEOLIS TRANSIT SERVICES, LLC, TO EXTEND THE CONTRACT THROUGH DECEMBER 30, 2030, AND INCREASE THE AGGREGATE VALUE OF THE CONTRACT NOT TO EXCEED $816,469,425.

4. Deman Response Service Overview

Chair Adams said Demand -- number 4, demand response service overview. Jessica, would you like to introduce this item?

Ms. Mefford-Miller said please, and Tom, stay comfortable. Madam Chair, members of the Board, this item is an informational item. It actually came at the request of the board some months ago, and it is really just to provide an overview of the landscape of demand responsive services, really focusing on accessible transportation services. So not a microtransit service and not the route deviation service that we do on the Ajo rural route but really service for our disabled neighbors.

And the idea here is to really begin to create a mental map of the geography of accessible transportation services and the different types of programs and eligibility criteria that are offered across the Valley. And the intention is really just to continue to build shared understanding of what accessible transportation services are offering. I think this is especially important as we prepare along with our member cities and our partners at MAG to move through a new period of regional funding associated with Proposition 479.

So informational only, we welcome questions. And outside of this presentation, which will be fairly high level, we also welcome the opportunity to engage with your member cities to outline where services are being consumed, what ridership looks like by member community. That's probably best done between Valley Metro staff and a member community one-on-one, since it looks so different across our 19 member jurisdictions.

Mr. Young said thank you, Jessica. Once again, Madam Chair, members of the board, as Jessica said, I'm here to provide a review of accessible transit services for individuals with disabilities that do not have the ability to use the regular bus system and for some jurisdictions, senior citizens 65 and older. And I'm also going to be covering some of the agencies that provide each of those services.

So to start, I want to talk just a couple definitions that I'm going to be using so everybody can reference this as we go through. ADA complementary paratransit is actually the term identifying service required under the Americans with Disabilities Act for individuals with disabilities. With that, it's the disability has to prevent them from having the ability to use the regular bus. So it operates within a complement of the regular bus system, which actually means within the same service area, within three quarters of a mile and during the same times and days that that bus service operates.

Paratransit is also the term referenced when we talk about the regional service that Valley Metro provides. It's also a shared ride service. So individuals using the service can expect that they will have other customers onboard going in like directions at the time that they're using the service.

The second service is Dial-a-Ride service, which basically is just another name for the ADA paratransit program. And it's a basic term used when referencing the service that's provided by local jurisdictions. Dial-a-Ride like paratransit is a shared ride service where other people will be riding the vehicle at the same time.

The third service I'm going to talk about is our Ride Choice program. Our Ride Choice program was actually developed as an alternative to the ADA paratransit program that would go above and beyond the requirements of the ADA. So other words, a lot of jurisdictions several years back chose to do the minimum service area of three-quarter mile. Ride Choice was a more cost-effective solution for providing beyond those service areas, especially since we use local community providers such as taxi companies, Uber, Lyft, and other medical transportation companies that have accessible vehicles to provide this service.

Ride Choice is 24/7, seven days a week and does not require advanced reservations. Somebody could run out of milk this moment and pick up the phone and call and get a ride to the store to get milk. This Ride Choice service is not a shared ride program. It's basically they get an individual taxi type trip when they order the services.

There's three jurisdictions beyond Valley Metro that provide ADA paratransit within their city and most of them are under the terms of dial-a-ride. The City of Glendale directly operates their paratransit program under Dial-a-Ride for all trips that occur within the city boundaries and the same thing with the city of Peoria. They provide Dial-a-Ride services within the city boundaries of Peoria. The City of Peoria does have some few destinations to medical areas outside of their city limits in Sun City and in Glendale. And then the final City of Phoenix also has their own Dial-a-Ride program. It's shared -- all three of these are shared ride programs that provide service within their city boundaries.

Valley Metro's menu of services. So we have actually 13 jurisdictions that we provide both local paratransit and regional services. So we're not restricted to jurisdictional boundaries at this point. We do both city-to-city transportation and regional service. There are four cities that we only provide regional service for.

So the first three I already mentioned, Glendale, Peoria and Phoenix, they do their own inter-jurisdictional service. So we only provide the regional service for that.
City of Surprise fits into the regional only service where the City of Surprise doesn't have any bus service. So they really don't have any requirements. But as a choice, they have decided that they wanted to provide regional services for individuals that are ADA eligible for medical and employment trips, looking at that priority.

Under the Ride Choice Program, we currently have 13 jurisdictions participating in Ride Choice. As of December 1st, we will have 15 as the City of Glendale and the City of Peoria are both serving the Ride Choice program.

In addition to those services, and this was one of the things when I came into the community that kind of threw me off, we have an additional 61 different agencies that also provide services for people with disabilities. The majority of those agencies are non-profit agencies, and their primary service is for, between residential facilities and work sites and they pretty much only provide service for their own clients or own customers at this point. Through MAG, there is a Human Services Transportation Program that helps coordinate the strategies for all of these services. However, the transportation service itself provided by these 61 different agencies is independent of the services provided by the four public agencies.

So I'm going to talk about a little bit about each jurisdiction to where right now, all jurisdictions have a little bit of different service area and eligibility type criteria's. So right now, we have 11 jurisdictions that have adopted the minimum ADA service area of three quarters of a mile around the bus. Now that adoption for the majority of them is for pickups.

Not all of these jurisdictions have also made that restriction on areas that can be dropped off. So we have the City of Phoenix, we have the City of Chandler and the Town of Gilbert that actually provide service beyond the three-quarter mile. So of the 11 jurisdictions that have the three-quarter mile restriction, somebody could be traveling to one of those three communities that's outside of the three-quarter mile.

When that happens, and I'm going to talk a little bit about the future of Prop 479, if both of those legs of the trip are not within the three-quarter mile, they will not be considered an ADA trip. So just one leg outside the three-quarter mile. As far as the Ride Choice program, once again, as I stated, we do have 13 and eventually 15 communities. Now, since the Ride Choice program was developed above and beyond the minimum ADA, certain restrictions don't apply. So each jurisdiction has the ability to say who they want eligible for the Ride Choice program. We have some jurisdictions that have stuck to ADA eligible only. We have others that said we want individuals 65 and older to be eligible. We even have some that allow Veterans and or some low income residents be eligible. Once again, the service area is not limited for Ride Choice under the current program.

It's just kind of trip limits of it has to be under a 50-mile trip and it has to be Maricopa County as the primary service area. I think the thing that's most important under Ride Choice is the fact that each jurisdiction can define the level of service that they want their constituents to receive.

Looking at the four public agencies, City of Glendale, City of Peoria, Phoenix and Valley Metro Service to include paratransit and Ride Choice. Last year, fiscal year 2025, we provided collectively 1,033,868 trips, which keeps all of us pretty busy.

So kind of looking into the future at this point, we're currently working with MAG on the implementation of Prop 479. Once everything's fully identified, we're going to be working closer with all jurisdictions on strategies.

The biggest piece of this is what trips are going to be funded. Understanding at this time is only trips that for individuals that are ADA eligible and only trips that have an origin and destination within the three-quarter mile will be eligible for reimbursement under Prop 479. And that's for the ADA paratransit and Ride Choice program.

Like I said earlier, the Dial-a-Ride programs, it is just another name for the ADA paratransit. Right now, looking at all trips that were provided and we're using 2004 data right now. There's approximately 11% of the trips in cost for the paratransit trips that are outside that what's considered the ADA trip. And for Ride Choice, due to the fact that it was an alternative, about 52% of the trips and 60% of the cost is outside that minimum ADA service criteria.

So short term right now, we're working diligently with all the jurisdictions and with MAG in identifying the service that we're projecting that'll be within the ADA and outside of the

ADA. So we've been doing that right up to yesterday with even five-year projections that are going out.

These are preliminary numbers. We're making the commitment kind of midterm once we get all of that down to work with each jurisdiction on strategies, especially those jurisdictions that are going to have trips occurring outside of the minimum ADA.

And then as we have long term, if there's any jurisdictions that are choosing to make any changes, we'll be working to assist in any communications and transition for customers that may be impacted by any future change.

So at this time, just kind of summary.

Ms. Dillon said Tom, excuse me, there's a question online. Councilmember White would like to know who funds an ADA trip under Prop 479 if the origin or destination is not in a three-quarter mile zone? Is that the city of origin or the city who has selected to increase their zone outside of the mandated zone?

Mr. Young said currently under all programs, it's the city of origin where the customer lives that does the trips, that pays for the trips. Councilmember White, does that answer your question?

Chair Adams said Councilmember White, are you there?

Ms. Dillon said she may not be in an area where she can come off mute.

Mr. Young said just a quick summary at this point. There's four public agencies within the Valley that are providing ADA paratransit or services to individuals with disabilities or seniors that cannot use the regular bus. Like I said last year, we did over a million trips between the four of us.

Now, the one issue with the four different agencies is depending on the travel needs of the customer, they could very well use two or three of these agencies within any one day of traveling. So an example, I have a customer that's taking a regional trip, and I drop them off at an appointment with Valley Metro at this point. They have to go to a second appointment that's within that jurisdiction of destination. They would have to call that jurisdiction, whether it be the City of Phoenix, City of Peoria or Glendale for that second trip, and then they could rely on Valley Metro to get them back home because once again, it's crossing a jurisdictional boundary.

And then the final piece just in summary at this point is we're continuing to work on the impacts of the implementation of Prop 479.

I can answer any questions.

Chair Adams said do we have any questions out there?

Vice Mayor Tolmachoff said I do have a question. So I think that's what you were trying to get us to understand is that -- let's just say that a trip originates in the City of Glendale, and then they go to another point within three quarters of a mile, and then from there, they take another trip, and then maybe even a third trip. All the rides though are billed to the city where the original ride took place.

Mr. Young said that is correct, yes.

Vice Mayor Tolmachoff said no matter what the sequence is after that, that the originating city is funding that ride, doesn't matter where else it goes?

Mr. Young said correct.

Vice Mayor Tolmachoff said thank you.

Chair Adams said any other questions? Seeing none.

5. Report on Current Events and Suggested Future Agenda Items

Chair Adams said we'll move on to future items. Are there any reports or current events? If there are any items for future meetings, please state it now. Hearing none.

6. Next Meeting

Chair Adams said next meeting is Thursday, January 22nd, 2026, at 11: 15 a.m.

Meeting adjourned. We'll take a five-minute break.

The next meeting of the RPTA Board is scheduled for Thursday, January 22, 2026, at 11:15 a.m.

Without further discussion, the meeting was adjourned at 12:23 P.M.

Executive Summary

DATE **AGENDA ITEM 1B**
February 12, 2026

SUBJECT
Retail Sales Network Contract Amendment

COST AND BUDGET
No additional contract authority is requested.

For FY26 the contract obligation is fully funded within the adopted FY26 Operating and Capital Budget. Contract obligations beyond FY26 are incorporated into the Agency's Five-Year Operating Forecast and Capital Program (FY26 through FY30).

The source of funds is Public Transportation Funds.

RECOMMENDATION
Authorization for the Chief Executive Officer to execute a contract amendment with InComm, to exercise the option to extend the contract through March 31, 2029.

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

- Goal 9: Financial sustainability
  - Tactic 9.2: Identify opportunities to improve resource allocation, fare collection, and service delivery models
  - Tactic 9.3: Maximize revenue generation

COMMITTEE PROCESS
RTAG: January 20, 2026, for information
TMC: February 4, 2026, for action
Board of Directors: February 19, 2026, for action

CONTACT
Tyler Olson
Manager, Budget and Operations Financial Controls
tolson@valleymetro.org

ATTACHMENT
A copy of the contract amendment is available for review.

Background Information

This is a revenue contract needed to continue providing a retail network for the distribution and reloading of smartcard fare media (Copper cards), allowing customers to conveniently purchase Copper cards and add value easily and securely to their Copper card and mobile fare transit accounts.

The original contract award was approved during the March 2021 Board meeting, and the approved contract value included two categories of costs:

1. **Design/Implementation** – A fixed cost of $80,000 for integration into the new fare collection system. This cost was incurred during contract start-up and system integration.
2. **Smartcard Media Production** – A variable amount based on the anticipated need to produce cards for distribution, originally estimated at $9.2 million over a 10-year period.

While the contract included potential costs for smartcard media production, InComm did not perform any smartcard media production under the contract. As a result, Valley Metro did not incur and was not charged any costs associated with smartcard media production, and will not incur such costs under this contract in the future as a separate contract will be procured directly with a fare media/smartcard production company.

In addition, the contract provided that InComm would be compensated through fees and commissions on card sales and transit fare stored value purchased through the retail network. In the contract commissions on card reloads are set at four percent and are retained by retail outlets, and a fixed fee of $1.10 per card sold is retained by InComm to offset distribution and management costs, and net sales revenue is remitted to Valley Metro. Because Valley Metro is not invoiced for these fees and commissions, they were not included in the contract value. The four percent commission is consistent with the fee structure of the legacy retail network administered by the City of Phoenix which is no longer in operations, as the InComm retail network replaced those services with the implementation of the new fare system.

InComm's retail network has generated a significant amount of fare revenue for the region at the over 900 participating retail locations found throughout the Valley. See table below for revenue collected from inception through December 2025.

InComm Retail Network Sales

The table below shows retail network sales and corresponding fees and commissions since the inception of the contract.

Transactions	FY25	FY26 through Dec	Total
Gross Sales	$ 2,364,083	$ 1,383,074	$ 3,747,156
Fees / Commissions	$ (119,306)	$ (64,938)	$ (184,244)
Net Sales	**$ 2,244,777**	**$ 1,318,135**	**$ 3,562,912**

Based on recent sales trends it is estimated that retail network gross sales will be approximately $2.6 million per year with estimated annual fees and commissions of approximately $120,000.

CONTRACT TYPE AND TERM

The contract is a fixed price with price escalation contract. The contract began on April 1, 2021, and will end on March 31, 2029, with one two-year option to extend.

Retail Sales Network Contract Amendment

1

Retail Sales Network Contract Amendment

- InComm contract approval – March 2021 Board of Directors
- 10-year contract term
  - 5-year base
  - Two extension options - 3-year and 2-year
- This request - exercise the 3-year option, extending the contract through March 31, 2029

2

2

Justification & Ongoing Need

- **Revenue Contract – fare sales**
  - Retailers and InComm 4% commission and card fee
- **InComm has provided excellent service to our customers and regional fare system by providing:**
  - Enrollment, onboarding, and management of retailers
  - Management of supply and distribution of retail packaged fare media (full fare only)
  - Smartcard media sales
  - Stored value loads
  - Mobile ticketing loads
  - Cash to mobile for unbanked customers
  - Over **900** conveniently located retail locations
  - Accurate financial reporting and sales reconciliations

3

3

Retail Sales Network

Retail Sales Network Activity to Date

Transactions	FY25	FY26 through Dec	Total
Gross Sales	$ 2,364,083	$ 1,383,074	$ 3,747,156
Fees / Commissions	$ (119,306)	$ (64,938)	$ (184,244)
Net Sales	**$ 2,244,777**	**$ 1,318,135**	**$ 3,562,912**

Future Activity

- Annual Gross Sales Estimate - $2.6 million
- Annual Fees/Commissions Estimate - $120,000

4

4

Recommendation

Authorization for the Chief Executive Officer to execute a contract amendment with InComm, to extend the contract through March 31, 2029.

VALLEY METRO

Executive Summary

DATE **AGENDA ITEM 2**
February 12, 2026

SUBJECT
Comprehensive Operational Analysis (Bus Network Redesign) Contract Amendment

COST AND BUDGET
Cost of the extension is $260,485. The aggregate contract value will not exceed $899,633.

For FY26, the contract obligation is fully funded within the adopted FY26 Operating and Capital Budget. Contract obligations beyond FY26 are incorporated into the Agency's Five-Year Operating Forecast and Capital Program (FY26 through FY30).

The source of funds is Public Transportation Funds.

RECOMMENDATION
Authorization for the Chief Executive Officer to execute a contract amendment with Transportation Management and Design, Inc., to extend the contract through February 28, 2027, and increase the aggregate value of the contract not to exceed $899,633.

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

- Goal 1: Deliver excellent customer experience
  - Tactic 1.2: Prioritize a unified customer experience across modes
- Goal 4: Leverage industry best practices and innovations on data and technology
  - Tactic 4.3: Analyze route data to improve transit performance
- Goal 8: Operational excellence
  - Tactic 8.1: Optimize service performance

COMMITTEE PROCESS
RTAG: January 20, 2026, for information
TMC: February 4, 2026, approved
Board of Directors: February 19, 2026, for action

CONTACT
Aaron Xaevier
Service Planning & GIS Manager
AXaevier@valleymetro.org

ATTACHMENT
A copy of the contract amendment is available for review.

Background Information

The amendment adds extended project management support for the effort and targeted schedule optimization work using Automatic Vehicle Locator (AVL) data to recalibrate running times on up to 40 routes, as well as support for building and implementing those new schedules. It also includes additional engagement work with the Board of Directors and staff to gather feedback and guide plan development. These services provide additional staff capacity to manage a longer implementation timeline and a one-time technical effort to tighten runtimes and adjust recovery across weekday, Saturday, and Sunday service.

The primary benefit of these added scope elements lies in reducing risk and improving efficiency. Continued project management sustains coordination, reporting, and oversight throughout the extended schedule, while runtime recalibration offers a path to better on-time performance and more reliable service. By adjusting runtime and reducing required peak vehicles, the detailed runtime and scheduling work can reduce the number of vehicles needed to operate the same level of service and thus reduce costs significantly (hundreds of thousands of dollars in annual operating costs per peak bus removed) or reinvest those resources into operating more service at the same cost.

This contract is necessary to continue Valley Metro's in-depth regional transit system planning effort, which supports improvements to the region's transit system. It seeks to address unmet transit needs, achieve regional transit priorities, and develop recommendations for improvements to make service more attractive, productive, and efficient for the region's transit passengers ("The Plan").

The Plan is an integrated, multipronged evaluation of transit services in the Valley Metro service area for the purpose of increasing transit mobility, effectiveness, resource efficiency, and equity for residents and riders. The Plan will serve to empower and guide Valley Metro and its member jurisdictions in making strategic service decisions that improve ridership.

The Plan is a comprehensive operational analysis of services comparing current business performance with historical data to review business operations, focusing on consistency and costs incurred by the organization. It will result in recommendations to improve transit services with a focus on productivity, mobility, and emerging transit markets, as well as future improvements aimed at addressing unmet transit needs and delineating transit priorities in the region.

	FY25	FY26	FY27
Current Contract	$106,525	$426,096	$106,524
Proposed Extension		$70,500	$189,985
Average Monthly Spend	$35,508	$41,383	$37,063

CONTRACT TYPE AND TERM

The contract is a firm fixed-price contract. The contract began on March 1, 2025, and will end on February 28, 2027, with thirty-six one-month options to extend.

Bus Network Redesign (COA) Contract Extension

1

Bus Network Redesign: Our Comprehensive Operational Analysis

- Evaluates the effectiveness, efficiency, and productivity of transit service and recommends a new network

Recent and Upcoming Efforts

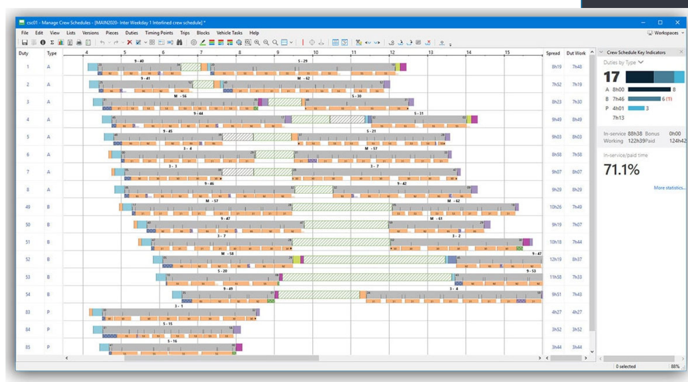
- Finalized existing conditions analysis documents
- Reviewing outreach results
- Developing service recommendations based on outreach and service evaluation
- Planning upcoming Spring round of outreach

2

2

Contract Amendment Purpose

- Utilize a Board-approved 1-year extension option.
- Take a deep dive into runtime calibration and schedules to:
  - Assist with recommendation implementation
  - Improve on-time performance
  - Improve customer experience
  - Reduce peak bus need, with each removed bus saving $300K+/Y



3

3

Contract Amendment Purpose

- Added Board and Executive engagement
  - Funds workshops to give in-depth updates on progress, outcomes, and next steps.
  - Includes final report presentation

4

4

Recommendation

Authorization for the Chief Executive Officer to execute a contract amendment with Transportation Management and Design, Inc., to extend the contract through February 28, 2027, and increase the aggregate value of the contract not to exceed $899,633.

Executive Summary

DATE **AGENDA ITEM 3**
February 12, 2026

SUBJECT
Fiscal Year 2025 (FY25) RPTA Annual Comprehensive Financial Report (ACFR) and Single Audit Reporting Package (SARP)

COST AND BUDGET
None.

RECOMMENDATION
This item is being presented for information. Action was taken at the Audit and Finance Subcommittee meeting on February 5, 2026.

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

- Goal 9: Financial Sustainability

COMMITTEE PROCESS
RTAG: January 20, 2026 for information
TMC: February 4, 2026 for information
AFS: February 5, 2026, approved
Board of Directors: February 19, 2026 for information

CONTACT
Ken Kessler
Chief Financial Officer
kkessler@valleymetro.org

ATTACHMENT
None

Background Information

BACKGROUND DISCUSSION
Forvis Mazars, LLP, Certified Public Accountants, has completed the audit of Regional Public Transportation Authority (RPTA) financial statements and Schedule of Expenditures of Federal Awards for the fiscal year ended June 30, 2025. RPTA has complied with both state and federal statutory audit requirements as well as adhering to Generally Accepted Accounting Principles in financial reporting. The Annual Comprehensive Financial Report demonstrates RPTA's commitment to the highest standard of financial reporting for a governmental entity.

In performing the audit of the financial statements, Forvis Mazars, LLP, considered internal controls in order to determine auditing procedures for the purpose of expressing opinions on the financial statements' fair presentation, in all material respects, of the financial position of RPTA and not to provide an opinion on the organizations' internal controls. The auditors did not identify and report any weaknesses in internal controls.

RPTA's Annual Comprehensive Financial Report for FY25 received an unmodified opinion. RPTA received the GFOA Certificate of Excellence in Financial Reporting for the FY24 ACFR, which demonstrates the agency's commitment to the highest standard of financial reporting for a government entity. The RPTA ACFR, which includes the Independent Auditor's Report and the Single Audit Reporting Package will be provided to the Audit and Finance Subcommittee on February 5, 2026.

Executive Summary

DATE
February 12, 2026

AGENDA ITEM 4

SUBJECT
Report on Current Events and Suggested Future Agenda Items

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
jmeffordmiller@valleymetro.org

ATTACHMENT
None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date

Agenda

February 12, 2026

Valley Metro Rail
Board of Directors
Thursday, February 19, 2026
Boardroom/Webex
Valley Metro, 101 N. 1st Avenue, 10th Floor
11:15 a.m.

CONSENT AGENDA

1A.	Minutes	1A. For action

Minutes from the November 13, 2025 Board meeting are presented for approval.

1B.	Federal Transit Administration Pass-Through Grant Agreement – Section 5307	1B. For action

Staff recommends that the Board of Directors authorize the Chief Executive Officer to execute a grant pass-through IGA amendment with the City of Phoenix for the listed grant.

REGULAR AGENDA

2.	Valley Metro Rail Fiscal Year 2026 (FY26) Mid-Year Budget Adjustment	2. For action

Staff recommends that the Board of Directors approve the Mid-Year budget adjustment increase of $21.9M to the Valley Metro Rail Operating & Capital Budget for Fiscal Year 2026.

3.	Fiscal Year 2025 (FY25) VMR Annual Comprehensive Financial Report (ACFR) and Single Audit Reporting Package (SARP)	3. For information

This item is being presented for information.

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

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

5.	Next Meeting	5.	For information

The next Board meeting is scheduled for **Wednesday, March 26, 2026 at 11:30 a.m.**

Qualified sign language interpreters are available with 72 hours notice. Materials in alternative formats 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

Meeting Minutes

February 12, 2026 **AGENDA ITEM 1A**

Valley Metro Rail Boards of Directors
Thursday, November 13, 2025
Lake Powell Conference Room/Webex
101 N. 1st Avenue, 10th Floor
11:15 a.m.

<u>Valley Metro Rail Participants</u>
Councilmember Laura Pastor, City of Phoenix – **Chair**
Councilmember Jennifer Adams, City of Tempe – **Vice Chair**

<u>Members Not Present</u>
Councilmember Francisco Heredia, City of Mesa

The chair called the meeting to order at 12:26 P.M.

Ms. Dillon said Councilmember Pastor, would you like to kick off the meeting and then hand it over to Councilmember Adams?

Chair Pastor said yes, I am in the middle of traveling and so I am going to have Councilmember Adams kick off the meeting and start the meeting and run it.

Ms. Dillon said thank you, ma'am.

1. <u>Consent Agenda</u>

Ms. Dillon said Vice Chair Adams, it's items 1A, 1B and 1C, A through C.

Chair Adams said I request a motion and a second to approve Consent Agenda items 1A through, it says and, but through 1C.

Motion by Councilmember Pastor, second by Councilmember Heredia.

Vice Chair Adams said all in favor? Motion carries.

IT WAS MOVED BY COUNCILMEMBER PASTOR, SECONDED BY COUNCILMEMBER HEREDIA, AND UNANIMOUSLY CARRIED TO APPROVE THE CONSENT AGENDA ITEMS 1A THROUGH 1C.

2. <u>Vendor Managed Inventory Contract Award</u>

Chair Adams said Vendor Managed Inventory Contract Award. Jessica, would you like to introduce this item?

Ms. Mefford-Miller said Thank you, Madam Chair, members of the VMR board. I will present on this item. This item before you is to request authority to enter into a contract with Siemens Mobility Incorporated for vendor managed parts.

What this contract is, it is a vendor managed inventory contract by which we would contract with the original equipment manufacturer, Siemens, who produced our S700 light rail vehicles. This contract would allow us to obtain parts very quickly that would normally have a long lead time. Having a long lead time waiting for parts interrupts our fleet availability. Having an agency or Valley Metro managed inventory requires that we purchase the parts in advance. Some of these parts can be quite costly. So the vendor managed inventory before you today allows us to purchase only the parts that we need with guarantee of their availability.

This is a request for a contract not to exceed $880,000. May I answer any questions on this contract?

Chair Adams said do we have any questions? I will request a motion and a second to approve the recommendations as presented on the screen.

Ms. Dillon said with this, Chair, the note should be that the total not to exceed will be $880,000. That's a leftover from a previous meeting. The dollar amount has changed to $880,000.

Chair Adams said that's not what my script says, but so it's changed from 880,000 to what?

Ms. Dillon said it changed from $1.1 million to $880,000.

Chair Adams said it actually went down.

Ms. Dillon said yes, ma'am.

Chair Adams said there's a first. We'll take it. Okay. Do I have a motion to –

Motion by Councilmember Pastor, second by Councilmember Heredia.

Chair Adams said all in favor? All opposed? Motion carries.

IT WAS MOVED BY COUNCILMEMBER PASTOR, SECONDED BY COUNCILMEMBER HEREDIA, AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO ENTER INTO A CONTRACT WITH SIEMENS MOBILITY, INC., TO SUPPLY AND MANAGE INVENTORY OF ORIGINAL EQUIPMENT MANUFACTURER PARTS FOR THE SIEMENS S700 LIGHT RAIL VEHICLE FLEET, WITH A FIVE-YEAR TERM WITH NO OPTIONS TO EXTEND. THE AGGREGATE VALUE OF THE CONTRACT WILL NOT EXCEED $880,000.

3. Manufacture and Delivery of Siemens Light Rail Vehicle Contract Award

Chair Adams said Manufacture and delivery of Siemens Light Rail Vehicle Contract Award. Jessica, I'll ask you to introduce this item.

Ms. Mefford-Miller said Thank you, Madam Chair, members of the board. We were here in the month of June of this year to request authority to enter into a contract for the procurement of three Siemens S700 light rail trains.

Those three trains, one was a replacement of a vehicle that was totaled in a collision in 2021. And two of those trains are to support our current level of service while maintaining reliability even during our midlife overhauls of our existing fleet.

We then entered into a contract with Siemens in the month of July for the purchase of those three light rail vehicles.

As you may recall, in the month of September, we experienced a loss of a train after a collision on Washington Street at 18th. The item before you is us working very quickly in partnership with our Chief Legal Officer, Michael Wawro, who has been working to recover insurance proceeds from the motorists at fault for this collision and our own self-insurance to request that we purchase a train from Siemens to replace that vehicle. We have been moving very quickly with the goal of minimizing the cost of this replacement train.

By acting swiftly and availing ourselves of those insurance proceeds, we will be able to add this fourth car onto that three car production. If we were to wait and have a single car production, which is really not at all ideal, they don't have these trains sitting in the yard, if you will, the cost per unit would be very high. The cost before you today, $9.373 million is a not to exceed amount.

We continue to work with Siemens on that final price, which we do expect to be a little bit lower than this figure. Are there any questions I may answer on this item?

Chair Adams said Seeing none. I request a motion and a second to approve the recommendations as presented on the screen. I need some motions.

Motion by Councilmember Pastor, second by Councilmember Heredia.

Chair Adams said all in favor? Any opposed? Motion carries.

IT WAS MOVED BY COUNCILMEMBER PASTOR, SECONDED BY COUNCILMEMBER HEREDIA, AND UNANIMOUSLY CARRIED TO AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO ENTER INTO A CONTRACT WITH SIEMENS MOBILITY, INC., FOR ONE S700 LOW FLOOR ARTICULATED LIGHT RAIL VEHICLE, WITH A FIVE-YEAR INITIAL TERM AND ONE TWO-YEAR OPTION TO EXTEND. THE AGGREGATE VALUE OF THE CONTRACT WILL NOT EXCEED $9,373,000.

4. Report on Current Events and Suggested Future Agenda Items

Chair Adams said now we will go to report on current events and suggested future agenda items. Are there any reports or current events that are on the agenda for the future meetings?

Councilmember Pastor said I don't have anything. Thank you.

5. Next Meeting

Chair Adams said with that, the next board meeting is scheduled for Thursday, January 22, 2026, at 11:15 a.m.

The meeting was adjourned.

The next meeting of the Board is scheduled for Thursday, January 22, 2026, at 11:15 a.m.

Without further discussion, the meeting was adjourned at 12:33 P.M.

Executive Summary

DATE
January 29, 2026

AGENDA ITEM 1B

SUBJECT
Federal Transit Administration Pass-Through Grant Agreement – Section 5307

COST AND BUDGET
All expenses are in the approved FY 2026 Adopted Operating and Capital Budget. The grant funds will offset expenses, reducing the net cost to member cities for rail and streetcar operations.

RECOMMENDATION
Authorization for the Chief Executive Officer to execute a grant pass-through IGA amendment with the City of Phoenix for the listed grant.

STRATEGIC PLAN ALIGNMENT

- Goal 9: Financial sustainability
  - Initiative 9.3: Maximize revenue generation, including advertising, farebox recovery, and discretionary/competitive grant opportunities.

COMMITTEE PROCESS
RTAG: January 20, 2026 for information
RMC: February 4, 2026 for action
Board of Directors: February 19, 2026 for action

CONTACT
Ken Kessler, Chief Financial Officer
kkessler@valleymetro.org

ATTACHMENT
None

Background Information

The City of Phoenix is the designated recipient of 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.

This item serves the Agency's strategic plan by providing financial sustainability by offsetting expenses and reducing the net cost to the member agency budgets.

Valley Metro is being provided federal funds through the Federal Transit Administration (FTA) to fund the purchase of fare vending machine spare parts. City of Phoenix will be ammending the exisiting pass-through grant agreement AZ-2022-003 to award these funds to Valley Metro Rail. In addition, grant AZ-2022-003 with City of Phoenix will expire on September 30, 2026. An extension until December 31, 2028 is needed to provide additional time to pay for the spare parts and drawdown the remaining federal funding.

Grant	**FTA Program**	**Federal Share**	**Local Share**	**Regional**	**Total**
AZ-2022-003	Section 5307	$2,000,000	$500,000	-	2,500,000

Federal Transit Administration Pass-Through Agreement Section 5307

1

FTA Pass-Through Agreements

Grant	FTA Program	Federal Share	Local Share	Regional	Total
AZ-2022-003	Section 5307	$2,000,000	$500,000	-	2,500,000

- Funds used for fare vending machine spare part costs.
- Grant extension until December 31, 2028

2

2

Recommendation

Authorization for the Chief Executive Officer to execute a grant pass-through IGA amendment with the City of Phoenix for the listed grant.

3

3

Executive Summary

DATE **AGENDA ITEM 2**
January 29, 2026

SUBJECT
Valley Metro Rail Fiscal Year 2026 (FY26) Mid-Year Budget Adjustment

COST AND BUDGET
The Mid-Year Budget Adjustment update to the Valley Metro Rail Operating & Capital Budget for FY26 would increase the overall budget by $21.9M, with the majority of that increase ($18.6M) being on the capital side due to timing of costs. The details of the Mid-Year adjustment, including sources and uses of funds, are provided in the Background Information section.

RECOMMENDATION
Approval of the Mid-Year budget adjustment increase of $21.9M to the Valley Metro Rail Operating & Capital Budget for FY26.

STRATEGIC PLAN ALIGNMENT
This item relates to the following goals and strategies in the Five-Year Strategic Plan:
- Goal 9: Financial Sustainability

COMMITTEE PROCESS
RTAG: January 20, 2026 for information
RMC: February 4, 2026 for action
Board of Directors: February 19, 2026 for action

CONTACT
Ken Kessler
Chief Financial Officer
(602) 523-6043
kkessler@valleymetro.org

ATTACHMENTS
None

Background Information

In May of 2025, the Board approved the FY26 Operating and Capital Budget. The cost factors used to develop the budget have changed and adjustments are warranted to update the expenditures planned for the remainder of the fiscal year.

Rail operating expenditures are up do the higher-than-normal labor rate adjustment for operators, additional operator headcount, and ticket vending machine parts. The recent Amalgamated Transit Union (ATU) labor contract negotiations resulted in a significant change to the pay structure, driving a larger-than-normal labor cost increase. Future labor increases are expected to return to the historical average of approximately 3%. Operator headcount was increased to improve service reliability following the South Central/Downtown Hub Extension launch. In addition, ticket vending machine parts originally anticipated for delivery in FY25 are now expected to be delivered in FY26 and are covered by 80% federal grants and 20% local match.

Annual expenditures will both increase and decrease for several capital projects in FY26 due to timing of scheduled work. Total project costs for all capital construction projects remain within the overall multi-year project budgets.

- Future Project Development work has decreased significantly in FY26 due to timing of the Rio East Dobson Extension (REDE) and I-10 West Extension (10WEST) efforts. REDE, the 4.4-mile streetcar extension connecting West Mesa residents to the current 3-mile streetcar alignment, received federal grant funding later than anticipated, shifting the majority of planned costs into FY27. The 10WEST project efforts have been delayed due to additional time needed for alignment design reviews in coordination with the Capitol Extension project.

- South Central Extension/Downtown Hub project increases are driven by updates to Siemens Mobility, artwork, third-party utilities, and Construction Manager at Risk activities originally expected to be completed in FY25.

- The Capitol Extension project decreases are directly due to the unanticipated need for additional alignment design reviews, requiring additional public feedback on the three alternative route options being proposed.

- Northwest Extension Phase II has a slight increase due to the timing of remaining milestone payments for Siemens light rail vehicles and remaining Construction Manager at Risk payments for the final construction close-out costs.

- State of Good Repair expenditures are lower due to the timing of planned overhauls, with several projects deferred to FY27. These deferrals reflect both the time needed to complete the work and updated assessments showing that certain components still have sufficient remaining useful life and do not yet require replacement or overhaul.

Operating Activities:

Budget Item	Description	Increase (Decrease) Amt	Funding Source
Light Rail	Costs increase due to higher labor rates from the ATU operator union contract, additional operators, and ticket vending machine parts.	$ 3,138,000	Federal Member Cities
Streetcar	Costs increase due to higher labor rates from the ATU operator union contract, additional operators, and ticket vending machine parts.	$ 114,000	Federal Member Cities
	Operating Total:	**$ 3,252,000**	

Capital Activities:

Budget Item	Description	Increase (Decrease) Amt	Funding Source
Future Project Development	FY26 costs decrease primarily due to schedule shifts for the REDE and 10WEST projects, moving most planned work into FY27.	$ (8,818,000)	PTF Federal
South Central	Costs increase due to FY25 work extending into FY26 for vehicles, artwork, utilities, and construction activities.	$ 31,792,000	PTF Federal City of Phoenix
Capitol Extension	Costs decrease due to additional alignment design reviews and public feedback required on proposed route options.	$ (4,081,000)	PTF
Northwest Ext II	Costs increase slightly due to the timing of remaining vehicle and construction close-out payments.	$ 6,412,000	PTF Federal City of Phoenix
State of Good Repair	Costs decrease as several planned overhauls are deferred to FY27 based on timing and remaining useful life assessments.	$ (6,707,000)	PTF Federal Member Cities
	Capital Total:	**$ 18,598,000**	
	Mid-Year Adjustment Total	**$ 21,850,000**	

SOURCES OF FUNDS ($000,000)

Operating Revenues

Sources of Funds	FY26	FY26 Amended	Change $	Change %
Advertising	$1.2	$1.2	$0.0	0%
Fares	7.1	7.1	0.0	0%
Federal Funds	2.8	4.2	1.4	48%
Member City Contributions	107.4	109.3	1.9	2%
Other	0.1	0.1	0.0	0%
Total Operating Sources	**$118.6**	**$121.9**	**$3.3**	**3%**

USES OF FUNDS ($000,000)

Operating Expenditures

Uses of Funds	FY26	FY26 Amended	Change $	Change %
Light Rail Operations & Maintenance	$86.2	$89.3	$3.1	4%
Light Rail Security	20.5	20.6	0.1	0%
Subtotal Light Rail	*106.6*	*109.9*	*3.3*	3%
Streetcar Operations & Maintenance	6.7	7.1	0.4	5%
Streetcar Security	1.5	1.2	(0.3)	-17%
Subtotal Streetcar	*8.2*	*8.3*	*0.1*	1%
Agency Operating	3.7	3.7	0.0	0%
Total Operating Uses	**$118.6**	**$121.9**	**$3.3**	**3%**

SOURCES OF FUNDS ($000,000)

Capital Revenues

Sources of Funds	FY26	FY26 Amended	Change $	Change %
Federal Funds	$110.8	$119.4	$8.6	8%
MAG Funds	0.5	0.5	0.0	0%
Member City Contributions	(86.7)	(80.4)	6.4	-7%
Public Transportation Funds	85.4	88.2	2.9	3%
Regional Area Road Funds	0.5	0.5	0.0	0%
Other	0.0	2.3	2.3	-
Carry Forward & Reserves	4.0	2.4	(1.6)	-39%
Total Capital Sources	**$114.5**	**$133.0**	**$18.6**	**16%**

USES OF FUNDS ($000,000)

Capital Expenditures

Uses of Funds	FY26	FY26 Amended	Change $	Change %
Future Project Development	$21.9	$13.1	($8.8)	-40%
South Central Ext/Downtown Hub	18.8	50.6	31.8	169%
Capitol Extension	32.1	28.0	(4.1)	-13%
Northwest Extension Phase II	2.6	9.0	6.4	243%
Tempe Streetcar	6.7	6.7	0.0	0%
Systemwide Improvements	4.2	4.2	0.0	0%
State of Good Repair	28.0	21.3	(6.7)	-24%
Total Capital Uses	**$114.4**	**$133.0**	**$18.6**	**16%**

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Changes – Operating Activities

Operating Activities:

Budget Item	Description	Increase (Decrease) Amt	Funding Source
Light Rail	Costs increase due to higher labor rates from the ATU operator union contract, additional operators, and ticket vending machine parts.	$ 3,138,000	Federal Member Cities
Streetcar	Costs increase due to higher labor rates from the ATU operator union contract, additional operators, and ticket vending machine parts.	$ 114,000	Federal Member Cities
	Operating Total:	**$ 3,252,000**	

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Sources of Funds - Operating ($000,000)

Operating Revenues

Sources of Funds	FY26	FY26 Amended	Change $	Change %
Advertising	$1.2	$1.2	$0.0	0%
Fares	7.1	7.1	0.0	0%
Federal Funds	2.8	4.2	1.4	48%
Member City Contributions	107.4	109.3	1.9	2%
Other	0.1	0.1	0.0	0%
Total Operating Sources	**$118.6**	**$121.9**	**$3.3**	**3%**

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Uses of Funds - Operating ($000,000)

Operating Expenditures

Uses of Funds	FY26	FY26 Amended	Change $	Change %
Light Rail Operations & Maintenance	$86.2	$89.3	$3.1	4%
Light Rail Security	20.5	20.6	0.1	0%
Subtotal Light Rail	*106.6*	*109.9*	*3.3*	3%
Streetcar Operations & Maintenance	6.7	7.1	0.4	5%
Streetcar Security	1.5	1.2	(0.3)	-17%
Subtotal Streetcar	*8.2*	*8.3*	*0.1*	1%
Agency Operating	3.7	3.7	0.0	0%
Total Operating Uses	**$118.6**	**$121.9**	**$3.3**	**3%**

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Changes – Capital Activities

Capital Activities:

Budget Item	Description	Increase (Decrease) Amt	Funding Source
Future Project Development	FY26 costs decrease primarily due to schedule shifts for the REDE and 10WEST projects, moving most planned work into FY27.	$ (8,818,000)	PTF Federal
South Central	Costs increase due to FY25 work extending into FY26 for vehicles, artwork, utilities, and construction activities.	$ 31,792,000	PTF Federal City of Phoenix
Capitol Extension	Costs decrease due to additional alignment design reviews and public feedback required on proposed route options.	$ (4,081,000)	PTF

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VALLEY METRO 5

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Changes – Capital Activities

Budget Item	Description	Increase (Decrease) Amt	Funding Source
Northwest Ext II	Costs increase slightly due to the timing of remaining vehicle and construction close-out payments.	$ 6,412,000	PTF Federal City of Phoenix
State of Good Repair	Costs decrease as several planned overhauls are deferred to FY27 based on timing and remaining useful life assessments.	$ (6,707,000)	PTF Federal Member Cities
	Capital Total:	**$ 18,598,000**	

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VALLEY METRO

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Sources of Funds - Capital ($000,000)

Capital Revenues

Sources of Funds	FY26	FY26 Amended	Change $	Change %
Federal Funds	$110.8	$119.4	$8.6	8%
MAG Funds	0.5	0.5	0.0	0%
Member City Contributions	(86.7)	(80.4)	6.4	-7%
Public Transportation Funds	85.4	88.2	2.9	3%
Regional Area Road Funds	0.5	0.5	0.0	0%
Other	0.0	2.3	2.3	-
Carry Forward & Reserves	4.0	2.4	(1.6)	-39%
Total Capital Sources	**$114.5**	**$133.0**	**$18.6**	**16%**

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Uses of Funds - Capital ($000,000)

Capital Expenditures

Uses of Funds	FY26	FY26 Amended	Change $	Change %
Future Project Development	$21.9	$13.1	($8.8)	-40%
South Central Ext/Downtown Hub	18.8	50.6	31.8	169%
Capitol Extension	32.1	28.0	(4.1)	-13%
Northwest Extension Phase II	2.6	9.0	6.4	243%
Tempe Streetcar	6.7	6.7	0.0	0%
Systemwide Improvements	4.2	4.2	0.0	0%
State of Good Repair	28.0	21.3	(6.7)	-24%
Total Capital Uses	**$114.4**	**$133.0**	**$18.6**	**16%**

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Recommendation

Approval of the Mid-Year budget adjustment increase of $21.9M to the Valley Metro Rail Operating & Capital Budget for FY26.

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Executive Summary

DATE **AGENDA ITEM 3**
January 29, 2026

SUBJECT
Fiscal Year 2025 (FY25) VMR Annual Comprehensive Financial Report (ACFR) and Single Audit Reporting Package (SARP)

COST AND BUDGET
None

RECOMMENDATION
This item is being presented for information. Action was taken at the Audit and Finance Subcommittee meeting on February 5, 2026.

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

- Goal 9: Financial Sustainability

COMMITTEE PROCESS
RTAG: January 20, 2026 for information
RMC: February 4, 2026 for information
AFS: February 5, 2026 for action
Board of Directors: February 19, 2026 for information

CONTACT
Ken Kessler
Chief Financial Officer
kkessler@valleymetro.org

ATTACHMENTS
None

Background Information

Forvis Mazars, LLP, Certified Public Accountants, has completed the audit of Valley Metro Rail (VMR) financial statements and Schedule of Expenditures of Federal Awards for the fiscal year ended June 30, 2025. VMR has complied with both state and federal statutory audit requirements as well as adhering to Generally Accepted Accounting Principles in financial reporting. The Annual Comprehensive Financial Report demonstrate VMR's commitment to the highest standard of financial reporting for a governmental entity.

In performing the audit of the financial statements, Forvis Mazars, LLP, considered internal controls in order to determine auditing procedures for the purpose of expressing opinions on the financial statements' fair presentation, in all material respects, of the financial position of VMR and not to provide an opinion on the organization's internal controls. The auditors did not identify and report any weaknesses in internal controls.

VMR's Annual Comprehensive Financial Report for FY25 received an unmodified opinion. VMR received the government Finance Officers Association (GFOA) Certificate of Excellence in Financial Reporting for the FY24 ACFR, which demonstrates the agency's commitment to the highest standard of financial reporting for a government entity. The VMR ACFR, which includes the Independent Auditor's Report and the Single Audit Reporting Package will be provided to the Audit and Finance Subcommittee on February 5, 2026.

Executive Summary

VALLEY METRO RAIL

DATE **AGENDA ITEM 4**
January 29, 2026

SUBJECT
Report on Current Events and Suggested Future Agenda Items

COST AND BUDGET
None

RECOMMENDATION
This item is presented for information only.

BACKGROUND/DISCUSSION/CONSIDERATION
None

COMMITTEE ACTION
None

CONTACT
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Chief Executive Officer
jmeffordmiller@valleymetro.org

ATTACHMENT
None

Pending Items Request

Item Requested	Date Requested	Planned Follow-up Date